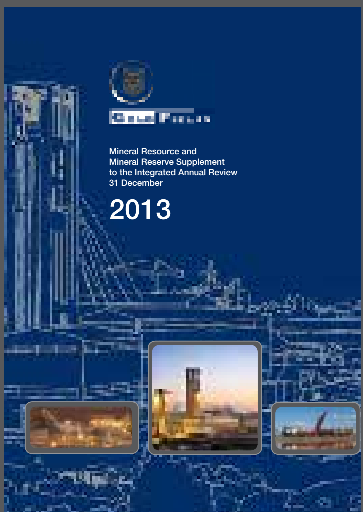
GOLD FIELDS

Annual Financial Report
for the year ended 31 December

2013



Further resources

– Integrated Annual Review 2013

– Mineral Resources and Mineral Reserves Overview 2013 (available end-April 2014)

Contents

The audited financial statements for the year ended 31 December 2013 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 50 to 153 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 and cash flows 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 directors are also responsible for such internal controls 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, and for maintaining adequate accounting records and an effective system of risk management.

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 27 March 2014 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.

T Harmse
Company Secretary
27 March 2014

Audit Committee report

The Audit Committee ('the Committee') has formal terms of reference which are reviewed annually and set out in its Board approved Charter. The Directors of the Board ('the Board') are 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 African 2009 (King III) and the JSE listings requirements.

In August 2013, Rupert Pennant Rea resigned from the Board and therefore from the Committee after having served 14 years as a director. The names of the members of the Committee and attendance at meetings during the year are set out on page 40 of the Integrated Annual Review 2013. The Board believes that the remaining 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 identify and manage the risk of business failures and to provide reasonable but not absolute assurance that such risks are eliminated and material misstatement and loss will not result. 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 and remuneration as well as the independence of the external auditors
- Reports of both internal and external auditors
- Evaluation of the performance of the Chief Financial Officer
- The adequacy and effectiveness of the Group's enterprise wide risk management policies, processes and mitigating strategies
- The governance of information technology (IT) and the effectiveness of the Group'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, significant and unusual transactions, estimates and accounting judgements
- The cash/debt position of the Group to determine that the going concern basis of reporting is appropriate
- Compliance with applicable legislation, requirements of appropriate regulatory authorities and the Company's Code of Ethics
- The integrity of the Integrated Annual Report (by ensuring that its content is reliable and recommending it to the Board for approval
- Policies and procedures for preventing fraud.

Internal and external audit have unrestricted access to the 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 or re-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 auditors, 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 period of R33.9 million (US$3.5 million) was approved, as well as R2.5 million (US$0.3 million) in assurance services on bonds, sustainability reporting 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 Inc. is reappointed for the 2014 financial year with Coenie Basson as the Group audit engagement partner.

The internal control systems of the Group are designed to provide reasonable assurance on the maintenance of proper accounting records and the reliability of financial information. These systems are monitored by internal auditors who report their findings and recommendations to the Committee and to senior management. The Committee determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter which is reviewed annually. The Internal Audit function is headed by the Vice President and Group Head of Internal Audit who can be appointed or dismissed by the 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.

Audit Committee report
(continued)

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 quarterly. 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 during the year.

In terms of its Charter, the Committee is responsible for ensuring that effective risk management policies and risk mitigating strategies are in place and are recommended to the Board for approval. Progress in the implementation of these strategies and their effectiveness is monitored by the Committee.

The Committee is responsible for IT Governance on behalf of the Board and reviews the report of the Vice President and group Head of IT at each meeting. During the year the unbundling of Sibanye Gold's ICT systems and data from Gold Fields progressed as planned and was completed by the end of the third quarter.

A comprehensive review and testing process to ensure that the Group is maintaining an adequate and effective IT system is carried out on an ongoing basis.

The Committee evaluated the expertise and performance of the Chief Financial Officer ('CFO'). The Committee is satisfied that Paul Schmidt has the appropriate expertise and experience to carry out his duties as the CFO of the Company and is supported by qualified and competent senior staff.

Management is accountable to the Board for designing, implementing, monitoring and integrating the internal controls for the day-to-day running of the Group, focusing on the efficiency and effectiveness of operations, safeguarding the Company's assets, legal and regulatory compliance, business sustainability and reliable reporting. Based on information from and discussions with management and internal and external auditors, the 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 the preparation of the annual financial statements.

AUDIT COMMITTEE STATEMENT

The Committee considered and discussed this Annual Financial Report ('AFR') and the Integrated Annual Review ('IAR') 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 AFR and the IAR
- Evaluated the completeness of the financial and sustainability discussion and disclosures
- Discussed the treatment of significant and unusual transactions with management and the external auditors
- Reviewed and discussed the sustainability information disclosed in the IAR and is satisfied, based on discussions, that the information is reliable

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

G Wilson
Chair, Audit Committee
27 March 2014

Independent auditor's report

TO THE SHAREHOLDERS OF GOLD FIELDS LIMITED

We have audited the consolidated and company financial statements of Gold Fields Limited, which comprise the statements of financial position at 31 December 2013, 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 50 to 147.

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 company financial position of Gold Fields Limited at 31 December 2013, and its consolidated and company financial performance and consolidated and company 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 2013, we have read the directors' report, the audit committee report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. 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.

Per Coenie Basson
Chartered Accountant (SA)
REGISTERED AUDITOR
Director
27 March 2014

85 Empire Road
Parktown
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Gauteng
South Africa

Management's discussion and analysis of the financial statements

The following management's discussion and analysis of the financial statements should be read together with the Gold Fields' consolidated financial statements, including the notes accompanying these 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 surface 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 ('GFIMSA'), which holds the Kloof/Driefontein complex ('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. Following the unbundling, Gold Fields retained the balance of its portfolio of assets, including the developing South Deep gold mine located in South Africa. The financial results of Sibanye Gold, which include the KDC and Beatrix mine, 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 assets and liabilities of Sibanye Gold have been presented as held for distribution in the comparative period.

On 1 October 2013, the Group obtained full control of the assets of the Darlot, Lawlers and Granny Smith mines, based in Western Australia ('the Yilgarn South assets') through a sale and purchase agreement with Barrick Gold. Taking control of the Yilgarn South assets has enabled the Group to increase its production profile in Australia and to obtain cost efficiencies through the integration of the Lawlers and the existing Agnew gold mines.

In 2013, the Group adopted IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* ('IFRIC 20'), which became effective on 1 January 2013. IFRIC 20 requires that production stripping costs in a surface mine be capitalised to non-current assets if certain criteria are met and if all criteria are not met, the stripping costs are recognised directly in profit or loss. The comparative period presented in this annual report has been restated.

Following the unbundling of Sibanye Gold in February 2013, Gold Fields' production and footprint are represented by a diversified portfolio of assets (the only South African asset and production contributor being South Deep). The US dollar is now the dominant currency of the Group and the Group intends to align its reporting currency to its peer group of international gold producers who all report in US dollar. From 2014, the consolidated financial statements will be presented only in US dollar.

CONTINUING OPERATIONS
RESULTS FOR THE PERIOD

(Loss)/profit attributable to owners of the parent for continuing operations was a loss of US$584 million (R6,020 million) (or US$0.79 per share) for 2013 compared to a profit of US$316 million (R2,592 million) (or US$0.44 per share) for 2012. The reasons for this decrease are discussed below.

REVENUE

Revenue decreased by 18% from US$3,531 million (R28,916 million) for 2012 to US$2,906 million (R27,901 million) for 2013. The decrease in revenue of US$625 million (R1,015 million) was due to a decrease of 16% in the average US dollar gold price for the year from US$1,656 per ounce to US$1,386 per ounce, as well as a 2% decrease in gold sales. As a result of the decrease in the US dollar gold price offset by the weakening of the rand from an average of 8.19 to 9.60 to the US dollar, the rand gold price decreased by 2% from an average of R435,952 per kilogram to R427,753 per kilogram.

Gold sales decreased by 2% from 2,132,500 ounces in 2012 to 2,097,100 ounces in 2013. Gold sales at the South African operation increased by 12% from 270,400 ounces (8,411 kilograms) to 302,100 ounces (9,397 kilograms). Gold sales at the West African operations decreased by 11% from 885,300 ounces to 785,300 ounces. Gold equivalent sales at the South American operation (Cerro Corona) decreased by 12% from 350,400 equivalent ounces to 309,400 equivalent ounces. At the Australian operations, gold sales increased by 12% from 626,400 ounces to 700,200 ounces, mainly due to the inclusion of 114,200 ounces from the Yilgarn South assets.

At South Deep in South Africa, gold sales were higher, increasing by 12% from 8,411 kilograms (270,400 ounces) to 9,397 kilograms (302,100 ounces) as the mine continues with its build-up plan. The increase in the gold sales is due to a 26% increase in reef tonnes broken and a 24% increase in destress production year on year.

At the West African operations, gold sales at Tarkwa decreased by 12% from 718,800 ounces to 632,200 ounces mainly due to cessation of crushing operations at the South heap leach facility at the end of December 2012, as well as the industrial action at the beginning of the June 2013 quarter. Damang's gold sales decreased by 8% from 166,400 ounces to 153,100 ounces mainly due to lower yield following on from the premature closure of the original Damang pit, due to safety reasons.

At Cerro Corona in South America, copper production reduced from 36,200 tonnes to 30,200 tonnes and gold production decreased from 170,000 ounces to 159,500 ounces. As a result gold equivalent sales decreased by 12% from 350,400 ounces to 309,400 ounces due to the lower copper to gold price ratio and the scheduled lower gold and copper grades.

At the Australian operations, production at St Ives decreased by 10% from 449,800 ounces to 402,700 ounces mainly due to cessation of crushing operations and stacking at the heap leach operations and lower-grade open-pit material mined and processed in 2013. At Agnew, gold sales increased by 22% from 176,600 ounces to 215,600 ounces mainly due to the inclusion of Lawlers (32,300 ounces). Gold production at Darlot and Granny Smith was 19,700 ounces and 62,200 ounces, respectively.

COST OF SALES

Cost of sales, which consists of operating costs and amortisation and depreciation, increased by 6% from US$2,151 million (R17,617 million) in 2012 to US$2,278 million (R21,866 million) in 2013.

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

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

Operating costs increased marginally from US$1,674 million (R13,709 million) in 2012 to US$1,679 million (R16,116 million) in 2013.

At the South Deep operation in South Africa, operating costs increased by 25% from R2,480 million (US$303 million) to R3,089 million (US$322 million). This increase of R609 million was mainly due to the increase in production, additional staff, annual wage increases, an increase in electricity tariffs, an increase of de-stress development and an increase in maintenance costs.

At the West African operations, operating costs decreased by 4% from US$674 million in 2012 to US$645 million in 2013. This decrease of US$29 million was mainly due to decreased power costs and business process re-engineering at both operations partially offset by normal inflationary increases and annual wage increases. At Tarkwa, operating costs decreased by 4% from US$494 million to US$474 million and at Damang, operating costs decreased by 4% from US$179 million to US$171 million.

At the Cerro Corona operation in Peru, operating costs decreased by 6% from US$171 million in 2012 to US$161 million in 2013, mainly due to a decrease in workers' statutory participation in profits.

At the Australian operations, operating costs increased by 12% from A$508 million (US$526 million) 2012 to A$569 million (US$551 million) in 2013. At St Ives, operating costs decreased by 2% from A$365 million (US$378 million) to A$357 million (US$346 million). This decrease of A$8 million was mainly due to a decrease in open-pit tonnes mined and processed and the cessation of the heap leach operations at the end of 2012, partially offset by an increase in underground tonnes mined and processed. At Agnew, operating costs decreased by 2% from A$143 million (US$148 million) to A$140 million (US$135 million). This decrease of A$3 million was mainly due to cost-saving initiatives arising from mining only the Kim ore body (main lode was closed during 2012), partly offset by the inclusion of Lawlers (A$21 million or US$20 million). Operating costs at Darlot and Granny Smith were A$22 million (US$22 million) and A$50 million (US$49 million), respectively.

General and administration (G&A) costs

Net general and administration costs, which are included in operating costs, decreased by 27% from US$91 million (R748 million) in 2012 to US$66 million (R634 million) in 2013. This decrease was mainly due to a decrease in corporate office staffing and expenditure.

Management's discussion and analysis of the financial statements (continued)

Gold inventory change

The gold inventory credit decreased by 45% from US$22 million (R180 million) in 2012 to US$12 million (R114 million) in 2013.

At Tarkwa, the gold inventory credit of US$25 million in 2012 compared with a debit of US$31 million in 2013. The US$31 million charge in 2013 was due to a drawdown of inventory. The US$25 million credit in 2012 was due to a revaluation of inventory during the year.

At Damang, the gold inventory credit increased from US$4 million in 2012 to US$11 million in 2013, both credits due to increases in stockpiles.

At Cerro Corona, the gold inventory credit increased from US$11 million in 2012 to US$19 million in 2013, both credits due to a build-up of sulphide inventory during the year.

At St Ives, the charge of A$14 million (US$15 million) in 2012 compared with a credit to costs of A$9 million (US$9 million) in 2013. The credit in 2013 was as a result of a build-up in run-of-mine stockpiles. The charge in 2012 was as a result of a strategic decision to process stockpiles built up from the open pits in prior periods while implementing owner mining at the open pits.

At Agnew, the gold inventory charge of A$3 million (US$3 million) in 2012 compared with A$1 million (US$1 million) in 2013, both charges to cost due to processing of the Songvang open-pit stockpile that was built up in 2011. The charge in 2013 was partially offset by the addition of the Lawlers stockpiles.

Gold inventory credits at Darlot and Granny Smith were A$1 million (US$1 million) and A$4 million (US$4 million), respectively.

The table below presents the analysis of cost of sales:

Analysis of cost of sales		2013 US$ million	2012 US$ million
Cost of sales per income statement		**2,278**	2,151
(Deduct)/add:	Amortisation and depreciation	**(611)**	(499)
	Gold inventory change – total	**12**	22
Operating costs		**1,679**	1,674
(Deduct)/add:	General and administration	**(66)**	(91)
	Royalties*	**91**	117
	Gold inventory change – cash portion	**(6)**	(27)
	Rehabilitation	**(13)**	(11)
Total cash cost		**1,685**	1,662

*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 2013 and 2012:

	2013			2012		
	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	**302.1**	**1,045**	**322,564**	270.4	1,105	290,952
South African operation	**302.1**	**1,045**	**322,564**	270.4	1,105	290,952
Tarkwa[1]	**632.2**	**816**	**251,775**	718.9	673	177,091
Damang[2]	**153.1**	**1,060**	**327,057**	166.4	1,053	277,232
West African operations	**785.3**	**863**	**266,426**	885.3	744	195,910
Cerro Corona[3]	**309.4**	**491**	**151,444**	350.4	492	129,672
South American operations	**309.4**	**491**	**151,444**	350.4	492	129,672
St Ives	**402.7**	**833**	**257,079**	449.8	857	225,572
Agnew/Lawlers	**215.6**	**625**	**192,921**	176.6	827	217,856
Darlot	**19.7**	**1,025**	**316,320**	–	–	–
Granny Smith	**62.2**	**786**	**242,486**	–	–	–
Australian operations	**700.2**	**770**	**237,696**	626.4	849	223,396
Total operations	**2,097.1**			2,132.5		
Weighted average unit cost		**803**	**247,956**		779	205,153

[1] For the year ended 31 December 2013 and 2012, 568,980 ounces and 647,010 ounces, respectively, were attributable to Gold Fields.
[2] For the year ended 31 December 2013 and 2012, 137,790 ounces and 149,760 ounces, respectively, were attributable to Gold Fields.
[3] For the year ended 31 December 2013 and 2012, 305,790 equivalent ounces and 345,140 equivalent ounces, respectively, were attributable to Gold Fields.
[4] Total cash cost is calculated in accordance with the Gold Industry standard.

The weighted average total cash cost per ounce increased by 3% from US$779 per ounce (R205,153 per kilogram) in 2012 to US$803 per ounce (R247 956 per kilogram in 2013.

The total cash cost at South Deep in South Africa increased by 11% from R290,952 per kilogram (US$1,105 per ounce) in 2012 to R322,564 per kilogram (US$1,045 per ounce) in 2013. This increase was as a result of an increase in de-stress development, an increase in labour costs 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 16% from US$744 per ounce to US$863 per ounce. This increase was due to the decrease in production at both Tarkwa and Damang, as well as an inventory drawdown at Tarkwa of US$31 million in 2013 compared with a credit to costs of US$25 million in 2012 and a US$11 million credit at Damang in 2013 compared with a credit of US$4 million in 2012.

At Cerro Corona in South America, total cash cost decreased marginally from US$492 per ounce to US$491 per ounce.

At the Australian operations, total cash cost decreased by 3% from A$819 per ounce (US$849 per ounce) to A$796 per ounce (US$770 per ounce) mainly due to cost-saving initiatives and as a result of the inclusion of the lower cost Yilgarn South assets in the December 2013 quarter.

Amortisation and depreciation

Amortisation and depreciation increased by 22%, from US$499 million (R4,088 million) to US$611 million (R5,864 million) in 2013.

In South Africa, amortisation at South Deep increased by 41% from R675 million (US$82 million) in 2012 to R950 million (US$99 million) in 2013 mainly due to additions to property, plant and equipment and increased production which is used in the calculation of amortisation.

Management's discussion and analysis of the financial statements (continued)

At the West African operations, amortisation increased by 14% from US$148 million in 2012 to US$168 million in 2013. Tarkwa increased by 10% from US$125 million to US$138 million due to additions to property, plant and equipment and the accelerated depreciation of the North heap leach assets during 2013. Damang increased by 35% from US$23 million to US$31 million due to additions to property, plant and equipment capitalised and increased machine hours of existing assets.

In South America, amortisation at Cerro Corona remained constant at US$49 million.

At the Australian operations, amortisation increased by 45% from A$207 million (US$214 million) in 2012 to A$300 million (US$290 million) in 2013. At St Ives, amortisation increased by 29% from A$156 million (US$161 million) to A$201 million (US$194 million) in 2013 due to a 20% increase in more expensive ounces mined underground and a move from the Leviathan pit, which had been fully amortised in earlier years, to new pits in 2013 with deeper cover and higher amortisation charges. Agnew increased by 43% from A$51 million (US$53 million) to A$73 million (US$71 million) mainly due to the inclusion of Lawlers (A$10 million or US$10 million). Amortisation at Darlot and Granny Smith was A$4 million (US$4 million) and A$22 million (US$21 million), respectively.

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 19% for 2013 and 2012, respectively.

	2013					2012				
	Gold produced '000 oz	Operating costs US$ million	Capital expenditure US$ million	NCE US$/oz	NCE R/kg	Gold produced '000 oz	Operating costs US$ million	Capital expenditure US$ million	NCE US$/oz	NCE R/kg
South Deep	302.1	321.8	202.4	1,735	535,533	270.4	302.9	314.5	2,283	601,141
South African operation	302.1	321.8	202.4	1,735	535,533	270.4	302.9	314.5	2,283	601,141
Tarkwa	632.2	473.7	207.0	1,077	332,293	718.9	494.4	259.9	1,049	276,299
Damang	153.1	171.1	50.1	1,445	446,030	166.4	179.1	92.1	1,630	429,262
West African operations	785.3	644.8	257.1	1,148	354,461	885.3	673.5	352.0	1,158	305,045
Cerro Corona	316.7	161.3	56.3	687	212,004	342.1	171.4	93.8	775	204,069
South American operations	316.7	161.3	56.3	687	212,004	342.1	171.4	93.8	775	204,069
St Ives	402.7	345.5	132.3	1,186	366,207	449.8	378.0	308.5	1,526	401,851
Agnew	215.6	135.0	52.3	869	268,094	176.6	148.1	62.3	1,191	313,615
Darlot	19.7	21.6	1.5	1,171	361,509	–	–	–	–	–
Granny Smith	62.2	48.8	7.8	909	280,678	–	–	–	–	–
Australian operations	700.2	550.8	193.9	1,064	328,267	626.4	526.1	370.8	1,432	376,973
Total mining operations	2,104.4	1,678.7	709.6	1,135	350,297	2,124.2	1,673.8	1,131.1	1,320	347,690
Growth projects and corporate	–	–	22.7	11	3,330	–	–	58.0	28	7,182
Total continuing operations	2,104.4	1,678.7	732.3	1,146	353,627	2,124.2	1,673.8	1,189.0	1,348	354,872

The above calculation is based on the average rand to the US dollar exchange rate for the period of 9.60 and 8.19 in 2013 and 2012 respectively.

The NCE decreased by 15% from US$1,348 per ounce in 2012 to US$1,146 per ounce in 2013 because of the lower capital expenditure (as discussed under additions to property, plant and equipment), partially offset by the lower production and higher operating costs.

All-in sustaining and total all-in cost

The World Gold Council has worked closely with its member companies to develop definitions for "all-in sustaining costs" and "all-in costs". These non-GAAP measures are intended to provide further transparency into the costs associated with producing and selling an ounce of gold. The new standard was released by the World Gold Council on 27 June 2013. It is expected that these new metrics will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. The "all-in sustaining costs" is an extension of existing "cash cost" metrics and incorporates costs related to sustaining current production. The "all-in costs" include additional costs which relate to the growth of the Group.

Gold Fields adopted and implemented these metrics as from the June 2013 quarter. All-in sustaining costs and total all-in cost are reported on a per ounce and a per kilogram basis.

As from 2014, Gold Fields will exclusively report its costs in accordance with the new World Gold Council definition for all-in sustaining costs and total all-in cost and therefore will no longer report total cash cost and notional cash expenditure ('NCE').

The following table sets out for each operation and the Group, total gold sales in ounces, all-in sustaining costs and total all-in cost in US$/oz and R/kg for 2013 and 2012:

	2013					2012				
	Gold only ounces sold	All-in sustaining costs – US$/oz	All-in sustaining costs – R/kg	Total all-in cost – US$/oz	Total all-in cost – R/kg	Gold only ounces sold	All-in sustaining costs – US$/oz	All-in sustaining costs – R/kg	Total all-in cost – US$/oz	Total all-in cost – R/kg
South Deep	**302.1**	**1,541**	**475,706**	**1,763**	**544,190**	270.4	1,732	456,153	2,308	607,835
South African operations	**302.1**	**1,541**	**475,706**	**1,763**	**544,190**	270.4	1,732	456,153	2,308	607,835
Tarkwa	**632.2**	**1,291**	**398,407**	**1,291**	**398,407**	718.9	1,117	294,121	1,117	294,121
Damang	**153.1**	**1,558**	**480,994**	**1,558**	**480,994**	166.4	1,707	449,428	1,753	461,451
West African operations	**785.3**	**1,343**	**414,508**	**1,343**	**414,508**	885.3	1,228	323,328	1,236	325,580
Cerro Corona[1]	**157.3**	**206**	**63,540**	**206**	**63,540**	173.4	82	21,569	82	21,569
South American operations	**157.3**	**206**	**63,540**	**206**	**63,540**	173.4	82	21,569	82	21,569
St Ives	**402.7**	**1,218**	**375,793**	**1,218**	**375,793**	449.8	1,659	436,944	1,659	436,944
Agnew/Lawlers	**215.6**	**919**	**283,494**	**919**	**283,494**	176.6	1,253	330,012	1,253	330,012
Darlot	**19.7**	**1,132**	**349,266**	**1,132**	**349,266**	–	–	–	–	–
Granny Smith	**62.2**	**888**	**274,098**	**888**	**274,098**	–	–	–	–	–
Australian operations	**700.2**	**1,094**	**337,593**	**1,094**	**337,593**	626.4	1,545	406,794	1,545	406,794
GIP and Corporate	**–**	**10**	**3,206**	**85**	**26,232**	–	12	3,164	155	40,866
Total operations	**1,944.9**	**1,202**	**371,125**	**1,312**	**404,788**	1,955.5	1,310	344,909	1,537	404,644

All-in costs are calculated in accordance with the World Gold Council Industry standard.

[1] Gold sold at Cerro Corona excludes copper equivalents of 152,100 ounces in 2013 and 177,000 ounces in 2012.

All-in sustaining costs and total all-in cost amounted to US$1,202 per ounce and US$1,312 per ounce in 2013 compared with US$1,310 per ounce and US$1,537 per ounce, respectively, in 2012. The decrease in all-in sustaining costs and total all-in cost was as a response to the decrease in the gold price in the beginning of 2013 and the implementation of the new Group strategy of a 15% free cash flow. For the December 2013 quarter, all-in sustaining costs and total all-in cost amounted to US$1,054 per ounce and US$1,095 per ounce, respectively.

Management's discussion and analysis of the financial statements (continued)

NET OPERATING PROFIT

Net operating profit for continuing operations decreased by 54% from US$1,380 million (R11,299 million) in 2012 to US$629 million (R6,034 million) in 2013.

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

INVESTMENT INCOME

Income from investments decreased by 44% from US$16 million (R134 million) in 2012 to US$9 million (R81 million) in 2013. The decrease was mainly due to lower cash balances at the international operations in 2013.

The investment income in 2013 of US$9 million (R81 million) comprised US$1 million (R4 million) interest on monies invested in the South African environmental rehabilitation trust fund and US$8 million (R77 million) interest on other cash and cash equivalent balances.

The investment income in 2012 of US$16 million (R134 million) comprised US$1 million (R4 million) interest on monies invested in the South African environmental rehabilitation trust fund and US$15 million (R130 million) interest on other cash and cash equivalent balances.

Interest received on the funds invested in the rehabilitation trust fund remained flat at US$1 million (R4 million).

Interest on other cash balances decreased from US$15 million (R130 million) 2012 to US$8 million (R77 million) in 2013 mainly due to lower cash balances at the international operations in 2013.

FINANCE EXPENSE

Finance expense increased by 27% from US$55 million (R453 million) in 2012 to US$70 million (R667 million) in 2013.

The finance expense of US$70 million (R667 million) in 2013 comprised US$2 million (R22 million) relating to the accretion of the environmental rehabilitation liability and US$91 million (R871 million) on various Group borrowings, partially offset by interest capitalised of US$23 million (R226 million).

The finance expense of US$55 million (R453 million) in 2012 comprised US$3 million (R23 million) relating to the accretion of the environmental rehabilitation liability and US$68 million (R562 million) on various Group borrowings, partially offset by interest capitalised of US$16 million (R132 million).

The environmental rehabilitation liability accretion expense decreased from US$3 million (R23 million) in 2012 to US$2 million (R22 million) in 2013 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:

	2013 US$ million	2012 US$ million
Interest on borrowings to fund capital expenditure and operating costs at the South African operations	**9**	2
Interest on US$1 billion notes issue	**50**	49
Sibanye Gold guarantee fee	**5**	–
Interest on US$60 million senior secured revolving credit facility	**2**	2
Interest on US$200 million non-revolving senior secured term loan	**2**	3
Interest on US$1 billion syndicated revolving credit facility	**1**	8
Interest on split-tenor revolving credit facility	**–**	1
Interest on US$500 million syndicated revolving credit facility	**–**	2
Interest of US$1,440 million term loan and revolving credit facility	**19**	–
Other interest charges	**3**	1
	91	68

Interest on borrowings to fund capital expenditure and operating costs at the South African operations increased from US$2 million in 2012 to US$9 million in 2013 due to additional borrowings.

Interest on the US$1 billion notes issue remained relatively flat at US$50 million in 2013.

Interest on the US$60 million senior secured revolving credit facility remained flat at US$2 million.

The yearly guarantee fee of US$5 million became payable to Sibanye Gold in 2013 after the unbundling of Sibanye Gold.

Interest on the US$200 million non-revolving senior secured term loan decreased from US$3 million in 2012 to US$2 million in 2013 due to repayments made during 2013.

Interest on the US$1 billion syndicated revolving credit facility, split tenor revolving credit facility, US$500 million syndicated revolving and US$1,440 million term loan and revolving credit facility increased from US$11 million in 2012 to US$20 million in 2013 due to additional borrowings.

On 16 April 2012, the outstanding balance under the split tenor revolving credit facility was refinanced by drawing down under the US$1 billion syndicated revolving credit facility.

On 15 February 2013, the outstanding balances under the US$1 billion syndicated revolving credit facility and US$500 million syndicated revolving credit facility were refinanced by drawing down under the US$1,440 million term loan and revolving credit facility.

During 2013, US$23 million (2012: US$16 million) of interest was capitalised in terms of IAS 23 *Borrowing Cost*. IAS 23 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The qualifying projects were South Deep's mine development and ventilation shaft deepening project and Chucapaca. An average interest capitalisation rate of 4.6% (2012: 3.9%) was applied.

LOSS ON FINANCIAL INSTRUMENTS

The loss on financial instruments decreased from US$1 million (R5 million) in 2012 to US$nil (R3 million) in 2013. The breakdown of these numbers is given below:

	2013 US$ million	2012 US$ million
Gain on Australian diesel hedge	**1**	–
Loss on South Deep forward exchange contract	**(1)**	–
Negative marked-to-market valuation of exploration junior warrants	**–**	(1)
	–	(1)

Currency forward contracts

The US$1 million gain on the Australian diesel hedge relates to St Ives Gold Mining Company who entered into a Singapore Gasoil 10PPM cash-settled swap transaction on 1 May 2013 for 7,500 barrels per month effective 1 June 2013 until 31 March 2014 at a fixed price of US$115.0 per barrel. 30,000 barrels with a positive marked-to-market value of US$0.3 million were outstanding at the end of December 2013.

The US$1 million loss on the South Deep forward exchange contract relates to US$120 million of expected gold revenue for the September and December 2013 quarters sold forward on behalf of South Deep mine in May 2013 at an average forward rate of R9.9732, with monthly deliveries of US$20 million starting 22 July 2013 until 21 December 2013.

The US$1 million negative marked-to-market valuation of exploration junior warrants 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.

Management's discussion and analysis of the financial statements (continued)

PROFIT/(LOSS) ON FOREIGN EXCHANGE

The profit of US$7 million (R70 million) in 2013 compared with a loss of US$14 million (R113 million) in 2012. The breakdown of these numbers is given below:

	2013 US$ million	2012 US$ million
Exchange losses on cash balances held in currencies other than the functional currencies of the Group's various subsidiary companies	**(3)**	(10)
Gain/(loss) on repayment of US dollar-denominated intercompany loans	**10**	(4)
	7	(14)

The exchange losses on cash balances decreased from US$10 million in 2012 to US$3 million in 2013. The exchange loss of US$3 million in 2013 is due to the weakening of the Ghanaian cedi and Australian dollar, while the exchange loss of US$10 million in 2012 is due to the weakening of the Ghanaian cedi and Peruvian nuevo sol.

The US$10 million profit in 2013 (2012: loss of US$4 million) relates to the conversion of intercompany US dollar-denominated loans between Gold Fields Orogen and Gold Fields Australia.

OTHER COSTS

Other costs increased from US$16 million (R127 million) in 2012 to US$97 million (R934 million) in 2013.

The charges in 2013 are mainly made up of:
- Social contributions and sponsorships of US$11 million;
- Facility charges amounting to US$24 million on cancellation of the US$1 billion and US$500 million facilities and other transaction costs of US$13 million associated with the unbundling of Sibanye Gold;
- New loan facility charges;
- Stamp duty and transaction costs amounting to US$27 million on the acquisition of the Barrick Yilgarn South assets; and
- Legal fees amounting to US$11 million as a result of the Gold Fields Board examination and regulatory investigation relating to the South Deep Black Economic Empowerment transaction.

The charges in 2012 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 IFRS 2 *Share-based payment*.

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 depending on the rules of the plan expensed on a straight-line basis over a nine-month, 18-month or three-year vesting period, adjusted for forfeitures as appropriate.

Based on these models, share-based payments decreased by 11% from US$46 million (R373 million) in 2012 to US$41 million (R389 million) in 2013. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The decrease in share-based payments was mainly due to the deliberate reduction of employees after restructuring and rightsizing of all corporate, regional and operational structures.

EXPLORATION EXPENSE

Exploration expense decreased by 49% from US$129 million (R1,053 million) in 2012 to US$66 million (R633 million) in 2013. The bulk of the expenditure was incurred on a diversified pipeline of projects in Asia, Africa, Australia, North, South and Central America.

The decrease in 2013 was due to the break-up of the Growth and International Projects ('GIP') division and deliberate reduction in exploration activities from September 2013. During 2013, the following amounts were spent on advanced stage exploration projects: Yanfolila in Mali (US$3 million), Salares Norte in Chile (US$23 million), Pedernales in Chile (US$4 million), Woodjam in Canada (US$2 million), Taguas in Argentina (US$2 million), Talas in Kyrgyzstan (US$5 million) and Asosa in Ethiopia (US$5 million) and US$21 million was spent on exploration office costs. In addition, US$10 million related to brownfields exploration in Australia that is expensed.

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) and US$18 million was spent on exploration office costs. In addition, US$19 million and US$2 million related to the portion of brownfields exploration in Australia and Peru that is expensed, respectively.

Subject to continued exploration success, greenfields exploration, feasibility and evaluation and brownfields exploration expenditure is expected to be US$35 million in 2014.

FEASIBILITY AND EVALUATION COSTS

Feasibility and evaluation costs increased by 9% from US$44 million (R361 million) in 2012 to US$48 million (R458 million) during 2013.

The cost of US$48 million (R458 million) in 2013 is made up of corporate development and strategic project costs and general office costs in the various countries the Group operates in of US$31 million and expenditure on the Yanfolila project of US$17 million.

The cost of US$44 million (R361 million) in 2012 is made up of corporate development and strategic project costs and general office costs of US$34 million (R281 million) in the various countries the Group operates in, as well as expenditure of US$10 million (R80 million) on the Far Southeast Project ('FSE') in the Philippines up to March 2012 when FSE was reclassified as an associate.

SHARE OF EQUITY-ACCOUNTED EARNINGS AFTER TAXATION

Share of results of equity-accounted investees after taxation decreased by 64% from a loss of US$50 million (R407 million) in 2012 to a loss of US$18 million (R177 million) in 2013. Gold Fields equity accounts for five equity-accounted investees: Rusoro Mining Limited, Far Southeast Gold Resources Incorporated, Bezant Resources PLC, Rand Refinery Limited up to the date of unbundling of Sibanye Gold and Timpetra Resources Limited up to May 2013 (2012: Rusoro Mining Limited, Far Southeast Gold Resources Incorporated ('FSE'), Rand Refinery Limited and Timpetra Resources Limited).

The Group's 26.4% share of after-tax losses in Rusoro Mining Limited was US$nil (Rnil) in 2013 and in 2012. The value of the investment was US$nil (Rnil) during 2013 and 2012 as the carrying value was written down to US$nil (Rnil) due to losses incurred by the entity.

The Group paid US$10 million (R69 million) in option fees to Lepanto Consolidated Mining Company during 2010 and non-refundable payments of US$44 million (R302 million) during 2010 and US$66 million (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 US$110 million (R834 million) to Liberty Express Assets. The Group's 40% share of after-tax losses in FSE decreased by 64% from US$50 million (R411 million) during 2012 to US$18 million (R177 million) during 2013. The decrease was mainly due to a deliberate reduction in exploration expenditure.

In January 2013, the Group purchased an associate stake in Bezant Resource PLC ('Bezant') for US$8 million (R68 million). The Group's 21.6% share of after-tax profits in Bezant was US$nil (Rnil) during 2013.

Before unbundling of Sibanye Gold, the Group had a 34.9% (1.8% for continuing operations and 33.1% for discontinued operations) in Rand Refinery Limited ('Rand Refinery'). The share of after-tax profits in Rand Refinery for continuing operations for the two months ended February 2013 was US$nil (Rnil) compared with US$1 million (R5 million) for the 12 months ended 31 December 2012.

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 US$3 million (R23 million). Timpetra Resources is an Australian-listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project previously owned by St Ives Gold Mining Company. During 2013, 13.7 million shares out of the 15 million previously held were disposed of and, due to the decrease in shareholding, Timpetra Resources Limited is no longer considered an associate. The remaining number of shares is included in available-for-sale investments. The Group's share of after-tax profits in Timpetra decreased from US$nil (R1 million) during 2012 to US$nil (Rnil) during 2013 as a result of the decrease in shareholding.

Management's discussion and analysis of the financial statements (continued)

RESTRUCTURING COSTS

Restructuring costs decreased by 24% from US$51 million (R416 million) in 2012 to US$39 million (R378 million) in 2013. The costs in 2013 include US$35 million (R339 million) on voluntary separation packages and US$4 million (R39 million) on business process re-engineering costs, while the costs in 2012 include US$6 million (R47 million) on voluntary separation packages, US$21 million (R172 million) on business process re-engineering costs and US$24 million (R197 million) on the South Deep collective agreement buy-out.

IMPAIRMENT OF INVESTMENTS AND ASSETS

Impairment of investments and assets increased from US$98 million (R804 million) in 2012 to US$810 million (R8,337 million) in 2013.

The impairment charge of US$810 million in 2013 included mainly cash-generating units ('CGU') impairments of US$265 million (R2.7 billion) at St Ives, US$173 million (R1.8 billion) at Damang and US$51 million (R531 million) at Tarkwa.

In addition, the following were impaired during 2013:

- US$116 million (R1,181 million) at Tarkwa due to the cessation of the North heap leach operations. This impairment comprised the write-down of inventory to net realisable value amounting to US$43 million (R435 million) as well as impairment of related assets amounting to US$73 million (R746 million);
- US$27 million (R276 million) at Tarkwa related to long lead items such as the ball mill of US$22 million (R229 million) and components of US$5 million (R48 million) for Tarkwa Expansion Phase 6 ('TEP 6') – it was decided not to advance the TEP 6 project as a result of inadequate returns;
- US$19 million (R188 million) net realisable write-downs of stockpiles and consumables at Tarkwa and Damang;
- US$20 million (R204 million) impairment of redundant assets at Tarkwa, Cerro Corona and Agnew;
- US$90 million (R928 million) at the Arctic Platinum Project ('APP') and US$30 million (R307 million) at Yanfolila. These projects were written down to estimated market value after a decision was made to dispose of them and they were reclassified as held for sale;
- US$10 million (R98 million) related to the impairment of the Group's option payment to Bezant (due to the Group's decision not to pursue the Guinaoang deposit); and
- US$10 million (R99 million) related to impairment of listed investments (Orsu Metals Corporation and various junior exploration companies).

The impairment charge of US$98 million (R804 million) in 2012 consists of US$53 million (R434 million) impairment of exploration interests in Australia, US$10 million (R83 million) impairment of heap leach assets and US$19 million (R157 million) impairment of heap leach inventory in Australia due to the cessation of the heap leach operations at St Ives, US$5 million (R44 million) impairment of redundant assets at Ghana and Peru and US$11 million (R86 million) related to impairment of listed equity investments. (Northam Platinum Limited and various junior exploration companies).

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

If there are any indicators of impairment, the long-lived 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 the lower gold price and higher discount rates were indicators of impairment of assets at 31 December 2013. As a result, CGUs of US$265 million (R2.7 billion) at St Ives, US$173 million (R1.8 billion) at Damang and US$51 million (R531 million) at Tarkwa were impaired at 31 December 2013.

The impairment calculations for Ghana were based on the following estimates and assumptions:

- Long-term gold price of US$1,300 per ounce;
- A real discount rate of 8.0%;
- Proved and probable reserves as per the most recent life-of-mine plan;
- Operating costs and capital expenditure estimates as per the most recent life-of-mine plan; and
- Market value, at US$26 per ounce, used for resource valuation.

The impairment calculations for Australia were based on the following estimates and assumptions:

- Long-term gold price of A$1,444 per ounce;
- A real discount rate of 5.2%;
- Proved and probable reserves as per the most recent life-of-mine plan, including endowment ounces; and
- Operating costs and capital expenditure estimates as per the most recent life-of-mine plan.

The impairment calculations for Peru were based on the following estimates and assumptions:

- Long-term gold price of US$1,300 per ounce;
- A real discount rate of 6.0%;
- 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.

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

The following estimates and assumptions were used by management in reviewing South Deep and the associated goodwill for impairment:

- Long-term gold price of R400,000 per kilogram (US$1,300 per ounce) for life of mine (2012: R400,000 per kilogram (US$1,500 per ounce) for life of mine);
- A nominal discount rate of between 10.9% and 12.3% (2012: 9.4% and 12.1%). A nominal discount rate is used due to the fact that South Deep is not in a tax paying position;
- Proved and probable reserves as per the most recent life-of-mine plan;
- Operating costs and capital expenditure estimates as per the most recent life-of-mine plan; and
- Market value, at US$26 per ounce, used for resource valuation.

PROFIT ON DISPOSAL OF INVESTMENTS

The profit on the disposal of investments decreased by 36% from US$28 million (R226 million) in 2012 to US$18 million (R171 million) in 2013.

The profit on disposal of investments of US$18 million in 2013 comprises:

	US$ million
Profit on disposal of shares in Northam Platinum Limited	**13**
Profit on disposal of the Group's interest in Talas (exploration project in Kyrgyzstan)	**5**
	18

The profit on disposal of investments of US$28 million in 2012 comprises:

	US$ million
Loss on disposal of shares in Evolution Mining Limited	**(2)**
Profit on disposal of shares in Atacama Pacific Corporation	**8**
Profit on disposal of shares in GoldQuest Mining Corporation	**22**
	28

PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Profit on disposal of property, plant and equipment was US$2 million (R15 million) in 2013 compared to US$nil (R2 million) in 2012.

The major disposals in 2013 related to the sale of redundant assets at St Ives, Agnew, Cerro Corona, Tarkwa and South Deep, whereas in 2012 they related to the sale of redundant assets at St Ives, Cerro Corona and South Deep.

ROYALTIES

Royalties decreased by 22% from US$117 million (R956 million) in 2012 to US$91 million (R869 million) in 2013 and are made up as follows:

	2013 US$ million	2012 US$ million
South Africa	**2**	2
Ghana	**56**	74
Peru	**9**	15
Australia	**24**	26
	91	117

Management's discussion and analysis of the financial statements (continued)

The royalty in South Africa (South Deep) remained flat at US$2 million. The royalty in Ghana and Australia decreased in line with the decrease in gold revenue. The royalty in Peru decreased in line with the decrease in operating profit.

MINING AND INCOME TAX

Mining and income tax was a net income of US$20 million (R315 million) in 2013 compared to a net expense of US$457 million (R3,740 million) in 2012. The tax income in 2013 is mainly due to the impairment charges in Ghana and Australia.

The table below indicates Gold Fields' effective tax expense rate in 2013 and 2012:

	2013 US$ million	2012 US$ million
Income and mining tax income/(expense)	**20**	(457)
Effective tax expense rate – %	**3.3**	56.7

In 2013, the effective tax expense rate of 3% was lower than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:
- US$6 million (R54 million) adjustment to reflect the actual realised company tax rates in South Africa and offshore; and
- US$2 million (R21 million) non-taxable profit on disposal of investments.

The above were offset by the following tax-effected charges:
- US$50 million (R481 million) non-deductible charges comprising share-based payments (US$12 million or R111 million), exploration expense (US$22 million or R215 million) and feasibility and evaluation costs (US$16 million or R156 million);
- US$44 million (R453 million) non-deductible impairment charges of assets relating to Arctic Platinum, Yanfolila and the non-refundable Bezant option payment;
- US$33 million (R319 million) non-deductible interest and facility charges paid;
- US$8 million (R79 million) non-deductible legal and consulting fees;
- US$5 million (R49 million) non-deductible stamp duty on the acquisition of the Yilgarn South assets;
- US$26 million (R245 million) deferred tax charge on Peruvian Nuevo Sol devaluation against US dollar;
- US$17 million (R161 million) of net non-deductible expenditure and non-taxable income; and
- US$6 million (R60 million) of non-deductible share of results of equity-accounted investees after taxation.

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:
- US$16 million (R128 million) adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US$6 million (R47 million) non-taxable profit on disposal of investments;
- US$11 million (R91 million) deferred tax release on Peruvian Nuevo Sol devaluation against US dollar; and
- US$8 million (R61 million) of net non-deductible expenditure and non-taxable income.

The above were offset by the following tax-effected charges:
- US$64 million (R526 million) non-deductible charges comprising share-based payments (US$13 million or R106 million), exploration expense (US$36 million or R298 million) and feasibility and evaluation costs (US$15 million or R123 million);
- US$21 million (R168 million) non-deductible interest paid;
- US$13 million (R106 million) deferred tax charge on reduction of the long-term expected tax rate at South Deep;
- US$95 million (R777 million) deferred tax charge on increase of the long-term expected tax rate at the Ghanaian operations; and
- US$17 million (R139 million) of non-deductible share of results of equity-accounted investees after taxation.

(LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

As a result of the factors discussed above, the continuing operations posted a loss of the year of US$595 million (R6,157 million) in 2013 compared with a profit of US$349 million (R2,854 million) in 2012.

(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT FROM CONTINUING OPERATIONS

Gold Fields posted a loss attributable to ordinary shareholders of the Company from continuing operations of US$584 million (R6,020 million) in 2013 compared with a profit of US$316 million (R2,592 million) in 2012.

LOSS/PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS FROM CONTINUING OPERATIONS

(Loss)/profit attributable to non-controlling interest from continuing operations was a loss of US$12 million (R137 million) in 2013 compared with a profit of US$32 million (R263 million) in 2012. The loss attributable to non-controlling interest in 2013 was mainly as a result of the impairment charges at the Ghanaian operations as discussed above.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% at the end of 2013 (10% at the end of 2012), Gold Fields La Cima (Cerro Corona) at 0.47% at the end of 2013 (1.4% at the end of 2012) and Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) at 49.0% for both years.

The non-controlling interest at Cerro Corona decreased from 1.4% in 2012 to 0.47% in 2013 as a result of the buy-out of non-controlling interest holders of US$13 million (R122 million) representing 0.9% of the issued shares of Gold Fields La Cima, taking the Group's holding to 99.53%.

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

	2013 Minority interest Effective*	2012 Minority interest Effective*	2013 US$ million	2012 US$ million
Gold Fields Ghana Limited – Tarkwa	**10.0%**	10.0%	**(2)**	26
Abosso Goldfields – Damang	**10.0%**	10.0%	**(11)**	3
Gold Fields La Cima – Cerro Corona	**1.2%**	1.5%	**1**	3
Canteras del Hallazgo	**49.0%**	49.0%	**–**	–
			(12)	32

*Average for the year.

(LOSS)/EARNINGS PER SHARE FROM CONTINUING OPERATIONS

As a result of the above, Gold Fields realised a loss of US$0.79 per share (811 SA cents per share) in 2013 compared with earnings of US$0.44 per share (356 SA cents per share) in 2012.

DISCONTINUED OPERATIONS
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS

Profit from discontinued operations decreased from US$385 million (R3,152 million) in 2012 to US$288 million (R2,554 million) in 2013.

The profit of US$288 million (R2,554 million) in 2013 comprised US$56 million (R490 million) relating to the profits of the discontinued operations for the two months up to the date of unbundling in February 2013 and US$232 million (R2,064 million) profit on distribution of the discontinued operations.

The profit of US$385 million (R3,152 million) in 2012 comprised solely of the profits of the discontinued operations for the year ended December 2012.

Management's discussion and analysis of the financial statements (continued)

LIQUIDITY AND CAPITAL RESOURCES
CASH RESOURCES
CASH FLOWS FROM OPERATING ACTIVITIES

Cash inflows from operating activities decreased by 55% from US$1,047 million (R8,709 million) in 2012 to US$467 million (R4,560 million) in 2013. The items comprising these are discussed below.

CONTINUING OPERATIONS

Cash inflows from operating activities from continuing operations decreased by 23% from US$567 million (R4,772 million) in 2012 to US$436 million (R4,279 million) in 2013. The decrease of US$131 million was due to:

	US$ million
Decrease in cash generated from operations due to lower net operating profit	(624)
Decrease in interest received due to lower cash balances	(8)
Decrease in investment in working capital	160
Increase in interest paid due to higher borrowings	(21)
Decrease in royalties paid due to lower revenue	13
Decrease in taxes paid due to lower profit	36
Decrease in dividends paid due to lower normalised earnings	313
	(131)

Dividends paid decreased from US$378 million (R2,963 million) in 2012 to US$65 million (R588 million) in 2013. The dividends paid of US$65 million (R588 million) in 2013 comprised dividends paid to ordinary shareholders of US$62 million (R558 million), non-controlling interests in Ghana and Peru of US$1 million (R10 million) and South Deep BEE dividend of US$2 million (R20 million).

The dividends paid of US$378 million (R2,963 million) in 2012 comprised dividends paid to ordinary shareholders of US$364 million (R2,846 million), non-controlling interests in Ghana and Peru of US$12 million (R97 million) and South Deep BEE dividend of US$3 million (R20 million).

DISCONTINUED OPERATIONS

Cash inflows from discontinued operating activities decreased by 94% from US$480 million (R3,937 million) in 2012 to US$31 million (R282 million) in 2013. The decrease is due to the fact that results for only two months up to the date of unbundling were included in 2013 compared to 12 months in 2012.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash outflows from investing activities decreased by 45% from US$1,661 million (R13,551 million) in 2012 to US$915 million (R8,800 million) in 2013. The items comprising these numbers are discussed below.

CONTINUING OPERATIONS

Cash outflows from investing activities for continuing operations decreased by 33% from US$1,280 million (R10,423 million) in 2012 to US$860 million (R8,312 million) in 2013. The items comprising these numbers are discussed below.

Additions to property, plant and equipment

Capital expenditure decreased by 39% from US$1,221 million (R10,002 million) in 2012 to US$739 million (R7,097 million) in 2013. The main reason for the decrease was the Group's response to the decrease in the gold price and the subsequent closure of the GIP division.

Capital expenditure at South Deep in South Africa decreased from R2,576 million (US$315 million) in 2012 to R1,943 million (US$202 million) in 2013:

- This decrease is mainly due to reduced expenditure on the ventilation shaft deepening, tailings facility and extension to the processing facility. The major areas of capital expenditure in 2013 included the shaft infrastructure, capital development, south shaft pump columns upgrade and shaft steelwork, as well as re-support of all life-of-mine excavations.

Capital expenditure at the West African operations decreased from US$352 million in 2012 to US$257 million in 2013:

- Tarkwa decreased from US$260 million to US$207 million mainly due to decreased expenditure on the purchase of mining fleet; and
- Damang decreased from US$92 million to US$50 million mainly due to decreased expenditure on pre-stripping costs.

Capital expenditure at Cerro Corona in Peru decreased from US$94 million in 2012 to US$56 million in 2013:

- The majority of the expenditure was on the raising of the tailings management facility. The reason for the decrease is the decision to limit the level of the tailings facility to level 3,800.

Capital expenditure at the Australian operations decreased from A$358 million (US$371 million) in 2012 to A$200 million (US$194 million) in 2013:

- St Ives decreased from A$298 million (US$309 million) to A$137 million (US$132 million) due to decreased capital development mainly at the Cave Rocks and Hamlet underground mines, decreased expenditure on the Hamlet infrastructure, reduction in additional exploration and completion of the fleet acquisition in 2012;
- Agnew decreased from A$60 million (US$62 million) to A$54 million (US$52 million) due to a reduction in exploration expenditure partly offset by the addition of capital expenditure at Lawlers (A$7 million or US$7 million); and
- Capital expenditure at Darlot and Granny Smith was A$2 million (US$2 million) and A$8million (US$8 million), respectively.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment increased from US$1 million (R11 million) in 2012 to US$10 million (R100 million) in 2013. In 2013, this related mainly to the proceeds of US$10 million (R100 million) on sale of the Vivienne exploration asset at Agnew, as well as various redundant assets at South Deep and at the international mining operations. In 2012, 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 US$382 million (R2,613 million).

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

During 2013, Gold Fields paid US$13 million (R122 million) for an additional buy-out of 0.9% non-controlling interest of La Cima by purchasing 14.1 million shares.

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 million (R83 million).

Yilgarn South asset purchase

On 1 October 2013, the Group obtained full control of the assets of the Darlot, Lawlers and Granny Smith mines, based in Western Australia, ('the Yilgarn South assets') through a sale and purchase agreement between the Group and Barrick Gold. The total consideration transferred for the acquisition of the Yilgarn South assets was US$262 million (R2,653 million) which comprised a cash portion of US$135 million (R1,367 million), as well as equity instruments (28.7 million ordinary shares) amounting to US$127 million (R1,287 million).

Payment to FSE

Gold Fields paid US$10 million (R69 million) in option fees to Lepanto Consolidated Mining Company during the six months ended 31 December 2010. In addition, Gold Fields paid non-refundable down payments of US$44 million (R302 million) during the six months ended 31 December 2010 and US$66 million (R535 million) during the year ended 31 December 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, Gold Fields acquired 40% of the issued share capital of FSE by contributing an additional non-refundable down payment of US$110 million (R834 million).

Management's discussion and analysis of the financial statements (continued)

Payment to Bezant

In 2011, 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, in 2011, Gold Fields paid an upfront non-refundable option fee of US$7 million (R55 million) to Bezant Resources PLC and had 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 was granted until expiry on 31 January 2013. In January 2013, the option was extended to 31 January 2014 with a revised consideration of US$61 million to be paid on future exercise of the option. In consideration for this extension, Gold Fields made a payment of US$10 million (R91 million) comprising a second non-refundable payment of US$2 million (R23 million) and US$8 million (R68 million) payment for a 21.6% shareholding in Bezant. In November 2013, Gold Fields relinquished the option ahead of the expiry date and the $10 million non-refundable option fee was impaired. The 21.6% shareholding in Bezant, acquired in January 2013, is classified as an investment in associate.

Purchase of investments

Investment purchases increased from US$1 million (R7 million) in 2012 to US$4 million (R33 million) in 2013.

The purchase of investments of US$4 million in 2013 comprised:

	US$ million
Rand Refinery Limited	1
Clancy Exploration Limited	1
Aurigin Resources Incorporated	2
	4

The purchase of investments of US$1 million in 2012 comprised:

	US$ million
Atacama Pacific Gold Corporation – conversion of warrants	1
	1

Proceeds on disposal of investments

Proceeds on the disposal of investments decreased from US$65 million (R526 million) in 2012 to US$35 million (R341 million) in 2013.

The proceeds on disposal of investments of US$35 million in 2013 comprised:

	US$ million
Sale of shares in Northam Platinum Limited	33
Sale of shares in Timpetra Resources Limited	1
Repayment of loans advanced to GBF Underground Mining Company	1
	35

The proceeds on disposal of investments of US$65 million in 2012 comprised:

	US$ million
Sale of shares in Evolution Mining Limited	25
Sale of shares in GoldQuest Mining Corporation	23
Sale of shares in Atacama Pacific Gold Corporation	15
Repayment of loans advanced to GBF Underground Mining Company	2
	65

Environmental trust funds and rehabilitation payments

The environmental trust fund and rehabilitation payments increased from US$3 million (R27 million) in 2012 to US$5 million (R43 million) in 2013.

During 2013, Gold Fields paid US$1 million (R8 million) into its South Deep mine environmental trust funds and spent US$4 million (R35 million) on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US$5 million (R43 million) for the year.

During 2012, Gold Fields paid US$1 million (R5 million) into its South Deep mine environmental trust funds and spent US$2 million (R22 million) on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US$3 million (R27 million) for the year.

DISCONTINUED OPERATIONS

Cash outflows from investing activities for discontinued operations decreased from US$382 million (R3,127 million) in 2012 to US$55 million (R488 million) in 2013. The decrease is due to the fact that results for only two months up to the date of unbundling were included in 2013 compared to 12 months in 2012.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities decreased by 50% from US$505 million (R4,072 million) in 2012 to US$253 million (R2,342 million) in 2013. The items comprising this decrease are discussed below.

CONTINUING OPERATIONS

Net cash from financing activities for continuing operations was an inflow of US$214 million (R1,992 million) in 2013 compared to an outflow of US$10 million (R148 million) in 2012. The items comprising these amounts are discussed below.

Loans received from non-controlling interests

Non-controlling interest holders' loans received decreased from US$28 million (R230 million) in 2012 to US$7 million (R65 million) in 2013. Both financial years related to cash advanced by Buenaventura in accordance with their obligations under the Chucapaca agreement. The reason for the decrease in 2013 is the deliberate reduction in spend on Chucapaca.

Loans raised

Loans raised increased from US$936 million (R7,352 million) in 2012 to US$3,178 million (R28,469 million) in 2013.

The US$3,178 million loans raised in 2013 comprised:

	US$ million
US$60 million senior secured revolving credit facility	**35**
US$1,440 million term loan and revolving credit facility	**893**
R1,500 million Nedbank revolving credit facility – R1,500 million	**156**
Short-term rand credit facilities – R18,592 million[1]	**2,094**
	3,178

[1] Included in the US$2,094 million (R18,592 million) loans raised is a Standard Bank daylight facility of US$1,941 million (R17,108 million) that was used for the purpose of Sibanye Gold's capitalisation and subsequent intercompany loan repayment to Gold Fields.

The US$936 million loans raised in 2012 comprised:

	US$ million
US$1 billion syndicated revolving credit facility	666
US$500 million syndicated revolving credit facility	244
US$60 million senior secured revolving credit facility	23
R2 billion revolving credit facility – R25 million	3
	936

Management's discussion and analysis of the financial statements (continued)

Loans repaid

Loans repaid increased from US$976 million (R7,745 million) in 2012 to US$2,971 million (R26,549 million) in 2013.

The US$2,971 million loans repaid in 2013 comprised:

	US$ million
US$1 billion syndicated revolving credit facility	666
US$500 million syndicated revolving credit facility	104
US$200 million non-revolving senior secured term loan	40
US$1,440 million term loan and revolving credit facility	120
Short-term rand credit facilities – R18,111 million[1]	2,041
	2,971

[1] Included in the US$2,041 million (R18,111 million) loans raised is a Standard Bank daylight facility of US$1,941 million (R17,108 million) that was used for the purpose of Sibanye Gold's capitalisation and subsequent intercompany loan repayment to Gold Fields.

The US$976 million loans repaid in 2012 comprised:

	US$ million
Split-tenor revolving credit facility	500
US$60 million senior secured revolving credit facility	73
US$1 billion syndicated revolving credit facility	220
US$500 million syndicated revolving credit facility	140
US$200 million non-revolving senior secured term loan	40
R2 billion revolving credit facility – R25 million	3
	976

Net loans raised was US$207 million in 2013 compared to net loans repaid of US$40 million in 2012. The increase in loans raised was mainly as a result of the lower gold price resulting in operating losses in the first half of 2013 resulting in additional funding requirements.

Proceeds from the issue of shares

Shares issued decreased from US$2 million (R16 million) in 2012 to US$1 million (R7 million) in 2013, 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 decreased by 92% from US$515 million (R4,220 million) in 2012 to US$39 million (R350 million) in 2013. The decrease is due to the fact that results for only two months up to the date of unbundling were included in 2013 compared to 12 months in 2012 as well as high borrowings in 2012 due to losses made during the strike action at the Sibanye Gold operations in October 2012.

Net cash utilised

As a result of the above, net cash utilised in 2013 amounted to US$195 million (R1,898 million) compared to US$110 million (R769 million) in 2012. Cash of US$106 million (R946 million) relating to discontinued operations was transferred to Sibanye Gold upon unbundling.

Cash and cash equivalents amounted to US$325 million (R3,361 million) at 31 December 2013, as compared with US$656 million (R5,619 million) at 31 December 2012.

STATEMENT OF FINANCIAL POSITION

Borrowings

Total debt for continuing operations (short and long term) increased from US$1,869 million (R16,016 million) at 31 December 2012 to US$2,060 million (R21,302 million) at 31 December 2013. Net debt (total debt less cash and cash equivalents) for continuing operations increased from US$1,263 million (R10,820 million) at 31 December 2012 to US$1,735 million (US$17,941 million) at 31 December 2013 mainly as a result of the lower gold price resulting in operating losses in the first half of 2013 and due to the payment for the Yilgarn South assets.

Provisions

Long-term provisions increased from US$263 million (R2,251 million) at 31 December 2012 to US$294 million (R3,044 million) at 31 December 2013 and included a provision for environmental rehabilitation costs of US$284 million (2012: US$249 million) and other long-term provisions of US$11 million (2012: US$14 million).

Provision for environmental rehabilitation costs

The amount provided for environmental rehabilitation costs increased from US$249 million (R2,132 million) at 31 December 2012 to US$284 million (R2,932 million) at 31 December 2013. The increase is largely due to the inclusion of the Yilgarn South assets rehabilitation liability. This provision represents the present value of closure, rehabilitation and other environmental obligations incurred up to 31 December 2013. 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 2013 and 2012 for each region are shown in the table below:

	South Deep	Ghana	Australia	Peru
Inflation rates				
2013	**7.7%**	**9.0%**	**2.5%**	**2.3%**
2012	6.4%	8.5%	3.5%	3.0%
Discount rates				
2013	**8.8%**	**11.0%**	**3.8 – 4.8%**	**5.1%**
2012	7.0%	9.5%	4.0 – 4.2%	4.0%

The inflation adjustment for continuing operations increased by 18% from US$11 million (R88 million) in 2012 to US$13 million (R123 million) in 2013 and the interest adjustment for continuing operations decreased by 33% from US$3 million (R23 million) in 2012 to US$2 million (R22 million) for 2013.

Adjustments for new disturbances and changes in environmental legislation for continuing operations during 2013 and 2012, after applying the above inflation and discount rates, were:

	2013 US$ million	2012 US$ million
South Africa – South Deep	**(1)**	9
Ghana	**(8)**	1
Australia	**(10)**	9
Peru	**(5)**	(1)
Total	**(24)**	18

The South African and Ghanaian 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 increased from US$10 million (R85 million) at 31 December 2012 to US$24 million (R247 million) at 31 December 2013. The increase consists of the Ghana secured cash payment amounting to US$13 million (R115 million) due to a change in regulatory requirements in 2013 and an increase in contributions of US$1 million (R14 million). Interest income remained flat at US$1 million (R4 million). The South African and Ghanaian 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.

Management's discussion and analysis of the financial statements (continued)

Other long-term provisions

Other long-term provisions decreased by 21% from US$14 million (R119 million) at 31 December 2012 to US$11 million (R112 million) at 31 December 2013. 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 GFIMSA. GFIMSA was 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 2013, the outstanding provision is US$13 million (R132 million) of which US$2 million (R20 million) is classified as a short-term portion under accounts payable and US$11 million (R112 million) as a long-term portion under long-term provisions.

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

ICT at Gold Fields continues to remain a strategic partner to the Gold Fields business, supporting the business in achieving its strategy. ICT continues to focus on optimising the use of resources by maintaining effective and efficient management of these resources and prioritising the usage of the resources to facilitate Gold Fields achieving its strategic 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;
- Maintain high performance of all business systems through service level adherence – service levels were consistently delivered at an average of 98% to ensure high performance of critical systems was achieved;
- Ensure that ICT resources are adequately secured – the ICT team continues to reassess its security posture and responds in a pragmatic manner in maintaining an acceptable level of risk balanced with a suitable and appropriate level of security;
- Monitor and evaluate ICT investment and expenditure – the ICT financial targets were met with a focus on sustaining cost saving. The ICT cost as a percentage of revenue was achieved at 0.7% against an industry average of 1.1%;
- Manage ICT risks – the ICT focus on governance and risk management and the realignment of the governance model in line with the regionalisation strategy; and
- Innovate – Gold Fields ICT continues to innovate 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.

A new focus on ICT governance and ICT security has been added to the key ICT programmes, with a focus on ensuring governance is aligned to the regionalisation model and that information security is approached in a pragmatic and appropriate manner.

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.

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 the 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.

ICT's main focus during 2013 was the unbundling of Sibanye Gold which was achieved below budget and on time.

At this stage, the key focus of ICT is to ensure the successful integration of the newly acquired mines in Australia, as well as the establishment of a governance model across all regions. Gold Fields ICT continues to remain focused on sustained service delivery.

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 processes relating to preparation of US GAAP reporting (20F).

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

Paul Schmidt
Chief Financial Officer
27 March 2014

Directors' report

The directors have the pleasure in submitting their report and the Annual Financial Report of Gold Fields Limited ('Gold Fields' or 'the Company') and its subsidiaries (together referred to as 'the Group') for the year ended 31 December 2013.

PROFILE

Business of the Company

Gold Fields Limited is an unhedged, globally diversified producer of gold with eight operating mines in Australia, Ghana, Peru and South Africa. In February 2013, Gold Fields unbundled its KDC and Beatrix mines in South Africa into an independent and separately listed company, Sibanye Gold. In October 2013, Gold Fields acquired Barrick's Granny Smith, Lawlers and Darlot gold mines in western Australia. Gold Fields subsequently has attributable annual gold production of approximately 2 million ounces, attributable Mineral Reserves of approximately 49 million ounces and attributable Mineral Resources (including Growth projects) of approximately 113 million ounces. Gold Fields has a primary listing on the JSE Limited, with secondary listings on the New York Stock Exchange ('NYSE'), NASDAQ Dubai Limited, Euronext in Brussels ('NYX') and the Swiss Exchange ('SWX').

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 Group for the year ended 31 December 2013 is set out in the financial statements on page 74 of this Annual Financial Report. The income statement for the Group shows a loss attributable to Gold Fields shareholders of US$296 million (R3.466 billion) for the year ended 31 December 2013 compared with a profit attributable to Gold Fields shareholders of US$701 million (R5.743 billion) for 2012.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The Company and the consolidated Group annual financial statements have been prepared in accordance 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, 71 of 2008.

REPORTING IN UNITED STATES DOLLAR

From the March 2014 quarter onwards, Gold Fields will report in US dollar only, as it is now the dominant currency in the Company's portfolio.

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 2013, the Company had, through The Bank of New York Mellon on the New York Stock Exchange ('NYSE'), 292,099,241 (31 December 2012: 272,747,349) American Depository Receipts ('ADRs') in issue. Each ADR is equal to one ordinary share.

DIRECTORATE

Composition of the Board

The Board currently consists of two executive directors and seven non-executive directors.

The following changes in directorate occurred during the period under review:
Dr MA Ramphele resigned as the Chair of the Board on 13 February 2013 and was replaced by Ms C Carolus.

In light of the Company's new strategic direction (including the unbundling of Sibanye Gold to shareholders during February 2013) and the challenges presented by the low gold price and high-cost operating environment, the Board decided on 21 August 2013 to reduce the number of directors from 12 to nine. Messrs Delfin Lazaro, Roberto Dañino and Rupert Pennant-Rea volunteered to resign as non-executive directors and agreed to step down with immediate effect. Messrs Pennant-Rea and Dañino had acted as the Chairs of the Remuneration Committee and Social and Ethics Committee respectively. Once it became clear that the Board had concluded its examination of the Black Economic Empowerment transaction relating to South Deep, Mr Dañino resigned as Chair of the Social and Ethics Committee. The Company greatly appreciated that each of the departing non-executive directors had sought to bring their experience and expertise to a range of matters over the time they had been with the Company. Non-executive director Don Ncube assumed the role of Chair of the Social and Ethics Committee, while non-executive director Alan Hill took over the role of the Chair of the Remuneration Committee. Mr Hill and non-executive director Rick Menell have also been appointed as members of the Social and Ethics Committee.

Rotation of directors

Directors retiring at this year's Annual General Meeting in terms of the Company's Memorandum of Incorporation ('MOI') are Mr K Ansah, Mr NJ Holland and Mr PA Schmidt, all of whom are eligible and offer themselves for re-election.

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

Directors and officers' disclosure of interests in contracts

During the period under review (and other than reflected below), 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.

Nick Holland, who is the Chief Executive Officer and a Director of Gold Fields, was a Director of Rand Refinery (Proprietary) Limited ('Rand Refinery') from 12 July 2000 until 30 September 2008. He remained an alternate Director until February 2013. As a Director of GFL Mining Services Limited ('GFLMSL'), which is a wholly owned subsidiary of Gold Fields, Mr Holland declared his interest in the contract between Rand Refinery and GFLMSL, pursuant to South African requirements, and did not participate in the decision of Rand Refinery to enter into the agreement with GFLMSL, Gold Fields Ghana or Abosso. Mr Holland signed the agreement with Rand Refinery on behalf of GFLMSL.

Kgabo Moabelo, who is the Gold Fields Managing Executive: South Africa, was appointed as a Director of Rand Refinery from November 2013. As a Director of both Gold Fields Operations Limited and GFI Joint Venture Holdings Proprietary Limited, acting jointly in their capacities as participants in the South Deep Joint Venture and both of which are subsidiaries of Gold Fields, Mr Moabelo declared his interest in the contract between Rand Refinery and the South Deep Joint Venture, pursuant to South African requirements, and did not participate in the decision of Rand Refinery to enter into the agreement with the South Deep Joint Venture.

For the year ended 31 December 2013, the directors' beneficial interest in the issued share capital and listed share capital of the Company was 0.06392% (0.0745% inclusive of shares vested and transferred between 1 January 2014 and 27 March 2014). No one director individually exceeded 1% of the issued share capital or voting control of the Company.

Directors' report (continued)

Share ownership of directors and executive officers

	Beneficial			
	Direct		Indirect	
	31 December 2013[1]	31 December 2012	31 December 2013	31 December 2012
Director				
Nicholas J Holland	**308,971**	5,000	**–**	–
Paul A Schmidt	**37,864**	7,000	**–**	–
Cheryl Carolus	**3,129**	–	**–**	–
Alan Hill	**–**	–	**–**	–
Kofi Ansah	**–**	–	**–**	–
Richard Menell	**17,949**	–	**–**	–
David Murray	**–**	–	**–**	–
Donald M J Ncube	**2,378**	2,378	**5,496**	5,496
Gayle Wilson	**2,378**	2,378	**–**	–
Prescribed officer				
Richard Weston	**–**	–	**–**	–
Michael Fleischer[2]	**76,919**	4,533	**–**	–
Kgabo Moabelo	**19,536**	–	**–**	–
Ernesto Balarezo	**–**	–	**–**	–
Naseem Chohan	**26,201**	2,286	**–**	–
Brett Mattison	**7,594**	–	**–**	–
Lee-Ann Samuel	**3,365**	–	**–**	–
Alfred Baku	**–**	–	**–**	–
Willie Jacobsz	**57,278**	12,939	**–**	–
Taryn Harmse	**2,102**	–	**–**	–
Total	**565,664**	36,514	**5,496**	5,496

[1] Inclusive of shares vested and transferred between 1 January 2014 and 27 March 2014.

[2] Resigned 31 January 2014.

FINANCIAL AFFAIRS

Dividends

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

The Company did not declare an interim dividend. On 13 February 2014, the Company declared a final cash dividend, number 79, of 22 SA cents per ordinary share (2012: 75 SA cents) to shareholders reflected in the register of the Company on 7 March 2014. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 10 March 2014.

The dividend resulted in a total dividend of 22 SA cents per share for the year ended 31 December 2013 (2012: 235 SA cents), with the final dividend being accounted for in 2014.

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 MOI, the borrowing powers of the Company are unlimited. As at 31 December 2013, the Company's borrowings totalled US$2.06 billion (R21.302 billion) compared to total borrowings of US$1.869 billion (R16.016 billion) at 31 December 2012.

Capital expenditure

Capital expenditure for the year to 31 December 2013 amounted to US$739 million (R7.1 billion) compared with US$1.2 billion (R10 billion) for 2012. Contracted capital commitments at 31 December 2013 are US$101 million (R1.04 billion) and are intended to be funded from internal sources and, to the extent necessary, borrowings.

SIGNIFICANT ANNOUNCEMENTS

Gold Fields pays tribute to South Africa's greatest son, Nelson Mandela

6 December 2013

Gold Fields paid tribute to former SA president Nelson Mandela and offered its condolences to the Mandela family and the nation at large.

Gold Fields ranks top in carbon ratings

29 November 2013

Gold Fields was ranked first in the 2013 JSE Top 100 Carbon Disclosure Leadership Index, which rates companies listed on the Johannesburg Securities Exchange in South Africa on their disclosure of carbon emissions.

Broad guidelines for calculating Gold Fields' effective tax charge announced

23 October 2013

Gold Fields provided clarity on a range of factors to take into account when calculating the effective tax rate for the Company after it came to its attention that market participants had difficulty calculating Gold Fields' effective tax charge, which gave rise to unrealistically low tax forecasts and therefore earnings estimates that were too high.

Gold Fields Ghana announced as the country's largest taxpayer

23 October 2013

For the fourth consecutive year Gold Fields Ghana was announced as the leading taxpayer in the country, paying over US$250 million in corporate taxes, dividends and royalties to government last year.

Gold Fields wins international PwC award for integrated reporting

4 October 2013

Gold Fields was named the winner in the PwC Building Public Trust Awards in the 'Overseas award: towards integrated reporting' category. Earlier in the year Gold Fields won the Ernst & Young 'Excellence in Integrated Reporting' award.

Gold Fields completes acquisition of Barrick's Granny Smith, Lawlers and Darlot gold mines in western Australia

1 October 2013

Gold Fields finalised the acquisition of Barrick Gold's Granny Smith, Lawlers and Darlot mines in western Australia for a total consideration of US$262 million after adjustments for working capital, mine capital and employee entitlements.

Gold Fields acknowledges SEC investigation

10 September 2013

Gold Fields was informed that it is the subject of a regulatory investigation in the United States by the US Securities and Exchange Commission relating to the Black Economic Empowerment transaction associated with the granting of the mining licence for its South Deep operation.

South Deep strike settled

9 September 2013

Gold Fields announced that striking workers of the National Union of Mineworkers ('NUM') returned to work at its South Deep mine on Friday, 6 September 2013 after receiving a two-year salary offer from the Chamber of Mines.

Statement made by Gold Fields Board on BEE transaction

22 August 2013

The Board of Gold Fields reported the conclusion of its examination into the Black Economic Empowerment ('BEE') transaction related to Gold Fields' South Deep operations. The Board communicated its concerns to the Chief Executive Officer ('CEO') and in recognition of the concerns raised around the BEE transaction, the CEO agreed that he would not be eligible for his bonus in respect of the 2013 financial year.

Gold Fields announces its intention to acquire Barrick Gold's Granny Smith, Lawlers and Darlot gold mines in western Australia

22 August 2013

Gold Fields announced that it had entered into a binding sale and purchase agreement with Barrick Gold to acquire its interest in the Granny Smith, Lawlers and Darlot (collectively the Yilgarn South Assets) operating mines in western Australia for a consideration of US$300 million, subject to downward working capital adjustment of a maximum of US$30 million.

Directors' report (continued)

Statement by Gold Fields Board on key issues

22 August 2013

The Board of Gold Fields reported the announcement of Q2 2013 results, acquisition of key assets in Australia, restructuring of the Board of Directors and the conclusion of its examination into the Black Economic Empowerment transaction related to the South Deep operations.

Restructuring of Gold Fields Board reflects new strategic direction

21 August 2013

The Chair of Gold Fields, Ms Cheryl Carolus, announced that following a review of the composition of the Board of Directors, in light of the Company's new strategic direction (including the unbundling of Sibanye Gold to shareholders earlier this year) and the challenges presented by the current low gold price and high-cost operating environment, the Board had decided to reduce the number of directors from 12 to nine.

Gold Fields appoints new head for West Africa Region

30 July 2013

Gold Fields announced the appointment of Mr Alfred Baku as Senior Vice-President and Head of its West Africa Region, the largest geographic contributor to the Company's production. Mr Baku will also join the Group Executive Committee. The appointment took effect on 1 August 2013.

Talas Copper Gold Project

24 May 2013

Gold Fields announced that its wholly owned subsidiary, Gold Fields Orogen Holdings BVI Ltd, has appointed Jefferies International as exclusive financial adviser to assist with a review of potential strategic alternatives to the Talas Copper Gold Project in Kyrgyzstan.

Illegal strikes at Gold Fields' Ghanaian mines resolved

9 April 2013

Gold Fields reported that employees at its Tarkwa and Damang mines in Ghana returned to work after embarking on illegal industrial action on Tuesday, 2 April 2013. This follows after management and the Ghana Mineworkers Union reached settlement on the issues that gave rise to the dispute.

Invictus names released again

27 March 2013

Gold Fields again released the names of the Invictus participants to shareholders of Gold Fields at the time of the BEE transaction, first released in 2010.

Gold Fields appoints senior executive

18 March 2013

Gold Fields announced the appointment of three senior executives to the Company's Executive Committee. Kgabo Moabelo was promoted to Gold Fields' Managing Executive, South Africa. His position as Head of Human Resources was taken over by Lee-Ann Samuel, who became Gold Fields' Senior Vice-President. The third appointment was that of Ernesto Balarezo, who joined the Company as Executive Vice-President of the South American Region.

Sibanye Gold listing

18 February 2013

Sibanye Gold listed on the JSE and began trading at around R14/share, giving it a market capitalisation of approximately R10 billion.

Resignation of Chair and appointment of new Chair

13 February 2013

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

Gold Fields ranks third in the mining sector of the Dow Jones Sustainability Index

24 January 2013

Gold Fields was ranked third in the mining index of the 2012 Dow Jones Sustainability Index ('DJSI'), the most recognised measure of the sustainability performance of listed companies worldwide. This made it the highest ranked SA mining company and global gold mining company. In 2011 Gold Fields ranked fourth.

GOING CONCERN

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements 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 THE 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. 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. (See also the full statement on Silicosis on page 118).

ENVIRONMENTAL OBLIGATIONS

The Company has made provision in the financial statements for environmental rehabilitation costs amounting to US$284 million (R2.9 billion) at December 2013 compared with US$249 million (R2.1 billion) at December 2012. Cash contributions of US$2 million (R19 million) (December 2012: US$0.6 million (R5 million)) have been paid during the period to dedicated trust funds created to fund these provisions. The total amount invested at 31 December 2013 amounted to US$24 million (R247 million) (December 2012: US$10 million (R85 million)). The unfunded portion of the environmental rehabilitation costs are insured and will be funded as the obligations are incurred over the life of the operations.

SPECIAL RESOLUTIONS ADOPTED BY SUBSIDIARY COMPANIES

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2013 and related to capital structures, borrowing powers, the objects clause contained in the MOI or other material matters that affect the understanding of the Company and its subsidiaries:

- Special resolution No 1 by the shareholder of Newshelf 899 Proprietary Limited ('the Company') to authorise the Company to provide direct or indirect financial assistance to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the Company, at any time during a period ending two years from the date of the passing of the resolution in accordance with section 45 of the Companies Act 71 of 2008 (as amended);
- Special resolution No 2 by the shareholder of Gold Fields Operations Limited ('GFO') to authorise GFO to provide direct or indirect financial assistance to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the GFO, at any time during a period ending two years from the date of the passing of the resolution in accordance with section 45 of the Companies Act 71 of 2008 (as amended);
- Special resolution No 3 by the shareholder of GFI Joint Venture Holdings Proprietary Limited ('GFIJV') to authorise the GFIJV to provide direct or indirect financial assistance to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the GFIJV, at any time during a period ending two years from the date of the passing of the resolution in accordance with section 45 of the Companies Act 71 of 2008 (as amended).

Directors' report (continued)

BOARD EXAMINATION REGARDING SOUTH DEEP BEE TRANSACTION

In October 2012 certain allegations were made against Gold Fields, its senior management and the Board by an investigative news programme in South Africa.

Following those allegations the Board determined that it would commence an examination into the matters raised. It was determined by the Board that its examination would include, amongst other things, an independent examination by an external law firm. On 22 August 2013, the Board announced the conclusion of its examination. In that announcement, the Board reaffirmed its belief that the South Deep BEE transaction was one of lasting benefit to the Company and its BEE stakeholders. However, the Board also disclosed that its examination highlighted that the implementation of the transaction did not consistently meet the high standards set by Gold Fields.

Specifically, during the examination, the Board identified areas that required further attention where internal policies and procedures could be strengthened. The Board believed that areas for improvement included implementation of policies and procedures designed to increase transparency and improve the timeliness of internal communications between management and the Board.

As noted in the August 2013 press announcement, the Board communicated its concerns to the Chief Executive Officer ('CEO') and, in recognition of those concerns, CEO Nick Holland agreed he would not be eligible for his bonus in respect of the 2013 financial year.

Further, the Board and senior management also felt it appropriate to commence a global assessment of Gold Fields governance framework, which includes taking recommended steps to ensure best practices regarding transparency and compliance are being implemented throughout the organisation. That work has commenced and will be ongoing throughout the year.

LITIGATION

Randgold and Exploration summons

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, or Resources, and Afrikander Lease Limited, now Uranium One.

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 thefts 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 Limited to fund its operations (approximately R519 million).

It should be noted that the claims lie only against Gold Fields Operations Limited, whose only interest is 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.

Gold Fields Operations Limited's assessment remains that it has sustainable defences to these claims and, accordingly, Gold Fields Operation Limited's attorneys were instructed to vigorously defend the claims.

Silicosis

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 Field's 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.

In 2011 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.

During 2012 and 2013, two court applications were served on Gold Fields and its subsidiaries (as well as other mining companies) by various applicants purporting to represent classes of mine workers (and, where deceased, their dependants), who were previously employed by or who are employees of, amongst others, Gold Fields or any of its subsidiaries and who allegedly contracted silicosis and/or tuberculosis.

These are applications in terms of which the court is asked to certify a class action to be instituted by the applicants on behalf of the classes of affected people. According to the applicants, these are the first and preliminary steps in a process, where, if the court were to certify the class action, the applicants will in the second stage, bring an action wherein they will attempt to hold Gold Fields and other mining companies liable for silicosis and/or tuberculosis and the resultant consequences.

The applicants contemplate dealing in the second stage with what the applicants describe as common legal and factual issues regarding the claims arising for the whole of the 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 Gold Fields and the other mining companies. These applications do not identify the number of claims that could be instituted against Gold Fields and the other mining companies or the quantum of damages the applicants may seek.

Gold Fields has delivered notices of intention to oppose the applications and has instructed its attorneys to defend the claims.

The two-class actions were consolidated into one application on 17 October 2013.The parties to the consolidated application agreed in a court-sanctioned process that the respondents in the application will deliver answering papers by the end of May 2014 with the applicants replying by the end of August 2014.

In addition to the consolidated application, an individual action has been instituted against Gold Fields and one other mining company in terms of which the Plaintiff claims R25 million in damages (and interest on that amount at 15.5% from May 2013 to date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has entered an appearance to defend the individual action and has pleaded to the claim. In January 2014 the plaintiff delivered an application to join three other mining companies (including the owners of Gold Fields' South Deep operation) to the action. The joinder application was granted on 13 March 2014 and Gold Fields will deliver a revised plea on behalf of the joined Gold Fields defendants shortly.

Native Title Claim

St Ives Gold Mining Company (Proprietary) Limited ('St Ives'), which owns the St Ives Gold Mine in western Australia successfully applied in December 2013 to be joined as a respondent party to proceedings brought in the Federal Court of Australia ('the Court') by the Ngadju People for the purpose of that group seeking the determination of their native title rights over wide area of land in the Goldfields region of western Australia, which includes a number of mining tenements held by St Ives and transferred from Western Mining Corporation ('WMC') in 2001.

The Proceedings (brought under the provisions of the Native Title Act 1993 ('Cth')) have been run in two parts. In the first part, the Court made an interim finding (upheld on appeal by the State) that the Ngadju People have the requisite connection to land in order to hold native title. In the second part of the Proceedings, the Court has to decide the effect of certain interests (including mining interests) on native title (for example, whether or not native title is 'extinguished' by the grant of those interests). It is this aspect of the Proceedings which directly involves St Ives.

There are a number of other respondent parties to the Proceedings who have interests within the claim area. They include other government entities (including the Commonwealth of Australia), pastoralists, and mining companies (including BHP Billiton Nickel West (Proprietary) Limited ('Nickel West')).

Directors' report (continued)

The Ngadju People have alleged that a number of tenements held by St Ives (and Nickel West) are invalid as against their native title interest, because the correct processes under the Native Title Act were not followed in relation to various dealings in relation to the tenements between 2001 and 2008, including the renewal and replacement of certain tenements.

The process that the Ngadju People allege was not followed is the 'right to negotiate'. The right to negotiate requires the native title party, the State and the party obtaining the interest (in this case, St Ives) to negotiate and reach agreement prior to the grant of certain interests which affect native title. As a result, the Ngadju People claim that the tenements are invalid from a native title perspective. This does not, however, affect the validity of the underlying mining tenure.

The matter was heard by a single judge of the Federal Court on 5 and 6 March 2014. Gold Fields was represented by Senior Counsel, and vigorously defended its position, submitting that the relevant dealings did not require the right to negotiate to be followed, and that the tenements were, accordingly valid. The decision is not expected to be handed down for between 6 to 12 months. Any decision can thereafter be appealed by any of the parties to the full Federal Court.

Significantly, the Claimants have conceded in the course of the proceedings that historical petroleum tenure, which existed over the entire claim area (including St Ives' tenements), has extinguished its right of 'exclusive possession native title'. This means that in the event of an adverse finding against Gold Fields (which is upheld on appeal), the Claimants do not have the right to enforce a right of exclusive possession over the area (to the exclusion of St Ives).

Gold Fields is satisfied that the risk of the Court making a finding of invalidity is mitigated by the opportunity to enter into a consensual agreement with the Claimants that would validate any invalid leases. Any such agreement would almost certainly require the payment of significant compensation to the claimants.

Regulatory investigations

The Company has been informed that it is the subject of a regulatory investigation in the United States by the US Securities and Exchange Commission relating to the BEE transaction associated with the granting of the mining licence for its South Deep operation ('the BEE transaction').

In South Africa, the Directorate for Priority Crime Investigation ('the Hawks') has informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance.

Given the early stage of these investigations, it is not possible to determine what the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company.

A fact sheet of the BEE transaction is contained in the Integrated Annual Review on pages 142 to 144.

ADMINISTRATION

The office of Company Secretary of Gold Fields was held by Karen Robinson until 31 July 2013 of the year under review. As from 1 August 2013, Taryn Harmse has held the position.

Computershare Investor Services (Proprietary) Limited are the Company's South African transfer secretaries and Capita Assets 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 142 and 143.

Remuneration report

DEAR SHAREHOLDERS

The Remuneration Report is presented in two parts in line with emerging best practice. Part 1 explains the remuneration policy and forward looking changes, while Part 2 reports on the implementation of the existing policy during the past year. The remuneration policy will be put to a non-binding advisory shareholder vote at the AGM in May 2014.

We have also engaged shareholders and institutional investors and have taken their feedback on remuneration best practice into account in setting out the remuneration policy for 2014. As a result we have:

- Reviewed financial performance conditions imposed for the vesting of long-term incentives
- Reviewed threshold, target and stretch levels for pay-out of short-term incentive awards
- Performed a bespoke executive and non-executive directors benchmarking exercise against comparable companies

In preparing this report we have also been guided by King III, updated best practice recommendations and emerging international practice.

PART 1: REMUNERATION PHILOSOPHY AND POLICY

Role of the Remuneration Committee

The responsibility of the Remuneration Committee ('the Committee') is to ensure that executive remuneration is aligned with the delivery of the Group's strategy to deliver growth in shareholder returns over the long-term.

Whilst ensuring that total remuneration of executives is competitive to attract and retain the critical talent required to deliver the Group's growth strategy, the Committee regularly reviews local and international best practice benchmarks to ensure that remuneration is fair and reasonable.

The terms of reference of the Committee, in line with its delegated authority from the Board of Directors of Gold Fields ('the Board'), can be viewed on the Gold Fields website. Its most important functions are:

- Assisting the Board to design and maintain a remuneration policy for directors and senior executives that will promote the achievement of strategic objectives and encourage individual performance
- Ensuring that the mix of fixed and variable pay in cash, shares and other elements, meet the Group's needs and strategic objectives
- Reviewing incentive schemes to ensure continued contribution to shareholder value
- Determining any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities
- Reviewing the outcomes of the implementation of the remuneration policy to determine if objectives were achieved
- Overseeing the preparation of the Remuneration Report (as contained in this Annual Financial Report) to ensure that it is clear, concise and transparent
- Ensuring that the remuneration policy is put to a non-binding advisory vote by shareholders and engaging with shareholders and other stakeholders on the Group's remuneration philosophy

2014 Remuneration policy

The key principles of our remuneration policy are unchanged, namely that the policy should:

- 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 remuneration strategy. The remuneration strategy is also underpinned by sound remuneration management and governance principles, which are promoted across Gold Fields to ensure the consistent application of the remuneration strategy and policy.

The Gold Fields' remuneration strategy comprises the following key elements:

- Guaranteed pay
- Benefits
- Short-term incentives ('STI'), i.e. annual performance bonuses
- Long-term incentive instruments ('LTI')

Remuneration report (continued)

The elements – and their strategic intent – are displayed in the graphic below:

	REWARD COMPONENT	STRATEGIC INTENT
TOTAL REMUNERATION	**Guaranteed remuneration package ('GRP')** in the form of an all-inclusive total cost to company package for SA employees **Base rate of pay ('BRP')** for international employees	• Increased flexibility • Reward for sustained performance and value added to the business over time • Pay competitive packages • Reward for overall contribution and performance
	Benefits – Included in GRP*, only leave is on top of GRP and all benefits are on top of BRP. Standard benefits with flexible options: • Medical aid* • Retirement* • Leave • Car and travel allowances*	• Comply with legislation across regions • Competitive benefits • Affordable to both employees and the Company • Fits in with lifestyle needs of employees • Convenient and flexible
	Short-term incentive ('STI') • Group Annual Incentive Scheme	• Improved performance at corporate, regional, operational and individual level • Significant performance differentiation • Short-term view (12 months) • Alignment to business objectives
	Medium-term incentive ('MTI')[1] • Bonus shares • Two-thirds of annual cash award • Vest equally over nine and 18 months	• Links short-term and long-term incentives to take account of medium-term business goals • Medium-term view (18 months) • Retention aid to bridge the gap between the STI and LTI
	Long-term incentive ('LTI')[1] • Performance Shares ('PS')	• Market performance of the Company • Shareholder alignment • Long-term view (36 months) • Allow participants to participate in the future financial success of Gold Fields
OTHER ELEMENTS OF REWARD	• Work-life practices • Recognition	• Employee value proposition • Internal and external branding

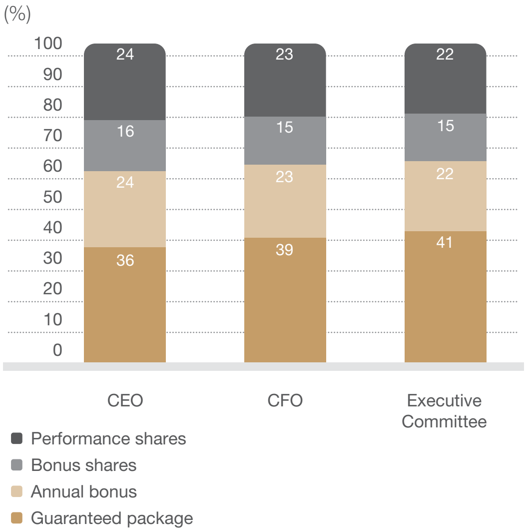
[1]To be replaced with a Long-term Cash Incentive Plan in 2014.

Remuneration mix

Gold Fields' remuneration philosophy is aimed at attracting and retaining motivated, high-calibre employees, whose interests are aligned with those of our shareholders. Such alignment is achieved through the right mix of guaranteed and performance-based remuneration (variable pay). This mix provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the employee in the Company. Generally, the more senior the employee, the higher the proportion of variable pay in his/her total remuneration package. The graph below shows the parameters of the remuneration mix which are aligned with market best practice.

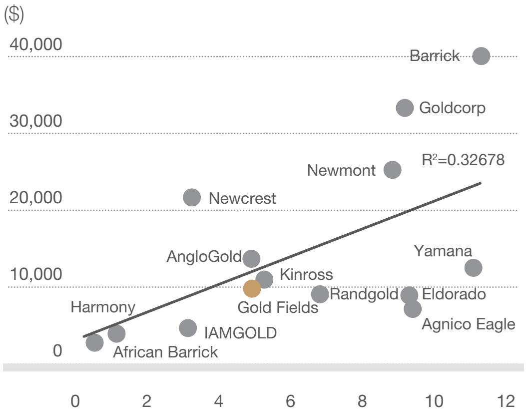
For 2013, the overall remuneration mix of executives was as follows:

Remuneration mix of executives



The nature of the industry is global and the dynamics of talent mobility at this level of position is a known phenomenon. Hence there is a requirement to establish a basis for comparing remuneration across currencies and geographies. Gold Fields has identified the direct competitors for talent in this sector and they form the comparator company population used in the HayGroup study. This comparator group benchmarking has been augmented with further comparisons to remuneration practices of companies listed on the JSE. The study confirmed that the compensation of executives is in line with where Gold Fields is positioned in the basket of comparator companies. An example of the correlation of CEO compensation along with market value is shown in the graph below.

2012 CEO compensation vs average 2012 market value



Remuneration report (continued)

Guaranteed pay

Gold Fields' policy is to reward its people fairly and consistently according to their role and individual contribution to the Company and its performance. To achieve external equity and competitive remuneration, Gold Fields uses surveys of peer-group mining companies. The benchmark for guaranteed pay 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 positions remuneration, including performance bonus, performance shares and bonus shares, at the 75th percentile of the market. This Committee retains the discretion to determine whether and to what extent specific overperformance levels warrant total pay at the 75th percentile.

As a global company, with the majority of our operations now outside of 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 the various jurisdictions in which the Group operates. For 2013, the CEO and the Group Executive Committee offered to give up their increases to guaranteed pay and recommended that the guaranteed pay of other senior and middle tier management also be frozen in light of the challenging economic times. This offer was accepted by the Remuneration Committee. The Board fees for non-executive directors were similarly frozen in 2013.

Benefits

Gold Fields' policy is to provide, where appropriate, additional elements of compensation listed below:

- Senior management is eligible for participation in the retirement scheme applicable to the respective region. The Company and the employee (in most instances) provide contributions towards retirement savings
- Gold Fields provides healthcare assistance through either a percentage contribution, reimbursement or through company appointed healthcare providers
- Life insurance is provided as a fixed amount or a multiple of salary
- Disability insurance, which comprises an amount to partially replace lost compensation during a period of medical incapacity or disability, is provided to all senior management
- Group personal accident cover is provided

Short-term incentive (annual performance bonus)

Executive directors are able to earn performance bonuses of 60% of GRP for the CFO and 65% of GRP for the CEO for on-target performance, which comprises individual and strategic performance targets. The annual bonus could increase above 60% and 65% respectively if the stretch target is achieved. The maximum bonus is capped at twice the on-target bonus percentage.

Role	Target earning potential as % of guaranteed remuneration	Bonus cap (stretch earning potential) as % of guaranteed remuneration
CEO	65%	130%
CFO	60%	120%
Executive Vice-Presidents	55%	110%

The on-target bonus potential is set by the Committee. In the case of the CEO and CFO, 65% of the performance bonus is based on Group objectives and the remaining 35% is based on individual strategic objectives. For the Regional EVPs, bonuses are also judged against group, regional and operational objectives.

Operational objectives for each mine are measured against the operational plans approved by the Board and cover safety, production, costs and ore reserve development. These operational objectives roll into the regional objectives and subsequently into the Group objectives.

Group, regional, operation and personal splits for the various categories of employees are reflected in the table below.

Employee category	Group	Region	Operation	Personal
CEO	65%			35%
Corporate executives	65%			35%
Regional executives	20%	45%		35%
General managers		20%	45%	35%
Regional offices		65%		35%
Mines			65%	35%

Details of the bonus outcomes for 2013 are detailed in Part 2 of this report.

Threshold targets have also been set and in the event that individual, operational, regional or Group objectives do not meet the threshold targets, then no bonus is payable in terms of the annual bonus plan.

The Group Scorecard translates the strategy into metrics for 2014:

OPERATIONAL EXCELLENCE

Objective	Measure
Quest for zero harm	• Total recoverable injury frequency rates (TRIFR)
Operational efficiency	• Delivery against plan ('plan the mine, and mine the plan') • Safety – 20% (2013: 20%) • Total gold production – 20% (2013: 25%) • All-in-cost (AIC) per ounce – 40% (2013: 25%) • Development or waste mined 20% (2013: 15%)

GROWING GOLD FIELDS

Objective	Measure
Quality portfolio	• Progress on South Deep ramp up and Damang turnaround
	Delivery on projects • Projects that grow the cash flow metrics on a per share and per ounce basis • Disposal of projects that do not fit our portfolio
	Increase production profile through M&A • Acquisition that grow the cash flow metrics on a per share and per ounce basis

SECURING THE FUTURE

Objective	Measure
Great place to work	• Reinforcing the high performance culture • Being and employer of choice for talent
Most trusted and valued partner and an outstanding corporate citizen	• Improve shared value portfolio
	• Reduce environmental impact
	• Licence to operate
	• Corporate sustainability performance – DJSI social benchmarks

The bonus parameter objectives will be based on the drivers below and supports the Group Scorecard. Other elements of the Group Scorecard not described below are captured in the Personal Scorecards. Jointly the bonus parameter objectives and the Personal Scorecard objectives roll-up to the Group Scorecard. The Group Scorecard for 2014 is as follows:

- Safety – 20% (2013: 20%)
- Total gold production – 20% (2013: 25%)
- All-in-cost (AIC) per ounce – 40% (2013: 25%)
- Development or waste mined – 20% (2013: 15%)
- Growth Portfolio – 0% (2013: 15%)

Remuneration report (continued)

A summary of the CEO's 2014 performance scorecard is reflected below.

Operational excellence (weight: 60%)		Measurement
Gold Fields operating model	10%	'Fit for purpose' organisational structures in place to support the achievement of the strategic objectives. Implementation by December 2014
South Deep delivery	30%	Deliver on gold target Deliver on de-stress target Deliver on cash break-even target
Damang turnaround	30%	Deliver on gold target Deliver on free cash flow margin
Safety, health and environment	15%	Regional Health and Safety guidelines presented to the Sustainability, Health and Environmental Committee of the Board for approval to ensure the safety, health and wellbeing of our employees, the community and the environment is upheld and enhanced. Implementation of these guidelines by December 2014
Great place to work	15%	Conduct climate survey in all regions Build leadership capabilities through the Gold Fields Leadership Programme Embed the Gold Fields DNA by implementing initiatives that build the Gold Fields brand

Growing Gold Fields (weight: 20%)		
Mergers and acquisitions	40%	Conclude a joint venture/in production deal or farm into a later stage development project
Disposal of projects that do not fit the Gold Fields portfolio	60%	Disposal of Yanfolila, Woodjam, APP and the Royalties portfolio by December 2014

Securing our future (weight: 20%)		
Improving the image of Gold Fields and articulating the business case	60%	Communicate credible long-term targets for South Deep and Damang
Shared Value	40%	Implementation of shared value projects according to regional project plans

Long-term incentives

Until now the Group has operated 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

The Gold Fields Limited 2012 Share Plan ('the 2012 Plan') 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 number of performance shares that vest 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 Group, as approved by the Board.

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

As at 31 December 2013, the number of shares in issue under the share scheme was 25,170,482, which included a spin-off adjustment (explained below) of 1,639,517 shares, a performance condition of 186% for the March 2010 award which vested on 1 March 2013 of 1,851,133 shares, and an issue of 1,952,096 bonus shares.

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 employee's share portfolio pre- and post-corporate actions remain the same. In order to uphold this principle, an independent professional firm was contracted to provide a fairness opinion on the additional number of shares required to maintain the pre-Sibanye Gold spin-off value of the share portfolios of employees. This resulted in an additional 1,639,517 shares being awarded. Furthermore, employees who ceased to be employed by the Group as a result of the spin-off are treated as 'good leavers' in terms of the rules of the share plans. Good leavers are entitled to a portion of their shares on an accelerated vesting base for 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, which amount to 2,339,380 shares.

The aggregate number of shares which may at one time be allocated under the 2012 Plan, when added to the 2005 Plan may not exceed 35,309,593 shares (which represents approximately 5% of the number of ordinary shares of the Company currently in issue). The maximum number of shares which may be allocated to an individual may not exceed 3,530,956. The remaining shares set aside for the Share Plan amounts to 10,139,111.

The Group has gone through significant change over the past 12 months and as such all practices in the Group have been reviewed to align to the new strategic direction. Remuneration has been identified as a key mechanism to drive behaviours critical for success; it has been established as a strategic driver of performance and can be effectively applied to focus people on strategic goals and objectives, as it clearly and directly communicates the Group's values and desired achievements with respect to individual, team and Group performance.

To this end and in support of the new strategic objective of sustained cash generation, a Long-term Cash Incentive Plan ('LTIP') has been designed and recommended by PwC to replace the 2012 Plan. The current share plan was designed to serve the Group's previous strategic objective. The LTIP will continue to reinforce a high performance culture and create stronger alignment between executive compensation and shareholder value.

Bonus Share awards for 2013 will be made in terms of the 2012 Plan rules. Performance Shares will not be allocated for 2014.

Salient features of the Long-term Cash Incentive Plan ('LTIP'):

- The purpose of the LTIP is two-fold: (1) to reward key senior managers for their performance and contribution to long-term sustainable financial results that drive shareholder value, and (2) to increase the alignment of executives and shareholders in the future growth and profitability of Gold Fields Limited
- The LTIP is a three-year performance plan. Each performance cycle starts on 1 January of the first year and ends on 31 December of the third year
- Annual awards will be made to eligible participants
- Allocations will be based on annual salary x applicable % by grade x personal performance
- Vesting will be based on two corporate performance conditions equally being met:
  - Free Cash Flow margin ('FCFM'), 50% weighted
  - Total Shareholder Return ('TSR'), 50% weighted
- Threshold must be achieved for pay-out of any portion of the award to be triggered

Remuneration report (continued)

Free cash flow vesting criteria

Target	FCFM	% vesting
Threshold	5%	0%
Target	15%	100%
Stretch	20%	200%
Above stretch	The award will be uncapped above stretch and every additional 5% FCFM will result in an additional 50% vesting, e.g. an average FCFM of 25% will result in a vesting of 250%	Every additional 5% FCFM will result in an additional 50% vesting

Total Shareholder Return ('TSR') vesting criteria

Target	TSR	% vesting
Threshold	Below US-based Cost of Equity per annum	0%
Target	US-based Cost of Equity per annum For the 1st award this will be set at 7%	100%
Stretch	US-based Cost of Equity +6% per annum For the 1st award this will be set at 13%	200%
Above stretch	The award will be uncapped above the stretch and every additional 6% TSR growth per annum will result in an additional 50% vesting, e.g. Cost of Equity + 12% will result in a vesting of 250%	Every additional 6% TSR growth per annum will result in an additional 50% vesting

The following business case can be made for the LTIP:

- From a tax perspective the cost should be deductible except where no tax base is available or no deduction is made due to transfer pricing issues.
- The LTIP introduces an element of downside whereby no performance could lead to no incentive payable.
- No further shareholder dilution.
- Leading edge design principles and forward looking remuneration trends have been adopted.

Gatekeepers

- Board approval of annual operational plans
- Operational plans and bonus parameters, on which annual bonuses are based, include operational sustainability

Executive directors' and prescribed officers' service contracts

Nick Holland (Executive Director and Chief Executive Officer) and Paul Schmidt (Executive Director and Chief Financial Officer) are party to employment agreements with Gold Fields Ghana Holdings, Gold Fields Orogen ('Orogen') and Gold Fields Group Services ('GFGS').

The terms and conditions of employment for each executive director are substantially similar, except where otherwise indicated below. The annual gross remuneration packages, or GRP, payable to each of Mr Holland and Mr Schmidt for 2013 were determined by the Committee and were as follows:

- Nick Holland: R8,145,700 plus US$336,300
- Paul Schmidt: R5,125,000 plus US$90,300

The split between the three companies is determined by the amount of time spent by the executive directors with each company.

The Gold Fields Group Services ('GFGS') contracts

Under the GFGS contracts, 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). The notice period for members of the Group Executive Committee is six months.

Gold Fields can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

Should the Company require of the executive director not to work the notice period (albeit company or employee initiated) or any part thereof, the executive director shall be entitled to his GRP up to the last day of the notice period. In addition, the executive directors shall be entitled to the following benefits:

- The executive director shall be entitled to receive the annual performance bonus pro-rated up to the last day of the notice period based on the average percentage annual performance bonus received over the past two years
- The executive director shall be entitled to exercise all share appreciation rights in terms of the Gold Fields Limited 2005 Share Plan, which have vested prior to or on the last day of the notice period and will have 12 (twelve) months in which to do so
- The executive director shall be entitled to exercise all pro-rated performance shares, bonus shares and PVRS in terms of the Gold Fields Limited 2012 Share Plan and the Gold Fields Limited 2005 Share Plan, which have settled prior to or on the last day of the notice period and will have 20 (twenty) days in which to do so
- The executive director shall be entitled to be compensated for any business travel and cell phone reimbursement up to the last day worked

The value of the GRP payable in terms of the GFGS contract is to be allocated among the following benefits: (i) salary; (ii) compulsory retirement fund contribution (with contributions set at 20% of 'pensionable emoluments' at a rate between 50% and 100% of the GRP as elected by the executive director); (iii) voluntary participation in a vehicle scheme; (iv) compulsory medical coverage; and (v) compulsory Group Personal Accident Policy coverage. Furthermore, the executive director is compelled to contribute a compulsory 1% of his GRP to the Unemployment Insurance Fund, is subject to any legislated maximum contribution at the time.

The offshore contracts

Under the agreements with Gold Fields Ghana Holdings and Orogen, or the offshore contracts, the executive director is paid offshore in the appropriate currency. The portion of the GRP paid relates to the amount of time spent performing duties offshore for the companies. No benefits other than annual leave accrue to each executive director under the offshore contracts.

Other remuneration

In addition to the gross guaranteed remuneration payable, each executive director is entitled, among other things, to the following benefits under their employment contracts:

(i) Participation in the Gold Fields Limited 2005 and 2012 Share Plans
(ii) Consideration of an annual (financial year) incentive bonus based upon the fulfilment of certain targets set by the Board of Directors
(iii) An expense allowance

As of 1 January 2014, the basis of the amount and manner of any bonus payments for the CEO and CFO remained unchanged for 2014.

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, such termination occurring within 12 months of the change of control, the director is entitled to:

- Payment of an amount equal to two-and-a-half times GRP in the case of the CEO and two times GRP in the case of the CFO
- Payment of an amount equal to the average percentage of the incentive bonuses paid to the executive director during the previous two completed financial years
- Any other payments and/or benefits due under the contracts
- Payment of any annual incentive bonus he/she has earned during the financial year notwithstanding that the financial year is incomplete
- An entitlement, for two years after the date of termination, subject to the relevant rules of the Gold Fields Management Incentive Scheme then in force, to retain and to exercise all share options allocated to him/her, including those which may not have vested at the date of such termination
- An entitlement to be settled with the full amount of the SARS and restricted shares allocated and awarded to him/her, and, in the case of the SARS, will have a further period of one year in which to exercise these SARS
- 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.

Remuneration report (continued)

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 and if the executive director's services are terminated, the 'change of control' provisions summarised above also apply.

The Committee resolved 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 retain their rights under the previous policy.

Non-executive director fees

Gold Fields has no service contracts with its non-executive directors. The non-executive directors' fees for 2014 were reviewed by independent external professional advisers and a 7% increase is proposed for shareholder approval. If approved, the increase will take effect on 1 June 2014, with the next expected increase implemented a year later.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on the aforementioned Part 1 of this report.

PART 2: DISCLOSURE OF THE IMPLEMENTATION OF THE POLICIES FOR THE FINANCIAL YEAR

Remuneration paid to executive directors

The Group views its Executive Committee ('Exco') and its Board directors as prescribed officers as defined in terms of the Companies Act of South Africa.

Guaranteed pay adjustments

The annual remuneration review takes place annually in March. All eligible employees, with the exception of executive directors and senior executives received a salary increase on 1 March 2013. Non-executive directors did not receive an increase in their fees for 2013. The CEO and Group Executive Committee offered to give up their increases and recommended that salaries for other senior and middle tier managers also be frozen. This offer was approved by the Remuneration Committee. The average increase for employees during 2013 was 5%. The overall increase in labour costs fell within the approved mandate of the Committee.

Short-term incentive outcomes for 2013

a. Group objectives

For the year ended 31 December 2013, the Group performance targets and the level of achievement of these targets for the senior executives were as follows:

		2013				
	Weight	Actual	Threshold +0.0%	Target +100%	Maximum +200%	Achieved
Safety improvement – (FIFR, SIFR, LTIFR and MTIFR)[1]	20%	**26.6%**	**+0%**	**+10%**	**+20%**	195%
GIP – exploration/growth (cost per metre drilled and cost per reserve ounce added)	15%	**113%**	**+0%**	**+100%**	**+200%**	113%
Gold (equivalent) production – k'ozs	25%	**2,102**	**2,038**	**2,075**	**2,112**	174%
NCE operations only – Rm	25%	**18,619**	**23,065**	**21,967**	**20,869**	200%
Development and waste mined[2] – metres	15%	**2%**	**+0%**	**+5%**	**+10%**	49%
	100%					157%

[1] See details in 'Safety Improvements' table, page 47.

[2] See details in 'Development and waste mined' table, page 47.

1 Safety improvement	Weight	2012	2013	Change	%
FIFR	25%	0.000	**0.040**	0.040	0.0
LTIFR	25%	1.010	**0.790**	(0.220)	5.4
SIFR	25%	0.350	**0.210**	(0.140)	10.0
MTIFR	25%	1.920	**1.060**	(0.860)	11.2
	100%				26.6

Notwithstanding the great progress made in 2013 with respect to safety, the two fatalities remain a key concern. The bonus parameters do not account for fatalities and the Executive Committee took a decision at the beginning of the year that this is not something that should be measured as the safety of our employees is our top priority. For this reason, South Deep and Cerro Corona's scoring on their safety performance was reduced by 50% in light of the fatal accidents at each mine, which had an impact on the final Group safety score.

These adjustments are included in the measurements above.

2 Development and waste mined	2012 Group plan	2013 actual	% change	Weighting	Net %
South Deep					
– reef ton	2,071	**1,853**	(10.5)	20%	(2.1)
– destress	61,245	**53,694**	(12.3)	20%	(2.5)
International operations					
Open pit	158,723	**163,005**	2.7	30%	0.8
Underground	22,680	**27,368**	20.7	30%	6.2
Progress on development					2.4

b. Personal objectives

Aside from the above Group objectives, the CEO and CFO were also assessed on individual, strategic objectives. These 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 individual, strategic objectives are centred on three themes: Operational Excellence, Growing Gold Fields and Securing our Future as reflected in the Group Scorecard above.

Some of the more notable achievements under these categories during the past year are discussed below:

- The unbundling of the deep level conventional, legacy mines in South Africa into Sibanye Gold in February 2013
- At the start of 2013 we commenced the implementation of the portfolio review, which brought fundamental changes to the strategy, the structure and portfolio of the business. As a result of the review, we introduced a new strategic objective of sustainable cash generation, which meant that our mines have to generate a 15% free cash flow margin at US$1,300/oz gold price
- Elimination of all marginal mining at most of our offshore operations
- The corporate office was restructured to narrowly focus on group functions only, with fit-for-purpose, low-cost, regional structures established to take full operational responsibility and accountability for their mines
- On the growth front, we rationalised our capital expenditure for exploration activities, significantly curtailed near-mine expansion and closed the Growth and International projects division, passing growth responsibilities to the regions
- South Deep's cost base has been down-sized to better reflect its production build-up
- We acquired the Yilgarn South Assets from Barrick Gold in October 2013 and successfully integrated them with our existing West Australian operations and reduced this cost base significantly in the first quarter under our ownership and management
- As a result of these measures we have taken around US$450 million a year out of our cost and capital base and rebased our NCE to close to what it was three years ago, despite significant mining inflation over that period
- We managed to reduce our NCE per ounce by 12% last year, the largest percentage cost reduction among the top 10 gold producers

Remuneration report (continued)

- We achieved an improvement in the overall production and profit performance of the mines during 2013
- We met production and cost guidance for the year
- Our safety performance was much improved from 2012, largely due to the unbundling of the Sibanye Gold operations. However, the Group experienced two fatalities in 2013 (at South Deep and Cerro Corona) compared to the 16 fatalities in 2012 (including Sibanye Gold)
- Continued attention was given to the need for sound environmental stewardship and improved community relations through our Shared Value approach along with building a strong Gold Fields brand, both internally and externally

Taking all these factors into account, the CEO received a personal performance score of 4 out of 5 and the CFO received a personal performance score of 4.10 out of 5. The aggregate bonus paid to members of the Executive Team in February 2014 was 64% of annual salary. For the CFO it was 97%[1] of annual salary. The CEO waived his eligibility for a bonus in response to the Board investigation into the 2010 Black Economic Empowerment deal.

[1] 35% of Mr PA Schmidt's bonus is based on personal performance and 65% on Company performance. The Company score for 2013 was 157%. Mr PA Schmidt received personal performance rating of 4.1 out of 5 which equates to 168% out of 200% for the 35% portion of his bonus. His bonus calculation has been determined as follows: [(157% x 65%) + (168% x 35%)] x 60% = 97%.

Long-term incentives

Long-term incentives awarded in 2013

The following awards have been granted under the Long-Term Incentive Plan in 2013:

Surname	First name	Title	Designation	Performance shares awarded	Market value as at 31 December 2013 – R32.62 (Rand)	Bonus shares awarded	Market value as at 31 December 2013 – R32.62 (Rand)	Market value of total 2013 share awards (Rand)
Holland	Nick	Mr	Chief Executive Officer	187,498	**6,116,185**	73,901	**2,410,651**	8,526,836
Schmidt	Paul	Mr	Chief Financial Officer	69,326	**2,261,414**	31,353	**1,022,735**	3,284,149
Balarezo	Ernesto	Mr	EVP: America	39,182	**1,278,117**	–	**–**	1,278,117
Baku	Alfred	Mr	EVP: West Africa	17,559	**572,775**	13,453	**438,837**	1,011,612
Fleischer[1]	Michael	Mr	EVP: General Counsel	57,621	**1,879,597**	26,138	**852,622**	2,732,219
Moabelo	Kgabo	Mr	Managing Executive: South Africa	64,537	**2,105,197**	21,354	**696,567**	2,801,764
Weston	Richard	Mr	EVP: Australasia	62,466	**2,037,641**	26,783	**873,661**	2,911,302
Mattison	Brett	Mr	EVP: Strategy, Planning and Corporate Development	30,601	**998,205**	6,976	**227,557**	1,225,762
Samuel	Lee-Ann	Ms	EVP: People and Organisational Effectiveness	39,113	**1,275,866**	6,798	**221,751**	1,497,617
Chohan	Naseem	Mr	SVP: Sustainable Development	26,452	**862,864**	12,246	**399,465**	1,262,329
Jacobsz	Willie	Mr	SVP: Investor Relations and Corporate Affairs	39,276	**1,281,183**	16,084	**524,660**	1,805,843
Harmse	Taryn	Ms	Acting EVP: General Counsel and Company Secretary	12,662	**413,034**	5,664	**184,760**	597,794
McKeith[2]	Tommy	Mr	EVP and Head of Growth & International Projects	86,813	**2,831,840**	35,070	**1,143,983**	3,975,823
Van Schalkwyk[2]	Peet	Mr	EVP and Head of Operations – West Africa	33,948	**1,107,384**	24,951	**813,902**	1,921,286
Dowsley[3]	Jimmy	Mr	SVP: Corporate Development	37,871	**1,235,352**	17,533	**571,926**	1,807,278
Rowland	Tim	Mr	VP: Group Head of MRM and Planning	40,504	**1,321,240**	18,372	**599,295**	1,920,535

[1] Resigned 31 January 2014.
[2] Voluntary termination during 2013.
[3] Retirement during 2013.

Performance vesting restricted share ('PVRS') 2013 vesting

In terms of the provisions of The Gold Fields Limited 2005 Share Plan, eligible employees were initially awarded Gold Fields shares on 1 March 2010. According to the performance criteria set by the Committee, the number of PVRS awarded is modified according to the Gold Fields share price performance measured against five other gold companies, namely AngloGold Ashanti, Harmony, Newmont, Barrick and Goldcorp. The performance is measured over a three year period.

Gold Fields ranked third, resulting in a settlement of 186% of the shares initially awarded to eligible employees on 1 March 2010.

The graph below depicts the long-term share vesting percentages over the last seven years.

This indicates that on average, Gold Fields had out-performed its peer group over the seven-year rolling performance measurement periods from 2006 to 2012.

Further details of the long-term incentive plans are disclosed in note 5 of the financial statements on pages 78 to 83.

Remuneration report (continued)

Executive Directors', Non-executive Directors' and Prescribed Officers' remuneration

The table below provides details of the remuneration and fees of executive directors, non-executive directors and prescribed officers in 2013.

All figures stated in R'000	Board fees Directors' fees	Committee fees	Salary[1]	Annual bonus[2]	Pension scheme contribution	Sundry	Severance	Sub-total	Pre-tax share proceeds for shares awarded in previous years	Total realised earnings for the 12-month period ended 31 December 2013[3]	Total realised earnings for the 12-month period ended 31 December 2012
Executive Directors											
Nicholas J Holland	–	–	9,745	–	1,629	535	–	**11,909**	13,037	**24,946**	45,332
Paul A Schmidt	–	–	5,351	5,823	641	249	–	**12,064**	4,322	**16,386**	19,960
Prescribed officers											
Zakira Amra[19]	–	–	–	–	–	–	–	**–**	–	**–**	2,378
Naseem A Chohan	–	–	2,483	2,183	394	28	–	**5,088**	549	**5,637**	4,427
Michael D Fleischer[4]	–	–	4,679	4,497	750	40	–	**9,966**	4,246	**14,212**	18,113
Juan L Kruger[5]	–	–	1,163	1,120	216	–	–	**2,499**	3,261	**5,760**	16,850
Ernesto Balarezo[6]	–	–	4,477	13,089	443	–	–	**18,009**	–	**18,009**	–
Tommy McKeith[7]	–	–	6,062	–	174	–	11,951	**18,187**	3,970	**22,157**	19,370
Tim W Rowland[8]	–	–	1,318	–	251	30	–	**1,599**	2,303	**3,902**	11,426
Peet V Schalkwyk[9]	–	–	2,600	–	–	3	5,780	**8,383**	2,742	**11,125**	7,711
Peter Turner[10]	–	–	382	–	67	–	–	**449**	5,789	**6,238**	13,745
Lee Ann Samuel[11]	–	–	2,250	2,301	250	1	–	**4,802**	520	**5,322**	–
Brett Matisson[12]	–	–	1,896	4,263	217	15	–	**6,391**	1,149	**7,540**	–
Taryn Harmse[13]	–	–	1,120	1,395	280	33	–	**2,828**	563	**3,391**	–
Alfred Baku[14]	–	–	2,200	3,273	506	–	–	**5,979**	1,560	**7,539**	–
Jimmy Dowsley[15]	–	–	1,291	1,224	323	92	–	**2,930**	4,569	**7,499**	11,288
Kgabo FL Moabelo	–	–	3,878	2,575	529	22	–	**7,004**	738	**7,742**	7,389
Richard Weston	–	–	6,536	5,758	215	–	–	**12,509**	2,126	**14,635**	9,044
Willie Jacobsz	–	–	4,111	3,535	–	1,431	–	**9,077**	2,913	**11,990**	8,978
Non-Executive Directors											
Kofi Ansah	793	224	–	–	–	–	–	**1,017**	–	**1,017**	1,382
Cheryl A Carolus[16]	2,145	19	–	–	–	14	–	**2,178**	225	**2,403**	865
Mamphela Ramphele[17]	403	–	–	–	–	–	–	**403**	–	**403**	2,292
Roberto Dañino[18]	529	267	–	–	–	292	–	**1,088**	–	**1,088**	1,534
Alan R Hill	793	236	–	–	–	184	–	**1,213**	–	**1,213**	865
Richard P Menell	793	438	–	–	–	74	–	**1,305**	226	**1,531**	1,176
David N Murray	793	401	–	–	–	131	–	**1,325**	–	**1,325**	1,540
Donald M J Ncube	793	357	–	–	–	–	–	**1,150**	–	**1,150**	1,420
Rupert L Pennant-Rea[18]	529	367	–	–	–	–	–	**896**	218	**1,114**	1,271
Gayle M Wilson	793	623	–	–	–	–	–	**1,416**	–	**1,416**	1,872
Delfin L Lazaro[18]	529	75	–	–	–	14	–	**618**	–	**618**	865
Matthews S Moloko[20]	–	–	–	–	–	–	–	**–**	–	**–**	900
Total	8,893	3,007	61,542	51,036	6,885	3,188	17,731	152,282	55,026	207,308	211,993

[1] The total US$ amounts paid for 2013, and included in Salary above, 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$272,924.
[2] The annual bonus accruals for the 12 month period ended 31 December 2013.
[3] These amounts reflect the full directors' emoluments in Rand for comparative purposes. The portion of executive directors' emoluments payable in US$ is paid in terms of agreements with the offshore subsidiaries for work done by directors' offshore for offshore companies.
[4] Resignation effective 31 January 2014. As per employment contract a total severance package of R5,3 million was paid on 28 February 2014.
[5] Resigned on 17 March 2013 – share proceeds for 12 month period included in 2013 remuneration.
[6] Appointed as prescribed officer on 11 March 2013 – annual remuneration includes a sign-on bonus of R6,9 million and Utilidades (as per Peruvian legislation) of R6.1 million.
[7] Voluntary termination due to restructuring on 30 September 2013.
[8] Prescribed Officer until 30 May 2013 – share proceeds for 12 month period included in 2013 remuneration.
[9] Voluntary termination due to restructuring on 31 May 2013 – including share trades after termination.
[10] Transferred to Sibanye Gold on 1 February 2013.
[11] Appointed as prescribed officer on 1 March 2013 – share proceeds for 12 month period included in 2013 remuneration.
[12] Appointed as prescribed officer on 1 May 2013 – share proceeds for 12 month period included in 2013 remuneration.
[13] Appointed as prescribed officer on 1 June 2013 – share proceeds for 12 month period included in 2013 remuneration.
[14] Appointed as prescribed officer on 1 August 2013 – share proceeds for 12 month period included in 2013 remuneration.
[15] Retired on 31 May 2013 – share proceeds for 12 month period included in 2013 remuneration .
[16] Elected as Chair of the Board on 13 February 2013.
[17] Resigned as Director of the Board on 13 February 2013.
[18] Resigned as non-executive director on 31 August 2013.
[19] Resigned on 31 May 2012.
[20] 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 2013:

	Equity-settled instruments at 31 December 2012		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 2013	
	Number	Average strike price (Rand)	Granted	Condition achieved	Unbundling adjustment	Total number of shares in 2013	Number	Number	Average market price of vested shares (Rand)	Benefit arising (R'000)	Number	Weighted average strike price (Rand)[1]
Directors												
Nick Holland	406,992	84.15	261,399	69,625	67,293	398,317	–	221,061	51.38	13,037	**584,248**	**89.87**
Paul Schmidt	199,534	87.95	100,679	22,619	32,168	155,466	6,466	77,387	42.36	4,322	**271,147**	**91.71**
Cheryl Carolus	4,100	–	–	–	–	–	–	4,100	54.97	225	**–**	**–**
Richard Menell	4,100	–	–	–	–	–	–	4,100	55.05	226	**–**	**–**
Rupert Pennant-Rea[14]	4,100	–	–	–	–	–	–	4,100	53.15	218	**–**	**–**
Prescribed Officers												
Richard Weston	111,231	113.26	89,249	9,232	14,705	113,186	–	36,229	57.39	2,126	**188,188**	**97.64**
Juan Luis Kruger[2]	182,282	109.16	–	22,037	28,319	50,356	177,854	54,784	58.67	3,261	**–**	**–**
Ernesto Balarezo[3]	–	–	39,182	–	–	39,182	–	–	–	–	**39,182**	**–**
Taryn Harmse[4]	36,682	106.20	18,326	3,296	5,439	27,061	–	12,700	44.35	563	**51,043**	**91.54**
Alfred Baku[5]	58,425	108.03	31,012	6,074	9,296	46,382	4,506	25,354	61.53	1,560	**74,947**	**90.50**
Peet van Schalkwyk[6]	55,320	114.38	58,899	–	8,167	67,066	55,360	63,652	43.07	2,742	**3,374**	**118.45**
Tommy McKeith[7]	241,563	110.16	121,883	22,037	36,627	180,547	118,124	67,445	55.13	3,970	**236,541**	**96.62**
Michael Fleischer[8]	191,190	110.50	83,759	22,037	31,916	137,712	14,456	72,386	51.58	4,246	**242,060**	**91.21**
Tim Rowland[9]	126,647	96.59	58,876	12,731	20,572	92,179	6,466	43,486	49.95	2,303	**168,874**	**89.63**
Kgabo Moabelo	73,310	117.82	85,891	–	10,568	96,459	–	17,837	42.83	738	**151,932**	**102.65**
Lee Ann Samuel[10]	21,757	109.66	45,911	2,111	3,404	51,427	–	9,907	52.97	520	**63,277**	**95.30**
Brett Mattison[11]	71,070	107.13	37,577	6,290	11,435	55,302	6,008	21,204	55.71	1,149	**99,160**	**90.77**
Jimmy Dowsley[12]	146,403	80.16	55,404	15,962	21,540	92,906	72,280	88,145	60.20	4,569	**78,884**	**91.47**
Naseem Chohan	53,828	118.88	38,698	–	7,760	46,458	–	13,242	42.05	549	**87,044**	**103.39**
Willie Jacobsz	105,697	84.99	55,360	15,962	17,881	89,203	7,184	50,574	49.38	2,913	**137,142**	**89.63**
Peter Turner[13]	165,512	108.84	–	22,037	28,540	50,577	65,337	79,800	72.55	5,789	**70,952**	**87.71**

[1] Share Appreciation Rights (SARS) weighted average strike price.
[2] Resigned on 17 March 2013.
[3] Appointed as prescribed officer on 11 March 2013.
[4] Appointed as prescribed officer on 1 June 2013 – share proceeds for 12 month period included in 2013 remuneration.
[5] Appointed as prescribed officer on 1 August 2013 – share proceeds for 12 month period included in 2013 remuneration.
[6] Voluntary termination due to restructuring on 31 May 2013 – Total remuneration includes share trades after termination.
[7] Voluntary termination due to restructuring on 30 September 2013.
[8] Resignation effective 31 January 2014.
[9] Prescribed Officer until 30 May 2013 – share proceeds for 12 month period included in 2013 remuneration.
[10] Appointed as prescribed officer on 1 March 2013 – share proceeds for 12 month period included in 2013 remuneration.
[11] Appointed as prescribed officer on 1 May 2013 – share proceeds for 12 month period included in 2013 remuneration.
[12] Retired on 31 May 2013 – includes share trades after retirement.
[13] Transferred to Sibanye Gold due to the unbundling of the company on 1 February 2013.
[14] Resigned as non-executive director on 21 August 2013.

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 78 to 83 of this report.

Alan Hill
Chairman of the Remuneration Committee
On behalf of the Board, which approved the report on 27 March 2014

Accounting policies

The principal accounting policies applied in the preparation of these 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.

Gold Fields Limited (the "Company') is a company domiciled in South Africa. The registration number of the Company is 1968/004880/06. The address of the Company is 150 Helen Road, Sandton, Johannesburg. The consolidated financial statements of the Company as at and for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities') and the Group's interest in associates and joint ventures. The Group is primarily involved in gold mining.

1. BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards ('IFRS'), 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.

The consolidated and company financial statements were authorised for issue by the Board of Directors on 27 March 2014.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2013

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 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; • The amendment does not address which items are presented in other comprehensive income or which items need to be reclassified; and • The requirements of other IFRS continue to apply in this regard.	No impact[1]
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;* • Expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.	No impact

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Impact on financial position or performance
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.	No impact
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.	No impact
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 Governments 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.	No impact
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.	No impact
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.*	No impact
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.*	No impact[2]
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 (i.e. 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.	No impact[3]

Accounting policies (continued)

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Impact on financial position or performance
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.	No impact[4]
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.*	No impact
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.	No impact
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.	Impact[5]

[1] This IAS 1 amendment has no impact on the amounts recognised in the statement of other comprehensive income. This standard, however, requires additional disclosure which has been provided in the statement of other comprehensive income. Refer page 73.

[2] IFRS 11 has no impact on the amounts recognised in the financial statements. This IFRS, however, requires certain investments previously classified as associates to be reclassified as joint ventures. Refer note 16 on page 100.

[3] IFRS 12 has no impact on the amounts recognised in the financial statements. This IFRS, however, requires additional disclosure which has been incorporated in the financial statements. Refer note 16 and disclosure of major Group investments on pages 142 to 143.

[4] IFRS 13 has no impact on the amounts recognised in the financial statements. This IFRS, however, requires additional disclosure which has been provided in the fair value of assets and liabilities disclosure. Refer note 37 on page 121.

[5] The adoption of IFRIC 20 did not have a significant impact on the amounts recognised in the financial statements. Refer note on change in accounting policy on page 56.

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 2014 or later periods but have not been early adopted by the Group. Management is currently reviewing the impact of these standards on the Group.

These standards, amendments and interpretations are:

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective date
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 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 2018
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 2018
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
Amendments to **IAS 36** – *Impairment of Assets*	Amendment	• The amendments reverse the unintended requirement in IFRS 13 *Fair Value Measurement* to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated; and • Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.	1 January 2014
IFRIC 21 *Levies*	New interpretation	The interpretation provides guidance on accounting for levies in accordance with IAS 37 *Provisions, Contingent Liabilities and Assets.*	1 January 2014

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

Accounting policies (continued)

Change in accounting policy

In 2013, the Group adopted IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* ('IFRIC 20'), which became effective on 1 January 2013. The previous Gold Fields policy stated that costs related to removing waste within the ore body, once it had been exposed, were accounted for in profit or loss using the waste normalisation method. Any resultant asset created by the timing difference between costs incurred and costs expensed was recorded in the statement of financial position as a current asset.

IFRIC 20 requires that production stripping costs in a surface mine be capitalised to non-current assets if, and only if, all of the following criteria are met:

- It is probable that the future economic benefit associated with the stripping activity will flow to the entity;
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured.

If the above criteria are not met, the stripping costs are recognised directly in profit or loss.

The comparative period presented in these financial statements has been restated. The effect of the change in accounting policy is as follows:

Income statement	31 December 2012 R million	31 December 2012 US$ million
Profit for the year from continuing operations – as previously reported	**2,779.0**	339.3
Decrease in cost of sales	**97.0**	11.8
Increase in mining and income tax	**(21.7)**	(2.6)
Profit for the year from continuing operations – restated	**2,854.3**	348.5
Profit for the year from continuing operations – as previously reported	**2,779.0**	339.3
Attributable to:		
Owners of the parent	**2,506.6**	306.1
Non-controlling interest holders	**272.4**	33.2
Increase in owners of the parent	**84.9**	10.3
Decrease in non-controlling interest holders	**(9.6)**	(1.1)
Profit for the year from continuing operations – restated	**2,854.3**	348.5
Basic earnings per share from continuing operations – as previously reported (cents)	**345**	42
Increase in basic earnings per share (cents)	**11**	2
Basic earnings per share from continuing operations – restated (cents)	**356**	44
Diluted basic earnings per share from continuing operations – as previously reported (cents)	**343**	42
Increase in diluted basic earnings per share (cents)	**12**	1
Diluted basic earnings per share from continuing operations – restated (cents)	**355**	43
Headline earnings per share from continuing operations – as previously reported (cents)	**382**	46
Increase in headline earnings per share (cents)	**11**	2
Headline earnings per share from continuing operations – restated (cents)	**393**	48
Diluted headline earnings per share from continuing operations – as previously reported (cents)	**381**	46
Increase in diluted headline earnings per share (cents)	**12**	2
Diluted headline earnings per share from continuing operations – restated (cents)	**393**	48

Statement of financial position at 31 December 2012	Property, plant and equipment R million	Other reserves R million	Retained earnings R million	Non-controlling interest R million	Deferred taxation liability R million
As previously reported	53,789.1	3,773.2	16,038.0	1,803.9	5,106.4
Effect of IFRIC 20 restatement	(155.3)	(25.0)	(66.3)	(9.6)	(54.4)
Restated	53,633.8	3,748.2	15,971.7	1,794.3	5,052.0

Statement of financial position at 31 December 2012	Property, plant and equipment US$ million	Other reserves US$ million	Retained earnings US$ million	Non-controlling interest US$ million	Deferred taxation liability US$ million
As previously reported	6,276.5	(700.8)	2,093.1	210.6	595.8
Effect of IFRIC 20 restatement	(18.1)	–	(10.6)	(1.2)	(6.3)
Restated	6,258.4	(700.8)	2,082.5	209.4	589.5

Statement of financial position at 31 December 2011	Deferred stripping costs R million	Other reserves R million	Retained earnings R million	Non-controlling interest R million	Deferred taxation liability R million
As previously reported	267.4	2,065.5	13,295.1	1,174.6	9,777.5
Effect of IFRIC 20 restatement	(238.5)	(16.3)	(151.2)	–	(71.0)
Restated	28.9	2,049.2	13,143.9	1,174.6	9,706.5

Statement of financial position at 31 December 2011	Deferred stripping costs US$ million	Other reserves US$ million	Retained earnings US$ million	Non-controlling interest US$ million	Deferred taxation liability US$ million
As previously reported	32.9	(605.5)	1,774.7	144.5	1,202.6
Effect of IFRIC 20 restatement	(29.3)	0.3	(20.9)	–	(8.7)
Restated	3.6	(605.2)	1,753.8	144.5	1,193.9

Accounting policies (continued)

Consolidated statement of financial position – restated

at 31 December 2011	R million	US$ million
ASSETS		
Non-current assets	**70,206.0**	8,635.4
Property, plant and equipment	**62,682.8**	7,710.1
Goodwill	**4,458.9**	548.5
Equity-accounted investees	**149.6**	18.4
Investments	**671.0**	82.5
Environmental trust funds	**1,313.3**	161.5
Deferred taxation	**930.4**	114.4
Current assets	**13,837.5**	1,702.0
Inventories	**3,830.1**	471.1
Trade and other receivables	**2,968.5**	365.1
Deferred stripping costs	**28.9**	3.6
Financial instrument	**961.0**	118.2
Cash and cash equivalents	**6,049.0**	744.0
Total assets	**84,043.5**	10,337.4
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	**46,719.4**	5,746.5
Share capital	**361.9**	55.5
Share premium	**31,164.4**	4,542.4
Other reserves	**2,049.2**	(605.2)
Retained earnings	**13,143.9**	1,753.8
Non-controlling interest	**1,174.6**	144.5
Total equity	**47,894.0**	5,891.0
Non-current liabilities	**24,085.9**	2,962.6
Deferred taxation	**9,706.5**	1,193.9
Borrowings	**11,062.3**	1,360.7
Provisions	**3,317.1**	408.0
Current liabilities	**12,063.6**	1,483.8
Trade and other payables	**5,467.4**	672.4
Taxation and royalties	**2,149.1**	264.4
Current portion of borrowings	**4,447.1**	547.0
Total equity and liabilities	**84,043.5**	10,337.4

Significant accounting judgements and estimates

Use of estimates: The preparation of the financial statements in conformity with IFRS 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; business combinations; value of share-based payments 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's 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 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 2013 was R55,720.8 million (US$5,388.9 million) (31 December 2012: R53,633.8 million (US$6,258.3 million)). The carrying value of goodwill at 31 December 2013 was R4,458.9 million (US$431.2 million) (31 December 2012: R4,458.9 million (US$520.3 million)).

Refer notes 6 and 15 of the consolidated financial statements for significant assumptions used in impairment assessments.

Accounting policies (continued)

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 profit or loss may change as these are calculated on the units-of-production method, or where the useful economic lives of assets change;
- 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 2013:

- Deferred taxation liability: R4,129.7 million (US$399.4 million) (31 December 2012: R5,052.0 million (US$589.5 million));
- Deferred taxation asset: R536.9 million (US$51.9 million) (31 December 2012: R356.0 million (US$41.6 million)); and
- Taxation and royalties payable: R357.8 million (US$34.6 million) (31 December 2012: R1,549.7 million (US$180.9 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 2013 was R2,931.8 million (US$283.5 million) (31 December 2012: R2,131.6 million (US$248.8 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 metals prices at the reporting date, less estimated costs to complete production and bring the product to sale. If any inventories are expected to be realised in the long-term horizon, estimated future sales prices are used for valuation purposes.

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 2013 was R5,152.5 million (US$498.3 million) (31 December 2012: R4,491.7 million (US$524.1 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 profit or loss. Gold Fields' options have characteristics significantly different from those of traded options and therefore fair values may also differ.

The charge for the year ended 31 December 2013 was R388.6 million (US$40.5 million) (31 December 2012: R372.5 million (US$45.5 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 2013 was Rnil (US$nil) (31 December 2012: R60.0 million (US$7.0 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.

Accounting policies (continued)

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, other than those associated with the issue of debt or equity securities. 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 profit or loss.

2.2 Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully 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 and losses on transactions between Group companies are 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 impairment losses.

2.3 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control 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 Equity-accounted investees

The Group's interests in equity-accounted investees comprise interest in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and the other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Results of associates and joint ventures 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 and joint ventures 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 US dollar and South African rand. The Company's functional and presentation currency is the South African rand.

For translation of the rand financial statement items to US dollar, an average of 9.60 (2012: 8.19) per US$1 was used for income and expenses (unless this average was not a reasonable approximation 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 10.34 (2012: 8.57) per US$1 for the assets and liabilities.

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 profit or loss. 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. The income and expenses are translated at the average exchange rate for the year, unless this average was not a reasonable approximation 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. 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 (i.e. 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 profit or loss 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.

Accounting policies (continued)

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 profit or loss 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 to profit and loss 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 ore bodies 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 whenever 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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) is compared to the carrying value of the asset/unit. Impairment losses are recognised in profit or loss.

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 property, plant and equipment (calculated as the net proceeds from disposal less the carrying amount of the item) is recognised in profit or loss.

4.11 Leases

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

4.12 Deferred stripping

Production stripping costs in a surface mine are capitalised to non-current assets if, and only if, all of the following criteria are met:

- It is probable that the future economic benefit associated with the stripping activity will flow to the entity;
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured.

If the above criteria are not met, the stripping costs are recognised directly in profit or loss.

The Group initially measures the stripping activity asset at cost, this being the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore.

After initial recognition, the stripping activity asset is carried at cost less accumulated amortisation and accumulated impairment losses.

5. GOODWILL

Goodwill is stated at cost less accumulated impairment losses. Goodwill on acquisition of equity-accounted investees 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.

Accounting policies (continued)

6. 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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 and impairment 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.

7. 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 or the estimated future sales price of the product if it is expected to be realised in the long-term horizon.

8. 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 the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy, economic conditions that correlate with defaults or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against loans and receivables. When an event occurring after the impairment loss was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss. A significant decline in the fair value of an available-for-sale financial asset below its cost is objective evidence of impairment. Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value adjustment reserve in other comprehensive income to profit and loss. Impairment losses charged to the income statement on available-for-sale financial assets are not reversed.

8.1 Investments

Investments comprise (1) investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealised gains and losses subsequent to initial recognition recognised in other comprehensive income and included in the fair value adjustment reserve, and released to profit or loss when the investments are sold or impaired; 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.

On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included in determining the profit or loss on disposal, or impairment charge relating to that financial asset, respectively, which is recognised in profit or loss.

8.2 Derivative financial instruments

The Group's general policy with regard 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.

On initial designation of the derivative as a hedging instrument:

- The Group formally documents the relationship between the hedging instrument and hedged item;
- (As well as on an ongoing basis) the Group makes an assessment of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows attributable to the hedged risk; and
- For a cash flow hedge, the forecast transaction should be highly probable.

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.

Accounting policies (continued)

Changes in fair value of a derivative that is highly effective, and that is designated as a cash flow hedge, are recognised directly in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. 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 profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

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 profit or loss. Gains and losses accumulated in equity are included in profit or loss 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 profit or loss.

8.3 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 (less than 12 months).

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

8.4 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 and gold 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 and gold 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.

8.5 Trade payables

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

8.6 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 profit or loss 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.

8.7 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.

Embedded derivatives are separated from the host contract and accounted for separately if:

- The economic characteristics and risks of the host contract and the embedded derivative are not closely related;
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- The combined instrument is not measured at fair value through profit or loss.

Subsequent reassessment is not performed unless there is a change in the terms of the contract that significantly modifies the cash flows.

8.8 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 Assets*, and the initial amount recognised less cumulative amortisation.

9. 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 classified as held for sale or distribution, property, plant and equipment is no longer amortised or depreciated.

10. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation 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.

11. 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 profit or loss.

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 the risk-free rate in the jurisdiction of the obligation.

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

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

Accounting policies (continued)

12. EMPLOYEE BENEFITS

12.1 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 recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

12.2 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.

12.3 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.

13. SHARE CAPITAL

13.1 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.

13.2 Repurchase 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.

14. 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.

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

Copper and gold 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.

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

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

14.4 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.

15. DIVIDENDS DECLARED

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

Dividend withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012. The Group withholds dividend tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid recognised directly in equity.

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

16. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share. Basic 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. Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders, if applicable, and the weighted average number of ordinary shares in issue for ordinary shares that may be issued in the future has a dilutive effect on earnings per share.

17. 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 9), 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.

18. 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.

19. COMPARATIVES

Where necessary, comparatives are adjusted to conform to changes in presentation or adoption of new accounting standards. The comparative period presented in this annual report has been restated due to the adoption of IFRIC 20 (refer accounting policy 1).

Consolidated income statement
for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
Restated 2012	2013		Notes	2013	Restated 2012
		CONTINUING OPERATIONS			
3,530.6	**2,906.3**	Revenue	1	**27,900.6**	28,915.8
(2,151.0)	**(2,277.8)**	Cost of sales	2	**(21,866.2)**	(17,616.9)
1,379.6	**628.5**	**Net operating profit**		**6,034.4**	11,298.9
16.3	**8.5**	Investment income	3	**81.3**	133.9
(55.3)	**(69.5)**	Finance expense	4	**(667.1)**	(452.8)
(0.5)	**(0.3)**	Loss on financial instruments		**(2.9)**	(4.5)
(13.8)	**7.3**	Profit/(loss) on foreign exchange		**69.8**	(112.7)
(15.6)	**(97.2)**	Other costs		**(933.8)**	(126.7)
(45.5)	**(40.5)**	Share-based payments	5	**(388.6)**	(372.5)
(128.5)	**(65.9)**	Exploration expense		**(632.6)**	(1,052.7)
(44.1)	**(47.7)**	Feasibility and evaluation costs		**(457.9)**	(361.2)
(49.7)	**(18.4)**	Share of results of equity-accounted investees after taxation	16	**(176.5)**	(407.4)
(50.8)	**(39.4)**	Restructuring costs		**(378.3)**	(416.3)
(98.2)	**(809.5)**	Impairment of investments and assets	6	**(8,336.9)**	(803.9)
27.6	**17.8**	Profit on disposal of investments		**170.8**	225.9
0.3	**1.6**	Profit on disposal of property, plant and equipment		**15.4**	2.1
921.8	**(524.7)**	**(Loss)/profit before royalties and taxation**	7	**(5,602.9)**	7,550.1
(116.7)	**(90.5)**	Royalties	8	**(869.1)**	(955.9)
805.1	**(615.2)**	**(Loss)/profit before taxation**		**(6,472.0)**	6,594.2
(456.6)	**20.1**	Mining and income taxation	9	**315.4**	(3,739.9)
348.5	**(595.1)**	**(Loss)/profit from continuing operations**		**(6,156.6)**	2,854.3
		DISCONTINUED OPERATIONS			
384.9	**287.9**	Profit from discontinued operations, net of taxation	10.1	**2,553.8**	3,152.1
733.4	**(307.2)**	**(Loss)/profit for the year**		**(3,602.8)**	6,006.4
		(Loss)/profit attributable to:			
701.2	**(295.7)**	**Owners of the parent**		**(3,465.7)**	5,743.0
316.4	**(583.6)**	– Continuing operations		**(6,019.5)**	2,591.5
384.8	**287.9**	– Discontinued operations		**2,553.8**	3,151.5
32.2	**(11.5)**	**Non-controlling interest holders**		**(137.1)**	263.4
32.1	**(11.5)**	– Continuing operations		**(137.1)**	262.8
0.1	**–**	– Discontinued operations		**–**	0.6
733.4	**(307.2)**			**(3,602.8)**	6,006.4
		(Loss)/earnings per share attributable to ordinary shareholders of the Company:			
44	**(79)**	Basic (loss)/earnings per share from continuing operations – cents	11.1	**(811)**	356
53	**39**	Basic earnings per share from discontinued operations – cents	11.2	**349**	433
43	**(79)**	Diluted basic (loss)/earnings per share from continuing operations – cents	11.3	**(811)**	355
53	**39**	Diluted basic earnings per share from discontinued operations – cents	11.4	**348**	431

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

Consolidated statement of comprehensive income

for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR Restated 2012	2013		SOUTH AFRICAN RAND 2013	Restated 2012
733.4	**(307.2)**	**(Loss)/profit for the year**	**(3,602.8)**	6,006.4
(159.9)	**(685.0)**	**Other comprehensive income[1]**	**2,474.9**	1,261.6
17.7	**(3.0)**	Marked-to-market valuation of listed investments	**(28.5)**	145.1
(14.7)	**(7.4)**	Realised gain on disposal of listed investments	**(71.3)**	(120.3)
1.0	**1.7**	Deferred taxation on marked-to-market valuation and realised gain on disposal of listed investments	**16.4**	7.8
(163.9)	**(676.3)**	Currency translation adjustments	**2,558.3**	1,229.0
573.5	**(992.2)**	**Total comprehensive income for the year**	**(1,127.9)**	7,268.0
		Attributable to:		
527.9	**(980.8)**	– Owners of the parent	**(1,379.4)**	6,806.0
45.6	**(11.4)**	– Non-controlling interest holders	**251.5**	462.0
573.5	**(992.2)**		**(1,127.9)**	7,268.0

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

[1]All items can be subsequently reclassified to the income statement.

Consolidated statement of financial position

at 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
Restated 2012	**2013**		Notes	**2013**	**Restated 2012**
		ASSETS			
7,197.1	**6,234.7**	**Non-current assets**		**64,466.2**	61,677.4
6,258.4	**5,388.9**	Property, plant and equipment	14	**55,720.8**	53,633.8
520.3	**431.2**	Goodwill	15	**4,458.9**	4,458.9
96.3	**93.8**	Heap leach inventories	20	**969.5**	825.3
232.1	**237.5**	Equity accounted investees	16	**2,455.8**	1,988.9
38.4	**7.5**	Investments	18	**77.0**	329.2
10.0	**23.9**	Environmental trust funds	19	**247.3**	85.3
41.6	**51.9**	Deferred taxation	25	**536.9**	356.0
3,875.5	**1,061.4**	**Current assets**		**10,974.9**	33,212.9
427.8	**404.5**	Inventories	20	**4,183.0**	3,666.4
450.5	**272.7**	Trade and other receivables	21	**2,819.2**	3,861.0
2.0	**–**	Deferred stripping costs		**–**	16.7
7.0	**–**	Financial instrument	22	**–**	60.0
606.3	**325.0**	Cash and cash equivalents	23	**3,360.6**	5,195.6
2,381.9	**59.2**	Assets held for sale/distribution	10.1/10.2	**612.1**	20,413.2
11,072.6	**7,296.1**	**Total assets**		**75,441.1**	94,890.3
		EQUITY AND LIABILITIES			
5,981.6	**3,851.4**	Equity attributable to owners of the parent		**39,823.7**	51,262.2
55.9	**57.8**	Share capital	24	**383.6**	364.8
4,544.0	**3,412.9**	Share premium		**21,261.8**	31,177.5
(700.8)	**(1,340.8)**	Other reserves		**6,266.6**	3,748.2
2,082.5	**1,721.5**	Retained earnings		**11,911.7**	15,971.7
209.4	**193.8**	Non-controlling interest		**2,003.8**	1,794.3
6,191.0	**4,045.2**	**Total equity**		**41,827.5**	53,056.5
2,681.0	**2,627.4**	**Non-current liabilities**		**27,167.2**	22,975.5
589.5	**399.4**	Deferred taxation	25	**4,129.7**	5,052.0
1,828.8	**1,933.6**	Borrowings	26	**19,993.4**	15,672.9
262.7	**294.4**	Provisions	27	**3,044.1**	2,250.6
2,200.6	**623.5**	**Current liabilities**		**6,446.4**	18,858.3
538.4	**462.4**	Trade and other payables	28	**4,780.1**	4,614.4
180.9	**34.6**	Taxation and royalties		**357.8**	1,549.7
40.0	**126.5**	Current portion of borrowings	26	**1,308.5**	342.8
1,441.3	**–**	Liabilities held for sale/distribution	10.1	**–**	12,351.4
11,072.6	**7,296.1**	**Total equity and liabilities**		**75,441.1**	94,890.3

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

Consolidated statement of changes in equity

for the year ended 31 December 2013

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 2011 – restated	**723,735,186**	**31,526.3**	**2,135.2**	**48.0**	**(134.0)**	**13,143.9**	**46,719.4**	**1,174.6**	**47,894.0**
Balance at 31 December 2011 – as previously reported	–	31,526.3	2,151.5	48.0	(134.0)	13,295.1	**46,886.9**	1,174.6	**48,061.5**
Change in accounting policy[2]	–	–	(16.3)	–	–	(151.2)	**(167.5)**	–	**(167.5)**
Profit for the year	–	–	–	–	–	5,743.0	**5,743.0**	263.4	**6,006.4**
Other comprehensive income	–	–	1,030.4	32.6	–	–	**1,063.0**	198.6	**1,261.6**
Total comprehensive income	–	–	1,030.4	32.6	–	5,743.0	**6,806.0**	462.0	**7,268.0**
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**
Loans received from 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 – restated	**729,536,813**	**31,542.3**	**3,165.6**	**80.6**	**502.0**	**15,971.7**	**51,262.2**	**1,794.3**	**53,056.5**
Balance at 31 December 2012 – as previously reported	–	31,542.3	3,190.6	80.6	502.0	16,038.0	**51,353.5**	1,803.9	**53,157.4**
Change in accounting policy[2]	–	–	(25.0)	–	–	(66.3)	**(91.3)**	(9.6)	**(100.9)**
(Loss)/profit for the year	–	–	–	–	–	(3 465.7)	**(3,465.7)**	(137.1)	**(3,602.8)**
Other comprehensive income	–	–	2,169.7	(83.4)	–	–	**2,086.3**	388.6	**2,474.9**
Total comprehensive income	–	–	2,169.7	(83.4)	–	(3 465.7)	**(1,379.4)**	251.5	**(1,127.9)**
Dividends declared	–	–	–	–	–	(557.9)	**(557.9)**	(10.1)	**(568.0)**
Distribution in specie (refer note 10.1)	–	(11,186.9)	–	–	–	–	**(11,186.9)**	–	**(11,186.9)**
Share-based payments for continuing operations	–	–	–	–	388.6	–	**388.6**	–	**388.6**
Share-based payments for discontinued operations	–	–	–	–	43.5	–	**43.5**	–	**43.5**
Acquisition of Yilgarn South assets (refer note 13)	28,717,660	1,286.5	–	–	–	–	**1,286.5**	–	**1,286.5**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	(11.3)	**(11.3)**
Loans received from non-controlling interest holders	–	–	–	–	–	–	**–**	65.1	**65.1**
Purchase of non-controlling interest	–	–	–	–	–	(36.4)	**(36.4)**	(85.7)	**(122.1)**
Exercise of employee share options	8,905,790	3.5	–	–	–	–	**3.5**	–	**3.5**
Balance at 31 December 2013	**767,160,263**	**21,645.4**	**5,335.3**	**(2.8)**	**934.1**	**11,911.7**	**39,823.7**	**2,003.8**	**41,827.5**
UNITED STATES DOLLAR									
Balance at 31 December 2011 – restated	**723,735,186**	**4,597.9**	**(615.9)**	**29.2**	**(18.5)**	**1,753.8**	**5,746.5**	**144.5**	**5,891.0**
Balance at 31 December 2011 – as previously reported	–	4,597.9	(616.2)	29.2	(18.5)	1,774.7	**5,767.1**	144.5	**5,911.6**
Change in accounting policy[2]	–	–	0.3	–	–	(20.9)	**(20.6)**	–	**(20.6)**
Profit for the year	–	–	–	–	–	701.2	**701.2**	32.2	**733.4**
Other comprehensive income	–	–	(177.3)	4.0	–	–	**(173.3)**	13.4	**(159.9)**
Total comprehensive income	–	–	(177.3)	4.0	–	701.2	**527.9**	45.6	**573.5**
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**
Loans received from 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 – restated	**729,536,813**	**4,599.9**	**(793.2)**	**33.2**	**59.2**	**2,082.5**	**5,981.6**	**209.4**	**6,191.0**
Balance at 31 December 2012 – as previously reported	–	4,599.9	(793.2)	33.2	59.2	2,093.1	**5,992.2**	210.6	**6,202.8**
Change in accounting policy[2]	–	–	–	–	–	(10.6)	**(10.6)**	(1.2)	**(11.8)**
Loss for the year	–	–	–	–	–	(295.7)	**(295.7)**	(11.5)	**(307.2)**
Other comprehensive income	–	–	(676.4)	(8.7)	–	–	**(685.1)**	0.1	**(685.0)**
Total comprehensive income	–	–	(676.4)	(8.7)	–	(295.7)	**(980.8)**	(11.4)	**(992.2)**
Dividends declared	–	–	–	–	–	(61.2)	**(61.2)**	(1.1)	**(62.3)**
Distribution in specie (refer note 10.1)	–	(1,256.9)	–	–	–	–	**(1,256.9)**	–	**(1,256.9)**
Share-based payments for continuing operations	–	–	–	–	40.5	–	**40.5**	–	**40.5**
Share-based payments for discontinued operations	–	–	–	–	4.6	–	**4.6**	–	**4.6**
Acquisition of Yilgarn South assets (refer note 13)	28,717,660	127.3	–	–	–	–	**127.3**	–	**127.3**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	(1.2)	**(1.2)**
Loans received from non-controlling interest holders	–	–	–	–	–	–	**–**	6.8	**6.8**
Purchase of non-controlling interest	–	–	–	–	–	(4.1)	**(4.1)**	(8.7)	**(12.8)**
Exercise of employee share options	8,905,790	0.4	–	–	–	–	**0.4**	–	**0.4**
Balance at 31 December 2013	**767,160,263**	**3,470.7**	**(1,469.6)**	**24.5**	**104.3**	**1,721.5**	**3,851.4**	**193.8**	**4,045.2**

[1] Other reserves include share-based payments and share of equity investee's other comprehensive income.
[2] Relates to IFRIC 20: *Stripping Costs in the Production Phase of a Surface Mine*. Refer accounting policies on page 56.
The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
Restated 2012	**2013**		Notes	**2013**	**Restated 2012**
1,046.7	**467.1**	**Cash flows from operating activities**		**4,560.1**	8,709.4
1,594.6	**970.2**	Cash generated by operations	29	**9,313.8**	13,061.0
15.8	**8.0**	Interest received		**76.6**	129.8
–	**–**	Dividends received		**0.3**	0.4
(149.9)	**10.0**	Change in working capital	30	**96.2**	(1,229.4)
1,460.5	**988.2**	Cash generated by operating activities		**9,486.9**	11,961.8
(68.6)	**(89.4)**	Interest paid		**(858.0)**	(561.9)
(112.4)	**(99.9)**	Royalties paid	31	**(946.7)**	(922.5)
(334.1)	**(298.2)**	Taxation paid	32	**(2,815.7)**	(2,742.4)
945.4	**500.7**	Net cash from operations		**4,866.5**	7,735.0
(378.2)	**(64.5)**	Dividends paid		**(588.0)**	(2,963.0)
(364.2)	**(61.2)**	– Ordinary shareholders		**(557.9)**	(2,846.3)
(11.5)	**(1.1)**	– Non-controlling interest holders		**(10.1)**	(96.7)
(2.5)	**(2.2)**	– South Deep BEE dividend		**(20.0)**	(20.0)
567.2	**436.2**	Cash generated by continuing operations		**4,278.5**	4,772.0
479.5	**30.9**	Cash generated by discontinued operations		**281.6**	3,937.4
(1,661.3)	**(914.6)**	**Cash flows from investing activities**		**(8,800.1)**	(13,550.5)
(1,221.2)	**(739.3)**	Additions to property, plant and equipment		**(7,097.1)**	(10,001.5)
1.3	**10.4**	Proceeds on disposal of property, plant and equipment		**99.7**	10.6
(0.8)	**(12.8)**	La Cima non-controlling interest buy-out		**(122.1)**	(7.3)
(10.0)	**–**	Talas non-controlling interest buy-out		**–**	(83.1)
–	**(135.0)**	Yilgarn South asset purchase		**(1,366.5)**	–
(110.0)	**–**	Payment for FSE		**–**	(833.8)
–	**(10.0)**	Payment for Bezant	22	**(90.8)**	–
(0.8)	**(3.5)**	Purchase of investments		**(33.2)**	(6.5)
65.4	**35.0**	Proceeds on disposal of investments		**341.0**	525.6
(3.4)	**(4.5)**	Environmental trust funds and rehabilitation payments		**(43.4)**	(27.4)
(1,279.5)	**(859.7)**	Cash utilised in continuing operations		**(8,312.4)**	(10,423.4)
(381.8)	**(54.9)**	Cash utilised in discontinued operations		**(487.7)**	(3,127.1)
504.8	**253.0**	**Cash flows from financing activities**		**2,341.6**	4,072.1
27.7	**6.8**	Loans received from non-controlling interest holders		**65.1**	229.6
936.3	**3,177.7**	Loans raised		**28,468.5**	7,351.9
(975.9)	**(2,971.3)**	Loans repaid		**(26,549.3)**	(7,745.4)
2.0	**0.8**	Proceeds from the issue of shares		**7.3**	16.0
(9.9)	**214.0**	Cash generated/(utilised) in continuing operations		**1,991.6**	(147.9)
514.7	**39.0**	Cash generated by discontinued operations		**350.0**	4,220.0
(109.8)	**(194.5)**	Net cash utilised		**(1,898.4)**	(769.0)
–	**(106.4)**	Cash transferred on unbundling of Sibanye Gold		**(946.1)**	–
21.4	**(29.7)**	Effect of exchange rate fluctuation on cash held		**586.6**	338.5
744.0	**655.6**	Cash and cash equivalents at beginning of the year		**5,618.5**	6,049.0
655.6	**325.0**	**Cash and cash equivalents at end of the year**	23	**3,360.6**	5,618.5

Notes to the consolidated financial statements
for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2012	UNITED STATES DOLLAR 2013			SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND 2012
		1.	**REVENUE**		
3,530.6	**2,906.3**		Revenue from mining operations – spot sales	**27,900.6**	28,915.8
		2.	**COST OF SALES**		
(366.2)	**(417.1)**		Salaries and wages	**(4,004.5)**	(2,999.0)
(493.1)	**(528.0)**		Consumable stores	**(5,069.1)**	(4,038.8)
(163.1)	**(139.1)**		Utilities	**(1,335.5)**	(1,335.7)
(391.8)	**(370.4)**		Mine contractors	**(3,555.5)**	(3,208.5)
(259.6)	**(224.1)**		Other	**(2,150.9)**	(2,126.6)
(1,673.8)	**(1,678.7)**		**Operating costs**	**(16,115.5)**	(13,708.6)
22.0	**11.8**		Gold inventory change	**113.7**	179.9
(1,651.8)	**(1,666.9)**		**Operating costs including gold inventory change**	**(16,001.8)**	(13,528.7)
(499.2)	**(610.9)**		Amortisation and depreciation	**(5,864.4)**	(4,088.2)
(2,151.0)	**(2,277.8)**		**Total cost of sales**	**(21,866.2)**	(17,616.9)
		3.	**INVESTMENT INCOME**		
–	**–**		Dividends received	**0.3**	0.4
0.5	**0.5**		Interest received – environmental trust funds	**4.4**	3.7
15.8	**8.0**		Interest received – cash balances	**76.6**	129.8
16.3	**8.5**		**Total investment income**	**81.3**	133.9
		4.	**FINANCE EXPENSE**		
(2.8)	**(2.3)**		Interest charge – environmental rehabilitation	**(21.7)**	(22.8)
(68.6)	**(90.8)**		Interest expense – borrowings	**(871.8)**	(561.9)
16.1	**23.6**		Interest capitalised	**226.4**	131.9
(55.3)	**(69.5)**		**Total finance expense**	**(667.1)**	(452.8)

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2013

Figures in millions unless otherwise stated

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 2013, the following share plans were in place: The GF Management Incentive Scheme, the Gold Fields Limited 2005 Share Plan, the Gold Fields Limited 2005 Non-executive Share Plan and the Gold Fields Limited 2012 Share Plan.

The following information is available for each plan:

UNITED STATES DOLLAR 2013 Continuing operations	Discontinued operations		SOUTH AFRICAN RAND 2013 Continuing operations	Discontinued operations
–	–	(a) The GF Management Incentive Scheme	–	–
		(b) Gold Fields Limited 2005 Share Plan		
8.4	**2.4**	– Performance vesting restricted shares	**80.7**	**24.2**
1.4	**0.3**	– Performance allocated share appreciation rights	**13.0**	**2.3**
		(c) Gold Fields Limited 2012 Share Plan		
18.8	**1.1**	– Performance shares	**181.0**	**10.3**
11.9	**0.8**	– Bonus shares	**113.9**	**6.7**
40.5	**4.6**	**Total included in profit for the year**	**388.6**	**43.5**
		Figures above in millions.		

UNITED STATES DOLLAR 2012 Continuing operations	Discontinued operations		SOUTH AFRICAN RAND 2012 Continuing operations	Discontinued operations
–	–	(a) The GF Management Incentive Scheme	–	–
		(b) Gold Fields Limited 2005 Share Plan		
19.9	17.9	– Performance vesting restricted shares	163.1	146.7
3.8	1.7	– Performance allocated share appreciation rights	31.1	13.9
		(c) Gold Fields Limited 2012 Share Plan		
13.1	7.6	– Performance shares	107.4	62.3
8.7	5.0	– Bonus shares	70.9	40.6
45.5	32.2	**Total included in profit for the year**	372.5	263.5
		Figures above in millions.		

Unbundling of Sibanye Gold

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 value of an employee's share portfolio pre and post corporate action remains the same. In order to uphold this principle, an independent professional firm was contracted to provide a fairness opinion on the additional number of shares or changes to strike prices required to maintain the pre-unbundling value of the share portfolios of employees as a result of the Sibanye Gold unbundling (refer note 10.1 for details of the unbundling), which resulted in additional shares being awarded. The incremental fair value of these modifications was Rnil. Furthermore, employees who ceased to be employed by the Group as a result of the unbundling are treated as "good leavers" in terms of the rules of the share plans. Good leavers are entitled to the vested portion of their shares 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.

(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 was closed during the year ended 31 December 2013 as all options relating to this scheme were exercised or lapsed during the year.

Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS (continued)

(a) The GF Management Incentive Scheme (continued)

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.

The following table summarises the movement of share options under the GF Management Incentive Scheme during the years ended 31 December 2013 and 2012:

2012			2013	
Number of instruments	Average instruments price (rand)		Number of instruments	Average instruments price (rand)
311,225	73.48	**Outstanding at beginning of the year**	**75,500**	**86.51**
		Movement during the year:		
–	–	Unbundling of Sibanye Gold (forfeited)	**(28,100)**	**89.69**
(204,570)	68.60	Exercised and released	**(31,147)**	**59.21**
(31,155)	73.91	Forfeited	**(16,253)**	**92.93**
75,500	86.51	**Outstanding at end of the year**	**–**	**–**
		All options above have vested.		

During the years ended 31 December 2012 and 2013, 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 these modifications were Rnil.

(b) 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 1 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 period);
- 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;

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS (continued)

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

– Gold Fields Limited 2005 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.

– 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. 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.

The following table summarises the movement of share options under the Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan during the years ended 31 December 2013 and 2012:

2012				2013		
Performance vesting restricted shares (PVRS)	**Share appreciation rights (SARS)**	**Average instrument price (rand)**		**Performance vesting restricted shares (PVRS)**	**Share appreciation rights (SARS)**	**Average instrument price (rand)**
7,411,012	5,030,143	107.91	**Outstanding at beginning of the year**	**4,998,516**	**4,318,909**	**107.37**
			Movement during the year:			
–	–	–	Unbundling of Sibanye Gold (forfeited)	**(2,221,264)**	**(1,077,878)**	**106.58**
–	–	–	Additional shares awarded due to unbundling	**538,562**	**465,346**	**95.34**
(1,827,682)	(259,455)	106.36	Exercised and released	**(1,869,914)**	**–**	**–**
(584,814)	(451,779)	117.14	Forfeited	**(214,929)**	**(554,649)**	**101.83**
4,998,516	4,318,909	107.37	**Outstanding at end of the year**	**1,230,971**	**3,151,728**	**91.91**

Included in the above are 2,095,543 (2012: 1,605,403) vested share appreciation rights and no further allocations are being made under this plan.

Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS (continued)

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

During the years ended 31 December 2012 and 2013, 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 these modifications were Rnil. The following executive directors were affected by the modification:

2012				2013		
Number of options	Average instrument price (rand)	Contractual life extended by (years)		Number of options	Average instrument price (rand)	Contractual life extended by (years)
49,000	109.66	0.06	NJ Holland	**121,428**	**84.91**	**0.16**
43,310	108.67	0.06	PA Schmidt	**75,082**	**88.46**	**0.17**

(c) 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 period);
- 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 in equal proportion to a participant over a nine-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.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS (continued)

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

The following table summarises the movement of share options under the Gold Fields Limited 2012 Share Plan during the years ended 31 December 2013 and 2012:

2012 Performance shares (PS)	2012 Bonus shares (BS)		2013 Performance shares (PS)	2013 Bonus shares (BS)
–	–	**Outstanding at beginning of the year**	**4,262,170**	**792,376**
		Movement during the year:		
–	–	Unbundling of Sibanye Gold (forfeited)	**(1,562,498)**	**(241,023)**
–	–	Additional shares awarded due to unbundling	**396,229**	**–**
4,511,700	1,368,423	Granted	**5,310,968**	**2,018,771**
–	(528,392)	Exercised and released	**(515,025)**	**(1,314,156)**
(249,530)	(47,655)	Forfeited	**(1,862,128)**	**(373,896)**
4,262,170	792,376	**Outstanding at end of the year**	**6,029,716**	**882,072**
		None of the options above have vested.		

2012		2013
	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. The inputs to the model for options granted during the year were as follows:	
36.4%	– 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)	**33.1%**
3.0	– expected term (years)	**3.0**
1.6%	– dividend yield	**4.6%**
0.7%	– weighted average three-year risk-free interest rate (based on US interest rates)	**0.2%**
162.14	– weighted average fair value	**79.83**
	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:	
29.4%	– 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)	**32.0%**
9.0 – 18.0	– expected term (months)	**9.0 – 18.0**
2.7%	– dividend yield	**4.6%**
5.5%	– weighted average three-year risk-free interest rate (based on SA interest rates)	**4.1%**
1.6%	– marketability discount	**2.8%**
115.61	– weighted average fair value	**72.42**

Figures in millions unless otherwise stated

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 2013:

2012 Number of instruments	2012 Price (rand)	2012 Contractual life (years)	Range of exercise prices for outstanding equity instruments (South African rand)	2013 Number of instruments	2013 Price (rand)	2013 Contractual life (years)
10,053,062	–	1.41	n/a*	**8,142,759**	**–**	**1.52**
37,900	66.37	0.10	60.00 – 84.99	**873,064**	**75.81**	**2.22**
2,647,034	99.37	2.50	85.00 – 109.99	**1,217,915**	**93.10**	**0.90**
1,666,471	119.59	3.69	110.00 – 134.99	**1,033,784**	**103.36**	**3.34**
43,004	136.82	4.42	135.00 – 159.99	**26,965**	**118.45**	**4.01**
14,447,471			**Total outstanding at end of the year**	**11,294,487**		
			*Restricted shares ('PVRS') are awarded for no consideration.			
		109.50	Weighted average share price during the year	**60.84**		

The compensation costs related to awards not yet recognised under the above plans at 31 December 2013 and 31 December 2012 amount to R415.1 million (US$40.1 million) comprising R415.1 million (US$40.1 million) for continuing operations and Rnil for discontinued operations and R828.5 million (US$96.7 million) comprising R509.1 million (US$59.4 million) for continuing operations and R319.4 million (US$37.3 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 11,359,218 (1.47%) of the total issued ordinary share capital at 31 December 2013.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2012	UNITED STATES DOLLAR 2013		SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND 2012
		6. IMPAIRMENT OF INVESTMENTS AND ASSETS		
		Investments		
(10.6)	**(10.3)**	Listed investments	**(98.9)**	(86.4)
(68.4)	**(706.2)**	**Property, plant and equipment**	**(7,288.2)**	(560.6)
–	**(89.7)**	Arctic Platinum[1]	**(927.6)**	–
–	**(29.7)**	Yanfolila[1]	**(307.1)**	–
(10.1)	**(73.4)**	Heap leach assets[2]	**(746.0)**	(82.9)
(53.0)	**–**	Exploration interests[3]	**–**	(434.0)
–	**(4.6)**	Tarkwa expansion project[4]	**(47.6)**	–
–	**(51.3)**	Tarkwa impairment – cash-generating unit[5]	**(530.7)**	–
–	**(172.8)**	Damang impairment – cash-generating unit[5]	**(1,786.3)**	–
–	**(264.9)**	St Ives impairment – cash-generating unit[5]	**(2,739.0)**	–
(5.3)	**(19.8)**	Property, plant and equipment – other[6]	**(203.9)**	(43.7)
(19.2)	**(61.3)**	**Inventories**	**(622.5)**	(156.9)
–	**(18.5)**	Stockpiles and consumables[7]	**(187.8)**	–
(19.2)	**(42.8)**	Heap leach inventory[2]	**(434.7)**	(156.9)
–	**(31.7)**	**Other**	**(327.3)**	–
–	**(22.2)**	Tarkwa expansion project[4]	**(229.1)**	–
–	**(9.5)**	Non-refundable option payment to Bezant[8]	**(98.2)**	–
(98.2)	**(809.5)**	**Total impairment of investments and assets**	**(8,336.9)**	(803.9)

[1] Following the Group's decision to dispose of non-core projects, Arctic Platinum and Yanfolila were classified as held for sale (refer note 10.2) and, accordingly, valued at the lower of fair value less cost to sell or carrying value which resulted in impairments for both.
[2] Write-down of inventory to net realisable value due to the cessation of the heap leach operations as well as impairment of related assets at Tarkwa (2012: St Ives).
[3] Following the Gold Fields portfolio review in 2012, exploration activities were scaled down at St Ives and Agnew, which resulted in a write-off of exploration assets.
[4] Impairment of assets due to the abandonment of the Tarkwa expansion project at Tarkwa.
[5] The recoverable amount for each cash-generating unit ('CGU') was based on its fair value less cost to sell ('FVLCTS'). FVLCTS for Tarkwa and Damang was calculated using a combination of the market (comparable resource transactions) and the income (present value techniques) approaches. FVLCTS for St Ives was calculated using the income approach (present value techniques). The impairments were mainly due to the decrease in the gold price which impacted the life of mine plans and increases in the discount rates used. The discount rates increased mainly as a result of the increase in the risk-free rates.

Key assumptions used in the FVLCTS calculations were:

	CGU and reportable segments Tarkwa	Damang	St Ives
Discount rate – real	**8.0%**	**8.0%**	**5.2%**
Gold price – dollars per ounce	**US$1,300**	**US$1,300**	**US$1,300**
AUD/US$ exchange rate	**N/A**	**N/A**	**0.9**
Resource valuation – dollars per ounce	**US$26**	**US$26**	**N/A**
2013 life of mine – years	**17**	**6**	**15**

The FVLCTS calculations are very sensitive to the gold price assumptions and an increase or decrease in the gold price could materially change the FVLCTS. Refer note 15 for other factors that could impact the recoverable amount of property, plant and equipment.
[6] Impairment of redundant assets at Tarkwa, Cerro Corona and Agnew (2012: Tarkwa and Cerro Corona).
[7] Net realisable value write-down of stockpiles and consumables at Tarkwa and Damang.
[8] The US$9.5 million non-refundable option payment was impaired due to the fact that Gold Fields relinquished the Mankayan option in connection with the Guinaoang property ahead of the 31 January 2014 expiry date (refer notes 16 and 22 for further details).

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2012	2013			SOUTH AFRICAN RAND 2013	2012
		7.	**INCLUDED IN (LOSS)/PROFIT BEFORE ROYALTIES AND TAXATION ARE THE FOLLOWING:**		
10.7	**12.8**		Environmental rehabilitation inflation adjustment	**123.1**	87.5
3.9	**4.5**		Operating lease charges	**43.3**	31.7
–	**27.4**		Stamp duty and other costs on the acquisition of Yilgarn South assets (refer note 13)	**263.5**	–
–	**23.5**		Facility charges[1]	**225.6**	–
–	**11.1**		Regulatory legal fees[2]	**106.5**	–
		8.	**ROYALTIES**		
(2.3)	**(2.1)**		South Africa	**(20.4)**	(18.5)
(114.4)	**(88.4)**		Foreign	**(848.7)**	(937.4)
(116.7)	**(90.5)**		**Total royalties**	**(869.1)**	(955.9)
			Royalty rates		
			South Africa (effective rate)[3]	**0.5%**	0.5%
			Australia[4]	**2.5%**	2.5%
			Ghana[4]	**5.0%**	5.0%
			Peru[5]	**3.8%**	3.7%

[1] Facility charges on cancellation of the US$1 billion and US$500 million facilities associated with the unbundling of Sibanye Gold. These costs have been included under "Other costs" in the consolidated income statement.

[2] Legal fees paid as a result of the Gold Fields Board examination and regulatory investigation relating to the South Deep Black Economic Empowerment transaction. These costs have been included under "Other costs" in the consolidated income statement.

[3] 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 2013 was approximately 0.5% of mining revenue (2012: 0.5%) equalling the minimum charge per the formula.

[4] The Australian and Ghanaian operations are subject to a 2.5% (2012: 2.5%) and 5.0% (2012: 5.0%) gold royalty, respectively, on revenue as the mineral rights are owned by the state.

[5] The Peruvian operations are subject to a mining royalty calculated on a sliding scale with rates ranging from 1% to 12% of the value of operating profit.

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for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2012	**2013**		**2013**	**2012**
		9. MINING AND INCOME TAXATION		
		The components of mining and income taxation are the following:		
		South African taxation		
(5.1)	**(4.5)**	– company and capital gains taxation	**(42.9)**	(41.9)
–	**0.2**	– prior year adjustment – current taxation	**1.5**	–
(21.8)	**1.4**	– deferred taxation	**13.1**	(178.7)
0.3	**–**	– prior year adjustment – deferred taxation	**–**	2.7
		Foreign taxation		
(331.5)	**(153.1)**	– current taxation	**(1,469.8)**	(2,714.9)
–	**(3.9)**	– prior year adjustment – current taxation	**(37.4)**	–
(98.5)	**180.0**	– deferred taxation	**1,850.9**	(807.1)
(456.6)	**20.1**	**Total mining and income taxation**	**315.4**	(3,739.9)
		Major items causing the Group's income taxation to differ from the maximum South African statutory mining tax rate of 34.0% (2012: 34.0%) were:		
(273.7)	**209.2**	Taxation on profit before taxation at maximum South African statutory mining tax rate	**2,200.5**	(2,242.0)
15.6	**5.7**	Rate adjustment to reflect the actual realised company tax rates in South Africa and offshore	**54.4**	128.0
4.1	**–**	Use of assessed loss not previously recognised	**–**	33.6
(12.9)	**(11.5)**	Non-deductible share-based payments	**(110.6)**	(105.7)
(36.4)	**(22.4)**	Non-deductible exploration expense	**(215.1)**	(297.8)
(15.0)	**(16.2)**	Non-deductible feasibility and evaluation costs	**(155.7)**	(122.8)
–	**(43.8)**	Non-deductible impairment of assets (Arctic Platinum and Yanfolila) and option payment to Bezant	**(453.2)**	–
(20.5)	**(25.3)**	Non-deductible interest paid	**(242.7)**	(168.0)
–	**(8.0)**	Non-deductible facility charges	**(76.7)**	–
–	**(8.2)**	Non-deductible legal and consulting fees	**(78.5)**	–
–	**(5.1)**	Non-deductible stamp duty and other costs on the acquisition of Yilgarn South assets	**(49.0)**	–
5.7	**2.2**	Non-taxable profit on disposal of investments	**21.3**	47.0
(16.9)	**(6.3)**	Share of results of equity-accounted investees after taxation	**(60.0)**	(138.5)
7.5	**(16.8)**	Net non-deductible expenditure and non-taxable income	**(161.1)**	61.3
11.1	**(25.6)**	Deferred taxation charge/release on Peruvian nuevo sol devaluation against US dollar[1]	**(245.4)**	90.9
(107.9)	**–**	Deferred taxation release on change of rate at the Ghanaian and South African mining operations	**–**	(883.3)
(17.3)	**(7.8)**	Other	**(112.8)**	(142.6)
(456.6)	**20.1**	**Total mining and income taxation**	**315.4**	(3,739.9)

[1] The functional currency of La Cima is US dollar. However, the Peruvian tax base is based on values in Peruvian nuevo sol.

Figures in millions unless otherwise stated

9. MINING AND INCOME TAX (continued)

2012		2013
	South Africa – tax rates	
Y = 34 – 170/X	Mining tax[1]	**Y = 34 – 170/X**
28.0%	Non-mining tax[2]	**28.0%**
28.0%	Company tax rate	**28.0%**
	International operations – tax rates	
30.0%	Australia	**30.0%**
35.0%	Ghana[3]	**35.0%**
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 formula 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 5 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 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 2013, the Group had the following estimated amounts available for set-off against future income:

2012				2013		
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]			
6,207.5	3,470.0	–	Gold Fields Operations Limited	**7,158.1**	**3,113.7**	**–**
16,160.9	–	1,909.6	GFI Joint Venture Holdings (Pty) Limited	**18,403.8**	**–**	**2,487.4**
–	130.6	–	Gold Fields Group Services (Pty) Limited	**–**	**85.2**	**–**
22,368.4	3,600.6	1,909.6		**25,561.9**	**3,198.9**	**2,487.4**

[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 ring-fencing 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.

2012				2013		
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			
–	126.3	37.2	Orogen Investments SA (Luxembourg)[5]	**–**	**140.4**	**41.0**
–	95.9	23.5	Gold Fields Arctic Platinum Oy[6]	**–**	**94.8**	**23.2**
506.8	–	–	Gold Fields La Cima[7]	**450.9**	**–**	**–**
–	–	–	Abosso Goldfields (Damang)[8]	**–**	**7.2**	**–**
506.8	222.2	60.7		**450.9**	**242.4**	**64.2**

[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 Investments 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.

[7] These deductions are available to be utilised against income generated by the relevant tax entity and do not expire.

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

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

Figures in millions unless otherwise stated

10. ASSETS AND LIABILITIES HELD FOR SALE/DISTRIBUTION

10.1 Assets and liabilities held for distribution – 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 (Pty) Limited, which holds the Kloof/Driefontein complex ('KDC') and Beatrix gold mine, 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 retained the balance of its 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 at 31 December 2012. 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.

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 12-month period ended 31 December 2012	**For the 2-month period ended February 2013**	**Below is a summary of the results of the discontinued operations:**	**For the 2-month period ended February 2013**	For the 12-month period ended 31 December 2012
2,021.2	**310.7**	Revenue	**2,727.8**	16,553.5
(1,596.3)	**(216.0)**	Costs of sales	**(1,896.4)**	(13,074.1)
424.9	**94.7**	**Net operating profit**	**831.4**	3,479.4
(52.9)	**(15.5)**	Other costs, net	**(135.7)**	(433.7)
372.0	**79.2**	**Profit before royalties and taxation**	**695.7**	3,045.7
(34.5)	**(4.3)**	Royalties	**(37.8)**	(282.1)
337.5	**74.9**	**Profit before taxation**	**657.9**	2,763.6
47.4	**(19.1)**	Mining and income tax	**(168.0)**	388.5
384.9	**55.8**	**Profit for the year**	**489.9**	3,152.1
–	**232.1**	**Profit on distribution of discontinued operations (taxation effect: Rnil)**	**2,063.9**	–
384.9	**287.9**	**Total profit from discontinued operations**	**2,553.8**	3,152.1

Figures in millions unless otherwise stated

10. ASSETS AND LIABILITIES HELD FOR SALE/DISTRIBUTION (continued)

10.1 Assets and liabilities held for distribution – discontinued operations (continued)

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
31 December 2012	February 2013	Below is a summary of Sibanye Gold's assets and liabilities classified as held for distribution in 2012 and distributed in February 2013:	February 2013	31 December 2012
2,043.0	**2,018.5**	Property, plant and equipment	**17,943.5**	17,508.6
25.5	**25.5**	Investment in associate	**226.8**	218.6
0.2	**0.2**	Investments	**1.5**	1.5
155.3	**158.5**	Environmental trust funds	**1,408.2**	1,331.1
2.7	**2.4**	Deferred taxation	**21.5**	23.3
40.7	**40.5**	Inventories	**360.3**	348.9
65.2	**144.5**	Trade and other receivables	**1,284.6**	558.3
49.3	**106.4**	Cash and cash equivalents	**946.1**	422.9
2,381.9	**2,496.5**	**Assets held for distribution**	**22,192.5**	20,413.2
525.9	**521.6**	Deferred taxation	**4,636.9**	4,506.6
492.4	**514.1**	Borrowings	**4,570.0**	4,220.0
202.9	**197.4**	Environmental rehabilitation costs	**1,754.6**	1,739.1
2.1	**2.0**	Post-retirement healthcare costs	**17.6**	17.6
206.7	**227.0**	Trade and other payables	**2,005.0**	1,771.5
11.3	**9.3**	Taxation and royalties	**82.7**	96.6
1,441.3	**1,471.4**	**Liabilities held for distribution**	**13,066.8**	12,351.4
940.6	**1,025.1**	**Net assets held for distribution**	**9,125.7**	8,061.8
	(0.3)	Non-controlling interest	**(2.7)**	
	1,256.9	Net asset value distributed[1]	**11,186.9**	
	232.1	**Net profit on distribution of discontinued operations**	**2,063.9**	

[1] The net asset value distributed represents the fair value of Sibanye Gold on the date of unbundling, which was calculated by multiplying the shares in issue with the closing share price of R15.29 per share on the date of distribution.

10.2 Assets held for sale

Following the decision to dispose of non-core projects, Arctic Platinum and Yanfolila were classified as held for sale and valued at the lower of fair value less cost to sell or carrying value. The disposals are expected to be completed during 2014.

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
31 December 2012	31 December 2013		31 December 2013	31 December 2012
–	**43.2**	Arctic Platinum	**446.7**	–
–	**16.0**	Yanfolila	**165.4**	–
–	**59.2**	**Total assets held for sale[2]**	**612.1**	–

[2] Refer note 6 for details on the impairments of these assets.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR Restated 2012	UNITED STATES DOLLAR 2013		SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND Restated 2012
		11. EARNINGS PER SHARE		
44	**(79)**	**11.1 Basic (loss)/earnings per share from continuing operations – cents**	**(811)**	356
		Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders from continuing operations of R6,019.5 million (2012: R2,591.5 million) by the weighted average number of ordinary shares in issue during the year of 742,606,726 (2012: 727,459,457).		
53	**39**	**11.2 Basic earnings per share from discontinued operations – cents**	**349**	433
		Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders from discontinued operations of R2,553.8 million (2012: R3,151.5 million) by the weighted average number of ordinary shares in issue during the quarter ended March 2013 of 731,207,454 (2012: During the year ended December 2012 of 727,459,457).		
43	**(79)**	**11.3 Diluted basic (loss)/earnings per share from continuing operations – cents**	**(811)**	355
		Diluted basic (loss)/earnings per share is calculated on the basis of (loss)/profit attributable to ordinary shareholders from continuing operations of R6,019.5 million (2012: R2,591.5 million) and 743,328,480 (2012: 730,723,950) 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	**742,606,726**	727,459,457
		Share options in issue	**721,754**	3,264,493
		Diluted number of ordinary shares	**743,328,480**	730,723,950
53	**39**	**11.4 Diluted basic earnings per share from discontinued operations – cents**	**348**	431
		Diluted basic earnings per share is calculated on the basis of profit attributable to ordinary shareholders from discontinued operations of R2,553.8 million (2012: R3,151.5 million) and 733,268,639 (2012: During the year ended December 2012 of 730,723,950) shares being the diluted number of ordinary shares in issue during the quarter ended March 2013.		
		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	**731,207,454**	727,459,457
		Share options in issue	**2,061,185**	3,264,493
		Diluted number of ordinary shares	**733,268,639**	730,723,950

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
Restated 2012	**2013**		**2013**	**Restated 2012**
		11. EARNINGS PER SHARE (continued)		
48	**(12)**	**11.5 Headline (loss)/earnings per share from continuing operations – cents**	**(112)**	393
		Headline (loss)/earnings per share is calculated on the basis of adjusted net (loss)/earnings attributable to ordinary shareholders from continuing operations of R830.5 million (2012: R2,868.1 million) and 742,606,726 (2012: 727,459,457) shares being the weighted average number of ordinary shares in issue during the year.		
		Net (loss)/profit attributable to ordinary shareholders from continuing operations is reconciled to headline earnings as follows:		
		Long-form headline earnings reconciliation		
316.4	**(583.6)**	Net (loss)/profit attributable to ordinary shareholders from continuing operations	**(6,019.5)**	2,591.5
(24.6)	**(14.6)**	Profit on disposal of investments, net	**(139.9)**	(201.3)
(27.6)	**(17.8)**	Gross	**(170.8)**	(225.9)
3.0	**3.2**	Taxation effect	**30.9**	24.6
(0.2)	**(1.1)**	Profit on disposal of property, plant and equipment, net	**(10.7)**	(1.5)
(0.3)	**(1.6)**	Gross	**(15.4)**	(2.1)
0.1	**0.5**	Taxation effect	**4.6**	0.6
–	**–**	Non-controlling interest effect	**0.1**	–
58.5	**518.4**	Impairment of investments and assets, net	**5,339.6**	479.4
79.0	**738.7**	Gross	**7,616.2**	647.0
(20.5)	**(198.7)**	Taxation effect	**(2,054.0)**	(167.6)
–	**(21.6)**	Non-controlling interest effect	**(222.6)**	–
350.1	**(80.9)**	**Headline (loss)/earnings**	**(830.5)**	2,868.1
54	**8**	**11.6 Headline earnings per share from discontinued operations – cents**	**67**	434
		Headline earnings per share is calculated on the basis of adjusted net earnings attributable to ordinary shareholders from discontinued operations of R489.7 million (2012: R3,149.8 million) and 731,207,454 (2012: During the year ended December 2012 of 727,459,457) shares being the weighted average number of ordinary shares in issue during the quarter ended March 2013.		
		Net profit attributable to ordinary shareholders from discontinued operations is reconciled to headline earnings as follows:		
384.8	**287.9**	Net profit attributable to ordinary shareholders from discontinued operations	**2,553.8**	3,151.5
–	**(232.1)**	Profit on distribution of discontinued operations (taxation effect: Rnil)	**(2,063.9)**	–
(0.2)	**–**	Profit on disposal of property, plant and equipment	**(0.3)**	(2.4)
0.1	**–**	Taxation effect of profit on property, plant and equipment	**0.1**	0.7
384.7	**55.8**	**Headline earnings**	**489.7**	3,149.8

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Figures in millions unless otherwise stated

UNITED STATES DOLLAR Restated 2012	UNITED STATES DOLLAR 2013			SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND Restated 2012
		11.	**EARNINGS PER SHARE (continued)**		
48	**(12)**	**11.7**	**Diluted headline (loss)/earnings per share from continuing operations – cents**	**(112)**	393
			Diluted headline (loss)/earnings per share is calculated on the basis of headline (loss)/earnings attributable to ordinary shareholders from continuing operations of R830.5 million (2012: R2,868.1 million) and 743,328,480 (2012: 730,723,950) shares being the diluted number of ordinary shares in issue during the year.		
54	**8**	**11.8**	**Diluted headline earnings per share from discontinued operations – cents**	**67**	431
			Diluted headline earnings per share is calculated on the basis of headline earnings attributable to ordinary shareholders from discontinued operations of R489.7 million (2012: R3,149.8 million) and 733,268,639 (2012: During the year ended December 2012 of 730,723,950) shares being the diluted number of ordinary shares in issue during the quarter ended March 2013.		
		12.	**DIVIDENDS**		
		12.1	**Ordinary dividends**		
221.5	**61.2**		2012 final dividend of 75 cents per share (2011: 230 cents) declared on 13 February 2013.	**557.9**	1,677.3
142.7	**–**		No interim dividend was declared during 2013 (2012: 160 cents).	**–**	1,169.0
			A final dividend in respect of financial period ended 31 December 2013 of 22 cents per share was approved by the Board of Directors on 12 February 2014. This dividend payable is not reflected in these financial statements.		
			The final dividend will be subject to the dividend withholding tax.		
		12.2	**Distribution in specie**		
–	**1,256.9**		Net asset value of Sibanye Gold distributed on unbundling (refer note 10.1)	**11,186.9**	–
364.2	**1,318.1**		**Total dividends**	**11,744.8**	2,846.3
50	**8**		**Dividends per share (ordinary dividends) – cents**	**75**	390
–	**172**		**Dividends per share (distribution in specie) – cents**	**1,529**	–

Figures in millions unless otherwise stated

13. ACQUISITION OF YILGARN SOUTH ASSETS

On 1 October 2013, the Group obtained full control (100%) of the assets of the Darlot, Lawlers and Granny Smith mines, based in Western Australia ('the Yilgarn South assets') through a sale and purchase agreement with Barrick Gold.

Taking control of the acquired mines has enabled the Group to increase its production profile in Australia and to obtain cost efficiencies through the integration of the Lawlers and the existing Agnew gold mine.

In the three months to 31 December 2013, the Yilgarn South assets contributed revenue of R1,452.5 million (US$151.3 million) and loss after tax was R48.0 million (US$5.0 million). The loss after tax was mainly due to transaction costs of R263.5 million (US$27.4 million).

The following summarises the major classes of consideration transferred and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred	R million	US$ million
Equity instruments (28.7 million ordinary shares)	**1,286.5**	127.3
Cash	**1,366.5**	135.0
Total consideration	**2,653.0**	262.3

The fair value of the ordinary shares issued was based on the listed share price of the Company at 1 October 2013 of R44.8 per share.

Identified assets acquired and liabilities assumed	R million	US$ million
Property, plant and equipment	**3,666.2**	362.7
Inventories	**412.4**	40.8
Prepayments	**6.1**	0.6
Finance lease liability	**(43.5)**	(4.3)
Site restoration provision	**(704.5)**	(69.7)
Trade and other payables	**(470.4)**	(46.7)
Employee leave provisions	**(213.3)**	(21.1)
Total identifiable net assets acquired	**2,653.0**	262.3

The Yilgarn South assets are subject to specific environmental regulations. The Group has conducted a preliminary assessment of site restoration provisions arising from these regulations and has recognised a preliminary amount in its initial accounting. However, the Group will continue its assessment of these matters during the measurement period.

The purchase price allocation has been prepared on a provisional basis.

If new information, obtained within one year from the acquisition date, about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

The Group incurred acquisition-related costs of R263.5 million (US$27.4 million) in respect of stamp duty on the transferred assets, due diligence and legal costs. These costs have been included under "Other costs" in the consolidated income statement (refer note 7).

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for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				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**
			14. PROPERTY, PLANT AND EQUIPMENT			
			2013			
			Cost			
1,125.9	8,008.9	9,134.8	Balance at beginning of the year – restated[1]	78,285.5	68,636.9	9,648.6
50.7	688.6	739.3	Additions for continuing operations	7,097.1	6,610.3	486.8
52.8	309.9	362.7	Yilgarn South asset acquisition	3,666.2	3,132.5	533.7
–	(59.2)	(59.2)	Reclassification to assets held for sale (refer note 10.2)	(612.1)	(612.1)	–
–	23.6	23.6	Finance charges capitalised[2]	226.4	226.4	–
(6.8)	(10.4)	(17.2)	Disposals	(164.8)	(100.2)	(64.6)
(20.9)	–	(20.9)	Changes in estimates of rehabilitation assets	(200.9)	–	(200.9)
(139.5)	(738.9)	(878.4)	Translation adjustment	7,705.4	7,126.4	579.0
1,062.2	8,222.5	9,284.7	**Balance at end of the year[3]**	96,002.8	85,020.2	10,982.6
			Accumulated depreciation and impairment			
297.8	2,578.6	2,876.4	Balance at beginning of the year – restated[1]	24,651.7	22,099.6	2,552.1
25.3	585.6	610.9	Charge for the year for continuing operations	5,864.4	5,621.8	242.6
29.7	676.5	706.2	Impairment[4]	7,288.2	6,981.1	307.1
–	(8.4)	(8.4)	Disposals	(80.5)	(80.5)	–
(42.5)	(246.8)	(289.3)	Translation adjustment	2,558.2	2,452.1	106.1
310.3	3,585.5	3,895.8	**Balance at end of the year**	40,282.0	37,074.1	3,207.9
751.9	4,637.0	5,388.9	**Carrying value at end of the year**	55,720.8	47,946.1	7,774.7

[1] Relates to IFRIC 20: *Stripping Costs in the Production Phase of a Surface Mine.* Refer accounting policies on page 56.

[2] Borrowing costs of R175.7 million arising on Group general borrowings which are related to the qualifying projects at South Deep were capitalised during the period. The balance of R50.7 million of the borrowing cost capitalised relates to Group general borrowings relating to Chucapaca. An average interest capitalisation rate of 4.6% was applied.

[3] Fleet assets in Ghana amounting to R834.4 million (US$80.7 million) have been pledged as security for the US$60 million senior secured revolving credit facility (refer note 26 (f)).

[4] Refer note 6 for details on the impairments.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND		
Land, mineral rights and rehabilitation assets	**Mine develop-ment, infra-structure and other assets**	**Total**		**Total**	**Mine develop-ment, infra-structure and other assets**	**Land, mineral rights and rehabilitation assets**
			14. PROPERTY, PLANT AND EQUIPMENT (continued)			
			2012 – restated			
			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	1,148.0	1,221.2	Additions for continuing operations	10,001.5	9,401.8	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)	(370.8)	(387.3)	Translation adjustment	3,002.2	2,569.8	432.4
1,125.9	8,008.9	9,134.8	**Balance at end of the year[2]**	78,285.5	68,636.9	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	474.4	499.2	Charge for the year for continuing operations	4,088.2	3,885.1	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[3]	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)	(169.9)	(171.3)	Translation adjustment	1,154.1	997.9	156.2
297.8	2,578.6	2,876.4	**Balance at end of the year**	24,651.7	22,099.6	2,552.1
828.1	5,430.3	6,258.4	**Carrying value at end of the year**	53,633.8	46,537.3	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 to 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 (refer note 26(f)).

[3] Refer note 6 for details on the impairments.

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2012	**2013**		**2013**	**2012**
		15. GOODWILL		
548.5	**520.3**	Balance at beginning of the year	**4,458.9**	4,458.9
(28.2)	**(89.1)**	Translation adjustment	**–**	–
520.3	**431.2**	**Balance at end of the year**	**4,458.9**	4,458.9

The goodwill arose on the acquisition of South Deep and was attributable to the upside potential of the asset, synergies, deferred tax and the gold multiple.

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 2013 calculation include:

- Long-term gold price of R400,000 per kilogram (US$1,300 per ounce) for the life of mine of 73 years (2012: R400,000 per kilogram (US$1,500 per ounce) for the life of mine of 80 years);
- A nominal discount rate of between 10.9% and 12.3% (2012: 9.4% and 12.1%);
- Market value, at US$26 per ounce, used for resource valuation; and
- The annual life-of-mine plan takes into account the following:
  - Proved and probable ore reserves of South Deep;
  - Resources are valued 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. There is no goodwill impairment at 31 December 2013 (2012: Rnil).

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 2012	2013			SOUTH AFRICAN RAND 2013	2012
		16.	**EQUITY-ACCOUNTED INVESTEES**		
		16.1	**Investments in associates**		
1.4	**–**		(a) Rand Refinery Limited	**–**	11.8
–	**–**		(b) Rusoro Mining Limited	**–**	–
0.7	**7.5**		(c) Other	**77.6**	6.0
		16.2	**Joint venture**		
230.0	**230.0**		(a) Far Southeast Gold Resources Incorporated ('FSE')	**2,378.2**	1,971.1
232.1	**237.5**		**Total equity-accounted investees**	**2,455.8**	1,988.9
			Share of results of equity-accounted investees after taxation recognised in the income statement are made up as follows:		
		16.3	**Investments in associates**		
0.7	**–**		(a) Rand Refinery Limited	**0.4**	5.0
–	**–**		(b) Rusoro Mining Limited	**–**	–
(0.3)	**–**		(c) Other	**(0.3)**	(1.7)
		16.4	**Joint venture**		
(50.1)	**(18.4)**		(a) Far Southeast Gold Resources Incorporated	**(176.6)**	(410.7)
(49.7)	**(18.4)**			**(176.5)**	(407.4)

16.1 Investments in associates

(a) Rand Refinery Limited

Before the unbundling of Sibanye Gold, the Group had 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 was equity accounted since 1 July 2002. Due to the unbundling of Sibanye Gold, the Group no longer has significant influence over Rand Refinery and accordingly the investment is no longer equity accounted and was reclassified to unlisted investments.

The equity accounting is based on Rand Refinery's results to February 2013, when Sibanye Gold was unbundled.

2012	2013		2013	2012
110.8	**12.5**	Total revenue of associate	**110.0**	907.4
34.4	**2.8**	Total profit of associate	**24.7**	281.6

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2012	UNITED STATES DOLLAR 2013		SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND 2012
		16. EQUITY-ACCOUNTED INVESTEES (continued)		
		16.1 Investments in associates (continued)		
		(a) Rand Refinery Limited (continued)		
		Investment in associate consists of:		
3.3	**3.3**	Unlisted shares at cost	**22.3**	22.3
13.9	**25.9**	Share of accumulated profits brought forward	**208.1**	110.0
–	**1.1**	Purchase of additional investment	**10.0**	–
0.7	**–**	Share of profit after taxation for continuing operations	**0.4**	5.0
11.3	**0.9**	Share of profit after taxation for discontinued operations	**8.2**	93.1
–	**(25.5)**	Unbundling of Sibanye Gold	**(226.8)**	–
–	**(2.5)**	Reclassification to unlisted investments	**(22.2)**	–
(2.3)	**(3.2)**	Translation adjustment	**–**	–
26.9	**–**	**Total investment in associate**	**–**	230.4
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 was:		
54.9	**–**	Non-current assets	**–**	470.2
66.5	**–**	Current assets	**–**	569.5
121.4	**–**	**Total assets**	**–**	1,039.7
6.5	**–**	Non-current liabilities	**–**	55.7
22.4	**–**	Current liabilities	**–**	191.7
28.9	**–**	**Total liabilities**	**–**	247.4
92.5	**–**	**Net assets**	**–**	792.3
32.2	**–**	**Group's interest in the net assets of Rand Refinery**	**–**	276.1
		Reconciliation of the total investment in associate with attributable net assets:		
32.2	**–**	Net assets	**–**	276.1
(1.4)	**–**	Dividends received	**–**	(8.4)
(3.9)	**–**	Fair value adjustment[1]	**–**	(37.3)
26.9	**–**	**Total investment in associate**	**–**	230.4

[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 2012	2013		SOUTH AFRICAN RAND 2013	2012
		16. EQUITY-ACCOUNTED INVESTEES (continued)		
		16.1 Investments in associates (continued)		
		(b) Rusoro Mining Limited		
		Gold Fields' interest in Rusoro Mining Limited ('Rusoro') at 31 December 2013 was 26.4% (2012: 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 the latest available published results which is to 30 September 2013.		
27.2	**–**	Total revenue of associate	**–**	222.8
(778.8)	**20.2**	Total profit/(loss) of associate	**193.9**	(6,378.4)
		Investment in associate consists of:		
236.9	**236.9**	Listed shares at fair value at acquisition	**1,604.7**	1,604.7
(56.7)	**(262.3)**	Share of accumulated losses brought forward	**(2,125.3)**	(441.4)
(186.3)	**(186.3)**	Brought forward – other[1]	**(1,490.9)**	(1,490.9)
–	**5.3**	Share of profit after taxation	**51.2**	–
(205.6)	**–**	Share of unrecognised losses after taxation	**–**	(1,683.9)
211.7	**206.4**	Write-back of investment to nil	**2,133.9**	1,814.3
–	**–**	Translation adjustment	**(173.6)**	197.2
–	**–**	**Total investment in associate[2]**	**–**	–
		The Group's interest in the summarised financial statements of Rusoro:		
4.7	**1.7**	Current assets	**17.6**	40.2
4.7	**1.7**	**Total assets**	**17.6**	40.2
157.6	**132.9**	Current liabilities	**1,374.2**	1,350.6
157.6	**132.9**	**Total liabilities**	**1,374.2**	1,350.6
(21.0)	**(19.7)**	**Non-controlling interest**	**(203.7)**	(180.0)
(131.9)	**(111.5)**	**Net assets**	**(1,152.9)**	(1,130.4)
(34.8)	**(29.4)**	**Group's interest in the net assets of Rusoro**	**(304.4)**	(298.4)
		Reconciliation of the total investment in associate with attributable net assets:		
(34.8)	**(29.4)**	Net assets	**(304.4)**	(298.4)
211.7	**206.4**	Write-back of investment to nil	**2,133.9**	1,814.3
(158.1)	**(158.1)**	Impairment of investment in associate	**(1,262.2)**	(1,262.2)
(18.8)	**(18.9)**	Translation adjustments	**(567.3)**	(253.7)
–	**–**	**Total investment in associate[2]**	**–**	–
		(c) Other		
0.7	**–**	Timpetra Resource Limited[3]	**–**	6.0
–	**7.5**	Bezant Resources PLC[4]	**77.6**	–
0.7	**7.5**	**Total investment in associates**	**77.6**	6.0

[1] Other includes impairment, dilution loss and share of equitee 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 fair values, based on quoted market prices of investment, at 31 December 2013 and 31 December 2012 was R33.8 million ($3.3 million) and R54.4 million ($6.3 million), respectively.
[3] During 2013, 13.7 million shares out of the 15 million previously held were disposed of and due to the decrease in shareholding, the Group no longer has significant influence over Timpetra Resources Limited and, accordingly, the investment is no longer equity accounted. The remaining investment of 1.3 million shares was reclassified to available-for-sale investments (note 18). Gold Fields' shareholding at 31 December 2012 was 21.8%.
[4] Represents a holding of 21.6% in Bezant Resources PLC (refer note 22 for further information).

Notes to the consolidated financial statements (continued)
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Figures in millions unless otherwise stated

16. EQUITY-ACCOUNTED INVESTEES (continued)

16.2 Joint venture

(a) Far Southeast Gold Resources Incorporated ('FSE')[1]

Gold Fields' interest in FSE, an unlisted entity, was 40% (2012: 40%) at 31 December 2013.

Gold Fields' paid R69.0 million (US$10.0 million) in option fees to Lepanto Consolidated Mining Company ('Lepanto') 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 and voting rights of FSE by contributing an additional non-refundable down payment of R833.8 million (US$110.0 million). Lepanto owns the remaining 60% shareholding in FSE.

The remaining 20% option is not likely to be exercised until such time as FSE obtains a Foreign Technical Assistance Agreement ('FTAA') which allows for direct majority foreign ownership and control.

FSE has a 31 December year end and has been equity accounted since 1 April 2012.

UNITED STATES DOLLAR 2012	UNITED STATES DOLLAR 2013		SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND 2012
		Investment in associate consists of:		
230.0	**230.0**	Unlisted shares at cost	**1,739.4**	1,739.4
50.1	**68.5**	Equity contribution	**587.3**	410.7
–	**(50.1)**	Share of accumulated losses brought forward	**(410.7)**	–
(50.1)	**(18.4)**	Share of loss after taxation[2]	**(176.6)**	(410.7)
–	**–**	Translation adjustment	**638.8**	231.7
230.0	**230.0**	**Total investment in joint venture[3]**	**2,378.2**	1,971.1

[1] As a result of the adoption of IFRS 11: *Joint Arrangements*, FSE was reclassified from an associate to a joint venture. This reclassification did not impact the financial statements as the Group continues to equity account for its investment in FSE.

[2] Gold Fields' share of loss after taxation represents exploration and other costs, including work completed on a scoping study.

[3] FSE is a company incorporated under the laws of the Philippines and owns the gold-copper Far Southeast exploration project (the "FSE project'). During the exploration phase of the FSE project and as long as the 20% option remains exercisable, the Group has joint control over the FSE project. The Group will only have the power to direct the activities of FSE once it exercises the option to acquire the additional 20% shareholding in FSE, which is only exercisable once a FTAA is obtained. The FSE project is strategic to the Group's growth portfolio. FSE has no revenues or significant assets or liabilities, except for rights to explore and eventually mine the FSE project.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2012	**2013**		**2013**	**2012**
		17. FINANCIAL INSTRUMENTS		
		Financial instruments are split per categories below and the accounting policies for financial instruments have been applied to these line items:		
		(a) Financial assets		
		Loans and receivables		
10.0	**23.9**	– Environmental trust funds	**247.3**	85.3
122.1	**87.5**	– Trade and other receivables	**906.2**	1,046.3
606.3	**325.0**	– Cash and cash equivalents	**3,360.6**	5,195.6
91.9	**–**	– Assets held for distribution	**–**	787.2
		Fair value through profit or loss		
149.9	**58.2**	– Trade receivables from provisional copper concentrate sales	**601.8**	1,284.5
155.3	**–**	– Assets held for sale/distribution	**–**	1,331.1
		Available for sale		
38.4	**7.5**	– Investments	**77.0**	329.2
0.2	**–**	– Assets held for distribution	**–**	1.5
		Non-trading derivatives		
7.0	**–**	– Financial instruments	**–**	60.0
		(b) Financial liabilities		
		Other financial liabilities		
1,868.8	**2,060.1**	– Borrowings	**21,301.9**	16,015.7
511.3	**419.3**	– Trade and other payables	**4,336.6**	4,382.5
652.4	**–**	– Liabilities held for distribution	**–**	5,590.9
		18. INVESTMENTS		
		Listed		
52.4	**40.8**	Cost	**357.1**	440.4
(27.3)	**(37.1)**	*Less:* Other than temporary impairments	**(321.1)**	(227.2)
11.1	**(0.5)**	Net unrealised gain on revaluation	**(3.0)**	96.8
36.2	**3.2**	Carrying value	**33.0**	310.0
36.2	**3.2**	Market value	**33.0**	310.0
		Unlisted		
1.1	**4.3**	Carrying value and directors' valuation	**44.0**	10.0
37.3	**7.5**	**Total listed and unlisted investments**	**77.0**	320.0
1.1	**–**	**Loans advanced**	**–**	9.2
38.4	**7.5**	**Total investments**[1]	**77.0**	329.2

[1] All listed investments are classified as available for sale. Details of major investments are given on pages 142 and 143.

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UNITED STATES DOLLAR 2012	2013			SOUTH AFRICAN RAND 2013	2012
		19.	**ENVIRONMENTAL TRUST FUNDS**		
161.5	**10.0**		Balance at beginning of the year	**85.3**	1,313.3
–	**13.4**		Ghana secured cash	**114.8**	–
0.6	**2.0**		Contributions from continuing operations	**19.0**	4.9
3.0	**–**		Contributions from discontinued operations	**–**	24.3
0.5	**0.5**		Interest earned from continuing operations	**4.4**	3.7
8.6	**–**		Interest earned from discontinued operations	**–**	70.2
(155.3)	**–**		Reclassification to assets held for distribution	**–**	(1,331.1)
(8.9)	**(2.0)**		Translation adjustment	**23.8**	–
10.0	**23.9**		**Balance at end of the year[1]**	**247.3**	85.3
		20.	**INVENTORIES**		
268.9	**226.7**		Gold-in-process	**2,344.2**	2,304.7
252.7	**255.3**		Consumable stores	**2,640.0**	2,165.3
2.5	**16.3**		Other	**168.3**	21.7
524.1	**498.3**		**Total inventories[2]**	**5,152.5**	4,491.7
(96.3)	**(93.8)**		Heap leach inventories included in non-current assets[3]	**(969.5)**	(825.3)
427.8	**404.5**		**Total current inventories[4]**	**4,183.0**	3,666.4

[1] The trust funds consists of term deposits amounting to R97.5 million (2012: R85.3 million) in South Africa, as well as secured cash deposits amounting to R149.8 million in Ghana.
The proceeds from these funds are intended to fund environmental rehabilitation obligations of the Group's South African and Ghanaian mines and are not available for general purposes of the Group. All income earned in 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 27.1).

[2] Refer note 6 for details on the net realisable value write-downs of inventories.

[3] Due to the suspension of the South heap leach operations at Tarkwa, the heap leach inventories will only be processed at the end of life of mine.

[4] The cost of consumable stores consumed during the year by continuing operations and included in working cost amounted to R5,069.1 million or US$528.0 million (2012: R4,038.8 million or US$493.1 million).

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2012	2013		SOUTH AFRICAN RAND 2013	2012
		21. TRADE AND OTHER RECEIVABLES		
215.8	**110.9**	Trade receivables – gold sales and copper concentrate	**1,146.8**	1,849.4
29.1	**16.7**	Trade receivables – other	**172.5**	249.1
0.4	**5.1**	Deposits	**53.1**	3.8
0.4	**–**	Interest receivable	**0.4**	3.2
5.1	**3.7**	Payroll receivables	**38.4**	43.6
122.9	**68.2**	Prepayments	**705.0**	1,053.4
55.6	**57.7**	Value added tax	**596.3**	476.8
2.7	**1.0**	Diesel rebate	**9.9**	23.1
18.5	**9.4**	Other	**96.8**	158.6
450.5	**272.7**	**Total trade and other receivables**	**2,819.2**	3,861.0
		22. FINANCIAL INSTRUMENT		
7.0	**–**	Payment for Bezant[1]	**–**	60.0
7.0	**–**	**Total financial instrument[2]**	**–**	60.0
		23. CASH AND CASH EQUIVALENTS		
655.6	**325.0**	Cash at bank and on hand	**3,360.6**	5,618.5
(49.3)	**–**	Reclassification to assets held for distribution	**–**	(422.9)
606.3	**325.0**	**Total cash and cash equivalents**	**3,360.6**	5,195.6

[1] 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 had 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. In January 2013, 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. In consideration for this extension, Gold Fields made a second non-refundable payment of R22.7 million (US$2.5 million) and purchased a 21.6% shareholding in Bezant for R68.1 million (US$7.5 million). In November 2013, Gold Fields relinquished the option ahead of the expiry date and the total US$9.5 million non-refundable option fee was impaired. The 21.6% shareholding in Bezant, acquired in January 2013, is classified as an investment in associate (refer note 16).

[2] The financial instrument does not have a quoted market price and fair value cannot be measured reliably, therefore it is carried at cost less impairments.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

24. 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 meeting on 9 May 2013, 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 a special 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 9 May 2013. 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 9 May 2013. 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.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2012	2013		SOUTH AFRICAN RAND 2013	2012
		25. 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		
1,443.3	**1 153.7**	– Mining assets	**11 929.6**	12,369.1
2.8	**2.7**	– Investment in environmental trust funds	**28.3**	23.9
2.6	**–**	– Investments	**–**	22.7
10.3	**13.4**	– Inventories	**138.8**	88.0
0.6	**–**	– Deferred stripping costs	**–**	5.0
21.0	**13.3**	– Other	**135.5**	181.5
1,480.6	**1,183.1**	**Liabilities**	**12,232.2**	12,690.2
		Assets		
(94.8)	**(104.0)**	– Provisions	**(1,075.4)**	(812.7)
(125.7)	**(95.2)**	– Tax losses	**(984.1)**	(1,077.6)
(712.2)	**(636.4)**	– Unredeemed capital expenditure	**(6,579.9)**	(6,103.9)
(932.7)	**(835.6)**	**Assets**	**(8,639.4)**	(7,994.2)
547.9	**347.5**	**Net deferred taxation liabilities**	**3,592.8**	4,696.0
		Included in the statement of financial position as follows:		
(41.6)	**(51.9)**	Deferred taxation assets	**(536.9)**	(356.0)
589.5	**399.4**	Deferred taxation liabilities	**4,129.7**	5,052.0
547.9	**347.5**	**Net deferred taxation liabilities**	**3,592.8**	4,696.0
1,081.9	**547.9**	Balance at beginning of the year – restated	**4,696.0**	8,801.7
1,088.2	**554.2**	Balance at beginning of the year – as previously reported	**4,750.4**	8,847.1
(6.3)	**(6.3)**	Prior year IFRIC 20 adjustment	**(54.4)**	(45.4)
120.0	**(181.4)**	Transferred through the income statement for continuing operations	**(1,864.0)**	983.1
(105.4)	**–**	Transferred through the income statement for discontinued operations	**–**	(863.3)
(1.0)	**(1.7)**	Deferred tax on marked-to-market adjustments accounted for in equity	**(16.4)**	(7.8)
2.7	**–**	Reclassification to assets held for distribution	**–**	23.3
(525.9)	**–**	Reclassification to liabilities held for distribution	**–**	(4,506.6)
(24.4)	**(17.3)**	Translation adjustment	**777.2**	265.6
547.9	**347.5**	**Balance at end of the year**	**3,592.8**	4,696.0

26. BORROWINGS

(a)(i) 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.

(a)(ii) Sibanye Gold guarantee fee

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.

The Sibanye Gold guarantee fee liability has been recognised as the present value of future cash flows using a risk-free rate, based on 0.25% of the value of the notes, payable semi-annually. The guarantee fee can vary, based on the Group's credit rating.

(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.

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.

26. 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 33⅓% and less than or equal to 66⅔%, 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 66⅔%, 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 the undrawn amount.

The outstanding borrowings of Orogen under this facility at 31 December 2011 were R1,788.4 million (US$220.0 million).

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).

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 in 26(g) below. This facility was also cancelled on 15 February 2013.

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, GF Holdings, Orogen, Newshelf and GFO.

(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 33⅓%, 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 33⅓% and less than or equal to 66⅔%, 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 66⅔%, 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 the undrawn amount.

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$10.0 million) and on 29 November 2012, a further R171.5 million (US$20.0 million) was drawn under the facility.

The outstanding borrowings under this facility at 31 December 2012 were R891.3 million (US$104.0 million).

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 in 26(g) below. This facility was also cancelled on 15 February 2013.

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, GF Holdings, Orogen, Newshelf and GFO.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2013

26. BORROWINGS (continued)

(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 2013, La Cima repaid R396.4 million (US$40.0 million) and during the year ended 31 December 2012, La Cima repaid R328.1 million (US$40.0 million), all in accordance with the agreement terms.

The outstanding balance under this facility at 31 December 2013 was R723.8 million (US$70.0 million) and at 31 December 2012 R942.7 million (US$110.0 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 a yellow vehicle fleet.

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 on the undrawn amount.

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.

The outstanding borrowings of GF Ghana at 31 December 2011 were R406.5 million (US$50.0 million).

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 Rnil.

On 10 May 2013, Abosso drew down R191.4 million (US$20.0 million) and on 15 August, an additional R155.6 million (US$15.0 million).

The outstanding borrowings at 31 December 2013 were R361.9 million (US$35.0 million) and at 31 December 2012 Rnil (US$nil).

Subsequent to year end, the final maturity date of the outstanding borrowings under this facility amounting to R361.9 million (US$35.0 million) was extended to 21 May 2014.

26. BORROWINGS (continued)

(g) US$1,440 million term loan and revolving credit facility

On 28 November 2012, Orogen, GFO and GFI Joint Venture Holdings (Proprietary) 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$600 million bridge loan to bond issue facility ('the US$ 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 $720 million. As a result of this oversubscription, the Borrowers cancelled the US$ bridge facility on 30 January 2013.

On 22 July 2013, the agreement was amended and Facility A was decreased to $100 million, while a third $620 million revolving tranche ('Facility C') was added. Facility C matures on 28 November 2015.

Borrowings under Facility A bear interest at LIBOR plus an initial margin of 2.45% per annum, borrowings under Facility B bear interest at LIBOR plus an initial margin of 2.25% per annum and borrowings under Facility C bear interest at LIBOR plus an initial margin of 2.00%. 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 on the undrawn amount.

Where the utilisation under Facility C is less than or equal to 33⅓%, a utilisation fee of 0.15% 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 0.30% per annum will be payable on the amount of utilisations. Where the utilisation under Facility B is greater than 66⅔%, a utilisation fee of 0.45% 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 0.80% per annum under Facility C on the undrawn amount.

The facility was undrawn at 31 December 2012.

On 15 February 2013, the $1 billion and the US$500 million syndicated revolving credit facilities were refinanced by drawing down R6,364.8 million (US$720.0 million) under this facility.

On various dates during 2013, Orogen made additional drawdowns of R1,664.9 million (US$173.0 million) under this facility. Orogen repaid R1,235.6 million (US$119.5 million) on 13 December 2013 under this facility.

The outstanding balance under this facility at 31 December 2013 was R7,998.0 million (US$773.5 million) and at 31 December 2012 Rnil (US$nil).

Borrowings under the US$1,440 million facility are guaranteed by Gold Fields, GF Holdings, Orogen, GFO and GFIJVH.

26. BORROWINGS (continued)

(h) 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 the undrawn amount.

On 8 March 2013, each of GFO and GFIJVH drew down R350.0 million (US$37.7 million) under this facility. On 10 June and 10 September, each of GFO and GFIJVH drew down an additional R175.0 million (US$17.2 million) and R225.0 million (US$22.8 million), respectively, under this facility.

The outstanding balance under this facility at 31 December 2013 was R1,500.0 million (US$145.1 million) and at 31 December 2012 Rnil (US$nil).

Borrowings under the facility are guaranteed by Gold Fields, GFO, GFH, Orogen and GFIJVH.

(i) Other loans

Rand revolving credit facilities

Sibanye Gold and GFO

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 were:

- A R1.0 billion (US$96.7 million) revolving credit facility entered into on 9 December 2009 and matured on 30 June 2013 at JIBAR plus 3.00%;
- A R500.0 million (US$48.4 million) revolving credit facility entered into on 8 March 2010 and matured on 10 March 2013 at JIBAR plus 2.85%;
- A R1.5 billion (US$145.1 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$193.4 million) revolving credit facility on 15 December 2011 as detailed below; and
- A R2.0 billion (US$193.4 million) revolving credit facility entered into on 15 December 2011 and maturing on 19 December 2016 at JIBAR plus 1.95%. This facility was cancelled on 18 February 2013.

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).

On 18 February 2013, the outstanding balance of R3.0 billion (US$339.4 million) under these facilities was refinanced by drawing down under the rand bridge loan facility as detailed below. These facilities were also cancelled on 18 February 2013.

26. BORROWINGS (continued)

(i) Other loans (continued)

GFO and GFIJVH

GFO and GFIJVH (collectively "the Borrowers') entered into various revolving credit facilities with some of the major banks with three-year tenors. The purpose of the facilities is to finance capital expenditure, general corporate and working capital requirements.

The Borrowers are required to pay a commitment fee of between 1.00% and 1.05% per annum on the undrawn and uncancelled amounts of the facilities, calculated and payable semi-annually in arrears.

In summary the facilities are:

- A R500.0 million (US$48.4 million) revolving credit facility entered into on 19 June 2013 and maturing on 20 June 2016 at JIBAR plus 2.5%; and
- A R500.0 million (US$48.4 million) revolving credit facility entered into on 20 December 2013 and maturing on 21 December 2016 at JIBAR plus 2.75%.

Borrowings under these facilities are guaranteed by Gold Fields, GFO, GFH, Orogen and GFIJVH.

These facilities were unutilised during the year ended 31 December 2013.

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 by continuing operations were R18,591.8 million (US$2,094.2 million) and R230.0 million (US$25.4 million) by discontinued operations (2012: R25.0 million (US$3.3 million)) by continuing operations and R1,220.0 million (US$148.7 million) by discontinued operations) during the year ended 31 December 2013. The total repayments by continuing operations were R18,110.5 million (US$2,041.8 million) and R1,450 million (US$164.0 million) by discontinued operations (2012: R25.0 million (US$2.9 million)) by continuing operations) during the year ended 31 December 2013. The facilities were primarily utilised to recapitalise Sibanye Gold as part of the unbundling.

On 18 February 2013, the outstanding borrowings of Sibanye Gold amounting to R1,220.0 million (US$142.4 million) were refinanced by drawing down under the rand bridge loan facility as detailed below.

These facilities had no fixed terms, were short-term in nature and interest rates were market related. Borrowings under these facilities were guaranteed by Gold Fields.

The outstanding borrowings of Gold Fields under these facilities at 31 December 2013 were R481.3 million (US$46.5 million) (2012: R1,220.0 million (US$142.4 million)) by Sibanye Gold).

(j) Rand bridge loan facility

On 28 November 2012, Sibanye Gold entered into a R6.0 billion term loan and revolving credit facilities 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.

The facility was undrawn at 31 December 2012.

On 18 February 2013, the date of unbundling, the rand revolving credit facilities and the short-term rand credit facilities were refinanced by Sibanye Gold by drawing down R4,570 million (US$517.0 million) under this facility.

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2012	**2013**			**2013**	**2012**
		26.	**BORROWINGS (continued)**		
		(a)(i)	**US$1 billion notes issue**		
987.7	**988.8**		Balance at beginning of the year	**8,474.1**	8,030.0
–	**(33.9)**		Transaction costs capitalised	**(301.4)**	–
1.1	**4.3**		Unwinding of transaction costs	**41.3**	9.0
–	**–**		Translation adjustment	**1,704.4**	435.1
988.8	**959.2**		Balance at end of the year	**9,918.4**	8,474.1
		(a)(ii)	**Sibanye Gold guarantee fee**		
–	**33.9**		Initial recognition	**301.4**	–
–	**(5.0)**		Payment of Sibanye Gold guarantee fee	**(48.0)**	–
–	**1.9**		Unwinding of interest	**18.2**	–
–	**–**		Translation adjustment	**46.9**	–
–	**30.8**		Balance at end of the year	**318.5**	–
		(b)	**Split-tenor revolving credit facility**		
500.0	**–**		Balance at beginning of the year	**–**	4,065.0
(500.0)	**–**		Repayments	**–**	(3,920.0)
–	**–**		Translation adjustment	**–**	(145.0)
–	**–**		Balance at end of the year	**–**	–
		(c)	**US$1 billion syndicated revolving credit facility**		
220.0	**666.0**		Balance at beginning of the year	**5,707.6**	1,788.4
666.0	**–**		Loans advanced	**–**	5 193.2
(220.0)	**(666.0)**		Repayments	**(5,887.4)**	(1,724.8)
–	**–**		Translation adjustment	**179.8**	450.8
666.0	**–**		Balance at end of the year	**–**	5,707.6
		(d)	**US$500 million syndicated revolving credit facility**		
–	**104.0**		Balance at beginning of the year	**891.3**	–
244.0	**–**		Loans advanced	**–**	1,949.2
(140.0)	**(104.0)**		Repayments	**(919.4)**	(1,156.2)
–	**–**		Translation adjustment	**28.1**	98.3
104.0	**–**		Balance at end of the year	**–**	891.3
		(e)	**US$200 million non-revolving senior secured term loan**		
150.0	**110.0**		Balance at beginning of the year	**942.7**	1,219.5
(40.0)	**(40.0)**		Repayments	**(396.4)**	(328.1)
–	**–**		Translation adjustment	**177.5**	51.3
110.0	**70.0**		Balance at end of the year	**723.8**	942.7
		(f)	**US$60 million senior secured revolving credit facility**		
50.0	**–**		Balance at beginning of the year	**–**	406.5
23.0	**35.0**		Loans advanced	**347.0**	184.5
(73.0)	**–**		Repayments	**–**	(591.3)
–	**–**		Translation adjustment	**14.9**	0.3
–	**35.0**		Balance at end of the year	**361.9**	–
		(g)	**US$1,440 million term loan and revolving credit facility**		
–	**893.0**		Loans advanced	**8,029.7**	–
–	**(119.5)**		Repayments	**(1,235.6)**	–
–	**–**		Translation adjustment	**1,203.9**	–
–	**773.5**		Balance at end of the year	**7,998.0**	–
		(h)	**R1,500 million Nedbank revolving credit facility**		
–	**155.5**		Loans advanced	**1,500.0**	–
–	**(10.4)**		Translation adjustment	**–**	–
–	**145.1**		Balance at end of the year	**1,500.0**	–

Figures in millions unless otherwise stated

UNITED STATES DOLLAR 2012	2013			SOUTH AFRICAN RAND 2013	2012
		26.	**BORROWINGS (continued)**		
		(i)	**Other loans**		
3.3	**2,094.2**		Loans advanced to continuing operations	**18,591.8**	25.0
514.7	**542.4**		Loans advanced to discontinued operations	**4,800.0**	4,220.0
(2.9)	**(2,041.8)**		Repayments by continuing operations	**(18,110.5)**	(25.0)
–	**(503.4)**		Repayments by discontinued operations	**(4,450.0)**	–
–	**(39.0)**		Unbundling of Sibanye Gold	**(350.0)**	–
(492.4)	**–**		Reclassification to liabilities held for sale	**–**	(4,220.0)
(22.7)	**(5.9)**		Translation adjustment	**–**	–
–	**46.5**		Balance at end of the year	**481.3**	–
2,361.2	**2,060.1**		**Gross borrowings**	**21,301.9**	20,235.7
(492.4)	**–**		Reclassification to liabilities held for distribution	**–**	(4,220.0)
(40.0)	**(126.5)**		Current portion of borrowings	**(1,308.5)**	(342.8)
1,828.8	**1,933.6**		**Total non-current borrowings**	**19,993.4**	15,672.9
			The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:		
880.0	**1,070.1**		Variable rate with exposure to repricing (six months or less) – continuing operations	**11,065.0**	7,541.6
492.4	**–**		Variable rate with exposure to repricing (six months or less) – discontinued operations	**–**	4,220.0
988.8	**990.0**		Fixed rate with no exposure to repricing (US$1 billion notes issue and Sibanye Gold guarantee fee) – continuing operations	**10,236.9**	8,474.1
2,361.2	**2,060.1**			**21,301.9**	20,235.7
			The carrying amounts of the Group's borrowings are denominated in the following currencies:		
1,868.8	**1,868.5**		US dollar – continuing operations	**19,320.6**	16,015.7
492.4	**191.6**		Rand – discontinued operations	**1,981.3**	4,220.0
2,361.2	**2,060.1**			**21,301.9**	20,235.7
			The Group has the following undrawn borrowing facilities:		
831.4	**763.2**		Committed	**7,891.6**	7,124.7
61.8	**79.0**		Uncommitted	**816.7**	530.0
893.2	**842.2**			**8,708.3**	7,654.7
			All the above undrawn committed facilities have floating rates. The uncommitted facilities have no expiry dates and are open ended. Undrawn committed facilities have the following expiry dates:		
58.4	**–**		– within one year	**–**	500.0
8.0	**–**		– later than one year and not later than two years	**–**	68.6
35.0	**96.7**		– later than two years and not later than three years	**1,000.0**	300.0
730.0	**666.5**		– later than three years and not later than five years	**6,891.6**	6,256.1
831.4	**763.2**			**7,891.6**	7,124.7

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UNITED STATES DOLLAR 2012	2013			SOUTH AFRICAN RAND 2013	2012
		27.	**PROVISIONS**		
248.8	**283.5**	**27.1**	Environmental rehabilitation costs	**2,931.8**	2,131.6
13.9	**10.9**	**27.2**	South Deep dividend	**112.3**	119.0
262.7	**294.4**		**Total provisions**	**3,044.1**	2,250.6
		27.1	**Environmental rehabilitation costs**		
392.4	**248.8**		Balance at beginning of the year	**2,131.6**	3,190.3
–	**69.7**		Barrick Yilgarn asset purchase	**704.5**	–
18.4	**(23.7)**		Changes in estimates for continuing operations[1]	**(227.2)**	151.0
32.3	**–**		Changes in estimates for discontinued operations[1]	**–**	264.3
10.7	**12.8**		Inflation charge for continuing operations	**123.1**	87.5
6.1	**–**		Inflation charge for discontinued operations	**–**	49.8
2.8	**2.3**		Interest charge for continuing operations	**21.7**	22.8
1.0	**–**		Interest charge for discontinued operations	**–**	7.9
(2.7)	**(2.5)**		Payments	**(24.4)**	(22.5)
(202.9)	**–**		Reclassification to liabilities held for distribution	**–**	(1,739.1)
(9.3)	**(23.9)**		Translation adjustment	**202.5**	119.6
248.8	**283.5**		**Balance at end of the year**	**2,931.8**	2,131.6

[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 and discount rates.

* 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 – secured cash deposits (refer note 19) and reclamation bonds underwritten by banks to secure estimated costs of rehabilitation;
- South Africa – contributions into environmental trust funds (refer note 19) 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.

2012	2013		2013	2012
		The provision is calculated using the following undiscounted closure cost estimates:		
31.9	**33.3**	South Africa	**343.9**	273.6
79.3	**83.3**	Ghana	**861.3**	679.6
125.1	**196.6**	Australia	**2,033.3**	1,072.1
41.4	**42.0**	Peru	**434.3**	354.8

Figures in millions unless otherwise stated

2012 Inflation rate	2012 Discount rate		The provision is calculated using the following rates:	2013 Inflation rate	2013 Discount rate
		27.	**PROVISIONS (continued)**		
		27.1	**Environmental rehabilitation costs (continued)**		
6.4%	7.0%		South Africa	**7.7%**	**8.8%**
8.5%	9.5%		Ghana	**9.0%**	**11.0%**
3.5%	4.0% – 4.2%		Australia	**2.5%**	**3.8% – 4.8%**
3.0%	4.0%		Peru	**2.3%**	**5.1%**

UNITED STATES DOLLAR 2012	UNITED STATES DOLLAR 2013			SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND 2012
		27.2	**South Deep dividend**		
16.2	**12.8**		Total provision	**132.3**	139.0
(2.3)	**(1.9)**		Current portion included in trade and other payables	**(20.0)**	(20.0)
13.9	**10.9**		**Balance at end of the year**	**112.3**	119.0

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 was a wholly owned subsidiary of Gold Fields. The new company, Newshelf 899 (Pty) Ltd, 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 25 April 2013 (27 March 2012: R20.0 million) and R20.0 million (2012: R20.0 million) is classified as a short-term portion under trade and other payables.

UNITED STATES DOLLAR 2012	UNITED STATES DOLLAR 2013			SOUTH AFRICAN RAND 2013	SOUTH AFRICAN RAND 2012
		28.	**TRADE AND OTHER PAYABLES**		
168.3	**141.2**		Trade payables	**1,459.8**	1,442.6
332.0	**265.9**		Accruals and other payables	**2,749.4**	2,845.5
27.1	**42.9**		Leave pay accrual	**443.5**	231.9
11.0	**12.4**		Interest payable on loans	**127.4**	94.4
538.4	**462.4**		**Total trade and other payables**	**4,780.1**	4,614.4

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UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2012	2013			2013	2012
		29.	**CASH GENERATED BY OPERATIONS**		
348.5	**(595.1)**		(Loss)/profit for the year	**(6,156.6)**	2,854.3
456.6	**(20.1)**		Mining and income taxation	**(315.4)**	3,739.9
116.7	**90.5**		Royalties	**869.1**	955.9
68.6	**90.8**		Interest expense	**871.8**	561.9
(15.8)	**(8.0)**		Interest received	**(76.6)**	(129.8)
–	**–**		Dividends received	**(0.3)**	(0.4)
974.6	**(441.9)**		**(Loss)/earnings before non-cash items**	**(4,808.0)**	7,981.8
			Non-cash and other adjusting items:		
499.2	**610.9**		Amortisation and depreciation	**5,864.4**	4,088.2
10.7	**12.8**		Inflation adjustment to rehabilitation liability	**123.1**	87.5
2.8	**2.3**		Interest adjustment to rehabilitation liability	**21.7**	22.8
0.7	**(3.7)**		Non-cash rehabilitation adjustment	**(35.6)**	5.7
(0.5)	**(0.5)**		Interest received – environmental trust funds	**(4.4)**	(3.7)
98.2	**809.5**		Impairment of investments and assets	**8,336.9**	803.9
(0.3)	**(1.6)**		Loss on disposal of property, plant and equipment	**(15.4)**	(2.1)
(27.6)	**(17.8)**		Profit on disposal of investments	**(170.8)**	(225.9)
45.5	**40.5**		Share-based payments	**388.6**	372.5
1.4	**1.4**		Non-cash interest charge	**13.8**	11.7
(16.1)	**(23.6)**		Finance costs capitalised	**(226.4)**	(131.9)
(0.4)	**–**		Share of results of equity-accounted investees after taxation	**(0.1)**	(3.3)
–	**(13.4)**		Reallocation of Ghana restricted cash	**(114.8)**	–
6.4	**(4.7)**		Other	**(59.2)**	53.8
1,594.6	**970.2**		**Total cash generated by operations**	**9,313.8**	13,061.0
		30.	**CHANGE IN WORKING CAPITAL**		
(111.6)	**(11.3)**		Inventories	**(108.1)**	(915.1)
(117.1)	**142.6**		Trade and other receivables	**1,369.4**	(958.6)
78.8	**(121.3)**		Trade and other payables	**(1,165.1)**	644.3
(149.9)	**10.0**		**Total change in working capital**	**96.2**	(1,229.4)
		31.	**ROYALTIES PAID**		
(28.2)	**(32.5)**		Amount owing at beginning of the year	**(278.5)**	(228.9)
(116.7)	**(90.5)**		Royalties	**(869.1)**	(955.9)
32.5	**23.1**		Amount owing at end of the year	**239.0**	278.5
–	**–**		Translation	**(38.1)**	(16.2)
(112.4)	**(99.9)**		**Total royalties paid**	**(946.7)**	(922.5)
		32.	**TAXATION PAID**		
(145.9)	**(148.4)**		Amount owing at beginning of the year	**(1,271.2)**	(1,186.4)
(336.6)	**(161.3)**		SA and foreign current taxation	**(1,548.6)**	(2,756.8)
148.4	**11.5**		Amount owing at end of the year	**118.8**	1,271.2
–	**–**		Translation	**(114.7)**	(70.4)
(334.1)	**(298.2)**		**Total taxation paid**	**(2,815.7)**	(2,742.4)

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2012	**2013**		**2013**	**2012**
		33. 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 continuing operations for the year amounted to R310.3 million (US$32.3 million) (2012: R245.0 million (US$29.9 million) for continuing operations and R514.7 million (US$62.8 million) for discontinued operations).		
		34. COMMITMENTS		
		Capital expenditure		
186.6	**100.8**	Contracted for – continuing operations	**1,042.0**	1,599.4
59.7	**–**	Contracted for – discontinued operations	**–**	511.4
		Operating leases		
3.8	**2.9**	– within one year	**30.4**	32.7
7.7	**4.4**	– later than one and not later than five years	**45.0**	66.3
–	**1.0**	– later than five years	**10.5**	–
0.1	**0.1**	**Guarantees and other commitments**	**0.6**	0.6
		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.		
		The Group also provides environmental obligation guarantees with respect to its South African, Ghanaian and Australian operations. These guarantees, amounting to R1,252.2 million (US$121.1 million) at 31 December 2013 (2012: R953.0 million or US$111.2 million) have not been included in the amount the guarantees of R0.6 million (US$0.1 million) because they are fully provided for under the related environmental rehabilitation obligations.		

35. CONTINGENT LIABILITIES

Randgold and Exploration summons

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 unlawfully disposal of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now Uranium One.

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 thefts 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).

It should be noted that the claims lie only against Gold Fields Operations Limited, whose only interest is 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.

Gold Fields Operations Limited's assessment remains that it has sustainable defenses to these claims and, accordingly, Gold Fields Operation Limited's attorneys were instructed to vigorously defend the claims.

The ultimate outcome of the claims cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these claims, if any, has been made in the consolidated financial statements.

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 proportionate to the member's production relative to the total production of all members. To date, Gold Fields are not aware of any such claims or liabilities, and no claims have been made against Gold Fields.

Silicosis

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, 78 of 1973, or ODMWA, governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. In 2011 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.

During 2012 and 2013, two court applications were served on Gold Fields and its subsidiaries (as well as other mining companies) by various applicants purporting to represent classes of mine workers (and where deceased, their dependants) who were previously employed by or who are employees of, among others, Gold Fields or any of its subsidiaries and who allegedly contracted silicosis and/or tuberculosis.

These are applications in terms of which the court is asked to certify a class action to be instituted by the applicants on behalf of the classes of affected people. According to the applicants, these are the first and preliminary steps in a process, where if the court were to certify the class action, the applicants will in the second stage, bring an action wherein they will attempt to hold Gold Fields and other mining companies liable for silicosis and/or tuberculosis and the resultant consequences. The applicants contemplate dealing in the second stage with what the applicants describe as common legal and factual issues regarding the claims arising for the whole of the 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 Gold Fields and the other mining companies. These applications do not identify the number of claims that could be instituted against Gold Fields and the other mining companies or the quantum of damages the applicants may seek.

35. CONTINGENT LIABILITIES (continued)

Silicosis (continued)

Gold Fields has delivered notices of intention to oppose the applications and has instructed its attorneys to defend the claims.

The two class actions were consolidated into one application on 17 October 2013.The parties to the consolidated application agreed in a court-sanctioned process that the respondents in the application will deliver answering papers by the end of May 2014 with the applicants replying by the end of August 2014.

In addition to the consolidated application, an individual action has been instituted against Gold Fields and one other mining company in terms of which the Plaintiff claims R25.0 million in damages (and interest on that amount at 15.5% from May 2013 to date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has entered an appearance to defend the individual action and has pleaded to the claim. In January 2014 the plaintiff delivered an application to join three other mining companies (including the owners of Gold Fields' South Deep operation) to the action. The Joinder application was granted on 13 March 2014 and Gold Fields will deliver a revised plea on behalf of the Gold Fields defendant.

The ultimate outcome of these matters cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these actions, if any, has been made in the consolidated financial statements.

Acid mine drainage

Gold Fields has identified incidences of Acid Mine Drainage ('AMD'), and the risk of potential short-term and long-term AMD issues, specifically at its Cerro Corona mine, its South Deep mine and, at currently immaterial levels, its Tarkwa, Damang and St Ives mines. AMD or acid rock drainage ('ARD'), collectively called acid drainage ('AD') is formed when certain sulphide minerals in rocks are exposed to oxidising conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock. Gold Fields has commissioned several technical studies to identify the steps required to prevent or mitigate AD at its facilities but none of these studies have allowed Gold Fields to generate a reliable estimate of the potential impact of AD on the Company. Gold Fields proactive approach to AD management includes Liquid Gold (a short and long-term water management strategy) at South Deep, as well as the investigation of various water treatments and/or mine rehabilitation options at its affected operations. Much of the design of the tailings and waste rock facilities at Cerro Corona were based on AD mitigation. Gold Fields also conducts acid base accounting to obtain a more detailed understanding of where the key potential AD risks are located at identified operations, thereby better informing appropriate short and long-term mitigation strategies.

No adjustment for any effects on the Company that may result from AMD, if any, has been made in the consolidated financial statements other than through the Group's normal rehabilitation provisions (refer note 27.1).

Native title claim

St Ives Gold Mining Company Pty Limited ('St Ives'), a subsidiary in the Group, which owns the St Ives Gold Mine in Western Australia successfully applied in December 2013 to be joined as a respondent party to proceedings brought in the Federal Court of Australia (the "Court') by the Ngadju People for the purpose of that group seeking the determination of their native title rights over a wide area of land in the Goldfields region of Western Australia, which includes a number of mining tenements held by St Ives and transferred from Western Mining Corporation ('WMC') in 2001.

The proceedings (brought under the provisions of the Native Title Act 1993 (Cth)) have been run in two parts. In the first part, the Court made an interim finding (upheld on appeal by the State) that the Ngadju People have the requisite connection to land in order to hold native title. In the second part of the proceedings, the Court has to decide the effect of certain interests (including mining interests) on native title (for example, whether or not native title is "extinguished" by the grant of those interests). It is this aspect of the proceedings which directly involves St Ives.

There are a number of other respondent parties to the proceedings who have interests within the claim area. They include other government entities (including the Commonwealth of Australia), pastoralists, and mining companies (including BHP Billiton Nickel West Pty Ltd (Nickel West)).

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35. CONTINGENT LIABILITIES (continued)

Native title claim (continued)

The Ngadju People have alleged that a number of tenements held by St Ives (and Nickel West) are invalid as against their native title interest, because the correct processes under the Native Title Act were not followed in relation to various dealings in relation to the tenements between 2001 and 2008, including the renewal and replacement of certain tenements.

The process that the Ngadju People allege was not followed is the "right to negotiate". The right to negotiate requires the native title party, the State and the party obtaining the interest (in this case, St Ives) to negotiate and reach agreement prior to the grant of certain interests which affect native title. As a result, the Ngadju People claim that the tenements are invalid from a native title perspective. This does not, however, affect the validity of the underlying mining tenure.

The matter was heard by a single judge of the Federal Court on 5 – 6 March 2014. Gold Fields was represented by Senior Counsel, and vigorously defended its position, submitting that the relevant dealings did not require the right to negotiate to be followed, and that the tenements were, accordingly valid. The decision is not expected to be handed down for between 6 and 12 months. Any decision can thereafter be appealed by any of the parties to the full Federal Court.

Significantly, the claimants have conceded in the course of the proceedings that historical petroleum tenure which existed over the entire claim area (including St Ives' tenements), has extinguished its right of 'exclusive possession native title'. This means that in the event of an adverse finding against Gold Fields (which is upheld on appeal), the claimants do not have the right to enforce a right of exclusive possession over the area (to the exclusion of St Ives).

Gold Fields is satisfied that the risk of the Court making a finding of invalidity is mitigated by the opportunity to enter into a consensual agreement with the claimants that would validate any invalid leases. Any such agreement would almost certainly require the payment of significant compensation to the claimants.

The ultimate outcome of the claim cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from the claim, if any, has been made in the consolidated financial statements.

Regulatory investigations

The Company has been informed that it is the subject of a regulatory investigation in the United States by the US Securities and Exchange Commission relating to the Black Economic Empowerment transaction associated with the granting of the mining licence for its South Deep operation (the "BEE transaction').

In South Africa, the Directorate for Priority Crime Investigation (the "Hawks') has informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance MP, Rupert Lorimer.

Given the early stage of these investigations, it is not possible to determine what the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company.

Accordingly, no adjustment for any effects on the Company that may result from the outcome of these investigations, if any, has been made in the consolidated financial statements.

36. EVENTS AFTER THE REPORTING DATE

Final dividend

On 13 February 2014, Gold Fields declared a final dividend of 22 SA cents per share.

37. FAIR VALUE OF ASSETS AND LIABILITIES

The estimated fair values of the Group's financial assets and liabilities are:

	2013		2012	
	Carrying amount R million	Fair value R million	Carrying amount R million	Fair value R million
Financial assets				
Cash and cash equivalents	**3,360.6**	**3,360.6**	5,195.6	5,195.6
Trade and other receivables	**1,508.0**	**1,508.0**	2,330.8	2,330.8
Environmental trust fund	**247.3**	**247.3**	85.3	85.3
Investments	**77.0**	**77.0**	329.2	329.2
Financial instruments	**–**	**–**	60.0	60.0
Assets held for sale/distribution	**–**	**–**	2,119.8	2,119.8
Financial liabilities				
Trade and other payables	**4,336.6**	**4,336.6**	4,382.5	4,382.5
Borrowings	**19,993.4**	**18,554.1**	15,672.9	15,683.2
Current portion of borrowings	**1,308.5**	**1,308.5**	342.8	342.8
Liabilities held for distribution	**–**	**–**	5,590.9	5,590.9
	US$ million	US$ million	US$ million	US$ million
Financial assets				
Cash and cash equivalents	**325.0**	**325.0**	606.3	606.3
Trade and other receivables	**145.7**	**145.7**	272.0	272.0
Environmental trust fund	**23.9**	**23.9**	10.0	10.0
Investments	**7.5**	**7.5**	38.4	38.4
Financial instruments	**–**	**–**	7.0	7.0
Assets held for sale/distribution	**–**	**–**	247.4	247.4
Financial liabilities				
Trade and other payables	**419.3**	**419.3**	511.3	511.3
Borrowings	**1,933.6**	**1,794.4**	1,828.8	1,830.0
Current portion of borrowings	**126.5**	**126.5**	40.0	40.0
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.

37. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The Group uses the following hierarchy for measuring the fair value of assets and liabilities at the reporting date:

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).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the Group's assets measured at fair value by level within the fair value hierarchy at the reporting date:

2013 US$ million					2013 R million			
Level 1	Level 2	Level 3	Total		Total	Level 1	Level 2	Level 3
				Assets measured at fair value				
–	**58.2**	**–**	**58.2**	Trade receivables from provisional copper concentrate sales	**601.8**	**–**	**601.8**	**–**
3.2	**–**	**–**	**3.2**	Listed investments	**33.0**	**33.0**	**–**	**–**
–	**–**	**4.3**	**4.3**	Unlisted investments	**44.0**	**–**	**–**	**44.0**
–	**59.2**	**–**	**59.2**	Assets held for sale	**612.1**	**–**	**612.1**	**–**
2012 US$ million					**2012 R million**			
				Assets measured at fair value				
–	149.9	–	149.9	Trade receivables from provisional copper concentrate sales	1,284.5	–	1,284.5	–
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]	1,332.6	1,073.9	257.2	1.5

[1]Assets held for distribution comprised environmental trust funds and unlisted investments.

There are no liabilities carried at fair value at the reporting date.

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.

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.

Assets held for sale

Assets held for sale are valued at the lower of fair value less cost to sell or carrying value.

Environmental trust funds

These comprise interest-bearing short-term investments of which investments amounting to R1,073.9 million (US$125.3 million) are valued using quoted market prices and investments of R257.2 million (US$30.0 million) are valued using inputs other than quoted prices that are observable for the assets.

38. 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 the 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.

38. 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:

	2013 R million	2012 R million	2013 US$ million	2012 US$ million
Investments	–	9.2	–	1.1
Environmental trust funds	**247.3**	85.3	**23.9**	10.0
Trade and other receivables	**1,508.0**	2,330.8	**145.7**	272.0
Cash and cash equivalents	**3,360.6**	5,195.6	**325.0**	606.3
Financial instruments	–	60.0	–	7.0
Assets held for sale/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 R2.7 million (2012: R11.9 million (R4.6 million for continuing operations and R7.3 million for discontinued operations)). At 31 December 2013, receivables of R18.6 million (2012: R31.5 million (R19.0 million for continuing operations and R12.5 million for discontinued operations)) 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.

38. 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
2013				
Trade and other payables	**4,336.6**	**–**	**–**	**4,336.6**
Borrowings				
– US$ borrowings				
– Capital	**827.2**	**8,515.0**	**10,432.1**	**19,774.3**
– Interest	**730.1**	**2,241.9**	**897.5**	**3,869.5**
– Rand borrowings				
– Capital	**481.3**	**1,500.0**	**–**	**1,981.3**
– Interest	**143.8**	**367.6**	**–**	**511.4**
Environmental rehabilitation costs[4]	**2.9**	**555.1**	**3,114.9**	**3,672.9**
South Deep dividend	**20.0**	**80.0**	**140.0**	**240.0**
Total	**6,541.9**	**13,259.6**	**14,584.5**	**34,386.0**
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

[1] Spot rate: R10.34 = US$1.00 (2012: R8.57 = US$1.00).
[2] USD borrowings – Spot LIBOR (one month fix) rate adjusted by specific facility agreement: 0.1640% (2012: 0.20970% (one month fix)).
[3] ZAR borrowings – Spot JIBAR (one month fix) rate adjusted by specific facility agreement: 5.092% (2012: n/a).
[4] In South Africa and Ghana, R247.3 million (2012: R85.3 million) of the environmental rehabilitation costs is funded through the environmental trust funds.
[5] Classified as current in the 2012 statement of financial position as liabilities are held for distribution.

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38. 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
2013				
Trade and other payables	**419.3**	**–**	**–**	**419.3**
Borrowings				
– US$ borrowings				
– Capital	**80.0**	**823.5**	**1,008.9**	**1,912.4**
– Interest	**70.6**	**216.8**	**86.8**	**374.2**
– Rand borrowings				
– Capital	**46.5**	**145.1**	**–**	**191.6**
– Interest	**13.9**	**35.5**	**–**	**49.4**
Environmental rehabilitation costs[4]	**0.3**	**53.7**	**301.3**	**355.3**
South Deep dividend	**1.9**	**7.7**	**13.5**	**23.1**
Total	**632.5**	**1,282.3**	**1,410.5**	**3,325.3**
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

[1] Spot rate: R10.34 = US$1.00. (2012: R8.57 = US$1.00).
[2] USD borrowings – Spot LIBOR (one month fix) rate adjusted by specific facility agreement: 0.1640% (2012: 0.20970% (one month fix)).
[3] ZAR borrowings – Spot JIBAR (one month fix) rate adjusted by specific facility agreement: 5.092% (2012: n/a).
[4] In South Africa and Ghana, US$23.9 million (2012: US$10.0 million) of the environmental rehabilitation costs is funded through the environmental trust funds.
[5] Classified as current in the 2012 statement of financial position as liabilities are held for distribution.

38. 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 reasonably possible 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 reasonably 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/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 South African rand/US dollar and Australian dollar/US dollar exchange rates because revenues are generated using a gold price denominated in US dollars, while costs of the South African and Australian operations are incurred principally in South African rand and Australian dollar, respectively. Depreciation of the South African rand and/or Australian dollar 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 and/or Australian operations. Conversely, appreciation of the South African rand and/or Australian dollar results in South African and/or Australian operating costs increasing when translated into US dollars, resulting in lower operating margins. The impact on profitability of changes in the value of the South African rand and Australian dollar 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 2013 and 31 December 2012, 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.

38. 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 are 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 (Proprietary) Limited entered into a Singapore Gasoil 10PPM FOB cash-settled swap transaction for 7,500 barrels per month effective 1 June 2013 until 31 March 2014 at a fixed price of US$115.0 per barrel. 30,000 barrels with a positive marked-to-market value of R3.1 million (US$0.3 million) were outstanding at the end of December 2013.

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; and
- 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.

Sensitivity to equity security price	(Decrease)/increase in equity price (10%) R million	(5.0%) R million	5.0% R million	10% R million
2013				
(Decrease)/increase in other comprehensive income	**(3.3)**	**(1.6)**	**1.6**	**3.3**
2012				
(Decrease)/increase in other comprehensive income	(31.0)	(15.5)	15.5	31.0

Sensitivity to equity security price	(Decrease)/increase in equity price (10%) US$ million	(5.0%) US$ million	5.0% US$ million	10% US$ million
2013				
(Decrease)/increase in other comprehensive income	**(0.3)**	**(0.2)**	**0.2**	**0.3**
2012				
(Decrease)/increase in other comprehensive income	(3.6)	(1.8)	1.8	3.6

[1] Spot rate: R10.34 = US$1.00 (2012: R8.57 = US$1.00).

38. 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 2013, Gold Fields' long-term borrowings amounted to R19,993.4 million (2012: R15,672.9 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 R11,065.0 million (2012: R7,541.6 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.

R9,083.7 million (2012: R7,541.6 million) of the total borrowings at the end of the year is exposed to changes in the LIBOR rate and R1,981.3 million (2012: 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.

Sensitivity to interest rates	Change in interest expense for a nominal change in 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
2013						
Sensitivity to LIBOR interest rates	(129.8)	(86.6)	(43.3)	43.3	86.6	129.8
Sensitivity to Prime interest rates	(16.6)	(11.1)	(5.5)	5.5	11.1	16.6
Change in finance expense	(146.4)	(97.7)	(48.8)	48.8	97.7	146.4
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

Sensitivity to interest rates	Change in interest expense for a nominal change in 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
2013						
Sensitivity to LIBOR interest rates	(13.5)	(9.0)	(4.5)	4.5	9.0	13.5
Sensitivity to Prime interest rates	(1.7)	(1.2)	(0.6)	0.6	1.2	1.7
Change in finance expense	(15.2)	(10.2)	(5.1)	5.1	10.2	15.2
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

[1] Average rate: R9.60 = US$1.00 (2012: R8.19 = US$1.00).

Notes to the consolidated financial statements (continued)

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39. 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's long-term target is a ratio of net debt to EBITDA of one times or lower. The bank covenants require a ratio of 2.5 or below and the ratio is measured based on amounts in South African rand.

	2013 R million	2012 R million
Borrowings	**21,301.9**	16,015.7
Less: Cash and cash equivalents	**3,360.6**	5,195.6
Net debt	**17,941.3**	10,820.1
EBITDA	**10,543.7**	13,823.5
Net debt to EBITDA	**1.70**	0.78

40. 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.

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 Area pursuant to the Mineral and Petroleoum 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 Area. 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.

Key management remuneration

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2012	2013		2013	2012
		Executive Committee		
8.7	**9.0**	Salaries and other short-term employee benefits	**86.2**	71.3
6.2	**5.3**	Bonus	**51.0**	50.7
8.6	**7.5**	Share-based payments	**71.8**	70.2
23.5	**21.8**		**209.0**	192.2

Refer to pages 50 and 51 for details of remuneration of directors and prescribed officers.

41. SEGMENT REPORTING

The segment information is shown on pages 144 to 147.

Company income statement

for the year ended 31 December 2013

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2013**	**2012**
Investment income	1	**137.9**	982.9
Loss on distribution	2	**(6,058.9)**	–
Share-based payments		**–**	(5.8)
Amortisation of financial guarantees		**262.1**	54.5
Foreign exchange loss on revaluation of financial guarantees		**(102.2)**	(14.4)
Fair value adjustment on issue of shares		**78.0**	–
Regulatory legal fees		**(106.5)**	–
Transaction costs – unbundling of Sibanye Gold		**(124.5)**	–
Other costs		**(43.1)**	(1.6)
(Loss)/profit before taxation		**(5,957.2)**	1,015.6
Income taxation	3	**(8.3)**	(18.3)
(Loss)/profit for the year		**(5,965.5)**	997.3

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

Company statement of comprehensive income

for the year ended 31 December 2013

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2013	**2012**
(Loss)/profit for the year	**(5,965.5)**	997.3
Other comprehensive income	**(0.3)**	(0.2)
Marked-to-market valuation of listed investments[1]	**(0.3)**	(0.2)
Total comprehensive income for the year	**(5,965.8)**	997.1

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

[1] Can be subsequently reclassified to the income statement.

Company statement of financial position

at 31 December 2013

Figures in millions unless otherwise stated

	Notes	SOUTH AFRICAN RAND 2013	2012
ASSETS			
Non-current assets		**44,168.3**	52,175.3
Investments	5	**44,168.3**	42,336.4
Related party loans receivable	5	**–**	9,838.9
Current asset			
Trade and other receivables		**24.3**	8.4
Total assets		**44,192.6**	52,183.7
EQUITY AND LIABILITIES			
Total equity		**33,937.9**	50,352.7
Share capital		**384.0**	365.2
Share premium		**21,640.9**	31,556.6
Other reserves		**275.9**	276.2
Retained earnings		**11,637.1**	18,154.7
Current liabilities		**10,254.7**	1,831.0
Related party loans payable	5	**9,647.4**	1,497.3
Trade and other payables		**6.0**	29.3
Financial guarantees	6	**588.0**	280.3
Taxation		**13.3**	24.1
Total equity and liabilities		**44,192.6**	52,183.7

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

Company statement of changes in equity
for the year ended 31 December 2013

Figures in millions unless otherwise stated

	Number of ordinary shares in issue	Ordinary share capital	Share premium	Fair value adjustment reserve	Share-based payment reserve	Retained earnings	Total equity
SOUTH AFRICAN RAND							
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**
Loss for the year	–	–	–	–	–	(5,965.5)	**(5,965.5)**
Other comprehensive income	–	–	–	(0.3)	–	–	**(0.3)**
Total comprehensive income	–	–	–	(0.3)	–	(5,965.5)	**(5,965.8)**
Dividends paid	–	–	–	–	–	(552.1)	**(552.1)**
Distribution in specie (refer note 10.1)[1]	–	–	(11,186.9)	–	–	–	**(11,186.9)**
Acquisition of Yilgarn South assets (refer note 13)[1]	28,717,660	15.3	1,271.2	–	–	–	**1,286.5**
Exercise of employee share options	8,905,790	3.5	–	–	–	–	**3.5**
Balance at 31 December 2013	**768,016,593**	**384.0**	**21,640.9**	**(0.1)**	**276.0**	**11,637.1**	**33,937.9**

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

[1] Note reference refers to Gold Fields Group consolidated financial statements.

Company statement of cash flows

for the year ended 31 December 2013

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2013**	**2012**
Cash flows from operating activities		**(750.5)**	(1,866.8)
Cash utilised in operations	7	**(278.0)**	(1.6)
Interest received		**0.1**	0.1
Dividends received		**137.8**	982.8
Change in working capital	8	**(39.2)**	10.8
Cash (utilised in)/generated by operating activities		**(179.3)**	992.1
Taxation paid	9	**(19.1)**	(9.2)
Net cash (utilised in)/generated by operations		**(198.4)**	982.9
Dividends paid	4	**(552.1)**	(2,849.7)
Cash flows from investing activities		**(17,245.8)**	–
Investment in subsidiaries		**(17,245.8)**	–
Cash flows from financing activities		**17,996.3**	1,866.8
Related party loans receivable repaid by subsidiaries		**9,838.9**	1,114.5
Related party loans receivable advanced to subsidiaries		**–**	(0.9)
Related party loans payable advanced by subsidiaries		**8,150.1**	737.2
Loans raised from third parties		**17,107.9**	–
Loans repaid to third parties		**(17,107.9)**	–
Proceeds from issue of shares		**7.3**	16.0
Net cash generated/(utilised)		**–**	–
Cash and cash equivalents at beginning of the year		**–**	–
Cash and cash equivalents at end of the year		**–**	**–**

Notes to the Company financial statements
for the year ended 31 December 2013

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
		2013	**2012**
1.	**INVESTMENT INCOME**		
	Dividends received – related parties	**137.8**	982.8
	Interest received	**0.1**	0.1
	Total investment income	**137.9**	982.9
2.	**LOSS ON DISTRIBUTION**		
	Sibanye Gold Limited	**(6,058.9)**	–
	Total loss on distribution	**(6,058.9)**	–
	Refer to note 10 of the Gold Fields Group consolidated financial statements for details of the unbundling of Sibanye Gold. On 1 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye Gold at a subscription price of R17,245.8 million as part of the re-capitalisation of Sibanye Gold prior to the unbundling. The subscription was funded by existing short-term rand credit facilities (refer to note 26(i) of the Gold Fields Group consolidated financial statements).		
	Investments in Sibanye Gold	**17,245.8**	–
	Net asset value distributed	**(11,186.9)**	–
	Loss and distribution	**6,058.9**	–
3.	**INCOME TAXATION**		
	South African current taxation		
	– company tax	**(8.3)**	(18.3)
	Total income taxation	**(8.3)**	(18.3)
	The Company's income taxation differs from the maximum South African statutory rate of 28% primarily due to exempt dividend income and non-deductible expenses.		
4.	**DIVIDENDS PAID**		
4.1	**Ordinary dividends**		
	2012 final dividend of 75 cents per share (2011: 230 cents) declared on 13 February 2013.	**552.1**	1,679.3
	No interim dividend was declared during 2013 (2012: 160 cents).	**–**	1,170.4
	A final dividend in respect of financial period ended 31 December 2013 of 22 cents per share was approved by the Board of Directors on 12 February 2014. This dividend payable is not reflected in these financial statements.		
	The final dividend will be subject to the dividend withholding tax.		
4.2	**Distribution in specie**		
	Net asset value of Sibanye Gold distributed on unbundling (refer note 10.1 in the Gold Fields Group consolidated financial statements)	**11,186.9**	–
	Total dividends	**11,739.0**	2,849.7

Notes to the Company financial statements (continued)

for the year ended 31 December 2013

		SOUTH AFRICAN RAND 2013	2012
5.	**INVESTMENTS**		
	Listed		
	Cost	**0.3**	0.3
	Net unrealised gain on revaluation	**(0.1)**	0.2
	Carrying value	**0.2**	0.5
	Market value	**0.2**	0.5
	Unlisted		
	Carrying value and directors' valuation	**44,168.1**	42,335.9
	Total listed and unlisted investments	**44,168.3**	42,336.4
	Related party loans receivable[1]	**–**	9,838.9
	Related party loans payable[1, 2]	**(9,647.4)**	(1,497.3)
	Total	**34,520.9**	50,678.0
	Details of major investments are given on pages 142 and 143.		
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, as well as all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1,440 million term loan and revolving credit facility. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility. (2012: 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.) Refer note 26 of the Gold Fields Group consolidated financial statements for details of the guaranteed borrowings		
	Value of financial guarantees	**588.0**	280.3
	Total financial guarantees	**588.0**	280.3
7.	**CASH UTILISED IN OPERATIONS**		
	(Loss)/profit for the year	**(5,965.5)**	997.3
	Taxation	**8.3**	18.3
	Interest received	**(0.1)**	(0.1)
	Dividends received – cash	**(137.8)**	(982.8)
	(Loss)/profit before non-cash items	**(6,095.1)**	32.7
	Non-cash items:		
	Share-based payments	**–**	5.8
	Amortisation of financial guarantees	**(262.1)**	(54.5)
	Foreign exchange loss on revaluation of financial guarantees	**102.2**	14.4
	Fair value adjustment on issue of shares	**(78.0)**	–
	Loss on distribution – Sibanye Gold	**6,058.9**	–
	Other	**(3.9)**	–
	Total cash utilised in operations	**(278.0)**	(1.6)
8.	**CHANGE IN WORKING CAPITAL**		
	Trade and other receivables	**(15.9)**	(5.1)
	Trade and other payables	**(23.3)**	15.9
	Total change in working capital	**(39.2)**	10.8

[1] Related party loans are unsecured, interest-free and with no fixed repayment terms.

[2] The Company's current liabilities exceed its current assets by R10,230.4 million at 31 December 2013. Included in current liabilities are related party loans payable to subsidiary companies (refer note 5) who have confirmed that they will not demand repayment of such amounts payable to it until such time as the Company can repay its liabilities in the normal course of business.

SOUTH AFRICAN RAND

		2013	2012
9.	**TAXATION PAID**		
	Amount owing at beginning of the year	**(24.1)**	(15.0)
	SA current taxation	**(8.3)**	(18.3)
	Amount owing at end of the year	**13.3**	24.1
	Total taxation paid	**(19.1)**	(9.2)

10. 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 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.

Refer to notes 1, 2, 5 and 6 for further details relating to related party transactions and balances.

SOUTH AFRICAN RAND

	2013	2012
Compensation to directors		
Executive directors[1]	**5.8**	5.2
Non-executive directors[2]	**12.8**	13.9
Share-based payments	**–**	5.8
	18.6	24.9

[1] Refer to the remuneration report (pages 50 and 51) for total remuneration paid to executive directors, which include amounts paid by the Company as well as by subsidiary companies.

[2] Refer to the remuneration report (pages 50 and 51) for further details of remuneration paid to non-executive directors.

11. 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 the 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.

Notes to the Company financial statements (continued)
for the year ended 31 December 2013

11. RISK MANAGEMENT ACTIVITIES (continued)

Controlling and managing risk in the Company (continued)

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 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 Company and that they comply where necessary with all relevant regulatory and statutory requirements.

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.

Receivable are reviewed on a regular basis and a provision for impairment is raised when they are not considered recoverable.

The combined maximum credit risk exposure of the Company is as follows:

	SOUTH AFRICAN RAND	
	2013	**2012**
Trade and other receivables[1]	**24.3**	**8.4**
Financial guarantees[2]	**25,033.3**	**22,395.5**

[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, as well as all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1,440 million term loan and revolving credit facility. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility. (2012: 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

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
2013				
Trade and other payables	**6.0**	**–**	**–**	**6.0**
Financial guarantee[1]	**25,033.3**	**–**	**–**	**25,033.3**
Total	**25,039.3**	**–**	**–**	**25,039.3**
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

[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, as well as all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1,440 million term loan and revolving credit facility. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility. (2012: 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.

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/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 2013 and 31 December 2012, 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 39 in the Gold Fields Group consolidated financial statements.

14. CONTINGENT LIABILITIES

Refer note 35 in the Gold Fields Group consolidated financial statements.

Major Group investments – direct and indirect
for the year ended 31 December 2013

		Shares held		Group beneficial interest		Book value in holding company			
						Shares		Loans[6]	
	Notes	2013	2012	2013 %	2012 %	2013 R million	2012 R million	2013 R million	2012 R million
SUBSIDIARIES									
Unlisted									
Abosso Goldfields Ltd [7]									
– Class "A" shares	1	**49,734,000**	49,734,000	**90.0**	90.0	**–**	–	**–**	–
– Class "B" shares	1	**4,266,000**	4,266,000	**90.0**	90.0	**–**	–	**–**	–
Agnew Gold Mining Company (Pty) Ltd	2	**54,924,757**	54,924,757	**100.0**	100.0	**–**	–	**–**	–
Beatrix Mines Ltd	3	**96,549,020**	96,549,020	**100.0**	100.0	**206.8**	206.8	**–**	–
Beatrix Mining Ventures Ltd	3	**9,625,001**	9,625,001	**100.0**	100.0	**120.4**	120.4	**(136.8)**	(136.8)
Canteras Del Hallazgo S.A.C[8]	4	**15,737,514**	15,737,514	**51.0**	51.0	**–**	–	**–**	–
Darlot Mining Company (Pty) Ltd	2	**1**	–	**100.0**	–	**–**	–	**–**	–
Driefontein Consolidated (Pty) Ltd	3	**1,000**	1,000	**100.0**	100.0	**–**	–	**(13.1)**	(13.1)
GFI Joint Venture Holdings (Pty) Ltd	3	**311,668,564**	311,668,564	**100.0**	100.0	**–**	–	**(0.4)**	–
GFL Mining Services Ltd	3	**235,676,387**	235,676,387	**100.0**	100.0	**18,790.5**	17,425.9	**(7,817.9)**	9,838.9
Gold Fields Ghana Ltd[9]	1	**900**	900	**90.0**	90.0	**–**	–	**–**	–
Gold Fields Group Services (Pty) Ltd	3	**1**	1	**100.0**	100.0	**–**	–	**(1,068.6)**	(737.2)
Gold Fields Holdings Company (BVI) Ltd	5	**4,084**	4,084	**100.0**	100.0	**–**	–	**–**	–
Gold Fields La Cima S.A.[10]	4	**1,426,050,205**	1,411,969,868	**99.5**	98.6	**–**	–	**–**	–
Gold Fields Operations Ltd	3	**156,279,947**	156,279,947	**100.0**	100.0	**–**	–	**(0.4)**	–
Gold Fields Orogen Holdings (BVI) Ltd	5	**231**	231	**100.0**	100.0	**–**	–	**–**	–
GSM Mining Company (Pty) Ltd	2	**1**	–	**100.0**	–	**–**	–	**–**	–
Kloof Gold Mining Company Ltd	3	**138,600,000**	138,600,000	**100.0**	100.0	**602.8**	602.8	**(610.2)**	(610.2)
Newshelf 899 (Pty) Ltd[11]	3	**90,000,000**	90,000,000	**100.0**	100.0	**23,210.9**	23,210.9	**–**	–
St Ives Gold Mining Company (Pty) Ltd	2	**281,051,329**	281,051,329	**100.0**	100.0	**–**	–	**–**	–
Total						**42,931.4**	41,566.8	**(9,647.4)**	8,341.6

[1] Incorporated in Ghana.
[2] Incorporated in Australia.
[3] Incorporated in the Republic of South Africa.
[4] Incorporated in Peru.
[5] Incorporated in the British Virgin Islands.
[6] The loans are unsecured, interest free and have no fixed repayment terms.
[7] Abboso Goldfields Ltd ('Abosso') owns the Damang operations in Ghana. The accumulated non-controlling interest of Abosso at 31 December 2013 amounts to R129.7 million (US$12.5 million) (2012: R217.9 million or US$25.4 million). No dividends were paid to non-controlling interest during 2013 or 2012. Refer to the segment report on pages 144 to 147 for summarised financial information of Damang.
[8] Canteras Del Hallazgo S.A.C. ('Canteras') owns the Chucapaca Project in Peru. The Chucapaca Project is in the exploration phase and does not have any revenues or significant operating costs. The accumulated non-controlling interest of Canteras at 31 December 2013 amounts to R704.0 million (US$68.1 million) (2012: R527.2 million or US$61.5 million).
[9] Gold Fields Ghana Ltd ('GFG') owns the Tarkwa operations in Ghana. The accumulated non-controlling interest of GFG at 31 December 2013 amounts to R1,124.3 (US$108.7 million) (2012: R941.1 million or US$109.8 million). No dividend was paid to non-controlling interest during 2013 (2012: R88.6 million or US$10.5 million). Refer to the segment report on pages 144 to 147 for summarised financial information of Tarkwa.
[10] Gold Fields La Cima S.A. ('La Cima') owns the Cerro Corona operations in Peru. The accumulated non-controlling interest of La Cima at 31 December 2013 amounts to R42.6 million (US$4.1 million) (2012: R110.3 million or US$12.9 million). A dividend of R10.1 million (US$1.1 million) was paid to non-controlling interest during 2013 (2012: R8.1 million or US$1.0 million). La Cima was delisted in September 2013. Refer to the segment report on pages 144 to 147 for summarised financial information of Cerro Corona.
[11] Refer note 27.2 of Gold Fields Group consolidated financial statements.

	Shares held		Group beneficial interest	
	2013	**2012**	**2013**	**2012**
OTHER				
Listed associates				
Rusoro Mining Limited	**140,000,001**	140,000,001	**26.4**	26.4
Timpetra Resources Limited	**1,266,880**	15,000,000	**1.8**	21.8
Bezant Resources PLC	**17,945,922**	–	**21.6**	–
Unlisted associate				
Rand Refinery Limited[2]	**11,105**	7,193	**2.8**	1.8
Joint venture				
Far Southeast Gold Resources Incorporated	**1,737,699**	1,737,699	**40.0**	40.0
Listed equity investments				
Cascadero Copper Corporation	**2,025,000**	1,025,000	**1.3**	0.7
Clancy Exploration Limited	**17,764,783**	3,479,069	**8.6**	1.8
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**	2.2
Fjordland Exploration Incorporated	**1,818,182**	1,818,182	**2.2**	2.2
Gran Columbia Gold Corporation	**63,410**	1,585,274	**0.4**	1.1
Northam Platinum Limited	**–**	7,820,169	**–**	2.0
Orsu Metals Corporation	**26,134,919**	1,134,919	**14.3**	0.7
Rackla Metals Incorporated	**777,041**	1,208,374	**1.5**	2.4
Radius Gold Incorporated	**3,625,124**	3,625,124	**4.2**	4.2
Sibanye Gold Limited	**856 330**	–	**–**	–

[1] Only major investments are listed individually.

[2] Before unbundling of Sibanye Gold, the Group had a 34.9% (1.8% for continuing operations and 33.1% for discontinued operations) in Rand Refinery. Rand Refinery was equity accounted to February 2013, when Sibanye Gold was unbundled.

Segment report

Financial summary – R 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/ Lawlers	Darlot	Granny Smith	Total Australia	Corporate and other[1]	Continuing operations	Group consolidation
INCOME STATEMENT for the year ended 31 December 2013																
Revenue	2,172.7	555.1	–	**2,727.8**	4,086.9	8,574.2	2,077.9	3,752.5	5,462.5	2,906.9	249.2	790.5	9,409.1	–	**27,900.6**	**30,628.4**
Operating costs	(1,430.7)	(465.7)	–	**(1,896.4)**	(3,089.1)	(4,547.4)	(1,642.9)	(1,548.1)	(3,317.1)	(1,295.7)	(207.1)	(468.1)	(5,288.0)	–	**(16,115.5)**	**(18,011.9)**
Gold inventory change	–	–	–	**–**	–	(295.4)	106.8	180.7	84.9	(11.5)	12.9	35.3	121.6	–	**113.7**	**113.7**
Operating profit	**742.0**	**89.4**	–	**831.4**	**997.8**	**3,731.4**	**541.8**	**2,385.1**	**2,230.3**	**1,599.7**	**55.0**	**357.7**	**4,242.7**	–	**11,898.8**	**12,730.2**
Amortisation and depreciation	–	–	–	**–**	(949.8)	(1,321.0)	(294.2)	(468.0)	(1,865.6)	(682.1)	(34.5)	(201.5)	(2,783.7)	(47.7)	**(5,864.4)**	**(5,864.4)**
Net operating profit/(loss)	**742.0**	**89.4**	–	**831.4**	**48.0**	**2,410.4**	**247.6**	**1,917.1**	**364.7**	**917.6**	**20.5**	**156.2**	**1,459.0**	**(47.7)**	**6,034.4**	**6,865.8**
Other (costs)/income	(12.3)	(3.9)	12.9	**(3.3)**	(69.6)	(40.1)	(0.3)	(74.0)	30.9	(61.2)	(23.8)	(150.9)	(205.0)	(926.1)[4]	**(1,315.1)**	**(1,318.4)**
Share-based payments	(19.3)	(7.0)	(17.2)	**(43.5)**	(42.5)	(51.4)	(12.3)	(35.7)	(36.3)	(15.3)	(0.4)	(0.5)	(52.5)	(194.2)	**(388.6)**	**(432.1)**
Exploration expense	–	–	–	**–**	–	–	–	(2.3)	(49.2)	(13.6)	–	–	(62.8)	(567.5)	**(632.6)**	**(632.6)**
Restructuring costs	(29.4)	(5.0)	–	**(34.4)**	(107.0)	(20.4)	(8.9)	–	(7.4)	(59.5)	(6.8)	(12.4)	(86.1)	(155.9)	**(378.3)**	**(412.7)**
Impairment	–	–	–	**–**	–	(2,093.8)	(1,949.7)	(113.0)	(2,743.4)	(3.4)	–	–	(2,746.8)	(1,433.5)	**(8,336.8)**	**(8,336.8)**
Investment income	8.7	2.5	1.5	**12.7**	6.0	4.1	0.4	3.4	36.6	36.3	–	–	72.9	(5.5)	**81.3**	**94.0**
Finance expense	(56.1)	(11.0)	(0.1)	**(67.2)**	(84.9)	(11.3)	(44.9)	(20.8)	–[5]	–[5]	(2.2)	(11.6)	(13.8)	(491.4)	**(667.1)**	**(734.3)**
Royalties	(35.0)	(2.8)	–	**(37.8)**	(20.4)	(428.7)	(103.9)	(85.1)	–[5]	–[5]	–[5]	–[5]	(230.9)	–	**(869.1)**	**(906.9)**
Current taxation	(35.1)	(0.1)	(0.7)	**(35.9)**	–	(380.8)	(8.8)	(636.1)	–[5]	–[5]	–[5]	–[5]	(477.1)	(45.8)	**(1,548.6)**	**(1,584.5)**
Deferred taxation	(113.8)	(19.4)	1.1	**(132.1)**	63.5	371.4	656.1	(186.1)	–[5]	–[5]	–[5]	–[5]	1,021.1	(62.0)	**1,864.0**	**1,731.9**
Profit/(loss) for the year	**449.7**	**42.7**	**(2.5)**	**489.9**	**(206.9)**	**(240.6)**	**(1,224.7)**	**767.4**	–[5]	–[5]	–[5]	–[5]	**(1,322.0)**	**(3,929.6)**	**(6,156.5)**	**(5,666.6)**
Profit on distribution of discontinued operations	–	–	2,063.9	**2,063.9**	–	–	–	–	–[5]	–[5]	–[5]	–[5]	–	–	**–**	**2,063.9**
Total profit/(loss) for the year	**449.7**	**42.7**	**2,061.4**	**2,553.8**	**(206.9)**	**(240.6)**	**(1,224.7)**	**767.4**	**–[5]**	**–[5]**	**–[5]**	**–[5]**	**(1,322.0)**	**(3,929.6)**	**(6,156.5)**	**(3,602.7)**
Profit/(loss) attributable to:																
– Owners of the parent	449.7	42.7	2,061.4	**2,553.8**	(206.9)	(216.5)	(1,102.2)	757.9	–[5]	–[5]	–[5]	–[5]	(1,322.0)	(3,929.6)	**(6,019.4)**	**(3,465.6)**
– Non-controlling interest holders	–	–	–	**–**	–	(24.1)	(122.5)	9.5	–[5]	–[5]	–[5]	–[5]	–	–	**(137.1)**	**(137.1)**
STATEMENT OF FINANCIAL POSITION at 31 December 2013																
Total assets (excluding deferred taxation)	–[3]	–[3]	–[3]	[3]	1,994.2	15,802.9	2,045.6	10,899.8	6,730.6	4,143.0	258.9	719.2	11,851.7	32,310.0	**74,904.2**	**74,904.2**
Total liabilities (excluding deferred taxation)	–[3]	–[3]	–[3]	[3]	1,328.1	1,807.4	881.1	1,507.3	1,727.6	728.3	276.5	757.4	3,489.8	20,470.2	**29,483.9**	**29,483.9**
Net deferred taxation liabilities	–[3]	–[3]	–[3]	[3]	101.1	2,752.7	(132.2)	331.6	–[5]	–[5]	–[5]	–[5]	1,326.1	(786.5)	**3,592.8**	**3,592.8**
Capital expenditure[6]	**328.9**	**90.7**	**2.2**	**421.8**	**1,943.3**	**1,986.8**	**480.6**	**540.3**	**1,269.9**	**502.1**	**14.5**	**75.0**	**1,861.5**	**284.6**	**7,097.1**	**7,518.9**

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: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith and Darlot 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 71).

Results for discontinued operations are for the two months ended February 2013, up the date of unbundling of Sibanye Gold (refer note 10.1).

[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] Sibanye Gold was unbundled at the end of February 2013.

[4] Other costs "Corporate and other" for continuing operations comprise share of loss of associates after taxation of R176.5 million, feasibility and evaluation costs of R457.9 million, profit on disposal of investments of R170.8 million, Yilgarn South assets acquisition-related costs of R263.5 million and the balance of R199.0 million consists mainly of corporate related costs.

[5] The Australian operations are entitled to transfer and offset losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.

[6] Capital expenditure for the year ended 31 December 2013.

Financial summary – R 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	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)	(1,466.9)	(1,403.4)	(3,096.1)	(1,212.7)	(4,308.8)	–	**(13,708.6)**	**(24,582.2)**
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**	**837.3**	**3,244.8**	**2,943.5**	**1,177.1**	**4,120.6**	–	**15,387.1**	**21,067.0**
Amortisation and depreciation	(1,712.9)	(631.8)	144.2	**(2,200.5)**	(674.6)	(1,027.3)	(186.4)	(399.4)	(1,313.5)	(440.2)	(1,753.7)	(46.8)	**(4,088.2)**	**(6,288.7)**
Net operating profit/(loss)	2,690.7	644.5	144.2	**3,479.4**	537.1	4,945.4	650.9	2,845.4	1,630.0	736.9	2,366.9	(46.8)	**11,298.9**	**14,778.3**
Other (costs)/income	(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)	(176.2)	101.7	–[5]	–[5]	34.5	(149.4)	**(983.1)**	**(119.8)**
Profit/(loss) for the year	**2,327.0**	**613.8**	**211.3**	**3,152.1**	**122.1**	**2,159.7**	**201.1**	**1,782.0**	**–[5]**	**–[5]**	**900.0**	**(2,310.6)**	**2,854.3**	**6,006.4**
Profit/(loss) attributable to:														
– Owners of the parent	2,327.0	613.8	210.7	**3,151.5**	122.1	1,943.7	181.1	1,755.3	–[5]	–[5]	900.0	(2,310.6)	**2,591.5**	**5,743.0**
– Non-controlling interest holders	–	–	0.6	**0.6**	–	216.0	20.0	26.7	–[5]	–[5]	–	–	**262.8**	**263.4**
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	3,309.9	9,991.3	9,141.7	3,191.5	12,333.2	31,485.0	**74,121.1**	**94,511.0**
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	433.4	106.6	–[5]	–[5]	2,267.0	(847.8)	**4,696.0**	**9,179.3**
Capital expenditure[6]	**2,426.2**	**658.2**	**22.7**	**3,107.1**	**2,575.8**	**2,128.4**	**754.1**	**768.1**	**2,582.7**	**510.3**	**3,093.0**	**682.1**	**10,001.5**	**13,108.6**

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: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in 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 71).

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 71).

[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] The Australian operations are entitled to transfer and offset losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.

[6] Capital expenditure for the year ended 31 December 2012.

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/Lawlers	Darlot	Granny Smith	Total Australia	Corporate and other[1]	Continuing operations	Group consolidation
INCOME STATEMENT for the year ended 31 December 2013																
Revenue	247.5	63.2	–	**310.7**	425.7	893.1	216.4	390.9	569.0	302.8	26.0	82.3	980.1	–	**2,906.3**	**3,217.0**
Operating costs	(163.0)	(53.0)	–	**(216.0)**	(321.8)	(473.7)	(171.1)	(161.3)	(345.5)	(135.0)	(21.6)	(48.8)	(550.8)	–	**(1,678.7)**	**(1,894.7)**
Gold inventory change	–	–	–	**–**	–	(30.8)	11.1	18.8	8.8	(1.2)	1.3	3.7	12.7	–	**11.8**	**11.8**
Operating profit	**84.5**	**10.2**	–	**94.7**	**103.9**	**388.7**	**56.4**	**248.4**	**232.3**	**166.7**	**5.7**	**37.3**	**442.0**	–	**1,239.4**	**1,334.1**
Amortisation and depreciation	–	–	–	**–**	(98.9)	(137.6)	(30.6)	(48.8)	(194.3)	(71.1)	(3.6)	(21.0)	(290.0)	(5.0)	**(610.9)**	**(610.9)**
Net operating profit/(loss)	**84.5**	**10.2**	–	**94.7**	**5.0**	**251.1**	**25.8**	**199.7**	**38.0**	**95.6**	**2.1**	**16.3**	**152.1**	**(5.0)**	**628.5**	**723.2**
Other (costs)/income	(1.4)	(0.4)	1.1	**(0.8)**	(7.4)	(4.2)	–	(7.7)	3.2	(6.4)	(2.5)	(15.7)	(21.4)	(96.5)[4]	**(136.9)**	**(137.7)**
Share-based payments	(2.2)	(0.8)	(1.6)	**(4.6)**	(4.4)	(5.4)	(1.3)	(3.7)	(3.8)	(1.6)	–	(0.1)	(5.5)	(20.2)	**(40.5)**	**(45.1)**
Exploration expense	–	–	–	**–**	–	–	–	(0.2)	(5.1)	(1.4)	–	–	(6.5)	(59.1)	**(65.9)**	**(65.9)**
Restructuring costs	(3.3)	(0.6)	–	**(3.9)**	(11.1)	(2.1)	(0.9)	–	(0.8)	(6.2)	(0.7)	(1.3)	(9.0)	(16.2)	**(39.4)**	**(43.3)**
Impairment	–	–	–	**–**	–	(204.5)	(188.9)	(11.0)	(265.5)	(0.4)	–	–	(265.9)	(139.2)	**(809.5)**	**(809.5)**
Investment income	1.0	0.3	0.2	**1.5**	0.6	0.4	–	0.4	3.8	3.8	–	–	7.6	(0.6)	**8.5**	**10.0**
Finance expense	(6.4)	(1.3)	–	**(7.7)**	(8.8)	(1.2)	(4.7)	(2.2)	–	–	(0.2)	(1.2)	(1.4)	(51.2)	**(69.5)**	**(77.1)**
Royalties	(4.0)	(0.3)	–	**(4.3)**	(2.1)	(44.7)	(10.8)	(8.9)	–[5]	–[5]	–[5]	–[5]	(24.1)	–	**(90.5)**	**(94.8)**
Current taxation	(4.0)	–	(0.1)	**(4.1)**	–	(39.7)	(0.9)	(66.3)	–[5]	–[5]	–[5]	–[5]	(49.7)	(4.8)	**(161.3)**	**(165.4)**
Deferred taxation	(12.9)	(2.2)	0.1	**(15.0)**	6.6	33.9	63.4	(19.6)	–[5]	–[5]	–[5]	–[5]	106.9	(9.9)	**181.4**	**166.3**
Profit/(loss) for the year	**51.2**	**4.9**	**(0.3)**	**55.8**	**(21.6)**	**(16.2)**	**(118.3)**	**80.5**	**–[5]**	**–[5]**	**–[5]**	**–[5]**	**(116.8)**	**(402.6)**	**(595.1)**	**(539.3)**
Profit on distribution of discontinued operations			**232.1**	**232.1**	**–**	**–**	**–**	**–**	**–[5]**	**–[5]**	**–[5]**	**–[5]**	**–**	**–**	**–**	**232.1**
Total profit/(loss) for the year	**51.2**	**4.9**	**231.8**	**287.9**	**(21.6)**	**(16.2)**	**(118.3)**	**80.5**	**–[5]**	**–[5]**	**–[5]**	**–[5]**	**(116.8)**	**(402.6)**	**(595.1)**	**(307.1)**
Profit/(loss) attributable to:																
– Owners of the parent	51.2	4.9	231.8	**287.9**	(21.6)	(14.6)	(106.5)	78.6	–[5]	–[5]	–[5]	–[5]	(116.8)	(402.6)	**(583.6)**	**(295.7)**
– Non-controlling interest holders	–	–	–	**–**	–	(1.6)	(11.8)	1.9	–[5]	–[5]	–[5]	–[5]	–	–	**(11.5)**	**(11.5)**
STATEMENT OF FINANCIAL POSITION at 31 December 2013																
Total assets (excluding deferred taxation)	–[3]	–[3]	–[3]	**–[3]**	192.9	1,528.3	197.8	1,054.1	650.9	400.7	25.0	69.6	1,146.2	3,125.0	**7,244.3**	**7,244.3**
Total liabilities (excluding deferred taxation)	–[3]	–[3]	–[3]	**–[3]**	128.4	174.8	85.2	145.8	167.1	70.4	26.7	73.2	337.5	1,979.9	**2,851.5**	**2,851.5**
Net deferred taxation liabilities	–[3]	–[3]	–[3]	**–[3]**	9.8	266.2	(12.8)	32.1	–[5]	–[5]	–[5]	–[5]	128.2	(76.2)	**347.5**	**347.5**
Capital expenditure[6]	**37.5**	**10.3**	**0.3**	**48.0**	**202.4**	**207.0**	**50.1**	**56.3**	**132.3**	**52.3**	**1.5**	**7.8**	**193.9**	**29.6**	**739.3**	**787.3**

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: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith and Darlot 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 71).

Results for discontinued operations are for the two months ended February 2013, up to the date of unbundling of Sibanye Gold (refer note 10.1).

US dollar figures may not add as they are rounded independently.

Year-end exchange rate of R10.34/US$.

Average exchange rate for the year ended 31 December 2013 of R9.60/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] Sibanye Gold was unbundled at the end of February 2013.

[4] Other costs "Corporate and other" for continuing operations comprise share of loss of associates after taxation of US$18.4 million, feasibility and evaluation costs of US$47.7 million, profit on disposal of investments of US$17.8 million, Yilgarn South assets acquisition-related cost of R27.4 million and the balance of US$20.8 million income consists mainly of corporate-related costs.

[5] The Australian operations are entitled to transfer and offset losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.

[6] Capital expenditure for the year ended 31 December 2013.

Financial summary – US$ million

	South Africa KDC	South Africa Beatrix	South Africa Corporate and other[1]	Discon-tinued operations	South Africa South Deep[2]	Ghana Tarkwa	Ghana Damang	Peru Cerro Corona	Australia St Ives	Australia Agnew	Australia Total Australia	Corporate and other[1]	Continuing operations	Group consoli-dation
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)	(179.1)	(171.4)	(378.0)	(148.1)	(526.1)	–	**(1,673.8)**	**(3,001.5)**
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**	**102.2**	**396.2**	**359.4**	**143.7**	**503.1**	–	**1,878.8**	**2,572.4**
Amortisation and depreciation	(209.1)	(77.1)	17.5	**(268.7)**	(82.4)	(125.4)	(22.8)	(48.8)	(160.4)	(53.7)	(214.1)	(5.7)	**(499.2)**	**(767.9)**
Net operating profit/(loss)	**328.5**	**78.7**	**17.5**	**424.9**	**65.6**	**603.8**	**79.5**	**347.4**	**199.0**	**90.0**	**289.0**	**(5.7)**	**1,379.6**	**1,804.5**
Other (costs)/income	(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)	(21.5)	12.4	–[5]	–[5]	4.2	(18.1)	**(120.0)**	**(14.6)**
Profit/(loss) for the year	**284.1**	**74.9**	**25.9**	**384.9**	**14.9**	**263.7**	**24.6**	**217.6**	**–[5]**	**–[5]**	**109.9**	**(282.1)**	**348.5**	**733.4**
Profit/(loss) attributable to:														
– Owners of the parent	284.1	74.9	25.8	**384.8**	14.9	237.4	22.1	214.3	–[5]	–[5]	109.9	(282.1)	**316.4**	**701.2**
– Non-controlling interest holders	–	–	0.1	**0.1**	–	26.3	2.4	3.3	–[5]	–[5]	–	–	**32.1**	**32.2**
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	386.2	1,165.8	1,066.7	372.4	1,439.1	3,674.1	**8,649.1**	**11,028.3**
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	50.6	12.4	–[5]	–[5]	264.5	(99.0)	**547.9**	**1,071.1**
Capital expenditure[6]	296.2	80.4	2.9	**379.4**	314.5	259.9	92.1	93.8	315.3	62.3	377.7	83.3	**1,221.2**	**1,600.6**

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: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in 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 71).

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 71).

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] The Australian operations are entitled to transfer and offset losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.

[6] Capital expenditure for the year ended 31 December 2012.

Operating and financial information by mine

for the year ended 31 December 2013

SOUTH AFRICA REGION – including the discontinued operations KDC and Beatrix

All South African data based on ore reserve development capitalised as from F2004.

KDC

			Gold produced			Net earnings	
	Tonnes milled	Yield* g/tonne	Kilograms	'000 ounces	Cash cost US$/oz	SA rand mil.	US$ 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	1,022.8	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
2013 (January and February)	1,409,000	3.3	4,602	148	–	2,110.0	219.8
Total	**535,399,900**	**10.6**	**5,683,890**	**182,741**			

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)

			Gold produced			Net earnings	
	Tonnes milled	Yield* g/tonne	Kilograms	'000 ounces	Cash cost US$/oz	SA rand mil.	US$ 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)	(7.8)
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
2013 (January and February)	529,000	2.2	1,178	38	–	(22.7)	(2.4)
Total	**83,241,000**	**5.0**	**412,166**	**13,251**			

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)

			Gold produced			Net earnings	
	Tonnes milled	Yield* g/tonne	Kilograms	'000 ounces	Cash cost US$/oz	SA rand mil.	US$ 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
2013	2,347,000	4.0	9,397	302	1,045	(206.9)	(21.6)
Total	**13,387,000**	**4.2**	**56,812**	**1,827**			

[#] For the seven months ended 30 June 2007, since acquisition control.
* Combined surface and underground yield.

WEST AFRICA REGION
GHANA DIVISION
TARKWA MINE – total managed

	Tonnes treated	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
2013	19,275,000	1.0	19,664	632	816	(155.8)	(16.2)
Total	**278,581,600**	**1.0**	**289,443**	**9,306**			

* Surface operation from F1999.

Operating and financial information by mine (continued)

for the year ended 31 December 2013

DAMANG MINE – total managed

	Tonnes treated	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							
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	39.4
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
2013	3,837,000	1.2	4,761	153	1,060	(1,135.8)	(118.3)
Total	**58,097,000**	**1.4**	**83,218**	**2,675**			

F2002 – For the five 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
2013	4,763,000	2.6	12,526	403	833	861
Total	**78,553,000**	**2.3**	**178,359**	**5,734**		

F2002 – For the seven months ended 30 June, since acquisition.

Agnew mine

	Tonnes treated	Yield g/tonne	Gold produced Kilograms	'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
2013	974,000	6.9	6,706	216	625	646
Total	**13,478,000**	**5.3**	**71,594**	**2,302**		

For the 7 months ended 30 June, since acquisition.

Darlot mine

	Tonnes treated	Yield g/tonne	Gold produced Kilograms	'000 ounces	Cash cost US$/oz	Cash cost A$/oz
Year to 31 December						
2013 From October 2013	158,000	3.9	613	20	1,025	1,059

Granny Smith mine

	Tonnes treated	Yield g/tonne	Gold produced Kilograms	'000 ounces	Cash cost US$/oz	Cash cost A$/oz
Year to 31 December						
2013 From October 2013	330,000	5.9	1,935	62	786	812

Operating and financial information by mine (continued)

for the year ended 31 December 2013

St Ives/Agnew/Lawlers/Darlot/Granny Smith

	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	60.9	64.9
Year to 31 December			
2011	1,369.0	189.6	183.8
2012	728.0	88.9	85.8
2013*	(1,334.5)	(138.9)	(143.6)
Total	**4,824.7**	**650.1**	**817.9**

F2002 – For the 7 months ended 30 June 2002, since acquisition.
* F2013 – Including the Yilgarn South assets as from 1 October 2013.

SOUTH AMERICA REGION
PERU DIVISION
CERRO CORONA – total managed

	Tonnes treated	Yield g/ton	Gold produced – note 1 Kilograms	’000 ounces	Cash cost US$/oz	SA Rand Mil.	US$ 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
2013	6,571,000	1.5	9,851	317	491	772.8	80.5
Total	**33,467,000**	**1.7**	**57,678**	**1,854**			

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

Register date: 27 December 2013
Issued Share Capital: 770,517,918

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1,000 shares	14,949	83.76	2,417,736	0.31
1,001 – 10,000 shares	1,977	11.08	5,906,039	0.77
10,001 – 100,000 shares	586	3.28	19,957,559	2.59
100,001 – 1,000,000 shares	261	1.46	82,558,821	10.71
1,000,001 shares and over	74	0.41	659,677,763	85.61
Total	**17,847**	**100**	**770,517,918**	**100**
DISTRIBUTION OF SHAREHOLDERS				
American Depositary Receipts	3	0.02	292,099,241	37.91
Banks	246	1.38	197,371,589	25.62
Brokers	95	0.53	20,301,930	2.63
Close Corporations	162	0.91	570,967	0.07
Control Account	1	0.01	1,129,940	0.15
Endowment Funds	62	0.35	1,953,234	0.25
Individuals	14,786	82.85	8,745,373	1.13
Insurance Companies	37	0.21	13,704,210	1.78
Investment Companies	15	0.08	10,021,683	1.30
Medical Aid Schemes	17	0.10	975,751	0.13
Mutual Funds	293	1.64	74,362,059	9.65
Nominees and Trusts	1,434	8.03	4,169,338	0.54
Other Corporations	123	0.69	241,600	0.03
Own Holdings	4	0.02	3,512,701	0.46
Pension Funds	267	1.50	125,280,843	16.26
Private Companies	259	1.45	849,621	0.11
Public Companies	42	0.24	1,702,444	0.22
Share Trust	1	0.01	13,525,394	1.76
Total	**17,847**	**100**	**770,517,918**	**100**
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	13	0.07	17,390,603	2.26
Directors	8	0.04	352,508	0.05
Share Trust	1	0.01	13,525,394	1.76
Own Holdings	4	0.02	3,512,701	0.46
Public Shareholders	17,834	99.93	753,127,315	97.74
Total	**17,847**	**100.00**	**770,517,918**	**100.00**

	Number of shares	%
BENEFICIAL SHAREHOLDERS' HOLDING OF 3% OR MORE		
Government Employees Pension Fund	64,181,744	8.33
Barrick Gold Corporation	28,754,895	3.73
FUND MANAGERS' HOLDING OF 3% OR MORE		
Investec Asset Management (Pty) Limited	73,026,301	9.48
Public Investment Corporation Limited	62,689,687	8.14
First Eagle Investment Management, L.L.C.	60,150,000	7.81
Van Eck Associates Corporation	42,846,925	5.56
Dimensional Fund Advisors, L.P.	25,452,017	3.30
FOREIGN CUSTODIAN HOLDING OF 3% OR MORE		
The Bank Of New York Mellon DR	292,099,241	37.91
State Street Bank & Trust Company	51,219,585	6.65
JPMorgan Chase	29,025,297	3.77
Merrill Lynch Pierce Fenner & Smith Limited	28,754,895	3.73

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	The hole into which a blasting charge is inserted in order to blast loose a quantity of rock
Bore-hole or drill-hole	Hole bored or drilled in the earth usually to obtain representative samples (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 of the ore body
Bulk mining	Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being blasted or caved and transported to a processing plant
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 (CIL)	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 (CIP)	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 into which sediments consisting of gravel and sand are deposited
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 rocks comprising eroded subangular to rounded pebbles within a finer-grained matrix
Cross-cut	A horizontal underground drive developed perpendicular to the strike direction of the stratigraphy
Cut-off grade	The lowest grade of mineralised ore, which determines whether or not it is economic to mine and send to the processing plant
Decline	An excavation from surface or sub-surface, in the form of a tunnel, which is developed downwards
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 by diamond bits and 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	Tabular, vertical or near vertical body of igneous rock formed by the intrusion of magma generally into planar structural zones of weakness
Elution	The chemical process of desorbing gold from activated carbon

Face	The end of a development end, drift, cross-cut or stope at which work is taking place
Facies	The characteristics of a rock unit defined by its composition, lithology, physical properties and geochemical parameters, usually reflecting the conditions of its origin
Fatality rate	Number of deaths normally expressed as a ratio per million man-hours worked
Fault	The surface or plane 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 vessels. 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 or other metal contained within a unit weight of one metric tonne, generally expressed in grams per metric tonne (g/t) or percent metal per metric tonne (%)
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 geological 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
ISO 14000	International standards for organisations to implement sound environmental management systems
LTIFR	Lost-Time Injury Frequency Rate, expressed in million man-hours worked
Lock-up gold	Gold trapped 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

Glossary of terms (continued)

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
Mineralised	Rock in which minerals have been introduced
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
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
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, to a minimum of a pre-feasibility study for a project, 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 that is associated with specific projects
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, to a minimum of a pre-feasibility study for a project, 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	A general term for metalliferous mineral deposit (gold) within a geological zone or unit
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
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 location lithological composition, geophysical and geochemical and chronological order of sequence
Strike	Direction or trend of geological structures such as bedding or fault planes defined by the intersection with the horizontal plane and is 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

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

Glossary of terms (continued)

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 Exploration Results, 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
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.
- ICMM (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 an injury sustained by an employee, contractor or contractor employee whilst at work which incapacitates that employee for a period of one or more days up to and including 13 days lost, provided that the injured person is referred to a medical practitioner the same day of the incident/accident.
- MTIFR (Medically Treated Injury Frequency Rate) – Frequency rate that takes into account a minor injury sustained by an employee, contractor or contractor employee whilst at work which does not incapacitate that employee and who, after having received medical treatment, is deemed fit to immediately resume duties or fit to resume duties on the next working day
- TRIFR (Total Recordable Injury Frequency Rate) – Frequency rate that takes into account the sum of all injuries to employees and contractors (Fatalities + Lost-Time Injuries + Restricted Work Injuries + Medical Treatment Injuries)
- DLIFR – (Days Lost Injury Frequency Rate) – Frequency rate that takes into account the number of days lost due to injuries recorded.
- 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 the form 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

- ISO 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 (based on the GRI definition) that classifies the incident based on its severity. The incidences are classified as follows:
  - Level 1 environmental incident – incident that involves minor non-conformances that result in no or negligible adverse environmental impact and that would not cause damage to the Company's reputation
  - Level 2 environmental incident – incident that involves minor non-conformances that result in short-term, limited and non-ongoing adverse environmental impacts
  - Level 3 environmental incident – incident that results in limited non-conformances or non-compliances. These non-compliances are those that result in ongoing, but limited environmental impact
  - Level 4 environmental incident – incident that results in significant non-conformances or non-compliances. These non-compliances are those that result in medium-term environmental impact but are not operation threatening events and are likely to cause minimal stakeholder reputation damage
  - Level 5 environmental incident – incident that results in major non-conformances or non-compliances that result in long-term environmental impact, contravening legal compliance, with Company or operation threatening implications and potential major damage to the Company's reputation

Glossary of terms – Sustainable development (continued)

- 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 RESPONSIBILITIES

SED (Socio Economic Spend) – Payments made to communities and community investments that are not inherent to the functioning of the operation. This may include payments related to infrastructure, health and well-being, education and training, local environment, scholarships and donations. This definition is an evolving definition between the World Gold Council (WGC) and its member companies.

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 (CO_2) 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 CO_2 emissions – are "indirect emissions generated in the production of electricity consumed by the institution."

Scope 3 CO_2 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 (CO_2-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 (CO_2) as the reference.

Administration and corporate information

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