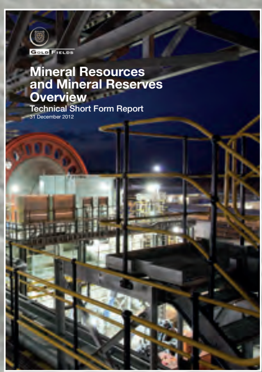
Annual Financial Report

for the year ended 31 December 2012

FURTHER RESOURCES

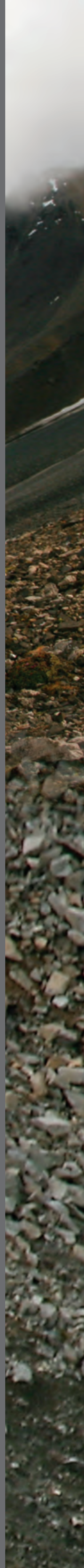
- Integrated Annual Review 2012
- Mineral Resources and Mineral Reserves Overview 2012 (available end-April 2013)



www.goldfields.co.za

Contents

The audited financial statements for the year ended 31 December 2012 have been prepared by the corporate accounting staff of Gold Fields Limited headed by Mrs Tzvet Ilarionova, the Group Financial Controller. This process was supervised by Mr Paul Schmidt, the Group's Chief Financial Officer.



Statement of responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of the Company and of the Group. The financial statements presented on pages 48 to 145 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act in South Africa, and include amounts based on judgements and estimates made by management.

The directors consider that, in preparing the financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Company and the Group at year end. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the companies to enable the directors to ensure that the financial statements comply with the relevant legislation.

The Company and the Group operated in a well-established controlled environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded and the material risks facing the business are being controlled.

The going-concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be going concerns in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Company and the Group.

Gold Fields has adopted a code of ethics which is available on the Gold Fields website and which is adhered to by the Group. The Group's external auditors, KPMG Incorporated, audited the financial statements, and their report is presented on page 5.

The financial statements were approved by the Board of Directors on 26 March 2012 and are signed on its behalf by:

NJ Holland
Chief Executive Officer

PA Schmidt
Financial Director

Company secretary's certificate

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

K Robinson
Company Secretary
26 March 2013

Audit Committee report

The Audit Committee has updated, formal terms of reference which are set out in the committee's Board-approved Charter. The Board is satisfied that the committee has complied with these terms and with its legal and regulatory responsibilities as set out in the Companies Act No 71 of 2008, as amended, the King Report on Governance Principles for South Africa 2009 (King III) and the JSE listing requirements.

The committee consisted of five independent non-executive directors throughout the financial year and membership and attendance at meetings is set out in the Integrated Annual Review. The Board believes that the members collectively possess the knowledge and experience to exercise oversight of Gold Fields' financial management, internal and external auditors, the quality of Gold Fields' financial controls, the preparation and evaluation of Gold Fields' financial statements and Gold Fields' financial reporting.

The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures but this is not a guarantee that such risks are eliminated.

It is the duty of this committee, among other things, to monitor and review:

- The effectiveness of the internal audit function;
- Audit findings, audit reports and the appointment of external auditors;
- Reports of both internal and external auditors;
- Evaluation of the performance of the Chief Financial Officer;
- The adequacy and effectiveness of the Company's enterprise-wide risk management policies, processes and mitigating strategies;
- The governance of information technology (IT) and the effectiveness of the company's information systems;
- Quarterly and annual financial and operational reports, the annual financial statements and all other widely distributed documents;
- The Form 20-F filing with the US Securities Exchange Commission (SEC);
- Accounting policies of the Group and proposed revisions;
- Compliance with applicable legislation, requirements of appropriate regulatory authorities and the Company's Code of Ethics;
- The integrity of the Integrated Annual Review (by ensuring that its content is reliable and recommending it to the Board for approval); and
- Policies and procedures for preventing and detecting fraud.

Internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee Chair and the Chair of the Board, ensuring that auditors are able to maintain their independence. Both the internal and external auditors report at Audit Committee meetings. The committee also meets with both internal and external auditors separately without other invitees being present.

The committee is responsible for recommending the appointment of a firm of external auditors to the Board who in turn will recommend the appointment to the shareholders. The committee is also responsible for determining that the designated appointee has the necessary experience, qualifications and skills and that the audit fee is adequate.

The committee reviewed and assessed the independence of the external auditor, including their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and international bodies have been followed. The committee is satisfied that KPMG is independent of the Group. An audit fee for the year of R27.9 million (US$3.4 million) was approved, as well as R0.1 million (US$nil) for tax advisory compliance services and R13.9 million (US$1.7 million) in assurance services on bonds, sustainability reporting, Sibanye Gold Limited unbundling and other agreed-upon services. The committee determines the nature and extent of non-audit services that the firm can provide and pre-approves all permitted non-audit assignments by the Company's independent auditor.

The committee approved the annual audit plan presented by the external auditors and monitors progress against the plan. The audit plan forms the basis of providing the committee with the necessary assurances on risk management, the internal control environments and IT governance. The committee recommends that KPMG is reappointed for the 2013 financial year with Mr Coenie Basson as the Group audit engagement partner.

The internal control systems of the Group are monitored by internal auditors who report their findings and recommendations to the Audit Committee and to senior management. The committee determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter. The Internal Audit function is headed by the Vice-President, Internal Audit, who can be appointed or dismissed by the Audit Committee. The committee is satisfied that the Vice-President has the requisite skills and experience and that he is supported by sufficient staff with appropriate skills and training.

Gold Fields Internal Audit (GFIA) operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (IIA). The internal audit activities carried out during the year were identified through a combination of the Gold Fields Risk Management framework and the risk based methodologies adopted by GFIA. The committee approves the annual Internal Audit assurance plan presented by GFIA and monitors progress against the plan.

GFIA reports deficiencies to the committee every quarter together with recommended remedial actions which are then followed up. Internal Audit provided the committee with a written report which assessed the internal financial controls, IT governance and the risk management process as adequate.

The Audit Committee is responsible for IT Governance on behalf of the Board and reviews the report of the Vice-President, IT, at each meeting. During the year the Information and Technology team conducted a global ISO 27001 security standard gap analysis to determine areas of weakness which were then addressed by implementing an Information Security Management System aligned to the ISO 27001 standard.

The CFO's expertise was evaluated by the Audit Committee. The committee is satisfied that the CFO has the appropriate expertise and experience to carry out his duties as the financial director of the company and is supported by qualified and competent senior staff.

AUDIT COMMITTEE STATEMENT

Based on information from and discussions with management and external auditors, the Audit Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records can be relied upon as the basis for preparation of the annual financial statements.

The Audit Committee considered and discussed this Integrated Annual Review with both management and the external auditors.

During this process, the committee:

- Evaluated significant judgements and reporting decisions;
- Determined that the going-concern basis of reporting is appropriate;
- Evaluated the material factors and risks that could impact on the annual report;
- Evaluated the completeness of the financial and sustainability discussion and disclosures; and
- Discussed the treatment of significant and unusual transactions with management and the external auditors.

The Audit Committee considers that this Integrated Annual Review complies in all material respects with the statutory requirements of the various regulations governing disclosure and reporting of the annual financial statements and that the annual financial statements comply in all material respects with the Companies Act No 71 of 2008, as amended and IFRS. The Audit Committee has recommended to the Board that the annual financial statements be adopted and approved by the Board.

G Wilson

Chair, Audit Committee
26 March 2013

Independent auditor's report

TO THE SHAREHOLDERS OF GOLD FIELDS LIMITED

We have audited the consolidated and separate financial statements of Gold Fields Limited, which comprise the statements of financial position at 31 December 2012, and the income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 48 to 145.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Gold Fields Limited at 31 December 2012, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 31 December 2012, we have read the directors' report, the audit committee report and the company secretary's certificate. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.

Registered Auditor

Per Coenie Basson
Chartered Accountant (SA)
Registered Auditor
Director
26 March 2013

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Gauteng
South Africa

Management's discussion and analysis of the financial statements

Gold Fields is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. Gold Fields is primarily involved in underground and surface gold and copper mining and related activities, including exploration, extraction, processing and smelting. On 29 November 2012, Gold Fields announced the creation of a new South African gold mining company through the listing and subsequent unbundling of its 100% owned subsidiary, Sibanye Gold Limited ("Sibanye Gold"), formerly known as GFI Mining South Africa Proprietary Limited, which holds the KDC and Beatrix gold mines as well as various service companies. Sibanye Gold was listed as a separate and independent company on both the JSE and the NYSE on 11 February 2013. Sibanye Gold shares held by Gold Fields were then distributed to existing Gold Fields shareholders on 18 February 2013. Following the unbundling, Gold Fields will retain the balance of its current portfolio of assets, including the developing South Deep gold mine located in South Africa. The assets and liabilities of Sibanye Gold have been presented as held for distribution. The financial results of Sibanye Gold, which include the KDC and Beatrix mines, have been presented as discontinued operations in the consolidated financial statements and the comparative income statement and statement of cash flows have been presented as if Sibanye Gold had been discontinued from the start of the comparative period.

The management discussion and analysis that follows discusses the results for the Gold Fields Group (including continuing and discontinued operations), continuing operations standalone and discontinued operations standalone by comparing the year ended 31 December 2012 (defined as "2012") to the year ended 31 December 2011 (defined as "2011").

GOLD FIELDS GROUP

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**	**CONSOLIDATED INCOME STATEMENT**	**2012**	**2011**
5,800.1	**5,551.8**	Revenue	**45,469.3**	41,876.8
(3,659.5)	**(3,759.1)**	Cost of sales	**(30,788.0)**	(26,421.2)
2,140.6	**1,792.7**	**Net operating profit**	**14,681.3**	15,455.6
25.4	**29.2**	Investment income	**239.4**	183.0
(62.3)	**(70.8)**	Finance expense	**(579.7)**	(449.6)
4.4	**(0.4)**	(Loss)/gain on financial instruments	**(3.3)**	31.6
9.1	**(13.8)**	(Loss)/gain on foreign exchange	**(112.7)**	65.8
(29.8)	**(30.1)**	Other costs	**(248.1)**	(215.4)
(66.4)	**(77.7)**	Share-based payments	**(636.0)**	(479.3)
(115.2)	**(128.5)**	Exploration expense	**(1,052.7)**	(832.1)
(17.4)	**(44.1)**	Feasibility and evaluation costs	**(361.2)**	(125.6)
4.0	**(38.4)**	Share of results of associates after taxation	**(314.3)**	29.1
(63.5)	**(66.0)**	Restructuring costs	**(540.4)**	(458.6)
(10.0)	**(98.2)**	Impairment of investments and assets	**(803.9)**	(71.9)
12.8	**27.6**	Profit on disposal of investments	**225.9**	92.6
(0.4)	**0.5**	Profit/(loss) on disposal of property, plant and equipment	**4.5**	(2.8)
1,831.3	**1,282.0**	**Profit before royalties and taxation**	**10,498.8**	13,222.4
(149.7)	**(151.2)**	Royalties	**(1,238.0)**	(1,081.0)
1,681.6	**1,130.8**	**Profit before taxation**	**9,260.8**	12,141.4
(600.4)	**(406.6)**	Mining and income tax	**(3,329.7)**	(4,335.1)
1,081.2	**724.2**	**Profit for the year**	**5,931.1**	7,806.3
		Profit attributable to:		
973.2	**690.9**	– Owners of the parent	**5,658.1**	7,026.7
108.0	**33.3**	– Non-controlling interest holders	**273.0**	779.6
1,081.2	**724.2**		**5,931.1**	7,806.3
		Earnings per share attributable to ordinary shareholders of the Company:		
135	**95**	Basic earnings per share – cents	**778**	973
		South African rand/US dollar conversion rate	**8.19**	7.22
		South African rand/AU dollar conversion rate	**8.48**	7.45

GOLD FIELDS GROUP (continued)

RESULTS FOR THE YEAR

Profit attributable to owners of the parent decreased by 19% from R7,027 million (or 973 cents per share) for 2011 to R5,658 million (or 778 cents per share) for 2012. The reasons for this decrease are discussed below.

REVENUE

Revenue increased by 9% from R41,877 million for 2011 to R45,469 million for 2012. The increase in revenue of R3,592 million was due to an increase in the average rand gold price for the period from R364,216 per kilogram to R435,584 per kilogram, partly offset by a decrease in gold sales. The rand gold price increase was due to a 5% increase in the US dollar gold price from an average of US$1,569 per ounce to US$1,654 per ounce together with a weaker rand, which weakened 13% from an average of R7.22 to R8.19 to the US dollar.

Gold sales decreased by 9% from 3,696,600 ounces in 2011 to 3,356,100 ounces in 2012. Gold sales at the South African operations decreased by 13% from 1,720,000 ounces to 1,494,000 ounces. Gold sales at the West African operations decreased by 5% from 935,000 ounces to 885,300 ounces. Gold sales at the South American operation (Cerro Corona) decreased by 9% from 383,000 equivalent ounces to 350,400 equivalent ounces. At the Australasian operations, gold sales decreased by 5% from 658,600 ounces to 626,400 ounces.

At the South African operations, gold sales at KDC decreased by 15% from 1,100,200 ounces to 934,900 ounces as a result of lower underground and surface mining volumes. The lower volumes were due to a fire at Ya Rona shaft which broke out on 30 June and was eventually extinguished on 14 August, together with illegal strike action which affected most of the South African operations. The illegal strikes that took place from late August to early November resulted in a total of 30 days' lost production at KDC East (formerly Kloof) and 39 days' lost production at KDC West (formerly Driefontein). Approximately 116,000 ounces was lost due to the illegal strike and 30,000 ounces due to the fire. At Beatrix, gold output decreased by 17% from 346,800 ounces to 288,700 ounces due to lower underground grades and lower volumes mined and processed and also because of illegal strike action which resulted in the loss of 23 days' production at the North and South sections and the loss of 29 days at the West section (formerly Oryx or 4 shaft). Approximately 29,000 ounces was lost due to the illegal strike. At South Deep, gold sales were marginally lower, decreasing from 273,000 ounces to 270,400 ounces. Although South Deep increased underground mining volumes and grades, as it builds to full production, this was offset by a decrease in surface production which was discontinued in 2012 due to a lack of payable ore.

At the West African operations, gold sales at Tarkwa increased marginally from 717,300 ounces to 718,900 ounces as grades and volumes were similar year on year. Damang's gold sales decreased by 24% from 217,700 ounces to 166,400 ounces mainly due to mining constraints because of partial sterilisation of the Damang pit floor for safety reasons whilst mining the East ramp to improve future mining flexibility, together with milling constraints due to ageing plant infrastructure which is in the process of being refurbished.

At Cerro Corona in South America, copper production reduced from 38,600 tonnes to 36,200 tonnes, but gold production increased from 161,500 ounces to 170,000 ounces. Gold equivalent sales decreased by 9% from 383,000 ounces to 350,400 ounces due to the 16% lower copper to gold price ratio and the scheduled lower gold and copper grades.

At the Australasian operations production at St Ives decreased by 3% from 464,600 ounces to 449,800 ounces mainly due to mining lower grade open pits in 2012. At Agnew, gold sales decreased by 9% from 194,000 ounces to 176,600 ounces due to complex ground conditions which required the mining schedule to be re-planned mid-year, resulting in a focus on lower-volume higher-grade ore from Kim underground.

COST OF SALES

Cost of sales, which consists of operating costs, changes in gold inventories and amortisation and depreciation, increased by 17% from R26,421 million in 2011 to R30,788 million in 2012.

The analysis that follows provides a more detailed comparison of cost of sales together with total cash cost and notional cash expenditure (NCE) per ounce.

Operating costs – cost of sales less gold inventory change, and amortisation and depreciation

Operating costs increased by 16% from R21,312 million in 2011 to R24,674 million in 2012, R1,341 million of this increase of R3,366 million was due to the weaker rand.

At the South African operations, operating costs increased by 11% from R12,000 million in 2011 to R13,354 million in 2012. This increase of R1,354 million was mainly due to the above-inflation all-in annual wage increase of around 9.4%, an increase in electricity tariffs of 16%, additional support costs, an increase in de-stress development at South Deep and an increase in raw material input costs. These increases were partially offset by the lower production levels, mainly due to the strikes, resulting in lower consumable usage and lower labour costs. At KDC, operating costs increased by 11% from R7,452 million to R8,237 million. Beatrix increased by 9% from R2,409 million to R2,637 million and South Deep increased by 16% from R2,138 million to R2,480 million.

GOLD FIELDS GROUP (continued)

At the West African operations, operating costs increased by 12% from US$579 million in 2011 to US$651 million in 2012. This increase of US$72 million was mainly due to increased fuel and power costs, together with normal inflationary increases, annual wage increases and increased management fees at Damang. At Tarkwa, operating costs increased by 13% from US$436 million to US$494 million and at Damang, operating costs increased by 11% from US$142 million to US$157 million.

At the Cerro Corona operation in Peru, operating costs increased by 9% from US$157 million in 2011 to US$171 million in 2012, mainly due to an increase in volumes mined, an increase in workers' statutory participation in profits and normal inflationary increases.

At the Australasian operations, operating costs increased by 1% from A$537 million in 2011 to A$541 million in 2012. At St Ives, operating costs decreased by 1% from A$403 million to A$398 million. This decrease of A$5 million was mainly due to the introduction of owner mining at the open pit operations in July 2012. At Agnew, operating costs increased by 7% from A$134 million to A$143 million. This increase of A$9 million was mainly due to the cost of mining the deeper Kim ore body during the second half of 2012, which required additional support.

General and administration (G&A) costs

Net general and administration costs, which are included in operating costs, amounted to R975 million in 2012, compared with R624 million in 2011 mainly due to an increase in World Gold Council costs, consultants costs for the strategic portfolio review and ore flow reconciliation project.

Gold inventory change

The gold inventory credit decreased by 67% from R547 million in 2011 to R180 million in 2012.

At Tarkwa, the gold inventory credit decreased from US$65 million in 2011 to US$25 million in 2012. The US$25 million credit in 2012 was due to a release of stockpiled ore and a revaluation of inventory during the year. The US$65 million credit in 2011 was due to a revaluation of the carrying value of heap leach inventories.

At Damang, the gold inventory credit increased from US$2 million in 2011 to US$4 million in 2012, both credits due to movements in stockpiles.

At Cerro Corona, the charge of US$0.1 million in 2011 compared with a credit to costs of US$11 million in 2012, due to a build-up of oxide inventory during the year.

At St Ives, the credit of A$3 million in 2011 compared with a charge to costs of A$14 million in 2012. The charge in 2012 was as a result of a strategic decision to process stockpiles built-up from the open pits in prior periods. The credit in 2011 was due to a build-up of inventory resulting from an increase in mining volumes towards the end of the year.

At Agnew, the credit of A$6 million in 2011 compared with a charge to costs of A$3 million in 2012, resulting from processing the Songvang open pit stockpile in 2012 that was built-up in 2011.

The table below presents the analysis of cost of sales:

Analysis of cost of sales		2012 R million	2011 R million
Cost of sales per income statement		**30,788**	26,421
(Deduct)/add:	Amortisation and depreciation	**(6,294)**	(5,656)
	Gold inventory change – total	**180**	547
Operating costs		**24,674**	21,312
(Deduct)/add:	General and administration	**(975)**	(624)
	Royalties[1]	**1,238**	1,081
	Gold inventory change – cash portion	**(221)**	(447)
	Rehabilitation	**(138)**	(107)
Total cash cost		**24,578**	21,215

[1]Royalties are added as they are reflected below operating profit in the income statement but included as part of total cash cost.

GOLD FIELDS GROUP (continued)

The following table sets out for each operation and the Group, total gold sales in ounces and total cash cost in US$/oz and R/kg for 2012 and 2011:

	2012			2011		
	Gold sold '000 oz	Total cash cost[4] US$/oz	Total cash cost[4] R/kg	Gold sold '000 oz	Total cash cost[4] US$/oz	Total cash cost[4] R/kg
KDC	**934.9**	**1,076**	**283,249**	1,100.2	946	219,642
Beatrix	**288.7**	**1,118**	**294,277**	346.8	957	222,073
South Deep	**270.4**	**1,105**	**290,952**	273.0	1,073	249,146
South African operations	**1,494.0**	**1,089**	**286,774**	1,720.0	968	224,815
Tarkwa[1]	**718.9**	**673**	**177,091**	717.3	556	129,011
Damang[2]	**166.4**	**918**	**241,863**	217.7	701	162,803
West African operations	**885.3**	**719**	**189,263**	935.0	590	136,879
Cerro Corona	**350.4**	**492**	**129,672**	383.0	437	101,536
South American operations[3]	**350.4**	**492**	**129,672**	383.0	437	101,536
St Ives	**449.8**	**931**	**245,183**	464.6	901	209,170
Agnew	**176.6**	**827**	**217,856**	194.0	696	161,640
Australasian operations	**626.4**	**902**	**237,478**	658.6	841	195,167
Total operations	**3,356.1**			3,696.6		
Weighted average unit cost		**894**	**235,451**		795	184,515

[1] For the year ended 31 December 2012 and 2011, 647,010 ounces and 576,300 ounces respectively were attributable to Gold Fields.

[2] For the year ended 31 December 2012 and 2011, 149,760 ounces and 174,400 ounces respectively were attributable to Gold Fields.

[3] For the year ended 31 December 2012 and 2011, 345,140 equivalent ounces and 357,200 equivalent ounces were respectively attributable to Gold Fields.

[4] Total cash cost is calculated in accordance with the Gold Industry standard.

The weighted average total cash cost per kilogram increased by 28% from R184,515 per kilogram (US$795 per ounce) in 2011 to R235,451 per kilogram (US$894 per ounce) in 2012 due to higher operating costs and lower gold equivalent ounces sold.

The weighted average total cash cost at the South African operations increased by 28% from R224,815 per kilogram (US$968 per ounce) in 2011 to R286,774 per kilogram (US$1,089 per ounce) in 2012. This increase was as a result of the decrease in gold production and the increase in costs described earlier.

At the West African operations total cash cost increased by 22% from US$590 per ounce to US$719 per ounce. This increase was due to the decrease in production at Damang as a result of mining and milling constraints and at Tarkwa, a reduction in the gold-in-process credit due to a credit received in 2011 from the revaluation of the carrying value of heap leach inventories.

At Cerro Corona in South America, total cash cost increased by 13% from US$437 per ounce to US$492 per ounce. This increase in unit costs was due to the increase in operating costs together with the decrease in equivalent gold sales.

At the Australasian operations, total cash cost increased by 7% from A$815 per ounce (US$841 per ounce) to A$871 per ounce (US$902 per ounce) mainly due to lower production at both St Ives and Agnew in 2012.

Amortisation and depreciation

Amortisation and depreciation increased by 11% from R5,656 million in 2011 to R6,294 million in 2012, of which R399 million was due to the weaker rand.

At the South African operations amortisation increased from R2,731 million in 2011 to R3,020 million in 2012. On an annual basis KDC increased by 3% from R1,663 million to R1,713 million due to a reduction in life of mine reserves, mainly at Driefontein 1 shaft. Only 11 months of amortisation and depreciation were included in 2012 as a result of KDC and Beatrix being classified as discontinued operations in December 2012. On an annual basis Beatrix increased by 23% from R514 million to R632 million due to a decrease of the life of mine. South Deep increased by 22% from R554 million to R675 million mainly due to additions to property, plant and equipment. The above increases were partially offset by an accounting reversal of the amortisation and depreciation charge for the month of December of R248 million when the South African operations were classified as discontinued for accounting purposes.

GOLD FIELDS GROUP (continued)

At the West African operations, amortisation increased by 15% from US$132 million in 2011 to US$152 million in 2012. Tarkwa increased by 19% from US$105 million to US$125 million due to increased amortisation rates reflecting the open pits currently being mined. Damang remained constant at US$27 million as the depreciation of additional mining fleet was offset by the decrease in production.

In South America, amortisation at Cerro Corona decreased by 17% from US$59 million in 2011 to US$49 million in 2012 as a result of an increase in reserve tonnes on which amortisation is based.

At the Australasian operations, amortisation increased by 7% from A$189 million in 2011 to A$203 million in 2012. At St Ives, amortisation increased by 5% from A$145 million to A$152 million in 2012 due to increased depreciation on the newly acquired owner mining fleet. Agnew increased by 16% from A$44 million to A$51 million due to increased amortisation rates at Kim and Main Lode.

Notional cash expenditure (NCE)

Notional cash expenditure is defined as operating costs (including general and administration costs) plus capital expenditure, which includes brownfields exploration, and is reported on a per kilogram and per ounce basis. Excluded from NCE is the 49% of the Chucapaca project funded by Buenaventura. The objective is to provide the all-in cost for the Group, and for each operation. NCE per ounce influences how much free cash flow is available in order to pay taxation, interest, greenfields exploration and dividends. NCE margin is defined as the difference between revenue per ounce and NCE per ounce expressed as a percentage. NCE margin was 17% and 25% for 2012 and 2011 respectively.

	2012					2011				
	Gold produced '000 oz	Operating costs R million	Capital expenditure R million	NCE R/kg	NCE US$/oz	Gold produced '000 oz	Operating costs R million	Capital expenditure R million	NCE R/kg	NCE US$/oz
KDC	**934.9**	**8,236.9**	**2,426.2**	**366,707**	**1,393**	1,100.2	7,452.4	2,300.3	285,017	1,228
Beatrix	**288.7**	**2,636.7**	**658.2**	**366,875**	**1,393**	346.8	2,408.8	611.1	279,957	1,206
South Deep	**270.4**	**2,480.4**	**2,575.8**	**601,141**	**2,283**	273.0	2,138.4	1,982.4	485,314	2,091
South African operations	**1,494.0**	**13,354.0**	**5,660.2**	**409,172**	**1,554**	1,720.0	11,999.6	4,893.8	315,788	1,360
Tarkwa	**718.9**	**4,049.1**	**2,128.4**	**276,299**	**1,049**	717.3	3,150.6	1,580.5	212,043	913
Damang	**166.4**	**1,283.9**	**937.1**	**429,262**	**1,630**	217.7	1,026.0	634.5	245,201	1,056
West African operations	**885.3**	**5,333.0**	**3,065.5**	**305,045**	**1,158**	935.0	4,176.6	2,215.0	219,763	947
Cerro Corona	**342.1**	**1,403.4**	**768.1**	**204,069**	**775**	383.1	1,136.6	501.0	137,440	592
South American operations	**342.1**	**1,403.4**	**768.1**	**204,069**	**775**	383.1	1,136.6	501.0	137,440	592
St Ives	**449.8**	**3,370.5**	**2,554.5**	**423,456**	**1,608**	464.6	2,999.2	1,319.1	298,865	1,287
Agnew	**176.6**	**1,212.7**	**510.3**	**313,615**	**1,191**	194.0	1,000.0	534.7	254,300	1,096
Australian operations	**626.4**	**4,583.2**	**3,064.8**	**392,487**	**1,491**	658.6	3,999.2	1,853.8	285,735	1,231
Total mining operations	**3,347.8**	**24,673.6**	**12,558.6**	**357,558**	**1,358**	3,696.7	21,312.0	9,463.6	267,663	1,153
Growth projects and corporate	**–**	**–**	**497.0**	**4,773**	**18**	–	–	524.5	4,561	20
Group	**3,347.8**	**24,673.6**	**13,055.6**	**362,331**	**1,376**	3,696.7	21,312.0	9,988.1	272,224	1,173

The above calculation is based on the average rand to the US dollar exchange rate of R8.19 and R7.22 in 2012 and 2011 respectively.

The NCE increased by 33% from R272,224 per kilogram (US$1,173 per ounce) in 2011 to R362,331 per kilogram (US$1,376 per ounce) in 2012 because of the higher operating costs and capital expenditure (as discussed under additions to property, plant and equipment) together with the lower production.

GOLD FIELDS GROUP (continued)

NET OPERATING PROFIT

Net operating profit decreased by 5% from R15,456 million in 2011 to R14,681 million in 2012.

This is due to the higher cost of sales partially offset by higher revenue as a result of the higher average gold price received.

INVESTMENT INCOME

Income from investments increased by 31% from R183 million in 2011 to R239 million in 2012. The increase was mainly due to higher average cash balances at the international operations in 2012 compared with 2011.

The investment income in 2012 of R239 million comprised Rnil dividend income, R74 million interest on monies invested in the South African environmental rehabilitation trust funds and R165 million interest on other cash and cash equivalent balances.

The investment income in 2011 of R183 million comprised R3 million in dividend income, R70 million interest on monies invested in the South African environmental rehabilitation trust funds and R110 million interest on other cash and cash equivalent balances.

Dividend income decreased from R3 million in 2011 to Rnil in 2012.

Interest received on the funds invested in rehabilitation trust funds increased from R70 million in 2011 to R74 million in 2012 due to higher balances invested in 2012 compared with 2011.

Interest on other cash balances increased from R110 million in 2011 to R165 million in 2012 mainly due to higher average cash balances at the international operations in 2012 compared with 2011.

FINANCE EXPENSE

Finance expense increased by 29% from R450 million in 2011 to R580 million in 2012.

The finance expense of R580 million in 2012 comprises R31 million relating to the accretion of the environmental rehabilitation liability and R681 million on various Group borrowings, partially offset by interest capitalised of R132 million.

The finance expense of R450 million in 2011 comprised R9 million interest payable on the preference shares, R58 million relating to the accretion of the environmental rehabilitation liability and R450 million on various Group borrowings, partially offset by interest capitalised of R67 million.

The interest on preference shares decreased from R9 million in 2011 to nil in 2012 due to the full and final redemption of the preference shares in 2011.

The environmental rehabilitation liability accretion expense decreased from R58 million in 2011 to R31 million in 2012 mainly due to an increase in the mines' lives.

Below is an analysis of the components making up other interest, stated on a comparative basis:

	2012 R million	2011 R million
Interest on commercial paper	–	8
Interest on borrowings to fund capital expenditure and operating costs at the South African operations	134	10
Interest on US$1 billion notes issue	406	361
Interest on US$60 million senior secured revolving credit facility	13	7
Interest on US$200 million non-revolving senior secured term loan	28	25
Interest on US$1 billion syndicated revolving credit facility	64	18
Interest on split-tenor revolving credit facility	9	15
Interest on US$500 million syndicated revolving credit facility	15	–
Other interest charges	12	6
	681	450

GOLD FIELDS GROUP (continued)

Interest on the US$1 billion notes issue increased from R361 million in 2011 to R406 million in 2012 due to the weakening of the average US$/ZAR exchange rate which weakened from R7.22 in 2011 to R8.19 in 2012.

Interest on the US$1 billion syndicated revolving credit facility, split-tenor revolving credit facility and US$500 million syndicated revolving facility increased from R33 million in 2011 to R88 million in 2012 due to additional borrowings.

During 2012, R132 million (2011: R67 million) of interest was capitalised in terms of IAS 23 *Borrowing Cost*. IAS 23 requires capitalisation of borrowing costs whenever general or specific borrowings are used to finance qualifying projects. The qualifying projects during 2012 were South Deep's mine development and ventilation shaft deepening project, as well as spend on Chucapaca (2011: South Deep mine).

(LOSS)/GAIN ON FINANCIAL INSTRUMENTS

Loss of R3 million in 2012 compared with a gain of R32 million in 2011. The breakdown of these numbers is given below:

	2012 R million	2011 R million
SA rand/US dollar forward contract	**–**	1
SA rand/AU dollar forward contract	**2**	1
Gain on Australian diesel hedge	**4**	–
Negative/(positive) marked-to-market valuation of exploration junior warrants	**(9)**	7
Gain on receipt of shares in Timpetra Resources Limited	**–**	23
	(3)	32

Currency forward contracts

During 2012 the Group had the following financial instruments:

(a) Currency forward contract:
- South African rand/AU dollar forward cover contract with an initial value of AS$7 million for commitments of the South African operations which was delivered into during the year.

(b) Australian diesel hedge:
- St Ives Gold Mining Company entered into a Gasoil 10PPM FOB Singapore contract for 10,000 barrels per month effective 1 August 2012 until 31 January 2013 at a fixed price of US$118.90 per barrel. 20,000 barrels with a marked-to-market value of US$0.1 million were outstanding at the end of December 2012.

During 2011 the Group had three different currency forward contracts:

- South African rand/US dollar forward cover contract with an initial value of US$2 million which was delivered into during the year;
- South African rand/Canadian dollar forward cover contract with an initial value of CA$0.4 million which was delivered into during the year; and
- South African rand/Australian dollar forward cover contract with an initial value of AU$3 million of which AU$3 million was outstanding at the end of the year.

The R9 million negative marked-to-market valuation in 2012 relates to warrants in Atacama Pacific Gold Corporation, an exploration junior with a portfolio of exploration projects in Chile and Rackla Metals Inc. focused on gold projects in Canada's Yukon territory. The R7 million positive marked-to-market valuation in 2011 relates to warrants in Atacama Pacific Gold Corporation.

The R23 million gain on receipt of shares in 2011 arose as a result of Gold Fields receiving 15 million Timpetra Resources Limited shares valued at R23 million. Timpetra Resources is an Australian listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project.

GOLD FIELDS GROUP (continued)

(LOSS)/GAIN ON FOREIGN EXCHANGE

The loss on foreign exchange in 2012 was R113 million compared with a gain of R66 million in 2011. The breakdown of these numbers is given below:

	2012 R million	2011 R million
Exchange (losses)/gains on cash balances held in currencies other than the functional currencies of the Group's various subsidiary companies*	**(83)**	36
(Loss)/gain on repayment of US dollar-denominated intercompany loans	**(30)**	30
	(113)	66

* Functional currency in Ghana and Peru is US dollar and in Australia is Australian dollar.

The loss of R83 million in 2012 compared to a gain of R36 million in 2011 due to the weakening of the Ghanaian cedi and Peruvian nuevo sol in 2012 compared with a strengthening of the Peruvian nuevo sol in 2011.

The R30 million loss in 2012 (2011: gain of R30 million) relates to a loss on the conversion of an intercompany US dollar-denominated loan between Gold Fields Orogen Holdings and St Ives Gold Mining Company.

OTHER COSTS

Other costs increased by 15% from R215 million in 2011 to R248 million in 2012. The charges are mainly made up of:

- Social contributions and sponsorships;
- New loan facility charges;
- Research and development costs into mechanised mining; and
- Legal fees paid as a result of a dispute with a mining contractor in Ghana.

SHARE-BASED PAYMENTS

Gold Fields recognises the cost of share options granted (share-based payments) in terms of International Financial Reporting Standard (IFRS) 2.

Gold Fields has adopted appropriate valuation models (Black-Scholes and Monte Carlo simulation) to fair value share-based payments. The value of the share options is determined at the grant date of the options and expensed on a straight-line basis over a three-year vesting period, adjusted for forfeitures as appropriate.

Based on these models, share-based payments increased by 33% from R479 million in 2011 to R636 million in 2012. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The increase in share-based payments was mainly due to the value of share-based compensation granted (bonus shares and performance shares) under the new Gold Fields Limited 2012 Share Plan in 2012.

EXPLORATION EXPENSE

Exploration expense increased by 27% from R832 million (US$115 million) in 2011 to R1,053 million (US$129 million) in 2012. The bulk of the expenditure was incurred on a diversified pipeline of projects in Asia, Africa, Australia, North, South and Central America.

The increase in 2012 was due to increased spend on advanced stage exploration projects. During 2012 the following amounts were spent on advanced stage exploration projects: Yanfolila in Mali (US$14 million), Salares Norte in Chile (US$13 million), Woodjam in Canada (US$10 million), Taguas in Argentina (US$8 million) and Talas in Kyrgyzstan (US$6 million).

During 2011 the following amounts were spent on advanced stage exploration projects: Yanfolila in Mali (US$23 million), Far Southeast ("FSE") in the Philippines (US$15 million), Woodjam in Canada (US$8 million) and Tacna, Moquequa and Amantina in Peru (US$4 million).

Subject to continued exploration success, exploration expenditure is expected to be US$122 million in 2013, made up of greenfields exploration of US$80 million, near mine exploration of US$20 million and projects exploration of US$22 million.

GOLD FIELDS GROUP (continued)

FEASIBILITY AND EVALUATION COSTS

Feasibility and evaluation costs increased by 187% from R126 million (US$17 million) in 2011 to R361 million (US$44 million) during 2012.

The cost of R361 million in 2012 is made up of corporate development and strategic project costs and general office costs of R281 million in the various countries the Group operates in, as well as expenditure of R80 million on the FSE project in the Philippines for up to March 2012 when FSE was reclassified as an associate. The cost of R126 million in 2011 is made up of expenditure at the FSE project.

SHARE OF RESULTS OF ASSOCIATES AFTER TAXATION

Share of results of associates after taxation was a loss of R314 million in 2012 compared to a gain of R29 million in 2011. Gold Fields equity accounts for four associates: Rand Refinery Limited, Rusoro Mining Limited, Far Southeast Gold Resources Incorporated and Timpetra Resources Limited.

The Group's 34.9% share of after-tax profits in Rand Refinery Limited was R98 million in 2012 compared with R36 million in 2011. The increase in 2012 was due to higher Krugerrand sales and furnace clean-up.

The Group's 26.4% share of after-tax losses in Rusoro Mining Limited was Rnil in 2012 as well as in 2011. The value of the investment was below Rnil during 2012 and 2011 as the carrying value was written down to Rnil due to losses incurred by the entity.

In August 2011, President of Venezuela Hugo Chavez Frias approved a decree with force of organic law which reserves to the State of Venezuela exclusive rights for the extraction of gold in Venezuela. The decree was subsequently approved by the Supreme Court of Venezuela and it was published in the Official Gazette of Venezuela in September 2011. The Venezuelan state announced that it is seeking a controlling stake of 55% in Rusoro and as such, Rusoro would be compensated for its decrease in ownership. The deadline to negotiate on the compensation with the Venezuelan government lapsed and all assets and operations reverted to the Venezuelan government who took possession and control of the company without any compensation being paid. Rusoro filed a request for arbitration against the government due to non-payment of a fair, prompt and timely compensation as a result of the nationalisation.

The Group paid R69 million in option fees to Lepanto Consolidated Mining Company during 2010 and non-refundable payments of R302 million during 2010 and R535 million during 2011 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. As from 31 March 2012, the Group acquired 40% of the issued share capital of FSE after contributing an additional R834 million to Liberty Express Assets. The Group's 40% share of after-tax losses in FSE was R411 million during 2012, which represented all costs incurred.

During 2011, the Group acquired a 21.8% interest in Timpetra Resources Limited as a result of receiving 15 million Timpetra Resources Limited shares valued at R23 million. Timpetra Resources is an Australian-listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project previously owned by St Ives Gold Mining Company. The Group's 21.8% share of after-tax losses in Timpetra was R1 million during 2012 and R7 million during 2011.

RESTRUCTURING COSTS

Restructuring costs increased by 18% from R459 million in 2011 to R540 million in 2012. The costs in financial 2012 include R72 million on voluntary separation packages, R259 million on business process re-engineering costs, R197 million on the South Deep collective agreement buy-out and other restructuring costs of R12 million. The costs in 2011 include R166 million on voluntary separation packages, R253 million on business process re-engineering costs and R40 million on other restructuring costs.

IMPAIRMENT OF INVESTMENTS AND ASSETS

Impairment of investments and assets increased by 1,017% from R72 million in 2011 to R804 million in 2012.

The impairment charge of R804 million in 2012 consists of R434 million impairment of exploration interests in Australia, R83 million impairment of heap leach assets and R157 million impairment of heap leach inventory in Australia due to the cessation of the heap leach at St Ives, R44 million impairment of redundant assets in Ghana and Peru and R86 million related to impairment of listed equity investments (Northam Platinum Limited and various junior exploration companies).

The impairment charge of R72 million in 2011 consists of R68 million impairment of assets and R4 million related to impairment of sundry offshore listed exploration equity investments. The impairment of assets of R68 million is mainly due to the decision to reassess the optimal processing methodology for the oxides at Cerro Corona. The focus was on the evaluation of a heap leach operation to capture the value inherent in the oxide instead of a stand-alone oxide plant.

The Group assesses, at each reporting date, whether there are indicators of impairment for any of its assets.

GOLD FIELDS GROUP (continued)

If there are any indicators of impairment, the assets' recoverable amounts need to be estimated. The carrying value is compared with the higher of "value in use" or "fair value less costs to sell" as defined later in the accounting policies.

Various internal and external sources of information were considered and management has concluded that no indicators of impairment of assets existed at 31 December 2012.

Unlike assets, goodwill needs to be tested for impairment annually.

The following estimates and assumptions were used by management in reviewing the long-term assets and associated goodwill for impairment:

- Long-term gold price of R400,000 per kilogram for the life of mine (2011: R400,000 per kilogram for 2012, R385,000 per kilogram for 2013 and R375,000 per kilogram thereafter);
- A discount rate of between 3.2% and 5.8% (2011: 5.1% and 6.2%);
- Proved and probable reserves as per the most recent life of mine plan; and
- Operating costs and capital expenditure estimates as per the most recent life of mine plan.

At 31 December 2012 and 31 December 2011, the application of the above estimates and assumptions did not result in an impairment charge to the Group's mining assets or goodwill.

PROFIT ON DISPOSAL OF INVESTMENTS

The profit on the disposal of investments increased by 143% from R93 million in 2011 to R226 million in 2012.

The profit on disposal of investments of R226 million in 2012 comprises:

	R million
Loss on disposal of shares in Evolution Mining Limited	**(13)**
Profit on disposal of shares in Atacama Pacific Corporation	**63**
Profit on disposal of shares in GoldQuest Mining Corporation	**176**
	226

The profit on disposal of investments of R93 million in 2011 comprises:

	R million
Disposal of shares in Gold One International Limited	52
Exchange of shares in Conquest Mining Limited for shares in Evolution Mining Limited	41
	93

The profit of R41 million relates to the exchange of 51.8 million Conquest Mining Limited shares for 15.5 million Evolution Mining Limited shares.

PROFIT/(LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Profit/(loss) on disposal of property, plant and equipment was a profit of R5 million in 2012 compared with a loss of R3 million in 2011.

The major disposals in 2012 related to the sale of assets at St Ives, Cerro Corona, South Deep, KDC and Beatrix whereas in 2011, they related to the sale of assets at Tarkwa, Cerro Corona and KDC.

ROYALTIES

Royalties increased by 15% from R1,081 million in 2011 to R1,238 million in 2012 and are made up as follows:

	2012 R million	2011 R million
South Africa	**301**	305
Ghana	**604**	480
Peru	**120**	106
Australia	**213**	190
	1,238	1,081

Management's discussion and analysis of the financial statements

(continued)

GOLD FIELDS GROUP (continued)

The royalty in South Africa decreased from R305 million in 2011 to R301 million in 2012. The decreased royalty in 2012 is due to the lower gold revenue, partly offset by an increase in the gold price.

The royalty in Ghana increased from R480 million in 2011 to R604 million in 2012 due to the increase in the gold revenue as well as the increase in the royalty rate from 3% to 5% which came into effect on 1 April 2011 thus being effective for the full year in 2012 as compared to nine months in 2011.

The royalty in Peru increased due to the increase in operating profit. The royalty in Australia increased in line with the increase in the gold revenue.

MINING AND INCOME TAX

Mining and income tax decreased by 23% from R4,335 million in 2011 to R3,330 million in 2012. The table below indicates Gold Fields' effective tax expense rate in 2012 and 2011:

	2012 R million	2011 R million
Income and mining tax	**3,330**	4,335
Effective tax expense rate (%)	**36.0**	35.7

In 2012, the effective tax expense rate of 36% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- R154 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- R282 million reduction relating to the South African mining tax formula rate adjustment;
- R967 million deferred tax release on reduction of the long-term expected tax rate at the South African operations; and
- R47 million profit on disposal of investments.

The above were offset by the following tax-effected charges:

- R616 million non-deductible charges comprising share-based payments (R195 million), exploration expense (R298 million) and feasibility and evaluation costs (R123 million);
- R777 million deferred tax charge on increase of the long-term expected tax rate at the Ghanaian operations; and
- R113 million of net non-deductible expenditure and non-taxable income.

In 2011, the effective tax expense rate of 36% was lower than the maximum South African mining statutory tax rate of 43% mainly due to the tax effect of the following:

- R1,860 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- R86 million reduction relating to the South African mining tax formula rate adjustment;
- R40 million deferred tax release on reduction of the long-term expected tax rate at Cerro Corona; and
- R30 million profit on disposal of investments.

The above were offset by the following tax-effected charges:

- R589 million non-deductible charges comprising share-based payments (R177 million), exploration expense (R358 million) and feasibility and evaluation costs (R54 million);
- R319 million of net non-deductible expenditure and non-taxable income; and
- R259 million National Stabilisation Levy in Ghana.

PROFIT FOR THE YEAR

As a result of the factors discussed above, Gold Fields posted a profit for the year of R5,931 million in 2012 compared with R7,806 million in 2011.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Gold Fields posted a profit attributable to ordinary shareholders of the Company of R5,658 million in 2012 compared with R7,027 million in 2011.

GOLD FIELDS GROUP (continued)

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS

Profits attributable to non-controlling interest were R273 million in 2012 compared with R780 million in 2011. Profits attributable to non-controlling interest decreased as a result of the buy-out of a portion of the non-controlling interest holders at Tarkwa, Damang and Cerro Corona during mid-2011 thus being effective for the full year in 2012 as compared to six months in 2011.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% at the end of 2012 (10% at the end of 2011), Gold Fields La Cima (Cerro Corona) at 1.4% at the end of 2012 (1.5% at the end of 2011), Living Gold (Pty) Limited at 10% at the end of 2012 (nil at the end of 2011) and Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) at 49.0% for both years.

The amount making up the non-controlling interest is shown below:

	2012 Non-controlling interest effective	2011 Non-controlling interest effective	2012 R million	2011 R million
Gold Fields Ghana Limited – Tarkwa	**10.0%**	19.7%	**216**	542
Abosso Goldfields – Damang	**10.0%**	19.9%	**30**	131
Gold Fields La Cima – Cerro Corona	**1.5%**	7.1%	**26**	108
Living Gold (Pty) Limited	**10.0%**	3.4%	**1**	(1)
Canteras del Hallazgo	**49.0%**	49.0%	**–**	–
			273	780

CONTINUING OPERATIONS

RESULTS FOR THE YEAR

Profit attributable to owners of the parent for continuing operations decreased by 44% from R4,513 million (or 625 cents per share) for 2011 to R2,507 million (or 345 cents per share). The reasons for this decrease are discussed below:

REVENUE

Revenue increased by 14% from R25,264 million for 2011 to R28,916 million for 2012. The increase in revenue of R3,652 million was due to an increase in the average rand gold price for the period from R361,049 per kilogram to R435,952 per kilogram, partly offset by a decrease in gold sales. The rand gold price increase was due to a 6% increase in the US dollar gold price from an average of US$1,555 per ounce to US$1,656 per ounce together with a weaker rand, which weakened 13% from an average of R7.22 to R8.19 to the US dollar.

Gold sales decreased by 5% from 2,249,600 ounces in 2011 to 2,132,500 ounces in 2012. Gold sales at the South African operation decreased by 1% from 273,000 ounces to 270,400 ounces. Gold sales at the West African operations decreased by 5% from 935,000 ounces to 885,300 ounces. Gold sales at the South American operation (Cerro Corona) decreased by 9% from 383,000 equivalent ounces to 350,400 equivalent ounces. At the Australasian operations, gold sales decreased by 5% from 658,600 ounces to 626,400 ounces.

At South Deep in South Africa, gold sales were marginally lower, decreasing from 273,000 ounces to 270,400 ounces as increased underground mining volumes and grades were offset by a decrease in surface production, which was discontinued in 2012 due to a lack of payable ore. Production was also negatively impacted by the disruption caused by the implementation of the new operating model in the December 2012 quarter, related mainly to training of personnel.

At the West African operations, gold sales at Tarkwa increased marginally from 717,300 ounces to 718,900 ounces as a result of similar grades and volumes year on year. Damang's gold sales decreased by 24% from 217,700 ounces to 166,400 ounces mainly due to mining constraints because of partial sterilisation of the Damang pit floor for safety reasons whilst mining the East ramp to improve future mining flexibility, together with milling constraints due to the ageing plant infrastructure which is in the process of being refurbished.

At Cerro Corona in South America, copper production reduced from 38,600 tonnes to 36,200 tonnes but gold production increased from 161,500 ounces to 170,000 ounces. Gold equivalent sales decreased by 9% from 383,000 ounces to 350,400 ounces due to the 16% lower copper to gold price ratio and the scheduled lower gold and copper grades.

CONTINUING OPERATIONS (continued)

At the Australasian operations production at St Ives decreased by 3% from 464,600 ounces to 449,800 ounces mainly due to mining lower grade open pits in 2012. At Agnew, gold sales decreased by 9% from 194,000 ounces to 176,600 ounces due to complex ground conditions which required the mining schedule to be re-planned mid-year, resulting in a focus on lower-volume higher-grade ore from Kim underground.

COST OF SALES

Cost of sales, which consists of operating costs and amortisation and depreciation, increased by 24% from R14,281 million in 2011 to R17,714 million in 2012.

The analysis that follows provides a more detailed comparison of cost of sales together with total cash cost and notional cash expenditure (NCE) per ounce.

Operating costs – cost of sales less gold inventory change, and amortisation and depreciation

Operating costs increased by 21% from R11,451 million in 2011 to R13,800 million in 2012, R1,341 million or 57% of this increase of R2,349 million was due to the weaker rand.

At the South Deep operation in South Africa, operating costs increased by 16% from R2,138 million to R2,480 million. This increase of R342 million was mainly due to the above-inflation all-in annual wage increase of around 9.4%, an increase in electricity tariffs of 16%, an increase of de-stress development and an increase in raw material input costs.

At the West African operations, operating costs increased by 12% from US$579 million in 2011 to US$651 million in 2012. This increase of US$72 million was mainly due to increased fuel and power costs, together with normal inflationary increases, annual wage increases and increased management fees at Damang. At Tarkwa, operating costs increased by 13% from US$436 million to US$494 million and at Damang, operating costs increased by 11% from US$142 million to US$157 million.

At the Cerro Corona operation in Peru, operating costs increased by 9% from US$157 million in 2011 to US$171 million in 2012, mainly due to an increase in volumes mined, an increase in workers' statutory participation in profits and normal inflationary increases.

At the Australasian operations, operating costs increased by 1% from A$537 million in 2011 to A$541 million in 2012. At St Ives, operating costs decreased by 1% from A$403 million to A$398 million. This decrease of A$5 million was mainly due to the introduction of owner mining at the open pit operations in July 2012. At Agnew, operating costs increased by 7% from A$134 million to A$143 million. This increase of A$9 million was mainly due to the cost of mining from the deeper Kim ore body during the second half of 2012 which required additional support.

General and administration (G&A) costs

Net general and administration costs, which are included in operating costs, amounted to R748 million in 2012, compared with R449 million in 2011. This increase was mainly due to an increase in World Gold Council costs, consultants costs for the strategic portfolio review and ore flow reconciliation project.

Gold inventory change

The gold inventory credit decreased by 67% from R547 million in 2011 to R180 million in 2012.

At Tarkwa, the gold inventory credit decreased from US$65 million in 2011 to US$25 million in 2012. The US$25 million credit in 2012 was due to a release of stockpiled ore and a revaluation of inventory during the year. The US$65 million credit in 2011 was due to a revaluation of the carrying value of heap leach inventories.

At Damang, the gold inventory credit increased from US$2 million in 2011 to US$4 million in 2012, both credits due to movements in stockpiles.

At Cerro Corona, the charge of US$0.1 million in 2011 compared with a credit to costs of US$11 million in 2012, due to a build-up of oxide inventory during the year.

At St Ives, the credit of A$3 million in 2011 compared with a charge to costs of A$14 million in 2012. The charge in 2012 was as a result of a strategic decision to process stockpiles built-up from the open pits in prior periods. The credit in 2011 was due to a build-up of inventory resulting from an increase in mining volumes towards the end of the year.

At Agnew, the credit of A$6 million in 2011 compared with a charge to costs of A$3 million in 2012, resulting from processing the Songvang open pit stockpile in 2012 that was built-up in 2011.

CONTINUING OPERATIONS (continued)

The table below presents the analysis of cost of sales:

Analysis of cost of sales		2012 R million	2011 R million
Cost of sales per income statement		**17,714**	14,281
(Deduct)/add:	Amortisation and depreciation	**(4,094)**	(3,377)
	Gold inventory change – total	**180**	547
Operating costs		**13,800**	11,451
(Deduct)/add:	General and administration	**(748)**	(449)
	Royalties[1]	**956**	792
	Gold inventory change – cash portion	**(221)**	(447)
	Rehabilitation	**(88)**	(43)
Total cash cost		**13,699**	11,304

[1]Royalties are added as they are reflected below operating profit in the income statement but included as part of total cash cost.

The following table sets out for each operation and the Group, total gold sales in ounces and total cash cost in US$/oz and R/kg for 2012 and 2011:

	2012			2011		
	Gold sold '000 oz	Total cash cost[4] US$/oz	Total cash cost[4] R/kg	Gold sold '000 oz	Total cash cost[4] US$/oz	Total cash cost[4] R/kg
South Deep	**270.4**	**1,105**	**290,952**	273.0	1,073	249,146
South African operation	**270.4**	**1,105**	**290,952**	273.0	1,073	249,146
Tarkwa[1]	**718.9**	**673**	**177,091**	717.3	556	129,011
Damang[2]	**166.4**	**918**	**241,863**	217.7	701	162,803
West African operations	**885.3**	**719**	**189,263**	935.0	590	136,879
Cerro Corona	**350.4**	**492**	**129,672**	383.0	437	101,536
South American operations[3]	**350.4**	**492**	**129,672**	383.0	437	101,536
St Ives	**449.8**	**931**	**245,183**	464.6	901	209,170
Agnew	**176.6**	**827**	**217,856**	194.0	696	161,640
Australasian operations	**626.4**	**902**	**237,478**	658.6	841	195,167
Total operations	**2,132.5**			2,249.6		
Weighted average unit cost		**784**	**206,531**		696	161,548

[1] For the year ended 31 December 2012 and 2011, 647,010 ounces and 576,300 ounces respectively were attributable to Gold Fields.

[2] For the year ended 31 December 2012 and 2011, 149,760 ounces and 174,400 ounces respectively were attributable to Gold Fields.

[3] For the year ended 31 December 2012 and 2011, 345,140 equivalent ounces and 357,200 equivalent ounces were respectively attributable to Gold Fields.

[4] Total cash cost is calculated in accordance with the Gold Industry standard.

The weighted average total cash cost per kilogram increased by 28% from R161,548 per kilogram (US$696 per ounce) in 2011 to R206,531 per kilogram (US$784 per ounce) in 2012.

The weighted average total cash cost at South Deep in South Africa increased by 17% from R249,146 per kilogram (US$1,073 per ounce) in 2011 to R290,952 per kilogram (US$1,105 per ounce) in 2012. This increase was as a result of an increase in de-stress development, an increase in labour costs due to above-inflation wage increases during the year and an increase in employees and contractors as the mine builds to full production together with above-inflation electricity increases.

At the West African operations total cash cost increased by 22% from US$590 per ounce to US$719 per ounce. This increase was due to the decrease in production at Damang as a result of mining and milling constraints and at Tarkwa, a reduction in the gold-in-process credit due to a credit received in 2011 from the revaluation of the carrying value of heap leach inventories.

CONTINUING OPERATIONS (continued)

At Cerro Corona in South America, total cash cost increased by 13% from US$437 per ounce to US$492 per ounce. This increase in unit costs was due to the increase in operating costs together with the decrease in equivalent gold sales.

At the Australasian operations, total cash cost increased by 7% from A$815 per ounce (US$841 per ounce) to A$871 per ounce (US$902 per ounce) mainly due to lower production at both St Ives and Agnew in 2012.

Amortisation and depreciation

Amortisation and depreciation increased by 21%, from R3,377 million in 2011 to R4,094 million in 2012. R399 million of the increase of R717 million was due to the weaker rand.

In South Africa, amortisation at South Deep increased by 22% from R554 million in 2011 to R675 million in 2012 mainly due to additions to property, plant and equipment.

At the West African operations, amortisation increased by 15% from US$132 million in 2011 to US$152 million in 2012. Tarkwa increased by 19% from US$105 million to US$125 million due to increased amortisation rates reflecting increased capital strip in currently mined open pits needing to be amortised. Damang remained constant at US$27 million as the depreciation of additional mining fleet was offset by the decrease in production.

In South America, amortisation at Cerro Corona decreased by 17% from US$59 million in 2011 to US$49 million in 2012 as a result of an increase in reserve tonnes on which amortisation is based.

At the Australasian operations, amortisation increased by 7% from A$189 million in 2011 to A$203 million in 2012. At St Ives, amortisation increased by 5% from A$145 million to A$152 million in 2012 due to increased depreciation on the newly acquired owner mining fleet. Agnew increased by 16% from A$44 million to A$51 million due to increased amortisation rates at Kim and Main Lode.

Notional cash expenditure (NCE)

Notional cash expenditure is defined as operating costs (including general and administration costs) plus capital expenditure, which includes brownfields exploration, and is reported on a per kilogram and per ounce basis. Excluded from NCE is the 49% of the Chucapaca project funded by Buenaventura. The objective is to provide the all-in cost for the Group, and for each operation. NCE per ounce influences how much free cash flow is available in order to pay taxation, interest, greenfields exploration and dividends. NCE margin is defined as the difference between revenue per ounce and NCE per ounce expressed as a percentage. NCE margin was 18% and 27% for 2012 and 2011 respectively.

	2012					2011				
	Gold produced '000 oz	Operating costs R million	Capital expenditure R million	NCE R/kg	NCE US$/oz	Gold produced '000 oz	Operating costs R million	Capital expenditure R million	NCE R/kg	NCE US$/oz
South Deep	**270.4**	**2,480.4**	**2,575.8**	**601,141**	**2,283**	273.0	2,138.4	1,982.4	485,314	2,091
South African operation	**270.4**	**2,480.4**	**2,575.8**	**601,141**	**2,283**	273.0	2,138.4	1,982.4	485,314	2,091
Tarkwa	**718.9**	**4,049.1**	**2,128.4**	**276,299**	**1,049**	717.3	3,150.6	1,580.5	212,043	913
Damang	**166.4**	**1,283.9**	**937.1**	**429,262**	**1,630**	217.7	1,026.0	634.5	245,201	1,056
West African operations	**885.3**	**5,333.0**	**3,065.5**	**305,045**	**1,158**	935.0	4,176.6	2,215.0	219,763	947
Cerro Corona	**342.1**	**1,403.4**	**768.1**	**204,069**	**775**	383.1	1,136.6	501.0	137,440	592
South American operations	**342.1**	**1,403.4**	**768.1**	**204,069**	**775**	383.1	1,136.6	501.0	137,440	592
St Ives	**449.8**	**3,370.5**	**2,554.5**	**423,456**	**1,608**	464.6	2,999.2	1,319.1	298,865	1,287
Agnew	**176.6**	**1,212.7**	**510.3**	**313,615**	**1,191**	194.0	1,000.0	534.7	254,300	1,096
Australian operations	**626.4**	**4,583.2**	**3,064.8**	**392,487**	**1,491**	658.6	3,999.2	1,853.8	285,735	1,231
Total mining operations	**2,124.2**	**13,800.0**	**9,474.2**	**352,266**	**1,338**	2,249.7	11,450.8	6,552.2	257,281	1,108
Growth projects and corporate	**–**	**–**	**474.5**	**7,182**	**27**	–	–	513.2	7,334	32
Total continuing operations	**2,124.2**	**13,800.0**	**9,948.7**	**359,448**	**1,365**	2,249.7	11,450.8	7,065.4	264,615	1,140

The above calculation is based on the average rand to the US dollar exchange rate for the period of R8.19 and R7.22 in 2012 and 2011 respectively.

CONTINUING OPERATIONS (continued)

The NCE increased by 20% from US$1,140 per ounce in 2011 to US$1,365 per ounce in 2012 because of the higher operating costs and capital expenditure (as discussed under additions to property, plant and equipment) together with the lower production.

NET OPERATING PROFIT

Net operating profit for continuing operations increased by 2% from R10,983 million in 2011 to R11,202 million in 2012.

This is due to the increased revenue as a result of the higher gold proceeds, partially offset by the higher cost of sales.

INVESTMENT INCOME

Income from investments increased by 58% from R85 million in 2011 to R134 million in 2012. The increase was mainly due to higher cash balances at the international operations in 2012.

The investment income in 2012 of R134 million comprised Rnil dividend income, R4 million interest on monies invested in the South African environmental rehabilitation trust fund and R130 million interest on other cash and cash equivalent balances.

The investment income in 2011 of R85 million comprised R3 million in dividend income, R4 million interest on monies invested in the South African environmental rehabilitation trust fund and R78 million interest on other cash and cash equivalent balances.

Dividend income decreased from R3 million in 2011 to Rnil in 2012.

Interest received on the funds invested in rehabilitation trust fund remained flat at R4 million.

Interest on other cash balances increased from R78 million in 2011 to R130 million in 2012 mainly due to higher cash balances at the international operations in 2012.

FINANCE EXPENSE

Finance expense increased by 9% from R417 million in 2011 to R453 million in 2012.

The finance expense of R453 million in 2012 comprised R23 million relating to the accretion of the environmental rehabilitation liability and R562 million on various Group borrowings, partially offset by interest capitalised of R132 million.

The finance expense of R417 million in 2011 comprised R9 million interest payable on the preference shares, R35 million relating to the accretion of the environmental rehabilitation liability and R440 million on various Group borrowings, partially offset by interest capitalised of R67 million.

The interest on preference shares decreased from R9 million in 2011 to Rnil in 2012 due to the full and final redemption of the preference shares in 2011.

The environmental rehabilitation liability accretion expense decreased from R35 million in 2011 to R23 million in 2012 mainly due to an increase in the mines' lives.

Below is an analysis of the components making up other interest, stated on a comparative basis:

	2012 R million	2011 R million
Interest on commercial paper	**–**	8
Interest on borrowings to fund capital expenditure and operating costs at the South African operations	**20**	5
Interest on US$1 billion notes issue	**406**	361
Interest on US$60 million senior secured revolving credit facility	**13**	7
Interest on US$200 million non-revolving senior secured term loan	**28**	25
Interest on US$1 billion syndicated revolving credit facility	**64**	18
Interest on split-tenor revolving credit facility	**9**	15
Interest on US$500 million syndicated revolving credit facility	**15**	–
Other interest charges	**7**	1
	562	440

CONTINUING OPERATIONS (continued)

Interest on the US$1 billion notes issue increased from R361 million in 2011 to R406 million in 2012 due to the weakening of the average US$/ZAR exchange rate which weakened from R7.22 in 2011 to R8.19 in 2012.

Interest on the US$1 billion syndicated revolving credit facility, split-tenor revolving credit facility and US$500 million syndicated revolving facility increased from R33 million in 2011 to R88 million in 2012 due to additional borrowings.

During 2012, R132 million (2011: R67 million) of interest was capitalised in terms of IAS 23 *Borrowing Cost*. IAS 23 requires capitalisation of borrowing costs whenever general or specific borrowings are used to finance qualifying projects. The qualifying projects during 2012 were South Deep's mine development and ventilation shaft deepening project, as well as spend on Chucapaca (2011: South Deep mine).

(LOSS)/GAIN ON FINANCIAL INSTRUMENTS

The loss of R5 million in 2012 compared with a gain of R30 million in 2011. The breakdown of these numbers is given below:

	2012 R million	2011 R million
Gain on Australian diesel hedge	**4**	–
Negative/(positive) marked-to-market valuation of exploration junior warrants	**(9)**	7
Gain on receipt of shares in Timpetra Resources Limited	**–**	23
	(5)	30

Currency forward contracts

During 2012 St Ives Gold Mining Company entered into a Gasoil 10PPM FOB Singapore contract for 10,000 barrels per month effective 1 August 2012 until 31 January 2013 at a fixed price of US$118.90 per barrel. 20,000 barrels with a marked-to-market value of US$0.1 million were outstanding at the end of December 2012.

The R9 million negative marked-to-market valuation in 2012 relates to warrants in Atacama Pacific Gold Corporation, an exploration junior with a portfolio of exploration projects in Chile and Rackla Metals Inc. focused on gold projects in Canada's Yukon territory. The R7 million positive marked-to-market valuation in 2011 relates to warrants in Atacama Pacific Gold Corporation.

The R23 million gain on receipt of shares in 2011 arose as a result of Gold Fields receiving 15 million Timpetra Resources Limited shares valued at R23 million. Timpetra Resources is an Australian-listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project.

(LOSS)/GAIN ON FOREIGN EXCHANGE

The loss of R113 million in 2012 compared with a gain of R66 million in 2011. The breakdown of these numbers is given below:

	2012 R million	2011 R million
Exchange (losses)/gains on cash balances held in currencies other than the functional currencies of the Group's various subsidiary companies*	**(83)**	36
(Loss)/gain on repayment of US dollar-denominated intercompany loans	**(30)**	30
	(113)	66

* Functional currency in Ghana and Peru is US dollar and in Australia is Australian dollar.

The loss of R83 million in 2012 compared with a gain of R36 million in 2011 due to the weakening of the Ghanaian cedi and Peruvian nuevo sol in 2012, compared with a strengthening of the Peruvian nuevo sol in 2011.

The R30 million loss in 2012 (2011: gain of R30 million) relates to a loss on the conversion of an intercompany US dollar-denominated loan between Gold Fields Orogen Holdings and St Ives Gold Mining Company.

OTHER COSTS

Other costs decreased by 35% from R196 million in 2011 to R127 million in 2012. The charges in both years are mainly made up of:

- Social contributions and sponsorships;
- New loan facility charges;
- Research and development costs into mechanised mining; and
- Legal fees paid as a result of a dispute with a mining contractor in Ghana.

CONTINUING OPERATIONS (continued)

SHARE-BASED PAYMENTS

Gold Fields recognises the cost of share options granted (share-based payments) in terms of International Financial Reporting Standard (IFRS) 2.

Gold Fields has adopted appropriate valuation models (Black-Scholes and Monte Carlo simulation) to fair value share-based payments. The value of the share options is determined at the grant date of the options and expensed on a straight-line basis over a three-year vesting period, adjusted for forfeitures as appropriate.

Based on these models, share-based payments increased by 55% from R241 million in 2011 to R373 million in 2012. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The increase in share-based payments was mainly due to the value of share-based compensation granted (bonus shares and performance shares) under the new Gold Fields Limited 2012 Share Plan in 2012.

EXPLORATION EXPENSE

Exploration expense increased by 27% from R832 million (US$115 million) in 2011 to R1,053 million (US$129 million) in 2012. The bulk of the expenditure was incurred on a diversified pipeline of projects in Asia, Africa, Australia, North, South and Central America.

The increase in 2012 was due to increased spend on advanced stage exploration projects. During 2012 the following amounts were spent on advanced stage exploration projects: Yanfolila in Mali (US$14 million), Salares Norte in Chile (US$13 million), Woodjam in Canada (US$10 million), Taguas in Argentina (US$8 million) and Talas in Kyrgyzstan (US$6 million).

During 2011 the following amounts were spent on advanced stage exploration projects: Yanfolila in Mali (US$23 million), FSE in the Philippines (US$15 million), Woodjam in Canada (US$8 million) and Tacna, Moquequa and Amantina in Peru (US$4 million).

Subject to continued exploration success, exploration expenditure is expected to be US$122 million in 2013, made up of greenfields exploration of US$80 million, near mine exploration of US$20 million and projects exploration of US$22 million.

FEASIBILITY AND EVALUATION COSTS

Feasibility and evaluation costs increased by 187% from R126 million (US$17 million) in 2011 to R361 million (US$44 million) during 2012.

The cost of R361 million in 2012 is made up of corporate development and strategic project costs and general office costs of R281 million in the various countries the Group operates in, as well as expenditure of R80 million on the FSE project in the Philippines for up to March 2012 when FSE was reclassified as an associate. The cost of R126 million in 2011 is made up of expenditure at the FSE project.

SHARE OF RESULTS OF ASSOCIATES AFTER TAXATION

Share of results of associates after taxation increased by 6,683% from a loss of R6 million in 2011 to a loss of R407 million in 2012. Gold Fields equity accounts for four associates: Rand Refinery Limited, Rusoro Mining Limited, Far Southeast Gold Resources Incorporated and Timpetra Resources Limited.

The Group's 34.9% in Rand Refinery is made up of 1.8% for continuing operations and 33.1% for discontinued operations. The share of after-tax profits in Rand Refinery Limited was R98 million (R5 million for continuing operations and R93 million for discontinued operations) in 2012 compared with R36 million (R1 million for continuing operations and R35 million for discontinued operations) in 2011. The increase in 2012 was due to higher Krugerrand sales and furnace clean-up.

The Group's 26.4% share of after-tax losses in Rusoro Mining Limited was Rnil in 2012 as well as in 2011. The value of the investment was below Rnil during 2012 and 2011 as the carrying value was written down to Rnil due to losses incurred by the entity.

In August 2011, President of Venezuela Hugo Chavez Frias approved a decree with force of organic law which reserves to the state of Venezuela exclusive rights for the extraction of gold in Venezuela. The decree was subsequently approved by the Supreme Court of Venezuela and it was published in the Official Gazette of Venezuela in September 2011. The Venezuelan state has announced that it is seeking a controlling stake of 55% in Rusoro and as such, Rusoro will be compensated for its decrease in ownership. The deadline to negotiate on the compensation with the Venezuelan government lapsed and all assets and operations reverted to the Venezuelan government who took possession and control of the company without any compensation being paid. Rusoro filed a request for arbitration against the government due to non-payment of a fair, prompt and timely compensation as a result of the nationalisation.

The Group paid R69 million in option fees to Lepanto Consolidated Mining Company during 2010 and non-refundable payments of R302 million during 2010 and R535 million during 2011 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. On 31 March 2012, the Group acquired 40% of the issued share capital of FSE after contributing an additional R834 million to Liberty Express Assets. The Group's 40% share of after-tax losses in FSE was R411 million during 2012, which represented all costs incurred.

CONTINUING OPERATIONS (continued)

During 2011, the Group acquired a 21.8% interest in Timpetra Resources Limited as a result of receiving 15 million Timpetra Resources Limited shares valued at R23 million. Timpetra Resources is an Australian-listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project previously owned by St Ives Gold Mining Company. The Group's 21.8% share of after-tax losses in Timpetra was R1 million during 2012 and R7 million during 2011.

RESTRUCTURING COSTS

Restructuring costs increased by 140% from R173 million in 2011 to R416 million in 2012. The costs in 2012 include R47 million on voluntary separation packages, R172 million on business process re-engineering costs and R197 million on the South Deep collective agreement buy-out while costs in 2011 include R133 million on business process re-engineering costs and R40 million on other restructuring costs.

IMPAIRMENT OF INVESTMENTS AND ASSETS

Impairment of investments and assets increased by 1,017% from R72 million in 2011 to R804 million in 2012.

The impairment charge of R804 million in 2012 consists of R434 million impairment of exploration interests in Australia, R83 million impairment of heap leach assets and R157 million impairment of heap leach inventory in Australia due to the cessation of the heap leach at St Ives, R44 million impairment of redundant assets in Ghana and Peru and R86 million related to impairment of listed equity investments (Northam Platinum Limited and various junior exploration companies).

The impairment charge of R72 million in 2011 consists of R68 million impairment of assets and R4 million related to impairment of sundry offshore listed exploration equity investments. The impairment of assets of R68 million is mainly due to the decision to reassess the optimal processing methodology for the oxides at Cerro Corona. The current focus is on the evaluation of a heap leach operation to capture the value inherent in the oxide instead of a stand-alone oxide plant.

The Group assesses, at each reporting date, whether there are indicators of impairment for any of its assets.

If there are any indicators of impairment, the assets' recoverable amounts need to be estimated. The carrying value is compared with the higher of "value in use" or "fair value less costs to sell" as defined later in the accounting policies.

Various internal and external sources of information were considered and management has concluded that no indicators of impairment of assets existed at 31 December 2012.

Unlike assets, goodwill needs to be tested for impairment annually.

The following estimates and assumptions were used by management in reviewing the long-term assets and associated goodwill for impairment:

- Long-term gold price of R400,000 per kilogram for the life of mine (2011: R400,000 per kilogram for 2012, R385,000 per kilogram for 2013 and R375,000 per kilogram thereafter);
- A discount rate of between 3.2% and 5.8% (2011: 5.1% and 6.2%);
- Proved and probable reserves as per the most recent life of mine plan; and
- Operating costs and capital expenditure estimates as per the most recent life of mine plan.

At 31 December 2012 and 31 December 2011, the application of the above estimates and assumptions did not result in an impairment charge to the Group's mining assets or goodwill.

PROFIT ON DISPOSAL OF INVESTMENTS

The profit on the disposal of investments increased by 143% from R93 million in 2011 to R226 million in 2012.

The profit on disposal of investments of R226 million in 2012 comprises:

	R million
Loss on disposal of shares in Evolution Mining Limited	**(13)**
Profit on disposal of shares in Atacama Pacific Corporation	**63**
Profit on disposal of shares in GoldQuest Mining Corporation	**176**
	226

CONTINUING OPERATIONS (continued)

The profit on disposal of investments of R93 million in 2011 comprises:

	R million
Disposal of shares in Gold One International Limited	52
Exchange of shares in Conquest Mining Limited for shares in Evolution Mining Limited	41
	93

The profit of R41 million relates to the exchange of 51.8 million Conquest Mining Limited shares for 15.5 million Evolution Mining Limited shares.

PROFIT/(LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Profit/(loss) on disposal of property, plant and equipment was a profit of R2 million in 2012 compared to a loss of R7 million in 2011.

The major disposals in 2012 related to the sale of redundant assets at St Ives, Cerro Corona and South Deep whereas in 2011, they related to the sale of redundant assets at Tarkwa and Cerro Corona.

ROYALTIES

Royalties increased by 21% from R792 million in 2011 to R956 million in 2012 and are made up as follows:

	2012 R million	2011 R million
South Africa	**19**	16
Ghana	**604**	480
Peru	**120**	106
Australia	**213**	190
	956	792

The royalty in South Africa (South Deep) increased from R16 million in 2011 to R19 million in 2012 due to the increase in gold revenue.

The royalty in Ghana increased from R480 million in 2011 to R604 million in 2012 due to the increase in the gold revenue as well as the increase in the royalty rate from 3% to 5% which came into effect on 1 April 2011 thus being effective for the full year in 2012 as compared to nine months in 2011.

The royalty in Peru increased in line with the increase in operating profit. The royalty in Australia increased in line with the increase in the gold revenue.

MINING AND INCOME TAX

Mining and income tax increased by 20% from R3,101 million in 2011 to R3,718 million in 2012. The table below indicates Gold Fields' effective tax expense rate in 2012 and 2011:

	2012 R million	2011 R million
Income and mining tax	**3,718**	3,101
Effective tax expense rate (%)	**57.2**	36.9

In 2012, the effective tax expense rate of 57% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- R128 million adjustment to reflect the actual realised company tax rates in South Africa and offshore; and
- R47 million non-taxable profit on disposal of investments.

The above were offset by the following tax-effected charges:

- R527 million non-deductible charges comprising share-based payments (R106 million), exploration expense (R298 million) and feasibility and evaluation costs (R123 million);
- R106 million deferred tax charge on reduction of the long-term expected tax rate at South Deep;
- R777 million deferred tax charge on increase of the long-term expected tax rate at the Ghanaian operations; and
- R154 million of net non-deductible expenditure and non-taxable income and share of results of associates after taxation.

CONTINUING OPERATIONS (continued)

In 2011, the effective tax expense rate of 37% was lower than the maximum South African mining statutory tax rate of 43% mainly due to the tax effect of the following:

- R1,478 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- R40 million deferred tax release on reduction of the long-term expected tax rate at Cerro Corona; and
- R30 million non-taxable profit on disposal of investments.

The above were offset by the following tax-effected charges:

- R487 million non-deductible charges comprising share-based payments (R75 million), exploration expense (R358 million) and feasibility and evaluation costs (R54 million);
- R319 million of net non-deductible expenditure and non-taxable income; and
- R259 million National Stabilisation Levy in Ghana.

PROFIT FOR THE YEAR

As a result of the factors discussed above, the continuing operations posted a profit for the year of R2,779 million in 2012 compared with R5,294 million in 2011.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Gold Fields posted a profit attributable to ordinary shareholders of the Company for continuing operations of R2,507 million in 2012 compared with R4,513 million in 2011.

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS

Profits attributable to non-controlling interest were R272 million in 2012 compared with R781 million in 2011. Profits attributable to non-controlling interest decreased as a result of the buy-out of a portion of the non-controlling interest holders at Tarkwa, Damang and Cerro Corona during mid-2011 thus being effective for the full year in 2012 as compared to six months in 2011.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% at the end of 2012 (10% at the end of 2011), Gold Fields La Cima (Cerro Corona) at 1.4% at the end of 2012 (1.5% at the end of 2011) and Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) at 49.0% for both years.

The amount making up the non-controlling interest is shown below:

	2012 Non-controlling interest effective	2011 Non-controlling interest effective	2012 R million	2011 R million
Gold Fields Ghana Limited – Tarkwa	**10.0%**	19.7%	**216**	542
Abosso Goldfields – Damang	**10.0%**	19.9%	**30**	131
Gold Fields La Cima – Cerro Corona	**1.5%**	7.1%	**26**	108
Canteras del Hallazgo	**49.0%**	49.0%	**–**	–
			272	781

EARNINGS PER SHARE

As a result of the above, earnings per share from continuing operations decreased from 625 cents in 2011 to 345 cents in 2012.

DISCONTINUED OPERATIONS

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**	**CONSOLIDATED INCOME STATEMENT**	**2012**	**2011**
2,301.0	**2,021.2**	Revenue	**16,553.5**	16,613.1
(1,681.5)	**(1,596.3)**	Cost of sales	**(13,074.1)**	(12,140.1)
619.5	**424.9**	**Net operating profit**	**3,479.4**	4,473.0
13.6	**12.9**	Investment income	**105.5**	98.3
(4.5)	**(15.5)**	Finance expense	**(126.9)**	(32.3)
(33.0)	**(32.2)**	Share-based payments	**(263.5)**	(238.0)
4.8	**11.3**	Share of results of associates after taxation	**93.1**	35.0
(2.5)	**(11.0)**	Other costs	**(91.5)**	(18.3)
(38.9)	**(18.4)**	Non-recurring items	**(150.4)**	(281.2)
559.0	**372.0**	**Profit before royalties and taxation**	**3,045.7**	4,036.5
(40.1)	**(34.5)**	Royalties	**(282.1)**	(289.5)
518.9	**337.5**	**Profit before taxation**	**2,763.6**	3,747.0
(170.9)	**47.4**	Mining and income tax	**388.5**	(1,234.5)
348.0	**384.9**	**Profit for the year**	**3,152.1**	2,512.5
		Profit attributable to:		
348.1	**384.9**	– Owners of the parent	**3,151.5**	2,513.4
(0.1)	**–**	– Non-controlling interest holders	**0.6**	(0.9)
348.0	**384.9**		**3,152.1**	2,512.5
		Earnings per share attributable to ordinary shareholders of the Company:		
48	**53**	Basic earnings per share – cents	**433**	348

RESULTS FOR THE YEAR

Profit attributable to owners of the parent for discontinued operations increased by 25% from R2,513 million (or 348 cents per share) for 2011 to R3,152 million (or 433 cents per share) for 2012. The reasons for this increase are discussed below.

REVENUE

Revenue decreased marginally from R16,613 million for 2011 to R16,554 million for 2012. The decrease in revenue of R59 million was due to a decrease in gold sales partially offset by an increase in the average rand gold price for the period from R369,139 per kilogram to R434,943 per kilogram. The rand gold price increase was due to a 4% increase in the US dollar gold price from an average of US$1,590 per ounce to US$1,652 per ounce and a weaker rand, which weakened by 13% from an average of R7.22 to R8.19 to the US dollar.

Gold sales decreased by 15% from 1,447,000 ounces in 2011 to 1,223,600 ounces in 2012.

Gold sales at KDC decreased by 15% from 1,100,200 ounces to 934,900 ounces as a result of lower underground and surface mining volumes. The lower volumes were due to a fire at Ya Rona shaft which broke out on 30 June and was eventually extinguished on 14 August, together with illegal strike action which lasted from late August to early in November and resulted in a total of 30 days' lost production at KDC East (formerly Kloof) and 39 days' lost production at KDC West (formerly Driefontein). Production lost due to the illegal strike and the fire amounted to approximately 116,000 ounces and 30,000 ounces respectively. At Beatrix, gold output decreased by 17% from 346,800 ounces to 288,700 ounces due to lower underground grades and lower volumes mined and processed because of illegal strike action, which resulted in the loss of 23 days' production at the North and South sections and the loss of 29 days' production at the West section. Production lost due to the illegal strike amounted to approximately 29,000 ounces.

DISCONTINUED OPERATIONS (continued)

COST OF SALES

Cost of sales, which consists of operating costs and amortisation and depreciation, increased by 8% from R12,140 million in 2011 to R13,074 million in 2012.

The analysis that follows provides a more detailed comparison of cost of sales together with total cash cost and notional cash expenditure (NCE) per ounce.

Operating costs – cost of sales less gold inventory change, and amortisation and depreciation

Operating costs increased by 10% from R9,861 million in 2011 to R10,874 million in 2012.

This increase of R1,013 million was mainly due to the above-inflation all-in annual wage increase of around 9.4%, an increase in electricity tariffs of 16%, additional support costs and an increase in raw material input costs. These increases were partially offset by the lower production levels, mainly due to the strikes, resulting in lower consumable usage and lower labour costs. At KDC, operating costs increased by 11% from R7,452 million to R8,237 million. Beatrix increased by 9% from R2,409 million to R2,637 million.

General and administration (G&A) costs

Net general and administration costs, which are included in operating costs, amounted to R227 million in 2012 compared with R176 million in 2011, mainly due to an increase in World Gold Council costs, reorganisation of corporate services and inflation.

The table below presents the analysis of cost of sales:

Analysis of cost of sales		2012 R million	2011 R million
Cost of sales per income statement		**13,074**	12,140
Deduct:	Amortisation and depreciation	**(2,200)**	(2,279)
Operating costs		**10,874**	9,861
(Deduct)/add:	General and administration	**(227)**	(176)
	Royalties[1]	**282**	290
	Rehabilitation	**(50)**	(64)
Total cash cost		**10,879**	9,911

[1]Royalties are added as they are reflected below operating profit in the income statement but included as part of total cash cost.

The following table sets out for each operation and the Group, total gold sales in ounces and total cash cost in US$/oz and R/kg for 2012 and 2011:

	2012			2011		
	Gold sold '000 oz	Total cash cost[1] US$/oz	Total cash cost[1] R/kg	Gold sold '000 oz	Total cash cost[1] US$/oz	Total cash cost[1] R/kg
South Africa region:						
KDC	**934.9**	**1,076**	**283,249**	1,100.2	946	219,642
Beatrix	**288.7**	**1,118**	**294,277**	346.8	957	222,073
Discontinued operations	**1,223.6**	**1,086**	**285,851**	1,447.0	949	220,224

[1] Total cash cost is calculated in accordance with the Gold Industry standard.

The weighted average total cash cost per kilogram increased by 30% from R220,224 per kilogram (US$949 per ounce) in 2011 to R285,851 per kilogram (US$1,086 per ounce) in 2012. This increase was as a result of the decrease in gold sold and the increase in operating costs described earlier.

Amortisation and depreciation

Amortisation and depreciation decreased by 3%, from R2,279 million in 2011 to R2,200 million in 2012 mainly due to an accounting reversal of the amortisation and depreciation charge for the month of December of R248 million when the South African operations were classified as discontinued for accounting purposes. On an annual basis, KDC increased by 3% from R1,663 million to R1,713 million due to a reduction in life of mine reserves, mainly at Driefontein 1 shaft. On an annual basis, Beatrix increased by 23% from R514 million to R632 million due to a decrease of the life of mine.

DISCONTINUED OPERATIONS (continued)

Notional cash expenditure (NCE)

Notional cash expenditure is defined as operating costs (including general and administration costs) plus capital expenditure and is reported on a per kilogram and per ounce basis. The objective is to provide the all-in cost for each operation and for the discontinued operations as a whole. NCE per ounce influences how much free cash flow is available in order to pay taxation, interest and dividends. NCE margin is defined as the difference between revenue per ounce and NCE per ounce expressed as a percentage. NCE margin was 16% and 23% for 2012 and 2011 respectively.

	2012					2011				
	Gold produced '000 oz	Operating costs R million	Capital expenditure R million	NCE R/kg	NCE US$/oz	Gold produced '000 oz	Operating costs R million	Capital expenditure R million	NCE R/kg	NCE US$/oz
KDC	**934.9**	**8,236.9**	**2,426.2**	**366,707**	**1,393**	1,100.2	7,452.4	2,300.3	285,017	1,228
Beatrix	**288.7**	**2,636.7**	**658.2**	**366,875**	**1,393**	346.8	2,408.8	611.1	279,957	1,206
South African operations	**1,223.6**	**10,873.6**	**3,084.4**	**366,746**	**1,393**	1,447	9,861.2	2,911.4	283,804	1,223
Corporate/services	**–**	**–**	**22.5**	**592**	**2**	–	–	11.3	251	1
Total discontinued operations	**1,223.6**	**10,873.6**	**3,106.9**	**367,338**	**1,395**	1,447.0	9,861.2	2,922.7	284,055	1,224

The above calculation is based on the average rand to the US dollar exchange rate of R8.19 and R7.22 for 2012 and 2011 respectively.

The NCE increased by 29% from R284,055 per kilogram (US$1,224 per ounce) to R367,338 per kilogram (US$1,395 per ounce) because of the higher operating costs and capital expenditure (as discussed under additions to property, plant and equipment) together with the lower production.

NET OPERATING PROFIT

Net operating profit decreased by 22% from R4,473 million in 2011 to R3,479 million in 2012.

This is due to the decreased revenue as a result of the lower production and higher cost of sales.

INVESTMENT INCOME

Income from investments increased by 8% from R98 million in 2011 to R106 million in 2012. The increase was mainly due to higher average cash balances in 2012 compared with 2011.

The investment income in 2012 of R106 million comprised R70 million interest on monies invested in the South African environmental rehabilitation trust funds and R36 million interest on other cash and cash equivalent balances.

The investment income in 2011 of R98 million comprised R66 million interest on monies invested in the South African environmental rehabilitation trust funds and R32 million interest on other cash and cash equivalent balances.

Interest received on the funds invested in rehabilitation trust funds increased from R66 million in 2011 to R70 million in 2012 due to higher balances invested in 2012.

Interest on other cash balances increased from R32 million in 2011 to R36 million in 2012 mainly due to higher average cash balances in 2012.

FINANCE EXPENSE

Finance expense increased from R32 million in 2011 to R127 million in 2012.

The finance expense of R127 million in 2012 comprises R8 million relating to the accretion of the environmental rehabilitation liability and R119 million on various Group borrowings.

The finance expense of R32 million in 2011 comprised R23 million relating to the accretion of the environmental rehabilitation liability and R9 million on various Group borrowings.

DISCONTINUED OPERATIONS (continued)

The environmental rehabilitation liability accretion expense decreased from R23 million in 2011 to R8 million in 2012 mainly due to an increase in the mines' lives.

Below is an analysis of the components making up other interest, stated on a comparative basis:

	2012 R million	2011 R million
Interest on borrowings	**114**	5
Other interest charges	**5**	4
	119	9

Interest on borrowings increased due to additional borrowings to fund working capital requirements of the South African operations during the Ya Rona fire and the illegal strike action.

SHARE-BASED PAYMENTS

Gold Fields recognises the cost of share options granted (share-based payments) in terms of International Financial Reporting Standard (IFRS) 2.

Gold Fields has adopted appropriate valuation models (Black-Scholes and Monte Carlo simulation) to fair value share-based payments. The value of the share options is determined at the grant date of the options and expensed on a straight-line basis over a three-year vesting period, adjusted for forfeitures as appropriate.

Based on these models, share-based payments increased by 11% from R238 million in 2011 to R264 million in 2012. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The increase in share-based payments was mainly due to the value of share-based compensation granted under the new Gold Fields Limited 2012 Share Plan in 2012.

SHARE OF RESULTS OF ASSOCIATES AFTER TAXATION

Share of results of associates after taxation increased by 166% from a gain of R35 million in 2011 to a gain of R93 million in 2012. Gold Fields equity accounts Rand Refinery Limited as an associate.

The discontinued operations' 33.1% share of after-tax profits in Rand Refinery Limited was R93 million in 2012 compared with R35 million in 2011. The increase was due to higher Krugerrand sales and furnace clean-up.

OTHER COSTS

Other costs increased by 411% from R18 million in 2011 to R92 million in 2012. The charges are mainly made up of:

- Social contributions and sponsorships;
- New loan facility charges; and
- Long service awards.

NON-RECURRING ITEMS

Non-recurring items decreased by 47% from R281 million in 2011 to R150 million in 2012. The charges are mainly made up of restructuring costs and profit on disposal of property, plant and equipment, as well as R28 million incurred on the Ya Rona fire at KDC.

Restructuring costs decreased from R285 million in 2011 to R124 million in 2012. The costs in 2012 include R25 million on voluntary separation packages and R99 million on business process re-engineering costs while costs in 2011 include R165 million on voluntary separation packages and R120 million on business process re-engineering costs.

Profit on disposal of property, plant and equipment decreased from R4 million in 2011 to R2 million in 2012.

The major disposals in 2012 related to the sale of assets at KDC and Beatrix whereas in 2011, they related to the sale of assets at KDC.

DISCONTINUED OPERATIONS (continued)

ROYALTIES

Royalties decreased by 3% from R290 million in 2011 to R282 million in 2012. The decreased royalty in 2012 is due to lower gold revenue due to lower gold sales, partly offset by an increase in the gold price.

MINING AND INCOME TAX

Mining and income tax was an income of R389 million in 2012 compared to an expense of R1,235 million in 2011. The table below indicates Gold Fields' effective tax expense rate in 2012 and 2011:

	2012 R million	2011 R million
Income and mining tax	**(389)**	1,235
Effective tax expense rate (%)	**(14.1)**	32.9

In 2012, the effective tax expense rate of negative 14% was lower than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- R26 million adjustment to reflect the actual realised company tax rates in South Africa;
- R282 million reduction relating to the South African mining tax formula rate adjustment;
- R1,073 million deferred tax release on reduction of the long-term expected tax rate at the South African operations; and
- R41 million of net non-deductible expenditure and non-taxable income.

The above were offset by the following tax-effected charges:

- R89 million non-deductible charges related to share-based payments.

In 2011, the effective tax expense rate of 33% was lower than the maximum South African mining statutory tax rate of 43% mainly due to the tax effect of the following:

- R382 million adjustment to reflect the actual realised company tax rates in South Africa;
- R86 million reduction relating to the South African mining tax formula rate adjustment; and
- R15 million of net non-deductible expenditure and non-taxable income.

The above were offset by the following tax-effected charges:

- R102 million non-deductible charges related to share-based payments.

PROFIT FOR THE YEAR

As a result of the factors discussed above, discontinued operations posted a profit for the year of R3,152 million in 2012 compared with R2,513 million in 2011.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Discontinued operations posted a profit attributable to ordinary shareholders of the Company of R3,152 million in 2012 compared with R2,513 million in 2011.

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS

The non-controlling interest consists of Living Gold (Pty) Limited at 10% at the end of 2012 (Rnil at the end of 2011). Profit attributable to non-controlling interest of R1 million in 2012 compared to a loss of R1 million in 2011. The 10% effective non-controlling rate during 2012 compared with a 3.4% effective non-controlling rate during 2011.

EARNINGS PER SHARE

As a result of the above, earnings per share from discontinued operations increased from 348 cents in 2011 to 433 cents in 2012.

Management's discussion and analysis of the financial statements

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LIQUIDITY AND CAPITAL RESOURCES

Cash resources

Cash flows from operating activities

Cash inflows from operating activities decreased from R14,213 million in 2011 to R8,864 million in 2012. The items comprising these are discussed below.

CONTINUING OPERATIONS

Cash inflows from operating activities from continuing operations decreased from R8,068 million in 2011 to R4,927 million in 2012. The decrease of R3,141 million was due to:

	R million
Decrease in cash generated from operations due to higher exploration, feasibility and evaluation costs	**(222)**
Increase in interest received	**52**
Decrease in dividends received	**(3)**
Decrease in post-retirement healthcare payments	**1**
Increase in investment in working capital	**(621)**
Increase in interest paid	**(122)**
Increase in royalties paid	**(221)**
Increase in taxes paid	**(594)**
Increase in dividends paid	**(1,411)**
	(3,141)

Dividends paid increased from R1,552 million in 2011 to R2,963 million in 2012. The dividends paid of R2,963 million in 2012 comprised dividends paid to ordinary shareholders of R2,846 million, non-controlling interests in Ghana and Peru of R97 million and South Deep dividend of R20 million.

The dividends paid of R1,552 million in 2011 comprised dividends paid to ordinary shareholders of R1,230 million, non-controlling interests in Ghana and Peru of R301 million and South Deep dividend of R21 million.

DISCONTINUED OPERATIONS

Cash inflows from discontinued operating activities decreased from R6,146 million in 2011 to R3,937 million in 2012. The decrease of R2,209 million was due to a decrease in cash generated from discontinued operations due to increased operating costs, increase in working capital, increase in interest paid and increase in royalties and taxes paid, partly offset by an increase in interest received.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash outflows from investing activities decreased from R17,957 million in 2011 to R13,705 million in 2012. The items comprising these numbers are discussed below.

CONTINUING OPERATIONS

Cash outflows from investing activities for continuing operations decreased from R14,952 million in 2011 to R10,578 million in 2012. The items comprising these numbers are discussed below.

Additions to property, plant and equipment

Capital expenditure increased from R7,281 million in 2011 to R10,156 million in 2012, of which R897 million was due to the weaker rand.

Capital expenditure at South Deep in South Africa increased from R1,983 million in 2011 to R2,576 million in 2012:

- This increase was due to expenditure on additional development, trackless equipment and an extension to the processing facility, partly offset by reduced expenditure on the ventilation shaft deepening and the tailings facility.

Capital expenditure at the West African operations increased from US$307 million in 2011 to US$374 million in 2012:

- Tarkwa increased from US$219 million to US$260 million mainly due to increased expenditure on capital waste costs and an increase in the purchase of mining fleet; and
- Damang increased from US$88 million to US$114 million. The majority of this expenditure was on capital waste costs and exploration.

Capital expenditure at Cerro Corona in Peru increased from US$69 million in 2011 to US$94 million in 2012:

- The majority of the expenditure was on the raising of the tailings management facility.

Capital expenditure at the Australasian operations increased from A$249 million in 2011 to A$361 million in 2012:

- St Ives increased from A$177 million to A$301 million due to increased capital development mainly at the Cave Rocks underground mine, pre-stripping at the Bellerophon open pit, the purchase of mobile equipment of A$54 million for the open pits and expenditure on the new tailings facility; and
- Agnew decreased from A$72 million to A$60 million due to the completion of both pre-stripping at Songvang open pit and the owner mining project in 2011.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment decreased from R23 million in 2011 to R11 million in 2012. In both periods this related to the disposal of various redundant assets at the South Deep mine and at the international mining operations.

La Cima non-controlling interest buy-out

On 22 March 2011, Gold Fields announced a voluntary purchase offer in Lima, Peru, to acquire the outstanding common voting shares and investment shares of Gold Fields La Cima S.A.A. (La Cima) that it did not already own.

Gold Fields offered 4.20 Peruvian nuevos soles (S/.) in cash for each La Cima common or investment share. The offer closed on 15 April 2011. The transaction resulted in Gold Fields increasing its stake in La Cima from 80.7% to 98.5%, after purchasing 254.8 million shares, at a cost of R2,613 million (US$382 million).

During 2012, Gold Fields paid R7 million (US$1 million) for an additional buy-out of 0.1% non-controlling interest of La Cima by purchasing 0.6 million shares.

Ghana non-controlling interest buy-out

On 15 April 2011, Gold Fields announced that a binding agreement had been entered into with IAMGold Corporation to acquire IAMGold's 18.9% indirect minority stake (non-controlling interest) in Tarkwa and Damang, for a cash consideration of R4,520 million (US$667 million). Upon completion of the acquisition, which was subject to obtaining shareholders approval, Gold Fields increased its interest in each of the Tarkwa and Damang gold mines from 71.1% to 90%, the remaining 10% interest being held by the government of Ghana.

South Deep non-controlling interest buy-out

On 14 October 2011, Gold Fields purchased a 26% interest in Western Areas Prospecting from Peotona Gold (Proprietary) Limited for R51 million. The transaction was concluded in terms of an agreement signed between the parties during 2009. Gold Fields now owns 100% of Western Areas Prospecting which owns the Cardoville, the Kalbasfontein, the WA4 and the Wildebeestkuil prospecting rights.

Talas non-controlling interest buy-out

During 2012, Gold Fields purchased the non-controlling interest of 40% in the Talas project from Orsu Metals Corporation for US$10.0 million.

Payment to FSE

Gold Fields paid R69.0 million (US$10.0 million) in option fees to Lepanto Consolidated Mining Company during the 6 months ended 31 December 2010. In addition, Gold Fields paid non-refundable down payments of R534.6 million (US$66.0 million) during the year ended 31 December 2011 and R302.0 million (US$44.0 million) during the 6 months ended 31 December 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. As from 31 March 2012, Gold Fields acquired 40% of the issued share capital of FSE by contributing an additional non-refundable down payment of R833.8 million (US$110.0 million).

Payment to Bezant

Gold Fields entered into an option agreement with Bezant Resources PLC (Bezant) to acquire the entire issued share capital of Asean Copper Investments Limited which is incorporated in the British Virgin Islands, a wholly owned subsidiary of Bezant. Asean holds Bezant's entire interest in the Guinaoang porphyry copper-gold deposit (the Mankayan project) located on the Luzon Island in the Philippines. Subsequent to approval being obtained from Bezant's shareholders, Gold Fields paid an upfront non-refundable option fee of R55 million (US$7 million) to Bezant Resources PLC and now has the option to acquire the entire issued share capital of Asean for US$63 million. The option could be exercised from the date upon which it is granted until expiry on 31 January 2013.

Subsequent to year end, the option was extended to 31 January 2014 with a revised consideration of US$60.5 million to be paid on the future exercise of the option.

Purchase of investments

Investment purchases increased from R1 million in 2011 to R7 million in 2012.

The purchase of investments of R7 million in 2012 comprised:

	R million
Cascadero Copper Corporation	**1**
Atacama Pacific Gold Corporation – conversion of warrants	**6**
	7

The purchase of investments of R1 million in 2011 comprised:

	R million
Atacama Pacific Gold Corporation	1
	1

Proceeds on disposal of investments

Proceeds on the disposal of investments increased from R99 million in 2011 to R526 million in 2012.

The proceeds on disposal of investments of R526 million in 2012 comprised:

	R million
Sale of shares in Evolution Mining Limited	**205**
Sale of shares in GoldQuest Mining Corporation	**184**
Sale of shares in Atacama Pacific Gold Corporation	**121**
Sale of shares in Africo Resources	**1**
Repayment of loans advanced to GBF Underground Mining Company	**15**
	526

The proceeds on disposal of investments of R99 million in 2011 comprised:

	R million
Sale of shares in Gold One International Limited	57
Repayment of loans advanced to GBF Underground Mining Company	42
	99

Environmental trust fund and rehabilitation payments

The environmental trust fund and rehabilitation payments increased from R19 million in 2011 to R27 million in 2012.

During 2012, Gold Fields paid R5 million into its South Deep mine environmental trust fund and spent R22 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of R27 million for the year.

During 2011, Gold Fields paid R7 million into its South Deep mine environmental trust fund and spent R12 million on ongoing rehabilitation, resulting in a total cash outflow of R19 million for the year.

DISCONTINUED OPERATIONS

Cash outflows from investing activities for discontinued operations increased from R3,005 million in 2011 to R3,127 million in 2012. The items comprising these numbers are discussed below.

Additions to property, plant and equipment

Capital expenditure increased from R2,923 million in 2011 to R3,107 in 2012. Capital expenditure at the individual mines was as follows:

- KDC increased from R2,300 million to R2,426 million which was mainly due to increased spending on an additional processing facility (Python plant) and an increase in safety related equipment.
- Beatrix increased from R611 million to R658 million due to an increase in infrastructure upgrades.
- The balance of R23 million in 2012 and R12 million in 2011 includes expenditure at Corporate and Mining services.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment decreased from R16 million in 2011 to R6 million in 2012. In both periods this related to the disposal of various redundant assets at the discontinued South African operations.

Environmental trust funds and rehabilitation payments

The environmental trust fund payments decreased from R98 million in 2011 to R24 million in 2012, all relating to contributions into the South African trust fund.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities increased from R3,663 million in 2011 to R4,072 million in 2012. The items comprising this increase are discussed below.

CONTINUING OPERATIONS

Net cash from financing activities was an outflow of R148 million in 2012 compared to an inflow of R3,663 million in 2011. The items comprising these amounts are discussed below.

Loans received from non-controlling interests

Non-controlling interest holders' loans received increased from R225 million in 2011 to R230 million in 2012. Both financial years related to cash advanced by Buenaventura in accordance with their obligations under the Chucapaca agreement and amounted to US$28 million during 2012 and US$31 million during 2011.

Loans raised

Loans raised decreased from R7,786 million in 2011 to R7,352 million in 2012.

The R7,352 million loans raised in 2012 comprised:

	R million
US$1 billion syndicated revolving credit facility – US$666 million	**5,193**
US$500 million syndicated revolving credit facility – US$244 million	**1,949**
US$60 million senior secured revolving credit facility – US$23 million	**185**
R2 billion revolving credit facility	**25**
	7,352

The R7,786 million loans raised in 2011 comprised:

	R million
Split-tenor revolving credit facility – US$540 million	3,733
US$1 billion revolving credit facility – US$483 million	3,381
US$60 million senior secured revolving credit facility – US$70 million	545
Proceeds on scrip lending of 3 million Mvelaphanda shares	127
	7,786

Total drawdowns under the US$60 million senior secured revolving credit facility were made up of two separate drawdowns of US$20 million and US$50 million.

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Loans repaid

Loans repaid increased from R4,396 million in 2011 to R7,745 million in 2012.

The R7,745 million loans repaid in 2012 comprised:

	R million
Split-tenor revolving credit facility – US$500 million	**3,920**
US$60 million senior secured revolving credit facility – US$73 million	**591**
US$1 billion syndicated revolving credit facility – US$220 million	**1,725**
US$500 million syndicated revolving credit facility – US140 million	**1,156**
US$200 million non-revolving senior secured term loan – US$40 million	**328**
R2 billion revolving credit facility	**25**
	7,745

Total drawdowns under the US$60 million senior secured revolving credit facility were made up of two separate drawdowns of US$50 million and US$23 million.

The R4,396 million loans repaid in 2011 comprised:

	R million
Commercial paper loans	735
Split-tenor revolving credit facility – US$40 million	276
US$60 million senior secured revolving credit facility – US$20 million	139
US$1 billion revolving credit facility – US$263 million	2,063
US$200 million non-revolving senior secured term loan – US$40 million	300
Full and final redemption of preference shares including interest	610
Repayment of proceeds on scrip lending of Mvelaphanda shares	273
	4,396

Proceeds from the issue of shares

Shares issued decreased from R47 million in 2011 to R16 million in 2012, both related to proceeds received from shares issued in terms of the Group's employee share scheme.

DISCONTINUED OPERATIONS

Net cash generated from financing activities increased from Rnil in 2011 to R4,220 million in 2012. The items comprising these amounts are discussed below.

Loans raised

Loans raised increased from R400 million in 2011 to R4,220 million in 2012.

The R4,220 million loans raised in 2012 comprised:

	R million
R2.0 billion revolving credit facility	**2,000**
R1.0 billion revolving credit facility	**500**
R500 million revolving credit facility	**500**
Short-term credit facilities	**1,220**
	4,220

The R400 million loans raised in 2011 comprised:

	R million
Borrowings from various local banks to fund short-term working capital requirements and capital expenditure	400
	400

Loans repaid

Loans repaid decreased from R400 million in 2011 to Rnil in 2012.

The R400 million loans repaid in 2011 comprised:

	R million
Borrowings from various local banks to fund short-term working capital requirements and capital expenditure	400
	400

Net cash utilised

As a result of the above, net cash utilised in 2012 amounted to R769 million compared to R80 million in 2011.

Total Group cash and cash equivalents amounted to R5,619 million at 31 December 2012, as compared with R6,049 million at 31 December 2011.

STATEMENT OF FINANCIAL POSITION

Borrowings

Total debt (short and long term) increased from R15,509 million at 31 December 2011 to R16,016 million at 31 December 2012. This increase in borrowings was largely to fund the payment of FSE amounting to R834 million. Net debt (total debt less cash and cash equivalents) for continuing operations increased from R9,823 million at 31 December 2011 to R10,820 million at 31 December 2012.

Provisions

Long-term provisions decreased from R3,317 million at 31 December 2011 to R2,251 million at 31 December 2012 and included a provision for post-retirement healthcare costs of Rnil (2011: R17 million), a provision for environmental rehabilitation costs of R2,132 million (2011: R3,190 million) and the South Deep dividend of R119 million (2011: R110 million).

– Provision for post-retirement healthcare costs

The Group medical scheme, Medisense, provides benefits to employees and certain of its former employees. The Group remains liable for 50% of these retired employees' medical contributions to the medical scheme after retirement. This is applicable to employees of the Free State operations who retired on or before 31 August 1997 and members of the West Wits operations who retired on or before 1 January 1999. The decrease in the provision is due to the reclassification to liabilities held for distribution, as this provision relates to discontinued operations.

– Provision for environmental rehabilitation costs

The amount provided for environmental rehabilitation costs decreased from R3,190 million at 31 December 2011 to R2,132 million at 31 December 2012. The decrease is largely due to the reclassification of R1,739 of the provision to liabilities held for distribution, as this portion relates to discontinued operations, which is partly offset by the weakening of the SA rand from R8.13 to R8.57 to the US dollar. This provision represents the present value of closure, rehabilitation and other environmental obligations incurred up to 31 December 2012. This provision is updated annually to take account of inflation, the time value of money and any new environmental obligations incurred.

The inflation and range of discount rates applied in 2012 and 2011 for each region are shown in the table below:

	Discontinued operations	South Deep	Ghana	Australia	Peru
Inflation rates					
2012	5.3% – 6.4%	6.4%	8.5%	3.5%	3.0%
2011	6.3% – 6.5%	6.5%	7.5%	3.5%	3.0%
Discount rates					
2012	5.2% – 7.0%	7.0%	9.5%	4.0 – 4.2%	4.0%
2011	6.8% – 7.7%	7.6%	8.5%	4.8 – 5.0%	4.2%

STATEMENT OF FINANCIAL POSITION (continued)

The inflation adjustment in 2012 was R137 million (R88 million for continuing operations and R49 million for discontinued operations) compared with R107 million (R43 million for continuing operations and R64 million for discontinued operations) in 2011 and the interest adjustment in 2012 was R31 million (R23 million for continuing operations and R8 million for discontinued operations) compared with R58 million (R35 million for continuing operations and R23 million for discontinued operations) for 2011.

Adjustments for new disturbances and changes in environmental legislation during 2012 and 2011, after applying the above inflation and discount rates were:

	2012 R million	2011 R million
South Africa – South Deep	**70**	27
South Africa – discontinued operations	**264**	169
Ghana	**12**	153
Australia	**73**	101
Peru	**(4)**	57
Total	**415**	507

The South African operations contribute to dedicated environmental trust funds to provide financing for final closure and rehabilitation costs. The amount invested in the fund is shown as a non-current asset in the financial statements and decreased from R1,313 million at 31 December 2011 to R85 million at 31 December 2012. The decrease consists of the reclassification of discontinued trust funds amounting R1,331 million to assets held for distribution, partly offset by an increase of contributions of R29 million (made up of R5 million for continuing operations and R24 million for discontinued operations) and interest income of R74 million (made up of R4 million for continuing operations and R70 million for discontinued operations). The South African operations are required to contribute annually to the trust fund over the remaining lives of the mines, to ensure that sufficient funds are available to discharge commitments for future rehabilitation costs.

– South Deep dividend

The South Deep dividend was R119 million at 31 December 2012 compared to R110 million at 31 December 2011. Under the South Deep transaction, a wholly owned subsidiary company of Gold Fields was created to acquire 100% of the South Deep net assets from Sibanye Gold. Sibanye Gold is a wholly owned subsidiary of Gold Fields. The new company then issued 10 million Class B ordinary shares representing 10.0% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share and can convert the Class B to Class A ordinary shares over a 20-year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one third after 10 years and a third thereafter on each fifth year anniversary. For accounting purposes, the dividend represents a liability of Gold Fields to the Class B ordinary shareholders and qualifies as a share-based compensation. The rand-based effective interest rate used to discount the future dividend payments is 9.55%. At 31 December 2011, the liability was valued at R137 million, of which R27 million was classified as a short-term portion under accounts payable and R110 million as long term under long-term provisions. At 31 December 2012, the outstanding provision is R139 million of which R20 million is classified as a short-term portion under accounts payable and R119 million as long term under long-term provisions.

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

ICT at Gold Fields has become a strategic partner to the Gold Fields business in achieving its business strategy. ICT continues to focus on ensuring that effective and efficient management of ICT resources exist, to facilitate the achievement of Gold Fields objectives.

The Gold Fields ICT Charter remains relevant and outlines the following goals for ICT:

- Ensure high availability and recoverability of all critical systems and information – ICT has demonstrated the ability to ensure 99% availability and recoverability of all critical systems and information;
- Ensure continuous alignment of the ICT strategy to the Gold Fields business strategy – through the governance model established, ICT remains aligned to the business strategy;
- Ensure compliance with internal policies, selected industry standards, external laws and regulations – ICT ensured that all systems, processes, and information are maintained in a manner that is compliant with all policies, standards, and regulations as evidenced by the IT Audit Report;
- Maintain high performance of all business systems through service level adherence – service levels were consistently delivered at an average of 97% to ensure high performance of systems was achieved;
- Ensure that ICT resources are adequately secured – the ICT team conducted a global ISO 27001 security standard gap analysis to determine areas of weakness. Only minor areas were identified and addressed by implementing an Information Security Management System aligned to the ISO 27001 standard;

- Monitor and evaluate ICT investment and expenditure – the ICT financial targets were met with a focus on sustaining cost saving. The ICT cost as percentage of revenue was achieved at 0.68% against an industry average of 1.2%;
- Manage ICT risks – ICT focused on governance and risk management which resulted in the effective management and mitigation of all risks to minimise any business impact; and
- Innovate – Gold Fields ICT encouraged innovation as one of the cornerstones of the philosophy of operations with many innovative ideas becoming projects and delivering on the business case.

The key programmes within ICT as outlined in the strategy are based on the following themes:

- Safe production;
- Enterprise information management and communications;
- Productivity;
- Cost management; and
- ICT operational and delivery excellence.

In order to optimally deliver according to the ICT Charter and the ICT strategic themes, the ICT operating model is maintained according to the following areas:

- Commercial;
- Mining and MRM;
- Engineering and metallurgy;
- Sustainability;
- ICT infrastructure;
- Projects and vendor office;
- Enterprise information reporting;
- Financial management;
- Innovation;
- Governance, risk management, compliance, security, architecture and standards;
- Service delivery; and
- People and skills management.

The operating model that has been adopted for Gold Fields ICT is based on industry best practice and it enables ICT to focus on business imperatives and business support, while the non-core services are outsourced.

As a result of the creation of Sibanye Gold and the resulting ICT requirements, this operating model is currently under review.

Over the course of the period, numerous ICT strategic initiatives were concluded and the standardisation of ICT service delivery was achieved. An ICT governance structure based on King III Code of Corporate Governance was adopted which sees the regional ICT leaders reporting into the ICT management committee ("ICT Manco") monthly. The ICT Manco in turn reports to the Chief Financial Officer and Audit Committee on a quarterly basis.

At this stage, the key focus of ICT is to ensure the successful separation of Gold Fields and Sibanye information and systems. Numerous projects have been planned to successfully separate the information and critical systems whilst ensuring that business operations continue uninterrupted. These projects are planned to run during the course of 2013 and will ensure that the integrity and confidentiality of the information and functionality of the systems are maintained according to industry best practice.

SARBANES-OXLEY

Gold Fields, being a foreign private issuer under US SEC rules, needs to comply with the requirements of the Sarbanes-Oxley Act, 2002. Management's compliance programme consists of self-assessments, focused walk-throughs and operating effectiveness testing executed throughout the year, on a quarterly basis.

At the time of reporting, management has completed control design and operating effectiveness testing for the Group across all significant locations, with the exception of the final processes relating to preparation of US GAAP reporting (Form 20F) which will be filed in April 2013.

The results to date of said compliance programme indicate a very high level of compliance and no indication of a material breakdown in controls is noted.

PA Schmidt

Chief Financial Officer
26 March 2013

Directors' report

The directors have pleasure in submitting their report and the annual financial statements of Gold Fields Limited (Gold Fields or the Company) and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2012.

PROFILE

Business of the Company

The new Gold Fields is a significant unhedged producer of gold with attributable annualised production of around 2 million gold equivalent ounces from six operating mines in Australia, Ghana, Peru and South Africa. It also has an extensive and diverse global growth pipeline with four major projects at resource development and feasibility level. The new Gold Fields has total managed gold Mineral Reserves of 58.7 million ounces and Mineral Resources of 133.7 million ounces. It is listed on the JSE Limited (primary listing), the New York Stock Exchange (NYSE), NASDAQ Dubai Limited, Euronext in Brussels (NYX) and the Swiss Exchange (SWX). In February 2013, the Gold Fields Group unbundled its KDC and Beatrix mines in South Africa into a separately listed company, Sibanye Gold.

REVIEW OF OPERATIONS

The activities of the various Gold Fields operations are detailed in the Integrated Annual Review.

FINANCIAL RESULTS

The information on the financial position of the Gold Fields Group for the year ended 31 December 2012 is set out in the financial statements on pages 70 to 145 of this Annual Financial Report. The income statement for the Group shows a profit attributable to Gold Fields shareholders of R5,658 million (US$691 million) for the year ended 31 December 2012 compared with R7,027 million (US$973 million) in 2011.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The Company and the consolidated Group financial statements comply with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council as well as the requirements of the South African Companies Act and JSE Limited Listings Requirements (JSE Listings Requirements).

REPORTING IN UNITED STATES DOLLARS

To assist international investors, the income statement, statement of comprehensive income, statement of financial position, the statement of changes in equity and statement of cash flows of the Group have been translated into United States dollars.

LISTINGS

The abbreviated name under which the Company is listed on the JSE Limited (JSE) is GFIELDS and the short code is GFI. The Company also has a secondary listing on the following stock exchanges:
New York Stock Exchange (NYSE); NASDAQ Dubai Limited (NASDAQ Dubai); NYSE Euronext in Brussels (NYX) and the SIX Swiss Exchange (SWX).

At 31 December 2012, the Company had in issue, through The Bank of New York Mellon on the New York Stock Exchange (NYSE), 272,747,349 (31 December 2011: 267,242,181) American Depository Receipts (ADRs). Each ADR is equal to one ordinary share.

DIRECTORATE

Composition of the Board

As at 26 March 2013 the Board consists of two executive directors and 10 non-executive directors.

The following changes in directorate occurred during the year under review:

Dr MA Ramphele resigned as the Chair of the Board on 13 February 2013 and was replaced by Ms C Carolus.

Mr MS Moloko resigned as non-executive director of the Board on 31 December 2012 to take up the position of Chair of the Board of Sibanye Gold.

Rotation of directors

Directors retiring in terms of the company's articles of association, all of whom are eligible and offer themselves for re-election, are Mr DN Murray, Mr DMJ Ncube, Mr RL Pennant-Rea and Ms GM Wilson.

The Boards of Directors of various subsidiaries of Gold Fields comprise some of the executive officers and one or both of the executive directors, where appropriate.

Interests of directors

For the year ended 31 December 2012, the directors' beneficial interest in the issued and listed share capital of the Company (see table below) was 0.00513%. No one director individually exceeds 1% of the issued share capital or voting control of the Company.

	Beneficial			
	Direct		Indirect	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
Director				
Mamphela Ramphele	**1,450**	1,450	**–**	–
Nicholas Holland	**5,000**	2,788	**–**	–
Paul Schmidt	**7,000**	1,000	**–**	–
Alan Hill		–	**–**	–
Kofi Ansah	**–**	–	**–**	–
Cheryl Carolus	**–**	–	**–**	–
Roberto Dañino	**–**	–	**–**	–
Delfin Lazaro	**–**	–	**–**	–
Richard Menell	**–**	–	**–**	–
Sello Moloko	**–**	–	**–**	–
David Murray	**–**	–	**–**	–
Donald Ncube	**2,378**	–	**5,496**	5,496
Rupert Penant-Rea	**13,759**	13,759	**–**	–
Gayle Wilson	**2,378**	–	**–**	–
Prescribed officer				
Peter Turner	**13,689**	–	**–**	–
Richard Weston	**–**	–	**–**	–
Juan Luis Kruger	**–**	–	**–**	–
Peet van Schalkwyk	**1,090**	–	**–**	–
Tommy McKeith	**–**	–	**–**	–
Michael Fleischer	**4,533**	–	**–**	–
Tim Rowland	**–**	–	**–**	–
Kgabo Moabelo	**–**	–	**–**	–
Jimmy Dowsley	**–**	–	**–**	–
Zakira Amra	**–**	–	**–**	–
Naseem Chohan	**2,286**	–	**–**	–
Willie Jacobsz	**12,939**	–	**–**	–
Total	**66,502**	18,997	**5,496**	5,496

Executive directors' contracts of employment

The employment of an executive director will continue until terminated upon

(i) 24 or 12 months' notice by either party for the Chief Executive Officer and Chief Financial Officer, respectively, or
(ii) retirement of the relevant executive director (currently provided for at age 60 in the contract). Gold Fields can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

The employment contracts also provide that, in the event of the relevant executive director's employment being terminated solely as a result of a 'change of control' as defined below, and within 12 months of the change of control, the director is entitled to:

(i) payment of an amount equal to twice his salary, or two and a half times in the case of the Chief Executive Officer
(ii) payment of an amount equal to the average of the annual bonuses paid to the executive director during the previous two completed financial years
(iii) any other payments and/or benefits due under the contracts
(iv) payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete
(v) an entitlement, for two years after the date of termination, subject to the relevant rules of the GF Management Incentive Scheme then in force, to retain and to exercise all share options vested to him
(vi) an entitlement to be settled with the SARS and Restricted Shares allocated and awarded to him, subject to the rules of The Gold Fields Limited 2005 Share Plan then in force, and in the case of the Stock Appreciation rights a further period of one year in which to exercise them. The employment contracts further provide that these payments cover any compensation or damages the executive director may have under any applicable employment legislation

A 'change of control' for the above is defined as the acquisition by a third party or concert parties of 30% or more of Gold Fields' ordinary shares.

In the event of the consummation of an acquisition, merger, consolidation, scheme of arrangement or other reorganisation, whether or not there is a change of control, if the executive director's services are terminated, the 'change of control' provisions summarised above also apply.

The committee decided to discontinue the compensation entitlement in the event of change of control for senior executives appointed from 1 January 2013. The senior executives who are currently entitled to the change of control compensation benefits will be grandfathered.

Directors' and officers' disclosure of interests in contracts

During the year under review, no contracts were entered into in which directors and officers of the Company had an interest and which significantly affected the business of the Group.

Related party information is disclosed on pages 126 and 127.

FINANCIAL AFFAIRS

Dividend policy

The Company's dividend policy is to declare an interim and final dividend of between 25% and 35% of its normalised earnings.

Interim dividend

On 22 August 2012, the Company declared an interim dividend of 160 SA cents per ordinary share (2011: 100 SA cents) to shareholders reflected in the register of the Company on 14 September 2012. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 17 September 2012.

Final dividend

On 13 February 2013, the Company declared a final cash dividend of 75 SA cents per ordinary share (2011: 230 SA cents) to shareholders reflected in the register of the Company on 8 March 2013. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 11 March 2013.

The dividend resulted in a total dividend of 235 SA cents per ordinary share for the year ended 31 December 2012 (2011: 330 SA cents), with the final dividend being accounted for in 2013.

Borrowing powers

In terms of the provisions of section 19(1) of the Companies Act, No 71 of 2008, read together with Clause 4 of the Company's Memorandum of Incorporation, the borrowing powers of the Company are unlimited. As at 31 December 2012, the Gold Fields Group's borrowings totalled R20,236 million (US$2,361 million), compared to total borrowings of R15,509 million (US$1,908 million) at 31 December 2011.

Capital expenditure

Capital expenditure for the Gold Fields Group for the year ended 31 December 2012 amounted to R13,263 million (US$1,620 million) compared with R10,203 million (US$1,413 million) for 2011. Estimated capital expenditure for the new Gold Fields for 2013 is R7,800 million (US$900 million), excluding Sibanye Gold, and is intended to be funded from internal sources and, to the extent necessary, borrowings.

SIGNIFICANT ANNOUNCEMENTS

Resignation of Chair and appointment of new Chair

13 February 2013

The Chair of Gold Fields, Dr Mamphela Ramphele, has announced her resignation from the Company's Board of Directors with immediate effect. Dr Ramphele has decided to retire as Chair to further her socio-economic and political work. Gold Fields non-executive director, Cheryl Carolus, will succeed Dr Ramphele as Chair of the Company with immediate effect.

Sibanye Gold listing

11 February 2013

Sibanye Gold listed on the JSE and began trading at around R14/share, which gave it a market capitalisation of approximately R9.5 billion. Gold Fields shares closed at R105.80 on Friday 8 February and started trading at R93 on 11 February 2013, making its market capitalisation on the day approximately R68 billion.

Gold Fields ranked 3rd in the mining sector of the Dow Jones Sustainability Index

24 January 2013

Gold Fields was ranked 3rd in the mining index of the 2012 Dow Jones Sustainability Index (DJSI), the most recognised measure of the sustainability performance of listed companies worldwide. In 2011 Gold Fields ranked 4th.

Resignation of a director

29 November 2012

Sello Matthews Moloko resigned as an independent non-executive director of Gold Fields Limited with effect from 31 December 2012 to join Sibanye Gold as Chair of the Board.

Gold Fields unbundles GFIMSA (KDC and Beatrix) to create a new South African gold mining company called Sibanye Gold

29 November 2012

Gold Fields announced the creation of a new South African gold mining company through the proposed unbundling of its 100% owned subsidiary, Sibanye Gold Limited (Sibanye Gold), formerly known as GFI Mining South Africa Proprietary Limited (GFIMSA), which held the KDC and Beatrix gold mines as well as various service companies.

Joint media release – Gold Fields and Buenaventura: Update on Chucapaca project

14 November 2012

Gold Fields and Compañia de Minas Buenaventura S.A.A. (Buenaventura) announced an update on the Chucapaca exploration project in the southern Peruvian region of Moquegua. The project is a joint venture by Gold Fields (51%) and Buenaventura (49%) and operated by Gold Fields.

Gold Fields opens new Engineering Library at Wits University

7 November 2012

Gold Fields and the University of the Witwatersrand (Wits) officially opened the Gold Fields Engineering Library at the Wits Faculty of Engineering and the Built Environment today. The Engineering Library is the key project in Gold Fields' three-year R18 million sponsorship of the Wits School of Mining Engineering and would make a major contribution towards the alleviation of skills shortages in the South Africa mining sector.

KDC East mine resumes production

6 November 2012

Gold Fields announced that employees returned to work at its KDC East Mine (formerly Kloof) to resume production after a 23-day strike. All three of Gold Fields' operating mines in South Africa are now back in production.

Full turn-out at Gold Fields' Beatrix gold mine

18 October 2012

Gold Fields announced a full return to work of 2,800 workers at Beatrix 4 Shaft. This followed the return to work the previous day of all 6,200 employees at the 1, 2, 3 Shafts.

90% of Gold Fields' KDC West reports for duty

18 October 2012

Gold Fields confirmed that approximately 11,000 striking employees at KDC West reported for work.

Final ultimatum for unlawful strikers at Gold Fields to return to work or face dismissal

16 October 2012

Gold Fields announced that approximately 11,000 of the 14,300 employees at KDC West (formerly Driefontein Gold Mine) on strike since 9 September 2012 had failed to return to work.

8,500 KDC East employees join unlawful strike

15 October 2012

Gold Fields announced that approximately 8,500 of the 12,400 employees at its KDC East operation (formerly Kloof Gold Mine) had started an unlawful strike, commencing on 14 October 2012.

Gold Fields and NUM reach agreement on South Deep operating model

2 October 2012

Gold Fields announced that it had reached a formal agreement with the National Union of Mineworkers to implement a new operating model at its developing South Deep Gold Mine near Johannesburg in South Africa.

KDC West embarks on an unlawful and unprotected strike

10 September 2012

Gold Fields announced that employees of the West Section of the KDC Gold Mine (KDC West, formerly Driefontein) on the West Rand in South Africa had been engaging in an unlawful and unprotected strike since the start of the night shift on Sunday, 9 September 2012.

KDC East strike resolved

5 September 2012

Gold Fields announced that the unlawful strike by 12,000 employees at the KDC East mine on the West Rand in South Africa had been resolved and that striking employees have agreed to return to work.

Unlawful and unprotected strike at KDC East

31 August 2012

Gold Fields announced that employees of the East Section of the KDC Gold Mine (KDC) on the West Rand in South Africa had been engaging in an unlawful and unprotected strike since the start of the night shift on Wednesday, 29 August 2012.

South Deep project

2 August 2012

Gold Fields announced that its South Deep Joint Venture had entered a formal consultation process with the National Union of Mineworkers and other affected employees who were not members of a recognised trade union at South Deep via a Section 189 (3) notice.

KDC West re-opens, Ya Rona shaft remains closed

9 July 2012

Gold Fields announced that the Department of Mineral Resources had agreed to the re-opening of the West section of the Kloof Driefontein Complex (KDC West), except for the Ya Rona shaft.

KDC West accident

1 July 2012

Gold Fields announced that five employees had lost their lives at the 4 Shaft (Ya Rona) at the KDC West mine, near Merafong in South Africa, after a fire broke out the previous night.

Gold Fields funds new clinic on the West Rand

18 June 2012

Gold Fields announced that it has completed the construction of a healthcare facility that would operate as a public private partnership between its KDC East mine, the Westonaria Municipality and the Gauteng Department of Health.

Gold Fields secures 40% in Far Southeast

22 March 2012

Gold Fields announced that it had exercised its 20% option in the gold-copper Far Southeast project in the Philippines after making a US$110 million payment, taking its interest in the project to 40%.

GOING CONCERN

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgement and estimates. The directors have reasonable belief that the Company and the Group have adequate resources to continue as a going concern for the foreseeable future.

DEMATERIALISATION OF SHARES

Shareholders are reminded that, as a result of the clearing and settlement of trades through STRATE, the Company's share certificates are no longer good for delivery for trading. Dematerialisation of the Company's share certificates is a prerequisite when dealing in the Company's shares.

PROPERTY

The register of property and mineral rights is available for inspection at the registered office of the Company during normal business hours.

OCCUPATIONAL HEALTHCARE SERVICES

Occupational healthcare services are made available by Gold Fields to employees in South Africa from its existing facilities. There is a risk that the cost of providing such services could increase in the future, depending upon changes in the nature of underlying legislation such as the ruling by the Constitutional Court in February 2011 against AngloGold Ashanti in favour of a claimant, who suffered from silicosis. Increased costs, should they transpire, are currently indeterminate. The Company is monitoring developments in this regard.

ENVIRONMENTAL OBLIGATIONS

The new Gold Fields has made provision in the financial statements for environmental rehabilitation costs amounting to R2,132 million (December 2011: R3,190 million). Cash contributions of R5 million (2011: R105 million) have been paid during the year to a dedicated trust fund created to fund these provisions. The total amount invested at 31 December 2012 amounted to R85 million (2011: R1,313 million). The unfunded portion of the environmental rehabilitation costs will be funded as the obligations are incurred over the life of the operations. Gold Fields also has insurance policies in place for the balance of the rehabilitation costs in South Africa and has posted bonds for a proportion of the liability in other jurisdictions.

SPECIAL RESOLUTIONS ADOPTED BY SUBSIDIARY COMPANIES

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2012 and related to capital structures, borrowing powers, the objects clause contained in the Memorandum of Association or other material matters that affect the understanding of the Company and its subsidiaries:

- Special resolution No 1 by the shareholder of GFI Mining South Africa (Proprietary) Limited authorising that the name of the company be changed to Sibanye Gold (Proprietary) Limited.
- Special resolution No 2 by the shareholder of GFI Mining South Africa (Proprietary) Limited authorising that each ordinary par value share with a nominal value of R1.00 (one Rand) in the Company's authorised and issued share capital be converted into an ordinary no par value share.
- Special resolution No 3 by the shareholder of GFI Mining South Africa (Proprietary) Limited subject to Special Resolution No 2 above becoming effective, the Company's authorised share capital be increased by the creation of a further 999 999 000 (nine hundred and ninety-nine million and ninety-nine thousand) ordinary no par value shares each ranking pari passu in all respect with the existing no par value shares in the Company's share capital, so as to result in the Company's authorised capital being 1 000 000 000 (one billion) ordinary no par value share.
- Special resolution No 4 by the shareholder of GFI Mining South Africa (Proprietary) Limited that in terms of sections 16(1)(c), 16(5)(a) and 65(11) of the Companies Act, No 71 of 2008 (as amended), give effect to Special Resolutions Number 1, 2 and 3 (if they become effective); and convert the Company from a private company to a public company and substitute the existing memorandum and articles of association with the new Memorandum of Incorporation.
- Special resolution No 5 by the shareholder of GFI Mining South Africa (Proprietary) Limited authorising GFI Mining South Africa (Proprietary) Limited to provide financial assistance to its subsidiaries in accordance with sections 44 and 45 of the Companies Act, No 71 of 2008 (as amended).
- Special resolution No 6 by the shareholder of GFI Mining South Africa (Proprietary) Limited in accordance with section 66(9) of the Companies Act authorising the payment of directors' fees to non-executive directors with effect from 1 January 2013.
- Special resolution No 7 by the shareholder of GFI Mining South Africa (Proprietary) Limited pursuant to the Company's new Memorandum of Incorporation, the Company or any subsidiary of the Company is authorised by way of general approval, from time to time, to acquire ordinary shares in the capital of the Company in accordance with the Companies Act and the JSE Limited Listings Requirements.
- Special resolution by the shareholders of GFI Joint Venture Holdings (Proprietary) Limited authorising GFI Joint Venture Holdings (Proprietary) Limited to provide financial assistance to its subsidiaries in accordance with section 45 of the Companies Act, No 71 of 2008 (as amended).
- Special resolution by the shareholders of GFL Mining Services Limited authorising GFL Mining Limited to provide financial assistance to its subsidiaries in accordance with section 45 of the Companies Act, No 71 of 2008 (as amended).
- Special resolution by the shareholders of Gold Fields Group Services (Proprietary) Limited authorising Gold Fields Group Services (Proprietary) Limited to provide financial assistance to its subsidiaries in accordance with section 45 of the Companies Act, No 71 of 2008 (as amended).
- Special resolution by the shareholders of Gold Fields Shared Services (Proprietary) Limited authorising Gold Fields Shared Services (Proprietary) Limited to provide financial assistance to its subsidiaries in accordance with section 45 of the Companies Act, No 71 of 2008 (as amended).
- Special resolution by the shareholders of Gold Fields Operations Limited authorising Gold Fields Operations Limited to provide financial assistance to its subsidiaries in line with section 45 of the Companies Act, No 71 of 2008 (as amended).

LITIGATION

On 21 August 2008, Gold Fields Operations Limited (formerly known as Western Areas Limited) (WAL), a subsidiary of Gold Fields Limited, received a summons from Randgold and Exploration Company Limited (R&E) and African Strategic Investment Holdings Limited. The summons claims that, during the period that WAL was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited (Resources) and Afrikander Lease Limited, now known as Uranium One. WAL's assessment remains that it has sustainable defences to these claims and, accordingly, WAL's attorneys have been instructed to vigorously defend the claims. The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One between the dates of the alleged unlawful acts and March 2008 (between R11 billion and R12 billion). The alternative claims have been computed on the basis of the actual amounts allegedly received by WAL to fund its operations (approximately R519 million). The claims lie only against WAL, which holds a 50% stake in the South Deep Mine. This alleged liability is historic and relates to a period of time prior to Gold Fields purchasing the Company. The plaintiffs have failed, to date, to prosecute their claims and the action remains in abeyance.

On 21 August 2012, a court application was served on a group of respondents that included Gold Fields (the "August Respondents"). On 21 December 2012, a further court application was issued and formally served on a number of respondents, including Gold Fields, (the "December Respondents" and, together with the August Respondents, the "Respondents") on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, among others, Gold Fields and who allegedly contracted silicosis and/or other occupational lung diseases (the "Classes"). The court application of 21 August 2012 and the court application of 21 December 2012 are together referred to below as the "Applications".

These Applications request that the court certify a class action to be instituted by the applicants on behalf of the Classes. The Applications are the first and preliminary steps in a process where, if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold the Respondents liable for silicosis and other occupational lung diseases and resultant consequences. In the second stage, the Applications contemplate addressing what the applicants describe as common legal and factual issues regarding the claim arising from the allegations of the entire Classes. If the applicants are successful in the second stage, they envisage that individual members of the Classes could later submit individual claims for damages against the respective Respondents. The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages the applicants may seek.

With respect to the Applications, Gold Fields has filed a notice of its intention to oppose both the Applications and has instructed its attorneys to defend the claims. Gold Fields and its attorneys are engaging with the applicants' attorneys in both Applications to try to establish a court-sanctioned process to agree the timelines, (including the date by which Gold Fields must file its papers opposing the Applications) and the possible consolidation of the separate applications. At this stage, Gold Fields cannot quantify its potential liability from these actions.

Other than the above, Gold Fields is not a party to any material legal or arbitration proceedings, nor is any of its property the subject of pending material legal proceedings.

ADMINISTRATION

The office of Company Secretary of Gold Fields Limited was held by Cain Farrel for the period under review. As from 1 January 2013 Karen Robinson has held the position.

Computershare Investor Services (Proprietary) Limited are the Company's South African transfer secretaries and Capita Registrars are the United Kingdom registrars of the Company.

AUDITORS

The Audit Committee has recommended to the Board that KPMG continues in office in accordance with section 90(1) of the Companies Act, No 71 of 2008 (as amended).

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest are set out on pages 140 and 141.

Remuneration report

Dear Shareholder

The main task of the Remuneration Committee ("the committee") is to ensure that executive remuneration is aligned with the delivery of the Group's strategy for growth over the long term. The total remuneration of senior executives was reviewed in 2011, and evidence showed it was poorly positioned compared with their peer group. As a result, the committee made some changes to the remuneration mix of senior executives: all this was explained in the 2011 Integrated Annual Review. The committee now feels that the financial rewards for management last year were consistent with their achievements, and that the new approach to remuneration will continue to incentivise management to perform strongly in future. Because of the changes made for 2012, the normal year-on-year comparison is distorted in this report, but will be more revealing from next year onwards.

2013 Remuneration policy

The key principles of our remuneration policy are unchanged:

- Support the execution of the Group's business strategy
- Provide competitive rewards to attract, motivate and retain highly skilled executives
- Motivate and reinforce individual, team and business performance
- Ensure our remuneration arrangements are equitable and help the deployment of people across the Group's operations

The principle of performance-based remuneration is one of the cornerstones of the reward strategy. The reward strategy is also underpinned by sound remuneration management and governance principles, which are promoted across Gold Fields in order to ensure the consistent application of the reward strategy and policy.

The Gold Fields reward strategy includes the following elements:

- Salary
- Benefits
- Annual bonus
- Long-term incentive
  - – Bonus shares
  - – Performance shares

Remuneration mix

Gold Fields' remuneration philosophy is aimed at attracting and retaining motivated, high-calibre employees aligned with the interests of shareholders. Such alignment is achieved through the right mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the individual in the Company. Generally, the more senior the employee the higher the proportion of variable pay in their total package. The table below shows the broad parameters:

				Variable pay – target %	
Role	Total %	Salary pay %	Annual bonus %	Bonus shares %	Performance shares %
CEO	100	36	24	16	24
CFO	100	39	23	15	23
Group Executive Committee members	100	41	22	15	22

Salary

Gold Fields aims to reward its people fairly and consistently according to their role and individual contribution to the Company. To achieve external equity and competitive remuneration, Gold Fields uses surveys of peer-group mining companies. The benchmark for salaries is the market median for the relevant market, with a significant proportion of performance-related variable pay comprising short, medium and long-term incentives. For exceptional performance, the Company's intention is to position remuneration, including the annual bonus and bonus shares, at the 75th percentile of the market.

As a global company, with the majority of our operations now outside South Africa, we expect our senior executives to have experience in a number of different countries. We therefore compete for talent in a global marketplace, and our approach to remuneration takes account of the need to be competitive throughout different parts of the world in which the Group operates. To achieve these goals, in 2012 the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) were awarded significant increases in their salaries. For 2013, however, their salaries and those of other senior executives have been frozen due to the challenging economic times and in light of the revenue lost in 2012 due to the illegal strike action. Fees for non-executive directors in 2013 are also unchanged.

Annual bonus

Executive directors are able to earn bonuses of 60% (for the CFO) and 65% (for the CEO) of their salaries for on-target performance, which is a combination of Company and personal performance. The annual bonus could increase above 60% and 65% if the stretch target is achieved. The maximum bonus is capped at twice the on-target bonus percentage.

Targets for annual bonuses are set by the committee. In the case of the CEO and CFO, 65% of the annual bonus is based on Group objectives and the remaining 35% on personal objectives. For the Regional EVPs, bonuses are also judged against Regional and Operational objectives.

Operational objectives are measured against the operational plans approved by the Board and cover safety, production, costs and progress in developing long-term ore reserves. These Operational objectives roll into the Regional objectives and subsequently into the Group objectives. Personal objectives are set every year for each executive based on key performance areas and are approved at the beginning of the year by the committee. Performance against these objectives is reviewed by the committee at the end of the year.

Group objectives

For the year ended 31 December 2012, the Group performance targets and outcomes for the senior executives were as follows:

	Weight	2012 Actual	Threshold +0.0%	2012 Target +100%	Maximum +200%	Achieved
Safety improvement – % average, all rates, year-on-year	39%	**9.4%**	+0%	+10%	+20%	94%
Gold (equivalent) production – k'ozs	23%	**3,543**[1]	3,392	3,730	4,068	45%
NCE operations only – Rand million	23%	**36,346**	37,346	35,568	33,789	56%
Development and waste mined % increase	15%	**7.8%**	+0%	+5%	+10%	156%
	100%					**83%**

[1]Calculated as follows: Actual gold equivalent managed production of 3,348,000 ounces, plus an adjustment for ounces lost during the illegal strike at KDC and Beatrix of 145,000 ounces, plus 50,000 equivalent ounces at Cerro Corona, were the actual copper production is converted to equivalent ounces at the planned gold and copper prices for bonus purposes so as to eliminate the actual gold and copper price ratio over which there is no control.

The Group objectives for 2013 comprise five elements, weighted as follows:

Safety	– 30% (2012: 39%)
Total gold production	– 20% (2012: 23%)
Notional cash expenditure	– 20% (2012: 23%)
Growth portfolio	– 15% (2012: 0%)
Development or waste mined	– 15% (2012: 15%)

Personal objectives

Aside from those key drivers, the CEO and CFO were also assessed on personal objectives. Personal objectives are set every year for each executive based on key performance areas and are approved at the beginning of the year by the committee. Performance against these objectives is reviewed by the committee at the end of the year. The personal objectives are centred around three themes: Operational excellence, Growing Gold Fields and Securing our future. Some of the more notable achievements under these categories during the past year were as follows:

- Gold Fields was ranked third (2011: fourth) in the mining index of the 2012 Dow Jones Sustainability Index (DJSI), the most recognised measure of the sustainability performance of listed companies worldwide. Gold Fields was rated the top global gold company on the DJSI and the highest ranked South African-listed and domiciled mining company.
- The JSE Top 100 Carbon Disclosure Leadership Index (CDLI) ranks companies listed on the JSE in South Africa on their disclosure of carbon emissions. Last year Gold Fields was ranked second, with a score of 99 out of 100.
- Gold Fields Cerro Corona operation was recognised from among 80 companies in Peru for its commitment to sustainable development and was awarded the J.T Ryan Safety award.
- The conclusion of the 2012 strategic portfolio review of all operating assets as well as brownfields and greenfields projects led to a number of key decisions, many of which were already implemented in 2012 as detailed in the Integrated Annual Review 2012. The purpose of the review was to maximise cash generation and shareholder returns through a more rigorous analysis of operating costs, capital expenditures and production levels.
- The creation of Sibanye Gold, consisting of the unbundled KDC and Beatrix mines in South Africa, has opened up a bright and promising future for both companies.
- Even though last year's illegal strike led to a loss in gold production which cost Gold Fields approximately R2.1 billion in revenue, the strike was managed exceptionally well by all involved. There were no fatalities, injuries (other than a few minor isolated cases) or damage to property over the period of the strike; and the Company did not compromise its relations with the unions and other key external stakeholders.
- The new '24/7/365' operating model for South Deep was implemented, which should ensure a boost in productivity and the creation of new jobs. This is expected to provide additional face time and help achieve further productivity improvements. The new operating model which includes, *inter alia*, more competitive grading, remuneration and targeted incentives is expected to underpin the production ramp-up to the full production run-rate of 700,000 ounces of gold per annum planned by 2016. It also seeks closer employee alignment with the mine's business objectives.
- The change in Gold Fields' share price relative to its peer group (Anglogold, Barrick, Goldcorp, Kinross, Newcrest, Newmont and Harmony) was in the upper quartile last year.
- Gold Fields' dividends to shareholders in 2012 as measured by dividends as a percentage of earnings were among the highest in the gold mining industry.

Taking all these factors into account, the average bonus paid to members of the executive team in February 2013 was 47% of their annual pay; for the CFO it was 61% of annual pay; and for the CEO 77% of annual pay. Details for the CEO and the CFO are in the table below.

2012 Annual performance incentive payouts

Name	Company results score x 65% weight	Personal results score x +35% weight	Total score = (% of target)	Target Annual x Incentive as a % of GRP =	Actual 2012 Annual Incentive
Nicholas J Holland[1]	54%	64.4%	118.4%	65%	**77%**
Paul A Schmidt[2]	54%	47.6%	101.6%	60%	**61%**

[1] Mr NJ Holland received a personal performance score of 4.3 out of 5, which equates to a final percentage of 184% out of 200% (a score of 5 would equate to 200%). His bonus calculation has been determined as follows: (83% x 65%) + (184% x 35%) = 54% + 64.4 = 118% x 65% = 77%

[2] Mr PA Schmidt received a personal performance rating of 3.6 out of 5, which equates to a final percentage of 136% out of 200% (a score of 5 would equate to 200%). His bonus calculation has been determined as follows: (83% x 65%) + (136% x 35%) = 54% + 47.6% = 101.6% x 60% = 61%

The share plan

The Company operates a long-term incentive share plan designed to:

- Encourage senior and key employees to identify closely with the long-term objectives of Gold Fields
- Align their interests with the continuing growth of the Company and delivery of value to its shareholders
- Allow them to participate in the future financial success of Gold Fields

At last year's Annual General Meeting, shareholders approved the Gold Fields Limited 2012 Share Plan. It contains two equity instruments: Performance Shares and Bonus Shares. Share awards are made annually to senior and key staff, and any pay-out depends on outcomes independently reviewed and verified by an external auditor.

Performance Shares: The actual number of Performance Shares awarded to a participant is determined by the company's share price performance measured against the performance of a peer group (made up of AngloGold Ashanti, Barrick, Goldcorp, Harmony, Newmont, Newcrest and Kinross). A precondition for any award of Performance Shares is that gold production exceeds a minimum of 85% of the annual target over the three-year measurement period in the Business Plans of the Company, as approved by the Board.

Bonus Shares: The size of the award of Bonus Shares depends on an employee's annual cash bonus, which (as described above) is determined by actual performance against predetermined targets. Two-thirds of the cash bonus is awarded in Bonus Shares; half of them vest nine months after the award date, and the remainder after a further nine months.

Last year the long-term share plan paid out considerable sums, largely because of the strength of Gold Fields' share price in the three years 2009 to 2011. Gold Fields was ranked first in its peer group which resulted in a 300% settlement of the initial shares awarded in 2009. This outperformance accounts for more than 95% of the share proceeds as detailed in the table on page 52.

Further details of the schemes are disclosed in note 5 of the Annual Financial Report 2012 on pages 76 to 82.

Remuneration report (continued)

Payments for 2012

The directors and officers were paid the following remuneration for the year ended at 31 December 2012:

	Board fees			Performance pay					
Names	Directors' fees (R'000)	Committee fees (R'000)	Salary (R'000)	Annual bonus[1] (R'000)	Share proceeds[2] (R'000)	Pension scheme total contributions (R'000)	Expense allowances (R'000)	For the year ended 31 December 2012[3] (R'000)	For the year ended 31 December 2011 (R'000)
Executive directors									
Nicholas J Holland[3]	–	–	9,310	8,460	25,389	1,573	600	**45,332**	32,699
Paul A Schmidt[3]	–	–	5,465	5,553	8,001	614	327	**19,960**	8,793
Prescribed officers									
Zakira Amra[4]	–	–	2,250			128	–	**2,378**	2,192
Naseem A Chohan	–	–	2,464	1,402	236	325	–	**4,427**	3,279
Jimmy Dowsley	–	–	3,115	3,298	4,110	765	–	**11,288**	7,208
Michael D Fleischer[3]	–	–	4,603	4,307	8,462	741	–	**18,113**	11,172
Juan L Kruger	–	–	4,753	5,726	5,455	916	–	**16,850**	13,933
Tommy McKeith	–	–	7,391	3,782	7,985	212	–	**19,370**	11,996
Kgabo FL Moabelo	–	–	3,499	3,102	321	467	–	**7,389**	4,412
Tim W Rowland	–	–	3,227	2,679	4,854	595	71	**11,426**	6,388
Peet van Schalkwyk[3]	–	–	4,827	2,771	113	–	–	**7,711**	3,609
Peter L Turner	–	–	5,032	3,394	4,521	798	–	**13,745**	10,197
Richard Weston	–	–	5,483	2,909	20	632	–	**9,044**	7,491
Willie Jacobsz[5]	–	–	2,102	3,325	3,551	–	–	**8,978**	–
Non-executive directors									
Kofi Ansah	758	214	–	–	410	–	–	**1,382**	908
Cheryl A Carolus	758	107	–	–	–	–	–	**865**	808
Roberto Dañino	758	364	–	–	412	–	–	**1,534**	866
Alan R Hill	758	107	–	–	–	–	–	**865**	808
Richard P Menell	758	418	–	–	–	–	–	**1,176**	1,096
David N Murray	758	371	–	–	411	–	–	**1,540**	966
Donald MJ Ncube	758	249	–	–	413	–	–	**1,420**	997
Mamphela Ramphele[6]	2,284		–	–	–	–	8	**2,292**	2,102
Rupert L Pennant-Rea	758	513	–	–	–	–	–	**1,271**	1,064
Gayle M Wilson	758	583	–	–	414	–	117	**1,872**	1,143
Delfin L Lazaro	758	107	–	–	–	–	–	**865**	454
Matthews S Moloko[7]	758	142	–	–	–	–	–	**900**	735
Chris von Christierson	–	–	–	–	–	–	–	**–**	404
Total	**10,622**	**3,175**	**63,521**	**50,708**	**75,078**	**7,766**	**1,123**	**211,993**	**135,720**

[1] The annual bonus relates to bonus accruals for the year ended 31 December 2012 paid in February 2013

[2] This relates to all share transactions for the year ended 31 December 2012 in terms of the Gold Fields Management Incentive Scheme and the Gold Fields 2005 and 2012 Share Plans. Mr Holland's 2009 share award resulted in a pay-out of R24.3 million and Mr Schmidt's 2009 share award resulted in a pay-out of R6.4 million in 2012

[3] These amounts reflect the full directors' emoluments in Rand for comparative purposes. The portion of executive directors' emoluments payable in US$ is paid in terms of agreements with the offshore subsidiaries for work done by directors offshore for offshore companies. The total US$ amounts paid for 2012 were as follows: Mr NJ Holland US$336,300, Mr PA Schmidt US$90,300, Mr MD Fleischer US$77,303 and Mr P van Schalkwyk US$272,924

[4] Resigned 31 May 2012

[5] Appointed as a prescribed officer on 1 August 2012

[6] Resigned as Chair of the Board on 13 February 2013

[7] Resigned as non-executive director on 31 December 2012

Directors and prescribed officers' equity-settled instruments

The directors and prescribed officers held the following equity-settled instruments at 31 December 2012:

	Equity-settled instruments at 31 December 2011		Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year			Equity-settled instruments at 31 December 2012		Effect of unbundling[1]		
	Number	Average strike price (cents)	Number	Number	Number	Average strike price (cents)	Benefit arising (R'000)	Number	Average strike price (cents)	Unbundling adjustment	Forfeit (ifo Sibanye shares)[2]	Number as 28 February 2013
Director												
Nicholas Holland[3]	350,590	104.33	280,549	–	224,147	105.78	25,389	406,992	84.15	67,293	–	474,285
Paul Schmidt[3]	181,350	107.86	92,594	4,500	69,910	107.99	8,001	199,534	87.95	30,652	–	230,186
Kofi Ansah	4,100	–	–	–	4,100	100.05	410	–	–	–	–	–
Cheryl Carolus	4,100	–	–	–	–	–	–	4,100	–	–	–	4,100
Roberto Dañino	4,100	–	–	–	4,100	100.50	412	–	–	–	–	–
Richard Menell	4,100	–	–	–	–	–	–	4,100	–	–	–	4,100
David Murray	4,100	–	–	–	4,100	100.35	411	–	–	–	–	–
Donald Ncube	4,100	–	–	–	4,100	100.76	413	–	–	–	–	–
Rupert Pennant-Rea	4,100	–	–	–	–	–	–	4,100	–	–	–	4,100
Gayle Wilson	4,100	–	–	–	4,100	101.00	414	–	–	–	–	–
Prescribed officer												
Peter Turner	143,221	105.73	70,700	5,625	42,784	103.78	4,521	165,512	108.84	24,169	44,067	145,614
Richard Weston	62,375	112.56	48,856	–	–	–	20	111,231	113.26	14,705	–	125,936
Juan Luis Kruger	142,550	106.84	89,715	–	49,983	104.08	5,455	182,282	109.16	28,319	–	210,601
Peet van Schalkwyk	24,400	136.29	32,010	–	1,090	100.05	113	55,320	114.38	8,167	–	63,487
Tommy McKeith	201,930	111.58	109,623	–	69,990	111.83	7,985	241,563	110.16	36,627	–	278,190
Michael Fleischer	173,597	105.40	92,116	–	74,523	111.83	8,462	191,190	110.50	28,527	–	219,717
Tim Rowland	114,415	107.45	58,052	3,000	42,820	107.59	4,854	126,647	96.59	19,056	–	145,703
Kgabo Moabelo	42,989	118.11	33,453	–	3,132	99.39	321	73,310	117.82	10,568	–	83,878
Jimmy Dowsley[4]	142,350	107.59	51,473	5,925	41,495	104.06	4,110	146,403	80.16	19,856	–	166,259
Zakira Amra[5]	15,833	109.66		15,833	–	–	–	–	–	–	–	–
Naseem Chohan	34,580	118.96	21,534	–	2,286	100.05	236	53,828	118.88	7,760	–	61,588
Willie Jacobsz[6]	135,041	84.99	50,724	3,950	76,118	105.08	3,551	105,697	84.99	16,197	–	121,894

[1] The rules of the Share Plans make provision for an adjustment to the number of shares in the event there is a variation in the issued share capital as a result of corporate action. The share plans require that the fair market value of an employees' share portfolio pre- and post-corporate action remain the same. In order to uphold this principle PwC was contracted to provide a fair opinion on the additional number of shares required to maintain the pre-unbundling value of the share portfolios of employees

[2] Employees who cease to be employed by either the Group or an Employer Company within the Group are treated as a good leavers in terms of the rules of the Share Plans. Good leavers are entitled to a portion of their shares on accelerated vesting based on the period that the shares were held up to vesting date. The unvested portion is forfeited in terms of the rules of the Share Plans

[3] Mr Holland's 2009 share award which settled in 2012 paid out 24.3 million and Mr Schmidt's 2009 share award paid out 6.4 million.

[4] Jimmy Dowsley's closing balance as at December 2011 was understated by 22,500 share options in terms GF Management Incentive Scheme, which is included in the opening balance for 2012

[5] Resigned 31 May 2012

[6] Appointed as a prescribed officer on 1 August 2012

A register of detailed equity-settled instruments outstanding by tranche is available for inspection at the Company's registered office. The equity-settled instrument terms are detailed on pages 76 to 82.

Shareholder approval

An advisory vote on the Remuneration Report will be put to shareholders at the AGM on 9 May 2013.

Rupert Pennant-Rea

Chairman of the Remuneration Committee
26 March 2013

Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, except for the adoption of new and revised standards and interpretations.

1. BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Interpretations of the IFRS Interpretations Committee as adopted by the International Accounting Standards Board and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act. The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and liabilities (including derivative instruments), which have been brought to account at fair value through profit or loss or through the fair value adjustment reserve in the statement of comprehensive income.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2012

During the financial year, the following new and revised accounting standards, amendments to standards and new interpretations were adopted by the Group:

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Impact on financial position or performance
IAS 12 *Deferred tax: Recovery of Underlying Assets*	Amendment	• Introduces an exception to the general measurement requirements of IAS 12 *Income Taxes* in respect of investment properties measured at fair value; and • The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset.	No impact
IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	Amendment	• Replaces the fixed dates in the derecognition exception and the exemption related to the initial fair value measurement of financial instruments; and • Add a deemed cost exemption to IFRS 1 *First-time Adoption of International Financial Reporting Standards* that an entity can apply at the date of transition to IFRS after being subject to severe hyperinflation.	No impact
IFRS 7 *Disclosures – Transfers of Financial Assets*	Amendment	The amendments introduce new disclosure requirements about transfers of financial assets including disclosures for: • Financial assets that are not derecognised in their entirety; and • Financial assets that are derecognised in their entirety but for which the entity retains continuing involvement.	No impact

Standards, interpretations and amendments to published standards which are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on 1 January 2013 or later periods but have not been early adopted by the Group. Management is currently reviewing the impact of these standards on the Group, except for IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*. The adoption of IFRIC 20 will result in a reclassification from current assets to non-current assets and management does not expect a significant impact on the income statement.

These standards, amendments and interpretations are:

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective date*
IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*	Amendment	• Requires that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss; • It does not change the existing option to present profit or loss and other comprehensive income in two statements; • The title of the statement of comprehensive income changes to the statement of profit or loss and other comprehensive income. However, an entity is still allowed to use other titles; and • The amendment does not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRS continue to apply in this regard.	1 July 2012
IAS 19 *Employee Benefits: Defined Benefit Plans*	Amendment	• Requires that actuarial gains and losses are recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19 *Employee Benefits*; and • Expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.	1 January 2013
IAS 27 *Separate Financial Statements (2011)*	Revision	• IAS 27 (2011) supersedes IAS 27 *Consolidation and Separate Financial Statements* (2008) and carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.	1 January 2013
IAS 28 *Investments in Associates and Joint Ventures (2011)*	Amendment	• IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and • On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not remeasure the retained interest.	1 January 2013
IAS 32 *Offsetting Financial Assets and Financial Liabilities*	Amendment	The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is: • Not contingent on a future event; and • Enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.	1 January 2014
IFRS 1 *Government Loans*	Amendment	• This project seeks to amend the requirements for first-time adoption to mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* in relation to accounting for government loans; and • The amendments to IAS 20 were made in 2008, requiring an entity to measure government loans with a below-market rate of interest at fair value on initial recognition.	1 January 2013
IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	Amendment	The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position, or are subject to enforceable master netting arrangements or similar agreements.	1 January 2013

Accounting policies (continued)

These standards, amendments and interpretations are:

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective date*
IFRS 9 *Financial Instruments (2009)*	New standard	• This IFRS is part of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*; • Addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value; and • The classification and measurement of financial liabilities are the same as per IAS 39 barring two aspects.	1 January 2015
IFRS 9 *Financial Instruments (2010)*	New standard	• Adds the requirements related to the classification and measurement of financial liabilities, and derecognition of financial assets and liabilities to the version issued in November 2009; and • Includes those paragraphs of IAS 39 dealing with how to measure fair value and accounting for derivatives embedded in a contract that contains a host that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of Embedded Derivatives*.	1 January 2015
IFRS 10 *Consolidated Financial Statements*	New standard	• IFRS 10 introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees; • Control is reassessed as facts and circumstances change; and • IFRS 10 supersedes IAS 27 (2008) and SIC-12 Consolidation – *Special Purpose Entities*.	1 January 2013
IFRS 11 *Joint Arrangements*	New standard	• Focuses on the rights and obligations of joint arrangements, rather than the legal form (as is currently the case); and • IFRS 11 supersedes IAS 31 *Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.	1 January 2013
IFRS 12 *Disclosure of Interests in Other Entities*	New standard	IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (ie joint operations or joint ventures), associates and/or unconsolidated structured entities, aiming to provide information to enable users to evaluate: • The nature of, and risks associated with, an entity's interests in other entities; and • The effects of those interests on the entity's financial position, financial performance and cash flows.	1 January 2013
IFRS 13 *Fair Value Measurement*	New standard	• IFRS 13 replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance; and • It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.	1 January 2013
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	Amendment	• The amendment clarifies the transition guidance in IFRS 10 *Consolidated Financial Statements*.	1 January 2013

These standards, amendments and interpretations are:

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective date*
Various **IFRS**		Annual improvements project is a collection of amendments to IFRS and are the result of conclusions reached by the Board on proposals made at its annual improvements project.	1 January 2013
Amendments to **IFRS 10, IFRS 12** and **IAS 27** – *Investment entities*	Amendment	• The amendments clarify that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investment activities. The consolidation exemption is mandatory and not optional.	1 January 2014
IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	New interpretation	• The interpretation requires production stripping costs in a surface mine to be capitalised if certain criteria are met.	1 January 2013

*Effective date refers to annual period beginning on or after said date.

Significant accounting judgements and estimates

Use of estimates: The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortisation calculations; environmental, reclamation and closure obligations; estimates of recoverable gold and other materials in heap leach pads; asset impairments, write downs of inventory to net realisable value; the fair value and accounting treatment of derivative financial instruments and deferred taxation.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

Carrying value of property, plant and equipment and goodwill

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from proved and probable mineral reserves.

Mobile and other equipment are depreciated over the shorter of the estimated useful life of the asset or the estimate of mine life based on proved and probable mineral reserves.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves. These factors could include:

- Changes in proved and probable mineral reserves;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- Changes in mineral reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the gold price assumption may change which may then impact the Group estimated life of mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to these carrying values. In addition, goodwill is tested for impairment on an annual basis. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows of each group of assets. Expected future cash flows used to determine the value in use and fair value less costs to sell of property, plant and equipment are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future gold prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

An individual operating mine does not have an indefinite life business because of the finite life of its reserves. The allocation of goodwill to an individual mine will result in an eventual goodwill impairment due to the wasting nature of the mine. In accordance with the provisions of IAS 36 *Impairment of Assets*, the Group performs its annual impairment review of goodwill at each financial year end.

The carrying amount of property, plant and equipment at 31 December 2012 was R53,789.1 million (US$6,276.5 million) (31 December 2011: R62,682.8 million (US$7,710.1 million)). The carrying value of goodwill at 31 December 2012 was R4,458.9 million (US$520.3 million) (31 December 2011: R4,458.9 million (US$548.5 million)).

Mineral reserves estimates

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Group is required to determine and report on the mineral reserves in accordance with the South African Mineral Resource Committee ("SAMREC") Code.

Estimates of mineral reserves may change from year to year due to the change in economic assumptions used to estimate ore reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable reserves may affect the Group's financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to the income statement may change as these are calculated on the units of production method, or where the useful economic lives of assets change;

- Deferred stripping costs recorded in the statement of financial position or charged to the income statement may change due to changes in stripping ratios or the units of production method of depreciation;
- Decommissioning site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Pre-production

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage. Some of the criteria would include, but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain commercial levels of production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development or ore reserve development.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the liability for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Carrying values at 31 December 2012:

- Deferred taxation liability: R5,106.4 million (US$595.8 million) (31 December 2011: R9,777.5 million (US$1,202.6 million))
- Deferred taxation asset: R356.0 million (US$41.6 million) (31 December 2011: R930.4 million (US$114.4 million))
- Taxation and royalties payable: R1,549.7 million (US$180.9 million) (31 December 2011: R2,149.1 million (US$264.4 million))

Provision for environmental rehabilitation costs

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

The carrying amounts of the rehabilitation obligations at 31 December 2012 was R2,131.6 million (US$248.8 million) (31 December 2011: R3,190.3 million (US$392.4 million)).

Stockpiles, gold in process and product inventories

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold in process, ore on leach pads and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

The carrying amount of total inventories (non-current and current) at 31 December 2012 was R4,491.7 million (US$524.1 million) (31 December 2011: R3,830.1 million (US$471.1 million)).

Share-based payments

The Group issues equity-settled share-based payments to certain employees and non-executive directors. These instruments are measured at fair value at grant date, using the Black-Scholes or Monte Carlo simulation valuation models, which require assumptions regarding the estimated term of the option, share price volatility and expected dividend yield. While Gold Fields' management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the option grant and the related recognition of share-based compensation expense in the consolidated income statement. Gold Fields' options have characteristics significantly different from those of traded options and therefore fair values may also differ.

The income statement charge for the year ended 31 December 2012 was R372.5 million (US$45.5 million) (31 December 2011: R241.3 million (US$33.4 million)).

Financial instruments

The estimated fair value of financial instruments is determined at discrete points in time, based on the relevant market information. The fair value is calculated with reference to market rates using industry valuation techniques and appropriate models. If a financial instrument does not have a quoted market price and the fair value cannot be measured reliably, it will be stated at cost. The carrying values of derivative financial instruments at 31 December 2012 was R60.0 million (US$7.0 million) (31 December 2011: R961.0 million (US$118.2 million)).

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the control of the Group occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

2. CONSOLIDATION

2.1 Business combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's share of the subsequent changes in equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

2.2 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries (in the Company financial statements) are stated at cost less accumulated depreciation.

2.3 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4 Associates

The equity method of accounting is used for an investment over which the Group exercises significant influence, but not control, and normally owns between 20% and 50% of the voting equity. Associates are equity accounted from the date significant influence is obtained to the date that the Group ceases to have significant influence.

Results of associates are equity accounted using the results of their most recent audited annual financial statements or unaudited interim financial statements. Any losses from associates are brought to account in the consolidated financial statements until the interest in such associates is written down to zero. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates.

The carrying value of an investment in associate represents the cost of the investment, including goodwill, a share of the post-acquisition retained earnings and losses, any other movements in reserves and any impairment losses. The carrying value is assessed annually for existence of indicators of impairment and if such exist, the carrying amount is compared to the recoverable amount, being the higher of value in use or fair value less costs to sell. If an impairment in value has occurred, it is recognised in the period in which the impairment arose.

3. FOREIGN CURRENCIES

3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in South African rand, which is the Company's functional and presentation currency.

For translation of the rand financial statement items to US dollar, an average of R8.19 (2011: R7.22) per US$1 was used for income statement items (unless this average was not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case these items were translated at the rate prevailing on the date of the transaction) and the closing rate of R8.57 (2011: R8.13) per US$1 for statement of financial position items.

3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Translation differences on available-for-sale equities are included in other comprehensive income.

3.3 Foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the exchange rate ruling at the reporting date. Equity items are translated at historical rates. Income statement items are translated at the average exchange rate for the year. Exchange differences on translation are accounted for in other comprehensive income. These differences will be recognised in earnings upon realisation of the underlying operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (ie the reporting entity's interest in the net assets of that operation), and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at each reporting date at the closing rate.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

Expenditure incurred to evaluate and develop new orebodies, to define mineralisation in existing orebodies and to establish or expand productive capacity, is capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of orebodies includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met. Access to individual orebodies exploited by the Group is limited to the time span of the Group's respective mining leases.

4.2 Borrowing costs

Borrowing costs incurred in respect of assets requiring a substantial period of time to prepare for their intended future use are capitalised to the date that the assets are substantially completed.

4.3 Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the fair value of mineral rights has diminished below cost, an impairment loss is recognised in the income statement in the year that such determination is made.

4.4 Land

Land is shown at cost and is not depreciated.

4.5 Other assets

Non-mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses. These assets include the assets of the mining operations not included in mine development and infrastructure, borrowing costs, mineral and surface rights and land and all the assets of the non-mining operations.

4.6 Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge in the income statement taking into account the nature of a particular ore body and the method of mining that ore body. To achieve this, the following calculation methods are used:

- Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units of production method, based on estimated proved and probable ore reserves above infrastructure;
- Where it is anticipated that the mine life will significantly exceed the proved and probable reserves, the mine life is estimated using a methodology that takes account of current exploration information to assess the likely recoverable gold from a particular area. Such estimates are adjusted for the level of confidence in the assessment and the probability of conversion to reserves. The probability of conversion is based on historical experience of similar mining and geological conditions; and
- At the Australian operations, the calculation of amortisation takes into account future costs which will be incurred to develop all the proved and probable ore reserves.

Proved and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.

Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over their estimated useful lives.

4.7 Depreciation of non-mining assets

Non-mining assets are recorded at cost and depreciated on a straight-line basis over their current expected useful lives to their residual values as follows:

- Vehicles – 20%
- Computers – 33.3%
- Furniture and equipment – 10%

The assets' useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

4.8 Mining exploration

Expenditure on advances to companies solely for exploration activities, prior to evaluation, is charged against income until the viability of the mining venture has been proven. Expenditure incurred on exploration "farm-in" projects is written off until an ownership interest has vested. Exploration expenditure to define mineralisation at existing orebodies is considered mine development costs and is capitalised until commercial levels of production are achieved.

Exploration activities at certain of the Group's non-South African operations are broken down into defined areas within the mining lease boundaries. These areas are generally defined by structural and geological continuity. Exploration costs in these areas are capitalised to the extent that specific exploration programmes have yielded targets and/or results that warrant further exploration in future years.

4.9 Impairment

Recoverability of the carrying values of long-term assets or cash-generating units of the Group are reviewed when-ever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset or cash-generating unit may be impaired, the higher of "value in use" (defined as: "the present value of future cash flows expected to be derived from an asset or cash-generating unit") or "fair value less costs to sell" (defined as: "the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal") is compared to the carrying value of the asset/unit.

A cash-generating unit is defined by the Group as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Generally for the Group this represents an individual operating mine, including mines which are part of a larger mine complex. The costs attributable to individual shafts of a mine are impaired if the shaft is closed.

Exploration targets in respect of which costs have been capitalised at certain of the Group's international operations are evaluated on an annual basis to ensure that these targets continue to support capitalisation of the underlying costs. Those that do not are impaired.

When any infrastructure is closed down during the year, any carrying value attributable to that infrastructure is impaired.

4.10 Gain or loss on disposal of property, plant and equipment

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the net proceeds from disposal less the carrying amount of the item) is recognised in the income statement.

4.11 Leases

Operating lease costs are charged against income on a straight-line basis over the period of the lease.

5. GOODWILL

Goodwill is stated at cost less accumulated impairment losses. Goodwill on acquisition of associates is tested for impairment as part of the carrying amount of the investment in associate whenever there is any objective evidence that the investment may be impaired. Goodwill on acquisition of a subsidiary is assessed at each reporting date or whenever there are impairment indicators to establish whether there is any indication of impairment to goodwill. A write down is made if the carrying amount exceeds the recoverable amount. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill allocated to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

6. WASTE NORMALISATION OR DEFERRED STRIPPING

At certain of the Group's non-South African open pit operations, costs related to removing waste within the ore body once it has been exposed are accounted for in the income statement using the waste normalisation method. The objective of this method is to provide that every ounce mined from the relevant pit bears its equal pro rata share of the total in-pit waste removal cost, expected to be incurred over the life of the pit. In-pit waste removal costs are expensed to the income statement by determining the ratio of ounces mined in each period to total proved and probable reserve ounces expected to be recovered from the pit and applying this ratio to total waste removal costs expected to be incurred over the life of the pit. The resultant asset created by the timing difference between costs incurred and costs expensed is recorded in the statement of financial position as a current asset.

7. TAXATION

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is measured on taxable income at the applicable statutory rate enacted at the reporting date.

Deferred taxation is provided on temporary differences existing at each reporting date between the tax values of assets and liabilities and their carrying amounts. Substantively enacted tax rates are used to determine future anticipated effective tax rates which in turn are used in the determination of deferred taxation.

These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled. The principal temporary differences arise from depreciation of property, plant and equipment, provisions, unutilised capital allowances and tax losses carried forward.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets relating to the carry forward of unutilised tax losses and/or unutilised capital allowances are recognised to the extent it is probable that future taxable profit will be available against which the unutilised tax losses and/or unutilised capital allowances can be recovered. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable.

No provision is made for any potential taxation liability on the distribution of retained earnings by Group companies.

8. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Gold on hand represents production on hand after the smelting process. Due to the different nature of the Group's non-South African operations, gold-in-process for such operations represents either production in broken ore form, gold in circuit or production from the time of placement on heap leach pads.

Cost is determined on the following basis:

- Gold on hand and gold-in-process is valued using weighted average cost. Cost includes production, amortisation and related administration costs;
- Heap leach pad materials are valued using the weighted average cost. Cost includes production, amortisation and related administration costs. The cost of materials on the leach pad from which metals are expected to be recovered in a period longer than 12 months is classified as non-current assets; and
- Consumable stores are valued at weighted average cost, after appropriate provision for redundant and slow-moving items.

Net realisable value is determined with reference to relevant market prices.

9. FINANCIAL INSTRUMENTS

Financial instruments recognised in the statement of financial position include cash and cash equivalents, investments, trade and other receivables, borrowings, trade and other payables, and derivative financial instruments.

The Group initially recognises loans and receivables on the date they are originated. All other financial assets (including assets designated at fair value through profit and loss) are recognised initially on trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

A financial asset not classified as fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

9.1 Investments

Investments comprise (1) investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealised holding gains and losses excluded from earnings and reported in the statement of comprehensive income and are released to the income statement when the investments are sold; and (2) investments in unlisted companies which are accounted for at directors' valuation adjusted for write downs where appropriate.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs. The fair value of listed investments is based on quoted bid prices.

Realised gains and losses are included in determining net income or loss. Unrealised losses, other than temporary, arising from a significant decline (impairment) in the value of the investment are included in determining net income or loss.

9.2 Derivative financial instruments

The Group's general policy with regards to its exposure to the dollar gold price is to remain unhedged. The Group may from time to time establish currency and/or interest rate and/or commodity financial instruments to protect underlying cash flows.

On the date a derivative contract is entered into, the Group designates the derivative as (1) a hedge of the fair value of a recognised asset or liability (fair value hedge), (2) a hedge of a forecasted transaction or a firm commitment (cash flow hedge), (3) a hedge of a net investment in a foreign entity, or (4) should the derivative not fall into one of the three categories above it is not regarded as a hedge.

Derivative financial instruments are initially recognised in the statement of financial position at fair value and subsequently remeasured at their fair value, unless they meet the criteria for the normal purchases normal sales exemption. Recognition of derivatives which meet the above criteria under IAS 39 *Financial Instruments: Recognition and Measurement* is deferred until settlement.

Changes in fair value of a derivative that is highly effective, and that is designated and qualifies as a fair value hedge, are recorded in the income statement, along with the change in the fair value of the hedged asset or liability that is attributable to the hedged risk. If the hedge no longer meets the requirements for hedge accounting, the adjustment to the carrying amount of the hedge, for which the effective interest method is used, is amortised to profit or loss over the period to maturity.

Changes in fair value of a derivative that is highly effective, and that is designated as a cash flow hedge, are recognised directly in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Where the forecasted transaction or firm commitment results in the recognition of an asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Amounts deferred in other comprehensive income are included in earnings in the same periods during which the hedged firm commitment or forecasted transaction affects earnings. When a hedging instrument expires or is sold, or when a hedge no longer meets the requirements for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that are not designated as hedges or that do not qualify for hedge accounting are recognised immediately in the income statement.

9.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

Bank overdrafts are included within current liabilities in the statement of financial position.

9.4 Trade receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment, except for trade receivables from provisional copper concentrate sales. Estimates made for impairment are based on a review of all outstanding amounts at year end. Irrecoverable amounts are written off during the year in which they are identified.

The trade receivables from provisional copper concentrate sales are marked-to-market at the end of each year until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

9.5 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

9.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest payable on borrowings is recognised in the income statement over the term of the borrowings using the effective interest method.

Finance expense comprises interest on borrowings and environmental rehabilitation liability offset by interest capitalised on qualifying assets.

Cash flows from interest paid are classified under operating activities in the statement of cash flows.

9.7 Embedded derivatives

The Group assesses whether an embedded derivative is required to be separated from a host contract and accounted for as a derivative when the Group first becomes a party to a contract. Subsequent reassessment is not performed unless there is a change in the terms of the contract that significantly modifies the cash flows.

9.8 Financial guarantees

Financial guarantee contracts are accounted for as financial instruments and are recognised initially at fair value and are subsequently measured at the higher of the amount determined in accordance with IAS 37 (Provisions, contingent liabilities and contingent assets), and the initial amount recognised less cumulative amortisation.

10. NON-CURRENT ASSETS HELD FOR SALE OR HELD FOR DISTRIBUTION

Non-current assets (or disposal groups) comprising assets and liabilities, are classified as held for sale or held for distribution if it is highly probable they will be recovered primarily through sale or distribution rather than through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset.

Non-current assets held for sale or distribution are stated at the lower of carrying amount and fair value less costs to sell. Once classisfied as held for sale or distribution, property, plant and equipment is no longer amortised or depreciated.

11. PROVISIONS

Provisions are recognised when the Group has a present obligation, legal or constructive resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

12. ENVIRONMENTAL OBLIGATIONS

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with applicable environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The unwinding of the obligation is accounted for in the income statement.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

Changes in estimates are capitalised or reversed against the relevant asset. Estimates are discounted at a pre-tax rate that reflects current market assessments.

Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the mines. These increases are accounted for on a net present value basis.

For certain South African operations annual contributions are made to dedicated rehabilitation trust funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The amounts contributed to this trust fund are included under non-current assets and are measured at fair value. Interest earned on monies paid to rehabilitation trust funds is accrued on a time-proportion basis and is recorded as interest income. These trusts are consolidated for Group purposes.

In respect of certain South African operations and all non-South African operations, bank guarantees are provided for funding of the environmental rehabilitation obligations.

13. EMPLOYEE BENEFITS

13.1 Pension and provident funds

The Group operates a defined contribution retirement plan and contributes to a number of industry-based defined contribution retirement plans. The retirement plans are funded by payments from employees and Group companies.

Contributions to defined contribution funds are charged against income as incurred.

13.2 Post-retirement healthcare costs

Medical cover is provided through a number of different schemes. The Group has an obligation to provide medical benefits to certain of its pensioners and dependants of ex-employees. These liabilities have been provided in full, calculated on an actuarial basis. These liabilities are unfunded. Periodic valuation of these obligations is carried out by independent actuaries using appropriate mortality tables, long-term estimates of increases in medical costs and appropriate discount rates.

13.3 Share-based payments

The Group operates a number of equity-settled compensation plans. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted which in turn is determined using the modified Black-Scholes and Monte Carlo simulation models on the date of grant.

Fair value is based on market prices of the equity-settled instruments granted, if available, taking into account the terms and conditions upon which those equity-settled instruments were granted. Fair value of equity-settled instruments granted is estimated using appropriate valuation models and appropriate assumptions at grant date. Non-market vesting conditions (service period prior to vesting) are not taken into account when estimating the fair value of the equity-settled instruments at grant date. Market conditions are taken into account in determining the fair value at grant date.

The fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment reserve. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Where the terms of an equity-settled award are modified, the originally determined expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participant as measured at the date of the modification.

13.4 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

14. SHARE CAPITAL

14.1 Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

14.2 Repurchased and reissue of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are deducted from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

15. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured. Revenue is stated at the fair value of the consideration received or receivable.

15.1 Revenue arising from gold and gold equivalent sales is recognised when the significant risks and rewards of ownership pass to the buyer. The price of gold, silver and copper is determined by market forces.

Concentrate revenue is calculated, net of refining and treatment charges, on a best estimate basis on shipment date, using forward metal prices to the estimated final pricing date, adjusted for the specific terms of the agreements. Variations between the price recorded at the shipment date and the actual final price received are caused by changes in prevailing copper prices, and result in an embedded derivative in the trade receivable. The embedded derivative is marked-to-market each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

15.2 Revenue from services is recognised over the period the services are rendered and is accrued in the financial statements.

15.3 Dividends, which include capitalisation dividends, are recognised when the right to receive payment is established.

15.4 Interest income is recognised on a time-proportion basis taking account of the principal outstanding and the effective rate over the period to maturity.

Investment income comprises interest income on funds invested and dividend income from listed and unlisted investments.

Cash flows from dividends and interest received are classified under operating activities in the statement of cash flows.

16. DIVIDENDS DECLARED

Dividends and the related taxation thereon are recognised only when such dividends are declared.

Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

17. EARNINGS PER SHARE

Earnings per share is calculated based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period. A diluted earnings per share is presented when the inclusion of ordinary shares that may be issued in the future has a dilutive effect on earnings per share.

18. DISCONTINUED OPERATIONS

Classification as a discontinued operation occurs on disposal/distribution or when the operation meets the criteria to be classified as held-for-sale (refer accounting policy 10), if earlier. When an operation is classified as a discontinued operation, the comparative income statement and statement of cash flows are re-presented as if the operation had been discontinued from the start of the comparative period.

19. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker and is based on individual mining operations. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

20. COMPARATIVES

Where necessary, comparatives are adjusted to conform to changes in presentation. No comparatives were adjusted in the current year unless otherwise stated.

21. ADDITIONAL US DOLLAR INFORMATION

The translation of the financial statements into US dollar is based on the average exchange rate for the year for the income statement and cash flow statement and the year end closing exchange rate for statement of financial position items. Exchange differences on translation are accounted for in other comprehensive income.

This information is provided as supplementary information only.

Consolidated income statement

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	**2012**		**Notes**	**2012**	**2011**
		CONTINUING OPERATIONS			
3,499.1	**3,530.6**	Revenue	1	**28,915.8**	25,263.7
(1,978.0)	**(2,162.8)**	Cost of sales	2	**(17,713.9)**	(14,281.2)
1,521.1	**1,367.8**	**Net operating profit**		**11,201.9**	10,982.5
11.7	**16.3**	Investment income	3	**133.9**	84.7
(57.8)	**(55.3)**	Finance expense	4	**(452.8)**	(417.3)
4.2	**(0.5)**	(Loss)/gain on financial instruments		**(4.5)**	30.3
9.1	**(13.8)**	(Loss)/gain on foreign exchange		**(112.7)**	65.8
(27.0)	**(15.6)**	Other costs		**(126.7)**	(195.7)
(33.4)	**(45.5)**	Share-based payments	5	**(372.5)**	(241.3)
(115.2)	**(128.5)**	Exploration expense		**(1,052.7)**	(832.1)
(17.4)	**(44.1)**	Feasibility and evaluation costs		**(361.2)**	(125.6)
(0.8)	**(49.7)**	Share of results of associates after taxation		**(407.4)**	(5.9)
(24.0)	**(50.8)**	Restructuring costs		**(416.3)**	(173.1)
(10.0)	**(98.2)**	Impairment of investments and assets	6	**(803.9)**	(71.9)
12.8	**27.6**	Profit on disposal of investments		**225.9**	92.6
(1.0)	**0.3**	Profit/(loss) on disposal of property, plant and equipment		**2.1**	(7.1)
1,272.3	**910.0**	**Profit before royalties and taxation**	7	**7,453.1**	9,185.9
(109.6)	**(116.7)**	Royalties	8	**(955.9)**	(791.5)
1,162.7	**793.3**	**Profit before taxation**		**6,497.2**	8,394.4
(429.5)	**(454.0)**	Mining and income tax	9	**(3,718.2)**	(3,100.6)
733.2	**339.3**	**Profit from continuing operations**		**2,779.0**	5,293.8
		DISCONTINUED OPERATIONS			
348.0	**384.9**	**Profit from discontinued operations, net of tax**	10	**3,152.1**	2,512.5
1,081.2	**724.2**	**Profit for the year**		**5,931.1**	7,806.3
		Profit attributable to:			
973.2	**690.9**	**Owners of the parent**		**5,658.1**	7,026.7
625.1	**306.1**	– Continuing operations		**2,506.6**	4,513.3
348.1	**384.8**	– Discontinued operations		**3,151.5**	2,513.4
108.0	**33.3**	**Non-controlling interest holders**		**273.0**	779.6
108.1	**33.2**	– Continuing operations		**272.4**	780.5
(0.1)	**0.1**	– Discontinued operations		**0.6**	(0.9)
1,081.2	**724.2**			**5,931.1**	7,806.3
		Earnings per share attributable to ordinary shareholders of the Company:			
87	**42**	Basic earnings per share from continuing operations – cents	11.1	**345**	625
48	**53**	Basic earnings per share from discontinued operations – cents	11.2	**433**	348
86	**42**	Diluted basis earnings per share from continuing operations – cents	11.3	**343**	618
47	**53**	Diluted basis earnings per share from discontinued operations – cents	11.4	**431**	344

Exchange rate: R8.19/US$ (2011: R7.22/US$).

The accompanying notes form an integral part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
1,081.2	**724.2**	**Profit for the year**	**5,931.1**	7,806.3
(902.6)	**(159.5)**	**Other comprehensive income**	**1,270.3**	1,641.3
(29.2)	**17.7**	Marked-to-market valuation of listed investments	**145.1**	(210.7)
–	**(14.7)**	Realised gain on disposal of listed investments	**(120.3)**	–
2.8	**1.0**	Deferred taxation on marked-to-market valuation and realised gain on disposal of listed investments	**7.8**	19.9
(876.2)	**(163.5)**	Currency translation adjustments	**1,237.7**	1,832.0
–	**–**	Share of equity investee's other comprehensive income	**–**	0.1
178.6	**564.7**	**Total comprehensive income for the year**	**7,201.4**	9,447.6
		Attributable to:		
93.8	**518.0**	– Owners of the parent	**6,729.8**	8,651.2
84.8	**46.7**	– Non-controlling interest holders	**471.6**	796.4
178.6	**564.7**		**7,201.4**	9,447.6

Exchange rate: R8.19/US$ (2011: R7.22/US$).

The accompanying notes form an integral part of these financial statements.

Consolidated statement of financial position

at 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	**2012**		**Notes**	**2012**	**2011**
		ASSETS			
8,635.4	**7,215.2**	**Non-current assets**		**61,832.7**	70,206.0
7,710.1	**6,276.5**	Property, plant and equipment	13	**53,789.1**	62,682.8
548.5	**520.3**	Goodwill	14	**4,458.9**	4,458.9
–	**96.3**	Heap leach inventories	19	**825.3**	–
18.4	**232.1**	Investment in associates	15	**1,988.9**	149.6
82.5	**38.4**	Investments	17	**329.2**	671.0
161.5	**10.0**	Environmental trust funds	18	**85.3**	1,313.3
114.4	**41.6**	Deferred taxation	24	**356.0**	930.4
1,731.3	**3,875.5**	**Current assets**		**33,212.9**	14,076.0
471.1	**427.8**	Inventories	19	**3,666.4**	3,830.1
365.1	**450.5**	Trade and other receivables	20	**3,861.0**	2,968.5
32.9	**2.0**	Deferred stripping costs		**16.7**	267.4
118.2	**7.0**	Financial instruments	21	**60.0**	961.0
744.0	**606.3**	Cash and cash equivalents	22	**5,195.6**	6,049.0
–	**2,381.9**	Assets held for distribution	10	**20,413.2**	–
10,366.7	**11,090.7**	**Total assets**		**95,045.6**	84,282.0
		EQUITY AND LIABILITIES			
5,767.1	**5,992.3**	Equity attributable to owners of the parent		**51,353.5**	46,886.9
55.5	**55.9**	Share capital	23	**364.8**	361.9
4,542.4	**4,544.0**	Share premium		**31,177.5**	31,164.4
(605.5)	**(700.7)**	Other reserves		**3,773.2**	2,065.5
1,774.7	**2,093.1**	Retained earnings		**16,038.0**	13,295.1
144.5	**210.5**	Non-controlling interest		**1,803.9**	1,174.6
5,911.6	**6,202.8**	**Total equity**		**53,157.4**	48,061.5
2,971.3	**2,687.3**	**Non-current liabilities**		**23,029.9**	24,156.9
1,202.6	**595.8**	Deferred taxation	24	**5,106.4**	9,777.5
1,360.7	**1,828.8**	Borrowings	25	**15,672.9**	11,062.3
408.0	**262.7**	Provisions	26	**2,250.6**	3,317.1
1,483.8	**2,200.6**	**Current liabilities**		**18,858.3**	12,063.6
672.4	**538.4**	Trade and other payables	27	**4,614.4**	5,467.4
264.4	**180.9**	Taxation and royalties		**1,549.7**	2,149.1
547.0	**40.0**	Current portion of borrowings	25	**342.8**	4,447.1
–	**1,441.3**	Liabilities held for distribution	10	**12,351.4**	–
10,366.7	**11,090.7**	**Total equity and liabilities**		**95,045.6**	84,282.0

Exchange rate: R8.57/US$ (2011: R8.13/US$).

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2012

Figures in millions unless otherwise stated

	Number of ordinary shares in issue	Share capital and share premium	Foreign currency translation adjustment	Fair value adjustment reserve	Other reserves[1]	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
SOUTH AFRICAN RAND									
Balance at 31 December 2010	**720,796,887**	**31,560.6**	**336.3**	**238.8**	**(613.4)**	**12,019.8**	**43,542.1**	**3,080.4**	**46,622.5**
Profit for the year	–	–	–	–	–	7,026.7	**7,026.7**	779.6	**7,806.3**
Other comprehensive income	–	–	1,815.2	(190.8)	0.1	–	**1,624.5**	16.8	**1,641.3**
Total comprehensive income	–	–	1,815.2	(190.8)	0.1	7,026.7	**8,651.2**	796.4	**9,447.6**
Dividends declared	–	–	–	–	–	(1,229.4)	**(1,229.4)**	(266.7)	**(1,496.1)**
Share-based payments for continuing operations	–	–	–	–	241.3	–	**241.3**	–	**241.3**
Share-based payments for discontinued operations	–	–	–	–	238.0	–	**238.0**	–	**238.0**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	225.4	**225.4**
Purchase of non-controlling interest	–	–	–	–	–	(4,522.0)	**(4,522.0)**	(2,660.9)	**(7,182.9)**
Treasury shares	(856,330)	(81.4)	–	–	–	–	**(81.4)**	–	**(81.4)**
Exercise of employee share options	3,794,629	47.1	–	–	–	–	**47.1**	–	**47.1**
Balance at 31 December 2011	**723,735,186**	**31,526.3**	**2,151.5**	**48.0**	**(134.0)**	**13,295.1**	**46,886.9**	**1,174.6**	**48,061.5**
Profit for the year	–	–	–	–	–	5,658.1	**5,658.1**	273.0	**5,931.1**
Other comprehensive income	–	–	1,039.1	32.6	–	–	**1,071.7**	198.6	**1,270.3**
Total comprehensive income	–	–	1,039.1	32.6	–	5,658.1	**6,729.8**	471.6	**7,201.4**
Dividends declared	–	–	–	–	–	(2,846.3)	**(2,846.3)**	(72.6)	**(2,918.9)**
Share-based payments for continuing operations	–	–	–	–	372.5	–	**372.5**	–	**372.5**
Share-based payments for discontinued operations	–	–	–	–	263.5	–	**263.5**	–	**263.5**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	229.6	**229.6**
Purchase of non-controlling interest	–	–	–	–	–	(68.9)	**(68.9)**	0.7	**(68.2)**
Exercise of employee share options	5,801,627	16.0	–	–	–	–	**16.0**	–	**16.0**
Balance at 31 December 2012	**729,536,813**	**31,542.3**	**3,190.6**	**80.6**	**502.0**	**16,038.0**	**51,353.5**	**1,803.9**	**53,157.4**
UNITED STATES DOLLAR									
Balance at 31 December 2010	**720,796,887**	**4,602.7**	**236.8**	**55.6**	**(84.9)**	**1,640.5**	**6,450.7**	**456.4**	**6,907.1**
Profit for the year	–	–	–	–	–	973.2	**973.2**	108.0	**1,081.2**
Other comprehensive income	–	–	(853.0)	(26.4)	–	–	**(879.4)**	(23.2)	**(902.6)**
Total comprehensive income	–	–	(853.0)	(26.4)	–	973.2	**93.8**	84.8	**178.6**
Dividends declared	–	–	–	–	–	(174.9)	**(174.9)**	(36.2)	**(211.1)**
Share-based payments for continuing operations	–	–	–	–	33.4	–	**33.4**	–	**33.4**
Share-based payments for discontinued operations	–	–	–	–	33.0	–	**33.0**	–	**33.0**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	31.0	**31.0**
Purchase of non-controlling interest	–	–	–	–	–	(664.1)	**(664.1)**	(391.5)	**(1,055.6)**
Treasury shares	(856,330)	(11.3)	–	–	–	–	**(11.3)**	–	**(11.3)**
Exercise of employee share options	3,794,629	6.5	–	–	–	–	**6.5**	–	**6.5**
Balance at 31 December 2011	**723,735,186**	**4,597.9**	**(616.2)**	**29.2**	**(18.5)**	**1,774.7**	**5,767.1**	**144.5**	**5,911.6**
Profit for the year	–	–	–	–	–	690.9	**690.9**	33.3	**724.2**
Other comprehensive income	–	–	(176.9)	4.0	–	–	**(172.9)**	13.4	**(159.5)**
Total comprehensive income	–	–	(176.9)	4.0	–	690.9	**518.0**	46.7	**564.7**
Dividends declared	–	–	–	–	–	(364.2)	**(364.2)**	(8.5)	**(372.7)**
Share-based payments for continuing operations	–	–	–	–	45.5	–	**45.5**	–	**45.5**
Share-based payments for discontinued operations	–	–	–	–	32.2	–	**32.2**	–	**32.2**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	27.7	**27.7**
Purchase of non-controlling interest	–	–	–	–	–	(8.3)	**(8.3)**	0.1	**(8.2)**
Exercise of employee share options	5,801,627	2.0	–	–	–	–	**2.0**	–	**2.0**
Balance at 31 December 2012	**729,536,813**	**4,599.9**	**(793.1)**	**33.2**	**59.2**	**2,093.1**	**5,992.3**	**210.5**	**6,202.8**

[1] Other reserves include share-based payments and share of equity investee's other comprehensive income.

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	2012		Notes	2012	2011
1,947.9	**1,065.6**	**Cash flows from operating activities**		**8,864.2**	14,213.3
1,827.1	**1,583.6**	Cash generated by operations	28	**12,969.6**	13,191.9
10.7	**15.8**	Interest received		**129.8**	77.6
0.5	**–**	Dividends received		**0.4**	3.4
(0.1)	**–**	Post-retirement healthcare payments		**–**	(0.9)
(50.2)	**(120.0)**	Change in working capital	29	**(983.2)**	(362.4)
1,788.0	**1,479.4**	Cash generated by operating activities		**12,116.6**	12,909.6
(60.9)	**(68.6)**	Interest paid		**(561.9)**	(439.7)
(97.2)	**(112.4)**	Royalties paid	30	**(922.5)**	(701.6)
(299.3)	**(334.1)**	Taxation paid	31	**(2,742.4)**	(2,148.6)
1,330.6	**964.3**	Net cash from operations		**7,889.8**	9,619.7
(219.8)	**(378.2)**	Dividends paid		**(2,963.0)**	(1,552.0)
(174.9)	**(364.2)**	– Ordinary shareholders		**(2,846.3)**	(1,229.4)
(41.9)	**(11.5)**	– Non-controlling interests holders		**(96.7)**	(301.2)
(3.0)	**(2.5)**	– South Deep BEE dividend		**(20.0)**	(21.4)
1,110.8	**586.1**	Cash generated by continuing operations		**4,926.8**	8,067.7
837.1	**479.5**	Cash generated by discontinued operations		**3,937.4**	6,145.6
(2,539.1)	**(1,680.2)**	**Cash flows from investing activities**		**(13,705.3)**	(17,956.7)
(1,008.4)	**(1,240.1)**	Additions to property, plant and equipment		**(10,156.3)**	(7,280.6)
3.1	**1.3**	Proceeds on disposal of property, plant and equipment		**10.6**	22.7
(382.3)	**(0.8)**	La Cima non-controlling interest buy-out		**(7.3)**	(2,612.5)
(667.0)	**–**	Ghana non-controlling interest buy-out		**–**	(4,519.7)
(6.3)	**–**	South Deep non-controlling interest buy-out		**–**	(50.7)
–	**(10.0)**	Talas non-controlling interest buy-out		**(83.1)**	–
(66.0)	**(110.0)**	Payment for FSE		**(833.8)**	(534.6)
(7.0)	**–**	Payment for Bezant		**–**	(55.4)
(0.1)	**(0.8)**	Purchase of investments		**(6.5)**	(0.7)
13.7	**65.4**	Proceeds on disposal of investments		**525.6**	98.9
(2.7)	**(3.4)**	Environmental trust funds and rehabilitation payments		**(27.4)**	(19.2)
(2,123.0)	**(1,298.4)**	Cash utilised in continuing operations		**(10,578.2)**	(14,951.8)
(416.1)	**(381.8)**	Cash utilised in discontinued operations		**(3,127.1)**	(3,004.9)
550.8	**504.8**	**Cash flows from financing activities**		**4,072.1**	3,663.0
31.0	**27.7**	Loans received from non-controlling interest holders		**229.6**	225.4
1,111.2	**936.3**	Loans raised		**7,351.9**	7,786.1
(597.9)	**(975.9)**	Loans repaid		**(7,745.4)**	(4,395.6)
6.5	**2.0**	Proceeds from the issue of shares		**16.0**	47.1
550.8	**(9.9)**	Cash (utilised in)/generated by continuing operations		**(147.9)**	3,663.0
–	**514.7**	Cash generated by discontinued operations		**4,220.0**	–
(40.4)	**(109.8)**	Net cash utilised		**(769.0)**	(80.4)
(25.1)	**21.4**	Effect of exchange rate fluctuation on cash held		**338.5**	665.6
809.5	**744.0**	Cash and cash equivalents at beginning of the year		**6,049.0**	5,463.8
744.0	**655.6**	**Cash and cash equivalents at end of the year**	22	**5,618.5**	6,049.0

The accompanying notes form an integral part of these financial statements.

Notes to the consolidated financial statements

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	**2012**			**2012**	**2011**
		1.	**REVENUE**		
3,499.1	**3,530.6**		Revenue from mining operations – spot sales	**28,915.8**	25,263.7
		2.	**COST OF SALES**		
(326.9)	**(366.2)**		Salaries and wages	**(2,999.0)**	(2,360.3)
(484.2)	**(504.3)**		Consumable stores	**(4,130.2)**	(3,496.0)
(142.5)	**(163.1)**		Utilities	**(1,335.7)**	(1,028.5)
(386.8)	**(391.8)**		Mine contractors	**(3,208.5)**	(2,792.9)
(245.6)	**(259.6)**		Other	**(2,126.6)**	(1,773.1)
(1,586.0)	**(1,685.0)**		**Operating costs**	**(13,800.0)**	(11,450.8)
75.7	**22.0**		Gold inventory change	**179.9**	546.7
(1,510.3)	**(1,663.0)**		**Operating costs including gold inventory change**	**(13,620.1)**	(10,904.1)
(467.7)	**(499.8)**		Amortisation and depreciation	**(4,093.8)**	(3,377.1)
(1,978.0)	**(2,162.8)**		**Total cost of sales**	**(17,713.9)**	(14,281.2)
		3.	**INVESTMENT INCOME**		
0.5	**–**		Dividends received	**0.4**	3.4
0.5	**0.5**		Interest received – environmental trust funds	**3.7**	3.7
10.7	**15.8**		Interest received – cash balances	**129.8**	77.6
11.7	**16.3**		**Total investment income**	**133.9**	84.7
		4.	**FINANCE EXPENSE**		
(1.3)	**–**		Preference share interest	**–**	(9.2)
(4.9)	**(2.8)**		Interest charge – environmental rehabilitation	**(22.8)**	(35.2)
(60.9)	**(68.6)**		Interest paid – borrowings	**(561.9)**	(439.7)
9.3	**16.1**		Interest capitalised	**131.9**	66.8
(57.8)	**(55.3)**		**Total finance expense**	**(452.8)**	(417.3)

5. SHARE-BASED PAYMENTS

The Group grants equity-settled instruments comprising share options and restricted shares to directors*, certain officers and employees. During the year ended 31 December 2012, the following share plans were in place: The GF Management Incentive Scheme, the GF Non-executive Directors Share Plan, the Gold Fields Limited 2005 Share Plan, the Gold Fields Limited 2005 Non-executive Share Plan and the Gold Fields Limited 2012 Share Plan.

*See note under Gold Fields Limited 2005 Non-executive Share Plan indicating that share options are no longer allocated to non-executive directors.

The following information is available for each plan:

2011			2012	
Continuing operations	Discontinued operations		Continuing operations	Discontinued operations
–	–	(a) The GF Management Incentive Scheme	**–**	**–**
–	–	(b) The GF Non-executive Director Share Plan	**–**	**–**
		(c) Gold Fields Limited 2005 Share Plan		
205.2	219.2	– Performance vesting restricted shares	**163.1**	**146.7**
36.1	18.8	– Performance allocated share appreciation rights	**31.1**	**13.9**
		(d) Gold Fields Limited 2012 Share Plan		
–	–	– Performance shares	**107.4**	**62.3**
–	–	– Bonus shares	**70.9**	**40.6**
241.3	238.0	**Total included in profit for the year**	**372.5**	**263.5**
		Figures above in millions.		

(a) The GF Management Incentive Scheme

At the annual general meeting on 10 November 1999, shareholders approved the adoption of the GF Management Incentive Scheme to substitute the scheme in place prior to the reverse takeover of Driefontein by Gold Fields in 1999. This scheme was introduced to provide an incentive for certain officers and employees to acquire shares in the Company. No further allocations of options under this scheme are being made in view of the introduction of the Gold Fields 2005 Share Plan (see below) and the scheme will be closed once all options have been exercised or forfeited. Currently, the last date of expiry is 2 July 2013.

The salient features of the scheme were as follows:

- it comprised only share options;
- a third of the total share option grant vested upon the second, third and fourth anniversaries of the grant date; and
- share options expired no later than seven years from the grant date.

2011			2012	
Number of instruments	Average instrument price (cps)		Number of instruments	Average instrument price (cps)
976,533	75.85	**Outstanding at beginning of the year**	**311,225**	**73.48**
		Movement during the year:		
(614,340)	72.33	Exercised and released	**(204,570)**	**68.60**
(50,968)	118.63	Forfeited	**(31,155)**	**73.91**
311,225	73.48	**Outstanding at end of the year**	**75,500**	**86.51**
		All options above have vested.		

During the year ended 31 December 2012, some share options under the GF Management Incentive Scheme expiry dates were extended to enable participants who were disadvantaged due to the closed period to be placed in an equitable position. The incremental fair value of the modifications were Rnil. No share options were extended during the year ended 31 December 2011.

5. SHARE-BASED PAYMENTS (continued)

(b) The GF Non-executive Director Share Plan

At the annual general meeting on 31 October 2001, shareholders approved a resolution to proceed with the allocation of options to non-executive directors. The GF Non-executive Director Share Plan was closed during the year ended 31 December 2011 as all options were exercised or forfeited.

The salient features of the scheme were as follows:

- share options vested one year after allocation;
- 10,000 share options were issued annually to non-executive directors provided the directors in question have attended at least 75% of the Board meetings; and
- a director forfeited share options 30 days after a director left the Gold Fields Board.

2011			2012	
Number of instruments	Average instrument price (cps)		Number of instruments	Average instrument price (cps)
36,700	79.37	**Outstanding at beginning of the year**	–	–
		Movement during the year:		
(36,700)	79.37	Exercised and released	–	–
–	–	**Outstanding at end of the year**	–	–

(c) Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan

– Gold Fields Limited 2005 Share Plan

At the annual general meeting on 17 November 2005, shareholders approved the adoption of the Gold Fields Limited 2005 Share Plan to replace the GF Management Incentive Scheme approved in 1999. The plan provided for two methods of participation, namely the performance allocated share appreciation rights method ("SARS") and the performance vesting restricted share method ("PVRS"). This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders. No further allocations of options under this plan are being made in view of the introduction of the Gold Fields Limited 2012 Share Plan (see below) and the plan will be closed once all options have been exercised or forfeited. Currently the last date of expiry is 23 December 2017.

The salient features of the plan were as follows:

- PVRS and SARS were offered to participants annually during March. Quarterly allocations were also made in June, September and December on a pro rata basis to qualifying new employees. PVRS were performance-related shares, granted at zero cost (the shares are granted in exchange for the rendering of service by participants to the Company during the three-year restricted period prior to the share vesting date);
- all PVRS allocations made from 1 March 2006 to 1 March 2008 were conditionally awarded to participants. Based on the rules of the plan, the actual number of PVRS which would be settled to a participant three years after the original award date was determined by the Company's performance measured against the performance of five other major gold mining companies ("the peer groups") based on the relative change in the Gold Fields share price compared to the basket of respective US dollar share prices of the peer group. Furthermore, from 1 June 2008 for PVRS to be settled to members of the Executive Committee, an internal Company performance target is required to be met before the external relative measure is applied. The internal target performance criterion has been set at 85% of the Company's expected gold production over the three-year measurement period as set out in the business plans of the Company approved by the Board. In the event that the internal target performance criterion is met the full initial target award shall be settled on the settlement date. In addition the Remuneration Committee has determined that the number of PVRS to be settled may be increased by up to 300% of the number of the initial target PVRS conditionally awarded, depending on the performance of the Company relative to the performance of the peer group based on the relative change in the Gold Fields share price compared to the basket of respective US dollar share prices of the peer group. The above amendments were effected under the ambit of the existing rules as previously approved by the shareholders at the annual general meeting;

5. SHARE-BASED PAYMENTS (continued)

(c) Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan (continued)

- the performance of the Company that will result in the settlement of shares is to be measured by the Company's share price performance relative to the share price performance of the following peer gold mining companies, collectively referred to as "the peer group", over the three-year period:
  - AngloGold Ashanti;
  - Barrick Gold Corporation;
  - Goldcorp Incorporated;
  - Harmony Gold Mining Company; and
  - Newmont Mining Corporation.
- the performance of the Company's shares against the shares of the peer group will be measured for the three-year period running from the first business day of the month preceding the relevant allocation and award date;
- SARS are share options, granted at the weighted average price over the previous 20 trading days; and
- SARS will vest on the third anniversary of the grant date, but may be exercised between the third and sixth anniversary of the grant date by existing Gold Fields employees. SARS expire on the sixth anniversary of the grant date.

– Gold Fields Limited 2005 Non-executive Share Plan

At the annual general meeting on 17 November 2005, shareholders approved the adoption of the Gold Fields Limited 2005 Non-executive Share Plan to replace the GF Non-executive Director Share Plan approved in 2001. The 2005 Non-executive Plan provided for the award of restricted shares (shares that have been awarded but cannot be exercised during the restricted three-year period) to non-executive directors that ordinarily vested after a period of three years from the award thereof.

The salient features of the plan were as follows:

- restricted shares were granted annually; and
- shares vested and were settled on the third anniversary of the award date.

Consistent with the King III Report on Corporate Governance and the JSE Listings Requirements, the Board recommended to the shareholders that the practice of awarding of rights under the Gold Fields Limited 2005 Non-executive Share Plan Scheme be immediately discontinued. Allocations awarded before 1 April 2010 vested according to the rules of the plan. The last vesting took place in November 2012 and the scheme was subsequently closed.

2011				2012		
Performance vesting restricted shares (PVRS)	Share appreciation rights (SARS)	Average instrument price (cps)		Performance vesting restricted shares (PVRS)	Share appreciation rights (SARS)	Average instrument price (cps)
7,748,959	5,270,597	105.53	**Outstanding at beginning of the year**	**7,411,012**	**5,030,143**	**107.91**
			Movement during the year:			
3,165,342	1,638,484	119.17	Granted	**–**	**–**	**–**
(2,616,530)	(1,247,317)	111.06	Exercised and released	**(1,827,682)**	**(259,455)**	**106.36**
(886,759)	(631,621)	110.69	Forfeited	**(584,814)**	**(451,779)**	**117.14**
7,411,012	5,030,143	107.91	**Outstanding at end of the year**	**4,998,516**	**4,318,909**	**107.37**
			Included in the above are 1,605,403 (2011: 1,199,703) vested share appreciation rights with an average instrument price of R110.07 (2011: R112.85) and no further allocations are being made under this plan.			

5. SHARE-BASED PAYMENTS (continued)

(c) Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan (continued)

2011		2012
	The fair value of equity instruments granted during the year were valued using the Black-Scholes and Monte Carlo Simulation models:	
	Black-Scholes model	
	This model is used to value the share appreciation rights. The inputs to the model for options granted during the year were as follows:	
R119.17	– weighted average exercise price	–
46.4%	– exponentially weighted moving average volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	–
5.9	– expected term (years)	–
1.7%	– long-term expected dividend yield	–
6.9%	– weighted average risk-free interest rate	–
R51.66	– weighted average fair value	–
	Monte-Carlo simulation	
	This model is used to value the performance vesting restricted shares. The inputs to the model for options granted during the year were as follows:	
64.1%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	–
3.0	– expected term (years)	–
1.7%	– historical dividend yield	–
0.2%	– weighted average three-year risk-free interest rate (based on US interest rates)	–
R206.27	– weighted average fair value	–
	Vesting of PVRS is based on Gold Fields' performance on the Philadelphia XAU Index ("XAU") relative to its five representative peers in the gold mining industry rather than all members of the index, because some members of the index are not purely gold mining companies or are small producers.	

During the year ended 31 December 2012, some share appreciation rights' expiry dates were extended to enable participants who were disadvantaged due to the closed period to be placed in an equitable position. The incremental fair value of the modifications were Rnil. No share options were extended during the year ended 31 December 2011.

2011				2012		
Number of options	Average instrument price (cps)	Contractual life extended by (years)		Number of options	Average instrument price (cps)	Contractual life extended by (years)
			The following executive directors were affected by the modification:			
–	–	–	NJ Holland	**49,000**	**109.66**	**0.06**
–	–	–	PA Schmidt	**43,310**	**108.67**	**0.06**

5. SHARE-BASED PAYMENTS (continued)

(d) Gold Fields Limited 2012 Share Plan

At the annual general meeting on 14 May 2012 shareholders approved the adoption of the Gold Fields Limited 2012 Share Plan to replace the Gold Fields Limited 2005 Share Plan. The plan provides for two methods of participation, namely the performance share method (PS) and the bonus share method (BS). This plan seeks to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the Company's shareholders.

The salient features of the plan are:

- PS are offered to participants annually in March. Quarterly allocations of PS are also made in June, September and December on a pro rata basis to qualifying new employees. PS are performance-related shares, granted at zero cost (the shares are granted in exchange for the rendering of service by participants to the Company during the three-year restricted period prior to the share vesting date);
- based on the rules of the plan, the actual number of PS which would be settled to a participant three years after the original award date is determined by the Company's performance measured against the performance of seven other major gold mining companies ("the peer group") based on the relative change in the Gold Fields share price compared to the basket of respective US dollar share prices of the peer group. Furthermore, for PS awards to be settled to members of the Executive Committee, an internal Company performance target is required to be met before the external relative measure is applied. The internal target performance criterion has been set at 85% of the Company's planned gold production over the three-year measurement period as set out in the business plans of the Company approved by the Board. In the event that the internal target performance criterion is met the full initial target award shall be settled on the settlement date. In addition, the Remuneration Committee has determined that the number of PS to be settled may be increased by up to 200% of the number of the initial target PS conditionally awarded, depending on the performance of the Company relative to the performance of the peer group, based on the relative change in the Gold Fields share price compared to the basket of respective US dollar share prices of the peer group;
- the performance of the Company that will result in the settlement of shares is to be measured by the Company's share price performance relative to the share price performance of the following peer gold mining companies, collectively referred to as "the peer group", over the three-year period:
  - AngloGold Ashanti;
  - Barrick Gold Corporation;
  - Goldcorp Incorporated;
  - Harmony Gold Mining Company;
  - Newmont Mining Corporation;
  - Newcrest Mining Limited; and
  - Kinross Gold Corporation.
- the performance of the Company's shares against the shares of the peer group will be measured for the three-year period running from the relevant award date;
- BS are offered to participants annually in March; and
- based on the rules of the plan, the actual number of BS which would be settled to a participant in two equal tranches over a 9-month and an 18-month period after the original award date is determined by the employee's annual cash bonus calculated with reference to actual performance against predetermined targets for the financial year ended immediately preceding the award date.

2011			2012	
Performance shares (PS)	Bonus shares (BS)		Performance shares (PS)	Bonus shares (BS)
–	–	**Outstanding at beginning of the year**	**–**	**–**
		Movement during the year:		
–	–	Granted	**4,511,700**	**1,368,423**
–	–	Exercised and released	**–**	**(528,392)**
–	–	Forfeited	**(249,530)**	**(47,655)**
–	–	**Outstanding at end of the year**	**4,262,170**	**792,376**
		None of the options above have vested at year end.		

5. SHARE-BASED PAYMENTS (continued)

(d) Gold Fields Limited 2012 Share Plan (continued)

2011		2012
	The fair value of equity instruments granted during the year were valued using the Monte Carlo simulation model:	
	Monte-Carlo simulation	
	Performance shares	
	This model is used to value the performance shares (PS). The inputs to the model for options granted during the year were as follows:	
–	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**36.4%**
–	– expected term (years)	**3.0**
–	– historical dividend yield	**1.6%**
–	– weighted average three-year risk free interest rate (based on US interest rates)	**0.7%**
–	– weighted average fair value	**162.14**
	Vesting of PS is based on Gold Fields' performance on the Philadelphia XAU Index ("XAU") relative to the seven representative peers in the gold mining industry rather than all members of the index, because some members of the index are not purely gold mining companies or are small producers.	
	Bonus shares	
	A future trading model is used to estimate the loss in value to the holders of bonus shares due to trading restrictions. The actual valuation is developed using a Monte Carlo analysis of the future share price of Gold Fields:	
–	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**29.4%**
–	– expected term (months)	**9.0 – 18.0**
–	– historical dividend yield	**2.7%**
–	– weighted average three-year risk free interest rate (based on SA interest rates)	**5.5%**
–	– marketability discount	**1.6%**
–	– weighted average fair value	**115.61**
	Marketability discount is applied on bonus shares valuation as the shares are issued upfront.	

5. SHARE-BASED PAYMENTS (continued)

The following table summarises information relating to the options and equity-settled instruments under all plans outstanding at 31 December 2012:

2011				2012		
Number of instruments	Price	Contractual life (years)	Range of exercise prices for outstanding equity instruments (South African rand)	Number of instruments	Price	Contractual life (years)
7,411,012	–	1.46	n/a*	**10,053,062**	**–**	**1.41**
–	–	–	35.00 – 59.99	**–**	**–**	**–**
264,326	67.57	0.28	60.00 – 84.99	**37,900**	**66.37**	**0.10**
3,028,575	99.74	3.47	85.00 – 109.99	**2,647,034**	**99.37**	**2.50**
2,005,517	120.14	4.26	110.00 – 134.99	**1,666,471**	**119.59**	**3.69**
42,950	137.08	5.13	135.00 – 159.99	**43,004**	**136.82**	**4.42**
12,752,380			**Total outstanding at end of the year**	**14,447,471**		
			*Restricted shares (PVRS) are awarded for no consideration.			
		118.20	Weighted average share price during the year	**109.50**		

The compensation costs related to awards not yet recognised in the income statement under the above plans at 31 December 2012 and 31 December 2011 amount to R828.5 million (R509.1 million for continuing operations and R319.4 million for discontinued operations) and R745.1 million (R418.9 million for continuing operations and R326.2 million for discontinued operations), respectively, and are to be spread over three years.

The directors were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 35,309,563 of the total issued ordinary share capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 3,530,956 of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 14,447,471 (1.98%) of the total issued ordinary share capital at 31 December 2012.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	**2012**			**2012**	**2011**
		6.	**IMPAIRMENT OF INVESTMENTS AND ASSETS**		
(0.5)	**(10.6)**		Listed investments	**(86.4)**	(3.6)
–	**(19.2)**		Heap leach inventory[1]	**(156.9)**	–
–	**(10.1)**		Heap leach assets[1]	**(82.9)**	–
–	**(53.0)**		Exploration interests[2]	**(434.0)**	–
(9.5)	**(5.3)**		Property, plant and equipment[3]	**(43.7)**	(68.3)
(10.0)	**(98.2)**		**Total impairment of investments and assets**	**(803.9)**	(71.9)
		7.	**INCLUDED IN PROFIT BEFORE ROYALTIES AND TAXATION ARE THE FOLLOWING:**		
6.0	**10.7**		Environmental rehabilitation inflation adjustment	**87.5**	42.8
2.9	**3.9**		Operating lease charges	**31.7**	20.9
		8.	**ROYALTIES** (paid to the State)		
(2.1)	**(2.3)**		South Africa	**(18.5)**	(15.4)
(107.5)	**(114.4)**		Foreign	**(937.4)**	(776.1)
(109.6)	**(116.7)**		**Total royalties**	**(955.9)**	(791.5)
			State royalty rates		
			South Africa (effective rate)[4]	**0.5%**	0.5%
			Australia[5]	**2.5%**	2.5%
			Ghana[5]	**5.0%**	5.0%
			Peru[6]	**3.7%**	3.6%

[1] Net realisable value write-down due to the cessation of the heap leach pad as well as impairment of related assets at St Ives.

[2] Following on the Gold Fields portfolio review, exploration activities were scaled down at St Ives and Agnew, which resulted in a write-off of exploration assets.

[3] Impairment of redundant assets at Ghana and Peru (2011: Peru).

[4] The Mineral and Petroleum Resource Royalty Act 2008 ("Royalty Act") was promulgated on 24 November 2008 and became effective from 1 March 2010. The Royalty Act imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Act) minerals payable to the state. The royalty in respect of refined minerals (which include gold refined to 99.5% and above and platinum) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2012 was approximately 0.5% of mining revenue (2011: 0.5%) equaling the minimum charge per the formula.

[5] The Australian and Ghanaian operations are subject to a 2.5% (2011: 2.5%) and 5.0% (2011: 5.0%) gold royalty, respectively, on revenue as the mineral rights are owned by the state. The Ghanaian change in royalty rate from 3% to 5% became effective 1 April 2011.

[6] The Peruvian operations are subject to a mining royalty calculated on a sliding scale with rates ranging from 1% to 3% of the value of mineral concentrate based on international market prices. This calculation was applied for the period up to the end of September 2011. The Peruvian government signed a new mining tax royalty bill into law on 28 September 2011. The royalty for Peruvian operations is now calculated on a sliding scale with rates ranging from 1% to 12% of the value of operating profit.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	2012		2012	2011
		9. MINING AND INCOME TAX		
		The components of mining and income tax are the following:		
		South African taxation		
(4.9)	**(5.1)**	– Company and capital gains tax	**(41.9)**	(35.3)
0.2	**–**	– prior year adjustment – current tax	**–**	1.2
(15.4)	**(21.8)**	– deferred tax	**(178.7)**	(111.5)
0.8	**0.3**	– prior year adjustment – deferred tax	**2.7**	6.3
		Foreign taxation		
(339.9)	**(331.5)**	– current tax	**(2,714.9)**	(2,454.1)
(70.3)	**(95.9)**	– deferred tax	**(785.4)**	(507.2)
(429.5)	**(454.0)**	**Total mining and income tax**	**(3,718.2)**	(3,100.6)
		Major items causing the Group's income tax to differ from the maximum South African statutory mining tax rate of 34.0% (2011: 43.0%) were:		
		Tax on profit before taxation at maximum South African statutory mining tax rate	**(2,209.0)**	(3,609.6)
		Rate adjustment to reflect the actual realised Company tax rates in South Africa and offshore	**128.0**	1,477.6
		Use of assessed loss not previously recognised	**33.6**	–
		Non-deductible share-based payments	**(105.7)**	(74.8)
		Non-deductible exploration expense	**(297.8)**	(357.8)
		Non-deductible feasibility and evaluation costs	**(122.8)**	(54.0)
		Non-taxable profit on disposal of investments	**47.0**	29.5
		National stabilisation levy – Ghana	**–**	(259.0)
		Share of results of associates after taxation	**(138.5)**	(2.5)
		Net non-deductible expenditure and non-taxable income	**(15.8)**	(319.4)
		Deferred tax (charge)/release on change of rate at the Ghanaian and South African mining operations (2011: Peru)	**(883.3)**	40.0
		Other	**(153.9)**	29.4
		Total mining and income tax	**(3,718.2)**	(3,100.6)

9. MINING AND INCOME TAX (continued)

2011		2012
	South Africa – tax rates	
Y = 43 – 215/X	Mining tax[1]	**Y = 34 – 170/X**
35.0%	Non-mining tax[2]	**28.0%**
28.0%	Company tax rate	**28.0%**
	International operations – tax rates	
30.0%	Australia	**30.0%**
25.0%	Ghana[3]	**35.0%**
5.0%	Ghana – national stabilisation levy[3]	**–**
30.0%	Peru	**30.0%**

[1]South African mining tax on mining income is determined according to a formula which takes into account the profit and revenue from mining operations. South African mining taxable income is determined after the deduction of all mining capital expenditure, with the proviso that this cannot result in an assessed loss. Capital expenditure amounts not deducted are carried forward as unredeemed capital expenditure to be deducted from future mining income. Accounting depreciation is ignored for the purpose of calculating South African mining taxation.

In the formulae above, Y is the percentage rate of tax payable and X is the ratio of mining profit, after the deduction of redeemable capital expenditure, to mining revenue expressed as a percentage.

During the budget speech in February 2012, the Minister of Finance of South Africa announced that secondary tax on companies (STC) would be abolished resulting in the abolishment of the STC inclusive Gold mining formula. The result is that there is only one Gold Mining formula with effect from 1 January 2012.

[2]Non-mining income of South African mining operations consists primarily of interest income.

[3]During the budget speech presented by the Minister of Finance of Ghana on 16 November 2011, certain changes to the current tax regime relating to mining companies were proposed. These proposals were passed by the Ghanaian Parliament on 1 February 2012. The changes were subsequently gazetted on 9 March 2012, effective from 9 March 2012, and include an increased tax rate for mining companies from 25% to 35% and from calendar 2012, capital allowances on mining assets would now be granted at the rate of 20% per year for a period of five years on the cost base of the assets so incurred versus the previous 80% allowance in year one with the remaining 25% (20% of cost and an upliftment allowance of 5%) to be claimed on a reducing balance method. In addition, the national stabilisation levy of 5% expired with effect from 1 January 2012.

Deferred tax is provided at the expected future rate for mining operations arising from temporary differences between the carrying values and tax values of assets and liabilities.

At 31 December 2012, the Group had the following estimated amounts available for set-off against future income:

2011				2012		
Unredeemed capital expenditure R million	Tax losses R million	Deferred tax asset not recognised R million		Unredeemed capital expenditure R million	Tax losses R million	Deferred tax asset not recognised R million
			South Africa[4]			
4,946.2	3,938.1	–	Gold Fields Operations Limited	**6,207.5**	**3,470.0**	**–**
13,293.4	102.0	1,809.4	GFI Joint Venture Holdings (Pty) Limited	**16,160.9**	**–**	**1,909.6**
–	81.1	–	Gold Fields Group Services (Pty) Limited	**–**	**130.6**	**–**
18,239.6	4,121.2	1,809.4		**22,368.4**	**3,600.6**	**1,909.6**

[4] These deductions are available to be utilised against income generated by the relevant tax entity and do not expire unless the tax entity concerned ceases to operate for a period of longer than one year. Under South African mining tax ringfencing legislation, each tax entity is treated separately and as such these deductions can only be utilised by the tax entities in which the deductions have been generated. South African tax losses have no expiration date.

2011				2012		
Unredeemed capital expenditure US$ million	Tax losses US$ million	Deferred tax asset not recognised US$ million		Unredeemed capital expenditure US$ million	Tax losses US$ million	Deferred tax asset not recognised US$ million
			International operations			
–	130.8	38.5	Orogen Investments SA (Luxembourg)[5]	**–**	**126.3**	**37.2**
–	101.0	24.7	Gold Fields Arctic Platinum Oy[6]	**–**	**95.9**	**23.5**
507.9	–	–	Gold Fields La Cima	**506.8**	**–**	**–**
507.9	231.8	63.2		**506.8**	**222.2**	**60.7**

[5] In terms of current Luxembourg taxation legislation, losses incurred in accounting periods subsequent to 31 December 1990 can be carried forward indefinitely. All losses incurred by Orogen Investment SA (Luxembourg) were incurred subsequent to 31 December 1990.

[6] Tax losses may be carried forward for 10 years. These losses expire on a first-in first-out basis.

10. DISCONTINUED OPERATIONS

On 29 November 2012, Gold Fields announced the creation of a new South African gold mining company through the listing and subsequent unbundling of its 100% owned subsidiary, Sibanye Gold Limited ("Sibanye Gold"), formerly known as GFI Mining South Africa Proprietary Limited, which holds the KDC and Beatrix gold mines as well as various service companies.

Sibanye Gold was listed as a separate and independent company on both the JSE and the NYSE on 11 February 2013. Sibanye Gold shares held by Gold Fields were then distributed to existing Gold Fields shareholders on 18 February 2013.

Both Gold Fields and Sibanye Gold are domiciled in South Africa with their primary listing of ordinary shares on the JSE and a secondary listing of American depositary receipts on the NYSE. The other existing secondary listings of Gold Fields on the Swiss, Dubai and Brussels stock exchanges for Gold Fields remains unchanged.

Following the unbundling, Gold Fields will retain the balance of its current portfolio of assets, including the developing South Deep gold mine located in South Africa.

The assets and liabilities of Sibanye Gold have been presented as held for distribution. The financial results of Sibanye Gold, which include the KDC and Beatrix mines, have been presented as discontinued operations in the consolidated financial statements and the comparative income statement and statement of cash flows have been presented as if Sibanye Gold had been discontinued from the start of the comparative period.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		Below is a summary of the results of discontinued operations for the year ended 31 December:		
2,301.0	**2,021.2**	Revenue	**16,553.5**	16,613.1
(1,681.5)	**(1,596.3)**	Costs of sales	**(13,074.1)**	(12,140.1)
619.5	**424.9**	**Net operating profit**	**3,479.4**	4,473.0
(60.5)	**(52.9)**	Other costs, net	**(433.7)**	(436.5)
559.0	**372.0**	**Profit before royalties and taxation**	**3,045.7**	4,036.5
(40.1)	**(34.5)**	Royalties	**(282.1)**	(289.5)
518.9	**337.5**	**Profit before taxation**	**2,763.6**	3,747.0
(170.9)	**47.4**	Mining and income tax	**388.5**	(1,234.5)
348.0	**384.9**	**Profit for the year**	**3,152.1**	2,512.5
		Below is a summary of Sibanye Gold's assets and liabilities at 31 December classified as held for distribution:		
	2,043.0	Property, plant and equipment	**17,508.6**	
	25.5	Investment in associate	**218.6**	
	0.2	Investments	**1.5**	
	155.3	Environmental trust funds	**1,331.1**	
	2.7	Deferred taxation	**23.3**	
	40.7	Inventories	**348.9**	
	65.2	Trade and other receivables	**558.3**	
	49.3	Cash and cash equivalents	**422.9**	
	2,381.9	**Assets held for distribution**	**20,413.2**	
	525.9	Deferred taxation	**4,506.6**	
	492.4	Borrowings	**4,220.0**	
	202.9	Environmental rehabilitation costs	**1,739.1**	
	2.1	Post-retirement healthcare costs	**17.6**	
	206.7	Trade and other payables	**1,771.5**	
	11.3	Taxation and royalties	**96.6**	
	1,441.3	**Liabilities held for distribution**	**12,351.4**	
	940.6	**Net assets held for distribution**	**8,061.8**	

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		11. EARNINGS PER SHARE		
87	**42**	**11.1 Basic earnings per share from continuing operations – cents**	**345**	625
		Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders from continuing operations of R2,506.6 million (2011: R4,513.3 million) by the weighted average number of ordinary shares in issue during the year of 727,459,457 (2011: 722,376,228).		
48	**53**	**11.2 Basic earnings per share from discontinued operations – cents**	**433**	348
		Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders from discontinued operations of R3,151.5 million (2011: R2,513.4 million) by the weighted average number of ordinary shares in issue during the year of 727,459,457 (2011: 722,376,228).		
86	**42**	**11.3 Diluted basic earnings per share from continuing operations – cents**	**343**	618
		Diluted basic earnings per share is calculated on the basis of profit attributable to ordinary shareholders from continuing operations of R2,506.6 million (2011: R4,513.3 million) and 730,723,950 (2011: 730,787,498) shares being the diluted number of ordinary shares in issue during the year.		
		The weighted average number of shares has been adjusted by the following to arrive at the diluted number of ordinary shares:		
		Weighted average number of shares	**727,459,457**	722,376,228
		Share options in issue	**3,264,493**	8,411,270
		Diluted number of ordinary shares	**730,723,950**	730,787,498
47	**53**	**11.4 Diluted basic earnings per share from discontinued operations – cents**	**431**	344
		Diluted basic earnings per share is calculated on the basis of profit attributable to ordinary shareholders from discontinued operations of R3,151.5 million (2011: R2,513.4 million) and 730,723,950 (2011: 730,787,498) shares being the diluted number of ordinary shares in issue during the year.		

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2011	2012		SOUTH AFRICAN RAND 2012	2011
		11. EARNINGS PER SHARE (continued)		
86	**46**	**11.5 Headline earnings per share from continuing operations – cents**	**382**	622
		Headline earnings per share is calculated on the basis of adjusted net earnings attributable to ordinary shareholders from continuing operations of R2,783.2 million (2011: R4,497.0 million) and 727,459,457 (2011: 722,376,228) shares being the weighted average number of ordinary shares in issue during the year.		
		Net profit attributable to ordinary shareholders from continuing operations is reconciled to headline earnings as follows:		
625.1	**306.1**	Net profit attributable to ordinary shareholders from continuing operations	**2,506.6**	4,513.3
(12.8)	**(27.6)**	Profit on disposal of investments	**(225.9)**	(92.6)
2.7	**3.0**	Taxation effect of profit on disposal of investments	**24.6**	19.5
1.0	**(0.3)**	(Profit)/loss on disposal of property, plant and equipment	**(2.1)**	7.1
(0.3)	**0.1**	Taxation effect of (profit)/loss on property, plant and equipment	**0.6**	(2.0)
10.0	**79.0**	Impairment of investments and assets	**647.0**	71.9
(2.8)	**(20.5)**	Taxation effect of impairment of investments and assets	**(167.6)**	(20.2)
622.9	**339.8**	**Headline earnings**	**2,783.2**	4,497.0
48	**54**	**11.6 Headline earnings per share from discontinued operations – cents**	**434**	348
		Headline earnings per share is calculated on the basis of adjusted net earnings attributable to ordinary shareholders from discontinued operations of R3,149.8 million (2011: R2,510.6 million) and 727,459,457 (2011: 722,376,228) shares being the weighted average number of ordinary shares in issue during the year.		
		Net profit attributable to ordinary shareholders from discontinued operations is reconciled to headline earnings as follows:		
348.1	**384.8**	Net profit attributable to ordinary shareholders from discontinued operations	**3,151.5**	2,513.4
(0.6)	**(0.2)**	Profit on disposal of property, plant and equipment	**(2.4)**	(4.3)
0.2	**0.1**	Taxation effect of profit on property, plant and equipment	**0.7**	1.5
347.7	**384.7**	**Headline earnings**	**3,149.8**	2,510.6

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		11. EARNINGS PER SHARE (continued)		
85	**46**	**11.7 Diluted headline earnings per share from continuing operations – cents**	**381**	615
		Diluted headline earnings per share is calculated on the basis of headline earnings attributable to ordinary shareholders from continuing operations of R2,783.2 million (2011: R4,497.0 million) and 730,723,950 (2011: 730,787,498) shares being the diluted number of ordinary shares in issue during the year.		
48	**54**	**11.8 Diluted headline earnings per share from discontinued operations – cents**	**431**	344
		Diluted headline earnings per share is calculated on the basis of headline earnings attributable to ordinary shareholders from discontinued operations of R3,149.8 million (2011: R2,510.6 million) and 730,723,950 (2011: 730,787,498) shares being the diluted number of ordinary shares in issue during the year.		
		12. DIVIDENDS		
73.2	**221.5**	2011 final dividend of 230 cents per share (2010: 70 cents) declared on 16 February 2012.	**1,677.3**	505.8
101.7	**142.7**	2012 interim dividend of 160 cents per share (2011: 100 cents) was declared on 22 August 2012.	**1,169.0**	723.6
		A final dividend in respect of financial period ended 31 December 2012 of 75 cents per share was approved by the Board of Directors on 13 February 2013. This dividend payable is not reflected in these financial statements.		
		The final dividend will be subject to the Dividend Withholding Tax that was introduced with effect from 1 April 2012.		
174.9	**364.2**	**Total dividends**	**2,846.3**	1,229.4
24	**50**	**Dividends per share – cents**	**390**	170

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND		
Land, mineral rights and rehabilitation assets	Mine development, infrastructure and other assets	Total		Total	Mine development, infrastructure and other assets	Land, mineral rights and rehabilitation assets
			13. PROPERTY, PLANT AND EQUIPMENT			
			2012			
			Cost			
1,200.5	11,749.9	12,950.4	Balance at beginning of the year	105,286.5	95,526.5	9,760.0
(3.5)	(18.6)	(22.1)	Reclassifications	(181.2)	(152.4)	(28.8)
73.2	1,166.9	1,240.1	Additions for continuing operations	10,156.3	9,556.6	599.7
–	379.4	379.4	Additions for discontinued operations	3,107.1	3,107.1	–
–	16.1	16.1	Finance charges capitalised[1]	131.9	131.9	–
–	(7.1)	(7.1)	Disposals	(58.0)	(58.0)	–
50.1	–	50.1	Changes in estimates of rehabilitation assets	410.0	–	410.0
(177.9)	(4,888.0)	(5,065.9)	Reclassification to assets held for distribution	(43,414.5)	(41,889.8)	(1,524.7)
(16.5)	(370.7)	(387.2)	Translation adjustment	3,009.4	2,577.0	432.4
1,125.9	8,027.9	9,153.8	**Balance at end of the year[2]**	78,447.5	68,798.9	9,648.6
			Accumulated depreciation and impairment			
357.6	4,882.7	5,240.3	Balance at beginning of the year	42,603.7	39,696.3	2,907.4
24.8	475.0	499.8	Charge for the year for continuing operations	4,093.8	3,890.7	203.1
3.7	265.0	268.7	Charge for the year for discontinued operations	2,200.5	2,170.1	30.4
–	68.4	68.4	Impairment	560.6	560.6	–
–	(6.0)	(6.0)	Disposals	(49.5)	(49.5)	–
(86.9)	(2,936.0)	(3,022.9)	Reclassification to assets held for distribution	(25,905.9)	(25,160.9)	(745.0)
(1.4)	(169.6)	(171.0)	Translation adjustment	1,155.2	999.0	156.2
297.8	2,579.5	2,877.3	**Balance at end of the year**	24,658.4	22,106.3	2,552.1
828.1	5,448.4	6,276.5	**Carrying value at end of the year**	53,789.1	46,692.6	7,096.5

[1] Borrowing costs of R106.5 million arising on Group general borrowings which are related to the qualifying projects at South Deep were capitalised during the period. The balance of R25.4 million of the borrowing cost capitalised relates to Group general borrowings relating at Chucapaca. An average interest capitalisation rate of 3.9% was applied.

[2] Fleet assets in Ghana amounting to R691.6 million (US$80.7 million) have been pledged as security for the US$60 million senior secured revolving credit facility.

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND		
Land, mineral rights and rehabilitation assets	**Mine development, infrastructure and other assets**	**Total**		**Total**	**Mine development, infrastructure and other assets**	**Land, mineral rights and rehabilitation assets**
			13. PROPERTY, PLANT AND EQUIPMENT (continued)			
			2011			
			Cost			
1,169.7	12,151.9	13,321.6	Balance at beginning of the year	89,920.2	82,025.0	7,895.2
–	(333.6)	(333.6)	Reclassifications	(2,408.8)	(2,408.6)	(0.2)
64.0	944.4	1,008.4	Additions for continuing operations	7,280.6	6,818.5	462.1
–	404.8	404.8	Additions for discontinued operations	2,922.6	2,922.5	0.1
–	9.3	9.3	Finance charges capitalised[1]	66.8	66.8	–
(4.9)	(22.3)	(27.2)	Disposals	(196.5)	(161.0)	(35.5)
69.6	–	69.6	Changes in estimates of rehabilitation assets	501.6	–	501.6
–	6.1	6.1	Other	44.3	44.3	–
(97.9)	(1,410.7)	(1,508.6)	Translation adjustment	7,155.7	6,219.0	936.7
1,200.5	11,749.9	12,950.4	**Balance at end of the year[2]**	105,286.5	95,526.5	9,760.0
			Accumulated depreciation and impairment			
356.7	5,076.0	5,432.7	Balance at beginning of the year	36,670.4	34,262.8	2,407.6
–	(333.6)	(333.6)	Reclassifications	(2,408.8)	(2,408.6)	(0.2)
22.7	445.0	467.7	Charge for the year for continuing operations	3,377.1	3,213.3	163.8
2.9	312.8	315.7	Charge for the year for discontinued operations	2,278.8	2,258.1	20.7
–	9.5	9.5	Impairment	68.3	68.3	–
(0.5)	(16.2)	(16.7)	Disposals	(120.3)	(117.0)	(3.3)
(24.2)	(610.8)	(635.0)	Translation adjustment	2,738.2	2,419.4	318.8
357.6	4,882.7	5,240.3	**Balance at end of the year**	42,603.7	39,696.3	2,907.4
842.9	6,867.2	7,710.1	**Carrying value at end of the year[2]**	62,682.8	55,830.2	6,852.6

[1] Borrowing costs of R66.8 million were capitalised based on Group general borrowings which are related to the qualifying projects at South Deep. An average interest capitalisation rate of 3.6% was applied.

[2] Fleet assets in Ghana amounting to R656.1 million (US$80.7 million) have been pledged as security for the US$60 million senior secured revolving credit facility.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2011	2012		SOUTH AFRICAN RAND 2012	2011
		14. GOODWILL		
660.6	**548.5**	Balance at beginning of the year	**4,458.9**	4,458.9
(112.1)	**(28.2)**	Translation adjustment	**–**	–
548.5	**520.3**	**Balance at end of the year**	**4,458.9**	4,458.9

The goodwill arose on the acquisition of South Deep and is attributable to the upside potential of the asset, synergies and deferred tax.

The total goodwill is allocated to South Deep, the cash-generating unit (CGU), where it is tested for impairment.

In line with the accounting policy, the recoverable amount was determined by reference to "fair value less costs to sell" being the higher of "value in use" and "fair value less cost to sell", based on the cash flows over the life of the CGU and discounted to present value at an appropriate discount rate. Management's estimates and assumptions used in the 31 December 2012 calculation include:

- Long-term gold price of R400,000 per kilogram for the life of mine (2011: R400,000 per kilogram for 2012, R385,000 per kilogram for 2013 and R375,000 per kilogram thereafter);
- A discount rate of between 3.2% and 5.8% (2011: 5.1% and 6.2%); and
- The annual life of mine plan takes into account the following:
  - proved and probable ore reserves of South Deep using price assumptions above;
  - value beyond proved and probable reserves determined using appropriate price assumptions;
  - cash flows are based on the life of mine plan which exceeds a period of five years; and
  - capital expenditure estimates over the life of mine plan.

The carrying value of CGUs, including goodwill, is tested on an annual basis for impairment. In addition, the Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount of a CGU may not be recoverable.

Expected future cash flows used to determine the recoverable amount of property, plant and equipment and goodwill are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the spot gold price, foreign currency exchange rates, estimates of production costs, future capital expenditure and discount rates.

It is therefore possible that outcomes within the next financial year that are materially different from the assumptions used in the impairment testing process could require an adjustment to the carrying values.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	**2012**			**2012**	**2011**
		15.	**INVESTMENT IN ASSOCIATES**		
16.3	**1.4**	(a)	Rand Refinery Limited	**11.8**	132.3
–	**–**	(b)	Rusoro Mining Limited	**–**	–
–	**230.0**	(c)	Far Southeast Gold Resources Incorporated ("FSE")	**1,971.1**	–
2.1	**0.7**	(d)	Other	**6.0**	17.3
18.4	**232.1**		**Total investment in associates**	**1,988.9**	149.6
		(a)	**Rand Refinery Limited**		
			The Group has a 34.9% (continuing operations: 1.8% and discontinued operations: 33.1%) interest in Rand Refinery Limited ("Rand Refinery"), a company incorporated in the Republic of South Africa, which is involved in the refining of bullion and by-products sourced from, inter alia, South African and foreign gold producing mining companies. The investment has been equity accounted since 1 July 2002.		
			Rand Refinery has a 30 September year end and equity accounting is based on results to 30 November 2012.		
78.8	**110.8**		Total revenue of associate	**907.4**	569.1
14.3	**34.4**		Total profit of associate	**281.6**	103.4
			Investment in associate consists of:		
3.3	**3.3**		Unlisted shares at cost	**22.3**	22.3
8.9	**13.9**		Share of accumulated profits brought forward	**110.0**	73.9
0.2	**0.7**		Share of profit after taxation for continuing operations	**5.0**	1.1
4.8	**11.3**		Share of profit after taxation for discontinued operations	**93.1**	35.0
(0.9)	**(2.3)**		Translation adjustment	**–**	–
16.3	**26.9**		**Total investment in associate**	**230.4**	132.3
	1.4		Investment in associate relating to continuing operations	**11.8**	
	25.5		Investment in associate relating to discontinued operations	**218.6**	
			The Group's interest in the summarised financial statements of Rand Refinery are:		
37.5	**54.9**		Non-current assets	**470.2**	304.7
46.0	**66.5**		Current assets	**569.5**	373.9
83.5	**121.4**		**Total assets**	**1,039.7**	678.6
6.6	**6.5**		Non-current liabilities	**55.7**	53.5
14.2	**22.4**		Current liabilities	**191.7**	115.2
20.8	**28.9**		**Total liabilities**	**247.4**	168.7
62.7	**92.5**		**Net assets**	**792.3**	509.9
21.9	**32.2**		**Group's interest in the net assets of Rand Refinery**	**276.1**	178.0
			Reconciliation of the total investment in associate with attributable net assets:		
21.9	**32.2**		Net assets	**276.1**	178.0
(1.4)	**(1.4)**		Dividends received	**(8.4)**	(8.4)
(4.2)	**(3.9)**		Fair value adjustment[1]	**(37.3)**	(37.3)
16.3	**26.9**		**Total investment in associate**	**230.4**	132.3

[1]The investment in associate was fair valued at 1 July 2002, the date when significant influence was obtained.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		15. INVESTMENT IN ASSOCIATES (continued)		
		(b) Rusoro Mining Limited		
		Gold Fields interest in Rusoro Mining Limited ("Rusoro") at 31 December 2012 was 26.4% (2011: 26.4%). Rusoro, a company listed on the Toronto Stock Exchange (TSX), is a junior gold producer, with a large land position in the prolific Bolivar State gold region in southern Venezuela. The investment has been equity accounted since 30 November 2007.		
		Rusoro has a 31 December year end and equity accounting is based on published results to 30 September 2012.		
118.6	**27.2**	Total revenue of associate	**222.8**	856.3
0.3	**(778.8)**	Total (loss)/profit of associate	**(6,378.4)**	2.2
		Investment in associate consists of:		
236.9	**236.9**	Listed shares at fair value at acquisition	**1,604.7**	1,604.7
(56.8)	**(56.7)**	Share of accumulated losses brought forward	**(441.4)**	(442.1)
(186.3)	**(186.3)**	Brought forward – other[1]	**(1,490.9)**	(1,490.9)
0.1	**–**	Share of profit after taxation	**–**	0.7
–	**(205.6)**	Share of unrecognised losses after taxation	**(1,683.9)**	–
6.1	**211.7**	Write-back of investment to nil	**1,814.3**	49.6
–	**–**	Translation adjustment	**197.2**	278.0
–	**–**	**Total investment in associate[2]**	**–**	–
		The Group's interest in the summarised financial statements of Rusoro:		
917.8	**–**	Non-current assets	**–**	7,461.7
72.2	**4.7**	Current assets	**40.2**	587.0
990.0	**4.7**	**Total assets**	**40.2**	8,048.7
208.7	**–**	Non-current liabilities	**–**	1,696.7
133.2	**157.6**	Current liabilities	**1,350.6**	1,082.9
341.9	**157.6**	**Total liabilities**	**1,350.6**	2,779.6
2.1	**(21.0)**	**Non-controlling interest**	**(180.0)**	17.1
646.0	**(131.9)**	**Net assets**	**(1,130.4)**	5,252.0
170.7	**(34.8)**	**Group's interest in the net assets of Rusoro**	**(298.4)**	1,387.6
		Reconciliation of the total investment in associate with attributable net assets:		
170.7	**(34.8)**	Net assets	**(298.4)**	1,387.6
6.1	**211.7**	Write-back of investment to nil	**1,814.3**	49.6
(158.1)	**(158.1)**	Impairment of investment in associate	**(1,262.2)**	(1,262.2)
(18.7)	**(18.8)**	Translation adjustments	**(253.7)**	(175.0)
–	**–**	**Total investment in associate[2]**	**–**	–

[1] Other includes impairment, dilution loss and share of equity investee's other equity movements.

[2] The carrying value of Rusoro was written down to nil at 31 December 2010 due to losses incurred by the entity. The market value at 31 December 2012 and 31 December 2011 were, respectively, R54.4 million (US$6.3 million) and R106.6 million (US$13.1 million).

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		15. INVESTMENT IN ASSOCIATES (continued)		
		(c) Far Southeast Gold Resources Incorporated		
		Gold Fields interest in FSE at 31 December 2012 was 40.0%.		
		Gold Fields paid R69.0 million (US$10.0 million) in option fees to Lepanto Consolidated Mining Company during the 6 months ended 31 December 2010. In addition, Gold Fields paid non-refundable down payments of R534.6 million (US$66.0 million) during the year ended 31 December 2011 and R302.0 million (US$44.0 million) during the 6 months ended 31 December 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. On 31 March 2012, Gold Fields acquired 40% of the issued share capital of FSE by contributing an additional non-refundable down payment of R833.8 million (US$110.0 million).		
		The remaining 20% option is not likely to be exercised until such time as FSE obtains a Foreign Technical Assistance Agreement which allows for direct majority foreign ownership and control.		
		Far Southeast Gold Resources Incorporated has a 31 December year end and has been equity accounted since 1 April 2012.		
		Investment in associate consists of:		
–	**230.0**	Unlisted shares at cost	**1,739.4**	–
–	**50.1**	Equity contribution	**410.7**	–
–	**(50.1)**	Share of loss after taxation[1]	**(410.7)**	–
–	**–**	Translation adjustment	**231.7**	–
–	**230.0**	**Total investment in associate[2]**	**1,971.1**	–
		(d) Other		
2.1	**0.7**	Timpetra Resource Limited	**6.0**	17.3
2.1	**0.7**	**Total investment in associate[3]**	**6.0**	17.3

[1] Gold Fields share of loss after taxation represents exploration and costs, including work completed on a scoping study.

[2] Far Southeast Gold Resources Incorporated is a company incorporated under the laws of the Philippines and holds the FSE project. It has no revenues or significant assets or liabilities, except for rights to explore and eventually mine the FSE project.

[3] Represents a holding of 21.8% in Timpetra Resources Limited.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2011	2012			SOUTH AFRICAN RAND 2012	2011
		16.	**FINANCIAL INSTRUMENTS**		
			The accounting policies for financial instruments have been applied to the line items below:		
		(a)	**Financial assets**		
			Loans and receivables		
131.6	**122.1**		– Trade and other receivables	**1,046.3**	1,070.2
744.0	**606.3**		– Cash and cash equivalents	**5,195.6**	6,049.0
–	**91.9**		– Assets held for distribution	**787.2**	–
			Fair value through profit and loss		
161.5	**10.0**		– Environmental trust funds	**85.3**	1,313.3
88.4	**149.9**		– Trade receivables from provisional copper concentrate sales	**1,284.5**	718.6
–	**155.3**		– Assets held for distribution	**1,331.1**	–
			Available for sale		
82.5	**38.4**		– Investments	**329.2**	671.0
–	**0.2**		– Assets held for distribution	**1.5**	–
			Non-trading derivatives		
118.2	**7.0**		– Financial instruments	**60.0**	961.0
		(b)	**Financial liabilities**		
			Other financial liabilities		
1,907.7	**1,868.8**		– Borrowings	**16,015.7**	15,509.4
604.1	**511.3**		– Trade and other payables	**4,382.5**	4,911.8
–	**652.4**		– Liabilities held for distribution	**5,590.9**	–
		17.	**INVESTMENTS**		
			Listed		
88.1	**52.4**		Cost	**440.4**	715.2
(18.9)	**(27.3)**		*Less:* Other than temporary impairments	**(227.2)**	(158.7)
8.1	**11.1**		Net unrealised gain on revaluation	**96.8**	72.0
77.3	**36.2**		Carrying value	**310.0**	628.5
77.3	**36.2**		Market value	**310.0**	628.5
			Unlisted		
2.6	**1.1**		Carrying value and directors' valuation	**10.0**	20.9
79.9	**37.3**		**Total listed and unlisted investments**	**320.0**	649.4
2.6	**1.1**		**Loans advanced**	**9.2**	21.6
82.5	**38.4**		**Total investments**[1]	**329.2**	671.0

[1]All listed investments are classified as available for sale. Details of major investments are given on pages 140 and 141.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		18. ENVIRONMENTAL TRUST FUNDS		
168.6	**161.5**	Balance at beginning of the year	**1,313.3**	1,137.9
1.1	**0.6**	Contributions from continuing operations	**4.9**	7.5
13.5	**3.0**	Contributions from discontinued operations	**24.3**	97.8
0.5	**0.5**	Interest earned from continuing operations	**3.7**	3.7
9.2	**8.6**	Interest earned from discontinued operations	**70.2**	66.4
–	**(155.3)**	Reclassification to assets held for distribution	**(1,331.1)**	–
(31.4)	**(8.9)**	Translation adjustment	**–**	–
161.5	**10.0**	**Balance at end of the year[1]**	**85.3**	1,313.3
		19. INVENTORIES		
264.0	**268.9**	Gold-in-process	**2,304.7**	2,146.1
205.5	**252.7**	Consumable stores	**2,165.3**	1,670.8
1.6	**2.5**	Other	**21.7**	13.2
471.1	**524.1**	**Total inventories**	**4,491.7**	3,830.1
–	**(96.3)**	Heap leach inventories included in non-current assets[2]	**(825.3)**	–
471.1	**427.8**	**Total current inventories[3]**	**3,666.4**	3,830.1
		20. TRADE AND OTHER RECEIVABLES		
169.7	**215.8**	Trade receivables – gold sales and copper concentrate	**1,849.4**	1,379.7
23.7	**29.1**	Trade receivables – other	**249.1**	192.8
0.1	**0.4**	Deposits	**3.8**	0.5
0.4	**0.4**	Interest receivable	**3.2**	3.1
12.6	**5.1**	Payroll receivables	**43.6**	102.5
79.8	**122.9**	Prepayments	**1,053.4**	648.9
65.3	**55.6**	Value added tax	**476.8**	530.8
1.1	**2.7**	Diesel rebate	**23.1**	8.7
12.4	**18.5**	Other	**158.6**	101.5
365.1	**450.5**	**Total trade and other receivables**	**3,861.0**	2,968.5

[1] The trust fund consists of term deposits amounting to R85.3 million (2011: R996.3 million), as well as inflation and equity linked securities amounting to Rnil (2011: R317.0 million).

The proceeds from these funds are intended to fund environmental rehabilitation obligations of the Group's South African mines and they are not available for general purposes of the Group. All income earned on these funds is reinvested or spent to meet these obligations. The funds are invested in money market, fixed deposits, government and other corporate bonds. The obligations which these funds are intended to fund are included in environmental rehabilitation costs under long-term provisions (refer note 26.2).

[2] Due to the suspension of the South heap leach at Tarkwa, the heap leach inventories will only be processed at the end of life of mine.

[3] The cost of consumable stores consumed during the year by continuing operations and included in working cost amounted to R4,130.2 million or US$504.3 million (2011: R3,496.0 million or US$484.2 million).

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	**2012**			**2012**	**2011**
		21.	**FINANCIAL INSTRUMENTS**		
111.4	**–**		Payment for FSE[1]	**–**	905.6
6.8	**7.0**		Payment for Bezant[2]	**60.0**	55.4
118.2	**7.0**		**Total financial instruments[3]**	**60.0**	961.0
		22.	**CASH AND CASH EQUIVALENTS**		
744.0	**655.6**		Cash at bank and on hand	**5,618.5**	6,049.0
–	**(49.3)**		Reclassification to assets held for distribution	**(422.9)**	–
744.0	**606.3**		**Total cash and cash equivalents**	**5,195.6**	6,049.0

[1] Gold Fields paid R69.0 million (US$10.0 million) in option fees to Lepanto Consolidated Mining Company during the 6 months ended 31 December 2010. In addition, Gold Fields paid non-refundable down payments of R534.6 million (US$66.0 million) during the year ended 31 December 2011 and R302.0 million (US$44.0 million) during the 6 months ended 31 December 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. As from 31 March 2012 Gold Fields acquired 40% of the issued share capital of FSE by contributing an additional non-refundable down payment of R833.8 million (US$110.0 million). This represents an investment in associate and has been reclassified under note 15.

[2] Gold Fields entered into an option agreement with Bezant Resources PLC ("Bezant") to acquire the entire issued share capital of Asean Copper Investments Limited ("Asean") which is incorporated in the British Virgin Islands, a wholly owned subsidiary of Bezant. Asean holds Bezant's entire interest in the Guinaoang porphyry copper-gold deposit ("the Mankayan project") located on the Luzon Island in the Philippines. Subsequent to approval being obtained from Bezant's shareholders, Gold Fields paid an upfront non-refundable option fee of R55.4 million (US$7.0 million) to Bezant Resources PLC and now has the option to acquire the entire issued share capital of Asean for US$63.0 million. The option could be exercised from the date upon which it was granted until expiry on 31 January 2013. Subsequent to year end, the option was extended to 31 January 2014 with a revised consideration of US$60.5 million to be paid on future exercise of the option.

[3] The financial instruments do not have quoted market prices and fair values cannot be measured reliably, therefore they are carried at cost.

23. SHARE CAPITAL

Authorised and issued

The authorised share capital of the Company is R500,000,000 divided into 1,000,000,000 ordinary par value shares of 50 cents each.

In terms of the general authority granted by shareholders at the annual general meeting on 14 May 2012, the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive schemes, was placed under the control of the directors. This authority expires at the next annual general meeting where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time.

In terms of the JSE Listings Requirements, shareholders may, subject to certain conditions, authorise the directors to issue the shares held under their control for cash, other than by means of a rights offer, to shareholders. In order that the directors of the Company may be placed in a position to take advantage of favourable circumstances which may arise for the issue of such shares for cash, without restriction, for the benefit of the Company, shareholders will be asked to consider an ordinary resolution to this effect at the forthcoming annual general meeting.

Repurchase of shares

The Company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the annual general meeting ("AGM") held on 14 May 2012. Currently, the number of ordinary shares that may be bought back in any one financial year may not exceed 20% of the issued ordinary share capital as of 14 May 2012. At the next AGM, shareholders will be asked to renew the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

Treasury shares

In 2011, Mvelaphanda Resources Limited unbundled 856,330 shares held in Gold Fields Limited back to Gold Fields. The Group reclassified these shares as treasury shares, resulting in a decrease in share capital and premium.

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		24. DEFERRED TAXATION		
		The detailed components of the net deferred taxation liability which results from the differences between the carrying amounts of assets and liabilities recognised for financial reporting and taxation purposes in different accounting periods are:		
		Liabilities		
1,954.6	**1,449.6**	– Mining assets	**12,423.5**	15,891.1
55.8	**2.8**	– Investment in environmental trust funds	**23.9**	453.4
3.0	**2.6**	– Investments	**22.7**	24.2
7.0	**10.3**	– Inventories	**88.0**	57.3
9.9	**0.6**	– Deferred stripping costs	**5.0**	80.2
40.3	**21.0**	– Other	**181.5**	327.2
2,070.6	**1,486.9**	**Liabilities**	**12,744.6**	16,833.4
		Assets		
(149.0)	**(94.8)**	– Provisions	**(812.7)**	(1,211.3)
(203.4)	**(125.7)**	– Tax losses	**(1,077.6)**	(1,653.4)
(630.0)	**(712.2)**	– Unredeemed capital expenditure	**(6,103.9)**	(5,121.6)
(982.4)	**(932.7)**	**Assets**	**(7,994.2)**	(7,986.3)
1,088.2	**554.2**	**Net deferred taxation liabilities**	**4,750.4**	8,847.1
		Included in the statement of financial position as follows:		
(114.4)	**(41.6)**	Deferred taxation assets	**(356.0)**	(930.4)
1,202.6	**595.8**	Deferred taxation liabilities	**5,106.4**	9,777.5
1,088.2	**554.2**	**Net deferred taxation liabilities**	**4,750.4**	8,847.1
1,046.1	**1,088.2**	Balance at beginning of the year	**8,847.1**	7,061.4
84.9	**117.4**	Transferred through the income statement for continuing operations	**961.4**	612.4
79.0	**(105.4)**	Transferred through the income statement for discontinued operations	**(863.3)**	571.2
(2.8)	**(1.0)**	Deferred tax on marked-to-market adjustments accounted for in equity	**(7.8)**	(19.9)
–	**2.7**	Reclassification to assets held for distribution	**23.3**	–
–	**(525.9)**	Reclassification to liabilities held for distribution	**(4,506.6)**	–
(119.0)	**(21.8)**	Translation adjustment	**296.3**	622.0
1,088.2	**554.2**	**Balance at end of the year**	**4,750.4**	8,847.1

25. BORROWINGS

(a) US$1 billion notes issue

On 30 September 2010, Gold Fields Orogen Holdings (BVI) Limited ("Orogen") issued US$1,000,000,000 4.875% guaranteed notes due on 7 October 2020 ("the Notes"). The interest is due and payable semi-annually on 7 April and 7 October in arrears. The payment of all amounts due in respect of the Notes is unconditionally and irrevocably guaranteed by Gold Fields Limited ("Gold Fields"), Sibanye Gold, Gold Fields Operations Limited ("GFO") and Gold Fields Holdings Company (BVI) Limited ("GF Holdings") (collectively "the Guarantors"), on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively.

The transaction costs of R93.4 million (US$13.6 million) were deducted from the liability on initial measurement. These costs will unwind over the period of the notes as an interest expense.

Gold Fields used a portion of the net proceeds of the offering of the notes to repay certain existing indebtedness of the Group and for general corporate purposes.

An indemnity agreement ("the Indemnity Agreement") has been entered into between the Guarantors, pursuant to which the Guarantors (other than Sibanye Gold) hold Sibanye Gold harmless from and against any and all liabilities and expenses which may be incurred by Sibanye Gold under or in connection with the Notes, including any payment obligations by Sibanye Gold to the noteholders or the trustee of the Notes pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in place for as long as Sibanye Gold's guarantee obligations under the Notes remain in place.

(b) Split-tenor revolving credit facility

On 16 May 2007, Sibanye Gold, Orogen and GFO entered into a US$750 million split-tenor revolving credit facility ("the split-tenor facility"). The split-tenor facility consisted of a US$250 million 364-day revolving tranche ("Facility A") and a US$500 million five-year revolving tranche ("Facility B"). Facility A and B have since expired, as explained below.

Borrowings under the split-tenor facility were guaranteed by Gold Fields, Sibanye Gold, GF Holdings, Orogen, GFO and Newshelf 899 (Proprietary) Limited ("Newshelf").

Borrowings under Facility A bore interest at LIBOR plus a margin of 0.25% per annum while borrowings under Facility B bore interest at LIBOR plus a margin of 0.30% per annum.

On 28 April 2008, Gold Fields exercised the term out option under Facility A which converted the full US$250 million advance at that point into a term loan with a final maturity date of 16 May 2009. Facility A was repaid in full on 15 May 2009. Facility B had a maturity date of 16 May 2012. The purpose of the facility was to refinance existing facilities and for general corporate purposes.

On 31 December 2010, Facility B was undrawn.

On 22 March 2011, Orogen drew down R2,906.4 million (US$420.0 million) to fund the acquisition of the non-controlling interest in Gold Fields La Cima ("La Cima"). On 26 May 2011, Orogen repaid R275.5 million (US$40.0 million). On 22 June 2011, Orogen drew down R826.8 million (US$120.0 million) under this facility to partially fund the acquisition of IAMGold's 18.9% stake in the Ghanaian operations.

The outstanding borrowings of Orogen under Facility B at 31 December 2011 were R4,065.0 million (US$500.0 million).

On 16 April 2012, Orogen refinanced the outstanding balance of R3,920.0 million (US$500.0 million) under the facility by drawing down under the US$1.0 billion syndicated revolving credit facility. The facility was cancelled on 16 April 2012.

25. BORROWINGS (continued)

(c) US$1 billion syndicated revolving credit facility

On 20 June 2011, Sibanye Gold, Orogen and GFO entered into a US$1 billion syndicated revolving loan facility with an option to increase the facility to US$1.1 billion within six months from signing date. The option to increase the facility to US$1.1 billion was not exercised. The purpose of the facility was to refinance an existing facility, for general corporate purposes and working capital. The final maturity date of this facility was 20 June 2016.

The facility bore interest at LIBOR plus a margin of 1.20% per annum. Where the utilisation under the facility was greater than $33\frac{1}{3}$% and less than or equal to $66\frac{2}{3}$%, a utilisation fee of 0.20% per annum would be payable on the amount of utilisations. Where the utilisation under the facility was greater than $66\frac{2}{3}$%, a utilisation fee of 0.40% per annum would be payable on the amount of utilisations. Such utilisation fee was payable quarterly in arrears. The borrowers were required to pay a quarterly commitment fee of 0.42% per annum.

On 22 June 2011, Orogen drew down R3,100.5 million (US$450.0 million) under this facility to partially fund the acquisition of IAMGolds 18.9% stake in the Ghanaian operations. On 22 August 2011 and 22 September 2011, Orogen repaid R537.9 million (US$75.0 million) and R850.5 million (US$105.0 million), respectively, under this facility. On 16 November 2011, Orogen drew down R280.5 million (US$33.0 million). The amount of R268.3 million (US$33.0 million) was repaid on 19 December 2011. In addition, Orogen repaid R406.5 million (US$50.0 million) on 23 December 2011 under this facility.

On 15 March 2012, Orogen drew down R833.8 million (US$110.0 million) to fund the third payment to exercise the Group's 40% option in the FSE project. On 16 April 2012, Orogen drew down R4,359.4 million (US$556.0 million) of which R3,920.0 million (US$500.0 million) was used to refinance the split-tenor revolving credit facility. On 23 April 2012, Orogen repaid R1,724.8 million (US$220.0 million) under this facility which was partially funded by drawing down R1,521.0 million (US$194.0 million) under the US$500 million syndicated revolving credit facility.

The outstanding borrowings of Orogen under this facility at 31 December 2012 were R5,707.6 million (US$666.0 million) and at 31 December 2011 R1,788.4 million (US$220.0 million).

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, GF Holdings, Orogen, Newshelf and GFO.

Subsequent to year end, on 15 February 2013, this facility was refinanced by drawing down under the US$1,440 million term loan and revolving credit facility as detailed below. The facility was cancelled on 15 February 2013.

(d) US$500 million syndicated revolving credit facility

On 17 April 2012, Sibanye Gold, Orogen and GFO entered into a US$500 million syndicated revolving credit facility. The purpose of the facility was to refinance existing facilities, for general corporate purposes and working capital. The final maturity date of this facility was 17 April 2017.

The facility bore interest at LIBOR plus a margin of 1.60% per annum. Where the utilisation under the facility was less than or equal to $33\frac{1}{3}$%, a utilisation fee of 0.20% per annum would be payable on the amount of utilisations. Where the utilisation under the facility was greater than $33\frac{1}{3}$% and less than or equal to $66\frac{2}{3}$%, a utilisation fee of 0.40% per annum would be payable on the amount of utilisations. Where the utilisation under the facility was greater than $66\frac{2}{3}$%, a utilisation fee of 0.60% per annum would be payable on the amount of utilisations. Such utilisation fee was payable quarterly in arrears. The borrowers were required to pay a quarterly commitment fee of 0.56% per annum.

On 23 April 2012, Orogen drew down R1,521.0 million (US$194.0 million) under this facility to partially refinance borrowings under the US$1 billion Syndicated Revolving Credit Facility. On 1 June 2012, Orogen drew down a further R167.4 million (US$20.0 million).

On 25 July 2012 and 2 August 2012, Orogen repaid R164.6 million (US$20.0 million) and R164.6 million (US$20.0 million), respectively. On 20 September 2012, Orogen repaid a further R827.0 million (US$100.0 million). On 23 November 2012, Orogen drew down R89.3 million (US$10 million) and on 29 November 2012, a further R171.5 million (US$20 million) was drawn under the facility.

25. BORROWINGS (continued)

(d) US$500 million syndicated revolving credit facility (continued)

The outstanding borrowings under this facility at 31 December 2012 were R891.3 million (US$104.0 million).

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, GF Holdings, Orogen, Newshelf and GFO.

Subsequent to year end, on 15 February 2013, this facility was refinanced by drawing down under the US$1,440 million term loan and revolving credit facility as detailed below. The facility was also cancelled on 15 February 2013.

(e) US$200 million non-revolving senior secured term loan

On 17 September 2010, La Cima entered into a non-revolving senior secured term loan for up to US$200 million. The purpose of this facility was to (i) repay La Cima's outstanding subordinated loans with its affiliates; and (ii) to finance its working capital requirements.

On 22 September 2010, the lenders advanced US$200 million to La Cima under this facility. The facility is to be repaid in 20 equal quarterly instalments of US$10 million each. The final maturity date of this facility is five years from the disbursement date.

The loan bears interest at LIBOR plus a margin of 2.0% per annum. Borrowings under the non-revolving senior secured term loan are secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima are subject to an Account Control Agreement and a first-ranking charge in favour of the lenders. This facility is non-recourse to the rest of the Gold Fields Group.

During the year ended 31 December 2012, La Cima repaid R328.1 million (US$40.0 million) and during the year ended 31 December 2011, La Cima repaid R300.4 million (US$40.0 million), all in accordance with the agreement terms.

The outstanding balance under this facility at 31 December 2012 was R942.7 million (US$110.0 million) and at 31 December 2011 R1,219.5 million (US$150.0 million).

(f) US$60 million senior secured revolving credit facility

On 22 December 2010, Gold Fields Ghana Limited ("GF Ghana") and Abosso Goldfields Limited ("Abosso") entered into a US$60 million reducing senior secured revolving credit facility, which became available on 21 February 2011. The available facility amount reduces annually on the anniversary date being 21 February, from US$60 million to US$43 million to US$35 million in the last and final year with the final maturity date being 21 February 2014. The purpose of this facility is for (i) general corporate purposes; (ii) working capital purposes and/or (iii) capital expenditure purposes, including the purchase of heavy mining equipment.

The loan bears interest at LIBOR plus a margin of 2.85% per annum. The borrowers are required to pay a quarterly commitment fee of 1.30% per annum.

Borrowings under the facility are guaranteed by GF Ghana and Abosso. Borrowings under this facility are also secured by the registration of security over certain fleet vehicles owned by GF Ghana and Abosso ("Secured Assets"). In addition, the lenders are noted as first loss payees under the insurance contracts in respect of the Secured Assets and are assigned the rights under the maintenance contracts between certain suppliers of the Secured Assets. This facility is non-recourse to the rest of the Gold Fields Group.

On 25 February 2011, Abosso drew down R138.4 million (US$20.0 million) under this facility and subsequently repaid the full loan of R138.5 (US$20.0 million) on various dates of which the last payment was on 26 July 2011. On 28 November 2011, GF Ghana drew down R406.5 million (US$50.0 million).

25. BORROWINGS (continued)

(f) US$60 million senior secured revolving credit facility (continued)

On 30 January 2012, GF Ghana repaid R53.6 million (US$7.0 million) in advance of the first anniversary date of the facility. During February 2012 and March 2012, GF Ghana repaid R125.2 million (US$16.0 million) and on 1 May 2012 repaid an additional R58.6 million (US$7.0 million). On various dates during April 2012 Abosso drew down R117.5 million (US$15.0 million) under the facility. On 1 May 2012, Abosso drew down an additional R67.0 million (US$8.0 million) under the facility.

On 1 August 2012, GF Ghana repaid R164.6 million (US$20.0 million) and Abosso repaid R189.3 million (US$23.0 million) bringing the balance outstanding under the facility to nil.

The outstanding borrowings at 31 December 2012 were Rnil (US$nil) and at 31 December 2011 R406.5 million (US$50.0 million).

(g) Preference shares

On 24 December 2007, Gold Fields issued R1,200.0 million (US$165.1 million at the exchange rate in effect on the date of issuance) of non-convertible redeemable preference shares (“the Preference Shares”). The dividend rate payable was a floating rate that increased from 22% up to 54% of the prime lending rate quoted by FirstRand Bank Limited (“the Prime Rate”) over the life of the Preference Shares.

In certain circumstances, the dividend rate increased up to 61% of the Prime Rate if the Preference Shares were redeemed before their scheduled maturity date and the dividend rate was also subject to adjustment in the case of a change in law or regulation. Dividends accrued quarterly and were rolled up until the redemption date. The Preference Shares could be redeemed by the Issuer in the event the dividend rate was adjusted according to the terms of the Preference Shares, or at any time on a 14 days’ notice. The proceeds of the issuance of the Preference Shares were used to refinance a portion of the split-tenor revolving credit facility. The Preference Shares were to mature on 24 January 2011 and payment in full of all dividends, redemption amounts, costs and expenses became payable.

The Preference Shares were guaranteed by Sibanye Gold, Orogen, GFO, Newshelf and GF Holdings.

On 10 October 2008, R600.0 million (US$61.1 million) of the R1,200.0 million (US$165.1 million) Preference Shares was repaid, with an attributable dividend of R23.2 million (US$2.4 million).

On 15 December 2010, Gold Fields declared and paid R133.4 million (US$19.3 million) of the attributable dividend. On the same date, the redemption date of 24 January 2011 was extended to 15 September 2011. The Preference Shares were however redeemable earlier on a date as agreed between the holder and Gold Fields.

On 31 March 2011, the entire outstanding balance of the Preference Shares of R600.0 million (US$88.5 million) was redeemed in full with an attributable dividend of R9.9 million (US$1.5 million).

(h) Commercial paper loan

Gold Fields established a R10 billion Domestic Medium-Term Note Programme (“the DMTN Programme”) on 6 April 2009. Under the DMTN Programme, Gold Fields could from time to time issue notes denominated in any currency. The notes were subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all notes from time to time outstanding could not exceed R10 billion (US$1.2 billion). The DMTN Programme was registered with the bond market of the JSE and the notes issued could be listed on the JSE or not.

On 31 December 2010, R735.0 million (US$108.9 million) of listed notes was outstanding. Gold Fields settled the last listed maturing notes of R735.0 million (US$105.3 million) in the year ended 31 December 2011. No notes were issued during the years ended 31 December 2012 and 2011.

Notes under the programme were guaranteed by Sibanye Gold, GF Holdings, Orogen and GFO.

The programme was deregistered on 14 December 2012.

25. BORROWINGS (continued)

(i) Scrip loan

On 26 March 2010, GFL Mining Services ("GFLMS") entered into a scrip lending agreement in terms of which GFLMS agreed to lend three million of its securities in Mvelaphanda Resources Limited for an initial cash collateral of R144.1 million (US$19.5 million). The market value of the collateral delivered by the bank to GFLMS on each settlement date was to represent not less than the market value of the loaned securities on that date together with a margin of 5% per annum.

The agreement provided for the substantial risks and rewards on ownership inherent in the securities to be retained by GFLMS (ie equity price risk) and as a consequence, GFLMS had transferred the legal right to receive cash flows (dividends) on the securities loaned. In the event of unbundling of the assets of Mvelaphanda before the termination date, the agreement would terminate within 30 days of such unbundling. GFLMS would be entitled to receive the unbundled assets. The agreement would have terminated on 26 March 2011.

Mvelaphanda unbundled certain of its assets early in 2011 and in accordance with the terms of the agreement, the loaned and the unbundled securities were returned and the collateral was repaid on 28 February 2011. A new scrip lending agreement was entered into between the parties with the same terms and conditions as the original agreement, whereby GFLMS agreed to lend three million of its securities in Mvelaphanda Resources Limited for a cash collateral of R127.0 million (US$18.2 million). The loaned securities were returned and the collateral was repaid on 5 April 2011 and the new agreement was cancelled on the same date.

(j) Other loans

Rand revolving credit facilities

Sibanye Gold and GFO (collectively "the Borrowers") entered into various revolving credit facilities with some of the major banks with tenors between three and five years. The purpose of the facilities was to finance capital expenditure, general corporate and working capital requirements and to refinance existing borrowings.

The Borrowers were required to pay a commitment fee of between 0.65% and 0.90% per annum on the undrawn and uncancelled amounts of the facilities, calculated and payable either quarterly or semi-annually in arrears.

In summary the facilities are:

- a R1.0 billion (US$116.7 million) revolving credit facility entered into on 9 December 2009 and maturing on 30 June 2013 at JIBAR plus 3.00%;
- a R500.0 million (US$58.3 million) revolving credit facility entered into on 8 March 2010 and maturing on 10 March 2013 at JIBAR plus 2.85%;
- a R1.5 billion (US$175.0 million) revolving credit facility entered into on 6 May 2009 and maturing on 10 June 2014 at JIBAR plus 2.95%. This facility was cancelled and replaced with a new R2.0 billion (US$233.4 million) revolving credit facility on 15 December 2011 as detailed below; and
- a R2.0 billion (US$233.4 million) revolving credit facility entered into on 15 December 2011 and maturing on 19 December 2016 at JIBAR plus 1.95%.

Borrowings under these facilities were guaranteed by Gold Fields, GF Holdings, GFO, Orogen, Newshelf and Sibanye Gold.

These facilities were unutilised during the year ended 31 December 2011.

On various dates during 2012, Sibanye Gold drew down R2.0 billion (US$249.4 million) under the R2.0 billion revolving credit facility. On 24 October 2012, Sibanye Gold drew down R500.0 million (US$58.3 million) under the R500.0 million revolving credit facility. On 16 November 2012, Sibanye Gold drew down a further R500.0 million (US$58.3 million) under the R1.0 billion revolving credit facility.

The outstanding borrowings of Sibanye Gold under these facilities at 31 December 2012 were R3.0 billion (US$350.0 million) and at 31 December 2011: Rnil (US$nil).

Subsequent to year end, on 18 February 2013, these facilities were refinanced by drawing down under the Rand bridge loan facilities as detailed below. These facilities were also cancelled on 18 February 2013.

25. BORROWINGS (continued)

(j) Other loans (continued)

Short-term rand credit facilities

The Group utilised uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operations. The total drawdowns were R1,245.0 million (US$152.0 million) and R400.0 million (US$56.7 million), respectively, during the years ended 31 December 2012 and 31 December 2011. The total repayments were R25.0 million (US$2.9 million) and R400.0 million (US$56.7 million), respectively, during the years ended 31 December 2012 and 31 December 2011.

These facilities have no fixed terms, are short term in nature and interest rates are market-related. Borrowings under these facilities are guaranteed by Gold Fields.

The outstanding borrowings of Sibanye Gold under these facilities at 31 December 2012 were R1,220.0 million (US$142.4 million) and at 31 December 2011: Rnil (US$nil).

Subsequent to year end, on 18 February 2013, these facilities were refinanced by drawing down under the Rand bridge loan facilities as detailed below.

(k) US$1,440 million term loan and revolving credit facility

On 28 November 2012, Orogen, GFO and GFI Joint Venture Holdings (Pty) Limited (“GFIJVH”) (collectively “the Borrowers”) entered into a US$900 million term loan and revolving credit facility (“the US$900 million facility”). The US$900 million facility comprises a US$450 million three-year term loan tranche (“Facility A”) and a US$450 million five-year revolving tranche (“Facility B”). In addition to the US$900 million facility, Orogen, GFO and GFIJVH entered into a US$600 million bridge loan facility (“the US$ bridge facility”). The US$ bridge facility had a 21-month maturity.

The purpose of the US$900 million facility is to refinance the existing US$1 billion syndicated revolving credit facility and the US$500 million syndicated revolving credit facility on the unbundling of Sibanye Gold in February 2013 and for general corporate and working capital purposes. The final maturity dates of Facility A and Facility B are 28 November 2015 and 28 November 2017, respectively, with the US$ bridge facility maturing on 28 August 2014.

Subsequent to entering into the US$900 million facility, the facility was syndicated to a wider bank group and received an oversubscription which allowed the Borrowers to increase the facility amount to US$1,440 million on 30 January 2013 (“the US$1,440 million facility”). Accordingly, the amounts of Facility A and Facility B both increased to US$720 million. As a result of this oversubscription, the Borrowers cancelled the US$ bridge facility on 30 January 2013.

Borrowings under Facility A bear interest at LIBOR plus an initial margin of 2.45% per annum while borrowings under Facility B bear interest at LIBOR plus an initial margin of 2.25% per annum. The initial margins detailed above are based on the current long-term credit rating assigned to Gold Fields and could either increase or decrease depending on the changes in the long-term credit rating of Gold Fields.

Where the utilisation under Facility B is less than or equal to 33⅓%, a utilisation fee of 0.20% per annum will be payable on the amount of utilisations. Where the utilisation under Facility B is greater than 33⅓% and less than or equal to 66⅔%, a utilisation fee of 0.40% per annum will be payable on the amount of utilisations. Where the utilisation under Facility B is greater than 66⅔%, a utilisation fee of 0.60% per annum will be payable on the amount of utilisations. Such utilisation fee is payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee of 0.90% per annum under Facility B.

The facility was undrawn at 31 December 2012.

Subsequent to year end, on 15 February 2013, the US$1 billion and the US$500 million syndicated revolving credit facilities were refinanced by drawing down US$720 million under this facility.

Borrowings under the US$1,440 million facility are guaranteed by Gold Fields, GF Holdings, Orogen, GFO and GFIJVH.

25. BORROWINGS (continued)

(l) Rand bridge loan facilities

On 28 November 2012, Sibanye Gold entered into R6.0 billion term loan and revolving credit facilities reducing to R5.0 billion as detailed below. The facilities comprise of a R2.0 billion revolving credit facility and a R4.0 billion term loan facility. The available revolving credit facility amount will reduce from R2.0 billion to R1.5 billion on the earliest of the date on which Sibanye Gold's Board of Directors declares a final dividend in respect of the financial year ending December 2013 or the first anniversary of the unbundling (18 February 2014). Similarly, the term loan facility amount will reduce from R4.0 billion to R3.5 billion on the earliest of the date on which Sibanye Gold's Board of Directors declares a final dividend in respect of the financial year ending December 2013 or the first anniversary of the unbundling. The final maturity date of the facilities is 18 months after the unbundling (18 August 2014).

The purpose of the Rand bridge loan facilities is to refinance Sibanye Gold's debt as detailed above under the other rand long-term revolving credit facilities and the other rand short-term credit facilities on unbundling, with the balance of the Rand bridge loan facilities to be used to fund Sibanye Gold's ongoing capital expenditure, working capital and general corporate expenditure requirements.

Sibanye Gold will cede all of its rights, title and interest in and to the Indemnity Agreement in favour of the lenders of the Rand bridge loan facility, jointly and severally, as security for its obligations under the facilities. Sibanye Gold must lodge and register a security package for its obligations under the facilities within six months from the unbundling if it is not released as a guarantor under the Notes (refer note 25(a)) at such point in time. The Indemnity Agreement is discussed in note 25(a).

The Rand bridge loan facilities bear interest at JIBAR plus a margin of 3.00% per annum for 12 months after the unbundling and 3.50% per annum for the last six months of the facilities. If Sibanye Gold is not released as a guarantor under the Notes within six months from unbundling, the margin will increase to 3.25% per annum for the six to 12 months period after unbundling and 3.75% per annum for the last six months of the facilities. Sibanye Gold is required to pay a quarterly commitment fee of 35% of the applicable margin per annum calculated on the undrawn portion of the facilities.

The facilities were undrawn at 31 December 2012.

Subsequent to year end, on 18 February 2013, the rand revolving credit facilities and the short-term rand credit facilities were refinanced by drawing down under this facility.

(m) R1,500 million Nedbank revolving credit facility

On 1 March 2013, Nedbank, GFIJVH and GFO entered into a R1,500 million revolving credit facility. The purpose of the facility is to fund Gold Fields' capital expenditure and general corporate and working capital requirements. The final maturity date of this facility is 7 March 2018.

The facility bears interest at JIBAR plus a margin of 2.50% per annum. The borrowers are required to pay a commitment fee of 0.85% per annum every six months.

On 8 March 2013, each of GFO and GFIJVH drew down R350.0 million under this facility.

Borrowings under the facility are guaranteed by Gold Fields, GFO, GFH, Orogen and GFIJVH.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2011	2012			SOUTH AFRICAN RAND 2012	2011
		25.	**BORROWINGS (continued)**		
		(a)	**US$1 billion notes issue**		
986.6	**987.7**		Balance at beginning of the year	**8,030.0**	6,659.4
1.1	**1.1**		Unwinding of transaction costs	**9.0**	7.9
–	**–**		Translation adjustment	**435.1**	1,362.7
987.7	**988.8**		Balance at end of the year	**8,474.1**	8,030.0
		(b)	**Split-tenor revolving credit facility**		
–	**500.0**		Balance at beginning of the year	**4,065.0**	–
540.0	**–**		Loans advanced	**–**	3,733.2
(40.0)	**(500.0)**		Repayments	**(3,920.0)**	(275.5)
–	**–**		Translation adjustment	**(145.0)**	607.3
500.0	**–**		Balance at end of the year	**–**	4,065.0
		(c)	**US$1 billion syndicated revolving credit facility**		
–	**220.0**		Balance at beginning of the year	**1,788.4**	–
483.0	**666.0**		Loans advanced	**5,193.2**	3,381.0
(263.0)	**(220.0)**		Repayments	**(1,724.8)**	(2,063.2)
–	**–**		Translation adjustment	**450.8**	470.6
220.0	**666.0**		Balance at end of the year	**5,707.6**	1,788.4
		(d)	**US$500 million syndicated revolving credit facility**		
–	**–**		Balance at beginning of the year	**–**	–
–	**244.0**		Loan advanced	**1,949.2**	–
–	**(140.0)**		Repayments	**(1,156.2)**	–
–	**–**		Translation adjustment	**98.3**	–
–	**104.0**		Balance at end of the year	**891.3**	–
		(e)	**US$200 million non-revolving senior secured term loan**		
190.0	**150.0**		Balance at beginning of the year	**1,219.5**	1,282.5
(40.0)	**(40.0)**		Repayments	**(328.1)**	(300.4)
–	**–**		Translation adjustment	**51.3**	237.4
150.0	**110.0**		Balance at end of the year	**942.7**	1,219.5
		(f)	**US$60 million senior secured revolving credit facility**		
–	**50.0**		Balance at beginning of the year	**406.5**	–
70.0	**23.0**		Loans advanced	**184.5**	544.9
(20.0)	**(73.0)**		Repayments	**(591.3)**	(138.5)
–	**–**		Translation adjustment	**0.3**	0.1
50.0	**–**		Balance at end of the year	**–**	406.5
		(g)	**Preference shares**		
91.4	**–**		Balance at beginning of the year	**–**	617.1
1.3	**–**		Interest accrued	**–**	9.2
(90.0)	**–**		Repayments	**–**	(609.9)
(2.3)	**–**		Other	**–**	(16.4)
(0.4)	**–**		Translation adjustment	**–**	–
–	**–**		Balance at end of the year	**–**	–
		(h)	**Commercial paper loan**		
108.9	**–**		Balance at beginning of the year	**–**	735.0
(105.3)	**–**		Repayments	**–**	(735.0)
(3.6)	**–**		Translation adjustment	**–**	–
–	**–**		Balance at end of the year	**–**	–

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		25. BORROWINGS (continued)		
		(i) Scrip loan		
21.4	**–**	Balance at beginning of the year	**–**	144.1
0.3	**–**	Interest accrued	**–**	2.0
18.2	**–**	Loan advanced	**–**	127.0
(39.6)	**–**	Repayments	**–**	(273.1)
(0.3)	**–**	Translation adjustment	**–**	–
–	**–**	Balance at end of the year	**–**	–
		(j) Other loans		
–	**–**	Balance at beginning of the year	**–**	–
–	**3.3**	Loans advanced to continuing operations	**25.0**	–
56.7	**514.7**	Loans advanced to discontinued operations	**4,220.0**	400.0
–	**(2.9)**	Repayments by continuing operations	**(25.0)**	–
(56.7)	**–**	Repayments by discontinued operations	**–**	(400.0)
–	**(492.4)**	Reclassification to liabilities held for distribution	**(4,220.0)**	–
–	**(22.7)**	Translation adjustment	**–**	–
–	**–**	Balance at end of the year	**–**	–
1,907.7	**2,361.2**	**Gross borrowings**	**20,235.7**	15,509.4
–	**(492.4)**	Reclassification to liabilities held for distribution	**(4,220.0)**	–
(547.0)	**(40.0)**	Current portion of borrowings	**(342.8)**	(4,447.1)
1,360.7	**1,828.8**	**Total non-current borrowings**	**15,672.9**	11,062.3
		The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:		
920.0	**880.0**	Six months or less – continuing operations	**7,541.6**	7,479.4
–	**492.4**	Six months or less – discontinued operations	**4,220.0**	–
987.7	**988.8**	Fixed rate with no exposure to repricing – continuing operations	**8,474.1**	8,030.0
1,907.7	**2,361.2**		**20,235.7**	15,509.4
		The carrying amounts of the Group's borrowings are denominated in the following currencies:		
1,907.7	**1,868.8**	US dollar – continuing operations	**16,015.7**	15,509.4
–	**492.4**	Rand – discontinued operations	**4,220.0**	–
1,907.7	**2,361.2**		**20,235.7**	15,509.4
		The Group has the following undrawn borrowing facilities:		
1,220.5	**831.4**	Committed	**7,124.7**	9,922.7
208.6	**61.8**	Uncommitted	**530.0**	1,696.0
1,429.1	**893.2**		**7,654.7**	11,618.7
		All of the above facilities have floating rates. The uncommitted facilities have no expiry dates and are open ended. Committed facilities have the following expiry dates:		
133.0	**58.4**	– within one year	**500.0**	1,081.3
61.5	**8.0**	– later than one year and not later than two years	**68.6**	500.0
–	**35.0**	– later than two years and not later than three years	**300.0**	–
1,026.0	**730.0**	– later than three years and not later than five years	**6,256.1**	8,341.4
1,220.5	**831.4**		**7,124.7**	9,922.7

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2011	**2012**			**2012**	**2011**
		26.	**PROVISIONS**		
2.1	**–**	26.1	Post-retirement healthcare costs	**–**	16.8
392.4	**248.8**	26.2	Environmental rehabilitation costs	**2,131.6**	3,190.3
13.5	**13.9**	26.3	South Deep dividend	**119.0**	110.0
408.0	**262.7**		**Total provisions**	**2,250.6**	3,317.1
		26.1	**Post-retirement healthcare costs**		
2.1	**–**	(a)	Gold Fields Group (excluding South Deep) post-retirement healthcare costs	**–**	16.8
–	**–**	(b)	South Deep post-retirement healthcare costs	**–**	–
2.1	**–**		**Gold Fields Group post-retirement healthcare costs**	**–**	16.8

(a) Gold Fields Group (excluding South Deep) post-retirement healthcare costs

In South Africa, the Group has certain liabilities to subsidise the contributions payable by certain pensioners and dependants of ex-employees on a pay-as-you-go basis. The remaining obligation was actuarially valued at 31 December 2012 and the outstanding contributions will be funded over the lifetime of these pensioners and dependants. These liabilities relate to Sibanye Gold and are classified as held for distribution.

The following table sets forth the funded status and amounts recognised by the Group for post-retirement healthcare costs:

2011	2012		2012	2011
2.1	**–**	Actuarial present value	**–**	16.8
–	**–**	Plan assets at fair value	**–**	–
2.1	**–**	Accumulated benefit obligation in excess of plan asset	**–**	16.8
–	**–**	Unrecognised prior service costs	**–**	–
–	**–**	Unrecognised actuarial (gains)/losses	**–**	–
2.1	**–**	**Post-retirement healthcare liability**	**–**	16.8
		Benefit obligation reconciliation		
2.6	**2.1**	Balance at beginning of the year	**16.8**	17.1
0.1	**0.2**	Interest charge for discontinued operations[1]	**2.0**	0.9
(0.2)	**(0.1)**	Payments	**(1.2)**	(1.2)
–	**(2.1)**	Reclassification to liabilities held for distribution	**(17.6)**	–
(0.4)	**(0.1)**	Translation adjustment	**–**	–
2.1	**–**	**Balance at end of the year[2]**	**–**	16.8

[1] A one percentage point increase in assumed healthcare trend rates would have increased interest cost for the period to 31 December 2012 by R0.2 million (11.0%) (2011: R0.2 million (10.8%)). The effect of this change on the accumulated post-retirement healthcare benefit obligation at 31 December 2012 would have been an increase of R1.8 million (10.6%) (2011: R1.8 million (10.5%)).

A one percentage point decrease in assumed healthcare trend rates would have decreased interest cost for the period to 31 December 2012 by R0.1 million (9.3%) (2011: R0.1 million (9.2%)). The effect of this change on the accumulated post-retirement healthcare benefit obligation at 31 December 2012 would have been a decrease of R1.6 million (9.0%) (2011: R1.5 million (8.9%)).

[2] The obligation has been valued using the projected unit credit method on past service liabilities. The valuation assumes a healthcare cost inflation rate of 7.5% per annum (2011: 8.0%) and a discount rate of 8.0% per annum (2011: 8.75%). Assumed healthcare cost trend rates have a significant impact on the amounts reported for the healthcare plans.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		26. PROVISIONS (continued)		
		26.1 Post-retirement healthcare costs (continued)		
		(b) South Deep post-retirement healthcare costs		
		As part of the acquisition of South Deep, the post-retirement healthcare cost liability was assumed. The Group has certain liabilities to provide fixed monthly post-retirement medical benefits to certain pensioners and dependants of ex-employees. The outstanding contributions were funded until 31 December 2011 and the post-retirement healthcare cost liability was extinguished.		
		26.2 Environmental rehabilitation costs		
336.5	**392.4**	Balance at beginning of the year	**3,190.3**	2,271.2
46.9	**18.4**	Changes in estimates for continuing operations[1]	**151.0**	338.1
23.4	**32.3**	Changes in estimates for discontinued operations[1]	**264.3**	169.2
6.0	**10.7**	Inflation charge for continuing operations	**87.5**	42.8
8.8	**6.1**	Inflation charge for discontinued operations	**49.8**	63.7
4.9	**2.8**	Interest charge for continuing operations	**22.8**	35.2
3.1	**1.0**	Interest charge for discontinued operations	**7.9**	22.6
(1.6)	**(2.7)**	Payments	**(22.5)**	(11.7)
–	**(202.9)**	Reclassification to liabilities held for distribution	**(1,739.1)**	–
(35.6)	**(9.3)**	Translation adjustment	**119.6**	259.2
392.4	**248.8**	**Balance at end of the year**	**2,131.6**	3,190.3

[1] Changes in estimates are defined as changes in reserves and corresponding changes in life of mine as well as changes in laws and regulations governing environmental matters.

*South African, Ghanaian, Australian and Peruvian mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. These environmental rehabilitation costs are funded as follows:

- Ghana – reclamation bonds underwritten by banks to secure estimated costs of rehabilitation;
- South Africa – contributions into environmental trust funds (note 18) and guarantees;
- Australia – unconditional bank-guaranteed performance bonds to secure the estimated costs; and
- Peru – guarantees with annual deposits for proper compliance with the Mine Closure Plan.

The expected timing of the cash outflows in respect of the provision is on the closure of the various mining operations. However, certain current rehabilitation costs are charged to this provision as and when incurred.

2011			2012	
Inflation rate	**Discount rate**	**The provision is calculated using the following rates:**	**Inflation rate**	**Discount rate**
5.6% – 6.5%	6.2% – 7.7%	South Africa	**6.4%**	**7.0%**
7.5%	8.5%	Ghana	**8.5%**	**9.5%**
3.5%	4.8% – 5.0%	Australia	**3.5%**	**4.0% – 4.2%**
3.0%	4.2%	Peru	**3.0%**	**4.0%**

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		26. PROVISIONS (continued)		
		26.3 South Deep dividend		
16.9	**16.2**	Total provision	**139.0**	137.3
(3.4)	**(2.3)**	Current portion included in trade and other payables	**(20.0)**	(27.3)
13.5	**13.9**	**Balance at end of the year**	**119.0**	110.0

During the six-month period ended 31 December 2010, a wholly owned subsidiary company of Gold Fields was created to acquire 100% of the South Deep net assets from Sibanye Gold. Sibanye Gold is a wholly owned subsidiary of Gold Fields. The new company then issued 10 million Class B ordinary shares representing 10% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share and can convert the Class B to Class A ordinary shares over a 20-year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one third after 10 years and a third thereafter on each fifth-year anniversary.

This transaction was made up of a preferred BEE dividend (R151.4 million) and an equity component (R673.4 million). The preferred dividend represents a liability of Gold Fields to the Class B ordinary shareholders and was valued at R151.4 million, of which R20.0 million was declared on 27 March 2012 (3 February 2011: R21.4 million) and R20.0 million (2011: R27.3 million) is classified as a short-term portion under trade and other payables.

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		27. TRADE AND OTHER PAYABLES		
196.3	**168.3**	Trade payables	**1,442.6**	1,595.7
396.8	**332.0**	Accruals and other payables	**2,845.5**	3,226.7
68.3	**27.1**	Leave pay accrual	**231.9**	555.6
11.0	**11.0**	Interest payable on loans	**94.4**	89.4
672.4	**538.4**	**Total trade and other payables**	**4,614.4**	5,467.4

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	**2012**		**2012**	**2011**
		28. CASH GENERATED BY OPERATIONS		
733.2	**339.3**	Profit for the year	**2,779.0**	5,293.8
429.5	**454.0**	Mining and income tax	**3,718.2**	3,100.6
109.6	**116.7**	Royalties	**955.9**	791.5
60.9	**68.6**	Interest paid	**561.9**	439.7
(10.7)	**(15.8)**	Interest received	**(129.8)**	(77.6)
(0.5)	**–**	Dividends received	**(0.4)**	(3.4)
1,322.0	**962.8**	**Earnings before non-cash items**	**7,884.8**	9,544.6
		Non-cash and other adjusting items:		
467.7	**499.8**	Amortisation and depreciation	**4,093.8**	3,377.1
6.0	**10.7**	Inflation adjustment to rehabilitation liability	**87.5**	42.8
4.9	**2.8**	Interest adjustment to rehabilitation liability	**22.8**	35.2
0.8	**0.7**	Non-cash rehabilitation adjustment	**5.7**	5.9
(0.5)	**(0.5)**	Interest received – environmental trust funds	**(3.7)**	(3.7)
10.0	**98.2**	Impairment of investments and assets	**803.9**	71.9
1.0	**(0.3)**	Profit/(loss) on disposal of property, plant and equipment	**(2.1)**	7.1
(12.8)	**(27.6)**	Profit on disposal of investments	**(225.9)**	(92.6)
33.4	**45.5**	Share-based payments	**372.5**	241.3
1.3	**–**	Preference share interest	**–**	9.2
2.0	**1.4**	Non-cash interest charge	**11.7**	14.7
(9.3)	**(16.1)**	Finance costs capitalised	**(131.9)**	(66.8)
0.8	**(0.4)**	Share of results of associates after taxation	**(3.3)**	5.9
(0.2)	**6.6**	Other	**53.8**	(0.7)
1,827.1	**1,583.6**	**Total cash generated by operations**	**12,969.6**	13,191.9
		29. CHANGE IN WORKING CAPITAL		
(115.2)	**(81.7)**	Inventories	**(668.9)**	(831.4)
7.6	**(117.1)**	Trade and other receivables	**(958.6)**	54.7
57.4	**78.8**	Trade and other payables	**644.3**	414.3
(50.2)	**(120.0)**	**Total change in working capital**	**(983.2)**	(362.4)
		30. ROYALTIES PAID		
(15.8)	**(28.2)**	Amount owing at beginning of the year	**(228.9)**	(106.9)
(109.6)	**(116.7)**	Royalties	**(955.9)**	(791.5)
28.2	**32.5**	Amount owing at end of the year	**278.5**	228.9
–	**–**	Translation	**(16.2)**	(32.1)
(97.2)	**(112.4)**	**Total royalties paid**	**(922.5)**	(701.6)
		31. TAXATION PAID		
(100.6)	**(145.9)**	Amount owing at beginning of the year	**(1,186.4)**	(679.6)
(344.6)	**(336.6)**	SA and foreign current taxation	**(2,756.8)**	(2,488.2)
145.9	**148.4**	Amount owing at end of the year	**1,271.2**	1,186.4
–	**–**	Translation	**(70.4)**	(167.2)
(299.3)	**(334.1)**	**Total taxation paid**	**(2,742.4)**	(2,148.6)

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2012

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	2012		2012	2011
		32. RETIREMENT BENEFITS		
		All employees are members of various defined contribution retirement schemes.		
		Contributions to the various retirement schemes are fully expensed during the period in which they are incurred. The cost of providing retirement benefits for the year amounted to R245.0 million (2011: R158.8 million).		
		33. COMMITMENTS		
		Capital expenditure		
781.9	**783.6**	**Authorised – continuing operations**	**6,715.0**	6,355.9
433.1	**446.3**	South Deep	**3,824.7**	3,520.7
126.5	**115.9**	Ghana – Tarkwa	**993.3**	1,028.4
16.9	**37.7**	Ghana – Damang	**323.1**	137.4
44.7	**6.4**	Peru	**54.8**	363.4
150.3	**175.7**	Australia – St Ives	**1,505.7**	1,221.8
10.4	**1.6**	Australia – Agnew	**13.4**	84.2
461.2	**506.6**	**Authorised – discontinued operations**	**4,340.7**	3,749.3
373.7	**401.0**	KDC	**3,436.2**	3,037.9
87.1	**104.8**	Beatrix	**897.9**	708.5
0.4	**0.8**	Other	**6.6**	2.9
196.4	**186.6**	**Contracted for – continuing operations**	**1,599.4**	1,596.8
49.3	**59.7**	**Contracted for – discontinued operations**	**511.4**	401.1
		Operating leases		
2.4	**3.8**	– within one year	**32.7**	19.3
5.5	**7.7**	– later than one and not later than five years	**66.3**	45.1
1.7	**0.1**	**Guarantees and other commitments**	**0.6**	14.1
		Commitments will be funded from internal sources and to the extent necessary from borrowings. This expenditure primarily relates to mining activities, development, infrastructure and hostel upgrades.		

34. CONTINGENT LIABILITIES

Randgold and Exploration summons

On 21 August 2008, Gold Fields Operations received a summons from Randgold and Exploration Company Limited ("R&E") and African Strategic Investment Holdings Limited. The summons claims that during the period that Gold Fields Operations was under the control of Brett Kebble, Roger Kebble and others, Gold Fields Operations assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now known as Uranium One.

Gold Fields Operations' assessment remains that it has sustainable defences to these claims and accordingly, Gold Fields Operations' attorneys have been instructed to vigorously defend the claims.

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One between the dates of the alleged unlawful acts and March 2008 (between R11 billion and R12 billion). The alternative claims have been computed on the basis of the actual amounts allegedly received by Gold Fields Operations to fund its operations (approximately R519 million).

The claims lie only against Gold Fields Operations, which holds a 50% stake in the South Deep Mine. This alleged liability is historic and relates to a period of time prior to the Group purchasing the company.

World Gold Council

Gold Fields is a member of the World Gold Council. In terms of the membership agreement, all members are responsible for certain costs, including ongoing costs on a three-year rolling basis, winding up costs, if applicable, and various other contingent liabilities. Apportionment of liabilities to individual members, should they arise, is done proportionately to the member's production relative to the total production of all members. To date, no claims have been made against Gold Fields.

Occupational healthcare services

The Group provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost has not yet been quantified. The Group is monitoring developments in this regard.

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD) as well as noise induced hearing loss (NIHL). The Occupational Diseases in Mines and Works Act, No 78 of 1973, or ODMWA, governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. Recently, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case-by-case basis, it is possible that such ruling could expose Gold Fields to claims related to occupational hazards and diseases (including silicosis), which may be in the form of a class or similar group action. If Gold Fields were to face a significant number of such claims and the claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Gold Fields' results of operations and financial condition. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

On 21 August 2012, a court application was served on a group of respondents that included Gold Fields (the "August Respondents"). On 21 December 2012, a further court application was issued and was formally served on a number of respondents including Gold Fields (the "December Respondents" and together with the "August Respondents", the "Respondents") on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, among others, Gold Fields and who allegedly contracted silicosis and/or other occupational lung diseases (the "Classes"). The court application of 21 August 2012 and the court application of 21 December 2012 are together referred to below as the "Applications".

34. CONTINGENT LIABILITIES (continued)

These Applications request that the court certify a class action to be instituted by the applicants on behalf of the Classes. The Applications are the first and preliminary steps in a process where, if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold the Respondents liable for silicosis and other occupational lung diseases and resultant consequences. In the second stage, the Applications contemplate addressing what the applicants describe as common legal and factual issues regarding the claim arising from the allegations of the entire Classes. If the applicants are successful in the second stage, they envisage that individual members of the Classes could later submit individual claims for damages against the respective Respondents. The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages the applicants may seek.

With respect to the Applications, Gold Fields has filed notices of its intention to oppose both Applications and has instructed its attorneys to defend the claims. Gold Fields and its attorneys are engaging with the applicants' attorneys in both Applications to try to establish a court-sanctioned process to agree the timelines, (including the date by which Gold Fields must file its papers opposing the Applications) and the possible consolidation of the separate applications. At this stage, Gold Fields cannot quantify its potential liability from these actions.

Acid mine drainage

Gold Fields has identified a risk of potential long-term Acid Mine Drainage (AMD), on certain of its operations. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. Gold Fields has not been able to reliably determine the financial impact that AMD might have on the Group, however, Gold Fields has adopted a proactive approach by initiating projects, such as Liquid Gold (long-term water management strategy), and the identification of mine rehabilitation options that focus on AMD risk management. Gold Fields also conducts acid base accounting (an analytical technique applied to mine waste and geological materials to predict the potential of that material to be acid producing or acid neutralising) to obtain a more detailed understanding of where the key potential AMD risks are located at identified operations, thereby better informing appropriate long-term mitigation strategies.

35. EVENTS AFTER THE REPORTING DATE

Sibanye Gold unbundling

On 29 November 2012, Gold Fields announced the creation of a new South African gold mining company through the listing and subsequent unbundling of its 100% owned subsidiary, Sibanye Gold Limited ("Sibanye Gold"), formerly known as GFI Mining South Africa Proprietary Limited, which holds the KDC and Beatrix gold mines as well as various service companies.

Sibanye Gold was listed as a separate and independent company on both the JSE and the NYSE on 11 February 2013. 731,648,614 Sibanye Gold shares held by Gold Fields were then distributed to existing Gold Fields' shareholders on 18 February 2013 (refer to note 10 for details on discontinued operations).

Both Gold Fields and Sibanye Gold are domiciled in South Africa with their primary listing of ordinary shares on the JSE and a secondary listing of American depositary receipts on the NYSE. The other existing secondary listings of Gold Fields on the Swiss, Dubai and Brussels stock exchanges for Gold Fields will remain unchanged.

Following the unbundling, Gold Fields will retain the balance of its current portfolio of assets, including the developing South Deep gold mine located in South Africa.

Refinancing of borrowings

Refer to note 25 for further details.

Final dividend

On 13 February 2013, Gold Fields declared a final dividend of 75 cents per share.

36. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in an arm's length transaction between willing parties. The estimated values of the Group's financial instruments are:

	2012		2011	
	Carrying amount R million	Fair value R million	Carrying amount R million	Fair value R million
Financial assets				
Cash and cash equivalents	**5,195.6**	**5,195.6**	6,049.0	6,049.0
Trade and other receivables	**2,330.8**	**2,330.8**	1,788.8	1,788.8
Environmental trust fund	**85.3**	**85.3**	1,313.3	1,313.3
Investments	**329.2**	**329.2**	671.0	671.0
Financial instruments	**60.0**	**60.0**	961.0	961.0
Assets held for distribution	**2,119.8**	**2,119.8**	–	–
Financial liabilities				
Trade and other payables	**4,382.5**	**4,382.5**	4,911.8	4,911.8
Borrowings	**15,672.9**	**15,683.2**	11,062.3	10,268.4
Current portion of borrowings	**342.8**	**342.8**	4,447.1	4,447.1
Liabilities held for distribution	**5,590.9**	**5,590.9**	–	–
	US$ million	US$ million	US$ million	US$ million
Financial assets				
Cash and cash equivalents	**606.3**	**606.3**	744.0	744.0
Trade and other receivables	**272.0**	**272.0**	220.0	220.0
Environmental trust fund	**10.0**	**10.0**	161.5	161.5
Investments	**38.4**	**38.4**	82.5	82.5
Financial instruments	**7.0**	**7.0**	118.2	118.2
Assets held for distribution	**247.4**	**247.4**	–	–
Financial liabilities				
Trade and other payables	**511.3**	**511.3**	604.1	604.1
Borrowings	**1,828.8**	**1,830.0**	1,360.7	1,263.0
Current portion of borrowings	**40.0**	**40.0**	547.0	547.0
Liabilities held for distribution	**652.4**	**652.4**	–	–

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Trade and other receivables, trade and other payables and cash and cash equivalents

The carrying amounts approximate fair values due to the short maturity of these instruments.

Investments, environmental trust fund, borrowings and current portion of borrowings

The fair value of publicly traded instruments is based on quoted market values. The environmental trust fund is stated at fair value based on the nature of the fund's investments. The fair value of borrowings and current portion of borrowings, except for the US$1 billion notes issue at a fixed interest rate, approximates their carrying amount as the impact of credit risk is included in the measurement of carrying amounts.

Financial instruments

The financial instruments do not have quoted market prices and fair values cannot be measured reliably, therefore they are carried at cost.

36. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: unadjusted quoted prices in active markets for identical asset or liabilities;

Level 2: inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table set out the Group's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at 31 December 2012:

2012 US$ million					2012 R million			
Level 1	Level 2	Level 3	Total		Total	Level 1	Level 2	Level 3
				Financial assets				
–	**149.9**	**–**	**149.9**	Trade receivables from provisional copper concentrate sales	**1,284.5**	**–**	**1,284.5**	**–**
10.0	**–**	**–**	**10.0**	Environmental trust funds	**85.3**	**85.3**	**–**	**–**
36.2	**–**	**–**	**36.2**	Listed investments	**310.0**	**310.0**	**–**	**–**
–	**–**	**1.1**	**1.1**	Unlisted investments	**10.0**	**–**	**–**	**10.0**
125.3	**30.0**	**0.2**	**155.5**	Assets held for distribution	**1,332.6**	**1,073.9**	**257.2**	**1.5**
2011 US$ million					2011 R million			
				Financial assets				
–	88.4	–	88.4	Trade receivables from provisional copper concentrate sales	718.6	–	718.6	–
122.5	39.0	–	161.5	Environmental trust funds	1,313.3	996.3	317.0	–
77.3	–	–	77.3	Listed investments	628.5	628.5	–	–
–	–	2.6	2.6	Unlisted investments	20.9	–	–	20.9

Trade receivables from provisional copper concentrate sales

Valued using quoted market prices based on the forward London Metal Exchange (LME) and, as such, is classified within Level 2 of the fair value hierarchy.

Environmental trust funds

Comprises interest-bearing short-term investments of which investments amounting to R85.3 million (2011: R996.3 million) are valued using quoted market prices and investments of Rnil (2011: R317.0 million) are valued using inputs other than quoted prices that are observable for the assets.

Listed investments

Comprise equity investments in listed entities and are therefore valued using quoted market prices in active markets.

Unlisted investments

Comprise investments in unlisted companies which are accounted for at directors' valuation adjusted for write downs where appropriate.

37. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Group is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risk. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the Group

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields' Board of Directors. Management of financial risk is centralised at Gold Fields' treasury department ("Treasury"), which acts as the interface between Gold Fields' Operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by Gold Fields' Board of Directors and Executive Committee.

Gold Fields' Board of Directors has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

The objective of Treasury is to manage all financial risks arising from the Group's business activities in order to protect profit and cash flows. Treasury activities of Gold Fields Limited and its subsidiaries are guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board of Gold Fields Limited, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the Group are defined as follows:

Liquidity risk management: The objective is to ensure that the Group is able to meet its short-term commitments through the effective and efficient usage of credit facilities and cash resources.

Currency risk management: The objective is to maximise the Group's profits by minimising currency fluctuations.

Funding risk management: The objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.

Investment risk management: The objective is to achieve optimal returns on surplus funds.

Interest rate risk management: The objective is to identify opportunities to prudently manage interest rate exposures.

Counterparty exposure: The objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Group is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions' credit rating. The credit rating used is Fitch Ratings' short-term credit rating for financial institutions.

Commodity price risk management: Commodity risk management takes place within limits and with counterparts as approved in the Treasury Framework.

Operational risk management: The objective is to implement controls to adequately mitigate the risk of error and/or fraud.

Banking relations management: The objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are co-ordinated and consistent throughout the Group and that they comply where necessary with all relevant regulatory and statutory requirements.

37. RISK MANAGEMENT ACTIVITIES (continued)

Credit risk

Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

The Group has reduced its exposure to credit risk by dealing with a number of counterparties. The Group approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

Receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable.

The combined maximum credit risk exposure of the Group is as follows:

	2012 R million	2011 R million	2012 US$ million	2011 US$ million
Investments	**9.2**	21.6	**1.1**	2.6
Environmental trust funds	**85.3**	1,313.3	**10.0**	161.5
Trade and other receivables	**2,330.8**	1,788.8	**272.0**	220.0
Cash and cash equivalents	**5,195.6**	6,049.0	**606.3**	744.0
Financial instruments	**60.0**	961.0	**7.0**	118.2
Assets held for distribution	**2,118.3**	–	**247.2**	–

Trade receivables comprise banking institutions purchasing gold bullion and refineries purchasing copper concentrate. These receivables are in a sound financial position and no impairment has been recognised.

Trade and other receivables above exclude VAT and prepayments.

Receivables that are past due but not impaired total R11.9 million (R4.6 million for continuing operations and R7.3 million for discontinued operations) (2011: R10.4 million). At 31 December 2012, receivables of R31.5 million (R19.0 million for continuing operations and R12.5 million for discontinued operations) (2011: R36.4 million) are considered impaired and are provided for.

Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies.

37. RISK MANAGEMENT ACTIVITIES (continued)

Liquidity risk

In the ordinary course of business, the Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns while ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal and contingency funding requirements.

The following are the contractually due undiscounted cash flows resulting from maturities of all financial liabilities, including interest payments:

	Within one year R million	Between one and five years R million	After five years R million	Total R million
2012				
Trade and other payables	**4,382.5**	**–**	**–**	**4,382.5**
Borrowings				
– US$ borrowings				
– Capital	**342.8**	**7,198.8**	**8,570.0**	**16,111.6**
– Interest	**545.8**	**1,971.3**	**1,160.5**	**3,677.6**
Environmental rehabilitation costs[4]	**–**	**394.2**	**1,986.1**	**2,380.3**
South Deep dividend	**20.0**	**80.0**	**160.0**	**260.0**
Liabilities held for distribution[5]	**3,766.9**	**2,413.9**	**1,857.3**	**8,038.1**
Total	**9,058.0**	**12,058.2**	**13,733.9**	**34,850.1**
2011				
Trade and payables	4,911.8	–	–	4,911.8
Borrowings				
– US$ borrowings				
– Capital	4,447.1	3,032.5	8,130.0	15,609.6
– Interest	482.0	1,741.5	1,585.4	3,808.9
Environmental rehabilitation costs[4]	34.5	448.0	3,193.2	3,675.7
South Deep dividend	20.0	80.0	180.0	280.0
Post-retirement healthcare costs	–	–	16.8	16.8
Total	9,895.4	5,302.0	13,105.4	28,302.8

[1] Spot rate: R8.57 = US$1.00 (2011: R8.13 = US$1.00).

[2] US$ borrowings – Spot LIBOR (one-month fix) rate adjusted by specific facility agreement: 0.20970% (2011: 0.57575% (three-month fix)).

[3] ZAR borrowings – Spot prime rate adjusted by specific facility agreement: 8.5% (2011: 9.0%).

[4] In South Africa R85.3 million (2011: R1,313.3 million) of the environmental rehabilitation costs are funded through the environmental trust funds.

[5] Classified as current in the statement of financial position as liabilities are held for distribution.

37. RISK MANAGEMENT ACTIVITIES (continued)

Liquidity risk (continued)

	Within one year US$ million	Between one and five years US$ million	After five years US$ million	Total US$ million
2012				
Trade and other payables	**511.3**	**–**	**–**	**511.3**
Borrowings				
– US$ borrowings				
– Capital	**40.0**	**840.0**	**1,000.0**	**1,880.0**
– Interest	**63.7**	**230.0**	**135.4**	**429.1**
Environmental rehabilitation costs[4]	**–**	**46.0**	**231.8**	**277.8**
South Deep dividend	**2.3**	**9.3**	**18.7**	**30.3**
Liabilities held for distribution[5]	**439.5**	**281.7**	**216.7**	**937.9**
Total	**1,056.8**	**1,407.0**	**1,602.6**	**4,066.4**
2011				
Trade and other payables	604.1	–	–	604.1
Borrowings				
– US$ borrowings				
– Capital	547.0	373.0	1,000.0	1,920.0
– Interest	59.3	214.3	194.9	468.5
Environmental rehabilitation costs[4]	4.2	55.1	392.3	451.6
South Deep dividend	2.5	9.8	22.1	34.4
Post-retirement healthcare costs	–	–	2.1	2.1
Total	1,217.1	652.2	1,611.4	3,480.7

[1] Spot rate: R8.57 = US$1.00 (2011: R8.13 = US$1.00).

[2] US$ borrowings – Spot LIBOR (one-month fix) rate adjusted by specific facility agreement: 0.20970% (2011: 0.57575% (three-month fix)).

[3] ZAR borrowings – Spot prime rate adjusted by specific facility agreement: 8.5% (2011: 9.0%).

[4] South Africa US$10.0 million (2011: US$161.5 million) of the environmental rehabilitation costs are funded through the environmental trust funds.

[5] Classified as current in the statement of financial position as liabilities are held for distribution.

37. RISK MANAGEMENT ACTIVITIES (continued)

Market risk

Gold Fields is exposed to market risks, including foreign currency, commodity price, equity securities price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields may enter into derivative financial instruments to manage some of these exposures.

IFRS 7 sensitivity analysis

IFRS 7 requires sensitivity analysis that shows the effects of hypothetical changes of relevant risk variables on profit and loss or shareholders' equity. The Group is exposed to commodity price, currency, interest rate and equity price risks. The effects are determined by relating the hypothetical change in the risk variable to the balance of financial instruments at year end date.

The amounts generated from the sensitivity analyses below are forward looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains or losses.

Foreign currency sensitivity

General and policy

In the ordinary course of business, Gold Fields enters into transactions, such as gold sales, denominated in foreign currencies, primarily US dollars. In addition, Gold Fields has investments and indebtedness in US and Australian dollars. Although this exposes Gold Fields to transaction and translation exposure from fluctuations in foreign currency exchange rates, Gold Fields does not generally hedge this exposure, although it may do so in specific circumstances, such as financing projects or acquisitions. Also, Gold Fields on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

Gold Fields' revenues and costs are very sensitive to the rand/US dollar exchange rate because revenues are generated using a gold price denominated in US dollars, while costs of the South African operations are incurred principally in rand. Depreciation of the rand against the US dollar reduces Gold Fields' average costs when they are translated into US dollars, thereby increasing the operating margin of the South African operations. Conversely, appreciation of the rand results in South African operating costs increasing when translated into US dollars, resulting in lower operating margins. The impact on profitability of changes in the value of the rand against the US dollar can be substantial.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into account.

Foreign currency hedging experience

As at 31 December 2012 and 31 December 2011 there were no material foreign currency contract positions.

Gold and copper

The market prices of gold and to a lesser extent copper have a significant effect on the results of operations of Gold Fields, the ability of Gold Fields to pay dividends and undertake capital expenditures, and the market price of Gold Fields' ordinary shares. Gold and copper prices have historically fluctuated widely and are affected by numerous industry factors over which Gold Fields does not have any control. The aggregate effect of these factors on the gold and copper price, all of which are beyond the control of Gold Fields, is impossible for Gold Fields to predict.

Oil

The market price of oil has a significant effect on the results of the offshore operations of Gold Fields. The offshore operations consume large quantities of diesel in the running of their mining fleets. Oil prices have historically fluctuated widely and are affected by numerous factors over which Gold Fields does not have any control.

37. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price hedging policy

Gold and copper

As a general rule, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold and copper production.

To the extent that it enters into commodity hedging arrangements, Gold Fields seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related parties of, Gold Fields.

Oil

As a general rule, Gold Fields does not enter into derivatives or other hedging arrangements to establish a price in advance for future oil consumption.

Commodity price hedging experience

St Ives Gold Mining Company (Pty) Ltd entered into a Gasoil 10PPM FOB Singapore contract for 10,000 barrels per month effective 1 August 2012 until 31 January 2013 at a fixed price of US$118.90 per barrel. 20,000 barrels with a marked-to-market value of US$0.1 million were outstanding at the end of December 2012.

At 31 December 2011 there were no commodity price contracts.

Equity securities price risk

General

The Group is exposed to equity securities price risk because of investments held by the Group which are classified as available-for-sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's equity investments are publicly traded and are listed on one of the following exchanges:

- JSE Limited
- Toronto Stock Exchange
- Australian Stock Exchange

The table below summarises the impact of increases/decreases of the exchanges on the Group's other comprehensive income in case of shares and the Group's profit and loss in case of options and warrants. The analysis is based on the assumption that the share prices quoted on the exchange have increased/decreased with all other variables held constant and the Group's investments moved according to the historical correlation with the index.

	(Decrease)/increase in equity price			
Sensitivity to equity security price	**(10.0%) R million**	**(5.0%) R million**	**5.0% R million**	**10.0% R million**
2012				
(Decrease)/increase in other comprehensive income	**(31.0)**	**(15.5)**	**15.5**	**31.0**
2011				
(Decrease)/increase in other comprehensive income	(62.8)	(31.4)	31.4	62.8

	(Decrease)/increase in equity price			
Sensitivity to equity security price	**(10.0%) US$ million**	**(5.0%) US$ million**	**5.0% US$ million**	**10.0% US$ million**
2012				
(Decrease)/increase in other comprehensive income	**(3.6)**	**(1.8)**	**1.8**	**3.6**
2011				
(Decrease)/increase in other comprehensive income	(7.7)	(3.9)	3.9	7.7

[1] Spot rate: R8.57 = US$1.00 (2011: R8.13 = US$1.00).

37. RISK MANAGEMENT ACTIVITIES (continued)

Interest rate sensitivity

General

As Gold Fields has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Gold Fields' interest rate risk arises from long-term borrowings.

As of 31 December 2012, Gold Fields' long-term borrowings amounted to R15,672.9 million (2011: R11,062.3 million). Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances.

Interest rate sensitivity analysis

The portion of Gold Fields interest-bearing borrowings at year end that is exposed to interest rate fluctuations is R7,541.6 million (2011: R7,479.4 million). These borrowings are normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period. The remainder of the borrowings bear interest at a fixed rate.

R7,541.6 million (2011: R7,479.4 million) of the total borrowings at the end of the year is exposed to changes in the LIBOR rate and Rnil (2011: Rnil) is exposed to the South African Prime ("Prime") interest rate. The relevant interest rates for each facility are described in note 25.

The table below summarises the effect of a change in finance expense on the Group's continuing operations profit and loss had LIBOR and Prime differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/decreased with all other variables held constant. All financial instruments with fixed interest rates that are carried at amortised cost are not subject to the interest rate sensitivity analysis.

	Change in interest expense for a nominal change in interest rates					
Sensitivity to interest rates	**(1.5%) R million**	**(1.0%) R million**	**(0.5%) R million**	**0.5% R million**	**1.0% R million**	**1.5% R million**
2012						
Sensitivity to LIBOR interest rates	**(113.7)**	**(75.8)**	**(37.9)**	**37.9**	**75.8**	**113.7**
Sensitivity to Prime interest rates	**–**	**–**	**–**	**–**	**–**	**–**
Change in finance expense	**(113.7)**	**(75.8)**	**(37.9)**	**37.9**	**75.8**	**113.7**
2011						
Sensitivity to LIBOR interest rates	(77.8)	(51.9)	(25.9)	25.9	51.9	77.8
Sensitivity to Prime interest rates	–	–	–	–	–	–
Change in finance expense	(77.8)	(51.9)	(25.9)	25.9	51.9	77.8

	Change in interest expense for a nominal change in interest rates					
Sensitivity to interest rates	**(1.5%) US$ million**	**(1.0%) US$ million**	**(0.5%) US$ million**	**0.5% US$ million**	**1.0% US$ million**	**1.5% US$ million**
2012						
Sensitivity to LIBOR interest rates	**(13.9)**	**(9.3)**	**(4.6)**	**4.6**	**9.3**	**13.9**
Sensitivity to Prime interest rates	**–**	**–**	**–**	**–**	**–**	**–**
Change in finance expense	**(13.9)**	**(9.3)**	**(4.6)**	**4.6**	**9.3**	**13.9**
2011						
Sensitivity to LIBOR interest rates	(10.8)	(7.2)	(3.6)	3.6	7.2	10.8
Sensitivity to Prime interest rates	–	–	–	–	–	–
Change in finance expense	(10.8)	(7.2)	(3.6)	3.6	7.2	10.8

[1] Average rate: R8.19 = US$1.00 (2011: R7.22 = US$1.00).

38. CAPITAL MANAGEMENT

The primary objective of managing the Group's capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that:

- optimises the cost of capital;
- maximises shareholders' returns; and
- ensures that the Group remains in a sound financial position.

There were no changes to the Group's overall capital management approach during the current year.

The Group manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Group monitors capital using the ratio of net debt to earnings (net operating profit) before interest, taxes, depreciation and amortisation ("EBITDA"), but does not set absolute limits for this ratio. The Group is comfortable with a ratio of net debt to EBITDA of one times or lower.

	2012	2011
	Continuing operations	
	R million	R million
Borrowings	**16,015.7**	15,509.4
Less: Cash and cash equivalents	**5,195.6**	6,049.0
Net debt	**10,820.1**	9,460.4
EBITDA	**15,295.7**	21,111.5
Net debt to EBITDA	**0.71**	0.45
	US$ million	**US$ million**
Borrowings	**1,868.8**	1,907.7
Less: Cash and cash equivalents	**606.3**	744.0
Net debt	**1,262.5**	1,163.7
EBITDA	**1,867.6**	2,924.0
Net debt to EBITDA	**0.68**	0.40

39. RELATED PARTY TRANSACTIONS

None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last two fiscal periods or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated below.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past two fiscal periods indebted to Gold Fields.

Rand Refinery Limited

GFLMS has an agreement with Rand Refinery Limited ("Rand Refinery"), in which Gold Fields continuing operations hold a 1.8% interest and the discontinued operations hold a 33.1% interest, providing for the refining of substantially all of Gold Fields' South African gold production by Rand Refinery. On 21 November 2000, GFLMS entered into an agreement with Rand Refinery in terms of which GFLMS acts as agent for Rand Refinery with regard to the sale of a maximum of 50% of Gold Fields' South African gold production.

On 1 June 2004, GFLMS has exercised its right, by giving notice to Rand Refinery, to sell all of Gold Fields' South African gold production with effect from 1 October 2004. Gold Fields Ghana Limited and Abosso Goldfields Limited also have an agreement with Rand Refinery since March 2002 to transport, refine and sell substantially all of the gold production from the Tarkwa and Damang mines.

Nicholas J Holland, who is the Chief Executive Officer and a director of Gold Fields, has been a director of Rand Refinery since 12 July 2000. As a director of GFLMS, which is a wholly owned subsidiary of Gold Fields, Mr Holland has declared his interest in the contract between Rand Refinery and GFLMS, pursuant to South African requirements, and has not participated in the decision of Rand Refinery to enter into the agreement with either of GFLMS, GF Ghana or Abosso. Mr Holland signed the agreement with Rand Refinery on behalf of GFLMS.

39. RELATED PARTY TRANSACTIONS (continued)

Peotona Gold

Cheryl A Carolus, a non-executive director of Gold Fields, is a party in her capacity as founding shareholder of Peotona Gold Holdings (Proprietary) Limited ("PGH"), to the agreement described below. Ms Carolus has a 25% interest in PGH, which in turn has a one third economic interest and a 51% voting interest in the issued share capital of Peotona Gold (Proprietary) Limited ("Peotona Gold").

Western Areas Prospecting (Proprietary) Limited ("WAP") (a company 74% owned by GFO and 26% owned by Peotona Gold), held four prospecting rights on ground contiguous to the South Deep mine. On 21 April 2009, GFO, GFI Joint Venture Holdings (Proprietary) Limited, Peotona Gold, WAP and others entered into an agreement in terms of which WAP relinquished and abandoned a portion of the prospecting area covered by one of the above prospecting rights (commonly known as "Uncle Harry's Area") in favour of the South Deep Joint Venture. The agreement was subject to (among other conditions precedent) the conversion of the old order mining right of South Deep to a new order mining right and simultaneously amending the South Deep mining right by extending the area covered by the South Deep mining right to include Uncle Harry's Ground pursuant to the Mineral and Petroleum Resources Development Act, No 28 of 2002. Peotona Gold also granted GFO an option to acquire its 26% shareholding in WAP.

On 13 July 2010, the South African Department of Mineral Resources executed the new order mining right for the South Deep Gold mine, including Uncle Harry's Ground. On 14 October 2011, Gold Fields purchased the 26% interest in WAP from Peotona Gold for R50.7 million. Gold Fields now owns 100% of WAP which owns the Cardoville, the Kalbasfontein, the WA4 and the Wildebeestkuil prospecting rights.

Gold Fields believes that the above transactions with related parties have been conducted on terms at least as favourable to it as arm's length terms.

Compensation to key management (Executive Committee)

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2011	2012		2012	2011
7.7	**8.7**	Salaries and other short-term employee benefits	**71.3**	55.7
2.6	**6.2**	Bonus	**50.7**	18.7
6.8	**8.6**	Share-based payments	**70.2**	49.3
17.1	**23.5**		**192.2**	123.7

40. SEGMENT REPORTING

The segment information is shown on pages 142 to 145.

Company income statement

for the year ended 31 December 2012

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2012**	**2011**
Investment income	1	**982.9**	2,697.3
Finance expense	2	**–**	(17.2)
Share-based payments		**(5.8)**	(3.8)
Amortisation of financial guarantees		**54.5**	15.2
Foreign exchange loss on revaluation of financial guarantees		**(14.4)**	(44.0)
Other costs		**(1.6)**	(0.7)
Profit before taxation		**1,015.6**	2,646.8
Income tax	3	**(18.3)**	(16.1)
Profit for the year		**997.3**	2,630.7

The accompanying notes form an integral part of these financial statements.

Company statement of comprehensive income

for the year ended 31 December 2012

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2012	**2011**
Profit for the year	**997.3**	2,630.7
Other comprehensive income	**(0.2)**	–
Marked-to-market valuation of listed investments	**(0.2)**	–
Total comprehensive income for the year	**997.1**	2,630.7

The accompanying notes form an integral part of these financial statements.

Company statement of financial position

at 31 December 2012

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2012**	**2011**
ASSETS			
Non-current assets		**52,175.3**	53,226.1
Investments	5	**42,336.4**	42,273.6
Related party loans receivable	5	**9,838.9**	10,952.5
Current asset			
Trade and other receivables		**8.4**	3.3
Total assets		**52,183.7**	53,229.4
EQUITY AND LIABILITIES			
Total equity		**50,352.7**	52,183.5
Share capital		**365.2**	362.3
Share premium		**31,556.6**	31,543.5
Other reserves		**276.2**	270.6
Retained earnings		**18,154.7**	20,007.1
Current liabilities		**1,831.0**	1,045.9
Related party loans payable	5	**1,497.3**	760.1
Trade and other payables		**29.3**	13.4
Financial guarantees	6	**280.3**	257.4
Taxation		**24.1**	15.0
Total equity and liabilities		**52,183.7**	53,229.4

The accompanying notes form an integral part of these financial statements.

Company statement of changes in equity

for the year ended 31 December 2012

Figures in millions unless otherwise stated

	Number of ordinary shares issued	Ordinary share capital	Share premium	Fair value adjustment reserve	Share-based payment reserve	Retained earnings	Total equity
SOUTH AFRICAN RAND							
Balance at 31 December 2010	**720,796,887**	**360.4**	**31,498.3**	**0.4**	**266.4**	**18,606.7**	**50,732.2**
Profit for the year	–	–	–	–	–	2,630.7	**2,630.7**
Other comprehensive income	–	–	–	–	–	–	**–**
Total comprehensive income	–	–	–	–	–	2,630.7	**2,630.7**
Share-based payments	–	–	–	–	3.8	–	**3.8**
Dividends paid	–	–	–	–	–	(1,230.3)	**(1,230.3)**
Exercise of employee share options	3,794,629	1.9	45.2	–	–	–	**47.1**
Balance at 31 December 2011	**724,591,516**	**362.3**	**31,543.5**	**0.4**	**270.2**	**20,007.1**	**52,183.5**
Profit for the year	–	–	–	–	–	997.3	**997.3**
Other comprehensive income	–	–	–	(0.2)	–	–	**(0.2)**
Total comprehensive income	–	–	–	(0.2)	–	997.3	**997.1**
Share-based payments	–	–	–	–	5.8	–	**5.8**
Dividends paid	–	–	–	–	–	(2,849.7)	**(2,849.7)**
Exercise of employee share options	5,801,627	2.9	13.1	–	–	–	**16.0**
Balance at 31 December 2012	**730,393,143**	**365.2**	**31,556.6**	**0.2**	**276.0**	**18,154.7**	**50,352.7**

The accompanying notes form an integral part of these financial statements.

Company statement of cash flows

for the year ended 31 December 2012

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2012**	**2011**
Cash flows from operating activities		**(1,866.8)**	1,390.2
Cash utilised in operations	8	**(1.6)**	(17.1)
Interest paid		**–**	(8.0)
Interest received		**0.1**	24.1
Dividends received		**982.8**	2,673.2
Change in working capital	9	**10.8**	(32.4)
Cash generated by operating activities		**992.1**	2,639.8
Taxation paid	10	**(9.2)**	(19.3)
Net cash generated by operations		**982.9**	2,620.5
Dividends paid	4	**(2,849.7)**	(1,230.3)
Cash flows from financing activities		**1,866.8**	(1,390.2)
Related party loans receivable repaid by subsidiaries		**1,114.5**	876.9
Related party loans receivable advanced to subsidiaries		**(0.9)**	(969.3)
Related party loans payable advanced by subsidiaries		**737.2**	–
Loans repaid		**–**	(1,344.9)
Proceeds from issue of shares		**16.0**	47.1
Net cash generated/(utilised)		**–**	–
Cash and cash equivalents at beginning of the year		**–**	–
Cash and cash equivalents at end of the year		**–**	–

The accompanying notes form an integral part of these financial statements.

Notes to the Company financial statements

for the year ended 31 December 2012

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
		2012	**2011**
1.	**INVESTMENT INCOME**		
	Dividends received – related parties	**982.8**	2,673.2
	Interest received	**0.1**	24.1
	Total investment income	**982.9**	2,697.3
2.	**FINANCE EXPENSE**		
	Preference share interest	**–**	(9.2)
	Interest paid – other	**–**	(8.0)
	Total finance expense	**–**	(17.2)
3.	**INCOME TAX**		
	South African current taxation		
	– Company tax	**(18.3)**	(16.1)
	Total income tax	**(18.3)**	(16.1)
	The Company's income tax differ from the maximum South African statutory rate of 28% primarily due to exempt dividend income.		
4.	**DIVIDENDS PAID**		
	2011 final dividend of 230 cents per share (2010: 70 cents) declared on 16 February 2012.	**1,679.3**	505.8
	2012 interim dividend of 160 cents per share (2011: 100 cents) declared on 22 August 2012.	**1,170.4**	724.5
	A final dividend in respect of financial year ended 31 December 2012 of 75 cents per share was approved by the Board of Directors on 13 February 2013. This dividend payable is not reflected in these financial statements.		
	The final dividend will be subject to the Dividend Withholding Tax that was introduced with effect from 1 April 2012.		
	Total dividends paid	**2,849.7**	1,230.3
5.	**INVESTMENTS AND RELATED PARTY LOANS**		
	Listed		
	Cost	**0.3**	0.3
	Net unrealised gain on revaluation	**0.2**	0.4
	Carrying value	**0.5**	0.7
	Market value	**0.5**	0.7
	Unlisted		
	Carrying value and directors' valuation	**42,335.9**	42,272.9
	Total listed and unlisted investments	**42,336.4**	42,273.6
	Related party loans receivable[1]	**9,838.9**	10,952.5
	Related party loans payable[1]	**(1,497.3)**	(760.1)
	Total	**50,678.0**	52,466.0
	Details of major investments are given on pages 140 and 141.		

[1] Related party loans are unsecured, interest-free and with no fixed repayment terms.

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
		2012	**2011**
6.	**FINANCIAL GUARANTEES**		
	Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited and Sibanye Gold Limited related to the US$1 billion notes issue, the split-tenor revolving credit facility, the US$1 billion syndicated revolving credit facility, the US$500 million syndicated revolving credit facility and the Rand revolving credit facilities.		
	Value of financial guarantees	**280.3**	257.4
	Total financial guarantees	**280.3**	257.4

7. BORROWINGS

(a) Preference shares

On 24 December 2007, Gold Fields issued R1,200.0 million (US$165.1 million at the exchange rate in effect on the date of issuance) of non-convertible redeemable preference shares (“the Preference Shares”). The dividend rate payable was a floating rate that increased from 22% up to 54% of the prime lending rate quoted by FirstRand Bank Limited (“the Prime Rate”) over the life of the Preference Shares.

In certain circumstances, the dividend rate increased up to 61% of the Prime Rate if the Preference Shares were redeemed before their scheduled maturity date and the dividend rate was also subject to adjustment in the case of a change in law or regulation. Dividends accrued quarterly and were rolled up until the redemption date. The Preference Shares could be redeemed by the issuer in the event the dividend rate was adjusted according to the terms of the Preference Shares, or at any time on a 14 days’ notice. The proceeds of the issuance of the Preference Shares were used to refinance a portion the split-tenor revolving credit facility. The Preference Shares were to mature on 24 January 2011 and payment in full of all dividends, redemption amounts, costs and expenses became payable.

The Preference Shares were guaranteed by Sibanye Gold, Orogen, GFO, Newshelf and GF Holdings.

On 10 October 2008, R600.0 million of the R1,200.0 million preference shares was repaid, with an attributable dividend of R23.2 million.

On 15 December 2010, Gold Fields declared and paid R133.4 million of the attributable dividend. On the same date, the redemption date of 24 January 2011 was extended to 15 September 2011. The Preference Shares were however redeemable earlier on a date as agreed between the holder and Gold Fields.

On 31 March 2011, the entire outstanding balance of the Preference Shares of R600.0 million was redeemed in full with an attributable dividend of R9.9 million.

	2012	2011
Preference Shares		
Balance at beginning of the year	**–**	617.1
Interest accrued	**–**	9.2
Repayments	**–**	(609.9)
Other	**–**	(16.4)
Balance at end of the year	**–**	–

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2012	**2011**
7. BORROWINGS (continued)		
(b) Commercial paper loan		
Gold Fields established a R10 billion Domestic Medium-Term Note Programme ("the DMTN Programme") on 6 April 2009. Under the DMTN Programme, Gold Fields could from time to time issue notes denominated in any currency. The notes were subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all notes from time to time outstanding could not exceed R10 billion. The DMTN Programme was registered with the bond market of the JSE and the notes issued could be listed on the JSE or not.		
On 31 December 2010, R735.0 million of listed notes was outstanding. Gold Fields settled the last listed maturing notes of R735.0 million in the year ended 31 December 2011. No notes were issued during the years ended 31 December 2012 and 2011.		
Notes under the programme were guaranteed by Sibanye Gold, GF Holdings, Orogen and GFO.		
The programme was deregistered on 14 December 2012.		
Commercial paper loan		
Balance at beginning of the year	**–**	735.0
Repayments	**–**	(735.0)
Balance at end of the year	**–**	–
Total borrowings	**–**	–
8. CASH UTILISED IN OPERATIONS		
Profit for the year	**997.3**	2,630.7
Taxation	**18.3**	16.1
Interest paid	**–**	8.0
Interest received	**(0.1)**	(24.1)
Dividends received – cash	**(982.8)**	(2,673.2)
Profit/(loss) before non-cash items	**32.7**	(42.5)
Non-cash items:		
Share-based payments	**5.8**	3.8
Amortisation of financial guarantees	**(54.5)**	(15.2)
Foreign exchange loss on revaluation of financial guarantees	**14.4**	44.0
Preference share interest	**–**	9.2
Other non-cash movements	**–**	(16.4)
Total cash utilised in operations	**(1.6)**	(17.1)

Notes to the Company financial statements (continued)

for the year ended 31 December 2012

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
		2012	**2011**
9.	**CHANGE IN WORKING CAPITAL**		
	Trade and other receivables	**(5.1)**	7.5
	Trade and other payables	**15.9**	(39.9)
	Total change in working capital	**10.8**	(32.4)
10.	**TAXATION PAID**		
	Amount owing at beginning of the year	**(15.0)**	(18.2)
	SA current taxation	**(18.3)**	(16.1)
	Amount owing at end of the year	**24.1**	15.0
	Total taxation paid	**(9.2)**	(19.3)

11. RELATED PARTY TRANSACTIONS AND BALANCES

None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last two fiscal periods or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interest, other than stated below.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past two fiscal periods indebted to Gold Fields.

Refer to notes 1, 5 and 6 for further details relating to related party transactions and balances.

Compensation to directors	**2012**	**2011**
Executive directors[1]	**5.2**	4.9
Non-executive directors[2]	**13.9**	12.4
Share-based payments	**5.8**	3.8
	24.9	21.1

[1] Refer to the Remuneration report for total remuneration paid to executive directors, which includes amounts paid by the Company as well as by subsidiary companies.

[2] Refer to the Remuneration report for further details of remuneration paid to non-executive directors.

12. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Company is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risk. In order to manage these risks, the Company has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the Company

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields' Board of Directors. Management of financial risk is centralised at Gold Fields' treasury department ("Treasury"), which acts as the interface between Gold Fields' operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by Gold Fields' Board of Directors and Executive Committee.

Gold Fields' Board of Directors has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

The objective of Treasury is to manage all financial risks arising from the Company's business activities in order to protect profit and cash flows. Treasury activities of Gold Fields Limited are guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board of Gold Fields Limited, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the Company are defined as follows:

Liquidity risk management: The objective is to ensure that the Company is able to meet its short-term commitments through the effective and efficient usage of credit facilities.

Currency risk management: The objective is to maximise the Company's profits by minimising currency fluctuations.

Funding risk management: The objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.

Investment risk management: The objective is to achieve optimal returns on surplus funds.

Interest rate risk management: The objective is to identify opportunities to prudently manage interest rate exposures.

Counterparty exposure: The objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Company is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions credit rating. This credit rating is Fitch Ratings' short-term credit rating for financial institution.

Commodity price risk management: Commodity risk management takes place within limits and with counterparts as approved in the Treasury Framework.

Operational risk management: The objective is to implement controls to adequately mitigate the risk of error and/or fraud.

Banking relations management: The objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are co-ordinated and consistent throughout the Company and that they comply where necessary with all relevant regulatory and statutory requirements.

12. RISK MANAGEMENT ACTIVITIES (continued)

Credit risk

Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

The Company has reduced its exposure to credit risk by dealing with a number of counterparties. The Company approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

Receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable.

The combined maximum credit risk exposure of the Company is as follows:

	R million	
	2012	**2011**
Trade and other receivables[1]	**8.4**	3.3
Financial guarantees[2]	**22,395.5**	17,706.2

[1] None of the receivables are past due or impaired.

[2] Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited and Sibanye Gold Limited related to the US$1 billion notes issue, the split-tenor revolving credit facility, the US$1 billion syndicated revolving credit facility, the US$500 million syndicated revolving credit facility and the Rand revolving credit facilities. The maximum possible exposure is the total amount the entity would have to pay if the guarantee is called on and if none of the other subsidiaries that provided guarantees were able to pay the amount called on. At year end there was no indication that the guarantee will be called upon.

Liquidity risk

In the ordinary course of business, the Company receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Company's normal and contingency funding requirements.

The following are the contractually due undiscounted cash flows resulting from maturities of all financial liabilities, including interest payments:

	Within one year R million	Between one and five years R million	After five years R million	Total R million
2012				
Trade and other payables	**29.3**	**–**	**–**	**29.3**
Financial guarantee[1]	**22,395.5**	**–**	**–**	**22,395.5**
Total	**22,424.8**	**–**	**–**	**22,424.8**
2011				
Trade payables	13.4	–	–	13.4
Financial guarantee[1]	17,706.2	–	–	17,706.2
Total	17,719.6	–	–	17,719.6

[1] Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited and Sibanye Gold Limited related to the US$1 billion notes issue, the split-tenor revolving credit facility, the US$1 billion syndicated revolving credit facility, the US$500 million syndicated revolving credit facility and the Rand revolving credit facilities. The maximum possible exposure is the total amount the entity would have to pay if the guarantee is called on and if none of the other subsidiaries that provided guarantees were able to pay the amount called on. At year end there was no indication that the guarantee will be called upon.

12. RISK MANAGEMENT ACTIVITIES (continued)

Market risk

Gold Fields is exposed to market risks, including foreign currency, commodity price, equity securities price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields may enter into derivative financial instruments to manage some of these exposures.

IFRS 7 Sensitivity analysis

IFRS 7 requires sensitivity analysis that shows the effects of hypothetical changes of relevant risk variables on profit and loss or shareholders' equity. The Company is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risks. The effects are determined by relating the hypothetical change in the risk variable to the balance of financial instruments at year end date.

The amounts generated from the sensitivity analyses below are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains or losses.

Interest price sensitivity

General

As Gold Fields has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Gold Fields' interest rate risk arises from long-term borrowings. Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances.

Interest rate sensitivity analysis

At 31 December 2012 and 31 December 2011, there were no interest-bearing borrowings and thus no sensitivity analysis was performed.

13. CAPITAL MANAGEMENT

Capital is managed on a Group basis only and not on a Company basis. Refer to note 38 in the Group financial statements.

Major Group investments – direct and indirect

for the year ended 31 December 2012

		Shares held		Group beneficial interest		Book value in holding company Shares		Loans[6]	
		2012	2011	2012	2011	2012	2011	2012	2011
	Notes			%	%	R million	R million	R million	R million
SUBSIDIARIES									
Listed									
Gold Fields La Cima S.A.	5	**1,411,969,868**	1,411,367,779	**98.6**	98.5	**–**	–	**–**	–
Unlisted									
Abosso Goldfields Ltd									
– Class "A" shares	2	**49,734,000**	49,734,000	**90.0**	90.0	**–**	–	**–**	–
– Class "B" shares	2	**4,266,000**	4,266,000	**90.0**	90.0	**–**	–	**–**	–
Agnew Gold Mining Company (Pty) Ltd	4	**54,924,757**	54,924,757	**100.0**	100.0	**–**	–	**–**	–
Beatrix Mines Ltd	1	**96,549,020**	96,549,020	**100.0**	100.0	**206.8**	206.8	**–**	–
Beatrix Mining Ventures Ltd	1	**9,625,001**	9,625,001	**100.0**	100.0	**120.4**	120.4	**(136.8)**	(136.8)
Driefontein Consolidated (Pty) Ltd	1	**1,000**	1,000	**100.0**	100.0	**–**	–	**(13.1)**	(13.1)
GFI Joint Venture Holdings (Pty) Ltd	1	**311,668,564**	311,668,564	**100.0**	100.0	**–**	–	**–**	–
Sibanye Gold Ltd	1	**1,000**	1,000	**100.0**	100.0	**–**	–	**–**	–
GFL Mining Services Ltd	1	**235,676,387**	235,676,387	**100.0**	100.0	**17,425.9**	17,425.9	**9,838.9**	9,838.0
Gold Fields Ghana Ltd	2	**900**	900	**90.0**	90.0	**–**	–	**–**	–
Gold Fields Group Services (Pty) Ltd	1	**1**	1	**100.0**	100.0	**–**	–	**(737.2)**	1,114.5
Gold Fields Holdings Company (BVI) Ltd	3	**4,084**	4,079	**100.0**	100.0	**–**	–	**–**	–
Gold Fields Operations Ltd	1	**156,279,947**	156,279,947	**100.0**	100.0	**–**	–	**–**	–
Gold Fields Orogen Holdings (BVI) Ltd	3	**231**	230	**100.0**	100.0	**–**	–	**–**	–
Kloof Gold Mining Company Ltd	1	**138,600,000**	138,600,000	**100.0**	100.0	**602.8**	602.8	**(610.2)**	(610.2)
Newshelf 899 (Pty) Ltd	1	**90,000,000**	90,000,000	**100.0**	100.0	**23,210.9**	23,210.9	**–**	–
St Ives Gold Mining Company (Pty) Ltd	4	**281,051,329**	281,051,329	**100.0**	100.0	**–**	–	**–**	–
Total						**41,566.8**	41,566.8	**8,341.6**	10,192.4

[1] Incorporated in the Republic of South Africa.

[2] Incorporated in Ghana.

[3] Incorporated in the British Virgin Islands.

[4] Incorporated in Australia.

[5] Incorporated in Peru.

[6] The loans are unsecured, interest-free and have no fixed repayment terms.

	Shares held 2012	Shares held 2011	Group beneficial interest 2012	Group beneficial interest 2011
OTHER				
Listed associates				
Rusoro Mining Limited	**140,000,001**	140,000,001	**26.4%**	26.4%
Timpetra Resources Limited	**15,000,000**	15,000,000	**21.8%**	21.8%
Listed equity investments				
Atacama Pacific Gold Corporation	**–**	4,945,598	**–**	10.4%
Cascadero Copper Corporation	**1,025,000**	400,000	**0.7%**	0.4%
Clancy Exploration Limited	**3,479,069**	3,479,069	**1.8%**	2.1%
CMQ Resources Incorporated	**1,071,000**	1,071,000	**2.4%**	2.4%
Consolidated Woodjam Copper Corporation	**1,125,107**	1,125,107	**2.2%**	2.3%
Evolution Mining Limited	**–**	15,535,016	**–**	2.2%
Fjordland Exploration Incorporated	**1,818,182**	1,818,182	**2.2%**	2.3%
Gold Quest Mining Corporation	**–**	13,962,500	**–**	13.5%
Gran Columbia Gold Corporation	**1,585,274**	1,585,274	**1.1%**	0.4%
Northam Platinum Limited	**7,820,169**	7,820,169	**2.0%**	2.0%
Orsu Metals Corporation	**1,134,919**	1,134,919	**0.7%**	0.7%
Rackla Metals Incorporated	**1,208,374**	1,208,374	**2.4%**	3.4%
Radius Gold Incorporated	**3,625,124**	3,625,124	**4.2%**	4.2%

Only major investments are listed individually.

Segment report

Financial summary – R million

	South Africa				South Africa	Ghana		Peru	Australia					
	KDC	Beatrix	Corporate and other[1]	Discon-tinued operations	South Deep[2]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total Australia	Corporate and other[1]	Continuing operations	Group consolidation
INCOME STATEMENT for the year ended 31 December 2012														
Revenue	12,640.5	3,913.0	–	**16,553.5**	3,692.1	9,818.6	2,275.0	4,558.4	6,160.2	2,411.5	8,571.7	–	**28,915.8**	**45,469.3**
Operating costs	(8,236.9)	(2,636.7)	–	**(10,873.6)**	(2,480.4)	(4,049.1)	(1,283.9)	(1,403.4)	(3,370.5)	(1,212.7)	(4,583.2)	–	**(13,800.0)**	**(24,673.6)**
Gold inventory change	–	–	–	**–**	–	203.2	29.2	89.8	(120.6)	(21.7)	(142.3)	–	**179.9**	**179.9**
Operating profit	**4,403.6**	**1,276.3**	**–**	**5,679.9**	**1,211.7**	**5,972.7**	**1,020.3**	**3,244.8**	**2,669.1**	**1,177.1**	**3,846.2**	**–**	**15,295.7**	**20,975.6**
Amortisation and depreciation	(1,712.9)	(631.8)	144.2	**(2,200.5)**	(674.6)	(1,027.3)	(220.8)	(399.4)	(1,284.7)	(440.2)	(1,724.9)	(46.8)	**(4,093.8)**	**(6,294.3)**
Net operating profit/(loss)	**2,690.7**	**644.5**	**144.2**	**3,479.4**	**537.1**	**4,945.4**	**799.5**	**2,845.4**	**1,384.4**	**736.9**	**2,121.3**	**(46.8)**	**11,201.9**	**14,681.3**
Other costs	(145.5)	(30.1)	150.9[3]	**(24.7)**	(31.9)	(79.0)	(21.4)	(97.5)	(21.4)	0.1	(21.3)	(533.4)[4]	**(784.5)**	**(809.2)**
Share-based payments	(115.6)	(42.3)	(105.6)	**(263.5)**	(35.9)	(45.2)	(15.5)	(42.6)	(28.4)	(13.3)	(41.7)	(191.6)	**(372.5)**	**(636.0)**
Exploration expense	–	–	–	**–**	–	–	–	(18.1)	(80.6)	(78.0)	(158.6)	(876.0)	**(1,052.7)**	**(1,052.7)**
Restructuring costs	(115.9)	(8.2)	–	**(124.1)**	(289.6)	(25.4)	(41.4)	(4.8)	(31.5)	(14.4)	(45.9)	(9.2)	**(416.3)**	**(540.4)**
Impairment	–	–	–	**–**	–	(36.5)	–	(7.2)	(475.3)	(198.5)	(673.8)	(86.4)	**(803.9)**	**(803.9)**
Investment income	75.0	19.3	11.2	**105.5**	5.0	3.0	0.5	14.4	52.7	51.4	104.1	6.9	**133.9**	**239.4**
Finance expense	(106.0)	(15.6)	(5.3)	**(126.9)**	(7.6)	(19.0)	(20.1)	(31.7)	(10.2)	(2.2)	(12.4)	(362.0)	**(452.8)**	**(579.7)**
Royalties	(211.5)	(70.5)	–	**(282.1)**	(18.5)	(490.9)	(113.7)	(120.0)	–[5]	–[5]	(212.9)	–	**(955.9)**	**(1,238.0)**
Current taxation	(328.9)	(121.5)	(24.4)	**(474.8)**	–	(1,335.5)	(62.0)	(857.6)	–[5]	–[5]	(438.9)	(62.8)	**(2,756.8)**	**(3,231.6)**
Deferred taxation	584.7	238.2	40.4	**863.3**	(36.5)	(757.2)	(228.2)	101.7	–[5]	–[5]	108.1	(149.3)	**(961.4)**	**(98.1)**
Profit/(loss) for the year	**2,327.0**	**613.8**	**211.3**	**3,152.1**	**122.1**	**2,159.7**	**297.7**	**1,782.0**	–[5]	–[5]	**728.0**	**(2,310.5)**	**2,779.0**	**5,931.1**
Profit/(loss) attributable to:														
– Owners of the parent	2,327.0	613.8	210.7	**3,151.5**	122.1	1,943.7	268.0	1,755.3	–[5]	–[5]	728.0	(2,310.5)	**2,506.6**	**5,658.1**
– Non-controlling interest holders	–	–	0.6	**0.6**	–	216.0	29.7	26.7	–[5]	–[5]	–	–	**272.4**	**273.0**
STATEMENT OF FINANCIAL POSITION at 31 December 2012														
Total assets (excluding deferred taxation)	18,222.8	2,682.9	(515.8)	**20,389.9**	1,785.1	15,216.6	3,465.2	9,991.3	9,141.7	3,191.5	12,333.2	31,485.0	**74,276.4**	**94,666.3**
Total liabilities (excluding deferred taxation)	6,348.6	(229.3)	1,725.5	**7,844.8**	891.2	3,233.0	798.7	2,008.7	1,626.0	409.8	2,035.8	15,463.0	**24,430.4**	**32,275.2**
Net deferred taxation liabilities	3,249.8	945.3	288.2	**4,483.3**	164.5	2,572.3	487.8	106.6	–[5]	–[5]	2,267.0	(847.8)	**4,750.4**	**9,233.7**
Capital expenditure	**2,426.2**	**658.2**	**22.7**	**3,107.1**	**2,575.8**	**2,128.4**	**937.1**	**768.1**	**2,554.5**	**510.3**	**3,064.8**	**682.1**	**10,156.3**	**13,263.4**

The above is a geographical analysis presented by location of assets.

The Group's continuing operations are primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: South Africa, South Deep mine, Ghana, Tarkwa and Damang mines, Australia, St Ives and Agnew mines and in Peru, the Cerro Corona mine. The Group's continuing operations also have exploration interests which are included in the "Corporate and other" segment. (Refer to accounting policies on segment reporting on page 69.)

Rand figures may not add as they are rounded independently.

The Group's discontinued operations are primarily involved in gold mining and related activities. Activities are conducted and investments held inside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, the KDC and Beatrix mines. (Refer to accounting policies on segment reporting on page 69.)

1 "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate revenue. Included in "Corporate and other" for continuing operations is goodwill relating to the acquisition of South Deep.

2 The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 30%.

3 Other costs "Corporate and other" for discontinued operations comprise share of profit of associate after taxation of R93.1 million and the balance of R57.8 million income consists mainly of corporate related cost recoveries.

4 Other costs "Corporate and other" for continuing operations comprise share of loss of associates after taxation of R407.4 million, feasibility and evaluation costs of R361.2 million, profit on disposal of investments of R225.9 million and the balance of R9.3 million income consists mainly of corporate related cost recoveries.

5 As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

	South Africa				South Africa	Ghana		Peru	Australia					
	KDC	Beatrix	Corporate and other[1]	Discon-tinued operations	South Deep[2]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total Australia	Corporate and other[1]	Continuing operations	Group consolidation
INCOME STATEMENT for the year ended 31 December 2011														
Revenue	12,602.8	4,010.3	–	**16,613.1**	3,086.8	8,107.4	2,460.6	4,047.1	5,301.2	2,260.6	7,561.8	–	**25,263.7**	**41,876.8**
Operating costs	(7,452.4)	(2,408.8)	–	**(9,861.3)**	(2,138.4)	(3,150.6)	(1,026.0)	(1,136.6)	(2,999.2)	(1,000.0)	(3,999.2)	–	**(11,450.8)**	**(21,312.0)**
Gold inventory change	–	–	–	**–**	–	469.0	13.4	(1.0)	21.7	43.6	65.3	–	**546.7**	**546.7**
Operating profit	**5,150.4**	**1,601.5**	**–**	**6,751.8**	**948.4**	**5,425.8**	**1,448.0**	**2,909.5**	**2,323.7**	**1,304.2**	**3,627.9**	**–**	**14,359.6**	**21,111.5**
Amortisation and depreciation	(1,663.3)	(514.4)	(101.1)	**(2,278.8)**	(553.7)	(757.3)	(192.7)	(422.8)	(1,082.3)	(321.7)	(1,404.0)	(46.6)	**(3,377.1)**	**(5,655.9)**
Net operating profit/(loss)	**3,487.1**	**1,087.1**	**(101.1)**	**4,473.0**	**394.7**	**4,668.5**	**1,255.3**	**2,486.7**	**1,241.4**	**982.5**	**2,223.9**	**(46.6)**	**10,982.5**	**15,455.6**
Other costs	(86.4)	(22.0)	129.3[3]	**20.9**	(36.7)	(83.2)	(62.7)	(59.4)	59.1	(4.7)	54.4	(29.9)[4]	**(217.5)**	**(196.6)**
Share-based payments	(108.1)	(35.6)	(94.3)	**(238.0)**	(30.5)	(31.3)	(12.9)	(23.1)	(17.8)	(6.1)	(23.9)	(119.6)	**(241.3)**	**(479.3)**
Exploration expense	–	–	–	**–**	–	–	–	(30.5)	(36.3)	(31.7)	(68.0)	(733.6)	**(832.1)**	**(832.1)**
Restructuring costs	(249.4)	(34.7)	(1.4)	**(285.5)**	(39.6)	(36.5)	(27.6)	–	(63.0)	(6.5)	(69.5)	0.1	**(173.1)**	**(458.6)**
Investment income	68.5	17.9	11.9	**98.3**	7.9	4.5	1.4	–	39.0	20.5	59.5	11.4	**84.7**	**183.0**
Finance expense	(30.1)	(6.6)	4.4	**(32.3)**	(10.2)	(8.8)	(6.1)	(30.7)	(15.7)	(3.8)	(19.5)	(342.0)	**(417.3)**	**(449.6)**
Royalties	(256.5)	(33.0)	–	**(289.5)**	(15.4)	(368.2)	(111.6)	(106.1)	–[5]	–[5]	(190.2)	–	**(791.5)**	**(1,081.0)**
Current taxation	(638.7)	(2.2)	(22.4)	**(663.3)**	–	(1,088.0)	(215.1)	(806.7)	–[5]	–[5]	–	(378.4)	**(2,488.2)**	**(3,151.5)**
Deferred taxation	(286.4)	(313.4)	28.6	**(571.2)**	(123.8)	(158.6)	(95.4)	74.9	–[5]	–[5]	(597.6)	288.1	**(612.4)**	**(1,183.6)**
Profit/(loss) for the year	**1,900.0**	**657.5**	**(45.0)**	**2,512.5**	**146.4**	**2,898.4**	**725.3**	**1,505.1**	**–[5]**	**–[5]**	**1,369.1**	**(1,350.5)**	**5,293.8**	**7,806.3**
Profit/(loss) attributable to:														
– Owners of the parent	1,900.0	657.5	(44.1)	**2,513.4**	146.4	2,356.9	594.3	1,397.1	–[5]	–[5]	1,369.1	(1,350.5)	**4,513.3**	**7,026.7**
– Non-controlling interest holders	–	–	(0.9)	**(0.9)**	–	541.5	131.0	108.0	–[5]	–[5]	–	–	**780.5**	**779.6**
STATEMENT OF FINANCIAL POSITION at 31 December 2011														
Total assets (excluding deferred taxation)	13,938.9	1,829.4	–	**–**	1,243.6	11,674.1	2,798.7	8,694.8	8,603.2	4,951.4	13,554.6	29,617.5	**–**	**83,351.6**
Total liabilities (excluding deferred taxation)	3,367.6	(841.4)	–	**–**	544.2	2,633.6	806.6	2,299.5	1,421.6	363.0	1,784.6	15,848.3	**–**	**26,443.0**
Net deferred taxation liabilities	3,834.5	1,183.5	–	**–**	128.1	1,688.5	236.2	202.1	–[5]	–[5]	2,201.8	(627.6)	**–**	**8,847.1**
Capital expenditure	**2,300.3**	**611.1**	**11.2**	**2,922.6**	**1,982.4**	**1,580.5**	**634.5**	**501.0**	**1,319.1**	**534.7**	**1,853.8**	**728.4**	**7,280.6**	**10,203.2**

The above is a geographical analysis presented by location of assets.

The Group's continuing operations are primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: South Africa, South Deep mine, Ghana, Tarkwa and Damang mines, Australia, St Ives and Agnew mines and in Peru, the Cerro Corona mine. The Group's continuing operations also have exploration interests which are included in the "Corporate and other" segment. (Refer to accounting policies on segment reporting on page 69.)

Rand figures may not add as they are rounded independently.

The Group's discontinued operations are primarily involved in gold mining and related activities. Activities are conducted and investments held inside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: South Africa, the KDC and Beatrix mines. (Refer to accounting policies on segment reporting on page 69.)

[1] "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate revenue. Included in "Corporate and other" for continuing operations is goodwill relating to the acquisition of South Deep.

[2] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 38%.

[3] Other costs "Corporate and other" for discontinued operations comprise share of profit of associate after taxation of R35.0 million and the balance of R94.3 million income consists mainly of corporate related cost recoveries.

[4] Other costs "Corporate and other" for continuing operations comprise share of loss of associates after taxation of R5.9 million, profit on disposal of investments of R92.6 million, feasibility and evaluation costs of R125.6 million and the balance of R9.0 million income consists mainly of corporate related cost recoveries.

[5] As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

Segment report continued

Financial summary – US$ million

	South Africa				South Africa	Ghana		Peru	Australia					
	KDC	Beatrix	Corporate and other[1]	Discontinued operations	South Deep[2]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total Australia	Corporate and other[1]	Continuing operations	Group consolidation
INCOME STATEMENT for the year ended 31 December 2012														
Revenue	1,543.4	477.8	–	**2,021.2**	450.8	1,198.9	277.8	556.6	752.2	294.4	1,046.6	–	**3,530.6**	**5,551.8**
Operating costs	(1,005.7)	(321.9)	–	**(1,327.6)**	(302.9)	(494.4)	(156.8)	(171.4)	(411.5)	(148.1)	(559.6)	–	**(1,685.0)**	**(3,012.6)**
Gold inventory change	–	–	–	**–**	–	24.8	3.6	11.0	(14.7)	(2.6)	(17.4)	–	**22.0**	**22.0**
Operating profit	**537.7**	**155.8**	**–**	693.6	**147.9**	**729.3**	**124.6**	**396.2**	**325.9**	**143.7**	**469.6**	**–**	1,867.6	2,561.2
Amortisation and depreciation	(209.1)	(77.1)	17.5	**(268.7)**	(82.4)	(125.4)	(27.0)	(48.8)	(156.9)	(53.7)	(210.6)	(5.7)	**(499.8)**	**(768.5)**
Net operating profit/(loss)	**328.5**	**78.7**	**17.5**	424.9	**65.6**	**603.8**	**97.6**	**347.4**	**169.0**	**90.0**	**259.0**	**(5.7)**	1,367.8	1,792.7
Other costs	(17.8)	(3.7)	18.5[3]	**(3.0)**	(3.9)	(9.6)	(2.6)	(11.9)	(2.7)	–	(2.7)	(65.1)[4]	**(95.8)**	**(98.8)**
Share-based payments	(14.1)	(5.2)	(12.9)	**(32.2)**	(4.4)	(5.5)	(1.9)	(5.2)	(3.5)	(1.6)	(5.1)	(23.4)	**(45.5)**	**(77.7)**
Exploration expense	–	–	–	**–**	–	–	–	(2.2)	(9.8)	(9.6)	(19.4)	(106.9)	**(128.5)**	**(128.5)**
Restructuring costs	(14.2)	(1.0)	–	**(15.2)**	(35.4)	(3.1)	(5.1)	(0.6)	(3.8)	(1.9)	(5.6)	(1.0)	**(50.8)**	**(66.0)**
Impairment	–	–	–	**–**	–	(4.5)	–	(0.9)	(58.0)	(24.2)	(82.2)	(10.6)	**(98.2)**	**(98.2)**
Investment income	9.2	2.4	1.3	**12.9**	0.6	0.4	0.1	1.8	6.4	6.3	12.7	0.7	**16.3**	**29.2**
Finance expense	(12.9)	(1.9)	(0.7)	**(15.5)**	(0.9)	(2.3)	(2.5)	(3.9)	(1.2)	(0.3)	(1.5)	(44.2)	**(55.3)**	**(70.8)**
Royalties	(25.8)	(8.6)	–	**(34.5)**	(2.3)	(59.9)	(13.9)	(14.7)	–[5]	–[5]	(26.0)	–	**(116.7)**	**(151.2)**
Current taxation	(40.2)	(14.8)	(3.0)	**(58.0)**	–	(163.1)	(7.6)	(104.7)	–[5]	–[5]	(53.6)	(7.6)	**(336.6)**	**(394.6)**
Deferred taxation	71.4	29.1	4.9	**105.4**	(4.5)	(92.5)	(27.9)	12.4	–[5]	–[5]	13.2	(18.1)	**(117.4)**	**(12.0)**
Profit/(loss) for the year	**284.1**	**74.9**	**25.9**	384.9	**14.9**	**263.7**	**36.3**	**217.6**	–[5]	–[5]	**88.9**	**(282.1)**	339.3	724.2
Profit/(loss) attributable to:														
– Owners of the parent	284.1	74.9	25.8	**384.8**	14.9	237.4	32.7	214.3	–[5]	–[5]	88.9	(282.1)	**306.1**	**690.9**
– Non-controlling interest holders	–	–	0.1	**0.1**	–	26.3	3.6	3.3	–[5]	–[5]	–	–	**33.2**	**33.3**
STATEMENT OF FINANCIAL POSITION at 31 December 2012														
Total assets (excluding deferred taxation)	2,126.3	313.1	(60.3)	**2,379.2**	208.3	1,775.6	404.3	1,165.8	1,066.7	372.4	1,439.1	3,674.1	**8,667.2**	**11,046.4**
Total liabilities (excluding deferred taxation)	740.8	(26.8)	201.3	**915.4**	104.0	377.2	93.2	234.4	189.7	47.8	237.5	1,804.5	**2,850.8**	**3,766.2**
Net deferred taxation liabilities	379.2	110.3	33.7	**523.2**	19.2	300.2	56.9	12.4	–[5]	–[5]	264.5	(99.0)	**554.2**	**1,077.4**
Capital expenditure	**296.2**	**80.4**	**2.9**	379.4	**314.5**	**259.9**	**114.4**	**93.8**	**311.9**	**62.3**	**374.2**	**83.3**	1,240.1	1,619.5

The above is a geographical analysis presented by location of assets.

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The Group's discontinued operations are primarily involved in gold mining and related activities. Activities are conducted and investments held inside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: South Africa, KDC and Beatrix mines. (Refer to accounting policies on segment reporting on page 69.)

US dollar figures may not add as they are rounded independently.

Year end exchange rate of R8.57/US$.

Average exchange rate for the year ended 31 December 2012 of R8.19/US$.

1 "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate revenue. Included in "Corporate and other" for continuing operations is goodwill relating to the acquisition of South Deep.

2 The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 30%.

3 Other costs "Corporate and other" for discontinued operations comprise share of profit of associate after taxation of US$11.4 million and the balance of US$7.1 million income consists mainly of corporate related cost recoveries.

4 Other costs "Corporate and other" for continuing operations comprise share of loss of associates after taxation of US$49.7 million, feasibility and evaluation costs of US$44.1 million, profit on disposal of investments of US$27.6 million and the balance of US$1.1 million income consists mainly of corporate related cost recoveries.

5 As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

Financial summary – US$ million

	South Africa				South Africa	Ghana		Peru	Australia					
	KDC	Beatrix	Corporate and other[1]	Discon-tinued operations	South Deep[2]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total Australia	Corporate and other[1]	Continuing operations	Group consolidation
INCOME STATEMENT for the year ended 31 December 2011														
Revenue	1,745.5	555.4	–	**2,301.0**	427.5	1,122.9	340.8	560.5	734.2	313.1	1,047.3	–	**3,499.1**	**5,800.1**
Operating costs	(1,032.2)	(333.6)	–	**(1,365.8)**	(296.2)	(436.4)	(142.1)	(157.4)	(415.4)	(138.5)	(553.9)	–	**(1,586.0)**	**(2,951.8)**
Gold inventory change	–	–	–	**–**	–	65.0	1.9	(0.1)	3.0	6.0	9.0	–	**75.7**	**75.7**
Operating profit	**713.4**	**221.8**	**–**	**935.2**	**131.3**	**751.5**	**200.6**	**403.0**	**321.8**	**180.6**	**502.4**	**–**	**1,988.8**	**2,924.0**
Amortisation and depreciation	(230.4)	(71.2)	(14.1)	**(315.7)**	(76.7)	(104.9)	(26.7)	(58.6)	(149.9)	(44.6)	(194.5)	(6.5)	**(467.7)**	**(783.4)**
Net operating profit/(loss)	**483.0**	**150.6**	**(14.1)**	**619.5**	**54.6**	**646.6**	**173.9**	**344.4**	**171.9**	**136.0**	**307.9**	**(6.5)**	**1,521.1**	**2,140.6**
Other cost	(12.0)	(3.1)	18.0[3]	**2.9**	(5.1)	(11.4)	(8.8)	(8.2)	8.2	(0.7)	7.5	(4.1)[4]	**(30.1)**	**(27.3)**
Share-based payments	(15.0)	(4.9)	(13.1)	**(33.0)**	(4.2)	(4.3)	(1.8)	(3.2)	(2.5)	(0.8)	(3.3)	(16.6)	**(33.4)**	**(66.4)**
Exploration expense	–	–	–	**–**	–	–	–	(4.2)	(5.0)	(4.4)	(9.4)	(101.6)	**(115.2)**	**(115.2)**
Restructuring costs	(34.5)	(4.8)	(0.2)	**(39.5)**	(5.5)	(5.1)	(3.8)	–	(8.7)	(0.9)	(9.6)	–	**(24.0)**	**(63.5)**
Investment income	9.5	2.5	1.6	**13.6**	1.1	0.6	0.2	–	5.4	2.8	8.2	1.6	**11.7**	**25.4**
Finance expense	(4.3)	(0.9)	0.7	**(4.5)**	(1.4)	(1.2)	(0.8)	(4.3)	(2.2)	(0.5)	(2.7)	(47.4)	**(57.8)**	**(62.3)**
Royalties	(35.5)	(4.6)	–	**(40.1)**	(2.1)	(51.0)	(15.5)	(14.7)	–[5]	–[5]	(26.3)	–	**(109.6)**	**(149.7)**
Current taxation	(88.5)	(0.3)	(3.1)	**(92.0)**	–	(150.7)	(29.8)	(111.7)	–[5]	–[5]	–	(52.4)	**(344.5)**	**(436.5)**
Deferred taxation	(39.7)	(43.4)	4.0	**(78.9)**	(17.1)	(22.0)	(13.2)	10.4	–[5]	–[5]	(82.8)	39.9	**(85.0)**	**(163.9)**
Profit/(loss) for the year	263.2	91.1	(6.3)	**348.0**	20.3	401.4	100.5	208.5	–[5]	–[5]	189.6	(187.1)	**733.2**	**1,081.2**
Profit/(loss) attributable to:														
– Owners of the parent	263.2	91.1	(6.2)	**348.1**	20.3	**326.4**	**82.4**	**193.5**	**–[5]**	**–[5]**	**189.6**	**(187.1)**	625.1	973.2
– Non-controlling interest	–	–	(0.1)	**(0.1)**	–	75.0	18.1	15.0	–[5]	–[5]	–	–	108.1	108.0
STATEMENT OF FINANCIAL POSITION at 31 December 2011														
Total assets (excluding deferred taxation)	1,714.5	225.0	–	**–**	153.0	1,435.9	344.2	1,069.5	1,058.2	609.0	1,667.2	3,643.0	**–**	**10,252.3**
Total liabilities (excluding deferred taxation)	414.2	(103.5)	–	**–**	66.9	323.9	99.2	282.8	174.9	44.6	219.5	1,949.5	**–**	**3,252.5**
Net deferred taxation liabilities	471.6	145.6	–	**–**	15.8	207.7	29.1	24.9	–[5]	–[5]	270.8	(77.3)	**–**	**1,088.2**
Capital expenditure	**318.6**	**84.6**	**1.6**	**404.8**	**274.6**	**218.9**	**87.8**	**69.4**	**182.7**	**74.1**	**256.8**	**100.9**	**1,008.4**	**1,413.2**

The above is a geographical analysis presented by location of assets.

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The Group's discontinued operations are primarily involved in gold mining and related activities. Activities are conducted and investments held inside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: South Africa, the KDC and Beatrix mines. (Refer to accounting policies on segment reporting on page 69.)

US dollar figures may not add as they are rounded independently.

Year end exchange rate of R8.13/US$.

Average exchange rate for the year ended 31 December 2011 of R7.22/US$.

1 "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate revenue. Included in "Corporate and other" for continuing operations is goodwill relating to the acquisition of South Deep.

2 The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 38%.

3 Other costs "Corporate and other" for discontinued operations comprise share of profit of associate after taxation of US$4.8 million and the balance of US$13.2 million income consists mainly of corporate related cost recoveries.

4 Other costs "Corporate and other" for continuing operations comprise share of loss of associates after taxation of US$0.8 million, profit on disposal of investments of US$12.8 million, feasibility and evaluation costs of US$17.4 million and the balance of R1.3 million income consists mainly of corporate related cost recoveries.

5 As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

Operating and financial information by mine

for the year ended 31 December 2012

SOUTH AFRICA REGION – including the discontinued operations KDC and Beatrix

All South African data based on ore reserve development capitalised as from F2004.

KDC

	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced 000' ounces	Cash cost Us$/oz	Net earnings SA Rand Mil.	Net earnings US$ Mil.
Year to 30 June							
1939 – 2005	458,323,900	11.6	5,331,856	171,423	n/a	n/a	n/a
2006	10,533,000	6.1	64,184	2,064	341	854.9	133.6
2007	10,481,000	5.8	60,323	1,939	357	1,794.6	249.3
2008	9,934,000	5.5	54,398	1,749	420	2,181.2	299.9
2009	9,536,000	4.8	45,812	1,473	474	2,194.1	243.5
2010	10,383,000	3.8	39,700	1,276	723	1,023.0	135.0
Six months to December 2010	5,152,000	3.8	19,719	634	832	76.1	10.7
Year to 31 December							
2011	10,831,000	3.2	34,218	1,100	946	1,900.0	263.1
2012	8,817,000	3.3	29,078	935	1,076	2,327.0	284.1
Total	**533,990,900**	**10.6**	**5,679,288**	**182,593**			

Includes Venterspost from 1939, Libanon from 1949, West Driefontein from 1952, Kloof from 1968, East Driefontein from 1972 and Leeudoorn from 1991.

* Combined surface and underground yield.

BEATRIX MINE (includes ORYX – also known as 4 shaft or West section – as from F2000)

	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced 000' ounces	Cash cost Us$/oz	Net earnings SA Rand Mil.	Net earnings US$ Mil.
Year to 30 June							
1985 – 2005	57,164,000	5.4	311,517	10,016	n/a	n/a	n/a
2006	3,551,000	5.2	18,541	596	354	185.3	29.0
2007	3,590,000	4.7	16,903	543	377	370.8	51.5
2008	3,215,000	4.2	13,625	438	515	332.4	45.7
2009	2,991,000	4.1	12,164	391	552	321.8	35.7
2010	3,051,000	4.0	12,188	392	740	206.9	27.3
Six months to December 2010	1,965,000	3.2	6,282	202	837	(55.9)	(7.9)
Year to 31 December							
2011	3,817,000	2.8	10,787	347	957	657.5	91.1
2012	3,368,000	2.7	8,981	289	1,118	613.8	74.9
Total	**82,712,000**	**5.0**	**410,988**	**13,214**			

Beatrix and Oryx became one tax entity as from F2000.

* Combined surface and underground yield.

ORYX MINE – (changed name to 4 shaft, known as West section from F2005)

	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced 000'ounces	Cash cost Us$/oz	Net earnings SA Rand Mil.	Net earnings US$ Mil.
Year to 30 June							
1985 – 1999	**5,656,000**	**3.2**	**18,182**	**585**	**n/a**	**(768.0)**	**(123.5)**

Included in Beatrix since F2000.

SOUTH DEEP

	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced 000' ounces	Cash cost Us$/oz	Net earnings SA Rand Mil.	Net earnings US$ Mil.
Year to 30 June							
2007#	1,104,000	4.6	5,076	163	595	(46.8)	(6.5)
2008	1,367,000	5.3	7,220	232	727	(143.1)	(19.7)
2009	1,241,000	4.4	5,434	175	717	(10.9)	(1.2)
2010	1,681,000	4.9	8,236	265	811	(81.0)	(10.7)
Six months to December 2010	1,101,000	4.1	4,547	146	939	(96.5)	(13.5)
Year to 31 December							
2011	2,440,000	3.5	8,491	273	1,073	146.4	20.3
2012	2,106,000	4.0	8,411	270	1,105	122.1	14.9
Total	**11,040,000**	**4.3**	**47,415**	**1,524**			

For the 7 months ended 30 June 2007, since acquisition control.

* Combined surface and underground yield.

WEST AFRICA REGION – GHANA DIVISION
TARKWA MINE – total managed

	Tonnes Milled	Yield* g/tonne	Gold produced Kilograms	Gold produced 000' ounces	Cash cost Us$/oz	Net earnings SA Rand Mil.	Net earnings US$ Mil.
Year to 30 June							
1994 – 2005	91,612,600	1.2	108,546	3,490	n/a	1,610.5	210.9
2006	21,487,000	1.0	22,060	709	292	626.2	97.8
2007	22,639,000	1.0	21,684	697	333	841.9	116.9
2008	22,035,000	0.9	20,095	646	430	1,074.6	147.8
2009	21,273,000	0.9	19,048	612	521	900.7	100.0
2010	22,716,000	1.0	22,415	721	536	1,424.5	187.9
Six months to December 2010	11,496,000	1.0	11,261	362	562	968.3	135.6
Year to 31 December							
2011	23,138,000	1.0	22,312	717	556	2,898.4	401.4
2012	22,910,000	1.0	22,358	719	673	2,159.7	263.7
Total	259,306,600	1.0	269,779	8,674			

Operating and financial information by mine (continued)

for the year ended 31 December 2012

Surface operation from F1999.

DAMANG MINE – total managed

	Tonnes treated	Yield* g/tonne	Gold produced Kilograms	Gold produced 000' ounces	Cash cost Us$/oz	Net earnings (Before minorities) SA Rand Mil.	Net earnings (Before minorities) US$ Mil.
Year to 30 June							
2002# – 2005	17,279,000	1.8	30,994	996	n/a	575.8	76.1
2006	5,328,000	1.4	7,312	235	341	174.2	27.2
2007	5,269,000	1.1	5,843	188	473	115.1	16.0
2008	4,516,000	1.3	6,041	194	551	187.4	25.9
2009	4,991,000	1.2	6,233	200	660	81.4	9.0
2010	5,028,000	1.3	6,451	207	660	347.7	45.9
Six months to December 2010	2,491,000	1.5	3,637	117	636	281.0	39.5
Year to 31 December							
2011	4,942,000	1.4	6,772	218	701	725.3	100.5
2012	4,416,000	1.2	5,174	166	918	297.7	36.3
Total	**54,260,000**	**1.4**	**78,457**	**2,522**			

F2002 – For the 5 months ended 30 June, since acquisition.

AUSTRALASIA REGION
AUSTRALIA DIVISION
St Ives Mine

	Tonnes treated	Yield g/tonne	Gold produced Kilograms	Gold produced 000' ounces	Cash cost Us$/Oz	Cash cost A$/Oz
Year to 30 June						
2002# – 2005	21,960,000	2.7	59,838	1,924	254	379
2006	6,690,000	2.3	15,440	496	339	453
2007	6,759,000	2.2	15,146	487	424	540
2008	7,233,000	1.8	12,992	418	582	649
2009	7,262,000	1.8	13,322	428	596	805
2010	6,819,000	1.9	13,097	421	710	806
Six months to December 2010	3,284,000	2.3	7,557	243	710	757
Year to 31 December						
2011	6,745,000	2.1	14,449	465	901	873
2012	7,038,000	2.0	13,992	450	931	899
Total	**73,790,000**	**2.2**	**165,833**	**5,332**		

F2002 – For the 7 months ended 30 June, since acquisition.

Agnew Mine

	Tonnes treated	Yield g/tonne	Gold produced Kilograms	Gold produced 000' ounces	Cash cost Us$/Oz	Cash cost A$/Oz
Year to 30 June						
2002# – 2005	4,299,000	4.6	19,911	640	236	357
2006	1,323,000	5.2	6,916	222	266	355
2007	1,323,000	5.0	6,605	212	295	377
2008	1,315,000	4.8	6,336	204	445	496
2009	1,066,000	5.6	5,974	192	401	541
2010	883,000	5.8	5,140	165	539	611
Six months to December 2010	417,000	5.9	2,477	80	621	662
Year to 31 December						
2011	935,000	6.5	6,035	194	696	675
2012	943,000	5.8	5,494	177	827	799
Total	**12,504,000**	**5.2**	**64,888**	**2,086**		

For the 7 months ended 30 June, since acquisition.

Operating and financial information by mine (continued)

for the year ended 31 December 2012

St Ives/Agnew

	Net earnings		
	SA Rand Mil.	US$ Mil.	A$ Mil.
Year to 30 June			
2002# – 2005	1,579.5	181.2	296.2
2006	251.8	39.3	52.6
2007	298.6	41.5	52.8
2008	268.3	36.8	41.2
2009	628.9	69.8	94.3
2010	600.5	81.0	89.9
Six months to December			
2010	434.6	60.8	64.8
Year to 31 December			
2011	1,369.1	189.6	183.8
2012	728.0	88.9	85.8
Total	6,159.2	789.0	961.5

F2002 – For the 7 months ended 30 June 2002, since acquisition.

SOUTH AMERICA REGION

PERU DIVISION

CERRO CORONA – total managed

	Tonnes treated	Yield g/tonne	Gold produced – Note 1		Cash cost US$/oz	Net earnings	
			Kilograms	000' ounces		SA Rand Mil.	US$ Mil.
Year to 30 June							
2009#	4,547,000	1.5	6,822	219	369	229.0	25.4
2010	6,141,000	2.0	12,243	394	348	688.7	90.8
Six months to December							
2010	3,102,000	2.0	6,206	200	395	666.1	93.3
Year to 31 December							
2011	6,593,000	1.8	11,915	383	437	1,505.1	208.5
2012	6,513,000	1.6	10,641	342	492	1,782.0	217.6
Total	**26,896,000**	**1.8**	**47,827**	**1,538**			

Transition from Project to Operation from September 2008.

Note 1 – Cerro Corona is a gold and copper mine. As such gold produced is based on gold equivalent ounces.

Shareholders' information

analysis of shareholders at 31 December 2012

Shareholder spread	No. of shareholders	%	No. of shares	%
1 – 1,000 shares	15,018	83.70	2,503,645	0.34
1,001 – 10,000 shares	1,951	10.87	5,891,700	0.81
10,001 – 100, 000 shares	606	3.38	21,692,593	2.97
100, 001 – 1, 000 000 shares	293	1.63	86,193,439	11.78
1, 000 001 shares and over	76	0.42	615,307,237	84.11
Total	**17,944**	**100**	**731,588,614**	**100**

Distribution of shareholders	No. of shareholders	%	No. of shares	%
American Depositary Receipts	3	0.02	272,747,349	37.28
Banks	258	1.44	222,298,412	30.39
Brokers	115	0.64	24,768,985	3.39
Close Corporations	169	0.94	203,609	0.03
Control Account	1	0.01	1,153,676	0.16
Endowment Funds	77	0.43	1,727,979	0.24
Individuals	14,376	80.12	6,991,611	0.96
Insurance Companies	53	0.30	10,441,434	1.43
Investment Companies	17	0.09	8,149,432	1.11
Medical Aid Schemes	20	0.11	1,119,156	0.15
Mutual Funds	384	2.14	78,480,171	10.73
Nominees and Trusts	1,676	9.34	2,708,360	0.37
Other Corporations	164	0.91	344,735	0.05
Own Holdings	4	0.02	1,750,635	0.24
Pension Funds	317	1.77	82,851,040	11.32
Private Companies	263	1.47	882,235	0.12
Public Companies	46	0.26	1,444,401	0.20
Share Trust	1	0.01	13,525,394	1.85
Total	**17,944**	**100**	**731,588,614**[1]	**100**

Public/non-public shareholders	No. of shareholdings	%	No. of shares	%
Non-public shareholders	**13**	**0.08**	**15,378,201**	**2.10**
Directors	9	0.05	102,172	0.01
Share trust	1	0.01	13,525,394	1.85
Own holdings	3	0.02	1,750,635	0.24
Public shareholders	**17,931**	**99.92**	**716,210,413**	**97.90**
Total	**17,944**	**100**	**731,588,614**[1]	**100**

Beneficial shareholders holding of 3% or more	No. of shares	%
First Eagle Investment Management LLC	50,614,564	6.92
Government Employees Pension Fund	35,237,251	4.82
Van Eck Associates Corporation	34,754,227	4.75

Foreign custodian shareholders holding of 3% or more	No. of shares	%
Bank of New York Depositary Receipts	272,747,349	37.28
State Street Bank and Trust Company	62,218,481	8.50
Chase Nominees Limited	39,661,471	5.42
The Bank of New York (Nominees) Limited	30,426,773	4.16
Nortrust Nominees Limited	23,758,868	3.25

[1]This number includes treasury shares and shares issued in terms of the share incentive scheme, but not listed at year-end

Glossary of terms

ABET	Adult Basic Education and Training
AS/NZ 4801	Australian occupational health and safety management standards
Backfill	Material generally sourced from mine residues and utilised for the filling of mined voids, to ensure long-term stability of excavations and minimise the effects of seismic activity
BEE	Black Economic Empowerment. BEE seeks to ensure that black persons within South Africa gain a significant degree of control in the economy through the possession of equity stakes and the holding of management positions within an institution
Blasthole	A drill hole in a mine that is filled with explosives in order to blast loose a quantity of rock
Bore-hole or drill-hole	Method of sampling rock that has not been exposed by means of obtaining a core of rock (see diamond drill)
Box-hole	A cross raise, normally from the access cross-cut to the reef horizon, for the purpose of drawing broken rock and ore from the reef horizon into a conveyance in the cross-cut
Breast mining	A mining method whereby mining advances in the direction of the strike
Bulk mining	Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being brought to surface each day
BVQI	Bureau Veritas Qualite International is a leading global and independent certification body that audits and certifies whether company systems meet the requirements of ISO standards
Carbon-in-leach	The recovery process in which gold is leached from gold ore pulp by cyanide and simultaneously adsorbed onto activated carbon granules in the same vessel. The loaded carbon is then separated from the pulp for subsequent gold removal by elution. The process is typically employed where there is a naturally occurring gold adsorbent in the ore
Carbon-in-pulp	The recovery process in which gold is first leached from gold ore pulp by cyanide and then adsorbed onto activated carbon granules in separate vessels. The loaded carbon is then separated from the pulp for subsequent gold removal by elution
Capital expenditure (or capex)	Specific project or ongoing expenditure for replacement or additional equipment, materials or infrastructure
Channel	Water course, also in this sense sedimentary material course
Collective Bargaining Agreement	Collective Bargaining Agreement means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by a trade union(s) and the company
Co-morbidity	Medical term for diseases that commonly co-exist to increase the risk of morbidity
Comminution	The term used to describe the process by which ore is reduced in size in order to liberate the desired mineral from the gangue material in preparation for further processing
Concentrate	A metal-rich product resulting from a mineral enrichment process such as gravity concentration or flotation, in which most of the desired mineral has been separated from the waste material in the ore
Conglomerate	Sedimentary rock comprising eroded, rounded pebbles
Cross-cut	A horizontal underground drive developed perpendicular to the strike direction of the stratigraphy
Cut-off grade	The lowest grade of mineralised rock cut-off grade which determines as to whether or not it is economic to recover its gold content by further concentration
Decline	A surface or sub-surface excavation in the form of a tunnel which is developed from the uppermost point downward
Depletion	The decrease in quantity of ore in a deposit or property resulting from extraction or mining
Development	Is any tunnelling operation, which has for its object either exploration, exploitation or both
Diamond drill	A rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections
Dilution	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined
Dip	Angle of inclination of a geological feature/rock from the horizontal

Dyke	Thin, tabular, vertical or near vertical body of igneous rock formed by the injection of magma into planar zones of weakness
Elution	The chemical process of desorbing gold from activated carbon
Face	The end of a drift, cross-cut or stope at which work is taking place
Facies	A rock unit defined by its composition, internal geometry and formation environment, usually reflecting the conditions of its origin
Fatality rate	Number of deaths per million man-hours worked
Fault	The surface of a fracture along which movement has occurred
Feasibility study	A comprehensive design and costing study of the selected option for the development of a mineral project in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other modifying factors, which are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable) and the factors reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The overall confidence of the study should be stated
Filtration	Process of separating usually valuable solid material from a liquid
Flotation	The process by which the surface chemistry of the desired mineral particles is chemically modified such that they preferentially attach themselves to bubbles and float to the pulp surface in specially designed machines. The gangue or waste minerals are chemically depressed and do not float, thus allowing the valuable minerals to be concentrated and separated from the undesired material
Footwall	The underlying side of an ore body or stope
Gold equivalent	A quantity of metal (such as copper) converted to an amount of gold in ounces, based on accepted gold and other metal prices. i.e. The accepted total value of the metal based on its weight and value thereof divided by the accepted value of one troy ounce of gold
Grade	The quantity of gold contained within a unit weight of gold-bearing material generally expressed in grams per metric tonne (g/t)
Hanging wall	The overlying side of an ore body or slope
Haulage	A horizontal underground excavation which is used to transport mined ore
Head grade	The grade of the material delivered to the processing facility (such as heap leach pad, Mill etc.). The Mineral Reserve declaration is for material as delivered to the processing facility
Hedging	Taking a buy or sell position in futures market. Opposite to a position held in the cash/spot market to minimise the risk of financial loss from an adverse price change
Hydrothermal	Process of injection of hot, aqueous, generally mineral-rich solutions into existing rocks or features
ICVCT	Informed Consented Voluntary Counselling and Testing
Indicated Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes which may be limited or of uncertain quality and reliability

Glossary of terms (continued)

ISO 14000	International standards for organisations to implement sound environmental management systems
LTIFR	Lost-Time Injury Frequency Rate. Number of lost day injuries expressed in million man-hours worked
Lock-up gold	Gold locked as a temporary inventory within a processing plant, or sections thereof, typically milling circuits
Measured Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are spaced closely enough to confirm geological and grade continuity
Milling	A general term used to describe the process in which the ore is crushed and ground and subjected to physical or chemical treatment to extract the valuable metals to a concentrate or finished product
Mine Health and Safety Act (MHSA)	The South African Mine Health and Safety Act, No 29 of 1996
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories
Mineral Reserve	A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life-of-Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed
Mineralised	Rock in which minerals have been introduced to the point of a potential ore deposit
Minerals Act	The South African Minerals Act, No 50 of 1999
Normal fault	Fault in which the hanging wall moves downward relative to the footwall, under extensional tectonic conditions
Notional cash expenditure (NCE)	NCE is defined as operating costs plus capital expenditure and is reported on a per kilogram and per ounce basis
Nugget effect	A measure of the randomness of the grade distribution within a mineralised zone
NUM	National Union of Mine Workers
OHSAS	Management system standards, developed in order to facilitate the integration of quality and occupational health and safety management systems by organisations
Payshoot	Linear to sub-linear zone within a reef for which gold grades or accumulations are predominantly above the cut-off grade
Pillar	Rock left behind to help support the excavations in an underground mine
Probable Mineral Reserve	The economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and including consideration of and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified

Project capital	Capital expenditure which is associated with specific projects of a non-routine nature
Proved Mineral Reserve	The economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Reef	Gold bearing sedimentary horizon in the Witwatersrand Basin
SADC	Southern African Development Community
SAMREC Code	The South African code for the reporting of exploration results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2007 Edition
Seismic	Earthquake or earth vibration including those artificially induced by mining operations
Sequential Grid Mining	Mining method incorporating dip pillars and mined on a grid system
Shaft	An opening cut downwards from the surface for transporting personnel, equipment, supplies, ore and waste
Shear	A deformation resulting from stresses that cause contiguous parts of a body of rock to slide relative to each other in a direction parallel to their plane of contact
Stope	The working area from which ore is extracted in an underground mine
Stripping	The process of removing overburden or waste rock to expose ore
Stripping ratio	The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined
Stratigraphy	The science of rock strata, including arrangement according to geographical positioning and chronological order of sequence
Strike	Direction of line formed by the intersection of strata surfaces with the horizontal plane, always perpendicular to the dip direction
Sub-vertical shaft	An opening cut below the surface downwards from an established surface shaft
Surface sources	Ore sources, usually dumps, tailings dams and stockpiles, located at the surface
TEBA	The Employment Bureau of Africa
Tertiary shaft	An opening cut below the surface downwards from an established sub-vertical shaft
The Base Case	The Base Case is established as part of the financial models
Trade union	An association of employees: whose principal purpose is to regulate relations between employees and the company, which has been registered; whose officials have been elected to represent the interests of employees within the workplace; and which is recognised for collective bargaining by the company
Total cash costs	Total cash costs include cost of sales – excluding amortisation and depreciation, rehabilitation costs, general and administration costs, and exploration costs in accordance with the Gold Institute Industry Standard
Vamping	Is the final clean-up of track ballast and/or accumulations in gullies and along transportation routes

Glossary of terms (continued)

Abbreviations and units	
ABET	Adult Basic Education and Training
ADS	American Depository Shares
Aids	Acquired Immune Deficiency Syndrome
ARC	Assessment and Rehabilitation Centres
ART	Antiretroviral therapy
CBO	Community-based organisation
CIL	Carbon-in-leach
CIP	Carbon-in-pulp
CIS	Carbon-in-solution
DCF	Discounted Cash Flow
ETF	Exchange traded fund
GFHS	Gold Fields Health Service
GFLC	Gold Fields La Cima
GRI	Global Reporting Initiative
HBC	Home-based care
HDSA	Historically disadvantaged South African
HIV	Human Immunodeficiency Virus
LoM plan	Life-of-Mine plan
LTIFR	Lost-Time Injury Frequency Rate, quoted in million man-hours
NGO	Non-governmental organisation
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
MCF	Mine Call Factor
OHC	Occupational Health Centre
OT	Occupational therapy
PHC	Primary health clinic
PPI	Producer Price Index
SAMREC	South African code for Reporting of Mineral Resources and Mineral Reserves
SEC	United States Securities Exchange Commission
STI	Sexually transmitted infection
TB	Tuberculosis
TEC	Total employees costed
UASA	United Association of South Africa (a labour organisation)
VCT	Voluntary Counselling and Testing (for HIV)
cm	centimetre
cm.g/t	gold accumulation
g	gram
g/t	grams per metric tonne – gold grade
ha	hectare
kg	kilogram

Abbreviations and units continued	
km	kilometre
koz	thousand ounces
kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
ktpm	thousand tonnes per month
m^2	square metre
Moz	million ounces
oz	fine troy ounce equalling 31.10348 grams
t	metric tonne
US$	United States dollar
US$m	million United States dollars
US$/oz	United States dollar per ounce
R	South African rand
R/kg	South African rand per kilogram
Rm	million South African rand
R/t	South African rand per metric tonne

Glossary of terms – Sustainable development

SUSTAINABLE DEVELOPMENT

- United Nations Global Compact – is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle–based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti–corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society.
- Global Reporting Initiative (GRI) – produces one of the world's most prevalent standards for sustainability reporting. Sustainability reporting is a form of value reporting where an organisation publicly communicates their economic, environmental, and social performance.
- CMM (International Council on Mining and Metals) – CEO led organisation of mining companies that seeks to continually entrench best practice with regard to sustainable development and to provide a platform for member companies to share experiences.

HEALTH, SAFETY AND WELL–BEING

- LTIFR (Lost–Time Injury Frequency Rate) – Frequency rate that takes into account, any injury occurring in the workplace where a person is unable to attend a full shift due to this injury at any time following the injury. i.e. It is not only relevant to the shift immediately following.
- SIFR (Serious Injury Frequency Rate) – Frequency rate that takes into account, any injury where a person is defined as an LTI but will be unable to return to work within 14 days of their injury occurring.
- MTIFR (Medically Treated Injury Frequency Rate) – Frequency rate that takes into account, any work–related injury where a person is sent to a medical practitioner and is given treatment that cannot be provided on site by a First Aider. e.g. the prescription of medication that is unavailable over the counter from any drug store or pharmacy, sutures, X–rays resulting in identifying an injury whether it be a fracture, tendon damage or otherwise. (X–rays are not treated as medical treatment where no injury is found). If the medical practitioner prescribes further treatment such as physiotherapy or chiropractics this would be considered a medically treated injury.
- OHSAS 18001 – An international voluntary standard against which organisations are assessed on their Health and Safety performance. As with other standards, it is based around the setting of objectives and targets and the monitoring of the businesses performance against these.
- AS 4801 – An Australian standard for occupational health and safety and is currently one of the main system requirements for national, state and local government projects.
- Noise Induced Hearing Loss (NIHL) – is an increasingly prevalent disorder that results from exposure to high–intensity sound, especially over a long period of time.
- Silicosis – is a form of occupational lung disease caused by inhalation of crystalline silica dust, and is marked by inflammation and scarring in forms of nodular lesions in the upper lobes of the lungs.
- Chronic Obstructive Airway Disease (COAD) – refers to chronic bronchitis and emphysema, a pair of commonly co–existing diseases of the lungs in which the airways become narrowed.
- Highly active antiretroviral therapy (HAART) – Treatment with a very potent drug "cocktail" to suppress the growth of HIV, the retrovirus responsible for Aids.

ENVIRONMENT

- SO 14001 – an international voluntary standard for environmental management systems. This is one standard in the ISO 14000 series of International standards on environmental management.
- Environmental incidences – these are incidences that are classified in accordance with a system designed by Gold Fields that classifies the incident based on its severity. The incidences are classified as follows:
  - Level 1 – incidences of minor non–conformance that result in no negligible adverse environmental impact
  - Level 2 – incidences that result in short–term, limited and non–ongoing adverse environmental impacts
  - Level 3 – incidences that result in ongoing, but limited environmental impact
  - Level 4 – incidences that result in medium–term environmental impact
  - Level 5 – incidences that result in long–term environmental impact
- Water withdrawal – the sum of all water drawn into the boundaries of the reporting organisation for any use over the course of the reporting period.
- Water discharge – the sum of water effluents discharged over the course of the reporting period to the receiving environment.
- mS/m (milliSiemens/metre) – is the unit used in the measuring of the electrical conductivity of water and provides an indication of overall water quality.
- Acid Mine Drainage (AMD) – refers to the outflow of acidic water from (usually abandoned) mines that contain high pyrite levels. It is also known as acid rock drainage (ARD). The acid is formed from the pyrite mineral oxidising and forming sulphuric acid.
- Basel Convention – is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries (LDCs).

SUPPLY CHAIN MANAGEMENT AND MATERIAL STEWARDSHIP

ICMC (International Cyanide Management Code) – is a voluntary industry programme for manufacture, transport and use of cyanide in gold production.

SOCIAL RESPONSIBILITY AND STAKEHOLDER ENGAGEMENT

Corporate Social Investment (CSI spend) – total monies disbursed through our foundations to achieve commitments set out in our socio–economic development programmes. In some regions, additional projects may be captured under the CSI spend such as the Black Stars sponsorship in Ghana or potential projects for exploration and project development such as at Chucapaca – should be replaced throughout the report with Local Economic Development.

Local Economic Development (LED) – refers to initiatives and monies disbursed to uplift socio–economic conditions in the communities in which we operate.

AA1000SES – is a generally applicable, open–source framework for improving the quality of the design, implementation, assessment, communication and assurance of stakeholder engagement.

OUR PEOPLE

HDSA – Historically disadvantaged South Africans.

ENERGY AND CARBON MANAGEMENT

Greenhouse gas emission (GHG emissions) – Gases which absorb outgoing terrestrial radiation, such as water vapour, methane, CFCs, and carbon dioxide.

Scope 1 carbon dioxide (CO2) emissions – are those directly occurring "from sources that are owned or controlled by the institution, including: on–campus stationary combustion of fossil fuels; mobile combustion of fossil fuels by institution owned/controlled vehicles; and "fugitive" emissions. Fugitive emissions result from intentional or unintentional releases of GHGs.

Scope 2 CO2 emissions – are "indirect emissions generated in the production of electricity consumed by the institution."

Scope 3 CO2 emissions – are all the other indirect emissions that are "a consequence of the activities of the institution, but occur from sources not owned or controlled by the institution" such as commuting, air travel, waste disposal; embodied emissions from extraction, production, and transportation of purchased goods; outsourced activities; contractor–owned– vehicles; and line loss from electricity transmission and distribution".

Equivalent carbon dioxide (CO2–e) – measures for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO2) as the reference.

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SWX: GOLI

BASTION GRAPHICS