Annual Financial Report

for the 12 month period ended 31 December 2011

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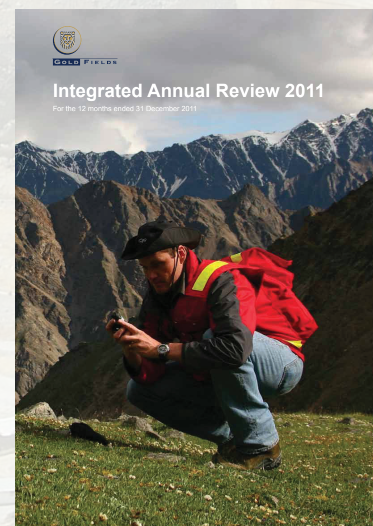
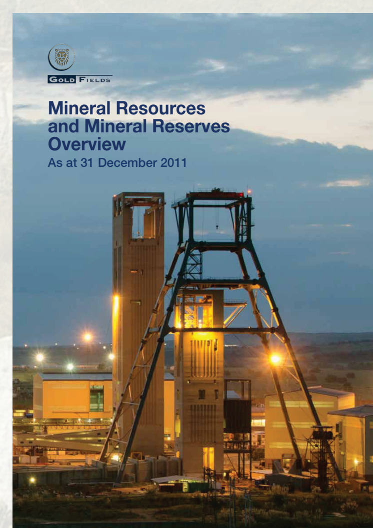
Integrated Annual Report 2011



Mineral Resources and Mineral Reserves Overview 2011



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 28 to 126 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act in South Africa, and include amounts based on judgements and estimates made by management.

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

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

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

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

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

The financial statements were approved by the Board of Directors on 23 March 2012 and are signed on its behalf by:

NJ Holland

Chief Executive Officer

PA Schmidt

Financial Director

Corporate secretary's confirmation

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.

C Farrel

Corporate Secretary
23 March 2012

Audit Committee statement

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

The committee consists of five independent non-executive directors and the Board believes that the members collectively possess the knowledge and experience to oversee and assess the performance of Gold Fields' management and auditors, the quality of Gold Fields' financial controls, the preparation and evaluation of Gold Fields' financial statements and Gold Fields' financial reporting.

The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage, rather than eliminate, the risk of business failures and to provide reasonable assurance against such failures.

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

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

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

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

The committee reviewed and assessed the independence of the external auditor, including their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and international bodies have been followed. The committee is satisfied that KPMG is independent of the Group. An audit fee for the period of R24 million (US$3 million) was approved, as well as R600,000 (US$75,000) for tax advisory compliance services and R5.1 million (US$706,000) 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 recommended the re-appointment of KPMG as the company's external auditor.

The committee approved the audit plan presented by the external auditors and monitors progress against the plan. The audit plan forms the basis of providing the committee with the necessary assurances on risk management, the internal control environments and IT governance. The committee recommends that KPMG is reappointed for the 2012 financial year with Mr Ian Kramer as the Group audit engagement partner.

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

Audit Committee statement (continued)

Gold Fields Internal Audit (GFIA) is an independent assurance and consulting division designed to add value and improve the operations of the Gold Fields Group. GFIA operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (IIA). 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 period, an Internal Audit Maturity Assessment was carried out by an independent supplier and the overall maturity score was given as “a strong practice”.

Membership and attendance of the Audit Committee

Members	14/02/11	10/03/11	23/03/11	20/04/11	16/05/11	03/08/11	31/08/11	07/11/11
GM Wilson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RP Menell	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MS Moloko[1]	–	–	–	–	–	Yes	Apology	Apology
DMJ Ncube	Yes	Yes	Apology	Yes	Yes	Yes	Yes	Yes
RL Pennant-Rea	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

[1]Mr Moloko was appointed to the Board on 25 February 2011 and to the Audit Committee on 18 May 2011

The Audit Committee is also responsible for oversight of the risk management function. Enterprise-wide risk management (ERM) processes are deeply embedded in the Group and during the period under review the committee ensured that the risk table was regularly challenged, assessed and updated, and that the necessary measures were put in place to mitigate these risks.

The Audit Committee is responsible for IT Governance on behalf of the Board and review the report of the IT manager at each meeting.

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

AUDIT COMMITTEE STATEMENT

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

The Audit Committee considered and discussed this Integrated Annual Report with both management and the external auditors. During this process, the committee:

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

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

G Wilson
Chair, Audit Committee
23 March 2012

Independent auditor's report

To the shareholders of Gold Fields Limited

We have audited the consolidated and separate annual financial statements of Gold Fields Limited, which comprise the statements of financial position at 31 December 2011, 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, and the directors' report , as set out on pages 28 to 126.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

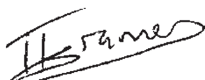
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Gold Fields Limited at 31 December 2011, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

KPMG Inc.
Registered Auditor



Per Ian Kramer
Chartered Accountant (SA)
Registered Auditor
Director
23 March 2012

85 Empire Road
Parktown
2193
Gauteng
South Africa

Management's discussion and analysis of the financial statements

During 2010, the Group changed its financial year end from June to December to align its reporting with peers in the mining industry. This resulted in a six month period ended 31 December 2010 which was followed by a financial year ended 31 December 2011. The financial statements presented on page 58 to page 108 compare the 12 month period ended 31 December 2011 to the six month period ended 31 December 2010 which represents the latest set of audited results.

For comparability purposes, however, the management discussion and analysis that follows discusses comparable periods, being the 12 month period ended 31 December 2011 (referred to as financial 2011) and the unaudited 12 month period ended 31 December 2010 (referred to as financial 2010) for the income statement and the statement of cash flows. In terms of the statement of financial position, 31 December 2011 has been compared to 31 December 2010.

Consolidated income statement

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
Year ended 31 December 2010	Year ended 31 December 2011		Year ended 31 December 2011	Year ended 31 December 2010
Unaudited				Unaudited
4,704.6	**5,800.1**	Revenue	**41,876.8**	34,390.7
(3,444.4)	**(3,659.5)**	Cost of sales	**(26,421.2)**	(25,205.4)
1,260.2	**2,140.6**	**Net operating profit**	**15,455.6**	9,185.3
34.2	**25.4**	Investment income	**183.0**	251.4
(69.1)	**(62.3)**	Finance expense	**(449.6)**	(505.9)
–	**4.4**	Gain on financial instruments	**31.6**	1.0
(2.7)	**9.1**	Gain/(loss) on foreign exchange	**65.8**	(19.3)
(40.2)	**(29.8)**	Other costs	**(215.4)**	(301.2)
(49.4)	**(66.4)**	Share-based payments	**(479.3)**	(359.9)
(90.2)	**(115.2)**	Exploration expense	**(832.1)**	(659.1)
(9.3)	**(17.4)**	Feasibility and evaluation costs	**(125.6)**	(66.4)
(17.0)	**4.0**	Share of results of associates after taxation	**29.1**	(116.3)
(297.6)	**–**	Share-based payments on BEE transactions	**–**	(2,124.8)
(46.8)	**(63.5)**	Restructuring costs	**(458.6)**	(334.7)
(26.1)	**(10.0)**	Impairment of investments and assets	**(71.9)**	(197.9)
12.2	**12.8**	Profit on disposal of investments	**92.6**	85.7
0.9	**(0.4)**	(Loss)/profit on disposal of property, plant and equipment	**(2.8)**	6.3
659.1	**1,831.3**	**Profit before royalties and taxation**	**13,222.4**	4,844.2
(88.1)	**(149.7)**	Royalties	**(1,081.0)**	(647.4)
571.0	**1,681.6**	**Profit before taxation**	**12,141.4**	4,196.8
(310.2)	**(600.4)**	Mining and income tax	**(4,335.1)**	(2,265.8)
260.8	**1,081.2**	**Profit for the year**	**7,806.3**	1,931.0
		Profit attributable to:		
152.5	**973.2**	– Owners of the parent	**7,026.7**	1,139.3
108.3	**108.0**	– Non-controlling interest holders	**779.6**	791.7
260.8	**1,081.2**		**7,806.3**	1,931.0
		Earnings per share attributable to ordinary shareholders of the company:		
21	**135**	Basic earnings per share – cents	**973**	161
		SA rand/US dollar conversion rate	**7.22**	7.32
		SA rand/AU dollar conversion rate	**7.45**	6.71

Consolidated statement of cash flows

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
Year ended 31 December 2010	**Year ended 31 December 2011**		**Year ended 31 December 2011**	**Year ended 31 December 2010**
Unaudited				Unaudited
1,535.1	**1,947.9**	**Cash flows from operating activities**	**14,213.3**	11,197.6
1,810.0	**2,728.4**	Cash generated by operations	**19,699.6**	13,213.5
25.6	**15.2**	Interest received	**109.5**	190.5
–	**0.5**	Dividends received	**3.4**	0.1
(0.6)	**(0.3)**	Post-retirement health care payments	**(2.1)**	(4.5)
199.3	**(35.9)**	Change in working capital	**(259.4)**	1,521.5
2,034.3	**2,707.9**	Cash generated by operating activities	**19,551.0**	14,921.1
(68.1)	**(62.3)**	Interest paid	**(449.4)**	(501.7)
(74.6)	**(125.1)**	Royalties paid	**(873.1)**	(559.1)
(200.3)	**(352.8)**	Taxation paid	**(2,463.2)**	(1,491.6)
1,691.3	**2,167.7**	Net cash from operations	**15,765.3**	12,368.7
(156.2)	**(219.8)**	Dividends paid	**(1,552.0)**	(1,171.1)
(112.9)	**(174.9)**	– Ordinary shareholders	**(1,229.4)**	(847.4)
(43.3)	**(41.9)**	– Non-controlling interests holders	**(301.2)**	(323.7)
–	**(3.0)**	– South Deep BEE dividend	**(21.4)**	–
(1,196.5)	**(2,539.1)**	**Cash flows from investing activities**	**(17,956.7)**	(8,789.3)
(1,185.8)	**(1,413.2)**	Additions to property, plant and equipment	**(10,203.2)**	(8,668.5)
5.8	**5.3**	Proceeds on disposal of property, plant and equipment	**38.2**	40.8
–	**(382.3)**	La Cima non-controlling interest buy-out	**(2,612.5)**	–
–	**(667.0)**	Ghana non-controlling interest buy-out	**(4,519.7)**	–
–	**(6.3)**	South Deep non-controlling interest buy-out	**(50.7)**	–
(54.0)	**(66.0)**	Payment for FSE	**(534.6)**	(371.0)
–	**(7.0)**	Payment for Bezant	**(55.4)**	–
(16.3)	**(0.1)**	Purchase of investments	**(0.7)**	(116.4)
79.7	**13.7**	Proceeds on disposal of investments	**98.9**	514.8
(25.9)	**(16.2)**	Environmental trust funds and rehabilitation payments	**(117.0)**	(189.0)
214.3	**550.8**	**Cash flows from financing activities**	**3,663.0**	1,458.7
9.3	**31.0**	Loans received from non-controlling interest holders	**225.4**	62.7
(18.3)	**–**	Loans repaid to non-controlling interest holders	**–**	(136.9)
2,221.6	**1,167.9**	Loans raised	**8,186.1**	15,895.5
(2,006.2)	**(654.6)**	Loans repaid	**(4,795.6)**	(14,419.7)
7.9	**6.5**	Proceeds from the issue of shares	**47.1**	57.1
552.9	**(40.4)**	Net cash (utilised)/generated	**(80.4)**	3,867.0
17.6	**(25.1)**	Effect of exchange rate fluctuation on cash held	**665.6**	(231.4)
239.0	**809.5**	Cash and cash equivalents at beginning of the year	**5,463.8**	1,828.2
809.5	**744.0**	**Cash and cash equivalents at end of the year**	**6,049.0**	5,463.8

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

Consolidated statement of financial position

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
Year ended 31 December 2010	Year ended 31 December 2011		Year ended 31 December 2011	Year ended 31 December 2010
		ASSETS		
8,989.5	**8,635.4**	**Non-current assets**	**70,206.0**	60,678.2
7,888.9	**7,710.1**	Property, plant and equipment	**62,682.8**	53,249.8
660.6	**548.5**	Goodwill	**4,458.9**	4,458.9
14.3	**18.4**	Investment in associates	**149.6**	96.2
145.5	**82.5**	Investments	**671.0**	982.3
168.6	**161.5**	Environmental trust funds	**1,313.3**	1,137.9
111.6	**114.4**	Deferred taxation	**930.4**	753.1
1,649.8	**1,731.3**	**Current assets**	**14,076.0**	11,136.1
354.7	**471.1**	Inventories	**3,830.1**	2,394.0
357.5	**365.1**	Trade and other receivables	**2,968.5**	2,407.2
74.1	**32.9**	Deferred stripping costs	**267.4**	500.1
54.0	**118.2**	Financial instruments	**961.0**	371.0
809.5	**744.0**	Cash and cash equivalents	**6,049.0**	5,463.8
10,639.3	**10,366.7**	**Total assets**	**84,282.0**	71,814.3
		EQUITY AND LIABILITIES		
6,450.7	**5,767.1**	Equity attributable to owners of the parent	**46,886.9**	43,542.1
55.3	**55.5**	Share capital	**361.9**	360.4
4,547.4	**4,542.4**	Share premium	**31,164.4**	31,200.2
207.5	**(605.5)**	Other reserves	**2,065.5**	(38.3)
1,640.5	**1,774.7**	Retained earnings	**13,295.1**	12,019.8
456.4	**144.5**	Non-controlling interest	**1,174.6**	3,080.4
6,907.1	**5,911.6**	**Total equity**	**48,061.5**	46,622.5
2,653.2	**2,971.3**	**Non-current liabilities**	**24,156.9**	17,908.8
1,157.7	**1,202.6**	Deferred taxation	**9,777.5**	7,814.5
1,136.6	**1,360.7**	Borrowings	**11,062.3**	7,671.9
358.9	**408.0**	Provisions	**3,317.1**	2,422.4
1,079.0	**1,483.8**	**Current liabilities**	**12,063.6**	7,283.0
661.2	**672.4**	Trade and other payables	**5,467.4**	4,463.2
156.1	**264.4**	Taxation and royalties	**2,149.1**	1,053.6
261.7	**547.0**	Current portion of borrowings	**4,447.1**	1,766.2
10,639.3	**10,366.7**	**Total equity and liabilities**	**84,282.0**	71,814.3
		SA rand/US dollar conversion rate	**8.13**	6.75
		SA rand/AU dollar conversion rate	**8.25**	6.77

RESULTS FOR THE PERIOD

Profit attributable to owners of the parent increased from R1,139 million (or 161 cents per share) for financial 2010 to R7,027 million (or 973 cents per share) for financial 2011. The reasons for this increase are discussed below.

REVENUE

Revenue increased by 22% from R34,391 million for financial 2010 to R41,877 million for the financial 2011. The increase in revenue of R7,486 million was due to an increase in the average rand gold price for the period from R287,150 per kilogram to R364,216 per kilogram, partly offset by a decrease in gold sales. The rand gold price increase was due to a 29% increase in the US dollar gold price from an average of US$1,220 per ounce to US$1,569 per ounce, partly offset by a stronger rand, which strengthened 1% from an average of 7.32 to 7.22 to the US dollar.

Gold sales decreased by 4% from 3,850,600 ounces in financial 2010 to 3,696,600 ounces in financial 2011. Gold sales at the South African operations decreased by 8% from 1,865,700 ounces to 1,720,000 ounces. Gold sales at the West African operations decreased by 3% from 962,800 ounces to 935,000 ounces. Gold sales at the South American operation (Cerro Corona) decreased by 5% from 402,100 equivalent ounces to 383,000 equivalent ounces. At the Australasian operations, gold sales increased by 6% from 620,000 ounces to 658,600 ounces.

At the South African operations, gold sales at KDC decreased by 9% from 1,215,000 ounces to 1,100,200 ounces as a result of lower underground mining volumes at lower grades. The lower volumes were partly due to five days of industrial action late in July and safety related stoppages; both issues affected all the South African operations. At Beatrix, gold output decreased by 8% from 376,600 ounces to 346,800 ounces due to lower underground volumes processed as a result of the industrial action, safety stoppages and the intersection of smectite, which impeded production at 4 shaft. At South Deep, gold sales were marginally lower, decreasing from 274,100 ounces to 273,000 ounces. Increased mining volumes as South Deep builds to full production were offset by lower grades.

At the West African operations, gold sales at Tarkwa decreased by 2% from 735,100 ounces to 717,300 ounces as a result of a decrease in CIL throughput. This decrease in throughput was due to an unstable power supply, a harder blend of ore processed and extensive rainfall at the operation that slowed mining activities. Damang's gold sales decreased by 4% from 227,700 ounces to 217,700 ounces, mainly due to an unstable power supply and mining constraints because of partial sterilisation of the Damang pit floor for safety reasons while mining the East ramp to improve future mining flexibility.

At Cerro Corona in South America, gold equivalent sales decreased by 5% from 402,100 ounces to 383,000 ounces due to scheduled lower gold and copper grades and a 9% lower copper to gold price ratio, partly offset by an increase in tonnes processed.

At the Australasian operations, production at St Ives decreased marginally from 467,900 ounces to 464,600 ounces, as the focus has been on maintaining production levels and minimising cost increases. At Agnew, gold sales increased by 28% from 152,100 ounces to 194,000 ounces due to an additional 20,000 ounces from the Songvang open pit commissioned in April 2011 and increased production from Kim underground. Operations at Kim were restricted as a result of poor ground conditions in financial 2010.

COST OF SALES

Cost of sales, which consists of operating costs, changes in gold inventories and amortisation and depreciation, increased by 5% from R25,205 million in financial 2010 to R26,421 million in financial 2011.

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

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

Operating costs increased by 6% from R20,082 million in financial 2010 to R21,312 million in financial 2011.

At the South African operations, operating costs increased by 3% from R11,677 million in financial 2010 to R12,000 million in financial 2011. This increase of R323 million was mainly due to the above-inflation all-in annual wage increase of around 10%, a 28% increase in electricity tariffs, additional support costs and an increase in raw material input costs. These increases were largely offset by the lower production levels resulting in lower consumable usage, and benefits achieved through the business process re-engineering (BPR) initiatives. For financial 2011, the South African region achieved BPR savings of R667 million compared with R173 million for 2010. At KDC, operating costs decreased marginally from R7,467 million to R7,452 million. Beatrix increased by 3% from R2,339 million to R2,409 million and South Deep increased by 14% from R1,871 million to R2,138 million, in line with the build-up in mining volumes.

Management's discussion and analysis of the financial statements

(continued)

At the West African operations, operating costs increased by 3% from US$561 million in financial 2010 to US$578 million in financial 2011. This increase of US$17 million was mainly due to increased fuel and power costs, partly offset by the lower production and the introduction of owner mining at Damang mid-year. At Tarkwa, operating costs increased from US$415 million to US$436 million and at Damang, operating costs decreased from US$146 million to US$142 million.

At the Cerro Corona operation in Peru, operating costs increased by 8% from US$146 million in financial 2010 to US$157 million in financial 2011, mainly due to an increase in statutory workers participation in line with the higher profit and higher freight charges.

At the Australasian operations, operating costs increased by 12% from A$481 million in financial 2010 to A$537 million in financial 2011. At St Ives, operating costs increased from A$376 million to A$403 million. This increase of A$27 million was mainly due to an increase in deferred waste charges, because of increased production from open pit stockpiles and production from newly commissioned, more expensive, open pits. At Agnew, operating costs increased from A$105 million to A$134 million. This increase of A$29 million was mainly due to the cost of mining the Songvang open pit as from April 2011 and an increase in underground costs as a result of an increase in tonnes mined from Kim South at greater depth.

General and administration (G&A) costs

Net general and administration costs, which are included in operating costs, amounted to R624 million in financial 2011, compared with R699 million in financial 2010.

Gold inventory change

Gold inventory change in financial 2011 was a credit to costs of R547 million compared with R160 million in financial 2010.

At Tarkwa, there was a credit to costs in financial 2011 of US$65 million compared with a charge of US$3 million in financial 2010. The US$65 million credit in 2011 was due to a reassessment of the carrying value of heap leach inventories during the year. The US$3 million charge in financial 2010 was due to an inventory release from the stockpiles.

At Damang, there was a credit to costs of US$2 million in financial 2011 compared with a charge of less than US$1 million in financial 2010, both were due to movements in stockpiles.

At Cerro Corona, there was a charge to costs of US$0.1 million in financial 2011, compared with a credit of US$3 million in financial 2010, as the level of unsold stock decreased driven by sales and shipping schedules.

At St Ives, the credit to costs in financial 2011 amounted to A$3 million compared with a credit of A$24 million in financial 2010. The credit to cost in 2010 was a strategic decision to build up low-grade stockpiles from the open pits. The increase in financial 2011 was due to a build-up of inventory resulting from an increase in mining volumes towards the end of the year.

At Agnew, the credit to costs in financial 2011 of A$6 million compared with a charge of A$1 million in financial 2010, resulting from the increase in the inventory due to the build-up of stockpiles from the Songvang open pit. These stockpiles will be processed in 2012 as the mill is at full capacity.

The table below presents the analysis of cost of sales:

Analysis of cost of sales		Financial 2011 R million	Financial 2010 R million
Cost of sales per income statement		**26,421**	25,205
(Deduct)/add:	Amortisation and depreciation	**(5,656)**	(5,283)
	Gold inventory change – total	**547**	160
Operating costs		**21,312**	20,082
Add/(deduct):	General and administration	**(624)**	(699)
	Royalties*	**1,081**	647
	Gold inventory change – cash portion	**(447)**	(86)
	Rehabilitation	**(107)**	(119)
Total cash cost		**21,215**	19,825

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

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 financial 2011 and financial 2010:

	Financial 2011			Financial 2010		
	Gold sold '000 oz	Total cash cost[4] US$/oz	Total cash cost[4] R/kg	Gold sold '000 oz	Total cash cost[4] US$/oz	Total cash cost[4] R/kg
KDC	**1,100.2**	**946**	**219,642**	1,215.0	824	193,948
Beatrix	**346.8**	**957**	**222,073**	376.6	826	194,406
South Deep	**273.0**	**1,073**	**249,146**	274.1	914	215,157
South African operations	**1,720.0**	**968**	**224,815**	1,865.7	838	197,156
Tarkwa[1]	**717.3**	**556**	**129,011**	735.1	573	134,928
Damang[2]	**217.7**	**701**	**162,803**	227.7	660	155,364
West African operations	**935.0**	**590**	**136,879**	962.8	594	139,763
Cerro Corona[3]	**383.0**	**437**	**101,536**	402.1	363	85,519
South American operations	**383.0**	**437**	**101,536**	402.1	363	85,519
St Ives	**464.6**	**901**	**209,170**	467.9	710	167,100
Agnew	**194.0**	**696**	**161,640**	152.1	626	147,264
Australasian operations	**658.6**	**841**	**195,167**	620.0	689	162,232
Total operations	**3,696.6**			3,850.6		
Weighted average unit cost		**795**	**184,515**		703	165,526

[1] For the year ended 31 December 2011 and 2010, 576,300 ounces and 522,700 ounces respectively were attributable to Gold Fields.
[2] For the year ended 31 December 2011 and 2010, 174,400 ounces and 161,900 ounces respectively were attributable to Gold Fields.
[3] For the year ended 31 December 2011 and 2010, 357,200 equivalent ounces and 324,500 equivalent ounces were respectively attributable to Gold Fields.
[4] Total cash cost is calculated in accordance with the Gold Industry standard.

The weighted average total cash cost per kilogram increased by 11% from R165,526 per kilogram (US$703 per ounce) in financial 2010 to R184,515 per kilogram (US$795 per ounce) in financial 2011.

The weighted average total cash cost at the South African operations increased by 14% from R197,156 per kilogram (US$838 per ounce) in financial 2010 to R224,815 per kilogram (US$968 per ounce) in financial 2011. This increase was as a result of the decrease in gold production and the marginal increase in costs described earlier.

At the West African operations, total cash cost decreased marginally from US$594 per ounce to US$590 per ounce. This decrease was despite the lower production and increase in royalties from 3% to 5%, effective 1 April 2011, as this was partly offset by an increase in the gold-in-process credit at Tarkwa due to a reassessment of the carrying value of heap leach inventories during the year.

At Cerro Corona in South America, total cash cost increased by 20% from US$363 per ounce to US$437 per ounce. This increase in unit costs was due to the increase in operating costs together with the decrease in equivalent gold sales.

At the Australasian operations, total cash cost increased by 8% from A$753 per ounce (US$689 per ounce) to A$815 per ounce (US$841 per ounce) due to the increase in mining costs, partly offset by the increase in production at Agnew.

Amortisation and depreciation

Amortisation and depreciation increased by 7% from R5,283 million in financial 2010 to R5,656 million in financial 2011.

At the South African operations, amortisation increased from R2,605 million in financial 2010 to R2,731 million in financial 2011. KDC increased from R1,580 million to R1,663 million due to an increase in amortisation of capitalised ore reserve development on the West section. Beatrix decreased marginally from R519 million to R514 million due to the lower production. South Deep increased from R506 million to R554 million mainly due to additions to property, plant and equipment, partly offset by an increase in reserves and a decrease in underground production.

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At the West African operations, amortisation increased from US$126 million in financial 2010 to US$132 million in financial 2011. Tarkwa increased from US$104 million to US$105 million due to depreciation of additional fleet, partly offset by the lower production. Damang increased from US$22 million to US$27 million due to the transition to owner mining resulting in the depreciation of the additional mining fleet during 2011.

In South America, amortisation at Cerro Corona increased from US$57 million in financial 2010 to US$59 million in financial 2011 as a result of an increase in volumes mined and processed.

At the Australasian operations, amortisation increased from A$176 million in financial 2010 to A$189 million in financial 2011. Agnew increased from A$25 million to A$43 million, in line with the increase in underground ounces mined at higher rates due to mining at depth, the amortisation of the capital strip at Songvang, and depreciation of the mining fleet previously owned by the contractor. At St Ives, amortisation decreased from A$151 million to A$145 million in financial 2011 due to the decreased production year on year.

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 25% and 16% for financial 2011 and financial 2010 respectively.

	Financial 2011					Financial 2010				
	Gold produced '000 oz	Operating costs R million	Capital expenditure R million	NCE R/kg	NCE US$/oz	Gold produced '000 oz	Gold produced '000 oz	Capital expenditure R million	NCE R/kg	NCE US$/oz
KDC	**1,100.2**	**7,452.4**	**2,300.3**	**285,017**	**1,228**	1,215.0	7,466.9	2,439.4	262,141	1,114
Beatrix	**346.8**	**2,408.8**	**611.1**	**279,957**	**1,206**	376.6	2,338.9	649.2	255,066	1,084
South Deep	**273.0**	**2,138.4**	**1,982.4**	**485,314**	**2,091**	274.1	1,870.7	1,806.0	431,335	1,833
South African operations	**1,720.0**	**11,999.6**	**4,893.8**	**315,788**	**1,360**	1,865.7	11,676.5	4,894.6	285,566	1,213
Tarkwa	**717.3**	**3,150.6**	**1,580.5**	**212,043**	**913**	735.1	3,043.0	1,429.6	195,643	831
Damang	**217.7**	**1,026.0**	**634.5**	**245,201**	**1,056**	227.7	1,070.2	552.2	229,023	973
West African operations	**935.0**	**4,176.6**	**2,215.0**	**219,763**	**947**	962.8	4,113.2	1,981.8	203,540	865
Cerro Corona	**383.1**	**1,136.6**	**501.0**	**137,440**	**592**	406.2	1,066.5	514.1	125,097	532
South American operations	**383.1**	**1,136.6**	**501.0**	**137,440**	**592**	406.2	1,066.5	514.1	125,097	532
St Ives	**464.6**	**2,999.2**	**1,319.1**	**298,865**	**1,287**	467.9	2,521.4	813.5	229,156	974
Agnew	**194.0**	**1,000.0**	**534.7**	**254,300**	**1,096**	152.1	704.2	415.5	236,573	1,005
Australian operations	**658.6**	**3,999.2**	**1,853.8**	**285,735**	**1,231**	620.0	3,225.6	1,229.0	230,976	981
Total mining operations	**3,696.7**	**21,312.0**	**9,463.6**	**267,663**	**1,153**	3,854.7	20,081.8	8,619.5	239,387	1,017
Growth projects and corporate	**–**	**–**	**524.5**	**4,561**	**20**	–	–	49.0	409	2
Group	**3,696.7**	**21,312.0**	**9,988.1**	**272,224**	**1,173**	3,854.7	20,081.8	8,668.5	239,796	1,019

The above calculation is based on the average rand to US dollar exchange rate for the period of 7.22 and 7.32 in financial 2011 and financial 2010 respectively.

The NCE increased by 15% from US$1,019 per ounce in financial 2010 to US$1,173 per ounce in financial 2011 because of the higher operating costs and capital expenditure (as discussed under additions to property, plant and equipment) together with the lower production.

NET OPERATING PROFIT

Net operating profit increased by 68% from R9,185 million in financial 2010 to R15,456 million in financial 2011.

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

INVESTMENT INCOME

Income from investments decreased by 27% from R251 million in financial 2010 to R183 million in financial 2011. The decrease was mainly due to lower interest rates in financial 2011 compared with financial 2010.

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

The investment income in financial 2010 of R251 million comprised R61 million interest on monies invested in the South African environmental rehabilitation trust funds and R190 million interest on other cash and cash equivalent balances.

Interest received on the funds invested in rehabilitation trust funds increased from R61 million in financial 2010 to R70 million in financial 2011 due to higher balances invested in financial 2011 compared with financial 2010.

Interest on other cash balances decreased from R190 million in financial 2010 to R110 million in financial 2011, mainly due to lower interest rates.

FINANCE EXPENSE

Finance expense decreased from R506 million in financial 2010 to R450 million in financial 2011.

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

The finance expense of R506 million in financial 2010 comprised R44 million interest charges on the preference shares, R42 million relating to the accretion of the environmental rehabilitation liability and R502 million in respect of other interest charges, partially offset by interest capitalised of R82 million.

Interest on the preference shares decreased from R44 million in financial 2011 to R9 million in financial 2010 because the preference shares were fully redeemed early in financial 2011 (31 March 2011).

The environmental rehabilitation liability accretion expense increased from R42 million in financial 2010 to R58 million in financial 2011, mainly due to an increase in the rehabilitation liability as well as applicable inflation rates.

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

	Financial 2011 R million	Financial 2010 R million
Interest on commercial paper	**8**	229
Interest on borrowings to fund capital expenditure and operating costs at the South African operations	**10**	120
Interest on US$1 billion notes issue	**361**	77
Interest on US$60 million senior secured revolving credit facility	**7**	–
Interest on US$200 million non-revolving senior secured term loan	**25**	51
Interest on US$1 billion revolving credit facility	**18**	–
Interest on split-tenor revolving credit facility	**15**	15
Other interest charges	**6**	10
	450	502

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During financial 2011, R67 million (financial 2010: R82 million) interest was capitalised in terms of IAS 21 *Borrowing Cost*. IAS 21 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The qualifying project during financial 2011 and 2010 was South Deep's mine development and ventilation shaft deepening project.

GAIN ON FINANCIAL INSTRUMENTS

Gain on financial instruments increased from R1 million in financial 2010 to R32 million in financial 2011. The breakdown of these numbers is given below:

	Financial 2011 R million	Financial 2010 R million
SA rand/US dollar forward contract	**1**	(5)
SA rand/AU dollar forward contract	**1**	–
Positive marked-to-market valuation of an exploration junior warrants	**7**	10
Gain on receipt of shares in Timpetra Resources Limited	**23**	–
Copper financial instruments	**–**	(6)
Other	**–**	2
	32	1

Currency forward contracts

During financial 2011 the Group had three different currency forward contracts:

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

During financial 2010 the Group had the following financial instruments:

a) Currency forward contracts:

- SA rand/US dollar forward cover contract with an initial value of US$20 million, which was delivered into during the financial period;
- SA rand/Swedish krona forward cover contract with an initial value of SEK3 million, which was delivered into during the financial period; and
- SA rand/AU dollar forward cover contract with an initial value of A$9 million, which was delivered into during the financial period.

b) International Petroleum Exchange gasoil call option

The Ghanaian operations purchased four monthly Asian-style Intercontinental Exchange (ICE) gasoil call options with strike prices ranging from US$0.90 per litre to US$1.11 per litre, which equated to a Brent crude price of between US$92 and US$142 per barrel, with final expiry on 28 February 2010. The call options resulted in an upfront premium of US$10.4 million.

The Australasian operations purchased two monthly Asian-style Singapore 0.5 gasoil call options with strike prices ranging from US$0.9128 per litre to US$1.0950 per litre with a final expiry on 28 February 2010. The call options resulted in an upfront premium of A$4.4 million.

c) Copper financial instruments

During June 2009, 8,705 tonnes of Cerro Corona's expected copper production was sold forward for monthly deliveries, from 24 June 2009 to 23 June 2010. The average forward price for the monthly deliveries was US$5,001 per tonne. An additional 8,705 tonnes of Cerro Corona's expected copper production in year ended 30 June 2010 was hedged by means of a zero-cost collar, guaranteeing a minimum price of US$4,600 per tonne with full participation up to a maximum price of US$5,400 per tonne.

All copper contracts were delivered into by 23 June 2010.

The R7 million positive marked-to-market valuation in financial 2011 relates to warrants in Atacama Pacific Gold Corporation, an exploration junior with a portfolio of exploration projects in Chile and Rackla Metals Inc. focused on gold projects in Canada's Yukon territory. The R10 million positive marked-to-market valuation in financial 2010 relates to warrants in Atacama Pacific Gold Corporation.

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

The R6 million loss on copper financial instruments in financial 2010 relates to losses made on the forward and zero-cost collar financial instruments at Cerro Corona.

GAIN/(LOSS) ON FOREIGN EXCHANGE

The gain on foreign exchange in financial 2011 was R66 million compared with a loss of R19 million in financial 2010.

	Financial 2011 R million	Financial 2010 R million
Exchange gains/(losses) on cash balances held in currencies other than the functional currencies of the Group's various subsidiary companies	**36**	(19)
Gain on repayment of US dollar-denominated intercompany loans	**30**	–
	66	(19)

The R30 million gain in financial 2011 relates to a gain on the repayment of an intercompany US dollar-denominated loan between Gold Fields Orogen Holdings and St Ives Gold Mining Company.

OTHER COSTS

Other costs decreased from R301 million in financial 2010 to R215 million in financial 2011. The charges are mainly made up of:

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

SHARE-BASED PAYMENTS

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

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

Based on these models, R479 million was accounted for in financial 2011, compared with R360 million in financial 2010. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The increase in share-based payments was mainly due to a much higher forfeiture adjustment done in financial 2010 following the restructuring across the Group. A less significant forfeiture adjustment was done in financial 2011.

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EXPLORATION EXPENSE

Gold Fields spent R832 million (US$115 million) on exploration in financial 2011 compared with R659 million (US$90 million) in financial 2010. The bulk of the expenditure was incurred on a diversified pipeline of projects in Asia, Africa, Australia, North, South and Central America.

The increase in financial 2011 was due to increased spend on advanced-stage exploration projects. During financial 2011, the following amounts were spent on advanced-stage exploration projects: Yanfolila in Mali (US$23 million), FSE in the Philippines (US$15 million), Woodjam in Canada (US$8 million) and Tacna, Moquequa and Amantina in Peru (US$4 million). Expenditure on the Chucapaca project during financial 2011 has been capitalised due to the project advancing to feasibility stage at the beginning of financial 2011.

During financial 2010, the following amounts were spent on advanced stage exploration projects: FSE in Philippines (US$6 million), Chucapaca in Peru (US$11 million) and Yanfolila in Mali (US$22 million).

Subject to continued exploration success, exploration expenditure is expected to be US$250 million in financial 2012.

FEASIBILITY AND EVALUATION COSTS

Feasibility and evaluation costs increased from R66 million (US$9 million) in financial 2010 to R126 million (US$17 million) during financial 2011.

The cost of R126 million in financial 2011 is made up of expenditure on the Far South East project in the Philippines and the cost of R66 million in financial 2010 is made up of R43 million (US$6 million) incurred at the Chucapaca project in Peru and R23 million (US$3 million) at the Far South East project. Expenditure on the Chucapaca project during financial 2011 has been capitalised due to the project advancing to feasibility stage at the beginning of financial 2011.

SHARE OF RESULTS OF ASSOCIATES AFTER TAXATION

Share of results of associates after taxation was a gain of R29 million in financial 2011 compared to a loss of R116 million in financial 2010. Gold Fields equity accounts for three associates: Rand Refinery Limited, Rusoro Mining Limited and Timpetra Resources Limited.

The Group's 34.9% share of after-tax profits in Rand Refinery Limited was R36 million in financial 2011 compared with R44 million in financial 2010.

The Group's 26.4% share of after-tax losses in Rusoro Mining Limited was Rnil in financial 2011 compared with R160 million in financial 2010. The share of Rusoro's financial 2010 loss took into account R274 million translation loss as a result of applying hyperinflationary accounting to its investments in Venezuela, as well as an adjustment of R45 million to bring the investment to nil following a loss realised for the year which was higher than the investment carrying value. The value of the investment was below nil during financial 2011.

In August 2011, President of Venezuela, Hugo Chavez Frias, approved a decree with force of organic law which reserves to the State of Venezuela exclusive rights for the extraction of gold in Venezuela. The decree was subsequently approved by the Supreme Court of Venezuela and it was published in the Official Gazette of Venezuela in September 2011. The Venezuelan State has announced that it is seeking a controlling stake of 55% in Rusoro and as such, Rusoro will be compensated for its decrease in ownership. Negotiations are still underway as to the possible resolution of the above between Rusoro and the Venezuelan government.

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

SHARE-BASED PAYMENTS ON BEE TRANSACTIONS

The South African Mining Charter requires mining entities to achieve a 26% HDSA ownership of mining assets by the year 2014. In fiscal year ended 30 June 2004, Gold Fields implemented a 15% Black Economic Empowerment, or BEE, transaction for GFIMSA with Mvelaphanda, a BEE partner.

During financial 2010, Gold Fields developed three further empowerment transactions which ensured that Gold Fields meets its 2014 BEE equity ownership targets. These transactions included an Employee Share Option Plan, or ESOP, for 10.75% of GFIMSA; a broad-based BEE transaction for 10% of South Deep and a broad-based BEE transaction for a further 1% of GFIMSA, excluding South Deep. For accounting purposes, the three transactions qualify as share-based payments amounting to R2,125 million.

Under the ESOP transaction, 13.5 million shares were issued to approximately 47,000 Gold Fields employees. These shares were valued on the grant date using the Gold Fields closing share price of R122.79 on 22 December 2010, adjusted by a marketability discount of 26% to reflect the value of the restrictions placed on these shares. The employees may not dispose of the shares until after 15 years from grant gate. The cost of the once-off share-based compensation was R1,227 million.

Under the GFIMSA transaction, 0.6 million shares were issued to broad-based BEE partners on 23 December 2010. The non-recurring share-based compensation, based on the closing price of R118.51, was R73 million. These shares were not adjusted by a marketability discount, as they had no trading restrictions.

The South Deep transaction share-based payment amounted to R825 million and is made up of a preferred BEE dividend (R151 million) and an equity component (R674 million). 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 is a wholly owned subsidiary of Gold Fields. The new company then issued 10 million Class B ordinary shares representing 10% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share and can convert the Class B to Class A ordinary shares over a 20-year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one-third after 10 years and a third thereafter on each fifth-year anniversary. For accounting purposes, the preferred BEE dividend represents a liability of Gold Fields to the Class B ordinary shareholders and qualifies as a share-based payment. It has been valued at R151 million. The rand-based effective interest rate used to discount the future dividend payments is 9.55%.

The calculation of the disposal of 10% of South Deep was based on the cash flows over the life of the mine and was subject to valuation adjustments relating to minority discount (22%), liquidity discount (36%) and Class B share restriction discount (63%) which resulted in an overall once-off share-based payment expense of R674 million.

All but the dividend share-based compensation have been included within additional paid-in capital within shareholders' equity. The dividend liability component of the share-based compensation has been shown as other long-term provisions.

RESTRUCTURING COSTS

Restructuring costs increased from R335 million in financial 2010 to R459 million in financial 2011. The costs in financial 2010 include R228 million on voluntary separation packages, R88 million on business process re-engineering costs and other restructuring costs of R19 million, while costs in financial 2011 include R166 million on voluntary separation packages, R253 million on business process re-engineering costs and R40 million on other restructuring costs.

IMPAIRMENT OF INVESTMENTS AND ASSETS

Impairment of investments and assets decreased from R198 million in financial 2010 to R72 million in financial 2011.

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

The impairment of R198 million in financial 2010 relates to an impairment of Rusoro to its market value during financial 2010.

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The Group assesses, at each reporting date, whether there are indicators of impairment for any of its assets. If there are any indicators of impairment, the assets' recoverable amounts need to be estimated. The carrying value is compared with the higher of "value-in-use" or "fair value less costs to sell" as defined later in the accounting policies.

Various internal and external sources of information were considered and management has concluded that no indicators of impairment of assets existed at 31 December 2011.

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

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

- Long-term gold price of R400,000 per kilogram for 2012, R385,000 per kilogram for 2013 and R375,000 per kilogram thereafter (December 2010: R290,000 per kilogram for life of mine);
- A discount rate of between 5.1% and 6.2% (December 2010: 4.1% and 6.8%);
- Proved and probable reserves as per the most recent life-of-mine plan; and
- Operating costs and capital expenditure estimates as per the most recent life-of-mine plan.

At 31 December 2011 and 31 December 2010, the application of the above estimates and assumptions did not result in an impairment charge to the Group's mining assets. Following on the change in year end, the Group now performs the impairment tests at 31 December.

PROFIT ON DISPOSAL OF INVESTMENTS

The profit on the disposal of investments increased from R86 million in financial 2010 to R93 million in financial 2011.

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

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

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

The profit on disposal of investments of R86 million in financial 2010 comprises:

	R million
Disposal of shares in Eldorado Gold Corporation	68
Disposal of shares in Aquarius Platinum Limited	2
Disposal of shares in Orezone Resources	10
Disposal of equity shares held through the New Africa Mining Fund	6
	86

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

(Loss)/profit on disposal of property, plant and equipment was a profit of R6 million in financial 2010 compared to a loss of R3 million in financial 2011.

The major disposals in financial 2011 related to the sale of assets at Tarkwa, Cerro Corona and KDC, whereas in financial 2010, they related to the sale of assets at South Deep, KDC, Beatrix and Cerro Corona.

ROYALTIES

Royalties increased from R647 million in financial 2010 to R1,081 million in financial 2011 and are made up as follows:

	Financial 2011 R million	Financial 2010 R million
South Africa	**305**	162
Ghana	**480**	262
Peru	**106**	87
Australia	**190**	136
	1,081	647

The royalty in South Africa increased from R162 million in financial 2010 to R305 million in financial 2011. The increased royalty in financial 2011 is due to the increase in the gold price as well as The Mineral and Petroleum Resource Royalty Act, 2008, which came into effect on 1 March 2010, thus being effective for a full year in financial 2011 as compared to 10 months in financial 2010.

The royalty in Ghana increased from R262 million in financial 2010 to R480 million in financial 2011 due to the increase in the gold price, as well as an increase in the royalty rate from 3% to 5% from 1 April 2011.

The royalties in Peru and Australia increased in line with the increase in the gold price.

The Peruvian government signed a new mining tax royalty bill into law on 28 September 2011. The royalty for Peruvian operations is now calculated on the greater of 1% of revenue or on a sliding scale with rates ranging from 1% to 12% of the value of operating profit, whereas previously it was calculated on a sliding scale with rates ranging from 1% to 3% of the value of mineral concentrate sold based on international market prices.

MINING AND INCOME TAX

Mining and income tax increased from R2,266 million in financial 2010 to R4,335 million in financial 2011. The table below indicates Gold Fields' effective tax expense rate in financial 2011 and financial 2010:

	Financial 2011 R million	Financial 2010 R million
Income and mining tax	**4,335**	2,266
Effective tax expense rate	**35.7**	54.0

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

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

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

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

In financial 2010, the effective tax expense rate of 54% was higher than the maximum South African mining statutory tax rate of 43%, mainly due to the tax effect of the following:

- R757 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- R83 million reduction relating to the South African mining tax formula adjustment;
- R331 million non-taxable profit on disposal of investments; and
- R337 million deferred tax release on reduction of the long-term expected tax rate at the South African operations.

Management's discussion and analysis of the financial statements

(continued)

These were offset by the following tax-effected charges:

- R1,379 million non-deductible charges comprising share-based payments on BEE transactions (R914 million), share-based payments (R154 million), exploration expense (R283 million) and feasibility and evaluation costs (R28 million);
- R93 million net non-deductible expenditure and non-taxable income;
- R259 million National Stabilisation Levy in Ghana; and
- R151 million capital gains tax.

PROFIT FOR THE YEAR

As a result of the factors discussed above, Gold Fields posted a profit for the year of R7,806 million in financial 2011 compared with R1,931 million in financial 2010.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Gold Fields posted a profit attributable to ordinary shareholders of the company of R7,027 million in financial 2011 compared with R1,139 million in financial 2010.

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST

Profits attributable to non-controlling interest were R780 million in financial 2011 compared with R792 million in financial 2010. Profits attributable to non-controlling interest decreased as a result of the buy-out of a portion of the non-controlling interest holders at Tarkwa, Damang, Cerro Corona and Living Gold during financial 2011.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% at the end of financial 2011 (28.9% at the end of financial 2010), Gold Fields La Cima (Cerro Corona) at 1.5% at the end of financial 2011 (19.3% at the end of financial 2010), Living Gold (Pty) Limited at nil at the end of financial 2011 (35.0% at the end of financial 2010) and Canteras del Hallazgo (entity that houses the Chucupaca project in Peru) at 49.0% for both financial years.

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

	Financial 2011 Minority interest effective %	Financial 2010 Minority interest effective %	Financial 2011 R million	Financial 2010 R million
Gold Fields Ghana – Tarkwa	**19.7%**	28.9%	**542**	489
Abosso Goldfields – Damang	**19.9%**	28.9%	**131**	141
Gold Fields La Cima – Cerro Corona	**7.1%**	19.3%	**108**	214
Living Gold (Pty) Limited	**3.4%**	35.0%	**(1)**	(3)
Canteras del Hallazgo	**49.0%**	49.0%	**–**	(49)
			780	792

LIQUIDITY AND CAPITAL RESOURCES

Cash resources

Cash flows from operating activities

Cash inflows from operating activities increased from R12,369 million in financial 2010 to R15,765 million in financial 2011. The increase of R3,396 million was due to:

	R million
Increase in cash generated from operations due to increased revenues arising from higher gold prices	**6,487**
Decrease in interest received	**(81)**
Increase in dividends received	**3**
Decrease in post-retirement health care payments	**2**
Increase in working capital	**(1,781)**
Decrease in interest paid	**52**
Increase in royalties paid	**(314)**
Increase in taxes paid	**(972)**
	3,396

Dividends paid

Dividends paid increased from R1,171 million in financial 2010 to R1,552 million in financial 2011.

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

The dividends paid in financial 2010 comprised dividends paid to ordinary shareholders of R847 million and non-controlling interest holders in Ghana and Peru of R324 million.

Cash flows from investing activities

Cash outflows from investing activities increased from R8,789 million in financial 2010 to R17,957 million in financial 2011. The items comprising these numbers are discussed below.

Additions to property, plant and equipment

Capital expenditure increased from R8,669 million in 2010 to R10,203 million in financial 2011.

Capital expenditure at the South African operations decreased from R4,895 million in 2010 to R4,894 million in financial 2011. Capital expenditure at the individual mines was as follows:

- KDC decreased from R2,439 million to R2,300 million, mainly due to reduced spending on an additional processing facility (Python plant) and the Uranium project partly offset by increased expenditure on ORD;
- Beatrix decreased from R649 million to R611 million due to a decrease on ORD and decreased expenditure on the 3 Shaft project, which is nearing completion;
- South Deep increased from R1,806 million to R1,983 million. This increase was due to expenditure on additional development, trackless equipment and an extension to the processing facility, partly offset by reduced expenditure on the ventilation shaft deepening and the tailings facility, as these projects near completion.

Capital expenditure at the West African operations increased from US$272 million in 2010 to US$307 million in financial 2011:

- Tarkwa increased from US$196 million to US$219 million, mainly due to increased expenditure on pre-stripping, the new tailings facility and the purchase of a secondary crusher;
- Damang increased from US$76 million to US$88 million. This included expenditure on capital waste and the Greater Damang project, which is a pre-feasibility study for the potential development of a Super-pit at Damang. This increase was partly offset by a reduction in expenditure on owner mining and the secondary crusher purchased during 2010.

Capital expenditure at Cerro Corona in Peru decreased from US$70 million in 2010 to US$69 million in financial 2011:

- The majority of the expenditure was on the raising of the tailings management facility and on the oxide plant pre-feasibility study.

Capital expenditure at the Australasian operations increased from A$183 million in 2010 to A$249 million in financial 2011:

- St Ives increased from A$121 million to A$177 million due to increased capital development mainly at the Hamlet underground mine, pre-stripping at the Mars/Minotaur Link and the Formidable open pit, as well as the purchase of mining fleet during the transition to owner mining in July 2011 at Cave Rocks and Argo underground mines; and
- Agnew increased from A$62 million to A$72 million, with increased expenditure on pre-stripping at Songvang open pit and on the owner mining project.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment decreased from R41 million in financial 2010 to R38 million in financial 2011. In both years, this related to the disposal of various redundant assets at the South African and international mining operations.

La Cima non-controlling interest buy-out

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

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

Management's discussion and analysis of the financial statements

(continued)

Ghana non-controlling interest buy-out

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

South Deep non-controlling interest buy-out

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

Payment to FSE

During financial 2010, Gold Fields paid R69 million (US$10 million) in option fees to Lepanto Consolidated Mining Company and R302 million (US$44 million) as a non-refundable down payment to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE, resulting in a total payment of R371 million (US$54 million). During financial 2011, Gold Fields paid a further R535 million (US$66 million) non-refundable down payment to Liberty Express Assets in accordance with the agreement.

Payment to Bezant

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

Purchase of investments

Investment purchases decreased from R116 million in financial 2010 to R1 million in financial 2011.

The purchase of investments of R1 million in financial 2011 comprised:

	R million
Purchase of a shareholding in Atacama Pacific Gold Corporation	**1**
	1

The purchase of investments of R116 million in financial 2010 comprised:

	R million
Purchase of a shareholding in Atacama Pacific Gold Corporation	36
Loans advanced to GBF Underground Mining Company	76
Other	4
	116

Proceeds on disposal of investments

Proceeds on the disposal of investments decreased from R515 million in financial 2010 to R99 million in financial 2011.

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

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

The proceeds on the disposal of investment of R515 million in financial 2010 comprised:

	R million
Sale of shares in Eldorado Gold Corporation	465
Sale of shares in Orezone Resources Inc.	29
Sale of shares in Great Basin Gold Limited, SA Coal Mining Holdings Limited and Lupa Joint Venture held through New Africa Mining Fund	14
Sale of shares in Aquarius Platinum Limited	5
Sale of shares in Cascaderro Copper Corporation	1
Other	1
	515

Environmental trust funds and rehabilitation payments

The environmental trust fund payments decreased from R189 million in financial 2010 to R117 million in financial 2011.

During financial 2011, Gold Fields paid R105 million into its South African environmental trust funds and spent R12 million on ongoing rehabilitation, resulting in a total cash outflow of R117 million for the year.

During financial 2010, Gold Fields paid R155 million into its South African environmental trust funds and spent R34 million on ongoing rehabilitation, resulting in a total cash outflow of R189 million for the year. Due to the change in the Gold Fields financial year end, the Group contributed to its environmental trust fund on 30 June 2010 and 31 December 2010.

Cash flows from financing activities

Net cash generated from financing activities increased from R1,459 million in financial 2010 to R3,663 million in financial 2011. The items comprising these amounts are discussed below.

Loans received from non-controlling interests

Non-controlling interest holders' loans received increased from R63 million in financial 2010 to R225 million in financial 2011. Both financial years related to cash advanced by Buenaventura in accordance with their obligations under the Chucapaca agreement and amounted to US$31 million during financial 2011 and US$9 million during financial 2010.

Loans repaid to non-controlling interests

Non-controlling interest holders' loans repaid decreased from R137 million in financial 2010 to Rnil in financial 2011. The R137 million repaid in financial 2010 related to loan repayments of US$18 million by Tarkwa to IAMGold.

Loans raised

Loans raised decreased from R15,896 million in financial 2010 to R8,186 million in financial 2011.

The R8,186 million loans raised in financial 2011 comprised:

	R million
Split-tenor revolving credit facility – US$540 million	**3,733**
US$1 billion revolving credit facility – US$483 million	**3,381**
US$60 million senior secured revolving credit facility – US$70 million	**545**
Proceeds on scrip lending of 3 million Mvelaphanda shares	**127**
Borrowings by GFIMSA from various local banks to fund short-term working capital requirements and capital expenditure	**400**
	8,186

The R15,896 million loans raised in financial 2010 comprised:

	R million
Notes issued under the US$1 billion notes issue	6,776
Borrowings by GFIMSA from various local banks to fund short-term working capital requirements and capital expenditure	580
Notes issued as commercial paper loans to refinance existing facilities	6,498
Split-tenor revolving credit facility – US$70 million	492
US$200 million non-revolving senior secured term loan – US$200 million	1,406
Proceeds on scrip lending of 3 million Mvelaphanda shares	144
	15,896

Loans repaid

Loans repaid decreased from R14,420 million in financial 2010 to R4,796 million in financial 2011.

The R4,796 million loans repaid in financial 2011 comprised:

	R million
Commercial paper loans	**735**
Group-committed and uncommitted facilities	**400**
Split-tenor revolving credit facility – US$40 million	**276**
US$60 million senior secured revolving credit facility – US$20 million	**139**
US$1 billion revolving credit facility – US$263 million	**2,063**
US$200 million non-revolving senior secured term loan – US$40 million	**300**
Full and final redemption of preference shares including interest	**610**
Repayment of proceeds on scrip lending of Mvelaphanda shares	**273**
	4,796

The R14,420 million loans repaid in financial 2010 comprised:

	R million
Commercial paper loans	8,422
Group-committed and committed facilities	1,480
Split-tenor revolving credit facility – US$519 million	3,583
Interest on preference shares	133
Project finance facility – US$100 million	705
Short-term facility – US$14 million	97
	14,420

Proceeds from the issue of shares

Shares issued decreased from R57 million in financial 2010 to R47 million in financial 2011.

The R47 million in financial 2011 related to proceeds received from shares issued in terms of the Group's employee share scheme.

The R57 million in financial 2010 related to R50 million proceeds received from shares issued in terms of the Group's employee share scheme and R7 million received from the shares issued under the BEE transactions.

Net cash (utilised)/generated

As a result of the above, net cash utilised in financial 2011 amounted to R80 million, compared with net cash generated of R3,867 million in financial 2010.

Total Group cash and cash equivalents amounted to R6,049 million at 31 December 2011, as compared with R5,464 million at 31 December 2010.

STATEMENT OF FINANCIAL POSITION

Borrowings

Total debt (short- and long-term) increased from R9,438 million at 31 December 2010 to R15,509 million at 31 December 2011. Net debt (total debt less cash and cash equivalents) increased from R3,974 million at 31 December 2010 to R9,460 million at 31 December 2011. This increase in borrowings was largely to fund the buy-out of a portion of the non-controlling interest holders in Ghana and La Cima.

Provisions

Long-term provisions at the end of 31 December 2011 were R3,317 million as compared with R2,422 million at 31 December 2010 and included a provision for post-retirement health care costs of R17 million (2010: R18 million), a provision for environmental rehabilitation costs of R3,190 million (2010: R2,271 million) and other long-term provisions of R110 million (2010: R133 million).

Provision for post-retirement health care costs

The Group medical scheme, Medisense, provides benefits to employees and certain of its former employees. The Group remains liable for 50% of these retired employees' medical contributions to the medical scheme after retirement. This is applicable to employees of the Free State operations who retired on or before 31 August 1997 and members of the West Wits operations who retired on or before 1 January 1999. The provision remained relatively flat, with the small decrease due to the South Deep post-retirement health care obligation coming to an end in 31 December 2011 in accordance with its terms.

Provision for environmental rehabilitation costs

The amount provided for environmental rehabilitation costs increased from R2,271 million at 31 December 2010 to R3,190 million at 31 December 2011. The increase is largely due to the weakening of the rand from R6.75 to R8.13 to the US dollar. This provision represents the present value of closure, rehabilitation and other environmental obligations incurred up to 31 December 2011. 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 financial 2011 and financial 2010 for each region are shown in the table below:

	South Africa %	Ghana %	Australia %	Peru %
Inflation rates				
Financial 2011	5.6 – 6.5%	7.5%	3.5%	3.0%
Financial 2010	3.6 – 5.9%	5.0%	3.0%	2.0%
Discount rates				
Financial 2011	6.2 – 7.7%	8.5%	4.8 – 5.0%	4.2%
Financial 2010	5.5 – 7.9%	7.5%	6.2%	5.3%

The inflation adjustment in financial 2011 was R107 million compared with R118 million in financial 2010, and the interest adjustment in financial 2011 was R58 million compared with R42 million for financial 2010.

Adjustments for new disturbances and changes in environmental legislation during financial 2011 and financial 2010, after applying the above inflation and discount rates, were:

	Financial 2011 R million	Financial 2010 R million
South Africa	**196**	(162)
Ghana	**153**	32
Australia	**101**	57
Peru	**57**	(53)
Total	**507**	(126)

Management's discussion and analysis of the financial statements

(continued)

The South African operations contribute to dedicated environmental trust funds to provide financing for final closure and rehabilitation costs. The amount invested in the fund is shown as a non-current asset in the financial statements and increased from R1,138 million at 31 December 2010 to R1,313 million at 31 December 2011. The increase consists of contributions of R105 million and interest income of R70 million. The South African operations are required to contribute annually to the trust fund over the remaining lives of the mines, to ensure that sufficient funds are available to discharge commitments for future rehabilitation costs.

Other long-term provisions

Other long-term provisions were R110 million at 31 December 2011 compared to R133 million at 31 December 2010. 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 is a wholly owned subsidiary of Gold Fields. The new company then issued 10 million Class B ordinary shares representing 10% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share and can convert the Class B to Class A ordinary shares over a 20 year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one-third after 10 years and a third thereafter on each fifth year anniversary. 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 2010, the liability was valued at R151 million, of which R18 million was classified as a short-term portion under accounts payable and R133 million as long-term under long-term provisions. At 31 December 2011, the outstanding provision is R137 million, of which R27 million is classified as a short-term portion under accounts payable and R110 million as long-term under long-term provisions.

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

Gold Fields ICT continues to support the Gold Fields Group in achieving its business strategy. Its objective is to ensure the effective and efficient management of ICT resources to facilitate the achievement of Gold Fields objectives.

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

- Ensure high availability and recoverability of all critical systems and information;
- Ensure continuous alignment of the ICT strategy to the Gold Fields business strategy;
- Ensure compliance with internal policies, selected industry standards, external laws and regulations;
- Maintain high performance of all business systems through service level adherence;
- Ensure that ICT resources are adequately secured;
- Monitor and evaluate ICT investment and expenditure;
- Manage ICT risks; and
- Innovate.

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

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

In order to optimally deliver according to the ICT Charter and the ICT strategic themes, the ICT operating model has been reviewed and reorganised to better align with the Gold Fields business. ICT at Gold Fields is now structured according to the following areas:

- Commercial;
- Mining and MRM;
- Engineering and metallurgy;
- Environmental, health, safety, risk and medical;
- ICT Infrastructure;
- Projects and vendor office; and
- Enterprise reporting.

ICT service delivery is being standardised and over the course of the period, numerous strategic initiatives have been concluded. These include the transition of infrastructure services into a more robust and suitable contract, and the standardisation of the Mineral Resource management processes at South Deep Gold Mine to improve the way data is stored to ensure integrity, enable sufficient retrieval to support the business and comply with South African legislative requirements.

ICT governance is an important component of the overall management of ICT at Gold Fields. The governance structure adopted is based on the King III Code of Corporate Governance and is responsible for the overall governance of ICT. This structure sees the regional ICT leaders reporting into the ICT management committee (Manco) monthly. The ICT Manco reports to the Chief Financial Officer and Audit Committee quarterly. 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.

This model allows the ICT team to engage with the business, service providers and vendors to implement new projects through the projects office and transition these projects into business as usual (BAU) through a core ICT team.

The oversight by this core team has been key to ensuring that projects are delivered to Gold Fields' standards and transitioned to BAU with the proper contracts and service level agreements in place that best support the business.

Overall ICT at Gold Fields is focused on improving service delivery and delivering projects on time and budget in support of the Gold Fields business objectives.

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

PA Schmidt
Chief Financial Officer
23 March 2012

Directors' report

The directors have pleasure in submitting their report and the annual financial statements of Gold Fields Limited (Gold Fields or the company) and its subsidiaries (together referred to as "the Group") for the 12-month period ended 31 December 2011.

PROFILE

Business of the company

Gold Fields is one of the world's largest unhedged producers of gold with steady state production of approximately 3.5 million attributable ounces per annum from eight operating mines in South Africa, Peru, Ghana and Australia. Gold Fields also has an extensive growth pipeline with both greenfields and near-mine exploration projects at various stages of development. The company has total attributable gold equivalent Mineral Reserves of approximately 80.6 million ounces and Mineral Resources of 217.0 million ounces. Gold Fields is listed on the JSE Limited (primary listing), New York Stock Exchange (NYSE), NASDAQ Dubai Limited (NASDAQ Dubai), NYSE Euronext in Brussels (NYX) and the SIX 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 period ended 31 December 2011 is set out in the financial statements on pages 58 to 126 of this annual report. The income statement for the Group shows a profit attributable to Gold Fields Limited shareholders of R7,027 million (US$973 million) for the 12-month period ended 31 December 2011 compared with a loss of R76 million (US$11 million) for the six-month period ended 31 December 2010.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The company and the consolidated Group annual financial statements comply with International Financial Reporting Standards, the AC500 series as issued by the South African Institute of Chartered Accountants, the South African Companies Act and JSE Limited Listings Requirements (JSE Listings Requirements).

REPORTING IN UNITED STATES DOLLARS

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

SHARE CAPITAL

Authorised and issued

The authorised share capital of the company is R500,000,010 divided into 1,000,000,000 ordinary par value shares of 50 cents each and 1,000 non-convertible redeemable preference par value shares of 1 cent each.

The following are the movements in the issued and listed ordinary share capital of the company:

	12 month period ended 31 December 2011		6 month period ended 31 December 2010	
	Number of shares	Rand	Number of shares	Rand
Beginning of the period	**720,796,887**	**360,398,443.50**	705,903,511	352,951,755.50
Exercise of options by participants in the Gold Fields incentive schemes	**3,794,629**	**1,897,314.50**	751,630	375,815.00
Mvelaphanda Treasury shares	**(856,330)**	**(428,165.00)**	–	–
Shares issued to employees under the Employee Share Ownership Plan (ESOP) – (held via the Thusano Share Trust)	**–**	**–**	13,525 394	6,762,697.00
Shares issued under the GFIMSA empowerment transaction	**–**	**–**	616,352	308,176.00
End of the period	**723, 735,186**	**361,867,593.00**	720,796,887	360,398,443.50

In terms of the general authority granted by shareholders at the annual general meeting held on 17 May 2011, the authorised but unissued ordinary share capital of the company representing not more than 20% of the issued share capital of the company from time to time and preference share capital 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 10% of the issued share capital of the company from time to time.

In terms of the JSE Listings Requirements, shareholders may, subject to certain conditions, authorise the directors to issue the shares held under their control for cash, other than by means of a rights offer, to shareholders. In order that the directors of the company may be placed in a position to take advantage of favourable circumstances which may arise for the issue of such shares for cash, without restriction, for the benefit of the company, shareholders will be asked to consider an ordinary resolution to this effect at the forthcoming annual general meeting.

The non-convertible redeemable preference share capital is as follows:

	12 month period ended 31 December 2011		6 month period ended 31 December 2010	
	Number of shares	Rand	Number of shares	Rand
Beginning of the period	**50**	**0.50**	50	0.50
Shares redeemed	**(50)**	**(0.50)**	–	–
End of the period	**–**	**–**	50	0.50

In terms of the specific authority granted by shareholders at the annual general meeting held on 2 November 2007, 100 of the non-convertible redeemable preference shares were issued to FirstRand Bank on 20 December 2007. The reason for issuing the non-convertible redeemable preference shares was to provide the company with a mechanism to raise cost-effective capital equivalent to debt finance as part of a general capital management programme which, in the opinion of the directors, was deemed appropriate for the activities of the company.

On 10 October 2008, the company elected to redeem 50 preference shares from FirstRand Bank Limited for a consideration of R623 million.

On 15 December 2010, Gold Fields declared and paid R133 million of the preference dividend. On the same date, the redemption date of 24 January 2011 was extended to 15 September 2011. On 31 March 2011, the outstanding balance of the preference shares was redeemed.

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 17 May 2011. At the next annual general meeting, 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

Mvela Resources unbundled 856,330 shares held in Gold Fields back to Gold Fields. The Group reclassified these shares as treasury shares which are accounted for under shareholders' equity and this resulted in a decrease in share capital and premium.

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 2011, the company had in issue, through The Bank of New York Mellon on the New York Stock Exchange (NYSE), 267,238,281 (31 December 2010: 269,715,981) American Depository Receipts (ADRs). Each ADR is equal to one ordinary share.

Directors' report (continued)

The GF Management Incentive Scheme

At the annual general meeting on 10 November 1999, shareholders approved the adoption of the GF Management Incentive Scheme (the Scheme). This scheme was introduced to provide an incentive for certain officers and employees to acquire shares in the company. No further allocations of options under this scheme are being made in view of the introduction of the Gold Fields 2005 Share Plan (see below) and the scheme will be closed once all options have been exercised or forfeited. Currently, the last date of expiry is 3 March 2014.

The salient features of the scheme are that:

- It comprises only share options;
- A third of the total share option grant vests upon the second, third and fourth anniversaries of the grant date; and
- Share options expire no later than seven years from the grant date.

The unexercised options under the scheme represented 0.037% of shares in issue as at 31 December 2011.

Gold Fields Limited 2005 Share Plan

At the AGM held 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 provides for two methods of participation, namely the Performance Allocated Share Appreciation Rights Method (SARS) and the Performance Vesting Restricted Share Method (PVRS). 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:

- PVRS and SARS are offered to participants annually during March. Quarterly allocations are also made in June, September and December on a pro rata basis to qualifying new employees and employees who are promoted during the year. PVRS 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).
- 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 is determined by the company's performance measured against the performance of five other major gold mining companies (the peer group) based on the relative change in the Gold Fields share price compared to the respective US dollar share prices of the peer group. From 1 June 2008, the rules were modified so that two performance measures apply: Firstly, the 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 target performance criterion is met, the full initial target award shall be settled on the settlement date. Secondly, 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 Company's share price performance when compared to that of the chosen peer group based on the relative change in the Gold Fields share price against the 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.
- The company's share price performance relative to the that of the following gold mining peer companies over the three-year period will determine the shares settlement percentage:

  - AngloGold Ashanti
  - Barrick Gold
  - Goldcorp
  - Harmony Gold
  - Newmont Mining

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
- 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 participating Gold Fields employees

The details of the executive directors' participation in the above scheme are listed on page 33.

Further details of the scheme are disclosed in note 5 of the financial statements on pages 64 to 66.

The long-term incentive instruments awarded to senior employees were reviewed in 2011 and a new share plan will be tabled at the AGM in May 2012. In the event that the new share plan is adopted, the Gold Fields Limited 2005 Share Plan will be discontinued.

Gold Fields Limited 2005 Non-executive Share Plan

At the AGM held on 17 November 2005, shareholders approved the adoption of the Gold Fields Limited 2005 Non-executive Share Plan to replace the GF Non-executive Director Share Plan approved in 2001. The 2005 Non-executive Plan provides 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 vest after a period of three years from the award thereof.

The salient features of the plan are:

- Restricted shares are to be granted annually; and
- Shares will vest and be settled on the third anniversary of the award date.

Further details of the scheme are disclosed in note 5 of the financial statements on pages 64 to 66.

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 rights under the Gold Fields Limited 2005 Non-executive Share Plan be immediately discontinued. Allocations awarded before 1 April 2010 will vest according to the rules of the Plan. The last vesting will take place in November 2012 and the scheme will close at that point.

The directors were authorised to issue and allot all or any of such shares required for the plan, but in aggregate with the other schemes, may not exceed 35,309,563 of the total issued ordinary shares in the capital of the company. An individual participant may not be awarded an aggregate of shares from all or any such schemes exceeding 3,530,956 of the company's total issued ordinary share capital. The unexercised options and shares under the schemes and plans represented 12,752,380 (1.76% of the total issued ordinary share capital) of shares in issue at 31 December 2011.

Consolidated table of all equity-settled instruments under all the schemes:

	Number of equity securities
Outstanding at 31 December 2010	**14,032,789**[1]
Movement during the period	
Granted during the period	**4,803,826**
Exercised and released	**(4,514,887)**
Forfeited	**(1,569,348)**
Outstanding at 31 December 2011	**12,752,380**[2]

[1] Included in this number are 36,700 options and 99,126 restricted shares available to non-executive directors under the GF Non-executive Director Share Plan and the Gold Fields Limited 2005 Non-executive Share Plan, respectively.

[2] Included in this are 41,900 restricted shares available to non-executive directors under the Gold Fields Limited 2005 Non-executive Share Plan.

DIRECTORATE

Composition of the Board

The Board currently consists of two executive directors and 12 non-executive directors.

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

	Nature of change	**Date of change**
MS Moloko	Appointed	25 February 2011
CI von Christierson	Retired	19 May 2011
DL Lazaro	Appointed	1 June 2011

Directors' report (continued)

Rotation of directors

Directors retiring in terms of the company's articles of association, all of whom are eligible and offer themselves for re-election, are Mr DL Lazaro, Ms CA Carolus, Mr R Dañino, Mr RP Menell and Mr AR Hill.

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.

Interest of directors

For the period ended 31 December 2011, the directors' beneficial and associate interest in the issued and listed share capital of the company was 0.025% in aggregate. No one director individually exceeds 1% of the issued share capital or voting control of the company.

	Beneficial				Associates interest	
	Direct		Indirect		Direct	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Mamphela Ramphele	**1,450**	–	**–**	–	**–**	–
Nicholas Holland	**–**	2,788	**–**	–	**–**	–
Paul Schmidt	**1,000**	–	**–**	–	**–**	–
Alan Hill	**–**	–	**–**	–	**–**	–
Kofi Ansah	**–**	–	**–**	–	**–**	–
Cheryl Carolus	**–**	–	**–**	–	**–**	–
Roberto Dañino	**–**	–	**–**	–	**–**	–
Delfin L Lazaro[1]	**–**	–	**–**	–	**–**	–
Richard Menell	**–**	–	**–**	–	**–**	–
Sello Moloko[2]	**–**	–	**–**	–	**–**	–
David Murray	**–**	–	**–**	–	**–**	–
Donald Ncube	**–**	–	**5,496**	2,118	**–**	–
Rupert Pennant-Rea	**13,759**	5,316	**–**	–	**–**	–
Chris von Christierson[3]	**–**	–	**–**	–	**–**	–
Gayle Wilson	**–**	–	**–**	–	**–**	–
Total	**16,209**	8,104	**5,496**	2,118	**–**	–

[1] Mr Lazaro joined the Board on 1 June 2011.
[2] Mr Moloko joined the Board on 25 February 2011.
[3] Mr Von Christierson retired from the Board on 19 May 2011.

At the date that this directors' report was prepared, the following directors disposed, on market, of shares, which settled after 31 December 2011 and before 19 March 2012:

- Nick Holland – 213,120
- Paul Schmidt – 51,250

At the date that this directors' report was prepared, the following director acquired, off market, shares, which settled after 31 December 2011 and before 19 March 2012:

- Paul Schmidt – 5,000

The company has not entered into any contracts of service, other than the service contract with the executive directors of the company.

Directors' and prescribed officers' equity-settled instruments

The directors and prescribed officers held the following equity-settled instruments at 31 December 2011:

	Equity-settled instruments at 31 December 2010		Equity-settled instruments granted during the period		Equity-settled instruments exercised during the period			Equity-settled instruments at 31 December 2011	
	Number	Average strike price[1] (cents)	Number	Average strike price[1] (cents)	Number	Average strike price[1] (cents)	Benefit arising (R million)	Number	Average strike price[1] (cents)
Directors									
Nicholas Holland	591,390	86.09	98,976	119.15	324,442	133.19	18.80	350,590[2]	104.33
Paul Schmidt	147,009	90.55	59,511	119.15	25,170	121.50	1.80	181,350	107.86
Kofi Ansah	15,800	68.59	–	–	11,700	68.59	1.00	4,100	–
Cheryl Carolus	4,100	–	–	–	–	–	–	4,100	–
Roberto Dañino	4,100	–	–	–	–	–	–	4,100	–
Richard Menell	4,100	–	–	–	–	–	–	4,100	–
David Murray	9,100	–	–	–	5,000	133.62	0.68	4,100	–
Donald Ncube	9,100	–	–	–	5,000	139.30	0.70	4,100	–
Rupert Pennant-Rea	29,100	78.49	–	–	25,000	122.31	0.80	4,100	–
Chris von Christierson[3]	19,100	88.38	–	–	15,000	128.91	1.05	4,100	–
Gayle Wilson	4,100	–	–	–	–	–	–	4,100	–
Prescribed officers									
Peter Turner	132,671	100.51	28,807	119.15	18,257	114.75	2.00	143,221	105.73
Richard Weston	23,300	101.48	39,075	119.15	–	–	–	62,375	112.56
Juan Luis Kruger	122,075	103.28	43,210	119.15	22,735	114.75	2.60	142,550	106.84
Peet van Schalkwyk	–	–	24,400	136.29	–	–	–	24,400	136.29
Tommy McKeith	188,455	110.37	44,767	119.15	31,292	114.75	3.70	201,930	111.58
Michael Fleischer	166,522	107.04	44,767	119.15	37,692	114.75	4.30	173,597	105.40
Tim Rowland	85,790	103.61	37,861	117.65	9,236	114.75	1.00	114,415	107.45
Kgabo Moabelo	6,940	118.35	36,049	119.15	–	–	–	42,989	118.11
Jimmy Dowsley	138,816	97.46	30,385	119.15	49,351	119.02	2.20	119,850	107.59
Zakira Amra	–	–	15,833	109.66	–	–	–	15,833	109.66
Naseem Chohan	8,330	118.35	26,250	119.15	–	–	–	34,580	118.96

[1] Average strike price relates to the GF Management Incentive Scheme and SARS only, as PVRS are issued for no consideration.
[2] Equity-settled instruments of 15,334 lapsed during the 12 month period ended 31 December 2011.
[3] Mr von Christierson retired from the Board on 17 May 2011.

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 64 to 66.

Directors' report (continued)

Directors' fees

In terms of the articles of association, the fees for services as non-executive directors are determined by the company at a general meeting.

Non-executive directors' fees, executive directors' and prescribed officers' remuneration

The directors and prescribed officers were paid the following remuneration during the 12 month period ended at 31 December 2011:

	Board fees							
	Directors fees	Committee fees	Salary	Total performance pay[1]	Pension scheme total contributions	Expense allowance	For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
Executive directors								
Nicholas J Holland[3]	–	–	7,504,399.16	22,718,843.25	1,294,400.00	1,180,966.67	32,698,609.08	6,570,059.87
Paul A Schmidt[3]	–	–	4,032,960.76	3,596,305.00	478,500.00	685,526.33	8,793,292.09	3,451,332.63
Prescribed officers								
Z Amra	–	–	1,434,232.18	544,400.00	188,160.00	24,712.00	2,191,504.18	–
NA Chohan	–	–	2,048,109.90	816,600.00	329,280.00	84,924.00	3,278,913.90	1,149,421.30
J Dowsley	–	–	2,885,828.50	3,473,432.05	718,200.00	131,028.00	7,208,488.55	2,674,051.27
MD Fleischer[4]	–	–	4,230,765.27	5,931,071.00	696,064.20	314,387.00	11,172,287.47	3,380,847.98
JL Kruger[4]	–	–	3,887,360.67	9,233,560.99	–	811,905.09	13,932,826.75	4,992,883.44
T Mckeith[4]	–	–	5,945,642.50	5,854,476.90	196,225.51	–	11,996,344.91	3,291,870.40
KFL Moabelo	–	–	2,835,213.35	1,118,600.00	386,620.00	71,292.00	4,411,725.35	1,317,050.51
TW Rowland	–	–	2,848,645.96	3,170,144.65	304,000.00	65,220.00	6,388,010.61	1,366,942.19
PV Schalkwyk	–	–	1,920,207.13	1,689,292.59	–	–	3,609,499.72	–
PL Turner	–	–	5,871,443.04	3,978,305.00	298,387.10	48,605.00	10,196,740.14	2,941,059.31
R Weston	–	–	4,709,419.84	2,213,832.57	544,291.20	23,547.10	7,491,090.71	3,290,560.57
Non-executive directors								
Kofi Ansah	708,000.00	199,999.92	–	–	–	–	907,999.92	308,748.06
Cheryl A Carolus	708,000.00	99,999.96	–	–	–	–	807,999.96	185,000.04
Roberto Dañino	708,000.00	158,333.27	–	–	–	–	866,333.27	222,098.04
Alan R Hill	708,000.00	99,999.96	–	–	–	–	807,999.96	224,150.04
Richard P Menell	708,000.00	388,083.27	–	–	–	–	1,096,083.27	320,000.04
David N Murray	708,000.00	258,000.00	–	–	–	–	966,000.00	336,248.04
Donald MJ Ncube	708,000.00	230,083.27	–	–	–	59,278.33	997,361.60	245,000.04
Mamphela Ramphele	2,100,000.00	–	–	–	–	2,406.53	2,102,406.53	404,141.95
Rupert L Pennant-Rae	708,000.00	355,583.28	–	–	–	–	1,063,583.28	321,248.04
Chris van Christierson[5]	268,354.84	135,693.52	–	–	–	–	404,048.36	383,748.06
Gayle M Wilson	708,000.00	434,749.88	–	–	–	–	1,142,749.88	330,000.06
Delfin L Lazaro[6]	413,000.00	41,004.55	–	–	–	–	454,004.55	–
Matthews S Moloko[7]	599,698.65	77,583.31	–	–	–	58,078.33	735,360.29	–
Total	9,753,053.49	2,479,114.19	50,154,228.26	64,338,864.00	5,434,128.01	3,561,876.38	135,721,264.33	37,706,461.88

[1] Total performance pay includes bonus accruals for the 12 month period ended 31 December 2011, paid in February 2012, and all share transactions during the 12 month period ended 31 December 2011 under the Gold Fields Management Incentive Scheme and Gold Fields Limited 2005 Share Plan.

[2] These amounts reflect the full directors' emoluments in Rand for comparative purposes. The portion of executive directors' emoluments payable in US dollars is paid in terms of agreements with the offshore subsidiaries for work done by directors offshore for offshore companies.

[3] The total US dollar amounts paid for 2011 were as follows:
Mr NJ Holland US$320,324, P Schmidt US$86,000 and MD Fleischer US$73,661

[4] Three most highly paid employees who are not directors.

[5] Resigned 19 May 2011.

[6] Appointed 1 June 2011.

[7] Appointed 25 February 2011.

Remuneration report

Remuneration Policy review

During 2011, a comprehensive market study was conducted by Deloitte in order to assess the company's remuneration positioning relative to the market. This review identified gaps between the company's total remuneration packages in relation to the market. As a consequence, the company's Remuneration Strategy has been reassessed to ensure that senior employees are competitively rewarded within a global remuneration framework, which recognises both local and global market practices.

The Remuneration Strategy is designed to underpin a performance culture and differentiated reward system to attract and retain the appropriate calibre of employee. The outcome of the review is a competitive Remuneration Strategy that will be implemented in 2012. As part of this process, it was identified that the variable remuneration framework required amendment.

Currently the variable remuneration structure consists of two elements, namely the annual bonus (based on corporate, regional, operational and individual performance of the relevant financial year) and the share plan (performance shares and share appreciation rights are awarded annually to Employees on the basis of individual performance with a three-year vesting period and the performance shares are settled based on expected gold production over the three-year measurement period and the company's share price performance relative to the performance of its peer group).

Due to the Group experiencing difficulty in attracting and retaining key employees, the Remuneration Committee (Committee) and the Board have approved a hybrid variable remuneration model. A risk assessment on turnover rates was conducted and the key risk identified for the company is the retention of critical skills and talented employees during the period of awarding the employee an annual bonus (every 12 months) and the vesting of performance-based shares (36 months). The two variable remuneration elements support the short-term and long-term company objectives. The gap, however, is in the medium term. The company's remuneration stance is not to award retention bonuses as these forms of payments are not linked to performance and sustaining the performance culture that we endeavour to have. It is our belief that the introduction of bonus shares as a medium-term incentive will bridge the gap that currently exists. It will also allow greater alignment between the short-, medium- and long-term objectives of employees and the company.

The amendments to the variable remuneration framework resulted in the creation of the Gold Fields Limited 2012 Share Plan (the 2012 Plan). The 2012 Plan contains two equity instruments, i.e. performance shares and bonus shares. The performance shares have the same features as the Gold Fields Limited 2005 Share Plan. Key changes to the instrument include the methodology on performance conditions and maximum earning potential limit. Under the 2005 Plan, the company's share price performance is ranked against the share price performance of the individual companies within the peer index (Performance Shares). In terms of the 2012 Plan, the company's share price performance will be compared to the performance of the peer index. The reason for the change in methodology is that the comparison to an index is a fairer way of assessing the company's performance when compared to the aggregate performance of the gold industry.

Given the developments in the market place and the prohibitive cost of share appreciation rights (SARS), it is proposed that the allocation of SARS be discontinued and be replaced with bonus shares. The bonus shares will be determined with reference to an employee's annual cash bonus. These shares will vest over a nine-month and an 18-month period from the award date in equal parts. Due to the introduction of the Bonus Shares, the maximum earning potential on the performance shares have been reduced from 300% to 200%. The cost of the amendments based on on-target performance is therefore not material.

2012 Remuneration policy

The key principles of our remuneration policy are unchanged, namely to:

- support the execution of the Group's business strategy;
- provide competitive rewards to attract, motivate and retain highly skilled executives; and
- ensure our remuneration arrangements are equitable and facilitate the deployment of people across the Group's operations.

In our quest to be the global leader in sustainable gold mining, we aspire to and are working towards creating an engaged and motivated workforce. Our ambitious growth strategy requires that the company's reward (remuneration and benefits) strategies are sufficiently robust and innovative to attract people with the requisite skills globally.

Directors' report (continued)

At Gold Fields, reward (remuneration and benefits) has been identified as the means by which those behaviours critical for success are to be effected; it has been established as a strategic driver of performance. The reward strategy and philosophy adopted forms an integral part of the people strategy and promotes a holistic total rewards approach of combining remuneration with other elements of reward to attract, retain and motivate employees. The principle of performance-based remuneration is one of the cornerstones of the reward strategy. The reward strategy is also underpinned by sound remuneration management and governance principles which are promoted across Gold Fields in order to ensure the consistent application of the reward strategy and policy.

The Gold Fields reward strategy includes the following elements:

- Guaranteed remuneration
- Benefits
- Annual bonus
- Bonus shares
- Performance shares

Remuneration mix

Gold Fields' remuneration philosophy is aimed at attracting and retaining motivated, high-calibre employees aligned with the interests of shareholders. Such alignment is achieved through an appropriate mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the individual in the company. Generally, more senior employees' remuneration will consist of a higher portion of variable pay as a percentage of their total package. The maximum at-risk rewards that could be earned is two times the on-target percentages for both the annual bonus and performance shares.

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

Guaranteed remuneration

Gold Fields endeavours to reward its people fairly and consistently according to their role and individual contribution to the company. To achieve external equity and a competitive total remuneration position, Gold Fields surveys the relevant markets continuously. The benchmark for guaranteed remuneration is the market median. The company's intent, from 2012 onwards, is to position remuneration, including the annual bonus, at the 75th percentile of the market for exceptional performance.

Each year, the Remuneration Committee's independent advisor sources and consolidates relevant remuneration data for appropriate roles, based on their analysis of relevant organisations and markets. The Remuneration Committee considers the appropriate total remuneration for each member of the Group Executive Committee by examining the remuneration provided to comparable roles in organisations of similar global complexity, size, reach and industry. From this market comparison, the Remuneration Committee determines the appropriate total remuneration level for each individual, taking into account their location, skills, experience and performance within the Group.

Guaranteed remuneration is reviewed annually in March.

Annual bonus

The annual bonus was reviewed in 2011. From 1 January 2012, executive directors are able to earn bonuses of 60% (for the Chief Financial Officer) and 65% (for the Chief Executive Officer) of their Guaranteed Remuneration Package (GRP) for on-target performance, which will be based on company and personal performance. The annual bonus could increase above 60% and 65% due to stretch target achievement. The maximum earning potential is capped at two times the on-target bonus percentage.

Annual bonuses are based on targets approved in advance by the Remuneration Committee, comprising a combination of Group, regional, operational and personal objectives.

In the case of the Chief Executive Officer and the Chief Financial Officer, 65% of the annual bonus is based on Group objectives and the remaining 35% on personal objectives.

The Group objectives for 2012 comprise four elements with the weightings reflected next to each element below:

Safety	– 39%
Total gold production	– 23%
Notional cash expenditure per ounce produced	– 23%
Development or waste mined	– 15%

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

Based on the bonus accrued for the 12-month period ended 31 December 2011, the weighted average annual bonus that will be paid to members of the executive team in February 2012 will be 33% of annual pay, 43% of annual pay for the Chief Financial Officer and 44% of annual pay for the Chief Executive Officer.

The share plan

The Remuneration Committee reviews and adjusts on an annual basis the content and balance of equity based remuneration to ensure the effectiveness of the plan and to recognise the potential impact on the group of senior employees. The Gold Fields Limited 2005 Share Plan consists of two equity instruments that have been established as share incentive arrangements for senior employees of Gold Fields. Share awards are made annually to senior and key staff to incentivise their continued commitment to the future of Gold Fields. These awards, a form of variable pay, have been 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 participants of the schemes to participate in the future financial success of Gold Fields

To ensure that Gold Fields' remuneration policy fully supports the Group's commitment to high performance and to continue to attract high calibre talent, remuneration levels must be competitive, but oriented more towards variable, performance-based incentives that provide reward only where robust performance hurdles are met to increase shareholder value. The share plan complements the annual bonus with measures that help further drive performance within Gold Fields. To this extent, share price performance has been removed as a Group driver from the annual bonus plan, as this measure is covered under the share plan.

The details of the executive directors' participation in the above scheme are listed on page 33.

Further details of the scheme are disclosed in note 5 of the financial statements on pages 64 to 66.

The Gold Fields Limited 2005 Share Plan was reviewed in 2011. Based on market practise and to effect the remuneration policy as per the objectives of attracting, motivating and retaining key employees the Share Appreciation Rights (SARS) have been discontinued. No future SARS allocations will be made. SARS will be replaced by the introduction of bonus shares.

Non-executive directors' fees

The fees for non-executive directors are dealt with by a special non-executive directors' Remuneration Committee comprising the CEO and independent external parties. The fees for members of the Audit Committee were approved at the AGM on 17 May 2011. Fees of the non-executive directors will be reviewed in 2012 and the proposed fees will take effect from 1 June 2012 with the next expected review in June 2013 and annually thereafter.

Executive directors' contracts of employment

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

The employment contracts also provide that, in the event of the relevant executive director's employment being terminated solely as a result of a "change of control" as defined below, and within 12 months of the change of control, the director is entitled to: (i) payment of an amount equal to twice his GRP, or two and a half times in the case of the Chief Executive Officer; (ii) payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years; (iii) any other payments and/or benefits due under the contracts; (iv) payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete; (v) an entitlement, for two years after the date of termination, subject to the relevant rules of the GF Management Incentive Scheme then in force, to retain and to exercise all share options vested to him; and (vi) an entitlement to be settled with the SARS and Restricted Shares allocated and awarded to him, subject to the rules of The Gold Fields Limited 2005 Share Plan then in force, and in the case of the SARS will have a further period of one year in which to exercise such 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.

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

Directors' and officers' disclosure of interests in contracts

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

Related party information is disclosed on pages 107 and 108.

FINANCIAL AFFAIRS

Dividend policy

The company's dividend policy is to declare an interim and final dividend in respect of each financial year, based on 50% of the earnings attributable to owners of the parent adjusted for impairments and after taking account of investment opportunities.

Interim dividend

On 11 August 2011, the company declared an interim dividend of 100 SA cents per ordinary share (December 2010: no interim dividend was declared due to the change in year end) to shareholders reflected in the register of the company on 2 September 2011. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 5 September 2011.

Final dividend

On 17 February 2012, the company declared a final cash dividend of 230 SA cents per ordinary share (December 2010: 70 SA cents) to shareholders reflected in the register of the company on 9 March 2012. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 12 March 2012.

The dividend resulted in a total dividend of 330 SA cents per share for the 12-month period ended 31 December 2011, with the final dividend being accounted for in 2012.

Borrowing powers

In terms of the provisions of article 12.1 of the articles of association, the borrowing powers of the company are unlimited. As at 31 December 2011, the company's borrowings totalled R15,509 million (US$1,908 million), compared to total borrowings of R9,438 million (US$1,398 million) at 31 December 2010.

Fixed assets

Capital expenditure

Capital expenditure for the 12-month period to 31 December 2011 amounted to R10,203 million compared to R4,640 million for the six-month period to 31 December 2010. Estimated capital expenditure for F2012 is R13,800 million and is intended to be funded from internal sources and, to the extent necessary, borrowings.

SIGNIFICANT ANNOUNCEMENTS

24 February 2011

Sello Matthews Moloko, Chair of Alexander Forbes Limited, was appointed independent non-executive director of Gold Fields Limited.

18 April 2011

Gold Fields Corona, a wholly owned subsidiary of Gold Fields Limited, announced that it had increased its stake in Gold Fields La Cima S.A.A. from 80.7% to 98.5% following a voluntary offer to minorities in La Cima to acquire their shares at a cost of US$382 million. Gold Fields Corona's economic interest in La Cima is now 1,244.1 million common shares, or 99% of total common shares, and 167.1 million investment shares, or 95.1% of the total investment shares.

20 June 2011

Gold Fields Limited shareholders overwhelmingly approved the US$667 million acquisition of IAMGold Corporation's 18.9% stake in the Tarkwa and Damang gold mines in Ghana. Of the 603 million shares (84% of total shares in issue) that were voted at a general meeting, 93% were cast in favour of the transaction. Through the transaction, Gold Fields increased its interest in each of the Tarkwa and Damang gold mines from 71.1% to 90%, with the remaining 10% interest being held by the government of Ghana.

6 July 2011

Gold Fields Limited secured a five-year US$1 billion revolving credit facility. The loan replaced a US$450 million three-year facility with September 2013 maturity. The new facility, agreed by Gold Fields with a syndicate of 14 banks, carries an interest rate of between 120 basis points and 160 basis points over the London Interbank Offered Rate, depending on the level of utilisation.

8 September 2011

Moody's Investor Services announced a change to Gold Fields Limited Baa3 rating outlook to positive from stable.

15 September 2011

The Methane Capture project at the Beatrix mine was registered by the United Nations Framework Convention on Climate Change (UNFCCC) on 7 September 2011 as a carbon credit project under the Kyoto Protocol.

21 September 2011

Gold Fields Limited made the second down-payment of US$66 million in terms of the option agreements to acquire a 60% interest in the undeveloped gold-copper Far Southeast (FSE) deposit in the Philippines. The option agreements were entered into with Lepanto Consolidated Mining Company, a company listed in the Philippines, and Liberty Express Assets, a private holding company. The first payment of US$54 million was paid with the signing of the option agreement in September 2010.

Directors' report (continued)

7 December 2011

Gold Fields Limited was ranked first in the JSE Top 100 Carbon Disclosure Leadership Index (CDLI) by the global Carbon Disclosure Project (CDP). At the same time, the JSE rated the company as one of its most consistent performers in its Socially Responsible Investment (SRI) Index for five years running.

24 January 2012

Gold Fields Limited and Gold One International Limited announced that they had entered into a Memorandum of Understanding (MoU) to investigate the viability of concurrently reprocessing their combined surface tailings deposits, located on South Africa's West Rand region. These assets are expected to contain in excess of 700 million tonnes. The parties aim to complete a detailed scoping study by the middle of this year, following which a decision will be taken on whether to progress the study to a feasibility level.

30 January 2012

Gold Fields Limited ranked fourth in the mining sector of the 2011 Dow Jones Sustainability Index (DJSI). The DJSI performance indicates that Gold Fields' sustainability practices rank in the top 5% of resources companies worldwide. It is also the top South African-listed mining company on the DJSI.

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

ENVIRONMENTAL OBLIGATIONS

The company has made provision in the financial statements for environmental rehabilitation costs amounting to R3,190 million (December 2010: R2,271 million). Cash contributions of R105 million (December 2010: R95 million) have been paid during the period to a dedicated trust fund created to fund these provisions. The total amount invested at 31 December 2011 amounted to R1,313 million (December 2010: R1,138 million). The unfunded portion of the environmental rehabilitation costs 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 12-month period ended 31 December 2011 and related to capital structures, borrowing powers, the objects clause contained in the memorandum of association or other material matters that affect the understanding of the company and its subsidiaries:

- Special resolution passed by the shareholders of GFI Mining South Africa (Proprietary) Limited authorising GFI Mining South Africa (Proprietary) Limited to provide financial assistance to its subsidiaries in accordance with section 45(3) of the Companies Act, No 71 of 2008 (as amended).
- Special resolution passed by the shareholders of Gold Fields Operations Limited authorising Gold Fields Operations Limited to provide financial assistance to its subsidiaries in accordance with section 45(3) of the Companies Act, No 71 of 2008 (as amended).
- Special resolution passed by the shareholders of Newshelf 899 (Proprietary) Limited authorising Newshelf 899 (Proprietary) Limited to provide financial assistance to its subsidiaries in accordance with section 45(3) of the Companies Act, No 71 of 2008 (as amended).

LITIGATION

On 21 August 2008, Gold Fields Operations Limited (WAL) (formerly known as Western Areas Limited), a subsidiary of Gold Fields Limited, received a summons from Randgold and Exploration Company Limited (R&E) and African Strategic Investment (Holdings) Limited. The summons claims that, during the period that WAL was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited (Resources) and Afrikander Lease Limited, now known as Uranium One. WAL's assessment remains that it has sustainable defenses to these claims and, accordingly, WAL's attorneys have been instructed to vigorously defend the claims. The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One between the dates of the alleged unlawful acts and March 2008 (approximately R11 billion). The alternative claims have been computed on the basis of the actual amounts allegedly received by WAL to fund its operations (approximately R519 million). The claims lie only against WAL, which holds a 50% stake in the South Deep Mine. This alleged liability is historic and relates to a period of time prior to Gold Fields purchasing the company. The plaintiffs have failed, to date, to prosecute their claims and the action remains in abeyance. Other than the summons described above, Gold Fields is not a party to any material legal or arbitration proceedings, nor is any of its property the subject of pending material legal proceedings.

ADMINISTRATION

The office of Company Secretary of Gold Fields Limited was held by Cain Farrel for the period under review.

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

AUDITORS

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

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the company has a direct or indirect interest are set out on pages 121 and 122.

Accounting policies

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

1. BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations of the IFRS Interpretations Committee as adopted by the International Accounting Standards Board, AC 500 series as issued by the South African Institute of Chartered Accountants, and the South African Companies Act. The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and liabilities (including derivative instruments), which have been brought to account at fair value through profit or loss or through the fair value adjustment reserve in the statement of comprehensive income.

Standards, interpretations and amendments to published standards effective for the period ended 31 December 2011

During the financial period, 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 24 Related Party Disclosures (Amendment)	Amendment	• This amendment provides partial relief from the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party.	No impact
Amendments to **IFRIC 14** IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding and their Interaction	Amendment	• This amendment will have a limited impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan. • It removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement.	No impact
Various **IFRSs**		• Annual improvements project is a collection of amendments to IFRS and are the result of conclusions reached by the Board on proposals made in its annual improvements project.	No impact

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

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on 1 January 2012 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 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. The requirements of other IFRSs continue to apply in this regard.	1 July 2012
IAS 12 Deferred Tax: Recovery of Underlying Assets	Amendment	• Introduces an exception to the general measurement requirements of IAS 12 *Income Taxes* in respect of investment properties measured at fair value. • The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset.	1 January 2012
IAS 19 Employee Benefits: Defined Benefit Plans	Amendment	• Requires that actuarial gains and losses are recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19 *Employee Benefits.* • Expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.	1 January 2013
IAS 27 Separate Financial Statements (2011)	Revision	• IAS 27 (2011) supersedes IAS 27 *Consolidation and Separate Financial Statements (2008)* and carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.	1 January 2013
IAS 28 Investments in Associates and Joint Ventures (2011)	Amendment	• IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. • 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 re-measure the retained interest.	1 January 2013
IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	Amendment	• Replaces the fixed dates in the derecognition exception and the exemption related to the initial fair value measurement of financial instruments. • Adds a deemed cost exemption to IFRS 1 *First-time Adoption of International Financial Reporting Standards* that an entity can apply at the date of transition to IFRS after being subject to severe hyperinflation.	1 July 2011

Accounting policies (continued)

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective date*
IFRS 7 Disclosures – Transfers of Financial Assets	Amendment	The amendments introduce new disclosure requirements about transfers of financial assets including disclosures for: • financial assets that are not derecognised in their entirety; and • financial assets that are derecognised in their entirety but for which the entity retains continuing involvement.	1 July 2011
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. • The classification and measurement of financial liabilities are the same as per IAS 39 barring two aspects.	1 January 2015
IFRS 9 Financial Instruments (2010)	New standard	• Adds the requirements related to the classification and measurement of financial liabilities, and derecognition of financial assets and liabilities to the version issued in November 2009. • Includes those paragraphs of IAS 39 dealing with how to measure fair value and accounting for derivatives embedded in a contract that contains a host that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of Embedded Derivatives*.	1 January 2015
IFRS 10 Consolidated Financial Statements	New standard	• IFRS 10 introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees. • Control is reassessed as facts and circumstances change. • IFRS 10 supersedes IAS 27 (2008) and SIC-12 *Consolidation – Special Purpose Entities*.	1 January 2013
IFRS 11 Joint Arrangements	New standard	• Focuses on the rights and obligations of joint arrangements, rather than the legal form (as is currently the case). • IFRS 11 supersedes IAS 31 *Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	New standard	IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (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.	1 January 2013
IFRS 13 Fair Value Measurement	New standard	• IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. • It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.	1 January 2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	New interpretation	• The interpretation requires production stripping costs in a surface mine to be capitalised if certain criteria are met.	1 January 2013

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

Significant accounting judgements and estimates

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

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

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

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

Carrying value of property, plant and equipment and goodwill

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

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

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

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

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

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

An individual operating mine does not have an indefinite business 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, the Group performs its annual impairment review of goodwill at each financial period end.

The carrying amount of property, plant and equipment at 31 December 2011 was R62,682.8 million (US$7,710.1 million) (31 December 2010: R53,249.8 million (US$7,888.9 million)). The carrying value of goodwill at 31 December 2011 was R4,458.9 million (US$548.5 million) (31 December 2010: R4,458.9 million (US$660.6 million)).

Mineral Reserves estimates

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

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

The Group is required to determine and report on the Mineral Reserves in accordance with the South African Mineral Resource Committee (SAMREC) code.

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

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to the income statement may change as these are calculated on the units-of-production method, or where the useful economic lives of assets change;
- Deferred stripping costs recorded in the statement of financial position or charged to the income statement may change due to changes in stripping ratios or the units-of-production method of depreciation;
- Decommissioning site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Pre-production

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

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

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

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision 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 additional taxes. 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 2011:

- Deferred taxation liability: R9,777.5 million (US$1,202.6 million) (31 December 2010: R7,814.5 million (US$1,157.7 million))
- Deferred taxation asset: R930.4 million (US$114.4 million) (31 December 2010: R753.1 million (US$111.6 million))
- Taxation and royalties payable: R2,149.1 million (US$264.4 million) (31 December 2010: R1,053.6 million (US$156.1 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 amount of the rehabilitation obligations at 31 December 2011 was R3,190.3 million (US$392.4 million) (31 December 2010: R2,271.2 million (US$336.5 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.

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 inventories at 31 December 2011 was R3,830.1 million (US$471.1 million) (31 December 2010: R2,394.0 million (US$354.7 million)).

Share-based payments

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

The income statement charge for the period ended 31 December 2011 was R479.3 million (US$66.4 million) (six month period ended 31 December 2010: R192.9 million (US$27.0 million)). Share-based payments on BEE transactions for the period ended 31 December 2011 was Rnil (US$nil) (six month period ended 31 December 2010: R2,124.8 million (US$297.6 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 value of derivative financial instruments at 31 December 2011 was an asset of R961.0 million (US$118.2 million) (31 December 2010: asset of R371.0 million (US$54.0 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's share of the subsequent changes in equity.

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

2.2 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are 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 on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Transactions with non-controlling interests

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

2.4 Associates

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

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

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

3. FOREIGN CURRENCIES

3.1 Functional and presentation currency

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

For translation of the rand financial statement items to US dollar, an average of R7.22 (2010: R7.14) per US$1 was used for income statement items (unless this average was not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case these items were translated at the rate prevailing on the date of the transaction) and the closing rate of 8.13 (2010: 6.75) per US$1 for statement of financial position items.

3.2 Transactions and balances

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

3.3 Foreign operations

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

Assets and liabilities are translated at the exchange rate ruling at the reporting date. Equity items are translated at historical rates. Income statement items are translated at the average exchange rate for the period. Exchange differences on translation are accounted for in the statement of 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 the statement of comprehensive income. When a foreign operation is sold, exchange differences that were recorded in the statement of comprehensive income are recognised in the income statement as part of the gain or loss on disposal.

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

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Mine development and infrastructure

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

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

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

Accounting policies (continued)

4.2 Borrowing costs

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

4.3 Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the fair value of mineral rights have diminished below cost, a write-down is effected against income in the year that such determination is made.

4.4 Land

Land is shown at cost and is not depreciated.

4.5 Other assets

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

4.6 Amortisation and depreciation of mining assets

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

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

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

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

4.7 Depreciation of non-mining assets

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

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

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

4.8 Mining exploration

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

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

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" (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" (the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) is compared to the carrying value of the asset/unit.

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

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

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

5. GOODWILL

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

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

6. WASTE NORMALISATION OR DEFERRED STRIPPING

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

7. TAXATION

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

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

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

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

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

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

8. INVENTORIES

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

Cost is determined on the following basis:
- Gold on hand and gold-in-process is valued using weighted average cost. Cost includes production, amortisation and related administration costs.
- Consumable stores are valued at weighted average cost, after appropriate provision for redundant and slow-moving items.

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

9. FINANCIAL INSTRUMENTS

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

The Group initially recognised 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 derecognised 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. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

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

9.1 Investments

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

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

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

9.2 Derivative financial instruments

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

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

Derivative financial instruments are initially recognised in the statement of financial position at fair value and subsequently remeasured at their fair value, unless they meet the criteria for the normal purchases normal sales exemption. Recognition of derivatives which meet the above criteria under IAS 39 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 rate method is used, is amortised to profit or loss over the period to maturity.

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

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

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

Accounting policies (continued)

9.3 Cash and cash equivalents

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

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

9.4 Trade receivables

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

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

9.5 Trade payables

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

9.6. Borrowings

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

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

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

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

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

9.7 Embedded derivatives

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

9.8 Financial guarantees

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

9.9 Non-current assets held for sale

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not 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 are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

10. PROVISIONS

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

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 the income statement.

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

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

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

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

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

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 charged against income as incurred.

12.2 Post-retirement health care costs

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

12.3 Share-based payments

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

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

Accounting policies (continued)

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.

12.4 Termination benefits

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

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 presented in the reserve from own shares. 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 and gold equivalent sales is recognised when the significant risks and rewards of ownership pass to the buyer. The price of gold, silver and copper is determined by market forces.

Concentrate revenue is calculated, net of refining and treatment charges, on a best estimate basis on shipment date, using forward metal prices to the estimated final pricing date, adjusted for the specific terms of the agreements. Variations between the price recorded at the shipment date and the actual final price received are caused by changes in prevailing copper prices, and result in an embedded derivative in the accounts 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.

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

16. EARNINGS/(LOSS) PER SHARE

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

17. 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.

18. COMPARATIVES

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

19. ADDITIONAL US DOLLAR FINANCIAL INFORMATION

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

This information is provided as supplementary information only.

Consolidated income statement

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		Notes	For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
2,564.2	**5,800.1**	Revenue	1	**41,876.8**	18,308.1
(1,810.0)	**(3,659.5)**	Cost of sales	2	**(26,421.2)**	(12,923.4)
754.2	**2,140.6**	**Net operating profit**		**15,455.6**	5,384.7
12.9	**25.4**	Investment income	3	**183.0**	91.9
(35.0)	**(62.3)**	Finance expense	4	**(449.6)**	(249.5)
1.0	**4.4**	Gain on financial instruments		**31.6**	6.9
(1.4)	**9.1**	Gain/(loss) on foreign exchange		**65.8**	(9.7)
(14.5)	**(29.8)**	Other costs		**(215.4)**	(103.7)
(27.0)	**(66.4)**	Share-based payments	5	**(479.3)**	(192.9)
(48.6)	**(115.2)**	Exploration expense		**(832.1)**	(346.7)
(9.3)	**(17.4)**	Feasibility and evaluation costs		**(125.6)**	(66.4)
(28.9)	**4.0**	Share of results of associates after taxation		**29.1**	(206.6)
(297.6)	**–**	Share-based payments on BEE transactions	6	**–**	(2,124.8)
(45.0)	**(63.5)**	Restructuring costs		**(458.6)**	(321.2)
–	**(10.0)**	Impairment of investments and assets	7	**(71.9)**	–
(0.4)	**12.8**	Profit/(loss) on disposal of investments		**92.6**	(2.5)
0.7	**(0.4)**	(Loss)/profit on disposal of property, plant and equipment		**(2.8)**	4.9
261.1	**1,831.3**	**Profit before royalties and taxation**	8	**13,222.4**	1,864.4
(43.3)	**(149.7)**	Royalties	9	**(1,081.0)**	(309.4)
217.8	**1,681.6**	**Profit before taxation**		**12,141.4**	1,555.0
(167.0)	**(600.4)**	Mining and income tax	10	**(4,335.1)**	(1,192.1)
50.8	**1,081.2**	**Profit for the period**		**7,806.3**	362.9
		Profit/(loss) attributable to:			
(10.7)	**973.2**	– Owners of the parent		**7,026.7**	(76.3)
61.5	**108.0**	– Non-controlling interest holders		**779.6**	439.2
50.8	**1,081.2**			**7,806.3**	362.9
		Earnings/(loss) per share attributable to ordinary shareholders of the company:			
(2)	**135**	Basic earnings/(loss) per share – cents	11.1	**973**	(11)
(1)	**133**	Diluted earnings/(loss) per share – cents	11.2	**962**	(11)

Exchange rate: R7.22/US$ (2010: R7.14/US$).

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

Consolidated statement of comprehensive income

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
50.8	**1,081.2**	**Profit for the period**	**7,806.3**	362.9
633.6	**(902.6)**	**Other comprehensive income/(expenses)**	**1,641.3**	(734.5)
31.1	**(29.2)**	Marked-to-market valuation of listed investments	**(210.7)**	222.2
(2.3)	**2.8**	Deferred taxation on marked-to-market valuation of listed investments	**19.9**	(16.5)
603.9	**(876.2)**	Currency translation adjustments and other	**1,832.0**	(946.9)
0.9	**–**	Share of equity investee's other comprehensive income	**0.1**	6.7
684.4	**178.6**	**Total comprehensive income/(expenses) for the period**	**9,447.6**	(371.6)
		Attributable to:		
576.2	**93.8**	– Owners of the parent	**8,651.2**	(810.9)
108.2	**84.8**	– Non-controlling interest holders	**796.4**	439.3
684.4	**178.6**		**9,447.6**	(371.6)

Exchange rate: R7.22/US$ (2010: R7.14/US$).

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

Consolidated statement of financial position

at 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2010	2011		Notes	2011	2010
		ASSETS			
8,989.5	**8,635.4**	**Non-current assets**		**70,206.0**	60,678.2
7,888.9	**7,710.1**	Property, plant and equipment	13	**62,682.8**	53,249.8
660.6	**548.5**	Goodwill	14	**4,458.9**	4,458.9
14.3	**18.4**	Investment in associates	15	**149.6**	96.2
145.5	**82.5**	Investments	17	**671.0**	982.3
168.6	**161.5**	Environmental trust funds	18	**1,313.3**	1,137.9
111.6	**114.4**	Deferred taxation	23	**930.4**	753.1
1,649.8	**1,731.3**	**Current assets**		**14,076.0**	11,136.1
354.7	**471.1**	Inventories	19	**3,830.1**	2,394.0
357.5	**365.1**	Trade and other receivables	20	**2,968.5**	2,407.2
74.1	**32.9**	Deferred stripping costs		**267.4**	500.1
54.0	**118.2**	Financial instruments	21	**961.0**	371.0
809.5	**744.0**	Cash and cash equivalents	22	**6,049.0**	5,463.8
10,639.3	**10,366.7**	**Total assets**		**84,282.0**	71,814.3
		EQUITY AND LIABILITIES			
6,450.7	**5,767.1**	Equity attributable to owners of the parent		**46,886.9**	43,542.1
55.3	**55.5**	Share capital		**361.9**	360.4
4,547.4	**4,542.4**	Share premium		**31,164.4**	31,200.2
207.5	**(605.5)**	Other reserves		**2,065.5**	(38.3)
1,640.5	**1,774.7**	Retained earnings		**13,295.1**	12,019.8
456.4	**144.5**	Non-controlling interest		**1,174.6**	3,080.4
6,907.1	**5,911.6**	**Total equity**		**48,061.5**	46,622.5
2,653.2	**2,971.3**	**Non-current liabilities**		**24,156.9**	17,908.8
1,157.7	**1,202.6**	Deferred taxation	23	**9,777.5**	7,814.5
1,136.6	**1,360.7**	Borrowings	24	**11,062.3**	7,671.9
358.9	**408.0**	Provisions	25	**3,317.1**	2,422.4
1,079.0	**1,483.8**	**Current liabilities**		**12,063.6**	7,283.0
661.2	**672.4**	Trade and other payables	26	**5,467.4**	4,463.2
156.1	**264.4**	Taxation and royalties		**2,149.1**	1,053.6
261.7	**547.0**	Current portion of borrowings	24	**4,447.1**	1,766.2
10,639.3	**10,366.7**	**Total equity and liabilities**		**84,282.0**	71,814.3

Exchange rate: R8.13/US$ (2010: R6.75/US$).

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

Consolidated statement of changes in equity

for the period ended 31 December 2011

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 30 June 2010	705,903,511	31,522.4	1,283.3	33.1	(2,786.4)	12,590.5	**42,642.9**	2,806.0	**45,448.9**
(Loss)/profit for the period	–	–	–	–	–	(76.3)	**(76.3)**	439.2	**362.9**
Other comprehensive (expenses)/income	–	–	(947.0)	205.7	6.7	–	**(734.6)**	0.1	**(734.5)**
Total comprehensive (expenses)/income	–	–	(947.0)	205.7	6.7	(76.3)	**(810.9)**	439.3	**(371.6)**
Dividends declared	–	–	–	–	–	(494.4)	**(494.4)**	(207.1)	**(701.5)**
Share-based payments	–	–	–	–	2,166.3	–	**2,166.3**	–	**2,166.3**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	42.2	**42.2**
Exercise of employee share options	751,630	31.1	–	–	–	–	**31.1**	–	**31.1**
Shares issued for empowerment transactions	14,141,746	7.1	–	–	–	–	**7.1**	–	**7.1**
Balance at 31 December 2010	**720,796,887**	**31,560.6**	**336.3**	**238.8**	**(613.4)**	**12,019.8**	**43,542.1**	**3,080.4**	**46,622.5**
Profit for the period	–	–	–	–	–	7,026.7	**7,026.7**	779.6	**7,806.3**
Other comprehensive income/(expenses)	–	–	1,815.2	(190.8)	0.1	–	**1,624.5**	16.8	**1,641.3**
Total comprehensive income/(expenses)	–	–	1,815.2	(190.8)	0.1	7,026.7	**8,651.2**	796.4	**9,447.6**
Dividends declared	–	–	–	–	–	(1,229.4)	**(1,229.4)**	(266.7)	**(1,496.1)**
Share-based payments	–	–	–	–	479.3	–	**479.3**	–	**479.3**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	225.4	**225.4**
Purchase of non-controlling interest	–	–	–	–	–	(4,522.0)	**(4,522.0)**	(2,660.9)	**(7,182.9)**
Treasury shares	(856,330)	(81.4)	–	–	–	–	**(81.4)**	–	**(81.4)**
Exercise of employee share options	3,794,629	47.1	–	–	–	–	**47.1**	–	**47.1**
Balance at 31 December 2011	**723,735,186**	**31,526.3**	**2,151.5**	**48.0**	**(134.0)**	**13,295.1**	**46,886.9**	**1,174.6**	**48,061.5**
UNITED STATES DOLLAR									
Balance at 30 June 2010	705,903,511	4,597.3	(320.4)	26.8	(389.2)	1,718.6	**5,633.1**	370.7	**6,003.8**
(Loss)/profit for the period	–	–	–	–	–	(10.7)	**(10.7)**	61.5	**50.8**
Other comprehensive income	–	–	557.2	28.8	0.9	–	**586.9**	46.7	**633.6**
Total comprehensive income/(expenses)	–	–	557.2	28.8	0.9	(10.7)	**576.2**	108.2	**684.4**
Dividends declared	–	–	–	–	–	(67.4)	**(67.4)**	(28.9)	**(96.3)**
Share-based payments	–	–	–	–	303.4	–	**303.4**	–	**303.4**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	6.4	**6.4**
Exercise of employee share options	751,630	4.4	–	–	–	–	**4.4**	–	**4.4**
Shares issued for empowerment transactions	14,141,746	1.0	–	–	–	–	**1.0**	–	**1.0**
Balance at 31 December 2010	**720,796,887**	**4,602.7**	**236.8**	**55.6**	**(84.9)**	**1,640.5**	**6,450.7**	**456.4**	**6,907.1**
Profit for the period	–	–	–	–	–	973.2	**973.2**	108.0	**1,081.2**
Other comprehensive expenses	–	–	(853.0)	(26.4)	–	–	**(879.4)**	(23.2)	**(902.6)**
Total comprehensive (expenses)/income	–	–	(853.0)	(26.4)	–	973.2	**93.8**	84.8	**178.6**
Dividends declared	–	–	–	–	–	(174.9)	**(174.9)**	(36.2)	**(211.1)**
Share-based payments	–	–	–	–	66.4	–	**66.4**	–	**66.4**
Transactions with non-controlling interest holders	–	–	–	–	–	–	**–**	31.0	**31.0**
Purchase of non-controlling interest	–	–	–	–	–	(664.1)	**(664.1)**	(391.5)	**(1,055.6)**
Treasury shares	(856,330)	(11.3)	–	–	–	–	**(11.3)**	–	**(11.3)**
Exercise of employee share options	3,794,629	6.5	–	–	–	–	**6.5**	–	**6.5**
Balance at 31 December 2011	**723,735,186**	**4,597.9**	**(616.2)**	**29.2**	**(18.5)**	**1,774.7**	**5,767.1**	**144.5**	**5,911.6**

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

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

Consolidated statement of cash flows

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		Notes	For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
776.9	**1,947.9**	**Cash flows from operating activities**		**14,213.3**	5,493.7
1,034.0	**2,728.4**	Cash generated by operations	27	**19,699.6**	7,382.7
8.6	**15.2**	Interest received		**109.5**	61.5
–	**0.5**	Dividends received		**3.4**	–
(0.5)	**(0.3)**	Post-retirement health care payments		**(2.1)**	(3.4)
6.8	**(35.9)**	Change in working capital	28	**(259.4)**	48.7
1,048.9	**2,707.9**	Cash generated by operating activities		**19,551.0**	7,489.5
(33.4)	**(62.3)**	Interest paid		**(449.4)**	(238.4)
(44.4)	**(125.1)**	Royalties paid	29	**(873.1)**	(331.9)
(106.6)	**(352.8)**	Taxation paid	30	**(2,463.2)**	(782.6)
864.5	**2,167.7**	Net cash from operations		**15,765.3**	6,136.6
(87.6)	**(219.8)**	Dividends paid		**(1,552.0)**	(642.9)
(67.4)	**(174.9)**	– Ordinary shareholders		**(1,229.4)**	(494.4)
(20.2)	**(41.9)**	– Non-controlling interests holders		**(301.2)**	(148.5)
–	**(3.0)**	– South Deep BEE dividend		**(21.4)**	–
(722.9)	**(2,539.1)**	**Cash flows from investing activities**		**(17,956.7)**	(5,146.0)
(649.8)	**(1,413.2)**	Additions to property, plant and equipment		**(10,203.2)**	(4,639.8)
5.3	**5.3**	Proceeds on disposal of property, plant and equipment		**38.2**	37.6
–	**(382.3)**	La Cima non-controlling interest buy-out		**(2,612.5)**	–
–	**(667.0)**	Ghana non-controlling interest buy-out		**(4,519.7)**	–
–	**(6.3)**	South Deep non-controlling interest buy-out		**(50.7)**	–
(54.0)	**(66.0)**	Payment for FSE		**(534.6)**	(371.0)
–	**(7.0)**	Payment for Bezant		**(55.4)**	–
(9.4)	**(0.1)**	Purchase of investments		**(0.7)**	(65.5)
0.4	**13.7**	Proceeds on disposal of investments		**98.9**	3.0
(15.4)	**(16.2)**	Environmental trust funds and rehabilitation payments		**(117.0)**	(110.3)
224.8	**550.8**	**Cash flows from financing activities**		**3,663.0**	1,546.8
6.4	**31.0**	Loans received from non-controlling interest holders		**225.4**	42.2
1,543.8	**1,167.9**	Loans raised		**8,186.1**	10,789.4
(1,330.8)	**(654.6)**	Loans repaid		**(4,795.6)**	(9,323.0)
5.4	**6.5**	Proceeds from the issue of shares		**47.1**	38.2
278.8	**(40.4)**	Net cash (utilised)/generated		**(80.4)**	1,894.5
30.0	**(25.1)**	Effect of exchange rate fluctuation on cash held		**665.6**	(221.2)
500.7	**809.5**	Cash and cash equivalents at beginning of the period		**5,463.8**	3,790.5
809.5	**744.0**	**Cash and cash equivalents at end of the period**	22	**6,049.0**	5,463.8

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

Notes to the consolidated financial statements

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		1. REVENUE		
2,564.2	**5,800.1**	Revenue from mining operations – spot sales	**41,876.8**	18,308.1
		2. COST OF SALES		
(521.4)	**(1,101.3)**	Salaries and wages	**(7,951.3)**	(3,722.6)
(365.1)	**(827.4)**	Consumable stores	**(5,974.0)**	(2,607.1)
(189.3)	**(401.7)**	Utilities	**(2,900.4)**	(1,351.3)
(244.1)	**(501.4)**	Mine contractors	**(3,619.8)**	(1,743.2)
(111.6)	**(120.0)**	Other	**(866.5)**	(796.8)
(1,431.5)	**(2,951.8)**	**Operating costs**	**(21,312.0)**	(10,221.0)
10.3	**75.7**	Gold inventory change	**546.7**	73.6
(1,421.2)	**(2,876.1)**	**Operating costs including gold inventory change**	**(20,765.3)**	(10,147.4)
(388.8)	**(783.4)**	Amortisation and depreciation	**(5,655.9)**	(2,776.0)
(1,810.0)	**(3,659.5)**	**Total cost of sales**	**(26,421.2)**	(12,923.4)
		3. INVESTMENT INCOME		
–	**0.5**	Dividends received	**3.4**	–
4.3	**9.7**	Interest received – environmental trust funds	**70.1**	30.4
8.6	**15.2**	Interest received – cash balances	**109.5**	61.5
12.9	**25.4**	**Total investment income**	**183.0**	91.9
		4. FINANCE EXPENSE		
(3.0)	**(1.3)**	Preference share interest	**(9.2)**	(21.6)
(3.3)	**(8.0)**	Interest charge – environmental rehabilitation	**(57.8)**	(23.3)
(33.4)	**(62.3)**	Interest paid – borrowings	**(449.4)**	(238.4)
4.7	**9.3**	Interest capitalised	**66.8**	33.8
(35.0)	**(62.3)**	**Total finance expense**	**(449.6)**	(249.5)

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

5. SHARE-BASED PAYMENTS

The Group grants equity-settled instruments comprising share options and restricted shares to directors, certain officers and employees. During period ended 31 December 2011, 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 GF Non-executive Director Share Plan.

The following information is available for each plan:

For the 6 month period ended 31 December 2010 Number of instruments	Average instrument price (cps)	(a) The GF Management Incentive Scheme	For the 12 month period ended 31 December 2011 Number of instruments	Average instrument price (cps)
1,352,633	76.15	**Outstanding at beginning of the period**	**976,533**	**75.85**
		Movement during the period:		
(348,430)	75.40	Exercised and released	**(614,340)**	**72.33**
(27,670)	96.06	Forfeited	**(50,968)**	**118.63**
976,533	75.85	**Outstanding at end of the period**	**311,225**	**73.48**
		All options outstanding above have vested.		

For the 6 month period ended 31 December 2010 Number of instruments	Average instrument price (cps)	(b) The GF Non-executive Director Share Plan	For the 12 month period ended 31 December 2011 Number of instruments	Average instrument price (cps)
81,700	88.54	**Outstanding at beginning of the period**	**36,700**	**79.37**
		Movement during the period:		
(20,000)	78.49	Exercised and released	**(36,700)**	**79.37**
(25,000)	110.03	Forfeited	**–**	**–**
36,700	79.37	**Outstanding at end of the period**	**–**	**–**
		All options outstanding above have vested.		

No further allocations are being made under these plans in view of the new plans. However, during the six month period ended 31 December 2010, some share option expiry dates were extended to enable participants who were disadvantaged due to closed periods to be placed in an equitable position. No share options' expiry dates were extended during the 12 month period ended 31 December 2011. The incremental fair value of the modification which was expensed in total during the period ended 31 December 2010 was R0.5 million.

For the 6 month period ended 31 December 2010 Number of options	Weighted average price (rand)	Contractual life extended by (years)		For the 12 month period ended 31 December 2011 Number of options	Weighted average price (rand)	Contractual life extended by (years)
			The following directors were affected by the modification:			
			Executive directors			
191,500	75.44	0.80	NJ Holland	–	–	–
15,934	74.75	0.64	PA Schmidt	–	–	–
			Non-executive directors			
6,700	68.59	0.50	K Ansah	–	–	–
20,000	78.49	0.50	RL Pennant-Rea	–	–	–
10,000	88.38	0.50	CI Von Christierson	–	–	–

5. SHARE-BASED PAYMENTS (continued)

For the 6 month period ended 31 December 2010 Performance vesting restricted shares (PVRS)	Share Appreciation Rights (SARS)	Average instrument price (cps)	(c) Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan	For the 12 month period ended 31 December 2011 Performance vesting restricted shares (PVRS)	Share Appreciation Rights (SARS)	Average instrument price (cps)
8,574,541	5,660,272	106.00	**Outstanding at beginning of the period**	**7,748,959**	**5,270,597**	**105.53**
			Movement during the period:			
381,115	307,070	103.66	Granted during the period	**3,165,342**	**1,638,484**	**119.17**
(392,779)	(13,329)	103.07	Exercised and released	**(2,616,530)**	**(1,247,317)**	**111.06**
(753,918)	(683,416)	104.01	Forfeited	**(886,759)**	**(631,621)**	**110.69**
(60,000)	–	–	Conditions for vesting not met	**–**	**–**	**–**
7,748,959	5,270,597	105.53	**Outstanding at end of the period**	**7,411,012**	**5,030,143**	**107.91**
			Included in the above are 1,199,703 (2010: 1,022,637) vested share appreciation rights.			

During the six month period ended 31 December 2010, some share appreciation rights' expiry dates were extended to enable participants who were disadvantaged due to closed periods to be placed in an equitable position. The incremental fair value of the modification was Rnil. No share options' expiry dates were extended during the 12 month period ended 31 December 2011.

For the 6 month period ended 31 December 2010 Number of options	Weighted average price (rand)	Contractual life extended by (years)		For the 12 month period ended 31 December 2011 Number of options	Weighted average price (rand)	Contractual life extended by (years)
			The following directors were affected by the modification:			
			Executive directors			
30,300	124.60	0.80	NJ Holland	**–**	**–**	**–**
9,450	124.71	0.64	PA Schmidt	**–**	**–**	**–**

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

5. SHARE-BASED PAYMENTS (continued)

For the 6 month period ended 31 December 2010		For the 12 month period ended 31 December 2011
	(c) Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan (continued)	
	The fair value of equity instruments granted during the period were valued using the Black-Scholes and Monte Carlo Simulation models.	
	Black-Scholes Model	
	This model is used to value the Share Appreciation Rights (SARS) as described in the directors' report. The inputs to the model for options granted during the period were as follows:	
R93.89	– weighted average exercise price	**R119.17**
50.2%	– exponentially weighted moving average volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**46.4%**
3.0 – 4.2	– expected term (years)	**5.9**
1.0%	– long-term expected dividend yield	**1.7%**
6.9%	– weighted average risk free interest rate	**6.9%**
R55.06	– weighted average fair value	**R51.66**
	Monte Carlo Simulation	
	This model is used to value the Performance Vesting Restricted Shares (PVRS) as described in the directors' report. The inputs to the model for options granted during the period were as follows:	
50.1%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**64.1%**
3.0	– expected term (years)	**3.0**
1.9%	– historical dividend yield	**1.7%**
0.2%	– weighted average three year risk free interest rate (based on US interest rates)	**0.2%**
R191.38	– weighted average fair value	**R206.27**
	Vesting of PVRS is based on Gold Fields' performance on the Philadelphia XAU Index relative to its five representative peers in the gold mining industry rather than all members of the index, because some members of the index are not purely gold mining companies or are small producers.	

The following table summarises information relating to the options and equity-settled instruments outstanding at 31 December 2011:

For the 6 month period ended 31 December 2010				For the 12 month period ended 31 December 2011		
Number of instruments	Price	Contractual life (years)	Range of exercise prices for outstanding equity instruments (South African rand)	Number of instruments	Price	Contractual life (years)
7,748,959	–	1.31	n/a*	**7,411,012**	**–**	**1.46**
59,866	46.23	0.73	35.00 – 59.99	**–**	**–**	**–**
771,673	70.82	0.97	60.00 – 84.99	**264,326**	**67.57**	**0.28**
4,311,008	100.57	3.01	85.00 – 109.99	**3,028,575**	**99.74**	**3.47**
1,113,783	124.20	1.87	110.00 – 134.99	**2,005,517**	**120.14**	**4.26**
27,500	146.71	0.52	135.00 – 159.99	**42,950**	**137.08**	**5.13**
14,032,789			**Total outstanding at end of the period**	**12,752,380**		
			*Restricted shares (PVRS) are awarded for no consideration.			
		108.32	Weighted average share price during the period	**118.20**		

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011			For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		6.	**SHARE-BASED PAYMENTS ON BEE TRANSACTIONS**		
(171.9)	–	**6.1**	**ESOP** During the period ended 31 December 2010, 13.5 million shares were issued to approximately 47,000 Gold Fields employees. These shares were valued on the grant date using the Gold Fields closing share price of R122.79 on 22 December 2010, adjusted by a marketability discount of 26% to reflect the value of the restrictions placed on these shares. The employees may not dispose of the shares until after 15 years from grant date.	–	(1,227.3)
(115.5)	–	**6.2**	**South Deep transaction** This transaction is made up of a preferred BEE dividend (R151.4 million) and an equity component (R673.4 million). 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 is a wholly owned subsidiary of Gold Fields. The new company then issued 10 million Class B ordinary shares representing 10.0% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share and can convert the Class B to Class A ordinary shares over a 20 year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one-third after 10 years and a third thereafter on each fifth year anniversary. For accounting purposes, the preferred BEE dividend represents a liability of Gold Fields to the Class B ordinary shareholders and qualifies as a share-based payment. It has been valued at R151.4 million. The Rand based effective interest rate used to discount the future dividend payments is 9.55%. The calculation of the disposal of 10% of South Deep was based on the cash flows over the life of the mine and was subject to valuation adjustments relating to minority discount (22%), liquidity discount (36%) and B share restriction discount (63%) which resulted in an overall once-off share-based payment expense of R673.4 million.	–	(824.8)
(10.2)	–	**6.3**	**GFIMSA transaction** During the period ended 31 December 2010, 0.6 million shares were issued to broad-based BEE partners on 23 December 2010. The non-recurring share-based compensation was based on the closing price of R118.51. These shares were not adjusted by a marketability discount as they had no trading restrictions.	–	(72.7)
(297.6)	–		**Total share-based payments on BEE transactions**	–	(2,124.8)

All share-based payment charges above were accounted for in the income statement in full in the period ended 31 December 2010 and no further costs will arise from them.

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		7. IMPAIRMENT OF INVESTMENTS AND ASSETS		
–	**(0.5)**	Listed investments	**(3.6)**	–
–	**(9.5)**	Property, plant and equipment	**(68.3)**	–
–	**(10.0)**	**Total impairment of investments and assets**	**(71.9)**	–
		8. INCLUDED IN PROFIT BEFORE ROYALTIES AND TAXATION ARE THE FOLLOWING:		
		Expenses		
8.0	**14.8**	Environmental rehabilitation inflation adjustment	**106.5**	57.4
1.5	**2.9**	Operating lease charges	**20.9**	10.5
		9. ROYALTIES		
(14.1)	**(42.2)**	South Africa	**(304.9)**	(100.6)
(29.2)	**(107.5)**	Foreign	**(776.1)**	(208.8)
(43.3)	**(149.7)**	**Total royalties**	**(1,081.0)**	(309.4)
		Royalty rates		
		South Africa (effective rate)[1]	**1.5%**	1.1%
		Australia[2]	**2.5%**	2.5%
		Ghana[2]	**5.0%**	3.0%
		Peru[3]	**3.0%**	3.0%

[1] 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 12 month period ended 31 December 2011 was approximately 1.5% of mining revenue (2010: 1.1%).

[2] The Australian and Ghanaian operations are subject to a 2.5% (2010: 2.5%) and 5.0% (2010: 3.0%) gold royalty respectively on revenue because the mineral rights are owned by the State. The Ghanaian change in royalty rate from 3% to 5% became effective 1 April 2011.

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

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		10. MINING AND INCOME TAX		
		The components of mining and income tax are the following:		
		South African taxation		
(25.9)	**(90.2)**	– mining tax	**(651.4)**	(185.2)
(8.0)	**(3.9)**	– non-mining tax	**(27.9)**	(57.1)
(0.8)	**(3.1)**	– company and capital gains tax	**(22.2)**	(5.7)
1.0	**0.6**	– prior year adjustment – current tax	**4.1**	7.0
25.9	**(94.8)**	– deferred tax	**(684.0)**	184.8
(4.0)	**1.1**	– prior year adjustment – deferred tax	**7.6**	(28.4)
		Foreign taxation		
(125.8)	**(339.9)**	– current	**(2,454.1)**	(897.9)
(29.4)	**(70.2)**	– deferred tax	**(507.2)**	(209.6)
(167.0)	**(600.4)**	**Total mining and income tax**	**(4,335.1)**	(1,192.1)
		Major items causing the Group's income tax to differ from the maximum South African statutory mining tax rate of 43.0% (2010: 43.0%) were:		
		Tax on profit before taxation at maximum South African statutory mining tax rate	**(5,220.8)**	(668.7)
		Rate adjustment to reflect the actual realised company tax rates in South Africa and offshore	**1,860.0**	530.5
		South African mining tax formula rate adjustment	**86.2**	74.5
		Non-deductible share-based payments	**(177.1)**	(996.6)
		Non-deductible exploration expense	**(357.8)**	(149.1)
		Non-deductible feasibility and evaluation costs	**(54.0)**	(28.5)
		Non-taxable profit/non-deductible losses on disposal of investments	**29.5**	3.9
		National stabilisation levy – Ghana	**(259.0)**	(90.3)
		Share of results of associates after taxation	**12.5**	(88.8)
		Net non-deductible expenditure and non-taxable income	**(319.3)**	(94.0)
		Deferred tax release on reduction of rate at the Peru and South African mining operations	**40.0**	377.2
		Other	**24.7**	(62.2)
		Total mining and income tax	**(4,335.1)**	(1,192.1)

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

10. MINING AND INCOME TAX (continued)

For the 6 month period ended 31 December 2010		For the 12 month period ended 31 December 2011
	South Africa – tax rates	
Y = 43 – 215/X	Mining tax[1]	**Y = 43 – 215/X**
35.0%	Non-mining tax[2]	**35.0%**
28.0%	Company tax rate	**28.0%**

[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.

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

For the 6 month period ended 31 December 2010		For the 12 month period ended 31 December 2011
	International operations – tax rates	
30.0%	Australia	**30.0%**
25.0%	Ghana	**25.0%**
5.0%	Ghana – national stabilisation levy	**5.0%**
35.6%	Peru	**30.0%**

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.

10. MINING AND INCOME TAX (continued)

At 31 December 2011 the Group had the following estimated amounts available for set-off against future income:

2010 Unredeemed capital expenditure R million	2010 Tax losses R million	2010 Deferred tax asset not recognised R million		2011 Unredeemed capital expenditure R million	2011 Tax losses R million	2011 Deferred tax asset not recognised R million
			South Africa[3]			
793.6	–	–	GFI Mining South Africa (Pty) Limited Beatrix Division	**–**	**–**	**–**
3,964.5	4,408.9	–	Gold Fields Operations Limited	**4,946.2**	**3,938.1**	**–**
10,946.4	455.5	1,287.9	GFI Joint Venture Holdings (Pty) Limited	**13,293.4**	**102.0**	**1,809.4**
–	13.2	–	Gold Fields Group Services (Pty) Limited	**–**	**81.1**	**–**
–	155.9	43.7	Living Gold (Pty) Limited	**–**	**114.4**	**32.0**
–	9.3	2.6	Golden Oils (Pty) Limited	**–**	**10.4**	**2.9**
–	15.8	4.4	Agrihold (Pty) Limited	**–**	**15.8**	**4.4**
–	9.2	2.6	Golden Hytec Farming (Pty) Limited	**–**	**9.3**	**2.6**
15,704.5	5,067.8	1,341.2		**18,239.6**	**4,271.1**	**1,851.3**

[3] 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.

2010 Capital allowances US$ million	2010 Tax losses US$ million	2010 Deferred tax asset not recognised US$ million		2011 Capital allowances US$ million	2011 Tax losses US$ million	2011 Deferred tax asset not recognised US$ million
			International operations			
–	136.5	40.2	Orogen Investments SA (Luxembourg)[4]	**–**	**130.8**	**38.5**
–	94.4	28.3	Gold Fields Arctic Platinum Oy[5]	**–**	**101.0**	**24.7**
163.6	–	–	Gold Fields La Cima	**507.9**	**–**	**–**
163.6	230.9	68.5		**507.9**	**231.8**	**63.2**

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

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

2010 Capital allowances A$ million	2010 Tax losses A$ million	2010 Deferred tax asset not recognised A$ million		2011 Capital allowances A$ million	2011 Tax losses A$ million	2011 Deferred tax asset not recognised A$ million
			International operations			
–	177.1	–	Gold Fields Australia (Pty) Limited[6]	**–**	**–**	**–**

[6] Tax losses may be carried forward indefinitely.

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		11. EARNINGS/(LOSS) PER SHARE		
(2)	**135**	**11.1 Basic earnings/(loss) per share – cents**	**973**	(11)
		Basic earnings/(loss) per share is calculated by dividing the profit attributable to ordinary shareholders of R7,026.7 million (2010: loss of R76.3 million) by the weighted average number of ordinary shares in issue during the period of 722,376,228 (2010: 711,011,673).		
(1)	**133**	**11.2 Diluted earnings/(loss) per share – cents**	**962**	(11)
		Diluted basic earnings/(loss) per share is calculated on the basis of profit attributable to ordinary shareholders of R7,026.7 million (2010: loss of R76.3 million) and 730,787,498 (2010: 719,689,050) shares being the diluted number of ordinary shares in issue during the period.		
		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	**722,376,228**	711,011,673
		Share options in issue	**8,411,270**	8,677,377
		Diluted number of ordinary shares	**730,787,498**	719,689,050
(2)	**134**	**11.3 Headline earnings/(loss) per share – cents**	**970**	(11)
		Headline earnings/(loss) per share is calculated on the basis of adjusted net earnings attributable to ordinary shareholders of R7,007.6 million (2010: loss of R77.2 million) and 722,376,228 (2010: 711,011,673) shares being the weighted average number of ordinary shares in issue during the period.		
		Net profit/(loss) attributable to ordinary shareholders is reconciled to headline earnings as follows:		
(10.7)	**973.2**	Net profit/(loss) attributable to ordinary shareholders	**7,026.7**	(76.3)
0.4	**(12.8)**	(Profit)/loss on disposal of investments	**(92.6)**	2.5
(0.1)	**2.7**	Taxation effect of profit/(loss) on disposal of investments	**19.5**	(0.4)
(0.7)	**0.4**	Loss/(profit) on disposal of property, plant and equipment	**2.8**	(4.9)
0.1	**(0.1)**	Taxation effect of (loss)/profit on property, plant and equipment	**(0.5)**	1.9
–	**10.0**	Impairment of investments and assets	**71.9**	–
–	**(2.8)**	Taxation effect of impairment of investments and assets	**(20.2)**	–
(11.0)	**970.6**	**Headline earnings/(loss)**	**7,007.6**	(77.2)

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		11. EARNINGS/(LOSS) PER SHARE (continued)		
(2)	**133**	**11.4 Diluted headline earnings/(loss) per share – cents**	**959**	(11)
		Diluted headline earnings/(loss) per share is calculated on the basis of headline earnings attributable to ordinary shareholders of R7,007.6 million (2010: loss of R77.2 million) and 730,787,498 (2010: 719,689,050) shares being the diluted number of ordinary shares in issue during the period.		
		12. DIVIDENDS		
67.4	**73.2**	Six month period ended December 2010 final dividend of 70 cents per share (12 month period ended June 2010: 70 cents) declared on 16 February 2011.	**505.8**	494.4
–	**101.7**	12 month period ended December 2011 interim dividend of 100 cents per share was declared on 11 August 2011.	**723.6**	–
		A final dividend in respect of financial period ended 31 December 2011 of 230 cents per share was approved by the Board of Directors on 16 February 2012. This dividend payable is not reflected in these financial statements.		
		No Secondary Tax on Companies is payable on the dividend declared after period end due to sufficient STC credits available in Gold Fields Limited.		
67.4	**174.9**	**Total dividends**	**1,229.4**	494.4
9	**24**	**Dividends per share – cents**	**170**	70

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
			13. PROPERTY, PLANT AND EQUIPMENT			
			2011			
			Cost			
1,169.7	**12,151.9**	**13,321.6**	Balance at beginning of the period	**89,920.2**	**82,025.0**	**7,895.2**
–	**(333.6)**	**(333.6)**	Reclassifications	**(2,408.8)**	**(2,408.6)**	**(0.2)**
64.0	**1,349.2**	**1,413.2**	Additions	**10,203.2**	**9,741.0**	**462.2**
–	**9.3**	**9.3**	Finance charges capitalised[1]	**66.8**	**66.8**	**–**
(4.9)	**(22.3)**	**(27.2)**	Disposals	**(196.5)**	**(161.0)**	**(35.5)**
–	**6.1**	**6.1**	Other	**44.3**	**44.3**	**–**
69.5	**–**	**69.5**	Changes in estimates of rehabilitation assets	**501.6**	**–**	**501.6**
(97.8)	**(1,410.7)**	**(1,508.5)**	Translation adjustment	**7,155.7**	**6,219.0**	**936.7**
1,200.5	**11,749.9**	**12,950.4**	**Balance at end of the period**	**105,286.5**	**95,526.5**	**9,760.0**
			Accumulated depreciation and impairment			
356.7	**5,076.0**	**5,432.7**	Balance at beginning of the period	**36,670.4**	**34,262.8**	**2,407.6**
–	**(333.6)**	**(333.6)**	Reclassifications	**(2,408.8)**	**(2,408.6)**	**(0.2)**
25.6	**757.8**	**783.4**	Charge for the period	**5,655.9**	**5,471.4**	**184.5**
–	**9.5**	**9.5**	Impairment	**68.3**	**68.3**	**–**
(0.5)	**(16.2)**	**(16.7)**	Disposals	**(120.3)**	**(117.0)**	**(3.3)**
(24.2)	**(610.8)**	**(635.0)**	Translation adjustment	**2,738.2**	**2,419.4**	**318.8**
357.6	**4 882.7**	**5,240.3**	**Balance at end of the period**	**42,603.7**	**39,696.3**	**2,907.4**
842.9	**6 867.2**	**7,710.1**	**Carrying value at end of the period**	**62,682.8**	**55,830.2**	**6,852.6**
			2010			
			Cost			
1,050.3	10,459.2	11,509.5	Balance at beginning of the period	87,127.0	79,176.5	7,950.5
(4.0)	2.8	(1.2)	Reclassifications	(8.7)	20.2	(28.9)
2.8	647.0	649.8	Additions	4,639.8	4,619.7	20.1
–	4.7	4.7	Finance charges capitalised[1]	33.8	33.8	–
(0.4)	(9.6)	(10.0)	Disposals	(71.4)	(68.7)	(2.7)
–	(0.4)	(0.4)	Other	(2.6)	(2.6)	–
(6.1)	–	(6.1)	Changes in estimates of rehabilitation assets	(43.4)	–	(43.4)
127.1	1,048.2	1,175.3	Translation adjustment	(1,754.3)	(1,753.9)	(0.4)
1,169.7	**12,151.9**	**13,321.6**	**Balance at end of the period**	**89,920.2**	**82,025.0**	**7,895.2**
			Accumulated depreciation and impairment			
299.2	4,233.6	4,532.8	Balance at beginning of the period	34,313.6	32,048.8	2,264.8
2.1	(3.3)	(1.2)	Reclassifications	(8.5)	(23.8)	15.3
13.7	375.1	388.8	Charge for the period	2,776.0	2,678.2	97.8
–	(1.3)	(1.3)	Disposals	(9.1)	(9.1)	–
–	3.0	3.0	Other	22.1	22.1	–
41.7	468.9	510.6	Translation adjustment	(423.7)	(453.4)	29.7
356.7	**5,076.0**	**5,432.7**	**Balance at end of the period**	**36,670.4**	**34,262.8**	**2,407.6**
813.0	**7,075.9**	**7,888.9**	**Carrying value at end of the period**	**53,249.8**	**47,762.2**	**5,487.6**

[1] Borrowing costs of R66.8 million (2010: R33.8 million) were capitalised based on group general borrowings which are related to the qualifying projects at South Deep. An average interest capitalisation rate of 3.6% (2010: 2.5%) was applied.

[2] Fleet assets amounting to R656.1 million (US$80.7 million) have been pledged as security for the US$60 million senior secured revolving credit facility.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		14. GOODWILL		
589.0	**660.6**	Balance at beginning of the period	**4,458.9**	4,458.9
71.6	**(112.1)**	Translation adjustment	**–**	–
660.6	**548.5**	**Balance at end of the period**	**4,458.9**	4,458.9

The goodwill arose on the acquisition of South Deep and is attributable to the upside potential of the asset, synergies, 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 2011 calculation include:

- Long-term gold price of R400,000 per kilogram for 2012, R385,000 per kilogram for 2013 and R375,000 per kilogram thereafter (December 2010: R290,000 per kilogram for life of mine);
- A discount rate of between 5.1% and 6.2% (2010: 4.1% and 6.8%); and
- The annual life of mine plan takes into account the following:
  - proved and probable ore reserves of South Deep;
  - value beyond proved and probable reserves determined using appropriate price assumptions;
  - cash flows are based on the life of mine plan which exceeds a period of five years; and
  - capital expenditure estimates over the life of mine plan.

The carrying value of CGUs, including goodwill, is tested on an annual basis for impairment. In addition, the Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount of a CGU may not be recoverable.

Expected future cash flows used to determine the recoverable amount of property, plant and equipment and goodwill are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the spot gold price, foreign currency exchange rates, estimates of production costs, future capital expenditure and discount rates.

It is therefore possible that outcomes within the next financial year that are materially different from the assumptions used in the impairment testing process could require an adjustment to the carrying values.

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UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		15. INVESTMENT IN ASSOCIATES		
14.3	**16.3**	(a) Rand Refinery Limited	**132.3**	96.2
–	**–**	(b) Rusoro Mining Limited	**–**	–
–	**2.1**	(c) Other	**17.3**	–
14.3	**18.4**	**Total investment in associates**	**149.6**	96.2
		(a) Rand Refinery Limited		
		The Group has a 34.9% interest in Rand Refinery Limited, a company incorporated in the Republic of South Africa, which is involved in the refining of bullion and by-products sourced from, inter alia, South African and foreign gold producing mining companies.		
		The investment has been equity accounted since 1 July 2002.		
		Rand Refinery Limited has a 30 September year end and equity accounting is based on results to 30 November 2011.		
34.8	**78.8**	Total revenue of associate	**569.1**	248.8
9.2	**14.3**	Total profit of associate	**103.4**	66.0
		Investment in associate consists of:		
3.3	**3.3**	Unlisted shares at cost	**22.3**	22.3
11.2	**8.9**	Share of accumulated profits brought forward	**73.9**	90.7
(5.4)	**–**	Dividends received	**–**	(38.9)
3.1	**5.0**	Share of profit after taxation	**36.1**	22.1
2.1	**(0.9)**	Translation adjustment	**–**	–
14.3	**16.3**	**Total investment in associate**	**132.3**	96.2
		The Group's interest in the summarised financial statements of Rand Refinery Limited are:		
40.6	**37.5**	Non-current assets	**304.7**	274.2
61.0	**46.0**	Current assets	**373.9**	411.7
101.6	**83.5**	**Total assets**	**678.6**	685.9
7.5	**6.6**	Non-current liabilities	**53.5**	50.7
33.9	**14.2**	Current liabilities	**115.2**	228.7
41.4	**20.8**	**Total liabilities**	**168.7**	279.4
60.2	**62.7**	**Net assets**	**509.9**	406.5
21.0	**21.9**	**Group's interest in the net assets of Rand Refinery**	**178.0**	141.9
		Reconciliation of the total investment in associate with attributable net assets:		
21.0	**21.9**	Net assets	**178.0**	141.9
(1.4)	**(1.4)**	Dividends received	**(8.4)**	(8.4)
(5.3)	**(4.2)**	Fair value adjustment*	**(37.3)**	(37.3)
14.3	**16.3**	**Total investment in associate**	**132.3**	96.2

*The investment in associate was fair valued at 1 July 2002, the date when significant influence was obtained.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		15. INVESTMENT IN ASSOCIATES (continued)		
		(b) Rusoro Mining Limited		
		Gold Fields interest in Rusoro Mining Limited at 31 December 2011 was 26.4% (2010: 26.4%). Rusoro Mining Limited, 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 Mining Limited has a 31 December year end and equity accounting is based on published results to 30 September 2011.		
93.8	**118.6**	Total revenue of associate	**856.3**	670.0
(143.9)	**0.3**	Total profit/(loss) of associate	**2.2**	(1,027.7)
		Investment in associate consists of:		
236.9	**236.9**	Listed shares at fair value at acquisition	**1,604.7**	1,604.7
(18.6)	**(56.8)**	Share of accumulated losses brought forward	**(442.1)**	(169.5)
(187.2)	**(186.3)**	Brought forward – other[1]	**(1,490.9)**	(1,497.6)
(38.2)	**0.1**	Share of profit/(loss) after taxation	**0.7**	(272.6)
0.9	**–**	Other equity movements	**–**	6.7
6.2	**6.1**	Write-back of investment to nil	**49.6**	44.3
–	**–**	Translation adjustment	**278.0**	284.0
–	**–**	**Total investment in associate[2]**	**–**	–
		The Group's interest in the summarised financial statements of Rusoro Mining Limited:		
957.3	**917.8**	Non-current assets	**7,461.7**	6,460.8
69.3	**72.2**	Current assets	**587.0**	467.6
1 026.6	**990.0**	**Total assets**	**8,048.7**	6,928.4
346.9	**208.7**	Non-current liabilities	**1,696.7**	2,341.6
101.8	**133.2**	Current liabilities	**1,082.9**	687.3
448.7	**341.9**	**Total liabilities**	**2,779.6**	3,028.9
1.2	**2.1**	**Non-controlling interest**	**17.1**	8.1
576.7	**646.0**	**Net assets**	**5,252.0**	3,891.4
152.3	**170.7**	**Group's interest in the net assets of Rusoro**	**1,387.6**	1,028.1
		Reconciliation of the total investment in associate with attributable net assets:		
152.3	**170.7**	Net assets	**1,387.6**	1,028.1
6.2	**6.1**	Write-back of investment to nil	**49.6**	44.3
(158.1)	**(158.1)**	Impairment of investment in associate	**(1,262.2)**	(1,262.2)
(0.4)	**(18.7)**	Translation adjustment	**(175.0)**	189.8
–	**–**	**Total investment in associate[2]**	**–**	–
		(c) Other		
–	**2.1**	Timpetra Resource Limited[3]	**17.3**	–
–	**2.1**	**Total investment in associate**	**17.3**	–

[1] Other includes impairment, dilution loss and share of equity investee's other equity movements.

[2] The carrying value of Rusoro was written down to nil at 31 December 2010 due to losses incurred by the entity. The market value at 31 December 2011 and 31 December 2010 were, respectively R106.6 million ($13.1 million) and R345.8 million ($51.3 million).

[3] Represents an holding of 21.8% in Timpetra Resources Limited.

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		16. FINANCIAL INSTRUMENTS PER CATEGORY		
		The accounting policies for financial instruments have been applied to the line items below:		
		(a) Financial assets		
		Loans and receivables		
156.7	**131.6**	– Trade and other receivables	**1,070.2**	1,052.2
809.5	**744.0**	– Cash and cash equivalents	**6,049.0**	5,463.8
		Fair value through profit and loss		
168.6	**161.5**	– Environmental trust funds	**1,313.3**	1,137.9
83.2	**88.4**	– Trade receivables from provisional copper concentrate sales	**718.6**	561.6
		Available for sale		
145.5	**82.5**	– Investments	**671.0**	982.3
		Non-trading derivatives		
54.0	**118.2**	– Financial instruments	**961.0**	371.0
		(b) Financial liabilities		
		Other financial liabilities		
1,398.3	**1,907.7**	– Borrowings	**15,509.4**	9,438.1
589.4	**604.1**	– Trade and other payables	**4,911.8**	3,978.5
		17. INVESTMENTS		
		Listed		
105.5	**88.1**	Cost	**715.2**	712.2
(18.4)	**(18.9)**	Less: Other than temporary impairments	**(158.7)**	(155.1)
37.3	**8.1**	Net unrealised gain on revaluation	**72.0**	282.7
124.4	**77.3**	Carrying value	**628.5**	839.8
124.4	**77.3**	Market value	**628.5**	839.8
		Unlisted		
1.7	**2.6**	Carrying value and directors' valuation	**20.9**	11.6
126.1	**79.9**	**Total listed and unlisted investments**	**649.4**	851.4
19.4	**2.6**	**Loans advanced**	**21.6**	130.9
145.5	**82.5**	**Total investments***	**671.0**	982.3

*All listed investments are classified as available for sale. Details of major investments are given on pages 121 and 122.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		18. ENVIRONMENTAL TRUST FUNDS		
133.8	**168.6**	Balance at beginning of the period	**1,137.9**	1,012.5
13.3	**14.6**	Contributions	**105.3**	95.0
4.3	**9.7**	Interest earned	**70.1**	30.4
17.2	**(31.4)**	Translation adjustment	**–**	–
168.6	**161.5**	**Balance at end of the period**	**1,313.3**	1,137.9
		The trust fund consists of term deposits amounting to R996.3 million (2010: R810.3 million), as well as inflation and equity linked securities amounting to R317.0 million (2010: R327.6 million). The proceeds from these funds are intended to fund environmental rehabilitation obligations of the Group's South African mines and they are not available for general purposes of the Group. All income earned on these funds is re-invested 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 25.2).		
		19. INVENTORIES		
187.7	**264.0**	Gold-in-process	**2,146.1**	1,266.7
156.4	**205.5**	Consumable stores	**1,670.8**	1,055.8
10.6	**1.6**	Other	**13.2**	71.5
354.7	**471.1**	**Total inventories**	**3,830.1**	2,394.0
		The cost of consumable stores consumed during the period and included in working cost amounted to R5,974.0 million or US$827.4 million (2010: R2,607.1 million or US$365.1 million).		
		20. TRADE AND OTHER RECEIVABLES		
168.8	**169.7**	Trade receivables – gold sales and copper concentrate	**1,379.7**	1,139.6
32.4	**23.7**	Trade receivables – other	**192.8**	219.0
0.2	**0.1**	Deposits	**0.5**	1.1
0.7	**0.4**	Interest receivable	**3.1**	4.9
13.3	**12.6**	Payroll receivables	**102.5**	90.1
24.7	**79.8**	Prepayments	**648.9**	166.6
92.9	**65.3**	Value added tax	**530.8**	626.8
0.8	**1.1**	Diesel rebate	**8.7**	5.4
23.7	**12.4**	Other	**101.5**	153.7
357.5	**365.1**	**Total trade and other receivables**	**2,968.5**	2,407.2

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		21. FINANCIAL INSTRUMENTS		
54.0	**111.4**	Payment for Far South East (FSE)[1]	**905.6**	371.0
–	**6.8**	Payment for Bezant[2]	**55.4**	–
54.0	**118.2**	**Total financial instruments**	**961.0**	371.0

[1] Gold Fields paid R69.0 million (US$10.0 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 R534.6 million (US$66.0 million) during the 12 months ended 31 December 2011 and R302.0 million (US$44.0 million) during the six 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.

[2] Gold Fields entered into an option agreement with Bezant Resources PLC (Bezant) to acquire the entire issued share capital of Asean Copper Investments Limited, a wholly owned subsidiary of Bezant, which is incorporated in the British Virgin Islands. Asean holds Bezant's entire interest in the Guinaoang porphyry copper-gold deposit (the Mankayan project) located on the Luzon Island in the Philippines. Subsequent to approval being obtained from Bezant's shareholders, Gold Fields paid an upfront non-refundable option fee of R55.4 million (US$7.0 million) to Bezant Resources PLC and now has the option to acquire the entire issued share capital of Asean for US$63.0 million. The option can be exercised from the date upon which it is granted until expiry on 31 January 2013.

The above financial instruments do not have quoted market prices and fair values cannot be measured reliably, therefore they are carried at cost.

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		22. CASH AND CASH EQUIVALENTS		
809.5	**744.0**	Cash at bank and on hand	**6,049.0**	5,463.8
809.5	**744.0**	**Total cash and cash equivalents**	**6,049.0**	5,463.8

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		23. 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		
2,029.2	**1,954.6**	– Mining assets	**15,891.1**	13,697.1
59.3	**55.8**	– Investment in environmental trust funds	**453.4**	400.2
6.6	**3.0**	– Investments	**24.2**	44.6
6.0	**7.0**	– Inventories	**57.3**	40.5
22.2	**9.9**	– Deferred stripping costs	**80.2**	150.0
25.3	**40.3**	– Other	**327.2**	170.5
2,148.6	**2,070.6**	**Liabilities**	**16,833.4**	14,502.9
		Assets		
(133.9)	**(149.0)**	– Provisions	**(1,211.3)**	(903.5)
(320.0)	**(203.4)**	– Tax losses	**(1,653.4)**	(2,159.8)
(648.6)	**(630.0)**	– Unredeemed capital expenditure	**(5,121.6)**	(4,378.2)
(1,102.5)	**(982.4)**	**Assets**	**(7,986.3)**	(7,441.5)
1,046.1	**1,088.2**	**Net deferred taxation liabilities**	**8,847.1**	7,061.4
		Included in the statement of financial position as follows:		
(111.6)	**(114.4)**	Deferred taxation assets	**(930.4)**	(753.1)
1,157.7	**1,202.6**	Deferred taxation liabilities	**9,777.5**	7,814.5
1,046.1	**1,088.2**	**Net deferred taxation liabilities**	**8,847.1**	7,061.4
943.6	**1,046.1**	Balance at beginning of the period	**7,061.4**	7,142.7
7.5	**163.9**	Transferred through the income statement	**1,183.6**	53.2
2.3	**(2.8)**	Deferred tax on marked-to-market adjustments accounted for in equity	**(19.9)**	16.5
92.7	**(119.0)**	Translation adjustment	**622.0**	(151.0)
1,046.1	**1,088.2**	**Balance at end of the period**	**8,847.1**	7,061.4

24. BORROWINGS

(a) US$1 billion notes issued

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 was unconditionally and irrevocably guaranteed by Gold Fields Limited ("Gold Fields"), GFI Mining South Africa (Proprietary) Limited ("GFIMSA"), 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.

(b) Split-tenor revolving credit facility

On 16 May 2007, GFIMSA, 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 has since expired, as explained below.

Borrowings under the Split-tenor facility are guaranteed by Gold Fields, GFIMSA, GF Holdings, Orogen, GFO and Newshelf 899 (Proprietary) Limited ("Newshelf").

Gold Fields pays a quarterly commitment fee of 0.09% on any undrawn amounts under Facility B. Borrowings under Facility A bore interest at LIBOR plus a margin of 0.25% per annum while borrowings under Facility B bear interest at LIBOR plus a margin of 0.30% per annum.

Where the total utilisation under Facility A was equal to or greater than 50% of the amounts available, a utilisation fee of 0.05% per annum was payable on the total amount of utilisation. The utilisation fee was payable quarterly in arrears.

On 28 April 2008, Gold Fields exercised the term out option under Facility A which converted the full US$250 million advance at that point into a term loan with a final maturity date of 16 May 2009. In terms of the facility agreement, Gold Fields had the option to repay the loan under Facility A early in whole or in part by giving five days' prior notice. Facility A was repaid in full on 15 May 2009. Facility B matures on 16 May 2012. The purpose of the facility was to refinance existing facilities and for general corporate purposes.

On 30 June 2010, Orogen had borrowed R3,255.1 million (US$430.0 million) under Facility B.

On 26 August 2010, Orogen drew down a further R492.1 million (US$70.0 million) and on 8 October 2010, repaid the full R3,435.0 million (US$500.0 million) drawn under Facility B from the proceeds of the $1 billion notes issue.

On 22 March 2011, Orogen drew down R2,906.4 million (US$420.0 million) to fund the acquisition of the non-controlling interest in Gold Fields La Cima ("La Cima"). On 26 May 2011, Orogen repaid R275.5 million (US$40.0 million). On 22, June 2011, Orogen drew down R826.8 million (US$120.0 million) under this facility to partially fund the acquisition of IAMGold's 18.9% stake in the Ghanaian operations.

The outstanding borrowings of Orogen, all under Facility B, at 31 December 2011 were R4,065.0 million (US$500.0 million) and at 31 December 2010 Rnil (US$nil).

24. BORROWINGS (continued)

(c) US$1 billion syndicated revolving credit facility

On 20 June 2011, GFIMSA, 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 is 20 June 2016.

The facility bears interest at LIBOR plus a margin of 1.20% per annum. Where the utilisation under the facility is greater than 33 1/3% and less than or equal to 66 2/3%, a utilisation fee of 0.20% per annum will be payable on the amount of utilisations. Where the utilisation under the facility is greater than 66 2/3%, a utilisation fee of 0.40% 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 0.42% per annum.

On 22 June 2011, Orogen drew down R3,100.5 million (US$450.0 million) under this facility to partially fund the acquisition of IAMGold's 18.9% stake in the Ghanaian operations. On 22 August 2011 and 22 September 2011, Orogen repaid R537.9 million (US$75.0 million) and R850.5 million (US$105.0 million) respectively under this facility. On 16 November 2011, Orogen drew down R280.5 million (US$33.0 million). The amount of R268.3 million (US$33.0 million) was repaid on 19 December 2011. In addition, Orogen repaid R406.5 million (US$50.0 million) on 23 December 2011 under this facility.

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

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

(d) 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 12 month period ended 31 December 2011 La Cima repaid R300.4 million (US$40.0 million) and during the six month period ended 31 December 2010, La Cima repaid R67.5 million (US$10.0 million), all in accordance with the agreement terms. The outstanding balance under this facility at 31 December 2011 and 31 December 2010 was R1,219.5 million (US$150.0 million) and R1,282.5 million (US$190.0 million), respectively.

(e) 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.

24. BORROWINGS (continued)

(e) US$60 million senior secured revolving credit facility (continued)

Borrowings under the facility are guaranteed by GF Ghana and Abosso. Borrowings under this facility are also secured by the registration of security over certain fleet vehicles owned by GF Ghana and Abosso ("Secured Assets"). In addition, the lenders are noted as first loss payees under the insurance contracts in respect of the Secured Assets and are assigned the rights under the maintenance contracts between certain suppliers of the Secured Assets. This facility is non-recourse to the rest of the Gold Fields Group.

On 25 February 2011, Abosso drew down R138.4 million (US$20.0 million) under this facility and subsequently repaid the full loan of R138.5 million (US$20.0 million) on various dates of which the last payment was on 26 July 2011. On 28 November 2011, GF Ghana drew down R406.5 million (US$50.0 million). The outstanding borrowings for GF Ghana on 31 December 2011 was R406.5 million (US$50.0 million).

(f) Project finance facility

On 14 November 2006, La Cima entered into a US$150 million project finance facility agreement ("the Project Finance Facility") with a number of lenders. The terms of the Project Finance Facility were an upfront arrangement fee of 1.2% and a margin over LIBOR of 0.45% during the pre-completion phase and between 1.25% and 1.75% thereafter. The purpose of the facility was to finance the project costs related to the development of the Cerro Corona copper-gold porphyry deposit located in the Hualgayoc province in the Cajamarca region in northern Peru.

Scheduled principal payments were in 16 semi-annual instalments of various amounts ranging from 4.75% to 6.75 % of the principal amount, beginning on 30 June 2009. The final instalment was due on the 10th anniversary of the signing date. The Project Finance Facility was secured by, among other things, pledges of mortgages over the assets and properties of La Cima. La Cima could elect to make prepayments and had to make prepayments in certain circumstances, including with the proceeds of any bond issuances up to a maximum of US$100 million.

As of 30 June 2010, the total outstanding borrowings under this facility were R757.0 million (US$100.0 million). Under the terms of the Project Finance Facility, all payments from the Peruvian operations to any Gold Fields Group entities were restricted until the Project Finance Facility had been repaid in full.

In accordance with the facility agreement, the completion date (i.e. the date on which the Guarantees fall away and the facility becomes non-recourse) had to occur before 14 November 2010. However, La Cima repaid the full amount outstanding of R705.1 million (US$100.0 million) under this facility on 16 September 2010, from which date the security granted by La Cima in connection with this facility, was released. The facility was cancelled on the same date. The repayment was made from cash generated by operations.

(g) Preference shares

On 24 December 2007, Gold Fields issued R1,200.0 million (US$165.1 million at the exchange rate in effect on the date of issuance) of non-convertible redeemable preference shares ("the Preference shares"). The dividend rate payable was a floating rate that increased from 22% up to 54% of the prime lending rate quoted by FirstRand Bank Limited ("the Prime Rate") over the life of the Preference Shares.

In certain circumstances, the dividend rate increased up to 61% of the Prime Rate if the Preference Shares were redeemed before their scheduled maturity date and the dividend rate was also subject to adjustment in the case of a change in law or regulation. Dividends accrued quarterly and were rolled up until the redemption date. The Preference Shares could be redeemed by the issuer in the event the dividend rate was adjusted according to the terms of the Preference Shares, or at any time on a 14 days notice. The proceeds of the issuance of the Preference Shares were used to refinance a portion the split-tenor facility. The Preference Shares were to mature on 24 January 2011 and payment in full of all dividends, redemption amounts, costs and expenses became payable.

The Preference Shares were guaranteed by GFIMSA, Orogen, GFO, Newshelf and GF Holdings.

On 10 October 2008, R600 million (US$61.1 million) of the R1,200.0 million (US$165.1 million) Preference Shares was repaid, with a preference dividend of R23.2 million (US$2.4 million).

The remaining balance at 30 June 2010 was R728.9 million (US$96.3 million), consisting of capital of R600.0 million (US$79.3 million) and a preference dividend of R128.9 million (US$17.0 million).

24. BORROWINGS (continued)

(g) Preference shares (continued)

On 15 December 2010, Gold Fields declared and paid R133.4 million (US$19.3 million) of the preference dividend. On the same date, the redemption date of 24 January 2011 was extended to 15 September 2011. The Preference Shares were however redeemable earlier on a date as agreed between the holder and Gold Fields.

The remaining balance as at 31 December 2010 was R617.1 million (US$91.4 million), consisting of capital of R600.0 million (US$88.9 million) and a preference dividend of R17.1 million (US$2.5 million).

On 31 March 2011, the entire outstanding balance of Preference Shares of R600.0 million (US$88.5 million) was redeemed in full with a preference dividend of R9.9 million (US$1.5 million).

(h) Commercial paper loan

Gold Fields established a R10 billion Domestic Medium-Term Note Programme ("the DMTN Programme") on 6 April 2009. Under the DMTN Programme, Gold Fields may from time to time issue notes denominated in any currency. The notes are subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all notes from time to time outstanding may not exceed R10 billion (US$1.2 billion). The DMTN Program has been registered with the bond market of the JSE and the notes issued can be listed on the JSE or not.

The outstanding issued notes under the DMTN Programme at 30 June 2010 were R3,602.0 million (US$475.8 million).

Under the DMTN Programme, Gold Fields issued listed notes totalling Rnil million (US$nil million) in the 12 month period ended 31 December 2011 and R1,825.0 million (US$248.0 million) in the six month period ended 31 December 2010 and settled listed maturing notes totalling R735.0 million (US$105.3 million) in the 12 month period ended 31 December 2011 and R4,692.0 million (US$659.6 million) in the six month period ended 31 December 2010. The different notes issued matured three, six or 12 months from date of issue and bore interest at JIBAR plus a margin ranging from 0.56% to 1.00% per annum, except for notes with a carrying value of R300 million which were at a fixed rate of 8.48%.

The outstanding issued notes under the DMTN Programme at 31 December 2011 were Rnil million (US$nil million) and at 31 December 2010 R735.0 million (US$108.9 million).

Notes under the programme are guaranteed by GFIMSA, GF Holdings, Orogen and GFO.

(i) Scrip Loan

On 26 March 2010, GFL Mining Services ("GFLMS") entered into a Scrip Lending agreement in terms of which GFLMS agreed to lend three million of its securities in Mvelaphanda Resources Limited for an initial cash collateral of R144.1 million (US$19.5 million). The market value of the collateral delivered by the bank to GFLMS on each settlement date was to represent not less than the market value of the loaned securities on that date together with a margin of 5% per annum.

The agreement provided for the substantial risks and rewards on ownership inherent in the securities to be retained by GFLMS (i.e. equity price risk) and as a consequence, GFLMS had transferred the legal right to receive cash flows (dividends) on the securities loaned. In the event of unbundling of the assets of Mvelaphanda before the termination date, the agreement would terminate within 30 days of such unbundling. GFLMS would be entitled to receive the unbundled assets. The agreement would have terminated on 26 March 2011.

Mvelaphanda unbundled certain of its assets early in 2011 and in accordance with the terms of the agreement, the loaned and the unbundled securities were returned and the collateral was repaid on 28 February 2011. A new Scrip Lending agreement was entered into between the parties with the same terms and conditions as the original agreement, whereby GFLMS agreed to lend three million of its securities in Mvelaphanda Resources Limited for a cash collateral of R127.0 million (US$18.2 million). The loaned securities were returned and the collateral was repaid on 5 April 2011 and the new agreement was cancelled on the same date.

Interest on the cash collateral held was calculated based on one month JIBAR rate and accrued daily and was compounded monthly in arrears. The first interest settlement was on 24 June 2010. The next interest payment date was on final settlement of the loan.

The outstanding balance under the Scrip Loan at 31 December 2011 was Rnil (US$nil) and at 31 December 2010 R144.1 million (US$21.4 million).

24. BORROWINGS (continued)

(j) Other loans

Other short-term 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 draw downs were R400.0 million (US$56.7 million) and R290.0 million (US$39.4 million) respectively during the period ended 31 December 2011 and the six months ended 31 December 2010. The total repayments were R400.0 million (US$56.7 million) and R290.0 million (US$41.9 million) respectively during the period ended 31 December 2011 and the six months ended 31 December 2010.

US$450 million syndicated revolving loan facility

On 12 May 2010, GFIMSA, Orogen and GFO entered into a US$450 million syndicated revolving loan facility with an option to increase the facility to US$550 million within six months from signing date. The option to increase the facility to US$550 million was not exercised. 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 30 September 2013.

The facility bore interest at LIBOR plus a margin of 1.75% per annum. Where the utilisation under the facility was equal to or greater than 50%, a utilisation fee of 0.25% per annum would have been payable on the amount of utilisation. Such utilisation fee was payable quarterly in arrears. The borrowers were required to pay a quarterly commitment fee of 0.70% per annum. The facility was unutilised at 31 December 2010. The facility was cancelled and replaced on 22 June 2011 with the new US$1 billion revolving credit facility.

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

Other rand long-term revolving credit facilities

GFIMSA and GFO entered into separate revolving credit facilities. The total of the facilities entered into were R3.5 billion (US$430.5 million) at 31 December 2011 and R3.0 billion (US$444.4 million) at 31 December 2010. These facilities have tenors ranging between three and five years. The purpose of the facilities is to finance capital expenditure, general corporate and working capital requirements and to refinance existing debt. These facilities were unutilised at and during the periods ended 31 December 2011 and 31 December 2010.

The borrowers are required to pay a commitment fee of between 0.65% and 0.90% per annum on the undrawn and uncancelled amounts of the facilities, calculated and payable either quarterly or semi-annually in arrears.

In summary the facilities are:

- a R1.0 billion (US$123.0 million) revolving credit facility entered into on 9 December 2009 and maturing on 17 December 2012 at JIBAR plus 3.00%;
- a R500.0 million (US$61.5 million) revolving credit facility entered into on 8 March 2010 and maturing on 10 March 2013 at JIBAR plus 2.85%;
- a R1.5 billion (US$184.5 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$246.0 million) revolving credit facility on 19 December 2011; and
- a R2.0 billion (US$246.0 million) revolving credit facility entered into on 19 December 2011 and maturing on 17 December 2016 at JIBAR plus 1.95%.

Borrowings under these facilities are guaranteed by Gold Fields, GF Holdings, GFO, Orogen, Newshelf and GFIMSA.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		24. BORROWINGS (continued)		
		(a) US$1 billion notes issue		
–	**986.6**	Balance at beginning of the period	**6,659.4**	–
1,000.0	**–**	Loan advanced	**–**	6,869.7
(13.6)	**–**	Transaction costs	**–**	(93.4)
0.2	**1.1**	Unwinding of transaction costs	**7.9**	1.4
–	**–**	Translation adjustment	**1,362.7**	(118.3)
986.6	**987.7**	Balance at end of the period	**8,030.0**	6,659.4
		(b) Split-tenor revolving credit facility		
430.0	**–**	Balance at beginning of the period	**–**	3,255.1
70.0	**540.0**	Loans advanced	**3,733.2**	492.1
(500.0)	**(40.0)**	Repayments	**(275.5)**	(3,435.0)
–	**–**	Translation adjustment	**607.3**	(312.2)
–	**500.0**	Balance at end of the period	**4,065.0**	–
		(c) US$1 billion syndicated revolving credit facility		
–	**–**	Balance at beginning of the period	**–**	–
–	**483.0**	Loans advanced	**3,381.0**	–
–	**(263.0)**	Repayments	**(2,063.2)**	–
–	**–**	Translation adjustment	**470.6**	–
–	**220.0**	Balance at end of the period	**1,788.4**	–
		(d) US$200 million non-revolving senior secured term loan		
–	**190.0**	Balance at beginning of the period	**1,282.5**	–
200.0	**–**	Loan advanced	**–**	1,406.0
(10.0)	**(40.0)**	Repayments	**(300.4)**	(67.5)
–	**–**	Translation adjustment	**237.4**	(56.0)
190.0	**150.0**	Balance at end of the period	**1,219.5**	1,282.5
		(e) US$60 million senior secured revolving credit facility		
–	**–**	Balance at beginning of the period	**–**	–
–	**70.0**	Loans advanced	**544.9**	–
–	**(20.0)**	Repayments	**(138.5)**	–
–	**–**	Translation adjustment	**0.1**	–
–	**50.0**	Balance at end of the period	**406.5**	–
		(f) Project finance facility		
100.0	**–**	Balance at beginning of the period	**–**	757.0
(100.0)	**–**	Repayments	**–**	(705.1)
–	**–**	Translation adjustment	**–**	(51.9)
–	**–**	Balance at end of the period	**–**	–
		(g) Preference shares		
96.3	**91.4**	Balance at beginning of the period	**617.1**	728.9
3.0	**1.3**	Interest accrued	**9.2**	21.6
(19.3)	**(90.0)**	Repayments	**(609.9)**	(133.4)
–	**(2.3)**	Other	**(16.4)**	–
11.4	**(0.4)**	Translation adjustment	**–**	–
91.4	**–**	Balance at end of the period	**–**	617.1

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		24. BORROWINGS (continued)		
		(h) Commercial paper loan		
475.8	**108.9**	Balance at beginning of the period	**735.0**	3,602.0
248.0	**–**	Loans advanced	**–**	1,825.0
(659.6)	**(105.3)**	Repayments	**(735.0)**	(4,692.0)
44.7	**(3.6)**	Translation adjustment	**–**	–
108.9	**–**	Balance at end of the period	**–**	735.0
		(i) Scrip loan		
19.0	**21.4**	Balance at beginning of the period	**144.1**	144.1
–	**0.3**	Interest accrued	**2.0**	–
–	**18.2**	Loan advanced	**127.0**	–
–	**(39.6)**	Repayments	**(273.1)**	–
2.4	**(0.3)**	Translation adjustment	**–**	–
21.4	**–**	Balance at end of the period	**–**	144.1
		(j) Other loans		
–	**–**	Balance at beginning of the period	**–**	–
39.4	**56.7**	Loans advanced	**400.0**	290.0
(41.9)	**(56.7)**	Repayments	**(400.0)**	(290.0)
2.5	**–**	Translation adjustment	**–**	–
–	**–**	Balance at end of the period	**–**	–
1,398.3	**1,907.7**	**Gross borrowings**	**15,509.4**	9,438.1
(261.7)	**(547.0)**	Current portion of borrowings	**(4,447.1)**	(1,766.2)
1,136.6	**1,360.7**	**Total non-current borrowings**	**11,062.3**	7,671.9
		The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:		
367.3	**920.0**	Six months or less	**7,479.4**	2,478.7
1,031.0	**987.7**	Fixed rate with no exposure to repricing	**8,030.0**	6,959.4
1,398.3	**1,907.7**		**15,509.4**	9,438.1
		The carrying amounts of the Group's borrowings are denominated in the following currencies:		
1,176.6	**1,907.7**	US dollar	**15,509.4**	7,941.9
221.7	**–**	Rand	**–**	1,496.2
1,398.3	**1,907.7**		**15,509.4**	9,438.1
		The Group has the following undrawn borrowing facilities:		
1,394.4	**1,220.5**	Committed	**9,922.7**	9,412.5
291.3	**208.6**	Uncommitted	**1,696.0**	1,966.2
1,685.7	**1,429.1**		**11,618.7**	11,378.7
		All of the above facilities have floating rates. The uncommitted facilities have no expiry dates and are open ended. Committed facilities have the following expiry dates:		
–	**133.0**	– within one year	**1,081.3**	–
648.1	**61.5**	– later than one year and not later than two years	**500.0**	4,375.0
524.1	**–**	– later than two years and not later than three years	**–**	3,537.5
222.2	**1,026.0**	– later than three years and not later than five years	**8,341.4**	1,500.0
1,394.4	**1,220.5**		**9,922.7**	9,412.5

Figures in millions unless otherwise stated

UNITED STATES DOLLAR				SOUTH AFRICAN RAND	
2010	2011			2011	2010
		25.	**PROVISIONS**		
2.7	**2.1**	25.1	Post-retirement health care costs	**16.8**	18.0
336.5	**392.4**	25.2	Environmental rehabilitation costs	**3,190.3**	2,271.2
19.7	**13.5**	25.3	South Deep dividend	**110.0**	133.2
358.9	**408.0**		**Total provisions**	**3,317.1**	2,422.4
		25.1	**Post-retirement health care costs**		
2.6	**2.1**	(a)	Gold Fields Group (excluding South Deep) post-retirement health care costs	**16.8**	17.1
0.1	**–**	(b)	South Deep post-retirement health care costs	**–**	0.9
2.7	**2.1**		**Gold Fields Group post-retirement health care costs**	**16.8**	18.0
		(a)	**Gold Fields Group (excluding South Deep) post-retirement health care costs**		
			The Group has certain liabilities to subsidise the contributions payable by certain pensioners and dependants of ex-employees on a pay-as-you-go basis. The remaining obligation was actuarially valued at 31 December 2011 and the outstanding contributions will be funded over the lifetime of these pensioners and dependants.		
			The following table sets forth the funded status and amounts recognised by the Group for post-retirement health care costs:		
2.6	**2.1**		Actuarial present value	**16.8**	17.1
–	**–**		Plan assets at fair value	**–**	–
2.6	**2.1**		Accumulated benefit obligation in excess of plan asset	**16.8**	17.1
–	**–**		Unrecognised prior service costs	**–**	–
–	**–**		Unrecognised actuarial (gains)/losses	**–**	–
2.6	**2.1**		**Post-retirement health care liability**	**16.8**	17.1
			Benefit obligation reconciliation		
2.7	**2.6**		Balance at beginning of the period	**17.1**	20.8
(0.1)	**0.1**		Interest charge	**0.9**	(0.7)
(0.4)	**(0.2)**		Payments	**(1.2)**	(3.0)
0.4	**(0.4)**		Translation adjustment	**–**	–
2.6	**2.1**		**Balance at end of the period**	**16.8**	17.1

The obligation has been valued using the projected unit credit funding method on past service liabilities. The valuation assumes a health care cost inflation rate of 8.0% per annum (2010: 8.0%) and a discount rate of 8.75% per annum (2010: 8.75%). Assumed health care cost trend rates have a significant impact on the amounts reported for the health care plans.

A one percentage point increase in assumed health care trend rates would have increased interest cost for the period to December 2011 by R0.2 million (10.8%) (2010: R0.1 million (10.4%)). The effect of this change on the accumulated post-retirement health care benefit obligation at 31 December 2011 would have been an increase of R1.8 million (10.5%) (2010: R1.8 million (10.4%)).

A one percentage point decrease in assumed health care trend rates would have decreased interest cost for the period to 31 December 2011 by R0.1 million (9.2%) (2010: R0.1 million (8.9%)). The effect of this change on the accumulated post-retirement health care benefit obligation at 31 December 2011 would have been a decrease of R1.5 million (8.9%) (2010: R1.5 million (8.8%)).

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		25. PROVISIONS (continued)		
		25.1 Post-retirement health care costs (continued)		
		(b) South Deep post-retirement health care costs		
		As part of the acquisition of South Deep, the post-retirement health care cost liability was assumed. The Group has certain liabilities to provide fixed monthly post-retirement medical benefits to certain pensioners and dependants of ex-employees. The outstanding contributions were funded until 31 December 2011 and the post-retirement health care cost liability has been extinguished.		
		The following table sets forth the funded status and amounts recognised by the Group for post-retirement health care costs:		
0.1	**–**	Actuarial present value	**–**	0.9
–	**–**	Plan assets at fair value	**–**	–
0.1	**–**	Accumulated benefit obligation in excess of plan assets	**–**	0.9
–	**–**	Unrecognised prior service costs	**–**	–
–	**–**	Unrecognised actuarial (gains)/losses	**–**	–
0.1	**–**	**Post-retirement health care liability**	**–**	0.9
		Benefit obligation reconciliation		
0.2	**0.1**	Balance at beginning of the period	**0.9**	1.3
(0.1)	**(0.1)**	Payments	**(0.9)**	(0.4)
–	**–**	Translation adjustment	**–**	–
0.1	**–**	**Balance at end of the period**	**–**	0.9

The obligation has been valued using the projected unit credit funding method on past service liabilities. The valuation assumes a health care cost inflation rate of 8.0% per annum (2010: 8.0%) and a discount rate of 8.75% per annum (2010: 8.75%).

An increase or decrease in assumed health care trend rates would not have affected the interest cost for the periods to 31 December 2011 and 31 December 2010 as the monthly contributions are fixed.

A change in the medical inflation assumption does not affect the employer liability as the subsidy does not escalate. The monthly contributions will remain constant.

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		25. PROVISIONS (continued)		
		25.2 Environmental rehabilitation costs		
303.2	**336.5**	Balance at beginning of the period	**2,271.2**	2,295.5
(7.5)	**70.3**	Changes in estimates*	**507.3**	(53.3)
8.0	**14.8**	Inflation charge	**106.5**	57.4
3.3	**8.0**	Interest charge	**57.8**	23.3
(2.1)	**(1.6)**	Payments	**(11.7)**	(15.3)
31.6	**(35.6)**	Translation adjustment	**259.2**	(36.4)
336.5	**392.4**	**Balance at end of the period#**	**3,190.3**	2,271.2

*Changes in estimates are defined as changes in reserves and corresponding changes in life of mine as well as changes in laws and regulations governing environmental matters.

#South African, Ghanaian, Australian and Peruvian mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. These environmental rehabilitation costs are funded as follows:

- Ghana – reclamation bonds underwritten by banks to secure estimated costs of rehabilitation;
- South Africa – contributions into environmental trust funds (Note 18);
- 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.

2010			2011	
Discount rate	Inflation rate	The provision is calculated using the following rates:	Discount rate	Inflation rate
5.5% – 7.9%	3.6% – 5.9%	South Africa	**6.2% – 7.7%**	**5.6% – 6.5%**
7.5%	5.0%	Ghana	**8.5%**	**7.5%**
6.2%	3.0%	Australia	**4.8% – 5.0%**	**3.5%**
5.3%	2.0%	Peru	**4.2%**	**3.0%**

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		25. PROVISIONS (continued)		
		25.3 South Deep dividend		
22.4	**16.9**	Total provision	**137.3**	151.4
(2.7)	**(3.4)**	Current portion included in trade and other payables	**(27.3)**	(18.2)
–	**–**	Translation adjustment	**–**	–
19.7	**13.5**	**Balance at end of the period**	**110.0**	133.2

Under the South Deep transaction, a wholly owned subsidiary company of Gold Fields was created to acquire the South Deep asset from GFIMSA. GFIMSA is a wholly owned subsidiary of Gold Fields. The new company then issued 10 million "B" ordinary shares representing 10.0% of South Deep's net worth to a BEE consortium. The "B" ordinary shares are entitled to a dividend of R2 per share and are convertible to "A" ordinary shares over a 20 year period from the effective date of 6 December 2010. "B" ordinary shares convert one-third after 10 years and a third thereafter on each fifth year anniversary. This dividend represents the liability of Gold Fields to the "B" ordinary shareholders and was valued at R151.4 million, of which R21.4 million was declared on 3 February 2011 and R27.3 million (2010: R18.2 million) is classified as a short-term portion under trade and other payables.

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		26. TRADE AND OTHER PAYABLES		
206.1	**196.3**	Trade payables	**1,595.7**	1,391.0
379.2	**396.8**	Accruals and other payables	**3,226.7**	2,560.1
71.8	**68.3**	Leave pay accrual	**555.6**	484.7
4.1	**11.0**	Interest payable on loans	**89.4**	27.4
661.2	**672.4**	**Total trade and other payables**	**5,467.4**	4,463.2

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		27. CASH GENERATED BY OPERATIONS		
50.8	**1,081.2**	Profit for the period	**7,806.3**	362.9
167.0	**600.4**	Mining and income tax	**4,335.1**	1,192.1
43.3	**149.7**	Royalties	**1,081.0**	309.4
33.4	**62.3**	Interest paid	**449.4**	238.4
(8.6)	**(15.2)**	Interest received	**(109.5)**	(61.5)
–	**(0.5)**	Dividends received	**(3.4)**	–
285.9	**1,877.9**	**Earnings before non-cash items**	**13,558.9**	2,041.3
		Non-cash and other adjusting items:		
388.8	**783.4**	Amortisation and depreciation	**5,655.9**	2,776.0
8.0	**14.8**	Inflation adjustment to rehabilitation liability	**106.5**	57.4
3.3	**8.0**	Interest adjustment to rehabilitation liability	**57.8**	23.3
(4.3)	**(9.7)**	Interest received – environmental trust funds	**(70.1)**	(30.4)
–	**10.0**	Impairment of investments and assets	**71.9**	–
(0.7)	**0.4**	Loss/(profit) on disposal of property, plant and equipment	**2.8**	(4.9)
0.4	**(12.8)**	(Profit)/loss on disposal of investments	**(92.6)**	2.5
27.0	**66.4**	Share-based payments	**479.3**	192.9
297.6	**–**	Share-based payments on BEE transactions	**–**	2,124.8
3.0	**1.3**	Preference share interest	**9.2**	21.6
(4.7)	**(9.3)**	Finance costs capitalised	**(66.8)**	(33.8)
28.9	**(4.0)**	Share of results of associates after taxation	**(29.1)**	206.6
0.8	**2.0**	Other	**15.9**	5.4
1,034.0	**2,728.4**	**Total cash generated by operations**	**19,699.6**	7,382.7
		28. CHANGE IN WORKING CAPITAL		
(30.4)	**(122.2)**	Inventories	**(882.4)**	(217.0)
(21.2)	**23.5**	Trade and other receivables	**169.7**	(151.7)
58.4	**62.8**	Trade and other payables	**453.3**	417.4
6.8	**(35.9)**	**Total change in working capital**	**(259.4)**	48.7
		29. ROYALTIES PAID		
(30.0)	**(28.9)**	Amount owing at beginning of the period	**(194.9)**	(227.3)
(43.3)	**(149.7)**	Royalties	**(1,081.0)**	(309.4)
28.9	**53.5**	Amount owing at end of the period	**434.9**	194.9
–	**–**	Translation adjustment	**(32.1)**	9.9
(44.4)	**(125.1)**	**Total royalties paid**	**(873.1)**	(331.9)
		30. TAXATION PAID		
(74.3)	**(127.2)**	Amount owing at beginning of the period	**(858.7)**	(562.6)
(159.5)	**(436.5)**	SA and foreign current taxation	**(3,151.5)**	(1,138.9)
127.2	**210.9**	Amount owing at end of the period	**1,714.2**	858.7
–	**–**	Translation adjustment	**(167.2)**	60.2
(106.6)	**(352.8)**	**Total taxation paid**	**(2,463.2)**	(782.6)

Notes to the consolidated financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
2010	2011		2011	2010
		31. RETIREMENT BENEFITS		
		All employees are members of various defined contribution retirement schemes.		
		Contributions to the various retirement schemes are fully expensed during the period in which they are incurred. The cost of providing retirement benefits for the period amounted to R633.6 million (2010: R305.5 million).		
		32. COMMITMENTS		
		Capital expenditure		
1,291.6	**1,243.1**	**Authorised**	**10,105.2**	8,717.9
375.2	**373.7**	KDC	**3,037.9**	2,532.4
96.8	**87.1**	Beatrix	**708.5**	653.3
573.4	**433.1**	South Deep	**3,520.7**	3,870.7
67.7	**126.5**	Ghana – Tarkwa	**1,028.4**	457.0
53.1	**16.9**	Ghana – Damang	**137.4**	358.4
44.0	**44.7**	Peru	**363.4**	297.0
22.3	**150.3**	Australia – St Ives	**1,221.8**	150.3
59.0	**10.4**	Australia – Agnew	**84.2**	398.1
0.1	**0.4**	Other	**2.9**	0.7
167.4	**245.7**	**Contracted for**	**1,997.9**	1,130.2
		Operating leases		
1.7	**2.4**	– within one year	**19.3**	11.6
0.2	**5.5**	– later than one and not later than five years	**45.1**	1.1
2.2	**1.7**	**Guarantees and other commitments**	**14.1**	14.9

33. CONTINGENT LIABILITIES

Randgold & Exploration summons

On 21 August 2008, Gold Fields Operations received a summons from Randgold and Exploration Company Limited ("R&E") and African Strategic Investment (Holdings) Limited. The summons claims that during the period that Gold Fields Operations was under the control of Brett Kebble, Roger Kebble and others, Gold Fields Operations was allegedly part of a scam whereby JCI Limited unlawfully disposed of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now Uranium One.

Gold Fields Operations' preliminary assessment was that it had strong defenses to these claims and accordingly, Gold Fields Operations' attorneys were instructed to vigorously defend the claims.

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One between the dates of the alleged 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, 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 GFIMSA purchasing the company.

World Gold Council

Gold Fields is a member of the World Gold Council. In terms of the membership agreement, all members are responsible for certain costs, including ongoing costs on a three year rolling basis, winding up costs, if applicable, and various other contingent liabilities. Apportionment of liabilities to individual members, should they arise, is done proportionate to the member's production relative to the total production of all members. To date, no claims have been made on Gold Fields.

Occupational health care services

The Group provides occupational health care services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. This increased cost, should it transpire, is currently indeterminate. The Group is monitoring developments in this regard.

In March 2011, the South African Constitutional Court ruled that legislation which limited employees rights to claim compensation for certain diseases including silicosis was unconditional. As a result, the Court found that employees had the right to sue employers for common law damages to the extent that such employees could prove that they had suffered loss as a result of the negligence of the employer and such loss could be quantified. In the circumstances there is potential for claims against Gold Fields and we are currently analysing the situation.

Acid mine drainage

Gold Fields has identified a risk of potential long-term acid mine drainage ("AMD"), on certain of its operations. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. Gold Fields has not been able to reliably determine the financial impact that AMD might have on the Group, however, Gold Fields has adopted a proactive approach by initiating studies and rehabilitation to focus on AMD risk management, with particular emphasis on avoiding the flooding of its mines post closure, through ongoing pumping arrangements.

34. EVENTS AFTER THE REPORTING DATE

Changes in tax legislation

Ghana

During the budget speech presented by the Minister of Finance on 16 November 2011, certain changes to the current tax regime relating to mining companies were proposed. Although the changes have not yet been promulgated, they were accepted by the Ghanaian Parliament on 1 February 2012 and signed by the President in March 2012. Due to the fact that the final approved changes have not been published, the effective date is not known. The proposed changes include the following:

- Increased tax rate for mining companies from 25% to 35%;
- As from calendar 2012, capital allowances on mining assets would now be granted at the rate of 20% per year for a period of five years on the cost base of the assets so incurred versus the previous 80% allowance in year one with the remaining 25% (20% of cost and an upliftment allowance of 5%) to be claimed on a reducing balance method.

South Africa

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

The formula being: $y = a - (ab/x)$, where:

y = the tax rate to be determined;
a = the marginal tax rate of 34%;
b = the portion of tax-free revenue (currently the first 5%); and
x = the ratio of taxable income to the total income.

We have evaluated the Ghanaian and South African tax changes and consider the adjustments required for these to be enacted subsequent to 31 December 2011, therefore no adjustments were made for these tax changes at period end.

Far Southeast

The Group has exercised its 40% option in the gold-copper Far Southeast Project in the Philippines after making a US$110 million payment on 22 March 2012. After making two down-payments of US$44 million and US$66 million in September 2010 and September 2011 respectively, Gold Fields has decided to bring forward half of the remaining US$220 million payment to acquire Liberty's 40% interest in Far Southeast. Gold Fields continues to hold its option to acquire an additional 20% stake in Far Southeast from Lepanto for a further US$110 million, which, if exercised, would increase its total interest in Far Southeast to 60%. The Liberty and Lepanto options were initially granted to Gold Fields for the later of 18 months from signature in September 2010 or the date of receiving a Financial or Technical Assistance Agreement (FTAA) for the project. A FTAA licence allows a foreign corporation to control a majority interest in a Philippine mining project.

Notwithstanding this provision, Gold Fields had the discretion to exercise either option prior to the FTAA being granted. Gold Fields has decided to exercise the Liberty option earlier than originally planned due to the fact that:

- The due diligence results to date are positive and demonstrate significant upside to the resource potential;
- By acquiring ownership of 40% it demonstrates its commitment to the project and formalises its partnership with Lepanto; and
- The early exercise of the Liberty option does not affect the remaining 20% Lepanto option, which continues to be exercisable in accordance with the terms of the agreement.

The FTAA application for the Far Southeast project was filed in November 2011 and based on the date of the filing Gold Fields expects it could be granted in the second half of 2012. Gold Fields also expects to have a maiden Resource statement for Far Southeast and commence a pre-feasibility study later in 2012.

The Group has evaluated the option agreement and considers the adjustment required for the above to be applicable subsequent to 31 December 2011 and therefore no adjustments to the financial statements were made at period end.

Final dividend

On 17 February 2012, Gold Fields declared a final dividend of 230 cents per share.

35. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in an arms-length transaction between willing parties. The estimated values of the Group's financial instruments are:

	2011 Carrying amount R million	2011 Fair value R million	2010 Carrying amount R million	2010 Fair value R million
Financial assets				
Cash and cash equivalents	**6,049.0**	**6,049.0**	5,463.8	5,463.8
Trade and other receivables	**1,788.8**	**1,788.8**	1,613.8	1,613.8
Environmental trust fund	**1,313.3**	**1,313.3**	1,137.9	1,137.9
Investments	**671.0**	**671.0**	982.3	982.3
Financial instruments	**961.0**	**961.0**	371.0	371.0
Financial liabilities				
Trade and other payables	**4,911.8**	**4,911.8**	3,978.5	3,978.5
Borrowings	**11,062.3**	**10,268.4**	7,671.9	7,476.0
Current portion of borrowings	**4,447.1**	**4,447.1**	1,766.2	1,763.3
	US$ million	**US$ million**	**US$ million**	**US$ million**
Financial assets				
Cash and cash equivalents	**744.0**	**744.0**	809.5	809.5
Trade and other receivables	**220.0**	**220.0**	239.9	239.9
Environmental trust funds	**161.5**	**161.5**	168.6	168.6
Investments	**82.5**	**82.5**	145.5	145.5
Financial instruments	**118.2**	**118.2**	54.0	54.0
Financial liabilities				
Trade and other payables	**604.1**	**604.1**	589.4	589.4
Borrowings	**1,360.7**	**1,263.0**	1,136.6	1,107.5
Current portion of borrowings	**547.0**	**547.0**	261.7	261.2

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.

35. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: unadjusted quoted prices in active markets for identical asset or liabilities;

Level 2: inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

The following table set out the Group's financial assets and liabilities measured at fair value by level within the fair value hierarchy at 31 December 2011:

2011 US$ million					2011 R million			
Level 1	Level 2	Level 3	Total		Total	Level 1	Level 2	Level 3
				Financial assets				
	88.4	**–**	**88.4**	Trade receivables from provisional copper concentrate sales	**718.6**	**–**	**718.6**	**–**
122.5	**39.0**	**–**	**161.5**	Environmental trust funds	**1,313.3**	**996.3**	**317.0**	**–**
77.3	**–**	**–**	**77.3**	Listed investments	**628.5**	**628.5**	**–**	**–**
–	**–**	**2.6**	**2.6**	Unlisted investments	**20.9**	**–**	**–**	**20.9**
2010 US$ million					**2010 R million**			
				Financial assets				
–	83.2	–	83.2	Trade receivables from provisional copper concentrate sales	561.6	–	561.6	–
120.0	48.5	–	168.5	Environmental trust funds	1,137.9	810.3	327.6	–
124.4	–	–	124.4	Listed investments	839.8	839.8	–	–
–	–	1.7	1.7	Unlisted investments	11.6	–	–	11.6

Trade receivables from provisional copper concentrate sales

Valued using quoted market prices based on the forward London Metal Exchange (LME) and, as such, is classified within level 2 of the fair value hierarchy.

Environmental trust funds

Comprises interest-bearing short-term investments of which investments amounting to R996.3 million (2010: R810.3 million) are valued using quoted market prices and investments of R317.0 million (2010: R327.6 million) are valued using inputs other than quoted prices that are observable for the assets.

Listed investments

Comprise equity investments in listed entities and are therefore valued using quoted market prices in active markets.

Unlisted investments

Comprise investments in unlisted companies which are accounted for at directors' valuation adjusted for write-downs where appropriate.

36. 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, which acts as the interface between Gold Fields' operations and counterparty banks. The treasury department 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 department 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.

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.

36. 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.

Accounts receivable 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:

	2011	2010	2011	2010
	R million		US$ million	
Investments	**21.6**	130.9	**2.6**	19.4
Environmental trust funds	**1,313.3**	1,137.9	**161.5**	168.6
Trade and other receivables	**1,788.8**	1,613.8	**220.0**	239.9
Cash and cash equivalents	**6,049.0**	5,463.8	**744.0**	809.5
Financial instruments	**961.0**	371.0	**118.2**	54.0

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.

Other receivables that are past due but not impaired total R10.4 million (2010: R34.5 million). At 31 December 2011, other receivables of R36.4 million (2010: R36.3 million) are considered impaired and are provided for.

Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies.

36. 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 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 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
2011				
Trade and other payables	**4,911.8**	**–**	**–**	**4,911.8**
Borrowings				
– US$ borrowings				
– Capital	**4,447.1**	**3,032.5**	**8,130.0**	**15,609.6**
– Interest	**482.0**	**1,741.5**	**1,585.4**	**3,808.9**
Environmental rehabilitation costs[4]	**34.5**	**448.0**	**3,193.2**	**3,675.7**
Post-retirement health care costs	**–**	**–**	**16.8**	**16.8**
Total	**9,875.4**	**5,222.0**	**12,925.4**	**28,022.8**
2010				
Trade and other payables	3,978.5	–	–	3,978.5
Borrowings				
– US$ borrowings				
– Capital	270.0	1,012.5	6,750.0	8,032.5
– Interest	356.2	1,362.8	1,645.3	3,364.3
– ZAR borrowings				
– Capital	1,479.1	–	–	1,479.1
– Interest	74.6	–	–	74.6
Environmental rehabilitation costs[4]	15.4	277.8	2,763.7	3,056.9
Post-retirement health care costs	–	–	18.0	18.0
Total	6,173.8	2,653.1	11,177.0	20,003.9

[1] Spot rate: R8.13 = US$1.00. (2010: R6.75 = US$1.00)
[2] USD borrowings – Spot LIBOR (three month fix) rate adjusted by specific facility agreement: 0.57575%. (2010: 0.30281%)
[3] ZAR borrowings – Spot Prime rate adjusted by specific facility agreement: 9.0%. (2010: 9.0%)
[4] In South Africa R1,313.3 million (2010: R1,137.9 million) of the environmental rehabilitation costs is funded through the environmental trust funds.

36. 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
2011				
Trade and other payables	**604.1**	**–**	**–**	**604.1**
Borrowings				
– US$ borrowings				
– Capital	**547.0**	**373.0**	**1,000.0**	**1,920.0**
– Interest	**59.3**	**214.3**	**194.9**	**468.5**
Environmental rehabilitation costs[4]	**4.2**	**55.1**	**392.3**	**451.6**
Post-retirement health care costs	**–**	**–**	**2.1**	**2.1**
Total	**1,214.6**	**642.4**	**1,589.3**	**3,446.3**
2010				
Trade and other payables	589.4	–	–	589.4
Borrowings				
– US$ borrowings				
– Capital	40.0	150.0	1,000.0	1,190.0
– Interest	52.8	201.9	243.8	498.5
– ZAR borrowings				
– Capital	219.1	–	–	219.1
– Interest	11.1	–	–	11.1
Environmental rehabilitation costs[4]	2.3	41.2	409.4	452.9
Post-retirement health care costs	–	–	2.7	2.7
Total	914.7	393.1	1,655.9	2,963.7

[1] Spot rate: R8.13 = US$1.00. (2010: R6.75 = US$1.00)
[2] USD borrowings – Spot LIBOR (three month fix) rate adjusted by specific facility agreement: 0.57575%. (2010: 0.30281%)
[3] ZAR borrowings – Spot Prime rate adjusted by specific facility agreement: 9.0%. (2010: 9.0%)
[4] In South Africa US$161.5 million (2010: US$168.6 million) of the environmental rehabilitation costs is funded through the environmental trust funds.

36. RISK MANAGEMENT ACTIVITIES (continued)

Market risk

Gold Fields is exposed to market risks, including foreign currency, commodity price, equity securities price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields may enter into derivative financial instruments to manage some of these exposures.

IFRS 7 sensitivity analysis

IFRS 7 requires sensitivity analysis that shows the effects of hypothetical changes of relevant risk variables on profit and loss or shareholders' equity. The Group is exposed to commodity price, currency, interest rate and equity price risks. The effects are determined by relating the hypothetical change in the risk variable to the balance of financial instruments at period 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 Rand/US dollar exchange rate because revenues are generated using a gold price denominated in US dollars, while costs of the South African operations are incurred principally in Rand. Depreciation of the Rand against the US dollar reduces Gold Fields' average costs when they are translated into US dollars, thereby increasing the operating margin of the South African operations. Conversely, appreciation of the Rand results in South African operating costs increasing when translated into US dollars, resulting in lower operating margins. The impact on profitability of changes in the value of the Rand against the US dollar can be substantial.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into account.

Foreign currency hedging experience

As at 31 December 2011 and 31 December 2010, 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.

Commodity price hedging policy

Gold and copper

As a general rule, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold and copper production.

To the extent that it enters into commodity hedging arrangements, Gold Fields seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related parties of, Gold Fields.

Oil

As a general rule, Gold Fields does not enter into derivatives or other hedging arrangements to establish a price in advance for future oil consumption.

Commodity price hedging experience

As at 31 December 2011 and 31 December 2010, there were no commodity price contracts.

36. RISK MANAGEMENT ACTIVITIES (continued)

Equity securities price risk

General

The Group is exposed to equity securities price risk because of investments held by the Group which are classified as available-for-sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's equity investments are publicly traded and are listed on one of the following exchanges:

– JSE Limited
– Toronto Stock Exchange
– Australian Stock Exchange

The table below summarises the impact of increases/decreases of the exchanges on the Group's shareholders' equity 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.

Equity investments – Shares	(Decrease)/increase in equity price			
	(10.0%)	(5.0%)	5.0%	10.0%
Sensitivity to equity security price	R million	R million	R million	R million
2011				
(Decrease)/increase in shareholders' equity	**(62.8)**	**(31.4)**	**31.4**	**62.8**
2010				
(Decrease)/increase in shareholders' equity	(84.0)	(42.0)	42.0	84.0

Equity investments – Shares	(Decrease)/increase in equity price			
	(10.0%)	(5.0%)	5.0%	10.0%
Sensitivity to equity security price	US$ million	US$ million	US$ million	US$ million
2011				
(Decrease)/increase in shareholders' equity	**(7.7)**	**(3.9)**	**3.9**	**7.7**
2010				
(Decrease)/increase in shareholders' equity	(12.4)	(6.2)	6.2	12.4

[1] Spot rate: R8.13 = US$1.00 (2010: R6.75 = US$1.00)

36. RISK MANAGEMENT ACTIVITIES (continued)

Interest rate sensitivity

General

Gold Fields' interest rate risk arises from borrowings. As of 31 December 2011, Gold Fields' long-term borrowings amounted to R11,062.3 (2010: R7,671.9 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 period end that are exposed to interest rate fluctuations is R7,479.4 million (2010: R2,478.7 million). These borrowings are normally rolled for periods between one and three months and are therefore exposed to the rate changes in this period. The remainder of the borrowings bear interest at a fixed rate.

R7,479.4 million (2010: R1,282.5 million) of the total borrowings at the end of the period are exposed to changes in the LIBOR rate and Rnil (2010: R1,196.2 million) are exposed to the South African Prime interest rate. The relevant interest rates for each facility are described in note 24.

The table below summarises the effect of a change in finance expense on the Group's profit and loss had LIBOR and Prime differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/decreased with all other variables held constant. All financial instruments with fixed interest rates that are carried at amortised cost are not subject to the interest rate sensitivity analysis.

	Change in interest expense for a nominal change in interest rates					
	(1.5%)	(1.0%)	(0.5%)	0.5%	1.0%	1.5%
Sensitivity to interest rates	R million	R million	R million	R million	R million	R million
2011						
Sensitivity to LIBOR interest rates	**(77.8)**	**(51.9)**	**(25.9)**	**25.9**	**51.9**	**77.8**
Sensitivity to Prime interest rates	–	–	–	–	–	–
Change in finance expense	**(77.8)**	**(51.9)**	**(25.9)**	**25.9**	**51.9**	**77.8**
2010						
Sensitivity to LIBOR interest rates	(5.1)	(3.4)	(1.7)	1.7	3.4	5.1
Sensitivity to Prime interest rates	(6.8)	(4.6)	(2.3)	2.3	4.6	6.8
Change in finance expense	(11.9)	(8.0)	(4.0)	4.0	8.0	11.9

	Change in interest expense for a nominal change in interest rates					
	(1.5%)	(1.0%)	(0.5%)	0.5%	1.0%	1.5%
Sensitivity to interest rates	US$ million	US$ million	US$ million	US$ million	US$ million	US$ million
2011						
Sensitivity to LIBOR interest rates	**(10.8)**	**(7.2)**	**(3.6)**	**3.6**	**7.2**	**10.8**
Sensitivity to Prime interest rates	–	–	–	–	–	–
Change in finance expense	**(10.8)**	**(7.2)**	**(3.6)**	**3.6**	**7.2**	**10.8**
2010						
Sensitivity to LIBOR interest rates	(0.7)	(0.5)	(0.2)	0.2	0.5	0.7
Sensitivity to Prime interest rates	(1.0)	(0.6)	(0.3)	0.3	0.6	1.0
Change in finance expense	(1.7)	(1.1)	(0.5)	0.5	1.1	1.7

[1] Average rate: R7.22 = US$1.00 (2010: R7.14 = US$1.00)

37. 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 period.

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 before interest, taxes, depreciation and amortisation (EBITDA), but does not set absolute limits for this ratio. The Group is comfortable with a ratio of net debt to EBITDA of one times or lower.

	2011 R million	2010 R million
Borrowings	**15,509.4**	9,438.1
Cash and cash equivalents	**6,049.0**	5,463.8
Net debt	**9,460.4**	3,974.3
EBITDA	**21,111.5**	14,468.8
Net debt to EBITDA[1]	**0.45**	0.27
	US$ million	**US$ million**
Borrowings	**1,907.7**	1,398.3
Cash and cash equivalents	**744.0**	809.5
Net debt	**1,163.7**	588.8
EBITDA	**2,924.0**	1,982.7
Net debt to EBITDA[1]	**0.40**	0.30

[1] Net debt to EBITDA ratio is defined as net debt as at the end of a reporting period divided by EBITDA of the last 12 months ending on the same reporting date. The 12 month EBITDA as at 31 December 2010 to be used in determining the ratio as on the same date is calculated by adding the EBITDA for the six month period ended 31 December 2010 of R8,160.7 million (US$1,143.0 million) to the EBITDA for the six month period ended 30 June 2010 of R6,308.1 million (US$839.7 million). The total EBITDA for the 12 month period ended 31 December 2010 is R14,468.8 million (US$1,982.7 million).

38. RELATED PARTY TRANSACTIONS

None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last two fiscal periods or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated below.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past two fiscal periods indebted to Gold Fields.

Rand Refinery Limited

GFLMS has an agreement with Rand Refinery Limited, (Rand Refinery), in which Gold Fields holds a 34.9% interest, providing for the refining of substantially all of Gold Fields' South African gold production by Rand Refinery. On 21 November 2000, GFLMS entered into an agreement with Rand Refinery in terms of which GFLMS acts as agent for Rand Refinery with regard to the sale of a maximum of 50% of Gold Fields' South African gold production.

On 1 June 2004, GFLMS has exercised its right, by giving notice to Rand Refinery, to sell all of Gold Fields' South African gold production with effect from 1 October 2004. GF Ghana and Abosso also have an agreement with Rand Refinery since March 2002 to transport, refine and sell substantially all of the gold production from the Tarkwa and Damang mines.

Nicholas J Holland, who is the Chief Executive Officer and a director of Gold Fields, has been a director of Rand Refinery since 12 July 2000. As a director of GFLMS, which is a wholly owned subsidiary of Gold Fields, Mr Holland has declared his interest in the contract between Rand Refinery and GFLMS, pursuant to South African requirements, and has not participated in the decision of Rand Refinery to enter into the agreement with either of GFLMS, GF Ghana or Abosso. Mr Holland signed the agreement with Rand Refinery on behalf of GFLMS.

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, or Peotona Gold.

Western Areas Prospecting (Proprietary) Limited (WAP), (a company 74% owned by GFO and 26% owned by Peotona Gold), held four prospecting rights on ground contiguous to the South Deep mine. On 21 April 2009, GFO, GFI Joint Venture Holdings (Proprietary) Limited, Peotona Gold, WAP and others entered into an agreement in terms of which WAP relinquished and abandoned a portion of the prospecting area covered by one of the above prospecting rights (commonly known as Uncle Harry's Area) in favour of the South Deep Joint Venture. The agreement was subject to (among other conditions precedent) the conversion of the old order mining right of South Deep to a new order mining right and simultaneously amending the South Deep mining right by extending the area covered by the South Deep mining right to include Uncle Harry's Ground pursuant to the Mineral and Petroleum Resources Development Act 28 of 2002. Peotona Gold also granted GFO an option to acquire its 26% shareholding in WAP.

On 13 July 2010, the South African Department of Mineral Resources executed the new-order mining right for the South Deep Gold mine, including Uncle Harry's Ground. On 14 October 2011, Gold Fields purchased the 26% interest in WAP from Peotona Gold for R50.7 million. Gold Fields now owns 100% of WAP which owns the Cardoville, the Kalbasfontein, the WA4 and the Wildebeestkuil prospecting rights.

Gold Fields believes that the above transactions with related parties have been conducted on terms at least as favourable to it as arm's length terms.

UNITED STATES DOLLAR			SOUTH AFRICAN RAND	
For the 6 month period ended 31 December 2010	For the 12 month period ended 31 December 2011		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
		38. RELATED PARTY TRANSACTIONS (continued)		
		Compensation to key management (Executive Committee)		
3.5	**7.7**	Salaries and other short-term employee benefits	**55.7**	24.8
2.5	**2.6**	Bonus	**18.7**	17.6
3.5	**6.8**	Share-based payments	**49.3**	24.9
9.5	**17.1**		**123.7**	67.3
		39. SEGMENT REPORTING		
		The segment information is shown on pages 123 to 126.		

Company income statement

for the period ended 31 December 2011

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
Investment income	1	**2,697.3**	20,916.2
Finance expense	2	**(17.2)**	(119.9)
Share-based payments		**(3.8)**	(2.3)
Amortisation of financial guarantees		**15.2**	114.1
Foreign exchange (loss)/gain on revaluation of financial guarantees		**(44.0)**	1.0
Other (costs)/income		**(0.7)**	2.1
Profit before taxation		**2,646.8**	20,911.2
Income tax	3	**(16.1)**	(8.2)
Profit for the period		**2,630.7**	20,903.0

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

Company statement of comprehensive income

for the period ended 31 December 2011

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	For the 12 month period ended 31 December 2011	**For the 6 month period ended 31 December 2010**
Profit for the period	**2,630.7**	20,903.0
Other comprehensive income	**–**	–
Total comprehensive income for the period	**2,630.7**	20,903.0

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

Company statement of financial position

at 31 December 2011

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	2011	2010
ASSETS			
Non-current assets			
Investments	5	**52,466.0**	52,339.4
Current asset			
Trade and other receivables		**3.3**	10.8
Total assets		**52,469.3**	52,350.2
EQUITY AND LIABILITIES			
Total equity		**52,183.5**	50,732.2
Share capital		**362.3**	360.4
Share premium		**31,543.5**	31,498.3
Other reserves		**270.6**	266.8
Retained earnings		**20,007.1**	18,606.7
Current liabilities		**285.8**	1,618.0
Trade and other payables		**13.4**	53.3
Financial guarantees	6	**257.4**	194.4
Current portion of borrowings	7	**–**	1,352.1
Taxation		**15.0**	18.2
Total equity and liabilities		**52,469.3**	52,350.2

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

Company statement of changes in equity

for the period ended 31 December 2011

Figures in millions unless otherwise stated

	Number of ordinary shares issued	Ordinary share capital	Share premium	Fair value adjustment reserve	Share-based payment reserve	Retained (loss)/ earnings	Total equity
SOUTH AFRICAN RAND							
Balance at 30 June 2010	705,903,511	353.0	31,467.5	0.4	264.1	(1,801.9)	**30,283.1**
Profit for the period	–	–	–	–	–	20,903.0	**20,903.0**
Other comprehensive income	–	–	–	–	–	–	**–**
Total comprehensive income	–	–	–	–	–	20,903.0	**20,903.0**
Share-based payments	–	–	–	–	2.3	–	**2.3**
Dividends paid	–	–	–	–	–	(494.4)	**(494.4)**
Exercise of employee share options	751,630	0.3	30.8	–	–	–	**31.1**
Shares issued for empowerment transactions	14,141,746	7.1	–	–	–	–	**7.1**
Balance at 31 December 2010	**720,796,887**	**360.4**	**31,498.3**	**0.4**	**266.4**	**18,606.7**	**50,732.2**
Profit for the period	–	–	–	–	–	2,630.7	**2,630.7**
Other comprehensive income	–	–	–	–	–	–	**–**
Total comprehensive income	–	–	–	–	–	2,630.7	**2,630.7**
Share-based payments	–	–	–	–	3.8	–	**3.8**
Dividends paid	–	–	–	–	–	(1,230.3)	**(1,230.3)**
Exercise of employee share options	3,794,629	1.9	45.2	–	–	–	**47.1**
Balance at 31 December 2011	**724,591,516**	**362.3**	**31,543.5**	**0.4**	**270.2**	**20,007.1**	**52,183.5**

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

Company statement of cash flows

for the period ended 31 December 2011

Figures in millions unless otherwise stated

	Notes	SOUTH AFRICAN RAND For the 12 month period ended 31 December 2011	 For the 6 month period ended 31 December 2010
Cash flows from operating activities		**1,390.2**	263.2
Cash (utilised in)/generated by operations	8	**(17.1)**	2.1
Interest paid		**(8.0)**	(98.3)
Interest received		**24.1**	99.2
Dividends received		**2,673.2**	744.3
Change in working capital	9	**(32.4)**	10.5
Cash generated by operating activities		**2,639.8**	757.8
Taxation paid	10	**(19.3)**	(0.2)
Net cash generated by operations		**2,620.5**	757.6
Dividends paid	4	**(1,230.3)**	(494.4)
Cash flows from financing activities		**(1,390.2)**	(263.2)
Loans (advanced to)/ repaid by subsidiaries		**(92.4)**	2,699.0
Loans repaid		**(1,344.9)**	(4,825.4)
Loans raised		**–**	1,825.0
Proceeds from issue of shares		**47.1**	38.2
Net cash generated/(utilised)		**–**	–
Cash and cash equivalents at beginning of the period		**–**	–
Cash and cash equivalents at end of the period		**–**	–

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

Notes to the company financial statements

for the period ended 31 December 2011

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
		For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
1.	**INVESTMENT INCOME**		
	Dividends received*	**2,673.2**	20,817.0
	Interest received	**24.1**	99.2
	Total investment income	**2,697.3**	20,916.2
	* The dividends received during the 6 month period ended 31 December 2010 include a dividend in specie of R20,072.7 million from GFI Mining South Africa (Pty) Limited.		
2.	**FINANCE EXPENSE**		
	Preference share interest	**(9.2)**	(21.6)
	Interest paid – other	**(8.0)**	(98.3)
	Total finance expense	**(17.2)**	(119.9)
3.	**INCOME TAX**		
	South African current taxation		
	– company tax	**(16.1)**	(8.2)
	Total income tax	**(16.1)**	(8.2)
4.	**DIVIDENDS PAID**		
	Six month period ended December 2010 final dividend of 70 cents per share (June 2010: 70 cents) declared on 16 February 2011.	**505.8**	494.4
	12 month period ended December 2011 interim dividend of 100 cents per share was declared on 11 August 2011.	**724.5**	–
	A final dividend in respect of the period ended 31 December 2011 of 230 cents per share was approved by the Board of Directors on 16 February 2012. This dividend payable is not reflected in these financial statements.		
	No Secondary Tax on Companies is payable on the dividend declared after period end due to sufficient STC credits available in Gold Fields Limited.		
	Total dividends paid	**1,230.3**	494.4
5.	**INVESTMENTS**		
	Listed		
	Cost	**0.3**	0.3
	Net unrealised gain on revaluation	**0.4**	0.4
	Carrying value	**0.7**	0.7
	Market value	**0.7**	0.7
	Unlisted		
	Carrying value and directors' valuation	**42,272.9**	42,238.7
	Total listed and unlisted investments	**42,273.6**	42,239.4
	Net loans	**10,192.4**	10,100.0
	Loans due to holding company	**10,952.5**	10,860.1
	Loans due by holding company	**(760.1)**	(760.1)
	Total investments	**52,466.0**	52,339.4
	Details of major investments are given on page 121 and 122.		

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	For the 12 month period ended 31 December 2011	**For the 6 month period ended 31 December 2010**
6. FINANCIAL GUARANTEES		
Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited ("Orogen") related to the US$1 billion notes issue, the Split-tenor revolving credit facility and the US$1 billion revolving credit facility.		
Value of financial guarantees	**257.4**	194.4
Total financial guarantees	**257.4**	194.4

7. BORROWINGS

(a) Preference shares

On 24 December 2007, Gold Fields Limited issued R1,200.0 million of non-convertible redeemable preference shares (the "Preference Shares"). The dividend rate payable was a floating rate that increased from 22% up to 54% of the prime lending rate quoted by FirstRand Bank Limited (the "Prime Rate") over the life of the Preference Shares.

In certain circumstances, the dividend rate increased up to 61% of the Prime Rate if the Preference Shares were redeemed before their scheduled maturity date and the dividend rate was also subject to adjustment in the case of a change in law or regulation. Dividends accrued quarterly and were rolled up until the redemption date. The Preference Shares could be redeemed by the issuer in the event the dividend rate was adjusted according to the terms of the Preference Shares, or at any time on a 14 days' notice. The proceeds of the issuance of the Preference Shares were used to refinance a portion of the Split-tenor facility. The Preference Shares were to mature on 24 January 2011 and payment in full of all dividends, redemption amounts, costs and expenses became payable.

The Preference Shares were guaranteed by GFIMSA, Orogen, GFO, Newshelf and GF Holdings.

On 10 October 2008, R600.0 million of the R1,200.0 million preference shares was repaid, with an attributable dividend of R23.2 million.

The remaining balance at 30 June 2010 was R728.9 million, consisting of capital of R600.0 million and an attributable dividend of R128.9 million.

On 15 December 2010, Gold Fields declared and paid R133.4 million of the attributable dividend. On the same date, the redemption date of 24 January 2011 was extended to 15 September 2011. The Preference Shares were however redeemable earlier on a date as agreed between the holder and Gold Fields.

The remaining balance as at 31 December 2010 was R617.1 million, consisting of capital of R600.0 million and an attributable dividend of R17.1 million.

On 31 March 2011, the entire outstanding balance of Preference Shares of R600.0 million was redeemed in full with an attributable dividend of R9.9 million.

Preference shares		
Balance at beginning of the period	**617.1**	728.9
Repayments	**(609.9)**	(133.4)
Interest accrued	**9.2**	21.6
Other	**(16.4)**	–
Balance at end of the period	**–**	617.1

Notes to the company financial statements (continued)

for the period ended 31 December 2011

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010

7. BORROWINGS (continued)

(b) Commercial paper loan

Gold Fields established a R10 billion Domestic Medium-Term Note Programme (the "DMTN Programme") on 6 April 2009. Under the DMTN Programme, Gold Fields may from time to time issue notes denominated in any currency. The notes are subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all notes from time to time outstanding may not exceed R10 billion. The DMTN Programme has been registered with the bond market of the JSE and the notes issued can be listed on the JSE or not.

The outstanding issued notes under the DMTN Programme at 30 June 2010 were R3,602.0 million.

Under the DMTN Programme, Gold Fields issued listed notes totalling Rnil million in the year ended 31 December 2011 and R1,825.0 million in the six month period ended 31 December 2010 and settled listed maturing notes totalling R735.0 million in the 12 month period ended 31 December 2011 and R4,692.0 million in the six month period ended 31 December 2010. The different notes issued matured three, six or 12 months from date of issue and bore interest at JIBAR plus a margin ranging from 0.56% to 1.00% per annum, except for notes with a carrying value of R300 million which were at a fixed rate of 8.48%.

The outstanding issued notes under the DMTN Programme at 31 December 2011 were Rnil million and at 31 December 2010 were R735.0 million.

Notes under the programme are guaranteed by GFIMSA, GF Holdings, Orogen and GFO.

	For the 12 month period ended 31 December 2011	For the 6 month period ended 31 December 2010
Commercial paper loan		
Balance at beginning of the period	**735.0**	3,602.0
Loan advanced	**–**	1,825.0
Repayments	**(735.0)**	(4,692.0)
Balance at end of the period	**–**	735.0
Gross borrowings	**–**	1,352.1
Current portion of borrowings	**–**	(1,352.1)
Total non-current borrowings	**–**	–

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	For the 12 month period ended 31 December 2011	**For the 6 month period ended 31 December 2010**
8. CASH (UTILISED IN)/GENERATED BY OPERATIONS		
Profit for the period	**2,630.7**	20,903.0
Taxation	**16.1**	8.2
Interest paid	**8.0**	98.3
Interest received	**(24.1)**	(99.2)
Dividends received – cash	**(2,673.2)**	(744.3)
(Loss)/profit before non-cash items	**(42.5)**	20,166.0
Non-cash items:		
Dividend in specie	**–**	(20,072.7)
Share-based payments	**3.8**	2.3
Amortisation of financial guarantees	**(15.2)**	(114.1)
Foreign exchange loss/(gain) on revaluation of financial guarantees	**44.0**	(1.0)
Preference share interest	**9.2**	21.6
Other non-cash movements	**(16.4)**	–
Total cash (utilised in)/generated by operations	**(17.1)**	2.1
9. CHANGE IN WORKING CAPITAL		
Trade and other receivables	**7.5**	0.7
Trade and other payables	**(39.9)**	9.8
Total change in working capital	**(32.4)**	10.5
10. TAXATION PAID		
Amount owing at beginning of the period	**(18.2)**	(10.2)
SA current taxation	**(16.1)**	(8.2)
Amount owing at end of the period	**15.0**	18.2
Total taxation paid	**(19.3)**	(0.2)

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, which acts as the interface between Gold Fields' operations and counterparty banks. The treasury department 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 department is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

The objective of Treasury is to manage all financial risks arising from the Company's business activities in order to protect profit and cash flows. Treasury activities of Gold Fields Limited are guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board of Gold Fields Limited, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the company are defined as follows:

Liquidity risk management: The objective is to ensure that the company is able to meet its short-term commitments through the effective and efficient usage of credit facilities.

Currency risk management: The objective is to maximise the company's profits by minimising currency fluctuations.

Funding risk management: The objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.

Investment risk management: The objective is to achieve optimal returns on surplus funds.

Interest rate risk management: The objective is to identify opportunities to prudently manage interest rate exposures.

Counterparty exposure: The objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The company is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions credit rating. This credit rating is Fitch Ratings' short-term credit rating for financial 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.

11. RISK MANAGEMENT ACTIVITIES (continued)

Credit risk

Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

The Company has reduced its exposure to credit risk by dealing with a number of counterparties. The Company approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

Accounts 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:

	R million	
	2011	**2010**
Trade and other receivables[1]	**3.3**	10.8
Financial guarantees[2]	**17,706.2**	10,040.6

[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 related to the US$1 billion notes issue, the Split-tenor revolving credit facility and the US$1 billion revolving credit facility. 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 period end there was no indication that the guarantee will be called upon.

Liquidity risk

In the ordinary course of business, the Company receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Company's normal and contingency funding requirements.

The following are the contractually due undiscounted cash flows resulting from maturities of all financial liabilities, including interest payments:

	Within one year R million	Between one and five years R million	After five years R million	Total R million
2011				
Trade and other payables	**13.4**	**–**	**–**	**13.4**
Financial guarantees[2]	**4,506.6**	**3,484.2**	**9,715.4**	**17,706.2**
Total	**4,520.0**	**3,484.2**	**9,715.4**	**17,719.6**
2010				
Trade and other payables	53.3	–	–	53.3
Borrowings				
– Capital	1,335.0	–	–	1,335.0
– Interest[1]	72.9	–	–	72.9
Financial guarantees[2]	329.1	1,316.3	8,395.2	10,040.6
Total	1,790.3	1,316.3	8,395.2	11,501.8

[1] Spot Prime rate adjusted by specific facility agreement at 31 December 2010%: 9%.

[2] Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen related to the US$ 1 billion notes issue, the Split-tenor revolving credit facility and the US$ 1 billion revolving credit facility. 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 period end there was no indication that the guarantee will be called upon.

11. RISK MANAGEMENT ACTIVITIES (continued)

Market risk

Gold Fields is exposed to market risks, including foreign currency, commodity price, equity securities price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields may enter into derivative financial instruments to manage some of these exposures.

IFRS 7 Sensitivity analysis

IFRS 7 requires sensitivity analysis that shows the effects of hypothetical changes of relevant risk variables on profit and loss or shareholders' equity. The company is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risks. The effects are determined by relating the hypothetical change in the risk variable to the balance of financial instruments at period end.

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 borrowings.

As of 31 December 2011, Gold Fields' long-term borrowings amounted to Rnil (2010: Rnil) and its current portion of borrowings amounted to Rnil (2010: R1,352.1 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 period end that is exposed to interest rate fluctuations in the prime interest rate is Rnil (2010: R1,052.1 million).

The table below summarises the effect of a change in finance expense on the company's profit and loss had Prime differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/ decreased with all other variables held constant.

Change in interest expense for interest rate changes

	Change in interest expense for a nominal change in interest rates					
Sensitivity to interest rates	**(1.5%) R million**	**(1.0%) R million**	**(0.5%) R million**	**0.5% R million**	**1.0% R million**	**1.5% R million**
2011						
Sensitivity to Prime interest rates	–	–	–	–	–	–
Change in finance expense	–	–	–	–	–	–
2010						
Sensitivity to Prime interest rates	(5.7)	(3.8)	(1.9)	1.9	3.8	5.7
Change in finance expense	(5.7)	(3.8)	(1.9)	1.9	3.8	5.7

12. CAPITAL MANAGEMENT

Capital is managed on a Group basis only and not on a company basis. Refer to note 37 in the Group financial statements.

Major Group investments – direct and indirect

for the period ended 31 December 2011

		Shares held		Group beneficial interest		Book value in holding company			
						Shares		Loans[6]	
	Notes	2011	2010	2011 %	2010 %	2011 R million	2010 R million	2011 R million	2010 R million
SUBSIDIARIES									
Listed									
Gold Fields La Cima S.A.	5	**1,411,367,779**	1,256,864,979	**98.5**	80.7	**–**	–	**–**	–
Unlisted									
Abosso Goldfields Limited									
– Class "A" shares	2	**49,734,000**	38,394,000	**90.0**	71.1	**–**	–	**–**	–
– Class "B" shares	2	**4,266,000**	4,266,000	**90.0**	71.1	**–**	–	**–**	–
Agnew Gold Mining Company (Pty) Limited	4	**54,924,757**	54,924,757	**100.0**	100.0	**–**	–	**–**	–
Beatrix Mines Limited	1	**96,549,020**	96,549,020	**100.0**	100.0	**206.8**	206.8	**–**	–
Beatrix Mining Ventures Limited	1	**9,625,001**	9,625,001	**100.0**	100.0	**120.4**	120.4	**(136.8)**	(136.8)
Driefontein Consolidated (Pty) Limited	1	**1,000**	1,000	**100.0**	100.0	**–**	–	**(13.1)**	(13.1)
GFI Joint Venture Holdings (Pty) Ltd	1	**311,668,564**	311,668,564	**100.0**	100.0	**–**	–	**–**	219.6
GFI Mining South Africa (Pty) Limited	1	**1,000**	1,000	**100.0**	100.0	**–**	–	**–**	320.6
GFL Mining Services Limited	1	**235,676,387**	235,676,387	**100.0**	100.0	**17,425.9**	17,425.9	**9,838.0**	9,955.1
Gold Fields Ghana Limited	2	**900**	711	**90.0**	71.1	**–**	–	**–**	–
Gold Fields Group Services (Pty) Ltd	1	**1**	1	**100.0**	100.0	**–**	–	**1,114.5**	145.2
Gold Fields Holdings Company (BVI) Limited	3	**4,079**	4,077	**100.0**	100.0	**–**	–	**–**	–
Gold Fields Operations Limited	1	**156,279,947**	156,279,947	**100.0**	100.0	**–**	–	**–**	219.6
Gold Fields Orogen Holdings (BVI) Limited	3	**230**	230	**100.0**	100.0	**–**	–	**–**	–
Kloof Gold Mining Company Limited	1	**138,600,000**	138,600,000	**100.0**	100.0	**602.8**	602.8	**(610.2)**	(610.2)
Newshelf 899 (Pty) Limited	1	**90,000,000**	90,000,000	**100.0**	–	**23,210.9**	23,210.9	**–**	–
St Ives Gold Mining Company (Pty) Limited	4	**281,051,329**	281,051,329	**100.0**	100.0	**–**	–	**–**	–
Total						**41,566.8**	41,566.8	**10,192.4**	10,100.0

[1] Incorporated in the Republic of South Africa.
[2] Incorporated in Ghana.
[3] Incorporated in the British Virgin Islands.
[4] Incorporated in Australia.
[5] Incorporated in Peru.
[6] The loans are unsecured, interest free and have no fixed repayment terms.

Major Group investments – direct and indirect (continued)

for the period ended 31 December 2011

	Shares held 2011	2010	Group beneficial interest 2011 %	2010 %
OTHER				
Listed associates				
Rusoro Mining Limited	**140,000,001**	140,000,001	**26.4**	26.4
Timpetra Resources Limited	**15,000,000**	–	**21.8**	–
Listed equity investments				
Atacama Pacific Gold Corporation	**4,945,598**	4,945,598	**10.4**	13.4
Clancy Exploration Limited	**3,479,069**	3,479,069	**2.1**	3.2
CMQ Resources Inc	**1,071,000**	1,071,000	**2.4**	16.4
Conquest Mining Limited	**–**	51,783,388	**–**	8.9
Consolidated Woodjam Copper Corporation	**1,125,107**	–	**2.3**	–
Evolution Mining Limited	**15,535,016**	–	**2.2**	–
Fjordland Exploration Incorporated	**1,818,182**	1,818,182	**2.3**	2.7
Gold One International Limited	**–**	12,500,000	**–**	1.5
GoldQuest Mining Corporation	**13,962,500**	13,962,500	**13.5**	15.1
Gran Columbia Gold Corporation	**1,585,274**	–	**0.4**	–
Medoro Resources	**–**	1,321,062	**–**	0.9
Mvelaphanda Resources Limited	**–**	8,397,858	**–**	3.9
Northam Platinum Limited	**7,820,169**	–	**2.0**	–
Orsu Metals Corp	**1,134,919**	1,134,919	**0.7**	0.7
Rackla Metals Inc	**1,208,374**	–	**3.4**	–
Radius Gold Inc	**3,625,124**	3,625,124	**4.2**	4.9

Only major investments are listed individually.

Segment report

Financial summary – R million

	South Africa			Ghana		Peru	Australia				
	KDC	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total	Corporate and other[2]	Group Consolidation
INCOME STATEMENT for the 12 month period ended 31 December 2011											
Revenue	12,602.8	4,010.3	3,086.8	8,107.4	2,460.6	4,047.1	5,301.2	2,260.6	7,561.8	–	41,876.8
Operating costs	(7,452.4)	(2,408.8)	(2,138.4)	(3,150.6)	(1,026.0)	(1,136.6)	(2,999.2)	(1,000.0)	(3,999.2)	–	(21,312.0)
Gold inventory change	–	–	–	469.0	13.4	(1.0)	21.7	43.6	65.3	–	546.7
Operating profit	5,150.4	1,601.5	948.4	5,425.8	1,448.0	2,909.5	2,323.7	1,304.2	3,627.9	–	21,111.5
Amortisation and depreciation	(1,663.3)	(514.4)	(553.7)	(757.3)	(192.7)	(422.8)	(1,082.3)	(321.7)	(1,404.0)	(147.7)	(5,655.9)
Net operating profit/(loss)	3,487.1	1,087.1	394.7	4,668.5	1,255.3	2,486.7	1,241.4	982.5	2,223.9	(147.7)	15,455.6
Other costs	(86.4)	(22.0)	(36.7)	(83.2)	(62.7)	(59.4)	59.1	(4.7)	54.4	99.4[3]	(196.6)
Share-based payments	(108.1)	(35.6)	(30.5)	(31.3)	(12.9)	(23.1)	(17.8)	(6.1)	(23.9)	(213.9)	(479.3)
Exploration expense	–	–	–	–	–	(30.5)	(36.3)	(31.7)	(68.0)	(733.6)	(832.1)
Restructuring costs	(249.4)	(34.7)	(39.6)	(36.5)	(27.6)	–	(63.0)	(6.5)	(69.5)	(1.3)	(458.6)
Investment income	68.5	17.9	7.9	4.5	1.4	–	39.0	20.5	59.5	23.3	183.0
Finance expense	(30.1)	(6.6)	(10.2)	(8.8)	(6.1)	(30.7)	(15.7)	(3.8)	(19.5)	(337.6)	(449.6)
Royalties	(256.5)	(33.0)	(15.4)	(368.2)	(111.6)	(106.1)	–[4]	–[4]	(190.2)	–	(1,081.0)
Current taxation	(638.7)	(2.2)	–	(1,088.0)	(215.1)	(806.7)	–[4]	–[4]	–	(400.8)	(3,151.5)
Deferred taxation	(286.4)	(313.4)	(123.8)	(158.6)	(95.4)	74.9	–[4]	–[4]	(597.6)	316.7	(1,183.6)
Profit/(loss) for the period	1,900.0	657.5	146.4	2,898.4	725.3	1,505.1	–[4]	–[4]	1,369.1	(1,395.5)	7,806.3
Profit/(loss) attributable to:											
– Owners of the parent	1,900.0	657.5	146.4	2,356.9	594.3	1,397.1	–[4]	–[4]	1,369.1	(1,394.6)	7,026.7
– Non-controlling interest holders	–	–	–	541.5	131.0	108.0	–[4]	–[4]	–	(0.9)	779.6
STATEMENT OF FINANCIAL POSITION at 31 December 2011											
Total assets (excluding deferred taxation)	13,938.9	1,829.4	1,243.6	11,674.1	2,798.7	8,694.8	8,603.2	4,951.4	13,554.6	29,617.5	83,351.6
Total liabilities (excluding deferred taxation)	3,367.6	(841.4)	544.2	2,633.6	806.6	2,299.5	1,421.6	363.0	1,784.6	15,848.3	26,443.0
Net deferred taxation liabilities	3,834.5	1,183.5	128.1	1,688.5	236.2	202.1	–[4]	–[4]	2,201.8	(627.6)	8,847.1
Capital expenditure	2,300.3	611.1	1,982.4	1,580.5	634.5	501.0	1,319.1	534.7	1,853.8	739.6	10,203.2

The above is a geographical analysis presented by location of assets.

The group is 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. The Group's gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, the KDC division, the Beatrix division and the South Deep mine, in Ghana, the Tarkwa and Damang mines, in Australia, St Ives and Agnew mines and in Peru, Cerro Corona. The Group also has exploration interests which are included in the "Corporate and other" segment. (Refer to accounting policies on segment reporting on page 57).

[1] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 38%.

[2] "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. Included in "Corporate and other" is goodwill relating to the acquisition of South Deep. This does not represent a separate segment as it does not generate revenue.

[3] Other expenditure "Corporate and other" comprise feasibility and evaluation costs of R125.6 million, share of loss of associate after taxation of R7.0 million, impairment of investments R3.6 million, profit on disposal of investments of R51.1 million and the balance of R184.5 million income consists mainly of corporate related cost recoveries.

[4] As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

Segment report (continued)

Financial summary – US$ million

	South Africa			Ghana		Peru	Australia				
	KDC	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total	Corporate and other[2]	Group Consolidation
INCOME STATEMENT for the 6 month period ended 31 December 2010											
Revenue	5,814.5	1,849.7	1,343.4	3,342.4	1,085.7	1,903.7	2,237.5	731.2	2,968.7	–	18,308.1
Operating costs	(3,809.7)	(1,233.5)	(996.0)	(1,466.6)	(527.9)	(552.9)	(1,272.1)	(362.3)	(1,634.4)	–	(10,221.0)
Gold inventory change	–	–	–	(20.2)	3.8	11.4	73.8	4.8	78.6	–	73.6
Operating profit	2,004.8	616.2	347.4	1,855.6	561.6	1,362.2	1,039.2	373.7	1,412.9	–	8,160.7
Amortisation and depreciation	(874.6)	(263.1)	(269.9)	(310.4)	(90.4)	(207.5)	(581.8)	(100.6)	(682.4)	(77.7)	(2,776.0)
Net operating profit/(loss)	1,130.2	353.1	77.5	1,545.2	471.2	1,154.7	457.4	273.1	730.5	(77.7)	5,384.7
Other costs	(1,093.2)	(351.7)	(158.9)	(82.5)	(42.9)	(51.0)	(35.8)	(10.1)	(45.9)	(1,536.6)[3]	(3,362.7)
Investment income	42.5	12.3	7.1	4.3	–	–	12.2	1.9	14.1	11.6	91.9
Finance expense	(12.7)	(1.5)	(11.2)	(4.4)	(0.8)	(35.4)	(6.7)	(1.6)	(8.3)	(175.2)	(249.5)
Royalties	(84.7)	(9.2)	(6.7)	(62.2)	(22.4)	(52.2)	–[4]	–[4]	(72.0)	–	(309.4)
Current taxation	(146.3)	(2.7)	–	(391.1)	(133.0)	(336.4)	–[4]	–[4]	–	(129.4)	(1,138.9)
Deferred taxation	240.3	(56.2)	(4.3)	(41.0)	8.9	(13.6)	–[4]	–[4]	(183.8)	(3.5)	(53.2)
Profit/(loss) for the period	76.1	(55.9)	(96.5)	968.3	281.0	666.1	–[4]	–[4]	434.6	(1,910.8)	362.9
Profit/(loss) attributable to:											
– Owners of the parent	76.1	(55.9)	(96.5)	688.5	199.8	537.5	–[4]	–[4]	434.6	(1,860.4)	(76.3)
– Non-controlling interest holders	–	–	–	279.8	81.2	128.6	–[4]	–[4]	–	(50.4)	439.2
STATEMENT OF FINANCIAL POSITION at 31 December 2010											
Total assets (excluding deferred taxation)	13,080.5	1,603.4	854.3	8,054.8	1,687.8	7,176.3	5,823.4	3,277.6	9,101.0	29,503.1	71,061.2
Total liabilities (excluding deferred taxation)	2,950.5	(627.8)	455.5	1,278.3	475.7	1,947.7	951.2	309.7	1,260.9	9,636.5	17,377.3
Net deferred taxation liabilities	3,548.1	870.1	4.3	1,253.6	106.9	237.8	–[4]	–[4]	1,263.8	(223.2)	7,061.4
Capital expenditure	1,265.8	304.6	1,003.2	832.3	401.7	224.0	396.6	178.2	574.8	33.4	4,639.8

The above is a geographical analysis presented by location of assets.

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[1] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 38%.

[2] "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. Included in "Corporate and other" is goodwill relating to the acquisition of South Deep. This does not represent a separate segment as it does not generate revenue.

[3] Other expenditure "Corporate and other" comprise share-based payments of R1,045.0 million, exploration expenses of R325.0 million, feasibility and evaluation costs of R66.4 million, share of losses of associate after taxation of R206.6 million, loss on disposal of investments of R2.5 million and the balance of R108.9 million income consists mainly of corporate related cost recoveries.

[4] As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

Financial summary – US$ million

	South Africa			Ghana		Peru	Australia				
	KDC	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total	Corporate and other[2]	Group Consolidation
INCOME STATEMENT for the 12 month period ended 31 December 2011											
Revenue	1,745.5	555.4	427.5	1,122.9	340.8	560.5	734.2	313.1	1,047.3	–	5,800.1
Operating costs	(1,032.2)	(333.6)	(296.2)	(436.4)	(142.1)	(157.4)	(415.4)	(138.5)	(553.9)	–	(2,951.8)
Gold inventory change	–	–	–	65.0	1.9	(0.1)	3.0	6.0	9.0	–	75.7
Operating profit	713.4	221.8	131.3	751.5	200.6	403.0	321.8	180.6	502.4	–	2,924.0
Amortisation and depreciation	(230.4)	(71.2)	(76.7)	(104.9)	(26.7)	(58.6)	(149.9)	(44.6)	(194.5)	(20.4)	(783.4)
Net operating profit/(loss)	483.0	150.6	54.6	646.6	173.9	344.4	171.9	136.0	307.9	(20.4)	2,140.6
Other costs	(12.0)	(3.1)	(5.1)	(11.4)	(8.8)	(8.2)	8.2	(0.7)	7.5	13.8[3]	(27.3)
Share-based payments	(15.0)	(4.9)	(4.2)	(4.3)	(1.8)	(3.2)	(2.5)	(0.8)	(3.3)	(29.6)	(66.4)
Exploration expense	–	–	–	–	–	(4.2)	(5.0)	(4.4)	(9.4)	(101.6)	(115.2)
Restructuring costs	(34.5)	(4.8)	(5.5)	(5.1)	(3.8)	–	(8.7)	(0.9)	(9.6)	(0.2)	(63.5)
Investment income	9.5	2.5	1.1	0.6	0.2	–	5.4	2.8	8.2	3.3	25.4
Finance expense	(4.3)	(0.9)	(1.4)	(1.2)	(0.8)	(4.3)	(2.2)	(0.5)	(2.7)	(46.6)	(62.3)
Royalties	(35.5)	(4.6)	(2.1)	(51.0)	(15.5)	(14.7)	–[4]	–[4]	(26.3)	–	(149.7)
Current taxation	(88.5)	(0.3)	–	(150.7)	(29.8)	(111.7)	–[4]	–[4]	–	(55.5)	(436.5)
Deferred taxation	(39.7)	(43.4)	(17.1)	(22.0)	(13.2)	10.4	–[4]	–[4]	(82.8)	43.9	(163.9)
Profit/(loss) for the period	263.2	91.1	20.3	401.4	100.5	208.5	–[4]	–[4]	189.6	(193.4)	1,081.2
Profit/(loss) attributable to:											
– Owners of the parent	263.2	91.1	20.3	326.4	82.4	193.5	–[4]	–[4]	189.6	(193.3)	973.2
– Non-controlling interest holders	–	–	–	75.0	18.1	15.0	–[4]	–[4]	–	(0.1)	108.0
STATEMENT OF FINANCIAL POSITION at 31 December 2011											
Total assets	1,714.5	225.0	153.0	1,435.9	344.2	1,069.5	1,058.2	609.0	1,667.2	3,643.0	10,252.3
Total liabilities (excluding deferred taxation)	414.2	(103.5)	66.9	323.9	99.2	282.8	174.9	44.6	219.5	1,949.5	3,252.5
Net deferred taxation liabilities	471.6	145.6	15.8	207.7	29.1	24.9	–[4]	–[4]	270.8	(77.3)	1,088.2
Capital expenditure	318.6	84.6	274.6	218.9	87.8	69.4	182.7	74.1	256.8	102.5	1,413.2

The above is a geographical analysis presented by location of assets.

The group is 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. The Group's gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, the KDC division, the Beatrix division and the South Deep mine, in Ghana, the Tarkwa and Damang mines, in Australia, St Ives and Agnew mines and in Peru, Cerro Corona. The Group also has exploration interests which are included in the "Corporate and other" segment. (Refer to accounting policies on segment reporting on page 57).

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

Period end exchange rate of R8.13/US$.

Average exchange rate for the 12 month period ended 31 December 2011 of R7.22/US$.

[1] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 38%.

[2] "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. Included in "Corporate and other" is goodwill relating to the acquisition of South Deep. This does not represent a separate segment as it does not generate revenue.

[3] Other expenditure "Corporate and other" comprise feasibility and evaluation costs of US$17.4 million, share of loss of associate after taxation of US$1.0 million, impairment of investments US$0.5 million, profit on disposal of investments of US$7.1 million and the balance of US25.6 million income consists mainly of corporate related cost recoveries.

[4] As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

Segment report (continued)

Financial summary – US$ million

	South Africa			Ghana		Peru	Australia				
	KDC	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives	Agnew	Total	Corporate and other[2]	Group Consolidation
INCOME STATEMENT for the 6 month period ended 31 December 2010											
Revenue	814.3	259.1	188.2	468.1	152.1	266.6	313.4	102.4	415.8	–	2,564.2
Operating costs	(533.6)	(172.8)	(139.5)	(205.4)	(73.9)	(77.4)	(178.2)	(50.7)	(228.9)	–	(1,431.5)
Gold inventory change	–	–	–	(2.8)	0.5	1.6	10.3	0.7	11.0	–	10.3
Operating profit	280.7	86.3	48.7	259.9	78.7	190.8	145.5	52.4	197.9	–	1,143.0
Amortisation and depreciation	(122.5)	(36.8)	(37.8)	(43.5)	(12.7)	(29.1)	(81.5)	(14.1)	(95.6)	(10.8)	(388.8)
Net operating profit/(loss)	158.2	49.5	10.9	216.4	66.0	161.7	64.0	38.3	102.3	(10.8)	754.2
Other costs	(153.1)	(49.3)	(22.3)	(11.6)	(6.0)	(7.1)	(5.0)	(1.4)	(6.4)	(215.2)[3]	(471.0)
Investment income	6.0	1.7	1.0	0.6	0.1	–	1.7	0.3	2.0	1.5	12.9
Finance expense	(1.8)	(0.2)	(1.6)	(0.6)	(0.1)	(5.0)	(0.9)	(0.3)	(1.2)	(24.5)	(35.0)
Royalties	(11.8)	(1.3)	(0.9)	(8.7)	(3.1)	(7.3)	–[4]	–[4]	(10.2)	–	(43.3)
Current taxation	(20.5)	(0.4)	–	(54.8)	(18.6)	(47.1)	–[4]	–[4]	–	(18.1)	(159.5)
Deferred taxation	33.7	(7.9)	(0.6)	(5.7)	1.2	(1.9)	–[4]	–[4]	(25.7)	(0.6)	(7.5)
Profit/(loss) for the period	10.7	(7.9)	(13.5)	135.6	39.5	93.3	–[4]	–[4]	60.8	(267.7)	50.8
Profit/(loss) attributable to:											
– Owners of the parent	10.7	(7.9)	(13.5)	96.4	28.1	75.3	–[4]	–[4]	60.8	(260.6)	(10.7)
– Non-controlling interest holders	–	–	–	39.2	11.4	18.0	–[4]	–[4]	–	(7.1)	61.5
STATEMENT OF FINANCIAL POSITION at 31 December 2010											
Total assets	1,937.9	237.5	126.6	1,193.3	250.0	1,063.2	862.7	485.6	1 348.3	4,370.9	10,527.7
Total liabilities (excluding deferred taxation)	437.1	(93.0)	67.5	189.4	70.5	288.5	140.9	45.9	186.8	1,427.7	2,574.5
Net deferred taxation liabilities	525.6	128.9	0.6	185.7	15.8	35.2	–[4]	–[4]	187.2	(33.1)	1,046.1
Capital expenditure	177.3	42.7	140.5	116.6	56.3	31.4	55.5	25.0	80.5	4.7	649.8

The above is a geographical analysis presented by location of assets.

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

Period end exchange rate of ZAR/US$6.75.

Average exchange rate for the six month period ended 31 December 2010 of R7.14/US$.

[1] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 38%.

[2] "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. Included in "Corporate and other" is goodwill relating to the acquisition of South Deep. This does not represent a separate segment as it does not generate revenue.

[3] Other expenditure "Corporate and other" comprise share-based payments of US$146.4 million, exploration expenses of US$45.5 million, feasibility and evaluation costs of US$9.3 million, share of losses of associate after taxation of US$28.9 million, loss on disposal of investments of US$0.4 million and the balance of US$15.3 million income consists mainly of corporate related cost recoveries.

[4] As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew based on endowment ounces and also as these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, income or deferred taxation.

Shareholders' information

analysis of shareholders at 31 December 2011

Shareholder spread	No. of shareholders	%	No. of shares	%
1 – 1,000 shares	15,253	83.36	2,605,103	0.36
1,001 – 10,000 shares	2,031	11.10	5,993,836	0.83
10,001 – 100,000 shares	657	3.59	24,192,635	3.34
100,001 – 1,000,000 shares	289	1.58	83,186,911	11.47
1,000,001 shares and over	68	0.37	609,154,530	84.00
Total	**18,298**	**100.00**	**725,133,015***	**100.00**

Distribution of shareholders	No. of shareholders	%	No. of shares	%
American Depositary Receipts	3	0.02	267,238,281	36.85
Banks	234	1.28	215,188,144	29.68
Brokers	117	0.64	21,444,146	2.96
Close Corporations	180	0.98	224,236	0.03
Control Account	1	0.01	1,203,386	0.17
Endowment Funds	74	0.40	1,575,398	0.22
Individuals	14,502	79.26	7,017,890	0.97
Insurance Companies	53	0.29	15,044,061	2.07
Investment Companies	15	0.08	9,189,654	1.27
Medical Aid Schemes	22	0.12	798,619	0.11
Mutual Funds	415	2.27	75,913,892	10.47
Nominees and Trusts	1,803	9.85	2,848,447	0.39
Other Corporations	165	0.90	1,045,342	0.14
Own Holdings	2	0.01	1,049,104	0.14
Pension Funds	385	2.10	89,337,593	12.32
Private Companies	279	1.52	1,095,706	0.15
Public Companies	47	0.26	1,393,722	0.19
Share Trust	1	0.01	13,525,394	1.87
Total	**18,298**	**100.00**	**725,133,015***	**100.00**

*Included in this number are 541,499 shares issued but not listed for the share incentive scheme, as well as 856,330 treasury shares.

Shareholders' information

analysis of shareholders at 31 December 2011

Public/non-public shareholders	No. of shareholdings	%	No. of shares	%
Non-public shareholders	**11**	**0.06**	**14,626,564**	**2.02**
Directors	8	0.04	52,066	0.01
Share trust	1	0.01	13,525,394	1.87
Own holdings	2	0.01	1,049,104	0.14
Public shareholders	**18,287**	**99.94**	**710,506,451**	**97.98**
Total	**18,298**	**100.00**	**725,133,015**	**100.00**

Beneficial shareholders holding of 3% or more	No. of shares	%
Government Employees Pension Fund	43,933,654	6.06
First Eagle Investment Management LLC	39,441,557	5.44
Tradewinds Global Investors, LLC	27,566,433	3.80
Van Eck Associates Corporation	27,162,074	3.75
Paulson & Co. Inc.	25,763,700	3.55

Foreign custodian shareholders holding of 3% or more	No. of shares	%
Bank of New York Depositary Receipts	267,242,181	36.85
State Street Bank and Trust Company	59,542,276	8.21
Chase Nominees Limited	42,977,713	5.93
The Bank of New York (Nominees) Limited	34,877,689	4.81
Nortrust Nominees Limited	28,515,974	3.93

Operating and financial information by mine

for the 12 month period ended 31 December 2011

SOUTH AFRICA REGION

All South African data based on Ore Reserve Development capitalised as from F2004.

KDC

	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	'000 oz	Cash cost US$/oz	Net earnings R million	US$ million
Year to 30 June							
1939 – 2005	458,323,900	11.6	5,331,856	171,423	n/a	n/a	n/a
2006	10,533,000	6.1	64,184	2,064	341	854.9	133.6
2007	10,481,000	5.8	60,323	1,939	357	1,794.6	249.3
2008	9,934,000	5.5	54,398	1,749	420	2,181.2	299.9
2009	9,536,000	4.8	45,812	1,473	474	2,194.1	243.5
2010	10,383,000	3.8	39,700	1,276	723	1,023.0	135.0
Six months to December 2010	5,152,000	3.8	19,719	634	832	76.1	10.7
Year to 31 December							
2011	10,831,000	3.2	34,218	1,100	946	1,900.0	263.2
Total	**525,173,900**	**10.8**	**5,650,210**	**181,658**			

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 as from F2000)

	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	'000 oz	Cash cost US$/oz	Net earnings R million	US$ million
Year to 30 June							
1985 – 2005	57,164,000	5.4	311,517	10,016	n/a	n/a	n/a
2006	3,551,000	5.2	18,541	596	354	185.3	29.0
2007	3,590,000	4.7	16,903	543	377	370.8	51.5
2008	3,215,000	4.2	13,625	438	515	332.4	45.7
2009	2,991,000	4.1	12,164	391	552	321.8	35.7
2010	3,051,000	4.0	12,188	392	740	206.9	27.3
Six months to December 2010	1,965,000	3.2	6,282	202	837	(55.9)	(7.9)
Year to 31 December							
2011	3,817,000	2.8	10,787	347	957	657.5	91.1
Total	**79,344,000**	**5.1**	**402,007**	**12,925**			

Beatrix and Oryx became one tax entity as from Financial 2000.

*Combined surface and underground yield.

Oryx Mine – (changed name to 4 shaft, known as West section from F2005)

	Tonnes milled	Yield g/tonne	Gold produced Kilograms	'000 oz	Cash cost US$/oz	Net earnings R million	US$ million
Year to 30 June							
1985 – 1999	**5,656,000**	**3.2**	**18,182**	**585**	**n/a**	**(768.0)**	**(123.5)**

Prior to 1996 Oryx Mine was a gold/uranium mine and has been included in Beatrix from F2000.

Operating and financial information by mine (continued)

for the 12 month period ended 31 December 2011

South Deep Mine

	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	'000 oz	Cash cost US$/oz	Net earnings R million	US$ million
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
Total	**8,934,000**	**4.4**	**39,004**	**1,254**			

For the seven months ended 30 June 2007, since acquisition control.

*Combined surface and underground yield.

WEST AFRICA REGION

Tarkwa Mine – total managed

	Tonnes treated	Yield g/tonne	Gold produced Kilograms	'000 oz	Cash cost US$/oz	Net earnings R million	US$ million
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
Total	**236,396,600**	**1.0**	**247,421**	**7,954**			

Surface operation from F1999.

Damang Mine – total managed

	Tonnes milled	Yield g/tonne	Gold produced Kilograms	'000 oz	Cash cost US$/oz	Net earnings R million	US$ million
Year to 30 June							
2002# – 2005	17,279,000	1.8	30,994	996	n/a	575.8	76.1
2006	5,328,000	1.4	7,312	235	341	174.2	27.2
2007	5,269,000	1.1	5,843	188	473	115.1	16.0
2008	4,516,000	1.3	6,041	194	551	187.4	25.9
2009	4,991,000	1.2	6,233	200	660	81.4	9.0
2010	5,028,000	1.3	6,451	207	660	347.7	45.9
Six months to December 2010	2,491,000	1.5	3,637	117	636	281.0	39.5
Year to 31 December							
2011	4,942,000	1.4	6,772	218	701	725.3	100.5
Total	**49,844,000**	**1.5**	**73,283**	**2,355**			

F2002 – For the five months ended 30 June 2002, since acquisition.

AUSTRALASIA REGION

St Ives Mine

	Tonnes treated	Yield g/tonne	Gold produced kilograms	Gold produced '000 oz	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
Total	**66,752,000**	**2.3**	**151,841**	**4,882**		

[#] For the seven months ended 30 June 2002, since acquisition.

Agnew Mine

	Tonnes milled	Yield g/tonne	Gold produced kilograms	Gold produced '000 oz	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
Total	**11,561,000**	**5.1**	**59,394**	**1,909**		

[#] For the seven months ended 30 June 2002, since acquisition.

Operating and financial information by mine (continued)

for the 12 month period ended 31 December 2011

St Ives/Agnew

Net earnings

	R million	US$ million	A$ million
Year to 30 June			
2002[#] – 2005	1,579.5	181.2	296.2
2006	251.8	39.3	52.6
2007	298.6	41.5	52.8
2008	268.3	36.8	41.2
2009	628.9	69.8	94.3
2010	600.5	81.0	89.9
Six months to December 2010	434.6	60.8	64.8
Year to 31 December			
2011	1,369.1	189.6	183.8

[#] F2002 – For the seven months ended 30 June 2002, since acquisition.

SOUTH AMERICA REGION

Cerro Corona – total managed

	Tonnes treated	Yield g/tonne	Gold produced[1] kilograms	’000 oz	Cash cost US$/oz	Net earnings R million	US$ million
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	347.7	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
Total	**20,383,000**	**1.8**	**37,186**	**1,196**			

[#] Transition from project to operation from September 2008.

[1] Cerro Corona is a gold and copper mine. As such gold produced is based on gold equivalent ounces.

Glossary of terms

ABET	Adult Basic Education and Training
AS/NZ 4801	Australian occupational health and safety management standards
Backfill	Material generally sourced from mine residues and utilised for the filling of mined voids, to ensure long-term stability of excavations and minimise the effects of seismic activity
BEE	Black Economic Empowerment. BEE seeks to ensure that black persons within South Africa gain a significant degree of control in the economy through the possession of equity stakes and the holding of management positions within an institution
Blasthole	A drill hole in a mine that is filled with explosives in order to blast loose a quantity of rock
Bore-hole or drill-hole	Method of sampling rock that has not been exposed by means of obtaining a core of rock (see diamond drill)
Box-hole	A cross raise, normally from the access cross-cut to the reef horizon, for the purpose of drawing broken rock and ore from the reef horizon into a conveyance in the cross-cut
Breast mining	A mining method whereby mining advances in the direction of the strike
Bulk mining	Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being brought to surface each day
BVQI	Bureau Veritas Qualite International is a leading global and independent certification body that audits and certifies whether company systems meet the requirements of ISO standards
Carbon-in-leach	The recovery process in which gold is leached from gold ore pulp by cyanide and simultaneously adsorbed onto activated carbon granules in the same vessel. The loaded carbon is then separated from the pulp for subsequent gold removal by elution. The process is typically employed where there is a naturally occurring gold adsorbent in the ore
Carbon-in-pulp	The recovery process in which gold is first leached from gold ore pulp by cyanide and then adsorbed onto activated carbon granules in separate vessels. The loaded carbon is then separated from the pulp for subsequent gold removal by elution
Capital expenditure (or capex)	Specific project or ongoing expenditure for replacement or additional equipment, materials or infrastructure
Channel	Water course, also in this sense sedimentary material course
Collective Bargaining Agreement	Collective Bargaining Agreement means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by a trade union(s) and the company
Co-morbidity	Medical term for diseases that commonly co-exist to increase the risk of morbidity
Comminution	The term used to describe the process by which ore is reduced in size in order to liberate the desired mineral from the gangue material in preparation for further processing
Concentrate	A metal-rich product resulting from a mineral enrichment process such as gravity concentration or flotation, in which most of the desired mineral has been separated from the waste material in the ore
Conglomerate	Sedimentary rock comprising eroded, rounded pebbles
Cross-cut	A horizontal underground drive developed perpendicular to the strike direction of the stratigraphy
Cut-off grade	The lowest grade of mineralised rock cut-off grade which determines as to whether or not it is economic to recover its gold content by further concentration
Decline	A surface or sub-surface excavation in the form of a tunnel which is developed from the uppermost point downward
Depletion	The decrease in quantity of ore in a deposit or property resulting from extraction or mining
Development	Is any tunnelling operation, which has for its object either exploration, exploitation or both
Diamond drill	A rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections
Dilution	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined
Dip	Angle of inclination of a geological feature/rock from the horizontal
Dyke	Thin, tabular, vertical or near vertical body of igneous rock formed by the injection of magma into planar zones of weakness

Glossary of terms (continued)

Elution	The chemical process of desorbing gold from activated carbon
Face	The end of a drift, cross-cut or stope at which work is taking place
Facies	A rock unit defined by its composition, internal geometry and formation environment, usually reflecting the conditions of its origin
Fatality rate	Number of deaths per million man-hours worked
Fault	The surface of a fracture along which movement has occurred
Feasibility study	A comprehensive design and costing study of the selected option for the development of a mineral project in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other modifying factors, which are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable) and the factors reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The overall confidence of the study should be stated
Filtration	Process of separating usually valuable solid material from a liquid
Flotation	The process by which the surface chemistry of the desired mineral particles is chemically modified such that they preferentially attach themselves to bubbles and float to the pulp surface in specially designed machines. The gangue or waste minerals are chemically depressed and do not float, thus allowing the valuable minerals to be concentrated and separated from the undesired material
Footwall	The underlying side of an ore body or stope
Gold equivalent	A quantity of metal (such as copper) converted to an amount of gold in ounces, based on accepted gold and other metal prices. i.e. The accepted total value of the metal based on its weight and value thereof divided by the accepted value of one troy ounce of gold
Grade	The quantity of gold contained within a unit weight of gold-bearing material generally expressed in grams per metric tonne (g/t)
Hanging wall	The overlying side of an ore body or slope
Haulage	A horizontal underground excavation which is used to transport mined ore
Head grade	The grade of the material delivered to the processing facility (such as heap leach pad, Mill etc.). The Mineral Reserve declaration is for material as delivered to the processing facility
Hedging	Taking a buy or sell position in futures market. Opposite to a position held in the cash/spot market to minimise the risk of financial loss from an adverse price change
Hydrothermal	Process of injection of hot, aqueous, generally mineral-rich solutions into existing rocks or features
ICVCT	Informed Consented Voluntary Counselling and Testing
Indicated Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes which may be limited or of uncertain quality and reliability
ISO 14000	International standards for organisations to implement sound environmental management systems
LTIFR	Lost-Time Injury Frequency Rate. Number of lost day injuries expressed in million man-hours worked
Lock-up gold	Gold locked as a temporary inventory within a processing plant, or sections thereof, typically milling circuits

Measured Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are spaced closely enough to confirm geological and grade continuity
Milling	A general term used to describe the process in which the ore is crushed and ground and subjected to physical or chemical treatment to extract the valuable metals to a concentrate or finished product
Mine Health and Safety Act (MHSA)	The South African Mine Health and Safety Act, No 29 of 1996
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories
Mineral Reserve	A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life-of-Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed
Mineralised	Rock in which minerals have been introduced to the point of a potential ore deposit
Minerals Act	The South African Minerals Act, No 50 of 1999
Normal fault	Fault in which the hanging wall moves downward relative to the footwall, under extensional tectonic conditions
Notional cash expenditure (NCE)	NCE is defined as operating costs plus capital expenditure and is reported on a per kilogram and per ounce basis
Nugget effect	A measure of the randomness of the grade distribution within a mineralised zone
NUM	National Union of Mine Workers
OHSAS	Management system standards, developed in order to facilitate the integration of quality and occupational health and safety management systems by organisations
Payshoot	Linear to sub-linear zone within a reef for which gold grades or accumulations are predominantly above the cut-off grade
Pillar	Rock left behind to help support the excavations in an underground mine
Probable Mineral Reserve	The economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and including consideration of and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Project capital	Capital expenditure which is associated with specific projects of a non-routine nature
Proved Mineral Reserve	The economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Reef	Gold bearing sedimentary horizon in the Witwatersrand Basin
SADC	Southern African Development Community

Glossary of terms (continued)

SAMREC Code	The South African code for the reporting of exploration results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2007 Edition
Seismic	Earthquake or earth vibration including those artificially induced by mining operations
Sequential Grid Mining	Mining method incorporating dip pillars and mined on a grid system
Shaft	An opening cut downwards from the surface for transporting personnel, equipment, supplies, ore and waste
Shear	A deformation resulting from stresses that cause contiguous parts of a body of rock to slide relative to each other in a direction parallel to their plane of contact
Stope	The working area from which ore is extracted in an underground mine
Stripping	The process of removing overburden or waste rock to expose ore
Stripping ratio	The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined
Stratigraphy	The science of rock strata, including arrangement according to geographical positioning and chronological order of sequence
Strike	Direction of line formed by the intersection of strata surfaces with the horizontal plane, always perpendicular to the dip direction
Sub-vertical shaft	An opening cut below the surface downwards from an established surface shaft
Surface sources	Ore sources, usually dumps, tailings dams and stockpiles, located at the surface
TEBA	The Employment Bureau of Africa
Tertiary shaft	An opening cut below the surface downwards from an established sub-vertical shaft
The Base Case	The Base Case is established as part of the financial models
Trade union	An association of employees: whose principal purpose is to regulate relations between employees and the company, which has been registered; whose officials have been elected to represent the interests of employees within the workplace; and which is recognised for collective bargaining by the company
Total cash costs	Total cash costs include cost of sales – excluding amortisation and depreciation, rehabilitation costs, general and administration costs, and exploration costs in accordance with the Gold Institute Industry Standard
Vamping	Is the final clean-up of track ballast and/or accumulations in gullies and along transportation routes

Abbreviations and units

ABET	Adult Basic Education and Training
ADS	American Depository Shares
Aids	Acquired Immune Deficiency Syndrome
ARC	Assessment and Rehabilitation Centres
ART	Antiretroviral therapy
CBO	Community-based organisation
CIL	Carbon-in-leach
CIP	Carbon-in-pulp
CIS	Carbon-in-solution
DCF	Discounted Cash Flow
ETF	Exchange traded fund
GFHS	Gold Fields Health Service
GFLC	Gold Fields La Cima
GRI	Global Reporting Initiative
HBC	Home-based care
HDSA	Historically disadvantaged South African
HIV	Human Immunodeficiency Virus
LoM plan	Life-of-Mine plan
LTIFR	Lost-Time Injury Frequency Rate, quoted in million man-hours
NGO	Non-governmental organisation
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
MCF	Mine Call Factor
OHC	Occupational Health Centre
OT	Occupational therapy
PHC	Primary health clinic
PPI	Producer Price Index
SAMREC	South African code for Reporting of Mineral Resources and Mineral Reserves
SEC	United States Securities Exchange Commission
STI	Sexually transmitted infection
TB	Tuberculosis
TEC	Total employees costed
UASA	United Association of South Africa (a labour organisation)
VCT	Voluntary Counselling and Testing (for HIV)
cm	centimetre
cm.g/t	gold accumulation
g	gram
g/t	grams per metric tonne – gold grade
ha	hectare
kg	kilogram

Glossary of terms (continued)

Abbreviations and units continued

km	kilometre
koz	thousand ounces
kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
ktpm	thousand tonnes per month
m^2	square metre
Moz	million ounces
oz	fine troy ounce equalling 31.10348 grams
t	metric tonne
US$	United States dollar
US$m	million United States dollars
US$/oz	United States dollar per ounce
R	South African rand
R/kg	South African rand per kilogram
Rm	million South African rand
R/t	South African rand per metric tonne

Glossary of terms – Sustainable development

SUSTAINABLE DEVELOPMENT

- United Nations Global Compact – is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society.
- Global Reporting Initiative (GRI) – produces one of the world's most prevalent standards for sustainability reporting. Sustainability reporting is a form of value reporting where an organisation publicly communicates their economic, environmental, and social performance.
- CMM (International Council on Mining and Metals) – CEO led organisation of mining companies that seeks to continually entrench best practice with regard to sustainable development and to provide a platform for member companies to share experiences.

HEALTH, SAFETY AND WELL-BEING

- LTIFR (Lost-Time Injury Frequency Rate) – Frequency rate that takes into account, any injury occurring in the workplace where a person is unable to attend a full shift due to this injury at any time following the injury. i.e. It is not only relevant to the shift immediately following.
- SIFR (Serious Injury Frequency Rate) – Frequency rate that takes into account, any injury where a person is defined as an LTI but will be unable to return to work within 14 days of their injury occurring.
- MTIFR (Medically Treated Injury Frequency Rate) – Frequency rate that takes into account, any work-related injury where a person is sent to a medical practitioner and is given treatment that cannot be provided on site by a First Aider. e.g. the prescription of medication that is unavailable over the counter from any drug store or pharmacy, sutures, X-rays resulting in identifying an injury whether it be a fracture, tendon damage or otherwise. (X-rays are not treated as medical treatment where no injury is found). If the medical practitioner prescribes further treatment such as physiotherapy or chiropractics this would be considered a medically treated injury.
- OHSAS 18001 – An international voluntary standard against which organisations are assessed on their Health and Safety performance. As with other standards, it is based around the setting of objectives and targets and the monitoring of the businesses performance against these.
- AS 4801 – An Australian standard for occupational health and safety and is currently one of the main system requirements for national, state and local government projects.
- Noise Induced Hearing Loss (NIHL) – is an increasingly prevalent disorder that results from exposure to high-intensity sound, especially over a long period of time.
- Silicosis – is a form of occupational lung disease caused by inhalation of crystalline silica dust, and is marked by inflammation and scarring in forms of nodular lesions in the upper lobes of the lungs.
- Chronic Obstructive Airway Disease (COAD) – refers to chronic bronchitis and emphysema, a pair of commonly co-existing diseases of the lungs in which the airways become narrowed.
- Highly active antiretroviral therapy (HAART) – Treatment with a very potent drug "cocktail" to suppress the growth of HIV, the retrovirus responsible for Aids.

ENVIRONMENT

- SO 14001 – an international voluntary standard for environmental management systems. This is one standard in the ISO 14000 series of International standards on environmental management.
- Environmental incidences – these are incidences that are classified in accordance with a system designed by Gold Fields that classifies the incident based on its severity. The incidences are classified as follows:
  - Level 1 – incidences of minor non-conformance that result in no negligible adverse environmental impact
  - Level 2 – incidences that result in short-term, limited and non-ongoing adverse environmental impacts
  - Level 3 – incidences that result in ongoing, but limited environmental impact
  - Level 4 – incidences that result in medium-term environmental impact
  - Level 5 – incidences that result in long-term environmental impact
- Water withdrawal – the sum of all water drawn into the boundaries of the reporting organisation for any use over the course of the reporting period.
- Water discharge – the sum of water effluents discharged over the course of the reporting period to the receiving environment.
- mS/m (milliSiemens/metre) – is the unit used in the measuring of the electrical conductivity of water and provides an indication of overall water quality.
- Acid Mine Drainage (AMD) – refers to the outflow of acidic water from (usually abandoned) mines that contain high pyrite levels. It is also known as acid rock drainage (ARD). The acid is formed from the pyrite mineral oxidising and forming sulphuric acid.
- Basel Convention – is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries (LDCs).

Glossary of terms – Sustainable development continued

SUPPLY CHAIN MANAGEMENT AND MATERIAL STEWARDSHIP

- ICMC (International Cyanide Management Code) – is a voluntary industry programme for manufacture, transport and use of cyanide in gold production.

SOCIAL RESPONSIBILITY AND STAKEHOLDER ENGAGEMENT

- Corporate Social Investment (CSI spend) – total monies disbursed through our foundations to achieve commitments set out in our socio-economic development programmes. In some regions, additional projects may be captured under the CSI spend such as the Black Stars sponsorship in Ghana or potential projects for exploration and project development such as at Chucapaca – should be replaced throughout the report with Local Economic Development.
- Local Economic Development (LED) – refers to initiatives and monies disbursed to uplift socio-economic conditions in the communities in which we operate.
- AA1000SES – is a generally applicable, open-source framework for improving the quality of the design, implementation, assessment, communication and assurance of stakeholder engagement.

OUR PEOPLE

- HDSA – Historically disadvantaged South Africans.

ENERGY AND CARBON MANAGEMENT

- Greenhouse gas emission (GHG emissions) – Gases which absorb outgoing terrestrial radiation, such as water vapour, methane, CFCs, and carbon dioxide.
- Scope 1 carbon dioxide (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.

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SUSTAINABLE DEVELOPMENT

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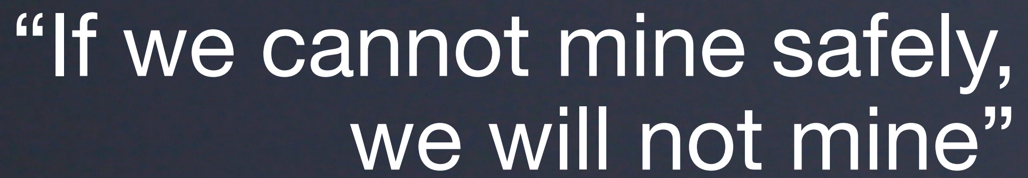

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