COLONY BANKCORP INC
Form 10-Q
August 08, 2008

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR QUARTER ENDED JUNE 30, 2008 COMMISSION FILE NUMBER 0-12436

COLONY BANKCORP, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

GEORGIA
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

58-1492391
(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

115 SOUTH GRANT STREET, FITZGERALD, GEORGIA 31750
ADDRESS OF PRINCIPAL EXECUTIVE OFFICES

229/426-6000
REGISTRANT'S TELEPHONE NUMBER INCLUDING AREA CODE

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED REPORTS REQUIRED TO BE FILED BY SECTIONS 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES T NO £

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A LARGE ACCELERATED FILER, AN ACCELERATED FILER, A NONACCELERATED FILER OR A SMALLER REPORTING COMPANY. SEE DEFINITIONS OF ACCELERATED FILER, LARGE ACCELERATED FILER AND SMALLER REPORTING COMPANY IN RULE 12b-2 OF THE EXCHANGE ACT. (CHECK ONE)

LARGE ACCELERATED FILER £ ACCELERATED FILER T
NON ACCELERATED FILER £ SMALLER REPORTING COMPANY £

(DO NOT CHECK IF A SMALLER REPORTING COMPANY)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A SHELL COMPANY (AS DEFINED IN RULE 12B-2 OF THE ACT).

YES £ NO T

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE.

CLASS	OUTSTANDING AT AUGUST 8, 2008
COMMON STOCK, $1 PAR VALUE	7,215,463

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Forward Looking Statement Disclosure

Statements in this Quarterly Report regarding future events or performance are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the PSLRA) and are made pursuant to the safe harbors of the PSLRA. Actual results of Colony Bankcorp, Inc. (the Company) could be quite different from those expressed or implied by the forward-looking statements. Any statements containing the words “could,” “may,” “will,” “should,” “plan,” “believe,” “anticipates,” “estimates,” “predicts,” “expects,” “projections,” “potential,” “continue,” or words c import, constitute “forward-looking statements”, as do any other statements that expressly or implicitly predict future events, results, or performance. Factors that could cause results to differ from results expressed or implied by our forward-looking statements include, among others, risks discussed in the text of this Quarterly Report as well as the following specific items:

- General economic conditions, whether national or regional, that could affect the demand for loans or lead to increased loan losses;

- Competitive factors, including increased competition with community, regional, and national financial institutions, that may lead to pricing pressures that reduce yields the Company achieves on loans and increase rates the Company pays on deposits, loss of the Company’s most valued customers, defection of key employees or groups of employees, or other losses;

- Increasing or decreasing interest rate environments, including the shape and level of the yield curve, that could lead to decreases in net interest margin, lower net interest and fee income, including lower gains on sales of loans, and changes in the value of the Company’s investment securities;

- Changing business or regulatory conditions, or new legislation, affecting the financial services industry that could lead to increased costs, changes in the competitive balance among financial institutions, or revisions to our strategic focus;

- Changes or failures in technology or third party vendor relationships in important revenue production or service areas, or increases in required investments in technology that could reduce our revenue, increase our costs or lead to disruptions in our business.

- Readers are cautioned not to place undue reliance on our forward-looking statements, which reflect management’s analysis only as of the date of the statements. The Company does not intend to publicly revise or update forward-looking statements to reflect events or circumstances that arise after the date of this report.

Readers should carefully review all disclosures we file from time to time with the Securities and Exchange Commission (SEC).

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PART 1. FINANCIAL INFORMATION
ITEM 1.

FINANCIAL STATEMENTS

THE FOLLOWING FINANCIAL STATEMENTS ARE PROVIDED FOR COLONY BANKCORP, INC. AND SUBSIDIARIES: COLONY BANK OF FITZGERALD, COLONY BANK ASHBURN, COLONY BANK WILCOX, COLONY BANK OF DODGE COUNTY, COLONY BANK WORTH, COLONY BANK SOUTHEAST, COLONY MANAGEMENT SERVICES, INC., AND COLONY BANK QUITMAN, FSB.

A. CONSOLIDATED BALANCE SHEETS – JUNE 30, 2008 AND DECEMBER 31, 2007.

B. CONSOLIDATED STATEMENTS OF INCOME – FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007 AND FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007.

C. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME – FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007 AND FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007.

D. CONSOLIDATED STATEMENTS OF CASH FLOWS – FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007.

THE CONSOLIDATED FINANCIAL STATEMENTS FURNISHED HAVE NOT BEEN AUDITED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS, BUT REFLECT, IN THE OPINION OF MANAGEMENT, ALL ADJUSTMENTS
(CONSISTING SOLELY OF NORMAL RECURRING ADJUSTMENTS) NECESSARY FOR A FAIR PRESENTATION OF THE RESULTS OF OPERATIONS FOR THE PERIODS PRESENTED.

THE RESULTS OF OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008 ARE NOT NECESSARILY INDICATIVE OF THE RESULTS TO BE EXPECTED FOR THE FULL YEAR.

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Part I (Continued)
Item 1 (Continued)

COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2008 AND DECEMBER 31, 2007
(DOLLARS IN THOUSANDS)

ASSETS	June 30, 2008 (Unaudited)	December 31, 2007
Cash and Cash Equivalents		
Cash and Due from Banks	$ 27,478	$ 28,369
Federal Funds Sold	5,579	21,737
	33,057	50,106
Interest-Bearing Deposits	1,783	1,467
Investment Securities		
Available for Sale, at Fair Value	177,054	167,123
Held to Maturity, at Cost (Fair Value of $65 and $72, as of June 30, 2008 and December 31, 2007, Respectively)	63	68
	177,117	167,191
Federal Home Loan Bank Stock, at Cost	6,092	5,533
Loans	954,287	945,279
Allowance for Loan Losses	(17,466)	(15,513)
Unearned Interest and Fees	(213)	(301)
	936,608	929,465
Premises and Equipment	28,606	27,809
Other Real Estate	3,198	1,332
Goodwill	2,412	2,412
Other Intangible Assets	384	402
Other Assets	21,955	23,059
Total Assets	$ 1,211,212	$ 1,208,776
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-Bearing	$ 75,946	$ 86,112
Interest-Bearing	900,376	932,490
	976,322	1,018,602
Borrowed Money		
Federal Funds Purchased	16,465	1,346
Securities Sold Under Agreements to Repurchase	20,000	---
Subordinated Debentures	24,229	24,229
Other Borrowed Money	84,600	73,600
	145,294	99,175
Other Liabilities	5,773	7,256

Commitments and Contingencies		
Stockholders' Equity		
Common Stock, Par Value $1 a Share, Authorized 20,000,000 Shares, Issued 7,215,463 and 7,200,913 Shares as of June 30, 2008 and December 31, 2007, Respectively	7,215	7,201
Paid-In Capital	24,589	24,420
Retained Earnings	53,185	52,087
Restricted Stock - Unearned Compensation	(346)	(237)
Accumulated Other Comprehensive Loss, Net of Tax	(820)	272
	83,823	83,743
Total Liabilities and Stockholders' Equity	$ 1,211,212	$ 1,208,776

The accompanying notes are an integral part of these statements.

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Part I (Continued)
Item 1 (Continued)

COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED JUNE 30, 2008 AND 2007
AND SIX MONTHS ENDED JUNE 30, 2008 AND 2007
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	Three Months Ended		Six Months Ended	
	6/30/2008	6/30/2007	6/30/2008	6/30/2007
Interest Income				
Loans, Including Fees	$ 16,742	$ 20,420	35,091	40,188
Federal Funds Sold	84	336	239	967
Deposits with Other Banks	9	34	20	75
Investment Securities				
U.S. Government Agencies	1,586	1,573	3,267	3,117
State, County and Municipal	92	137	230	271
Corporate Obligations and Asset-Backed Securities	85	63	179	126
Dividends on Other Investments	82	73	166	149
	18,680	22,636	39,192	44,893
Interest Expense				
Deposits	8,475	10,673	18,147	21,280
Federal Funds Purchased	24	31	52	37
Borrowed Money	1,138	1,107	2,345	2,300
	9,637	11,811	20,544	23,617
Net Interest Income	9,043	10,825	18,648	21,276
Provision for Loan Losses	4,071	914	5,142	1,828
Net Interest Income After Provision for Loan Losses	4,972	9,911	13,506	19,448
Noninterest Income				
Service Charges on Deposits	1,173	1,214	2,338	2,332
Other Service Charges, Commissions and Fees	241	239	495	485
Mortgage Fee Income	174	286	343	538
Securities Gains	614	2	1,184	186
Other	832	315	1,045	625
	2,034	2,056	5,405	4,166
Noninterest Expenses				
Salaries and Employee Benefits	4,029	4,687	8,432	9,229
Occupancy and Equipment	1,061	1,010	2,068	2,011
Other	2,624	2,268	4,971	4,634
	7,714	7,965	15,479	15,874
Income Before Income Taxes	292	4,002	3,440	7,740
Income Taxes	0	1,300	935	2,564
Net Income	$ 292	$ 2,702	$ 2,505	$ 5,176
Net Income Per Share of Common Stock				

Basic	$ 0.04	$ 0.38	$ 0.35	$ 0.72
Diluted	$ 0.04	$ 0.38	$ 0.35	$ 0.72
Cash Dividends Declared Per Share of Common Stock	$ 0.10	$ 0.09	$ 0.20	$ 0.18
Weighted Average Basic Shares Outstanding	7,197,607	7,187,587	7,194,734	7,184,576
Weighted Average Diluted Shares Outstanding	7,197,607	7,197,645	7,194,734	7,196,193

The accompanying notes are an integral part of these statements.

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Part I (Continued)
Item 1 (Continued)

COLONY BANKCORP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED JUNE 30, 2008 AND 2007
AND SIX MONTHS ENDED JUNE 30, 2008 AND 2007
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	Three Months Ended		Six Months Ended	
	06/30/08	06/30/07	06/30/08	06/30/07
Net Income	$ 292	$ 2,702	$ 2,505	$ 5,176
Other Comprehensive Income (Loss), Net of Tax				
Gains (Losses) on Securities Arising During the Year	(1,426)	(813)	(311)	(407)
Reclassification Adjustment	(405)	(2)	(781)	(123)
Change in Net Unrealized Losses on Securities Available for Sale, Net of Reclassification Adjustment and Tax Effect	(1,831)	(815)	(1,092)	(530)
Comprehensive Income (Loss)	$ (1,539)	$ 1,887	$ 1,413	$ 4,646

The accompanying notes are an integral part of these statements.

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Part I (Continued)
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COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2008 AND 2007
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 2,505	$ 5,176
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation	992	932
Provision for Loan Losses	5,142	1,828
Securities Gains	(1,184)	(186)
Amortization and Accretion	320	285
Loss on Sale of Other Real Estate and Repossessions	42	71
Gain on Sale of Equipment	(10)	(7)
Decrease (Increase) in Cash Surrender Value of Life Insurance	(142)	33
Change in Loans Held for Sale	---	(380)
Other Prepaids, Deferrals and Accruals, Net	208	(902)
	7,873	6,850
CASH FLOWS FROM INVESTING ACTIVITIES		
Federal Home Loan Bank Stock	(560)	(378)
Purchases of Investment Securities Available for Sale	(108,327)	(23,939)
Proceeds from Maturities, Calls, and Paydowns of		
Investment Securities:		
Available for Sale	34,724	9,524
Held to Maturity	7	8
Proceeds from Sale of Investment Securities		
Available for Sale	63,111	7,673
(Increase) Decrease in Interest-Bearing Deposits in Other Banks	(317)	877
Net Loans to Customers	(16,098)	(14,055)
Purchase of Premises and Equipment	(1,789)	(1,086)
Other Real Estate and Repossessions	1,865	1,087
Proceeds from Sale of Premises and Equipment	10	7
Investment in Statutory Trust	---	(279)
Liquidation of Statutory Trust	---	279
	(27,374)	(20,282)
CASH FLOWS FROM FINANCING ACTIVITIES		
Noninterest-Bearing Customer Deposits	(10,166)	(2,267)
Interest-Bearing Customer Deposits	(32,113)	(18,436)
Increase (Decrease) in Federal Funds Purchased	15,119	(170)
Securities Sold Under Agreements to Repurchase	20,000	---
Dividends Paid	(1,388)	(1,242)
Proceeds from Other Borrowed Money	43,000	36,000
Principal Payments on Other Borrowed Money	(32,000)	(28,000)

Proceeds from Issuance of Subordinated Debentures	---	9,279
Principal Payments on Subordinated Debentures	---	(9,279)
	2,452	(14,115)
Net Increase (Decrease) in Cash and Cash Equivalents	(17,049)	(27,547)
Cash and Cash Equivalents at Beginning of Period	50,106	72,380
Cash and Cash Equivalents at End of Period	$ 33,057	$ 44,833

The accompanying notes are an integral part of these statements.

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Part I (Continued)
Item 1 (Continued)

COLONY BANKCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Principles of Consolidation

Colony Bankcorp, Inc. (the Company) is a multi-bank holding company located in Fitzgerald, Georgia. The consolidated financial statements include the accounts of Colony Bankcorp, Inc. and its wholly-owned subsidiaries, Colony Bank of Fitzgerald, Fitzgerald, Georgia; Colony Bank Ashburn (which includes its wholly-owned subsidiary, Georgia First Mortgage Company), Ashburn, Georgia; Colony Bank Worth, Sylvester, Georgia; Colony Bank of Dodge County, Eastman, Georgia; Colony Bank Wilcox, Rochelle, Georgia; Colony Bank Southeast, Broxton, Georgia; Colony Bank Quitman, FSB, Quitman, Georgia (the Banks); and Colony Management Services, Inc., Fitzgerald, Georgia. All significant intercompany accounts have been eliminated in consolidation. The accounting and reporting policies of Colony Bankcorp, Inc. conform to generally accepted accounting principles and practices utilized in the commercial banking industry.

All dollars in notes to consolidated financial statements are rounded to the nearest thousand.

Nature of Operations

The Banks provide a full range of retail and commercial banking services for consumers and small to medium size businesses located primarily in middle and south Georgia. Lending and investing activities are funded primarily by deposits gathered through its retail branch office network.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date and revenues and expenses for the period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans and the valuation of goodwill and other intangible assets.

Reclassifications

In certain instances, amounts reported in prior years' consolidated financial statements have been reclassified to conform to statement presentations selected for 2008. Such reclassifications had no effect on previously reported stockholders' equity or net income.

Concentrations of Credit Risk

Lending is concentrated in commercial and real estate primarily to local borrowers. The Company has a high concentration of real estate loans that could pose an adverse credit risk particularly with the current economic downturn in the real estate market. In management's opinion, the balance of the loan portfolio is sufficiently

diversified to avoid significant concentration of credit risk. Although the Company has a diversified loan portfolio, a substantial portion of borrowers' ability to honor their contracts is dependent upon the viability of the real estate economic sector.

The success of Colony is dependent, to a certain extent, upon the economic conditions in the geographic markets it serves. Adverse changes in the economic conditions in these geographic markets would likely have a material adverse effect on the Company's results of operations and financial condition. The operating results of Colony depend primarily on its net interest income. Accordingly, operations are subject to risks and uncertainties surrounding the exposure to changes in the interest rate environment.

At times, the Company may have cash and cash equivalents at financial institutions in excess of insured limits. The Company places its cash and cash equivalents with high credit quality financial institutions whose credit rating is monitored by management to minimize credit risk.

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Part I (Continued)
Item 1 (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Accounting Policies

The accounting and reporting policies of Colony Bankcorp, Inc. and its subsidiaries are in accordance with accounting principles generally accepted and conform to general practices within the banking industry. The significant accounting policies followed by Colony and the methods of applying those policies are summarized hereafter.

Investment Securities

Investment securities are recorded under Statement of Financial Accounting Standards (SFAS) No. 115, whereby the Company classifies its securities as trading, available for sale or held to maturity. Securities that are held principally for resale in the near term are classified as trading. Trading securities are carried at fair value, with realized and unrealized gains and losses included in noninterest income. Securities acquired with both the intent and ability to be held to maturity are classified as held to maturity and reported at amortized cost. All other securities not classified as trading or held to maturity are considered available for sale.

Securities available for sale are reported at estimated fair value. Unrealized gains and losses on securities available for sale are excluded from earnings and are reported, net of deferred taxes, in accumulated other comprehensive income, a component of stockholders' equity. Declines in the fair value of held-to-maturity and available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses from sales of securities available for sale are computed using the specific identification method. This caption includes securities, which may be sold to meet liquidity needs arising from unanticipated deposit and loan fluctuations, changes in regulatory capital requirements, or unforeseen changes in market conditions.

Federal Home Loan Bank Stock

Investment in stock of a Federal Home Loan Bank (FHLB) is required for every federally insured institution that utilizes its services. FHLB stock is considered restricted, as defined in SFAS No. 115; accordingly, the provisions of SFAS No. 115 are not applicable to this investment. The FHLB stock is reported in the consolidated financial statements at cost. Dividend income is recognized when earned.

Loans

Loans that the Company has the ability and intent to hold for the foreseeable future or until maturity are recorded at their principal amount outstanding, net of unearned interest and fees. Loan origination fees, net of certain direct origination costs, are deferred and amortized over the estimated terms of the loans using the straight-line method. Interest income on loans is recognized using the effective interest method.

A loan is considered to be delinquent when payments have not been made according to contractual terms, typically evidenced by nonpayment of a monthly installment by the due date.

When management believes there is sufficient doubt as to the collectibility of principal or interest on any loan or generally when loans are 90 days or more past due, the accrual of applicable interest is discontinued and the loan is designated as nonaccrual, unless the loan is well secured and in the process of collection. Interest payments received on nonaccrual loans are either applied against principal or reported as income, according to management's judgment as to the collectibility of principal. Loans are returned to an accrual status when factors indicating doubtful collectibility on a timely basis no longer exist.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

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Part I (Continued)
Item 1 (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Allowance for Loan Losses (Continued)

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revisions as more information becomes available.

The allowance consists of specific, general and unallocated components. The specific component relates to loans that are classified as either doubtful or substandard. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price or the fair value of the collateral if the loan is collateral dependent.

Premises and Equipment

Premises and equipment are recorded at acquisition cost net of accumulated depreciation.

Depreciation is charged to operations over the estimated useful lives of the assets. The estimated useful lives and methods of depreciation are as follows:

Description	Life in Years	Method .
Banking Premises	15-40	Straight-Line and Accelerated
Furniture and Equipment	5-10	Straight-Line and Accelerated
	5-20	Straight-Line

Leasehold
Improvements

Expenditures for major renewals and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. When property and equipment are retired or sold, the cost and accumulated depreciation are removed from the respective accounts and any gain or loss is reflected in other income or expense.

Goodwill and Intangible Assets

Goodwill represents the excess of the cost over the fair value of the net assets purchased in a business combination. Impairment testing of goodwill is performed annually or more frequently if events or circumstances indicate possible impairment. No impairment has been identified as a result of the testing performed.

Intangible assets consist of core deposit intangibles acquired in connection with a business combination. The core deposit intangible is initially recognized based on a valuation performed as of the consummation date. The core deposit intangible is amortized by the straight-line method over the average remaining life of the acquired customer deposits. Amortization periods are reviewed annually in connection with the annual impairment testing of goodwill.

Part I (Continued)
Item 1 (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Statement of Cash Flows

For reporting cash flows, cash and cash equivalents include cash on hand, noninterest-bearing amounts due from banks and federal funds sold. Cash flows from demand deposits, NOW accounts, savings accounts, loans and certificates of deposit are reported net.

Advertising Costs

The Company expenses the cost of advertising in the periods in which those costs are incurred.

Income Taxes

The provision for income taxes is based upon income for financial statement purposes, adjusted for nontaxable income and nondeductible expenses. Deferred income taxes have been provided when different accounting methods have been used in determining income for income tax purposes and for financial reporting purposes.

Deferred tax assets and liabilities are recognized based on future tax consequences attributable to differences arising from the financial statement carrying values of assets and liabilities and their tax bases. The differences relate primarily to depreciable assets (use of different depreciation methods for financial statement and income tax purposes) and allowance for loan losses (use of the allowance method for financial statement purposes and the direct write-off method for tax purposes). In the event of changes in the tax laws, deferred tax assets and liabilities are adjusted in the period of the enactment of those changes, with effects included in the income tax provision. The Company and its subsidiaries file a consolidated federal income tax return. Each subsidiary pays its proportional share of federal income taxes to the Company based on its taxable income.

Positions taken in the Company's tax returns may be subject to challenge by the taxing authorities upon examination. Uncertain tax positions are initially recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions are both initially and subsequently measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement with the tax authority, assuming full knowledge of the position and all relevant facts. The Company provides for interest and, in some cases, penalties on tax positions that may be challenged by the taxing authorities. Interest expense is recognized beginning in the first period that such interest would begin accruing. Penalties are recognized in the period that the Company claims the position in the tax return. Interest and penalties on income tax uncertainties are classified within income tax expense in the consolidated statement of income.

Other Real Estate

Other real estate generally represents real estate acquired through foreclosure and is initially recorded at the lower of cost or estimated market value at the date of acquisition. Losses from the acquisition of property in full or partial satisfaction of debt are recorded as loan losses. Subsequent declines in value, routine holding costs and gains or losses upon disposition are included in other losses.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on securities available for sale, represent equity changes from economic events of the period other than transactions with owners and are not reported in the consolidated statements of income but as a separate component of the equity section of the consolidated balance sheets. Such items are considered components of other comprehensive income. SFAS No. 130, Reporting Comprehensive Income, requires the presentation in the financial statements of net income and all items of other comprehensive income as total comprehensive income.

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Part I (Continued)
Item 1 (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Off-Balance Sheet Credit Related Financial Instruments

In the ordinary course of business, the Company has entered into commitments to extend credit, commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded.

Changes in Accounting Principles and Effects of New Accounting Pronouncements

SFAS No. 141, Business Combinations (Revised 2007). SFAS No. 141R replaces SFAS No. 141, Business Combinations, and applies to all transactions and other events in which one entity obtains control over one or more other businesses. SFAS No. 141R requires an acquirer, upon initially obtaining control of another entity, to recognize the assets, liabilities and any noncontrolling interest in the acquiree at fair value as of the acquisition date. Contingent consideration is required to be recognized and measured at fair value on the date of acquisition rather than at a later date when the amount of that consideration may be determinable beyond a reasonable doubt. This fair value approach replaces the cost-allocation process required under SFAS No. 141 whereby the cost of an acquisition was allocated to the individual assets acquired and liabilities assumed based on their estimated fair value. SFAS No. 141R requires acquirers to expense acquisition-related costs as incurred rather than allocating such costs to the assets acquired and liabilities assumed, as was previously the case under SFAS No. 141. Under SFAS No. 141R, the requirements of SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities, would have to be met in order to accrue for a restructuring plan in purchase accounting. Pre-acquisition contingencies are to be recognized at fair value, unless it is a noncontractual contingency that is not likely to materialize, in which case, nothing should be recognized in purchase accounting and, instead, that contingency would be subject to the probable and estimable recognition criteria of SFAS No. 5, Accounting for Contingencies. SFAS No. 141R is expected to have an impact on the Company's accounting for business combinations closing on or after January 1, 2009.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. SFAS No. 157 enhances existing guidance for measuring assets and liabilities using fair value. Before the issuance of SFAS No. 157, guidance for applying fair value was incorporated in several accounting pronouncements. SFAS No. 157 provides a single definition of fair value, together with a framework for measuring it, and requires additional disclosure about the use of fair value to measure assets and liabilities. SFAS No. 157 also emphasizes that fair value is market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under SFAS No. 157, fair value measurements are disclosed by level within that hierarchy. While SFAS No. 157 does not add any new fair value measurements, it does change current practice. Changes to practice include: (1) a requirement for an entity to include its own credit standing in the measurement of its liabilities; (2) a modification of the transaction price presumption; (3) a prohibition on the use of block discounts when valuing large blocks of securities for broker-dealers and investment companies; and (4) a requirement to adjust the value of restricted stock for the effect of the restriction even if the restriction lapses within one year. The adoption of this standard January 1, 2008 did not have a material effect on the financial position, results of operations or disclosures.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment to FASB Statement No. 115. This statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply

complex hedge accounting provisions. This statement requires a business entity to report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. An entity may decide whether to elect the fair value option for each eligible item on its election date, subject to certain requirements described in the statement. The adoption of this standard January 1, 2008 did not have an effect on the Company's financial position, results of operations or disclosures.

SFAS No. 160, Noncontrolling Interest in Consolidated Financial Statements, an amendment of ARB Statement No. 51. SFAS No. 160 amends Accounting Research Bulletin (ARB) No. 51, Consolidated Financial Statements, to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary, which is sometimes referred to as minority interest, is an ownership interest in the consolidated entity that should be reported as a component of equity in the consolidated financial statements. Among other requirements, SFAS No. 160 requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statements of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. SFAS No. 160 is effective for the Company on January 1, 2009 and is not expected to have a significant impact on the Company's consolidated financial statements.

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(1) Summary of Significant Accounting Policies (Continued)

Changes in Accounting Principles and Effects of New Accounting Pronouncements (Continued)

Emerging Issues Task Force (EITF) Issue No. 06-4, Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split Dollar Life Insurance Arrangements. EITF No. 06-4 requires the recognition of a liability and related compensation expense for endorsement split-dollar life insurance policies that provide a benefit to an employee that extends to postretirement periods. Under EITF No. 06-4, life insurance policies purchased for the purpose of providing such benefits do not effectively settle an entity's obligation to the employee. Accordingly, the entity must recognize a liability and related compensation expense during the employee's active service period based on the future cost of insurance to be incurred during the employee's retirement. If the entity has agreed to provide the employee with a death benefit, then the liability for the future death benefit should be recognized by following the guidance in SFAS No. 106, Employer's Accounting for Postretirement Benefits Other Than Pensions. The adoption of this standard January 1, 2008 did not have an effect on the Company's financial position, results of operations or disclosures.

SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). The hierarchical guidance provided by SFAS 162 did not have a significant impact on the Corporation's financial statements.

(2) Cash and Balances Due from Banks

Components of cash and balances due from banks are as follows as of June 30, 2008 and December 31, 2007:

	June 30, 2008	December 31, 2007
Cash on Hand and Cash Items	$ 8,242	$ 8,527
Noninterest-Bearing Deposits with Other Banks	19,236	19,842
	$ 27,478	$ 28,369

As of June 30, 2008, the Banks had required deposit reserves of approximately $4,492 with the Federal Reserve that was satisfied with cash on hand.

(3) Investment Securities

Investment securities as of June 30, 2008 are summarized as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities Available for Sale:				
U.S. Government Agencies				
Mortgage-Backed	$ 158,843	$ 384	$ (1,428)	$ 157,799
Other	3,400	5	---	3,405
State, County & Municipal	10,161	33	(114)	10,080

Corporate Obligations		4,891		31		(154)		4,768
Asset-Backed Securities		1,000		---		---		1,000
Marketable Equity Securities		2		---		---		2
	$	178,297	$	453	$	(1,696)	$	177,054
Securities Held to Maturity:								
State, County and Municipal	$	63	$	2	$	---	$	65

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The amortized cost and fair value of investment securities as of June 30, 2008, by contractual maturity, are shown hereafter. Expected maturities will differ from contractual maturities because issuers have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities			
	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in One Year or Less	$ 5,263	$ 5,270		
Due After One Year Through Five Years	5,752	5,610		
Due After Five Years Through Ten Years	4,582	4,555	$ 63	$ 65
Due After Ten Years	3,855	3,818	--	--
	19,452	19,253	63	65
Mortgage Backed Securities	158,843	157,799		
Marketable Equity Securities	2	2	--	--
	$ 178,297	$ 177,054	$ 63	$ 65

Investment securities as of December 31, 2007 are summarized as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities Available for Sale:				
U.S. Government Agencies				
Mortgage Backed	$ 109,024	$ 758	$ (459)	$ 109,323
Other	36,818	314	(36)	37,096
State, County & Municipal	14,178	33	(296)	13,915
Corporate Obligations	5,689	105	(7)	5,787
Asset-Backed Securities	1,000	---	---	1,000
Marketable Equity Securities	2	---	---	2
	$ 166,711	$ 1,210	$ (798)	$ 167,123
Securities Held to Maturity:				
State, County and Municipal	$ 68	$ 4	$ ---	$ 72

Proceeds from the sale of investments available for sale during first six months of 2008 totaled $63,111 compared to $7,673 for the first six months of 2007. The sale of investments available for sale during 2008 resulted in gross realized gains of $1,187 and gross realized losses of $3 and the sale of investments available for sale during 2007 resulted in gross realized gain of $212 and losses of $26.

Investment securities having a carry value approximating $91,651 and $89,145 as of June 30, 2008 and December 31, 2007, respectively, were pledged to secure public deposits and for other purposes.

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Information pertaining to securities with gross unrealized losses at June 30, 2008 and December 31, 2007 aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
June 30, 2008						
U.S. Government Agencies						
Mortgage Backed	$ 100,997	$ (1,348)	$ 4,211	$ (80)	$ 105,208	$ (1,428)
Other	---	---	---	---	---	---
State, County and Municipal	4,765	(114)	420	---	5,185	(114)
Corporate Obligations	2,288	(153)	449	(1)	2,737	(154)
Marketable Equity Securities	2	---	---	---	2	---
	$ 108,052	$ (1,615)	$ 5,080	$ (81)	$ 113,132	$ (1,696)
December 31, 2007						
U.S. Government Agencies						
Mortgage Backed	$ 13,721	$ (56)	$ 30,761	$ (403)	$ 44,482	$ (459)
Other	---	---	14,101	(36)	14,101	(36)
State, County and Municipal	6,918	(255)	3,115	(41)	10,033	(296)
Corporate Obligations	---	---	995	(7)	995	(7)
Marketable Equity Securities	2	---	---	---	2	---
	$ 20,641	$ (311)	$ 48,972	$ (487)	$ 69,613	$ (798)

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

At June 30, 2008, the debt securities with unrealized losses have depreciated 1.48 percent from the Company's amortized cost basis. These securities are guaranteed by either U.S. Government or other governments. These unrealized losses relate principally to current interest rates for similar type of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, or for the foreseeable future if classified as available-for-sale, no declines are deemed to be other-than-temporary.

(4) Loans

The composition of loans as of June 30, 2008 and December 31, 2007 was as follows:

	June 30, 2008	December 31, 2007

Commercial, Financial and Agricultural	$	88,641	$	52,323
Real Estate – Construction		183,168		211,484
Real Estate – Farmland		53,537		42,439
Real Estate – Other		568,316		544,655
Installment Loans to Individuals		45,230		72,350
All Other Loans		15,395		22,028
	$	954,287	$	945,279

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Nonaccrual loans are loans for which principal and interest are doubtful of collection in accordance with original loan terms and for which accruals of interest have been discontinued due to payment delinquency. Nonaccrual loans totaled $17,953 and $14,956 as of June 30, 2008 and December 31, 2007, respectively and total recorded investment in loans past due 90 days or more and still accruing interest approximated $0 and $60, respectively.

(5) Allowance for Loan Losses

Transactions in the allowance for loan losses are summarized below for six months ended June 30, 2008 and June 30, 2007 as follows:

	June 30, 2008	June 30, 2007
Balance, Beginning	$ 15,513	$ 11,989
Provision Charged to Operating Expenses	5,142	1,828
Loans Charged Off	(3,458)	(1,485)
Loan Recoveries	269	315
Balance, Ending	$ 17,466	$ 12,647

(6) Premises and Equipment

Premises and equipment are comprised of the following as of June 30, 2008 and December 31, 2007:

	June 30, 2008	December 31, 2007
Land	$ 7,799	$ 7,799
Building	20,937	20,901
Furniture, Fixtures and Equipment	13,440	12,641
Leasehold Improvements	994	994
Construction in Progress	1,318	448
	44,488	42,783
Accumulated Depreciation	(15,882)	(14,974)
	$ 28,606	$ 27,809

Depreciation charged to operations totaled $992 and $932 for June 30, 2008 and June 30, 2007, respectively.

Certain Company facilities and equipment are leased under various operating leases. Rental expense approximated $188 and $184 for six months ended June 30, 2008 and June 30, 2007, respectively.

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(7) Goodwill and Intangible Assets

The following is an analysis of the goodwill and core deposit intangible asset activity for the six months ended June 30, 2008 and June 30, 2007:

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Goodwill		
Balance, Beginning	$ 2,412	$ 2,412
Goodwill Acquired	--	--
Balance, Ending	$ 2,412	$ 2,412
Net Core Deposit, Intangible		
Balance, Beginning	$ 402	$ 439
Amortization Expense	(18)	(19)
Balance, Ending	$ 384	$ 420

The following table reflects the expected amortization for the core deposit intangible at June 30, 2008:

2008	$ 18
2009	36
2010	36
2011	36
2012 and thereafter	258
	$ 384

(8) Income Taxes

The Company records income taxes under SFAS No. 109, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

(9) Fair Value Measurements

SFAS No. 157, Fair Value Measurements, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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(9) Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Assets

Securities

Where quoted prices are available in an active market, securities are classified within level 1 of the valuation hierarchy. Level 1 inputs include securities that have quoted prices in active markets for identical assets. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow. Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, included certain collateralized mortgage and debt obligations and certain high-yield debt securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within level 3 of the valuation hierarchy. The company's current portfolio does not have level 3 securities as of June 30, 2008. When measuring fair value, the valuation techniques available under the market approach, income approach and/or cost approach are used. The Company's evaluations are based on market data and the Company employs combinations of these approaches for its valuation methods depending on the asset class.

Impaired loans

SFAS No. 157 applies to loans measured for impairment using the practical expedients permitted by SFAS No. 114, Accounting by Creditors for Impairment of a Loan, including impaired loans measured at an observable market price (if available), or at the fair value of the loan's collateral (if the loan is collateral dependent). Fair value of the loan's collateral, when the loan is dependent on collateral, is determined by appraisals or independent valuation which is then adjusted for the cost related to liquidation of the collateral.

Assets Measured at Fair Value on a Recurring Basis

The table below presents the recorded amount of the Company's assets measured at fair value on a recurring basis as of June 30, 2008 aggregated by the level in the fair value hierarchy within which those measurements fall.

		Fair Value Measurements at Reporting Date Using		
	June 30, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Securities Available for Sale				
U.S. Government Agencies				
Mortgage-Backed	$ 157,799	$ ---	$ 157,799	$ ---

Other		3,405		---		3,405	---
State, County & Municipal		10,080		---		10,080	---
Corporate Obligations		4,768		---		4,768	---
Asset-Backed Securities		1,000		---		1,000	---
Marketable Equity Securities		2		---		2	---
	$	177,054	$	---	$	177,054	$ ---

Liabilities

The Company did not identify any liabilities that are required to be presented at fair value.

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(10) Deposits

The aggregate amount of overdrawn deposit accounts reclassified as loan balances totaled $533 and $574 as of June 30, 2008 and December 31, 2007.

Components of interest-bearing deposits as of June 30, 2008 and December 31, 2007 are as follows:

	June 30, 2008	December 31, 2007
Interest-Bearing Demand	$ 196,261	$ 190,304
Savings	35,293	31,588
Time, $100,000 and Over	338,772	347,219
Other Time	330,050	363,379
	$ 900,376	$ 932,490

At June 30, 2008 and December 31, 2007, the Company had brokered deposits of $63,316 and $54,737 respectively. The aggregate amount of short-term jumbo certificates of deposit, each with a minimum denomination of $100,000 was approximately $307,084 and $310,971 as of June 30, 2008 and December 31, 2007, respectively.

As of June 30, 2008 and December 31, 2007, the scheduled maturities of certificates of deposits are as follows:

Maturity	June 30, 2008	December 31, 2007
One Year and Under	$ 600,129	$ 632,936
One to Three Years	59,345	42,977
Three Years and Over	9,348	34,685
	$ 668,822	$ 710,598

(11) Other Borrowed Money

Other borrowed money at June 30, 2008 and December 31, 2007 is summarized as follows:

	June 30, 2008	December 31, 2007
Federal Home Loan Bank Advances	$ 84,000	$ 73,500
Silverton Note Payable	600	100
Barclay's Master Repurchase Agreement	20,000	---
	$ 104,600	$ 73,600

Advances from the Federal Home Loan Bank (FHLB) have maturities ranging from 2008 to 2019 and interest rates ranging from 2.41 percent to 5.93 percent. Under the Blanket Agreement for Advances and Security Agreement with the FHLB, residential first mortgage loans and cash balances held by the FHLB are pledged as collateral for the FHLB advances outstanding. At June 30, 2008, the Company had available line of credit commitments totaling $94,304, of which $10,304 was available.

Silverton Bank Note Payable originated on March 5, 2008 as a line of credit with funds available of $1,000 at a rate of The Wall Street Prime minus 0.75 percent. Interest payments are due monthly with the entire balance due March 5, 2009. The debt is secured by all furniture, fixtures, equipment and software of Colony Management Services. Colony Bankcorp, Inc. Guarantees the debt. As of June 30, 2008, $400 was available to be drawn on the line of credit.

Barclay's Master Repurchase Agreement originated on June 30, 2008. The Repurchase Agreement matures on June 30, 2011 and has a one-time call option on December 30, 2009. Interest is due quarterly at a fixed rate of 3.34 percent. The Repurchase Agreement is secured by U.S. Government mortgage-backed securities.

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The aggregate stated maturities of other borrowed money at June 30, 2008 are as follows:

Year	Amount
2008	$ 3,000
2009	27,600
2010	1,000
2011	20,000
2012 and Thereafter	53,000
	$ 104,600

The Company also has available federal funds lines of credit with various financial institutions totaling $64,300, of which $16,465 was outstanding at June 30, 2008.

(12) Subordinated Debentures (Trust Preferred Securities)

During the second quarter of 2004, the Company formed a third subsidiary whose sole purpose was to issue $4,500 in Trust Preferred Securities through a pool sponsored by FTN Financial Capital Markets. The Trust Preferred Securities have a maturity of 30 years and are redeemable after five years with certain exceptions. At June 30, 2008, the floating rate securities had a 5.49 percent interest rate, which will reset quarterly at the three-month LIBOR rate plus 2.68 percent

During the second quarter of 2006, the Company formed a fourth subsidiary whose sole purpose was to issue $5,000 in Trust Preferred Securities through a pool sponsored by SunTrust Capital Markets. The Trust Preferred Securities have a maturity of 30 years and are redeemable after five years with certain exceptions. At June 30, 2008 the floating-rate securities had a 4.30 percent interest rate, which will reset quarterly at the three-month LIBOR rate plus 1.50 percent.

During the first quarter of 2007, the Company formed a fifth subsidiary whose sole purpose was to issue $9,000 in Trust Preferred Securities through a pool sponsored by Trapeza Capital Management, LLC. The Trust Preferred Securities have a maturity of 30 years and are redeemable after five years with certain exceptions. At June 30, 2008, the floating-rate securities had a 4.45 percent interest rate, which will reset quarterly at the three-month LIBOR rate plus 1.65 percent. Proceeds from this issuance were used to payoff the trust preferred securities with the first subsidiary formed in March 2002 as the Company exercised its option to call.

During the third quarter of 2007, the company formed a sixth subsidiary whose sole purpose was to issue $5,000 in Trust Preferred Securities through a pool sponsored by Trapeza Capital Management, LLC. The Trust Preferred Securities have a maturity of 30 years and are redeemable after five years with certain exceptions. At June 30, 2008, the floating-rate securities had a 4.31 percent interest rate, which will reset quarterly at the three-month LIBOR rate plus 1.40 percent. Proceeds from this issuance were used to payoff the trust preferred securities with the second subsidiary formed in December 2002 as the Company exercised its option to call.

The Trust Preferred Securities are recorded as subordinated debentures on the consolidated balance sheets, but subject to certain limitations, qualify as Tier 1 Capital for regulatory capital purposes. The proceeds from the offering were used to fund the cash portion of the Quitman acquisition, payoff holding company debt, and inject capital into bank

subsidiaries.

(13) Restricted Stock – Unearned Compensation

In 1999, the board of directors of Colony Bankcorp, Inc. adopted a restricted stock grant plan which awards certain executive officers common shares of the Company. The maximum number of shares (split-adjusted) which may be subject to restricted stock awards was 64,701. To date, 77,052 split-adjusted shares have been issued under this plan and since the plan's inception, 12,351 shares have been forfeited; thus, remaining shares which may be subject to restricted stock awards are none at June 30, 2008. The shares are recorded at fair market value (on the date granted) as a separate component of stockholders' equity. The cost of these shares is being amortized against earnings using the straight-line method over three years (the restriction period.)

In April 2004, the stockholders of Colony Bankcorp, Inc. adopted a restricted stock grant plan which awards certain executive officers common shares of the Company. The maximum number of shares which may be subject to restricted stock awards (split-adjusted) is 143,500. To date, 34,406 shares have been issued under this plan and since the plan's inception 6,198 shares have been forfeited, thus remaining shares which may be subject to restricted stock awards are 115,292 at June 30, 2008. The shares are recorded at fair market value (on the date granted) as a separate component of stockholders' equity. The cost of these shares is being amortized against earnings using the straight-line method over three years (the restriction period).

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(14) Profit Sharing Plan

The Company has a profit sharing plan that covers substantially all employees who meet certain age and service requirements. It is the Company's policy to make contributions to the plan as approved annually by the board of directors. The provision for the six months ended June 30, 2008 was $312 compared to $429 for the six months ended June 30, 2007. The total provision for contributions to the plan was $584 for 2007, $663 for 2006 and $558 for 2005.

(15) Commitments and Contingencies

Credit-Related Financial Instruments. The Company is a party to credit related financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance sheet instruments.

At June 30, 2008 and December 31, 2007 the following financial instruments were outstanding whose contract amounts represent credit risk:

	Contract Amount	
	June 30, 2008	December 31, 2007
Loan Commitments	$ 87,385	$ 93,105
Standby Letters of Credit	2,651	3,814

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Company, is based on management's credit evaluation of the customer.

Unfunded commitments under commercial lines of credit, revolving credit lines and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit are uncollateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

Standby and performance letters of credit are conditional lending commitments issued by the Company to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public and private borrowing arrangements. Essentially all letters of credit issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

Purchase Commitments. As of June 30, 2008, the Company had an outstanding commitment of approximately $1,967 to construct and furnish an office in Savannah. As of June 30, 2008, the Company has paid $1,269 toward construction in process.

Legal Contingencies. In the ordinary course of business, there are various legal proceedings pending against Colony and its subsidiaries. The aggregate liabilities, if any, arising from such proceedings would not, in the opinion of management, have a material adverse effect on Colony's consolidated financial position.

(16) Deferred Compensation Plan

Two of the Bank subsidiaries have deferred compensation plans covering directors choosing to participate through individual deferred compensation contracts. In accordance with terms of the contracts, the Banks are committed to pay the directors deferred compensation over a specified number of years, beginning at age 65. In the event of a director's death before age 65, payments are made to the director's named beneficiary over a specified number of years, beginning on the first day of the month following the death of the director.

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(16) Deferred Compensation Plan (Continued)

Liabilities accrued under the plans totaled $1,118 and $1,159 as of June 30, 2008 and December 31, 2007, respectively. Benefit payments under the contracts were $115 and $95 for the six month period ended June 30, 2008 and June 30, 2007, respectively. Provisions charged to operations totaled $75 and $172 for the six month period ended June 30, 2008 and June 30, 2007, respectively.

Fee income recognized with deferred compensation plans totaled $104 and $91 for six month period ended June 30, 2008 and
June 30, 2007, respectively.

(17) Regulatory Capital Matters

The Company is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and, possibly, additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios of total and Tier 1 capital to risk-weighted assets, and of Tier 1 capital to average assets. The amounts and ratios as defined in regulations are presented hereafter. Management believes, as of June 30, 2008, the Company meets all capital adequacy requirements to which it is subject under the regulatory framework for prompt corrective action. In the opinion of management, there are no conditions or events since prior notification of capital adequacy from the regulators that have changed the institution's category.

The following table summarizes regulatory capital information as of June 30, 2008 and December 31, 2007 on a consolidated basis and for each significant subsidiary, as defined.

	Actual		For Capital Adequacy Purposes
	Amount	Ratio	Amount
As of June 30, 2008			
Total Capital			

to Risk-Weighted Assets			
Consolidated	$ 117,235	12.40%	$

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68.4 million ounces at December 31, 2012, primarily due to exclusion of the TSF reserves at the KDC c
projects due to changing economics and changes in geology and modeling at the Siban

The amount of copper mineralization that Gold Fields can economically extract, and therefore can classify
fluctuations in the price of copper. However, under the current tailings dam design at Cerro Corona, reserv
movement of the copper price because of current capacity constraints at the tailings storage facility for Ce
in copper prices is insufficient to affect the level of copper reserves.

The London Metal Exchange, or LME, cash settlement price for copper on May 9, 2013 was

Gold Fields methodology for determining its reserves is subject to change and is based upon estim
management regarding a number of factors as noted above under Methodology . Accordingly, the sens
provided above should not be relied upon as indicative of what the estimate of Gold Fields reserves wo
gold or copper prices indicated, or at any other gold or copper price, nor should it be relied upon as a bas
reserves based on the current gold or copper price or what Gold Fields reserves will be at any time in the
reserves are estimates based on a number of assumptions, any changes to which may require Gold Field

Geology

Prior to the Spin-off, approximately 48% of Gold Fields gold production (excluding gold equivalent ou
underground gold mines located along the northern and western margins of the Witwatersrand Basin i
equivalent ounces, Gold Fields South African operations represented approximately 46% of total produc
KDC operation, the Beatrix operation and the South Deep operation. After the Spin-off, only 15% of Gold
gold equivalent ounces) was derived from deep-level underground gold mines located along the northe
Witwatersrand Basin in South Africa. The KDC, Beatrix and South Deep mines are typical of the many
which have been the primary contributors to South Africa s production of a significant portion of the wor

The Witwatersrand Basin comprises a 6,000 meter vertical thickness of sedimentary rocks, extending la
northeast to southwest by some 1,200 kilometers northwest to southeast, generally dipping at shallow ang
The basin outcrops at its northern extent near Johannesburg but to the west, south and east it is overlaid by
sedimentary rocks. The Witwatersrand Basin is Archaean in age, meaning the sedimentary rocks are of t

Gold mineralization occurs within laterally extensive quartz pebble conglomerate horizons called reef
unconformable surfaces near the basin margin. As a result of faulting and primary controls on mineralizati
continuous and are characterized by the presence or dominance of different reef units. The reefs are ge
thickness and are widely considered to represent laterally extensive braided fluvial deposits or unconfined
the flanks of alluvial fan systems around the edge of an inland sea. Dykes and sills of diabase or dolerite c
the Witwatersrand Basin and are associated with several intrusive and extrusive

Gold generally occurs in native form, often associated with pyrite, carbon and uranium. Pyrite and gold w
forms, some obviously indicative of detrital transport within the depositional system and others suggesti
itself.

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The most fundamental controls of gold distribution are the primary sedimentary features such as facies v
Consequently, the modeling of sedimentary features within the reefs and the correlation of payable grade
situ reserve estimation as well as effective operational mine planning and grade

For a discussion of the geological features present at the Tarkwa, Damang, St. Ives, Agnew and the Cerr
discussion contained in the description of each of those mines found below under Gold Fields Minin
Mine, Gold Fields Mining Operations Ghana Operations Damang Mine, Gold Fields Mini
Fields Mining Operations Australia Operations Agnew , Gold Fields Mining Operatio

Description of Mining Business

The discussion below provides a general overview of the mining business as it applies

Exploration

Exploration activities are focused on the extension of existing ore bodies and identification of new ore bo
undeveloped sites. Once a potential ore body has been discovered, exploration is extended and intensified i
of the ore body and the potential portions to be mined. Geological and geophysical techniques are constant
viability of prospecting and mining activities.

Mining

Gold Fields currently mines only gold, with copper and silver as by-products. The mining process can be d
(i) developing access to the ore body; and (ii) extracting the ore body once accessed. These two proce
underground mines.

Underground Mining

Developing Access to the Ore body

In fiscal 2012 and before, for Gold Fields South African underground mines, primary access to ore bodie
inclined shaft systems. If access beyond the reach of a shaft or shaft system was required to fully explo
sub-inclined shafts (secondary or tertiary) were sunk where it was economically feasible. Horizontal and
intervals off a shaft, known as levels, extended laterally and provided access to the reef horizon. On-reef
body for mining.

Extracting the Ore body

Once an ore body has been accessed and opened up for mining, production activities consisting of drilling
activities are carried out on a daily basis. Prior to the Spin-off, at KDC and Beatrix, the broken ore was
in-stope ore passes, which channeled the broken ore to the crosscut below. The ore was then trammed by r
tipped into transfer systems and then hoisted to the surface in skips. At South Deep, a fully mechanized
South African operation, the broken ore is loaded from the stope face into trucks using mechanical loaders
to ore pass systems which connect the corridors to the crosscuts below. The ore is then transported by rai
system and hoisted to the surface. At

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the Australian underground operations, the broken ore is loaded straight from the stope face into trucks, us
to the surface by underground dump trucks via the decline. Mining methods employed at Gold Fields S
de-stress mining, long hole open stoping and drift-and-fill mining, as well as drifting and benching at So
closely spaced dip pillar mining and scattered mining at KDC and Beatrix. Following the Spin-off, the K
been separated from Gold Fields. At the Australian underground operations, all mining activities ar

Open Pit-Mining

Opening up the Ore body

In open-pit mining, access to the ore is achieved by stripping the overburden in benches of fixed height to
typically achieved by drilling and blasting an area, loading the broken rock with excavators into dump truc
to dumps.

Extracting the Ore body

Extraction of the ore body in open pit mining involves the same activity as in stripping the overburden. Lin
from waste material and the rock is then drilled and blasted. The ore is loaded into dump trucks and haule
the waste is hauled to waste rock dumps.

Rock Dump and Production Stockpile Mining

Gold Fields mines surface rock dumps and production stockpiles using mechanized earth-r

Mine Planning and Management

Operational and planning management on the mines receives support from Group Technical Services and
other regional support functions. The current philosophy is one of top-down/bottom-up management, w
objectives at each mine defined by the personnel at the mine based on parameters, objectives and guid
corporate office. This is based on the premise that the people on the ground have the best understanding o

Each operation compiles a detailed two-year operational plan that rolls into a life of mine, or LoM, plan p
fiscal year. The plans are based on financial parameters determined by the Gold Fields Executive Commi
See Directors, Senior Management and Employees Executive Committee . The operational plan is pr
which takes it to the Board for approval before the commencement of each fiscal year. The planning proce
geological models, evaluation models, resource models, mine design, depletion schedules and, ultimately,
is formalized pursuant to Gold Fields capital spending planning process. Projects are categorized in to
projects involving amounts exceeding R250 million (South Africa), A$35 million (Australia) and U.S
submitted to the Board for approval. Material changes to the plans have to be referred back to the Execu

The Sibanye Gold assets implemented an integrated electronic reserve and resource information system, o
capabilities. This system provides a common planning platform to facilitate quicker, more flexible and m
planning and more timely identification of production shortfalls. Short-term planning on the operations i
with the operational plan. Financial and economic parameters for the LoM and the operationa

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operations from the Executive Committee and relevant survey and evaluation factors are determined i
guidelines. Significant changes in the LoM plans may occur from year-to-year as a result of mining experi
in the ore reserve estimates, changes in mining methods and rates, process changes, investment in new equ
and metal prices.

Capital Expenditure

Gold Fields spent approximately U.S.$1,322.8 million, U.S.$1,153.0 million and U.S.$913.1 million in
2012, fiscal 2011 and fiscal 2010, respectively. The major expenditure items in fiscal 2012 were ore re
African operations of U.S.$259.8 million, U.S.$314.5 million on the development and equipping of the So
on development at underground mines at St. Ives, U.S.$12.7 million on the water treatment plant and U
equipment at Tarkwa, U.S.$2.6 million on new mining fleet at Damang and U.S.$31.7 million on the
underground complex at Agnew. In fiscal 2011, the major expenditure items included ore reserve dev
operations of U.S.$294.5 million, U.S.$274.6 million on the development and equipping of the South D
development at underground mines at St. Ives, U.S.$29.7 million on the new mining equipment and U.S.$
expansion project at Tarkwa, U.S.$17.3 million on new mining fleet at Damang and U.S.$36.4 million on
underground complex at Agnew. In fiscal 2010, the major expenditure items included ore reserve dev
operations of U.S.$235.1 million, U.S.$212.8 million on the development and equipping of the South D
development at underground mines at St. Ives, U.S.$24 million on the new mining equipment at Tarkwa
mining fleet and U.S.$21.1 million on the development of the Waroonga underground co

For more information regarding Gold Fields capital expenditure, see Information on the Company
Operation Capital Expenditure , Information on the Company Gold Fields Mining Operations
Information on the Company Gold Fields Mining Operations South Deep Operation Capital Expen
Fields Mining Operations Tarkwa Mine Capital Expenditure , Information on the Company G
Mine Capital Expenditure , Information on the Company Gold Fields Mining Operations Australi
Information on the Company Gold Fields Mining Operations Australia Operations Agnew Ca
Company Gold Fields Mining Operations Cerro Corona Capital Expenditure , Operating and F
Expenditures and Operating and Financial Review and Prospects Liquidity and C

Processing

Prior to the Spin-off, Gold Fields had 16 gold processing facilities (nine in South Africa, three in Ghana, t
which treated ore to extract gold and, in the case of Cerro Corona, copper and gold. After the Spin-off, Gol
facilities (one in South Africa, three in Ghana, two in Australia and one in Peru). A typical processing p
comminution and treatment.

Comminution

Comminution is the process of breaking up the ore to expose and liberate the gold and make it available f
process occurs in multi-stage crushing and milling circuits, which include the use of jaw and gyratory
semi-autogenous grinding, or SAG, mills. Most of Gold Fields milling circuits utilize SAG milling wh
used as the primary grinding media. Through the comminution process, ore is ground to a pre-determin
treatment phase.

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Treatment

In most of Gold Fields metallurgical plants, gold is extracted into a leach solution by leaching with cya
extracted onto activated carbon from the solution using either the carbon in leach, or CIL, or carbon in pu
carbon is then eluted with the gold recovered by electrowinning.

Gold Fields has one active heap leach operation. In the heap leach process, crushed ore is stacked on imp
leaching solution is irrigated onto the pile. The solution percolates through the heap and dissolves liberat
removes the gold-containing solution, which is then passed through columns containing activated carbon
and the gold recovered by electrowinning.

As a final recovery step, gold recovered from the carbon using the above processes is smelted to produce g
transported to the refinery which is responsible for further refining.

At Cerro Corona, gold/copper concentrate is produced using a standard flotation process. The copper c
third-party smelter for further processing.

Productivity and Cost Initiatives

Gold Fields undertook a number of productivity and cost projects in order to ensure that focus was only
value beyond the next five years. The result of the review was the identification of a suite of pr

The BPR program, which commenced in the second half of 2010, focuses on operating costs, the rationa
overhead and review of the mine-to-mill process. The BPR program has been implemented across the Gro
on reviewing the business processes at Gold Fields mines, including operational production processes, co
of the plan are to achieve a sustainable gold output at an NCE margin of 20% in the short-term and 25
consists of 326 initiatives across Gold Fields operations. The second phase of the project, which was inc
plans, sought to achieve cost reductions through revising organizational structures and optimizing busine
supply chain management, reducing employee and non-specialized contractor headcount, and power cons
2012, the BPR program continued to implement new business blueprints and appropriate organizational str
output at the target NCE margins.

The Portfolio Review is a review of the portfolio of operations and projects, which is intended to enable G
providing shareholders with increased returns against the price of gold. The goal of the Portfolio Review is
just production growth) and rigorous prioritization of capital expenditure and exploration spend based on t
investment.

Noise and Dust Management System (Formerly Project 4M) Achievement of the MHSC Milestones, as
initiative focuses on the MHSC milestones agreed to on June 15, 2003 at a tripartite health and safety su
from the government, organized labor unions and associations, and mining companies. The focus is on a
safety targets and milestones over a 10 year period. In order to meet the MHSC s milestone noise-induc
reducing the total noise level to not more than 110 dBA, including individual pieces of equipment, a num
highest potential exposure sources, were implemented and are ongoing. These include, inter alia: the silenc
loaders and diamond drills. South Africa also has a legislated personal Occupational Exposure Level, or O
the Chamber of Mines accept the use of hearing protection devices while methods of reducing noise are ex
NIHL exposure above 85 dBA across all operations was 47%. This measurement excludes protection f
Studies indicate that with the proper use of currently available ear

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protection devices no employee will be subject to a sound pressure level in excess of 85 dBA. A project
hearing protective devices to provide further verification was started in September 2012 and is ongoing.
taken were above 110 dBA, with one reading measured at a rock drill machine in a small confined s
measurements of fans where silencers must be replaced due to corrosion. Silencing of equipment is on
replacing blocked and/or damaged silencers on machines.

Silicosis remains one of the biggest health risks associated with the gold mining industry. In order to meet
silica dust measurement to below 0.1 mg/m^3 a number of action plans, based on the highest potential expo
These include, *inter alia*: building health rooms at the training centers to coach employees on potential ex
personal protection equipment, the installation of tip foggers, tip doors and foot wall treatment, all design
into the ventilating air, installing dual stage tip filter units to improve dust filtration, managing the opening
to reduce airborne dust, treating footwalls with binding chemicals to prevent dust in intake airways and ana
determining exposure levels. As of December 31, 2012, only 3.5% of silica dust measurements taken we
Progress against all interventions is monitored monthly and reviewed quarterly. See Directors, Senior M
and Safety Safety . The sampling strategies have been updated to ensure compliance to the new Man
Practise requirements. Under this new strategy, the number of samples taken at the respective operat
significantly to ensure that workplaces are represented separately.

The Heavy Mining Equipment, or HME, Strategy This is the initiation of a new, medium-term HME Str
towards owner-mining. The strategy is based on analysis and communication of sector best practice across
development of Group-wide guidance and protocols, including around fleet management systems, enhance
condition monitoring and planned maintenance. This is with the ultimate aim of optimizing HME util
establishing internal benchmarking of performance, as well as the transferability of skills and equ

The Planning Handbook Gold Fields developed a Group-wide Planning Handbook to ensure consistenc
potential impacts of personnel turnover.

Mine Reconciliation and Ore Flow Accounting is a project initiated in late 2011 to analyze and assess min
Group and provide operations with action plans to enhance their performance from the stope to the p
minimization of dilution. The findings from this project are currently being implemented by a dedicated,
internal and external experts, who have conducted extensive fieldwork at each of Gold Fields operati
medium-term project has the potential to positively impact the Group NCE m

Sponsorship of the Coalition for Eco-Efficient Comminution, or CEEC The CEEC, of which the Company
initiative to improve blasting, crushing and grinding techniques to lower operating costs and carbon emissi
efficient separation of waste rock, improved combinations of grinding technologies and the targeting of la
By establishing comminution baselines at our processing plants and applying CEEC methodologies, Gold
in power consumption per tonne treated.

Refining and Marketing

South Africa

Gold Fields has appointed Rand Refinery Proprietary Limited, or Rand Refinery, to refine all of Gold Fie
Rand Refinery is a non-listed private company in which Gold Fields and

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Sibanye Gold, formerly a wholly owned subsidiary of Gold Fields, jointly held a 34.9% interest prior to the
Fields holds a 1.8% interest, with the remaining interests held by other South African gold producers, inclu
33.1% interest. After the Spin-off, Rand Refinery has continued to refine the gold produced by th

Prior to the Spin-off, Gold Fields treasury department arranged the sale of all the gold production from
the Spin-off, Gold Fields treasury department has continued to arrange the sale of all gold production fro
Refinery advises Gold Fields on a daily basis of the amount of gold available for sale. Gold Fields sells
against the London afternoon fixing price. Two business days after the sale of gold, Gold Fields deposits
the value of the gold at the London afternoon fixing price into Rand Refinery s nominated U.S. dollar
refining charges payable by Gold Fields relating to such amount of gold and deposits the balance of the
dollar account of Gold Fields.

Ghana

All gold produced by Gold Fields at the Tarkwa and Damang mines in Ghana is refined by Rand Refiner
fixed contract entered into in February 2012 between Rand Refinery and Gold Fields Ghana and between
these agreements, Rand Refinery collects, refines and sells gold as instructed by Gold Fields Ghana and
responsibility for the gold upon collection at either the Tarkwa or Damang mine. The gold is then transpor
in Johannesburg, South Africa, where it is refined. Gold Fields Ghana and Abosso reimburse Rand Refin
these agreements, Rand Refinery sells the refined gold on behalf of Gold Fields Ghana and Abosso at the
gold on the date of delivery. Rand Refinery receives refining fees for gold received, and a realization fe
agreements continues until either party terminates it upon 90 days written

Australia

In Australia, all gold produced by St. Ives and Agnew is refined by the Western Australian Mint. An ever
Gold Mining Company Pty Ltd, Agnew Gold Mining Company Pty Ltd and AGR Matthey, which becam
has been transferred by Deed of Novation to the Western Australian Mint. The Western Australian Mint a
collection, transport and refining services. The collection and transportation fees are calculated by the w
nominal fixed fee component. The refining fees are calculated per ounce of refined gold produced which
both gold and silver, with additional assay and environmental disposal charges. The Western Australian
unrefined gold at collection from St. Ives and Agnew where they engage a sub-contractor, Brinks Austra
gold to the Western Australian Mint in Perth, Australia, where it is refined and the refined ounces of go
relevant metal accounts held by St. Ives and Agnew with the Western Australian Mint. St. Ives and Agnev
in the corporate office in Johannesburg of the amount of fine gold available for sale in Perth, Australia. Af
treasury either sells the gold directly to the Western Australian Mint, at the London afternoon fixing pri
competitive fee per ounce, meaning the Western Australian Mint provides that volume of fine gold in Lon
case of a location swap, the Western Australian Mint is instructed to credit St. Ives or Agnew s metal
London. Once the gold is sold to a third-party, Deutsche Bank in London is instructed by Gold Fields to
counterparty bank. All silver is sold to the Western Australian Mint at market rates. The agreement wi
continues indefinitely until terminated by either party upon 90 days written

Peru

Gold Fields S.A.A., or La Cima, has three contracts for the sale of approximately 75% of concentrate from
Japanese refiner, one with a South Korean refiner and one with a Germa

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refiner. Two of the contracts expire on December 31, 2015, while the third contract expires on December 3
Cima is to sell approximately 25% of the concentrate to each company and to use reasonable efforts t
throughout the year. Risk passes when the concentrate is loaded in the port of Salaverry, Peru or an alte
Pricing for copper and gold under each of the contracts is based on average LME copper prices and Londo
prices, respectively. All production in excess of the amounts sold under long term contracts is s

World Gold Council

Gold Fields supports and participates in the gold marketing activities of the World Gold Council, or WG
Fields contributed to the WGC in support of its activities at a rate of U.S.$2.00 per ounce of gold it produc
produced from the South Deep Project), Australia and its attributable production from Tarkwa and Dam
decrease to U.S.$1.00 per ounce in fiscal 2013.

Services

Mining activities require extensive services, located both on the surface and underground at the

mining-related services such as engineering, rock mechanics, ventilation and refrigeration, mate
performance evaluation and capital planning;

safety and training;

housing and health-related services, including hostel and hospital operations;

reserves management, including sampling and estimation, geological services, including mine p
survey;

metallurgy;

equipment maintenance; and

assay services.

Most of these services are provided directly by Gold Fields, either at the operational level or through the
although some are provided by third-party contractors or through the Transitional Services Agreement b
Fields.

Gold Fields Mining Operations

Before the Spin-off, Gold Fields had eight producing mines in South Africa, Ghana, Australia and Peru. A
six producing mines in these jurisdictions. Gold Fields conducts underground mining operations at each
Cerro Corona and, prior to the Spin-off, conducted some processing of surface rock dump material at KD
the Spin-off, Gold Fields has continued to process surface rock dump material at South Deep, while co
operations at the mine. The processing of surface rock dump material at Agnew was completed in Octobe
pit mining at Tarkwa, Damang, St. Ives (which also conducts underground mining) and Cerro Corona a
production stockpiles at Tarkwa, Damang and St. Ives.

Total Operations

The following table details the operating and production results (including gold equivalents) for each of
period ended December 31, 2010 and fiscal 2010 for all operations owned

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Gold Fields during each respective period. The table also provides the operating and production results (in
2012 for all Gold Fields operations excluding the Sibanye Gold assets

	Fiscal 2010	Six-Month Period Ended December 31, 2010	Fiscal 2011
Production			
Tonnes (000)	56,702	29,008	59,441
Recovered grade (g/t)	2.1	2.1	1.9
Gold produced (000 oz)(1)	3,841	1,983	3,697
Results of operations ($ million)			
Revenues	4,164.3	2,564.2	5,800.1
Total production costs(2)	3,242.0	1,907.0	3,880.3
Total cash costs(3)	2,572.8	1,494.6	3,084.9
Cash profit(4)	1,591.5	1,069.6	2,715.2
Cost per ounce of gold ($)			
Total production costs	844	962	1,050
Total cash costs	670	753	835
Notional cash expenditure per ounce of gold produced ($)(5)	928	1,060	1,153

Notes:

(1) In fiscal 2010, 3.497 million ounces were attributable to Gold Fields, in the six-month period ended I
ounces were attributable to Gold Fields, in fiscal 2011, 3.485 million ounces were attributable to Gol
3.254 million ounces were attributable to Gold Fields, with the remainder attributable to noncontrolli
Peru operations during each of those periods.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi
of Operations Years Ended December 31, 2012 and 2011 Costs and Expenses , Operating and Fin
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia
Operations Years Ended December 31, 2012 and 2011 Costs and Expenses , Operating and Finar
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(4) Cash profit represents revenues less total cash costs.

(5) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and fiscal 2011, the s
December 31, 2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Not

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Underground Operations

The following table details the operating and production results for Gold Fields underground operations
period ended December 31, 2010 and fiscal 2010. The underground operations include all of the mines th
operations prior to the Spin-off and the underground portions of the mines in the Australian operations. Th
and production results (including gold equivalents) for fiscal 2012 for Gold Fields underground opera
assets.

	Fiscal 2010	Six-Month Period Ended December 31, 2010	Fiscal 2011
Production			
Tonnes (000)	11,714	6,219	11,516
Recovered grade (g/t)	5.7	5.6	5.4
Gold produced (000 oz)(1)	2,155	1,114	1,984
Results of operations ($ million)			
Revenues	2,338.3	1,432.1	3,150.2
Total production costs	2,074.7	1,270.7	2,779.8
Total cash costs	1,640.0	996.8	2,268.7
Cash profit(2)	698.3	435.3	881.5
Cost per ounce of gold ($)			
Total production costs	963	1,132	1,411
Total cash costs	761	894	1,144

Notes:

(1) In fiscal 2010, all 2.155 million ounces were attributable to Gold Fields, in the six-month period ende
1.078 million ounces were attributable to Gold Fields, in fiscal 2011, 1.984 million ounces were attril
2012, 1.772 million ounces were attributable to Gold Fields.

(2) Cash profit represents revenues less total cash costs.

Tonnes milled from the underground operations decreased from 11.5 million tonnes in fiscal 2011 to 10.1
decrease was mainly due to labor unrest at the Sibanye Gold assets and an underground fire at the Ya Ror
produced from underground operations decreased from 1.984 million ounces in fiscal 2011 to 1.772 mi
decrease was also primarily a result of the work stoppages at the Sibanye Gold assets caused by the la

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Surface Operations

The following table details the operating and production results (including gold equivalents) for Gold Fi
2012 and 2011, the six month period ended December 31, 2010 and fiscal 2010. In fiscal 2012, surface op
the Ghana, Australia and Peru operations, the open pit portions of the mines in the Australian operations a
at the mines in the South African operation.

	Fiscal 2010	Six-Month Period Ended December 31, 2010	Fiscal 2011
Production			
Tonnes (000)	44,988	22,789	47,925
Recovered grade (g/t)	1.2	1.2	1.1
Gold produced (000 oz)[1]	1,686	869	1,713
Results of operations ($ million)			
Revenues	1,826.0	1,132.1	2,649.9
Total production costs	1,167.3	635.9	1,080.5
Total cash costs	932.8	497.8	816.2
Cash profit[2]	893.2	634.3	1,833.7
Cost per ounce of gold ($)			
Total production costs	692	732	631
Total cash costs	553	574	476

Notes:

(1) In fiscal 2010, 1.342 million ounces were attributable to Gold Fields, in the six month period ended D
ounces were attributable to Gold Fields, in fiscal 2011, 1.502 million ounces were attributable to Gol
1.465 million ounces were attributable to Gold Fields, with the remainder attributable to noncontrolli
Peru operations during each period.

(2) Cash profit represents revenues less total cash costs.

Tonnes milled and treated from the surface operations decreased from 47.9 million tonnes in fiscal 2011 to
mainly due to depletion of surface material at South Deep, reduced throughput at Damang due to incr
throughput of surface rock dump material at the Sibanye Gold assets.

KDC Operation

Introduction

The KDC mine is located in the Gauteng Province of South Africa in the Far West Rand mining district,
Johannesburg. It is South Africa s largest mine by gold production, with KDC West having produced mo
during its 75 year history. KDC is comprised of the Driefontein and Kloof mines, which were consolidate
management team as part of the BPR program.

In fiscal 2012, KDC produced 0.935 million ounces of gold. As of December 31, 2012, KDC had appro
approximately 4,100 outside contractors. On the Spin-off date, KDC was separated fro

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History

The Driefontein operation was formed from the consolidation in 1981 of the East Driefontein and West
began at Driefontein in 1952. The Kloof operation was the result of the consolidation of the Kloof, Liba
mines. Gold mining began in the area now covered by these operations in 1

Geology

Geologically, the KDC mine is located on the northwestern and western rims of the Witwatersrand Basin.
the Ventersdorp Contact Reef, or VCR, located at the top of the Central Rand Group; the Carbon Leader
base; and the Middelvlei Reef, or MVR, which stratigraphically occurs some 50 to 75 meters ab

The Driefontein operation is located in the West Wits Line that forms part of the Far West Rand of the Wit
geologically divided into an eastern section and a western section, separated by a bank anticline and assoc
at the Driefontein operation is contained within three reef horizons. The Carbon Leader, the VCR, and the
500 meters and 4,000 meters. Stratigraphically, the Carbon Leader is situated 40 to 70 meters below the VC
high-grade reef comprising different facies and dips to the south at approximately 25 degrees. The Carbon
in the eastern part of the mine. The west-dipping Bank Fault defines the eastern limit of both reefs. The V
in the east, and subcrops to the west. The MVR is a secondary reef, situated approximately 50 meters ab
present, it is a minor contributor to reserves and production. The average gold grades vary with lithofa

The Kloof operation lies between the Bank Fault to the west, and the north trending West Rand Fault to the
along the eastern boundary of the mine, with a 1- to 1.5-kilometer up throw to the east. Normal faults a
westerly dipping West Rand Fault, with sympathetic north- northeast trending dykes that show little to no
A conjugate set of faults and dykes occurs on a west-southwest trend, with throws of 1 to 15 meters. Struc
in frequency toward the southern portion of the mine as the Bank Fault is appro

Mining

KDC was comprised of 13 producing shaft systems that mined different contributions from pillars and op
which two process mainly underground ore and four process mainly surface material. The preferred min
stoping with closely spaced dip pillar mining, with limited application of scattered and remnant pillar m
No. 1 (East), 3 (East), 4 (East) and 7 (East) provided the main centers of current production at the KDC E
KDC West, including Shafts No. 2 (West), 6 (West) and 8 (West), production focused on remnant pillar ex
of secondary reef horizons. In the southern, newer portions of the mine, which include Shafts No. 1 (West)
the focus was on scattered or closely spaced dip pillar mining. In the far western portion of the mine, at Sh
(West), reclamation and cleaning operations were conducted. The shafts at the deepest levels of the mine,
(West) and Shaft No. 5 Sub-Vertical (West), employed the closely spaced dip pillar m

Over the last several years, the planned extraction schedule for the Shaft No. 1 (East) pillar, or the Mai
reduced in order to decrease seismicity. Alternative scenarios that were being reviewed included not minin
order to protect the Main Shaft infrastructure. Moreover, the profile for Shaft No.7 (East) was significa
building up Shaft No. 4 (East) production to replace the declining Shaft No. 7 (East) profile were und
predominantly mining the lower-grade MVR with reduced remnant mining on the V

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As a result of the electricity stoppages experienced in 2008, and capital allocation decisions, sinking oper suspended indefinitely. In the interim, KDC continued with the drilling program in the area below the lo targeting the area expected to be accessed by Shaft No. 9 (West). Gold Fields also conducted an optimizat infrastructure. This study investigated a viable alternative to the Shaft No. 9 (West) project, such as a

KDC continued to process low-grade surface material in fiscal 2012, for which the biggest risk was a de dumps. Grade management was undertaken through the screening of material to separate out the smaller f be of higher grade. This process reduced the tonnage that was available for proc

Detailed below are the operating and production results at KDC for fiscal 2012, 2011, the six month period operating and production results for Driefontein and Kloof for fiscal 201(

	Fiscal 2010		Six-Month Period ended December 3
	Driefontein	Kloof	2010
Production			
Tonnes (000)	6,084	4,299	5,152
Recovered grade (g/t)	3.6	4.1	3.8
Gold produced (000 oz)	710	567	634
Results of operations ($ million)			
Revenues	770.9	613.2	814.4
Total production costs[1]	586.2	554.8	681.6
Total cash costs[2]	490.4	435.5	545.4
Cash profit[3]	280.5	177.7	269.0
Cost per ounce of gold ($)			
Total production costs	826	979	1,075
Total cash costs	691	769	860
Notional cash expenditure per ounce of gold produced ($)[4]	923	1,053	1,149

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi of Operations Years Ended December 31, 2012 and 2011 Costs and Expenses Operating and Fin Operations-Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operatin Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia Operations Years Ended December 31, 2012 and 2011 Costs and Expenses Operating and Finan Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(3) Cash profit represents revenues less total cash costs.

(4) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and 2011, the six mo 2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Notional Cash Ex

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Total tonnes milled decreased from 10.8 million tonnes in fiscal 2011 to 8.8 million tonnes in fiscal 201
underground mining volumes caused by unplanned stoppages, which included industrial action and an und
Gold production was 1.1 million ounces in fiscal 2011 compared to 0.9 million ounces in fiscal 2012. Th
2012 increased to 3.3 compared to 3.2 in fiscal 2011 due to an 8% higher underground yield partly o
underground ore mined and processed.

The KDC operation engaged in both underground and rock dump mining, and was thus subject to all of t
Factors . The primary safety challenges facing the KDC underground operation included falls of ground
intrusion and temperatures. Water intrusion was dealt with through drilling, cementation sealing technique
network. Also, because rock temperatures tend to increase with depth, KDC required an extensive cooling
to reduce the impact of seismicity at KDC by using the closely spaced dip pillar mining method. Early det
the shafts were used to minimize the risk of incidents caused by flammable gas. Additionally, KDC inst
reduce the risks posed by seismicity, including a detailed analysis of previous seismic events, precondition
a support system to reduce the impact of seismic ground motion and to monitor seismic risk parameters to
Centralized blasting systems were also installed to allow better control of blasting so that most of the min
off-shift periods. Continued reviews of remnant and pillar mining areas were also conducted during fisca
extraction at numerous higher risk areas across the mine. These stoppages reduced the falls of ground inc
part of the Fall of Ground, or FOG, Strategy, in-stope bolting and netting were introduced and the roll-o
April 2012, all panels on KDC were on in-stope bolts and netting. The surface operation safety risks inclu
moving machinery and dust generation. KDC also had a risk management system in place that guided t
minimize these risks.

In total, during fiscal 2012, there were 10 fatalities at KDC. Of these, one was due to an electrocution, on
were due to tramming related accidents and one was due to an accident while cleaning a tank. A further a
were fatally injured, resulted from a fire at one of the KDC shafts on June 30, 2012. KDC East reopened
reopened on July 9, 2012. The fire in the affected shaft was extinguished on August 14, 2012; however, th
a Section 54 order issued by the DMR, and reopened on October 17, 2012, although production did not re
labor actions described below. Please see Risk Factors The Group s operations in South Africa are su
safety regulations, which could impose significant costs and burdens and the Group may face claims and
breaches, of such regulations and other applicable laws for more information. On a calendar year basis,
(see Defined Terms and Conventions) for fiscal 2012 was 8.10 lost time injuries for every million hour
injury frequency rate of 7.95 for fiscal 2011 and 6.31 for calendar 2010. The fatal injury frequency rates fo
2010 were 0.15, 0.17 and 0.13 fatalities for every million hours worked, respectively. From December 3
fatalities were recorded. A major source of accidents in the mine remains falls of ground, which make up a
A 33% improvement has been made in terms of the number of falls of ground related acc

During fiscal 2012, after each major mine incident or accident, KDC received, and complied with, vario
from the Principal Inspector of the Gauteng area of the DMR. See Directors, Senior Management and Em
Safety . There were 27 formal work stoppages issued at the mine by the DMR during fiscal 2012. These w
or serious accidents, or as a result of deemed inadequate controls implemented for site specific hazards

Further, KDC, like several other South African gold mining operations, was affected by work stoppages
African mining industry. Workers at KDC West went on strike from Septemb

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2012 until October 18, 2012 and workers at KDC East went on strike from August 29, 2012 to Septe
October 14, 2012 until October 23, 2012, when 8,100 workers were dismissed for failing to return to w
dismissal. After an appeal process, the majority of these employees returned to work on November 6, 201
Gold Fields operations and profits have been and may be adversely affected by union activity and new an
hoisting capacity of KDC at December 31, 2012 is detailed below.

Shaft System

No. 1 (West)
No. 2 (West)
No. 4 (West)(1)
No. 5 (West)
No. 6 (West)(2)
No. 7 (West)(3)
No. 8 (West)
No. 10 (West)(2)
No. 1 (East)
No. 3 (East)(1)
No. 4 (East)
No. 7 (East)
No. 8 (East)

Notes:

(1) These shafts did not hoist material to the surface. The hoisting capacity refers to sub-surface hoisting
(2) Shafts No. 6 Tertiary (West) and 10 (West) were only operated on a limited scale, with the focus on r
(3) Shaft No. 7 (West) was only operated on a limited scale, and was used for transporting employees an
Assuming no increase or decrease in the reserve estimates at KDC and no changes to the mine plan, the KI
probable reserves of 10.2 million ounces (9.7 million ounces if excluding surface sources) of gold should b
through approximately fiscal 2027. However, as discussed earlier in Risk Factors and Mine Plannin
factors which can affect reserve estimates and the mine plan, which thus could materially change the li
compliance certification under the International Cyanide Management Code in Oct

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Processing

The following table sets forth year commissioned, processing techniques and processing capacity per mont
per month and metallurgical recovery factors during fiscal 2012, for each of the plants at KDC a

Processing Techniques

Plant	Year commissioned[1]	Comminution phase	Treatment phase	Capacity[(2
				(tonn
KDC West DP 1	1972	SAG milling	CIP treatment and electrowinning	255,000
KDC West DP 2	1964	SAG/ball milling	CIP treatment[3]	200,000
KDC West DP 3	1998	SAG milling	CIP treatment[3]	115,000
KDC East KP 1	1968	Pebble milling	CIP treatment[4]	170,000
KDC East KP 2	1989	SAG milling	CIP treatment and electrowinning	162,000
KDC East Python 1[4]	2011	Crushing	Flotation	71,000

Notes:

(1) KDC West DP 1 was substantially upgraded in fiscal 2004, and KDC West DP 2 was substantially up
DP 3 was originally commissioned as a uranium plant and was upgraded to a gold plant in 1998. The
year commissioned as a gold plant.

(2) Nameplate capacity. Plant/Mill nameplate capacities are based on a number of operating assumptions
the blend of soft and hard ores processed, that can change and which may result in an increased level
designed nameplate capacity.

(3) After CIP treatment, electrowinning occurs at KDC West DP 1 or KDC East KP 2.

(4) KDC East Python 1 commissioned during 2011.

(5) Percentages are rounded to the nearest whole percent.

In fiscal 2012, the KDC plants collectively extracted approximately 96% of the gold contained in o

Capital Expenditure

Gold Fields spent approximately U.S.$296 million on capital expenditures at the KDC operation in fiscal
growth plant, residential upgrades, technical projects, self rescue packs and ore reserve development. G
U.S.$38 million of capital expenditures at KDC prior to the Spin-off date, principally on ore

Beatrix Operation

Introduction

The Beatrix operation is located in the Free State Province of South Africa, some 240 kilometers southwe
and Virginia, and comprises the Beatrix mine. Beatrix operates under mining rights covering a total area o
Beatrix has four shaft systems, with five ventilation shafts to provide additional up-cast and down-cast ven
two metallurgical plants. It is a shallow to intermediate-depth mining operation, at depths between 700
surface. Beatrix requires cooling infrastructure to maintain an underground working

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conducive to health and safety for workers at depth. The mine therefore has a refrigeration and cooling in
West Sections. The Beatrix mine has access to the national electricity grid and water, road and rail infrastr
urban centers where it can routinely obtain needed supplies. In fiscal 2012, Beatrix produced 0.289 n
December 31, 2012, Beatrix had approximately 9,200 employees and approximately 1,100 outside contrac
was separated from Gold Fields.

History

Beatrix s present scope of operations is the result of the consolidation with effect from July 1, 1999 of tw
Gold mining commenced at Beatrix in 1985 and at Oryx in 1991.

Geology

The Beatrix gold mine exploits the Beatrix Reef, or BXR, at Shafts No. 1, 2 and 3, and the Kalkoenkrans
former Oryx mine). The reefs are developed on the Aandenk erosional surface and dip to the north and nor
nine degrees.

In general, the BXR occurs at depths of between 570 meters and 1,380 meters and the KKR occurs at dep
2,200 meters. Both the BXR and KKR reefs are markedly channelized and consist of multi-cycle, upwar
sharp erosive basal contacts. A general east-west trending pay-zone, some 500 to 800 meters wide, has bee
is known as the main channel Zone 2. In addition, surface exploratory drilling, and underground developm
the south of Beatrix s Shaft No. 4 main channel in Zone 5, which now represents the majority of the re
development and underground exploration drilling has continued over the past fiscal year so that all facies
and layouts and planning adapted. All new information is used as part of customary mine p

Mining

Prior to the Spin-off, Gold Fields managed Beatrix as three operational sections: the North Section (com
Section (comprising Shaft No. 2 and Shaft No. 1) and the West Section (comprising Shaft No. 4). No shaf
2012. At the North Section, a variety of activities including drilling were primarily powered by hydropow
with a majority of the mining equipment being run off a high-pressure water system. The benefits of the s
underground and machine efficiency, lower noise levels and reduced electrical pow

Mining at Beatrix was based upon a scattered mining method with the North Section being the primary so
2012, management focused on increasing development volumes at Shafts No. 3 and No. 4 to provide futu
definition. However, cessation of activities on some levels, as well as delays associated with water inter
upgrading, resulted in a 14% decrease in main development volumes at Beatrix in fiscal 2012, as compare
development volumes is planned to continue in fiscal 2013. Overall stoping volumes per month at Beatrix
2011 and fiscal 2012. During fiscal 2012, both the development and stoping volumes decreased year-on-y
related stoppages, crew moves to manage the mining mix and a lack of mining flexibility. Beatrix investig
until the Spin-off date.

The overall mining grade at the North Section rose between fiscal 2011 and fiscal 2012 although gold outp

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Based on the higher gold price received and in anticipation of improving gold prices in the longer term, a
opportunities were being examined at Beatrix. For example, in fiscal 2012, ongoing improvements were r
to increase the logistics capacity and support future mining volumes. Beatrix participated in the BPR prog
energy and utility consumption. Beatrix also participated in a carbon credit program, whereby it would earn
by extracting underground methane. Such methane can also be used to generate e

Detailed below are the operating and production results at Beatrix for fiscal 2012 and 2011, the six month
and fiscal 2010.

	Fiscal 2010	Six-Month Period ended December 31, 2010
Production		
Tonnes (000)	3,051	1,965
Recovered grade (g/t)	4.0	3.2
Gold produced (000 oz)	392	202
Results of operations ($ million)		
Revenues	424.6	259.1
Total production costs(1)	368.1	215.3
Total cash costs(2)	290.3	175.3
Cash profit(3)	134.3	83.8
Cost per ounce of gold ($)		
Total production costs	939	1,066
Total cash costs	741	868
Notional cash expenditure per ounce of gold produced ($)(4)	985	1,098

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi
of Operations Years Ended December 31, 2012 and 2011 Costs and Expenses Operating and Fin
Operations Years Ended December 31, 2011 and June 30, 2009 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia
Operations Years Ended December 31, 2012 and 2011 Costs and Expenses Operating and Finan
Operations Years Ended December 31, 2011 and June 30, 2009 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(3) Cash profit represents revenues less total cash costs.

(4) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and 2011, the six mo
2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Notional Cash Ex

Total tonnes milled decreased from 3.82 million tonnes to 3.37 million tonnes as the decrease in undergr
2011 to fiscal 2012. The decrease was primarily due to flexibility constraints at the underground operatio
surface material due to a faulty gear box at one plant. Gold production was lower in fiscal 2012 and the ove
decreased marginally compared to fiscal 2011 due to a lower proportion of higher und

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Beatrix processed 1.30 million tonnes of low grade material during the year. The increase in total cash c
production costs per ounce of gold between fiscal 2011 and fiscal 2012 resulted primarily from the in
amortization costs and the lower production.

The Beatrix mine engaged in underground and surface mining, and thus was subject to all of the underg
discussed in Risk Factors . The primary safety risks at Beatrix were falls of ground, tramming acciden
flammable gas explosions. Beatrix does experience seismic events and, while the seismic risk was much lo
the operation managed these events with a seismic network consisting of several g

During fiscal 2012, the focus of training at Beatrix remained on addressing the predominant causes of in
tramming and winches/rigging, which were part of a formal remedial action tracking system. Methane
remained an area of focus.

The mine had an ongoing methane management system which included the declaration by competent vent
hazardous, methane emission rate monitoring and ongoing awareness campaigns as well as the deployme
connected to an electronic telemetry system to act as early warning. These safety systems were monitored
control room from which action could be taken in the event of alarm.

Beatrix achieved one million fatality free shifts during fiscal 2012. Although there were 6 fatalities at
experienced no shaft closures for any material length of time due to accidents. Three of these fatalities w
was due to a gravity related fall of ground, one fatality was the result of a shaft conveyance incident and
drilling accident. On a calendar year basis, the lost time injury frequency rate (See Defined Terms and Co
lost time injuries for every million hours worked, as compared to 2.95 in fiscal 2011 and 3.31 in calendar 2
frequency rate was 0.25 fatalities for every million hours worked, while the rate was 0.19 in fiscal 2011
December 31, 2012 until the Spin-off date, there were no fatalities at Beatr

In fiscal 2012, Beatrix, like several other South African gold mining operations, was affected by work stop
of the South African mining industry. Workers at Beatrix West went on strike on September 21, 2012 a
South went on strike on September 24, 2012. On October 16, 2012, the strike at Beatrix North and South
strike at Beatrix West ended. See Risk Factors Gold Fields operations and profits have been and may
and new and existing labor laws. and Directors, Senior Management and Employees Employe

The total shaft hoisting capacities of Beatrix as of December 31, 2012 are detaile

Shift System	
	(to
No. 1	
No. 2	
No. 3	
No. 4	

Assuming no increase or decrease in the reserves estimates at Beatrix and no changes to the life of mine p
proven and probable reserves of 3.4 million ounces of gold will be sufficient to maintain production throu
However, as discussed earlier in Risk Factors and Mine Planning and Management, there are nu
estimates and the mine plan, which could thus materially change the life of m

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Beatrix achieved full compliance certification under the International Cyanide Management Code in Jul
18001 certification during fiscal 2012.

Processing

The following table sets forth the year of commissioning, processing techniques and processing capacity pe
milled per month and metallurgical recovery factor during fiscal 2012, for each of the p

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[(1)]
				(tonne
No. 1 Plant	1983	SAG milling	CIL treatment	246,000
No. 2 Plant	1992	SAG milling	CIP treatment	130,000

Notes:

(1) Nameplate capacity. Plant/Mill nameplate capacities are based on a number of operating assumptions
the blend of soft and hard ores processed, that can change and which may result in an increased level
designed nameplate capacity.

(2) Percentages are rounded to the nearest whole percent.

In fiscal 2012, the Beatrix plants collectively extracted approximately 94.59% of gold contained in o

Capital Expenditure

Gold Fields spent approximately U.S.$80 million on capital expenditures at the Beatrix operation in fisca
upgrade and infrastructure redevelopment. In fiscal 2013, Gold Fields spent approximately U.S.$10 millio
prior to the Spin-off date, primarily on ore reserve development.

South Deep Operation

Introduction

South Deep is situated 45 kilometers south-west of Johannesburg, in the Gauteng Province of South Afric
and remains a developing mine where the permanent infrastructure to support expanded production is cu
calendar 2010, the DMR approved the conversion of the South Deep old order mining rights into a new o
approval was an additional portion of ground known as Uncle Harry s, which is contigu

South Deep is engaged in underground mining and is comprised of one metallurgical plant and two opera
Shaft complex and the newer Twin Shaft complex. The South Shaft complex includes a main shaft and th
which are operational. SV2 is used to hoist rock with SV3 being used to transport personnel and material
and only the upper half of the shaft is accessible as shaft sidewall failure damaged the lower portion of th
Fields. The Twin Shaft complex consists of a single-barrel main shaft for hoisting personnel and rock an
shaft, used for both drawing used air and hoisting rock. While this Twin Shaft complex forms the ce
development activities, opening up, equipping and diamond drilling operations are being conducted in the
new mining areas.

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The South Shaft complex operates to a depth of 2,650 meters below surface and the Twin Shaft complex o
below surface. South Deep s workings are at depth and therefore require a significant cooling infrastruct
access to the national electricity grid, water, and road infrastructure and is located near regional urban ce
supplies and services. In fiscal 2012, South Deep produced 0.270 million ounces of gold. As of Decembe
approximately 3,500 employees and approximately 4,750 contractors.

History

The current South Deep operations derive from the Barrick Gold Western Areas Joint Venture, which G
transactions in the second and third quarters of fiscal 2007. The Barrick Gold Western Areas Joint Vent
Venture.

Geology

Gold mineralization at South Deep is hosted by conglomerates of the Upper Elsburg reefs and the VCR. T
against the VCR in a Northeasterly trend, which defines their western limits. To the east of the sub-cro
preserved in an easterly diverging sedimentary wedge attaining a total thickness of approximately 120 me
lower Individuals and the overlying Massives. To the west of the sub-crop, only t

The stratigraphic units at South Deep generally dip southward at approximately 12 to 15 degrees and the go
1,500 meters to 3,500 meters below surface.

Production at South Deep is currently derived from the Upper Elsburg Reefs. In general terms, the Upper
easterly prograding sedimentary sequence, with the Massives containing higher gold grades and showing
attributes in the eastern sector of the mining authorization than the underlying Individuals. The sedimentar
reef units influence the overall tenor of the reefs with gold grade displaying a gradual, general decrease to
crop.

The North-South trending normal West Rand and Panvlakte faults, which converge on the Western
significant large-scale faults in the area and form the western limit to gold mineralizatio

Mining

At South Deep the main target reef horizon is the Upper Elsburg Massives zone. South Deep uses trackl
comprising an array of techniques and mobile machines to achieve the most efficient extraction system for
order to effectively mine the target reefs through massive mining methods it is necessary to de-stress the m
a horizontal slice through the ore body at intervals. Significant progress was made in fiscal 2012 with a 7
and 18 destress attack points established compared to nine in fiscal 2011. Once an area has been de-stress
be mined through a combination of long hole stoping, drift-and-fill and drift-and-benching mining method
South Deep are being refined to ensure optimal extraction of the ore body. This method contributed 14%
2011). With these optimized methods, long hole stoping is planned to contribute 29% of total reef tons bro
projects on long hole stoping will continue through 2013. As a result, long hole stoping will be a major
forward.

As a developing mine, South Deep is being prepared to ramp up production to 330,000 tonnes per month
production at South Deep stabilized at approximately 120,000 tonnes per month. Simultaneously, the de
necessary for the New Mine area continues at a steady pace and is expected to be in a position to sup

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During fiscal 2012, South Deep s capital project infrastructure build-up remained on track with the requ
meet the plan. By October 2012, the headgear changeover in the ventilation shaft, the surface conveyors a
facilities were completed and operational. A new full plant tailings, or FPT, backfill plant was commissi
storage silos are on track to be commissioned at the end of 2013.

The construction phase of the metallurgical plant expansion, intended to increase capacity from 220,000 t
per month, was completed in October 2012. The commissioning of the second ball mill, additional free g
crusher circuit, and the thickener, elution and smelthouse sections were completed in December 2012. A n
the kiln and a new fifth sludge reactor is being installed to allow for additional electrowinning capacity.
expected to be added by the end of 2015.

	Fiscal 2010	Six-Month Period ended December 31, 2010
Production		
Tonnes (000)	1,681	1,101
Recovered grade (g/t)	4.9	4.1
Gold produced (000 oz)	265	146
Results of operations ($ million)		
Revenues	288.7	188.2
Total production costs(1)	279.5	177.3
Total cash costs(2)	216.1	137.5
Cash profit(3)	72.6	50.7
Cost per ounce of gold ($)		
Total production costs	1,056	1,213
Total cash costs	816	940
Notional cash expenditure per ounce of gold produced ($)(4)	1,640	1,914

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi
of Operations Years Ended December 31 2012 and 2011 Costs and Expenses , Operating and Fin
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia
Operations Years Ended December 31 2012 and 2011 Costs and Expenses , Operating and Finan
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(3) Cash profit represents revenues less total cash costs.

(4) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and 2011, the six mo
2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Notional Cash Ex

Total tonnes milled and gold production decreased from 2.4 million and 0.273 million ounces in fiscal 201
ounces in fiscal 2012, respectively. The decrease in tonnage and gold production was due primarily to a re
partially offset by an increase in underground production.

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South Deep s power usage is increasing as it builds up production and prepares for the development of l
supplied the additional power requirements for the build up and has installed additional transformers a
national energy regulator has concluded a five-year pricing agreement and electricity costs are set to rise
9.6% for industrial users, the latter of which will apply to Gold Fields. In order to mitigate the cost impac
have been initiated to reduce power consumption by 5% in fiscal 2013. See Risk Factors Power cost i
Fields results of operations .

South Deep is engaged in underground mining and is thus subject to all of the underground mining risk
primary safety issues facing South Deep underground operations include seismicity (including seismicall
ground due to gravity and the risk of pedestrians being struck by mobile equipment. To prevent falls of g
implemented a mesh and bolt ground reinforcement support system which is intended to reduce the

Strict adherence to safe operating practices and procedures are enforced to prevent pedestrians being struck
all vehicles and employees lamps are being fitted with sensors to prevent employees from being struck b
Deep is mitigating the seismic risks through de-stress mining, the application of backfill and leaving of re
mechanized mining requires fewer workers and reduces the exposure of employees to h

There were no fatalities at the South Deep operation in fiscal 2012. On a calendar year basis, the lost time
Terms and Conventions) for fiscal 2012 was 1.95 injuries for every million man hours worked, as compa
calendar 2010. The fatal injury frequency rate in fiscal 2012 was 0.00 for every million man hours worke
and 0.07 in calendar year 2010. Since December 31, 2012, there has been one fatality. South Deep cond
systems and performance in order to highlight areas of risk. The mine has formulated and implemented a
strategy.

There was one work-related work stoppage at South Deep in fiscal 2012. Since December 31, 2012, the

Both the ISO 14001:2004 Environmental Management System and the OHSAS 18001 certifications were
2012. South Deep s certification under the International Cyanide Management Code which it received i
October 2011. In December 2011, South Deep received its water use licen

The total shaft hoisting capacities of South Deep are detailed below.

Shaft System	
	(to
Twins Main Shaft	
Twins Ventilation Shaft[1]	
South Sub-Vertical 2 Shaft[2]	
South Main Shaft[3]	

Notes:

(1) The Ventilation Shaft at the Twin Shaft Complex was commissioned for hoisting in October 2012. A
thyristors will be completed by April 2013, and once this upgrade is completed, the rock winder will
production build-up. The total hoisting capacity of the Twins Shaft Complex, once the Ventilation Sh
370,000 tonnes per month.

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(2) This sub-vertical shaft is currently being refurbished. It has a capacity of 60,000 tonnes per month fo
repair process. Rock from SV2 is hoisted to the surface via the South Main Shaft. Therefore, the Sou
combined hoisting capacity of 60,000 tonnes per month.

(3) This shaft is currently being refurbished and has a capacity of 60,000 tonnes per month during the rep

Assuming that Gold Fields does not materially increase or decrease reserves estimates at South Deep and t
to the life of mine plan, South Deep s December 31, 2012 proven and probable managed reserves of 39
36.0 million ounces of which are attributable to Gold Fields, with the rest attributable to non-controlling
maintain production through to approximately fiscal 2093. However, as discussed earlier in Risk F
Management, there are numerous factors which can affect reserve estimates and the mine plan, which co
mine.

Processing

All processing at South Deep is carried out at a single gold extraction plant. The following table sets fort
techniques and processing capacity per month, as well as average tonnes milled per month and metallurg
2012 for the plant.

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[(1)]
				(tonnes/month)
Twin Shaft Plant	2002	Primary SAG and Secondary Ball milling	Leach, CIP with elution and electrowinning	220,000

Notes:

(1) Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptio
soft and hard ores processed, that can change and which may result in a level of throughput over and
nameplate capacity. In fiscal 2012 the plant capacity was upgraded from 220,000 tonnes per month to

(2) Excludes Kloof low grade surface material.

During fiscal 2012, the South Deep plant treated an average of 0.175 million tonnes per month (excluc
consisting only of reef and waste from underground. No surface material from South Deep was treated i
capacity was upgraded from 220,000 tonnes per month to 330,000 tonnes per

The full plant backfill tailings plant was commissioned in 2012 and will be able to recover up to 78% by
be returned underground as backfill.

The New Tailings Storage Facility at Doornpoort has been operational for a year and is in the process of b
staff.

Capital Expenditure

Gold Fields spent approximately U.S.$315 million on capital expenditures at the South Deep operatio
development, the ventilation shaft deepening and infrastructure, the metallurgi

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expansion, trackless equipment and the full plant tailings backfill facility. Gold Fields expects to spend ap
capital expenditures at South Deep in fiscal 2013, primarily on development, infrastructure an

Ghana Operations

The Ghana operations are comprised of the Tarkwa and Damang gold mines. Gold Fields Ghana, which
mine, was owned 71.1% by Gold Fields, 18.9% by IAMGold and 10.0% by the government of Ghana. Abo
Damang mine, was owned 71.1% by Gold Fields, 18.9% by IAMGold and 10% by the Ghanaian govern
structure of Gold Fields Ghana. On June 22, 2011, Gold Fields acquired the indirect 18.9% minority stake
Damang gold mines in Ghana, for a cash consideration of U.S.$667 million, increasing Gold Fields in
Damang gold mines from 71.1% to 90.0%, the remaining 10.0% interest being held by the G

Tarkwa Mine

Introduction

The Tarkwa mine is located in southwestern Ghana, about 300 kilometers by road west of Accra. The Tar
pit operations on the original Tarkwa property and the adjacent southern portion of the property, which
Teberebie property and was acquired by Gold Fields in August 2000, together with a heap leach facility, r
Leach Facility (treatment at the South Heap Leach facility having been stopped in December 2012). Gold
plant and a High Pressure Grinding Roll Facility.

The Tarkwa mine operates under mining leases with a total area of approximately 20,800 hectares, th
operations. The Tarkwa mine has access to the national electricity grid, water, road and railway infrastruct
non-operational for many years. Most supplies are trucked in from either the nearest seaport, which is app
road in Takoradi, or from Tema, near Accra, which is approximately 300 kilometers away by road. In
0.719 million ounces of gold, of which 0.647 million ounces were attributable to Gold Fields, with the re
shareholders in Gold Fields Ghana. As of December 31, 2012, Tarkwa had approximately 2,800 employee
contractors.

History

Investment in large-scale mining in the Tarkwa area commenced in the last quarter of the nineteenth centu
Africa, or GFSA, took over an area previously operated by the State Gold Mining Corporation, or SGMC
property from private companies owned by European investors. Mining operations commenced in 1997 fo
studies and project development (which included the removal of overburden and the resettlement of a

Geology

Gold mineralization at Tarkwa is hosted by Proterozoic Tarkwaian metasediments, which overlie but
greenstone belt sequence. Gold mineralization is concentrated in conglomerate reefs and has some s
Witwatersrand Basin in South Africa. The deposit comprises a succession of stacked, tabular palaeoplace
conglomerates. Approximately 10 such separate economic units occur in the concession area within a sedi
meters to 110 meters in thickness. Low-grade to barren quartzite units are interlayered between

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Mining

The existing surface operation currently exploits narrow auriferous conglomerates from six pits, namely Pe
Maintrain and Kottraverchy. Tarkwa uses the typical open pit mining methods of drilling, blasti

Tarkwa faces the same challenges as other open pit and heap leaching mining operations. The operatio
consisted of increased haul distances and pit depths, greater than expected climatic delays due to heavy rai
Harder ores are expected at Tarkwa, which could reduce throughput and recovery at the north heap leach
been affected, but heap leach recoveries declined from 67% in fiscal 2011 to 60.8% in fiscal 2012 as a resu
which is less amenable to heap leaching. A secondary crushing circuit in the CIL plant was put into produ
the impact of the harder ore on the current CIL throughput rate. On July 16, 2012, the operation of all he
suspended after Gold Fields Ghana received a directive from the Ghanaian EPA and the Ministry of Enviro
stop discharging water from these facilities and treat all discharges through a water treatment plant to re
prescribed levels. In accordance with environmental best practice and in compliance with the Ghanaian
commissioned the construction of two water treatment plants at its North and South Heap Leach facilities
received permission from the Ghanaian EPA to reopen the Heap Leach facilities while the water treatment
Heap Leach water treatment plant was operational on January 1, 2013, with increased capacity expected
South Heap Leach water treatment plant was expected to come into operation in January 2013 but, due to p
come into operation during the second quarter of 2013. Tarkwa lost about 0.015 million ounces of gold p
Risk Factors Gold Fields operations are subject to water use licenses, which could impose s

Detailed below are the operating and production results at Tarkwa for fiscal 2012 and 2011, the six month
and fiscal 2010 .

	Fiscal 2010	Six-Month Period ended December 31, 2010
Production		
Tonnes (000)	22,716	11,496
Recovered grade (g/t)	1.0	1.0
Gold produced (000 oz)[1]	721	362
Results of operations ($ million)		
Revenues	790.1	468.1
Total production costs[2]	536.8	280.0
Total cash costs[3]	470.0	251.9
Cash profit[4]	320.1	215.2
Cost per ounce of gold ($)		
Total production costs	745	773
Total cash costs	652	696
Notional cash expenditure per ounce of gold produced ($)[5]	743	892

Notes:

(1) In fiscal 2010, the six month period ended December 31, 2010, fiscal 2011 and fiscal 2012, 0.513 mi
0.576 million ounces and 0.647 million ounces of production, respectively, were attributable to Gold
attributable to minority shareholders in the Ghana operations.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi
of Operations Years ended 31 December 2012 and 2011 Costs and Expenses , Operating and Fin
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia
Operations Years ended 31 December 2012 and 2011 Costs and Expenses , Operating and Financ
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(4) Cash profit represents revenues less total cash costs.

(5) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and 2011, the six mo
2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Notional Cash Ex

In fiscal 2012, overall ore tonnage mined was 21.9 million tonnes compared with 29.1 million tonnes fo
increased by 22.7 million tonnes, from 95.3 million tonnes to 116.3 million tonnes, compared with fisca
levels, gold production at Tarkwa decreased slightly in fiscal 2012 because of declining heap leach recov
grades. Total cash costs per ounce of gold increased by approximately 21% during fiscal 2012, primarily
power and fuel, increased tonnes mined, reduced inventory credit and reduced gold

Both Gold Fields Ghana and Abosso have concluded tariff negotiations for 2012 and 2013 with their resp
supplies power to Gold Fields Ghana and the ECG provides power to Abosso and the South Heap Leach
representing a 19% increase on VRA and 15% increase on ECG respectively from fiscal 2011 to fiscal 2
unchanged from the 2012 tariffs. The VRA has provided a revised Power Sales and Purchase Agreeme
Ghana which is expected to be concluded by June 2013. Gold Fields Ghana has concluded a Transmissio
Until gas supply to the generating units in Ghana is assured, energy prices will correlate with the crude oi
discussions with the VRA regarding a new tariff model from 2014. See Risk Factors Power cost increa
results of operations .

Assuming that Gold Fields does not increase or decrease ore reserves estimates at Tarkwa and that there a
plan at Tarkwa, Tarkwa s December 31, 2012 proven and probable reserves of 10.1 million ounces (9.1
Gold Fields, with the remainder attributable to the Ghanaian government) will be sufficient to maintain p
fiscal 2036 which includes re-treatment of the South Heap Leach at the end of the life of mine. However, a
and Mine Planning and Management, there are numerous factors which can affect reserve estimates
materially change the life of mine.

The Tarkwa mine is engaged in open pit mining and is thus subject to all the risks associated with open pit
Although surface mining generally is less dangerous than underground mining, serious and even fatal acci
fatalities in fiscal 2012. On a calendar year basis, the lost time injury frequency rate (see Defined Terms
fiscal 2011 and calendar 2010 was 0.15, 0.21, and 0.43 lost time injuries for every million hours worke
frequency rate (see Defined Terms and Conventions) for fiscal 2012 was 0.00 fatal injuries for every m
2011 and calendar 2010 it was 0.05 and 0.06 fatal injuries for every million hours worked, respectively. Si
been no fatalities at Tarkwa. Tarkwa mine received OHSAS 18001 recertification during the year and main
Tarkwa achieved full compliance certification under the International Cyanide Management Code in J
recertified in fiscal 2012.

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There were no labor stoppages in fiscal 2012. However, on April 3, 2013, workers at Tarkwa went on stri
On April 8, 2013, in order to end the strike, management and the GMWU agreed to a settlement regardin
issues raised by union petitions. However, the employees at these operations engaged in a further go s
between April 26, 2013 and May 2, 2013, which ended after further discussions between manag

Gold Fields is committed to sustainable development and acquiring and maintaining a social license to
which it operates. As part of this commitment, the Gold Fields Ghana Foundation supports a wide range of
economic development, infrastructure, agriculture, education and health

Processing

Tarkwa s ore can be processed using either conventional heap leach techniques with acceptable recoverie
The operation incorporates two separate heap leach circuits, the North Plant and the South Plant. The con
step on the CIL plant was commissioned in March 2012 to ensure current throughput rates are maintained.
commissioned, processing techniques and processing capacity per month, as well as average tonnes mil
recovery factors during the fiscal year ended December 31, 2012, for each of the plan

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity(1)
				(tonn
CIL Plant	2004	SAG milling (with ball mill)(3)	CIL treatment	1,025,000
North Plant Heap Leach Facility	1997	Multiple-stage crushing and screening process and agglomeration	Heap leach with ADR treatment	770,000
High Pressure Grinding Ratio Facility	2010	High Pressure Grinding Roll Milling	Heap leach with ADR treatment	275,000

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating
assumptions regarding the blend of soft and hard ores processed, that can change and which may resu
throughput over and above the designed nameplate capacity.

(2) Percentages are rounded to the nearest whole percent.

(3) The ball mill was added in December 2008.

(4) Heap leach recoveries are the result of an extended solution application process with full recovery re
recovery of all recoverable gold for current ores is only achieved over several years. Thus, recoveries
recovery as time progresses, or a progressive recovery. Over time, Gold Fields expects both plants
factors of about 64% of contained gold, equivalent to full recovery of all recoverable gold during the

The SAG Mill and CIL plant operated 3.7% below nameplate capacity during fiscal 2012. The amount of
facilities decreased from 11.7 million tonnes in fiscal 2011 to 11.3 million tonnes in fiscal 2012. The CI
tonnes in fiscal 2012, as compared to 11.43 million tonnes in fiscal 2011. The High Pressure Grinding Ro
tonnes in fiscal 2012.

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The South Heap Leach facility treated low and marginal grade ore stockpiles. The South Heap Leach oper
decision was taken to stop stacking ore on the heap leach as a result of the stockpiles in the close

Capital Expenditure

Gold Fields spent approximately U.S.$142 million on capital expenditures at the Tarkwa operation in fisca
spent on capital waste mining, which is expensed), principally for the pre-stripping, water treatment plan
fleet. Gold Fields has budgeted approximately U.S$134 million for capital expenditures at Tarkwa for f
million to be spent on capital waste mining), principally for primary and ancillary mining fleet, water trea
facility projects.

Damang Mine

Introduction

The Damang deposits are located in the Wassa West District in southwestern Ghana approximately 330 kil
approximately 30 kilometers by road northeast of the Tarkwa mine. The mine exploits hydrothermal in
palaeoplacer gold. The Damang mine consists of an open pit operation with a SAG mill and CIL processi
mining lease with a total area of approximately 8,100 hectares. The Damang mine has access to the natio
road infrastructure. Most supplies are brought in by road from the nearest seaport, Takoradi, which is appr
from Accra, which is approximately 360 kilometers away by road. In fiscal 2012, the Damang mine produ
of which 0.149 million ounces was attributable to Gold Fields. As of December 31, 2012, Damang had ap
approximately 800 outside contractors.

History

Mining on the Abosso concession began with underground mining in the early twentieth century. Surface
August 1997 and Gold Fields assumed control of operations on January 23, 2002. Historically, the underg
1878 until 1956.

Geology

Damang is located on the Damang Anticline, which is marked by Tarkwaian metasediments on the east
Birimian metasediments and volcanics. Gold in the Tarkwaian metasediments and volcanics is predomina
the Banket Formation and is similar to the Witwatersrand in South Africa; however, at Damang, hydrother
of this palaeoplacer mineralization. Within the region, the contact between the Birimian and Tarkwaian
commonly marked by zones of intense shearing and is host to a number of significant shear hosted gold d
and Obuasi.

Palaeoplacer mineralization occurs on the west limb of the anticline at Abosso, Chida, and Tomento, and
the Kwesie, Lima South, and Bonsa North locations. Hydrothermal enrichment of the Tarkwaian palaeopl
and Nyame areas on the west limb and the Damang and Bonsa areas on the eas

Mining

Damang uses the typical open pit mining methods of drilling, blasting, loading and hauling. The primar
improved grade control drilling and dilution controls given that the mine has a number of different ore sou
the remnants of the original Damang Pit Cutback, or DPCB), and maintaining adequate and timely suppl
(i.e., where possible a blend of fresh and oxide materials). There were no material operational stoppages
fiscal 2012. During fiscal 2012, the DPCB pit remained the high-grade fresh ore feed so

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Currently, the main oxide feed sources to the plant is the Huni pit. During 2012, it was observed that the
east perpendicular to the pit, which trends from north to south, going through the east wall and the East
ETSF, and a possible cutback to the DPCB is being investigated. A project team is working on the econ
Cutback 2 Project.

Accelerated waste stripping of the Huni pit during fiscal 2012 took place to create mining flexibility. A
substantial cost saving, Damang moved from the outsourced contract with African Mining Services, or A
2011. The introduction of owner mining, combined with the addition of a fourth shift at the mine, has res
mining costs per tonne. Since the conversion of owner mining in the first quarter of fiscal 2011, Damang h
one-off cost of U.S.$55 million through the reduction in the running cost rate. The contractor cost of U.S.
reduced to U.S.$3.45 per tonne in fiscal 2012 before accounting for the cost of inflation. In fiscal 2012, a
Company Limited, performed the ore haulage contract work at Damang, using 30-tonne trucks to haul the
pits to the RoM pad, which is the ore stockpile dump close to the crushing p

Detailed below are the operating and production results at Damang for fiscal 2012 and 2011, the six month
and fiscal 2010.

	Fiscal 2010	**Six-Month Period ended December 31, 2010**
Production		
Tonnes (000)	5,028	2,491
Recovered grade (g/t)	1.3	1.5
Gold produced (000 oz)[1]	207	117
Results of operations ($ million)		
Revenues	226.9	152.1
Total production costs[2]	137.0	88.3
Total cash costs[3]	128.7	74.6
Cash profit[4]	98.2	77.5
Cost per ounce of gold ($)		
Total production costs	661	755
Total cash costs	621	638
Notional cash expenditure per ounce of gold produced ($)[5]	738	1,111

Notes:

(1) In fiscal 2010, the six month period ended December 31, 2010, fiscal 2011 and 2012, 0.147 million o
0.175 million ounces and 0.149 million ounces of production, respectively, were attributable to Gold
attributable to noncontrolling shareholders in Abosso.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi
of Operations Years Ended 31 December 2012 and 2011 Costs and Expenses , Operating and Fin
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia
Operations Years Ended 31 December 2012 and 2011 Costs and Expenses , Operating and Finan
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

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(4) Cash profit represents revenues less total cash costs.
(5) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and 2011, the six mo
2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Notional Cash Ex

Total tonnes milled decreased from 4.9 million in fiscal 2011 to 4.4 million in fiscal 2012 primarily du
processing plant. Gold production decreased from 0.218 million ounces in fiscal 2011 to 0.166 million ou
result of lower head grades resulting from continuing safety concerns while mining the southern inter-fa
cutback. In addition, blending constraints between hard and soft ore resulted in deteriorating grind and
re-establish control of the grind size and recovery efficiencies, the milling rates in the process plant have b
plant is ageing, preventative maintenance has been increased to provide sustainable processing capacity, p
reserves and resources and extended mine life. Total production and cash cost increased from U.S.$932
2011 to U.S.$1,430 and U.S.$1,299 per ounce respectively in fiscal 2012 as a result of low

Damang obtains its electricity indirectly from the VRA, which generates the electricity. The electricity is
distributor for GridCo, the electricity transmission utility. Damang has concluded tariff negotiations for 2
increase on ECG from fiscal 2011 to fiscal 2013. The 2013 tariffs will remain the same as the 2012 tarif
Mine Mining and Risk Factors Power cost increases may adversely affect Gold Fields results of o
generation facility that is owned and controlled by the mine. This is only used during power outages or red
ECG.

Assuming that Gold Fields does not increase or decrease reserves estimates at Damang and that there are n
Damang s December 31, 2012 proven and probable reserves of 4.1 million ounces (approximately 3.7
Gold Fields, with the remainder attributable to the Ghanaian government) will be sufficient to maintain p
fiscal 2024 (as per new Life of Mine). However, as discussed earlier in Risk Factors and Mine Pla
factors that can affect reserve estimates and the mine plan, which could thus materially cha

The Damang mine comprises open pit mining, and is thus subject to all of the risks associated with open p
Although surface mining generally is less dangerous than underground mining, serious and even fatal ac
The safety management system of the mine is OHSAS 18001 certified. The Damang mine has not had a
Gold Fields in 2002, including to date. On a calendar year basis, the lost time injury frequency rate (see
Damang for fiscal 2012, fiscal 2011 and calendar 2010 was 0.36, 0.19 and 0.64 lost time injuries for
respectively.

The environmental management system at the mine is certified to the ISO 14001 standard. Damang achi
under the International Cyanide Management Code in May 2008 and was successfully rece

There were no strikes or material work stoppages at Damang in fiscal 2012. However, on April 3, 2013,
leading to a halt in production. On April 8, 2013, in order to end the strike, management and the GMWU a
process for resolving certain issues raised by union petitions. However, the employees at these operations
related to these issues between April 26, 2013 and May 2, 2013, which ended after further discussions bet

Processing

All ore at Damang is processed through a single facility. The following table sets forth the year commis
processing capacity per month, as well as average tonnes milled per month and metallurgical recovery fac

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Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[(1
				(ton
Processing Plant	1997[(3)]	Primary and two-stage secondary crushing with SAG and ball milling	CIL treatment	400,000

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions regarding the blend of soft and hard ores processed, that can change and which may resu throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.
(3) The secondary crusher was commissioned in 2010.

The ball mill is currently the constraint of the plant and therefore affects throughput. Optimization of the D design of the SAG mill liners and pebble ports, upgrading the mill discharge pumps, installing a pre-lea reactor, maintaining two gravity concentrators and constructing an eighth CIL tank. Mining operations co appropriate plant feed blend.

A second raise of the East Tailings storage capacity was completed in June 2012. This increased capacit sustain production until mid-2014. Early works related to the construction of a new Far East Tailings Stora underway.

Capital Expenditure

Gold Fields spent approximately U.S.$51 million on capital expenditures at the Damang operation in fisca spent on capital waste mining), principally for mining fleet and process plant optimization projects. Gold I U.S.$56 million for capital expenditures at Damang for fiscal 2013 (excluding U.S.$21 million to be s principally for process plant circuit optimization projects and tailings storage facili

Australia Operations

When Gold Fields acquired the St. Ives and Agnew gold mining operations from WMC Resources Limi 2001, part of the purchase consideration included Gold Fields agreeing to pay a royalty to WMC (a right Separate, but similar, royalties were payable to the state for gold produced from the St. Ives a

On June 26, 2002, WMC agreed to give up its right to receive royalties from the Agnew operation in ex million. On August 26, 2009 (during fiscal 2010), Gold Fields executed an agreement with Morgan Stan payment by St. Ives to certain subsidiaries of Morgan Stanley was terminated for a consideration of A

St. Ives

Introduction

St. Ives is located 80 kilometers south of Kalgoorlie and 20 kilometers south of Kambalda, straddling Lal holds exploration licenses, prospecting licenses and mining leases covering a

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area of approximately 97,700 hectares. St. Ives is both a surface and underground operation, with a nun
underground mines, a metallurgical CIP plant and a heap leach facility. The St. Ives operation obtains elec
major mining company that expires in January 2014 and has access to water, rail, air and road infrastructu
locally from both Perth and Kalgoorlie. In fiscal 2012, St. Ives produced 0.45 million ounces of gold
approximately 650 employees and approximately 350 outside contractors as of Decem

History

Gold mining began in the St. Ives area in 1897, with WMC commencing gold mining operations at St. Ive
St. Ives gold mining operation from WMC in November 2001.

Geology

The gold deposits of St. Ives are located at the southern end of the Norseman-Wiluna greenstone belt of
Province. In the St. Ives area the belt consists of Kalgoorlie Group volcanic rocks, Black Flag group felsic
a variety of intrusive and overlying post-tectonic sediments. The area is structurally complex, with host
greenschist and lower amphibolite facies. Gold mineralization discovered to date is best developed in th
sequence, hosted in minor structures including vein arrays, breccia zones and central, quartz-rich and mylo
styles and ore controls are varied, but deposits are commonly associated with subsidiary structures which
Boulder-Lefroy Fault.

Mining

Gold production takes place over an extensive area at St. Ives, although it is mainly concentrated in a 5
south-southeast from Kambalda across Lake Lefroy. St. Ives sources production from a variety of underg
site has a mill that treats primary ore and a heap leach facility which treated low- and marginal-grade ore.
fiscal 2012 were:

Argo Complex. Stoping activities at the Argo mine commenced in November 2003. Production at the Ar
fiscal 2012. The Argo mine is expected to close in the final quarter of fiscal 2013 based on the De

Cave Rocks Underground Mines. Cave Rocks is located approximately six kilometers to the west of the
underground mine utilizes primarily open stoping methods without backfill to extract ore. Cave Rocks wa
2012; however, an intensive delineation and exploration program has extended the life of mine through to
limited during the first three quarters of fiscal 2012 with extensive mine development required to

Leviathan Open Pit. The Leviathan open pit is based on the expansion of a pre-existing open pit locate
southeast of the Lefroy processing plant. The mine utilizes conventional truck and shovel mining practic
previously exploited by underground mining methods, requiring special care when passing through these
industry best practice in the mining district have been implemented to manage the risks associated with the
Leviathan throughout fiscal 2011 and was completed in November 2012

Athena and Hamlet Underground Mines. The Athena mine reached commercial levels of production in J
decline from Athena to the new Hamlet mine commenced in December 2010. The first ore extraction fro
2011 and Hamlet reached commercial levels of production in the first quarter of fiscal 2013. Based on
Athena has a life of mine of four years and Hamlet has a life of six years with prospects of ext

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Other Open Pits. At any one time St. Ives will also operate a series of smaller open pits. During fiscal
Leviathan was supplemented by ore from the Agamemnon, Bellerophon, Britannia, Diana and Formidable
from pits operated in previous years.

St. Ives s ongoing exploration program in fiscal 2012 has led to an improved understanding of the underl
mines, enabling consolidation of mine geology and a number of key project areas going forward. At all m
extensional drilling continued in order to replace and extend the existing ore bodies. Continued early-sta
prospective targets with first-pass exploratory drilling was also completed in a number of areas. The new
underground and the Formidable and Britannia open pits have allowed production to continue at si

In July 2011, St. Ives transitioned to owner mining at Cave Rocks and Argo with the assistance of Carlow
GBF Underground Mining, or GBF, who continue to undertake underground development work on access
contract expiring in July 2013.

Gold Fields had a separate two-year contract for the capital development of the new Athena underground
with Byrnecut Mining Propriety Limited, or Byrnecut, which extended to January 2013. This contract was
being renewed on revised terms and conditions.

Leighton Contractors Proprietary Limited, or Leighton, performed all of the surface mining at St. Ives u
June 30, 2012. From July 1, 2012, Gold Fields commenced owner mining on a transitional basis as min
Leighton continuing to provide open pit mining services on a limited basis until November 2012 when the
in the open pits.

Detailed below are the operating and production results at St. Ives for fiscal 2012 and 2011, the six month
and fiscal 2010.

	Fiscal 2010	Six-Month Period Ended December 31, 2010
Production		
Tonnes (000)	6,819	3,284
Recovered grade (g/t)	1.9	2.3
Gold produced (000 oz)[1]	421	243
Results of operations ($ million)		
Revenues	460.6	313.4
Total production costs[2]	451.9	274.1
Total cash costs[3]	318.0	173.9
Cash profit[4]	142.6	139.5
Cost per ounce of gold ($)		
Total production costs	1,073	1,128
Total cash costs	755	716
Notional cash expenditure per ounce of gold produced ($)[5]	1,023	918

Notes:

(1) For purposes of allocating production costs between St. Ives and Agnew, the consideration paid for t
of the book value of the underlying net assets was allocated pro rata to the value of the underlying as

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(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi of Operations Years Ended December 31, 2012 and 2012 Costs and Expenses, Operating and Fina Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and
(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia Operations Years Ended December 31, 2012 and 2012 Costs and Expenses, Operating and Financ Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and
(4) Cash profit represents revenues less total cash costs.
(5) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and 2011, the six mo 2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Notional Cash Ex

From fiscal 2011 to fiscal 2012, ore processed at St. Ives increased from 6.745 million tonnes to 7.038 m improved throughput at the heap leach operations. Gold production decreased marginally to 0.450 million 0.465 million ounces achieved during fiscal 2011 due to lower grade open-pit ore mined. Cash costs incre fiscal 2011 to U.S.$424 million in fiscal 2012 due to normal inflationary increases and an increase in

Assuming that Gold Fields does not increase or decrease reserves estimates at St. Ives and that there are no St. Ives December 31, 2012 proven and probable reserves of 2.2 million ounces will be sufficient to approximately fiscal 2018. However, as discussed earlier in Risk Factors and Mine Planning and M which can affect reserve estimates and the mine plan, which could thus materially change

St. Ives is engaged in underground mining and in both open pit and production stockpile surface mining underground and surface mining risks discussed in Risk Factors . Seismicity is the primary underground occurring at depths below 500 meters. The risk is addressed through the use of backfilling and by mining controlled steps to improve stability, which is called stope sequencing. No fatalities were recorded in fisca calendar year basis, the lost time injury frequency rate (see Defined Terms and Conventions) for fiscal was 3.49 (excluding restricted work cases, 23.17 if such cases are included), 2.86 and 5.03 lost time inj respectively. St. Ives has a health and safety system that conforms to the requirements of OHSAS 18001 a environmental management system. Certifications in this respect were maintained during fiscal 2012. S certification under the International Cyanide Management Code in August 2009. There were no strikes or in fiscal 2012 or to date in fiscal 2013.

Processing

The table below sets forth year commissioned, processing techniques and processing capacity per month, a month and metallurgical recovery factors during fiscal 2012, for each of the plants

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Processing Techniques

Plant	Year commissioned[1]	Comminution phase	Treatment phase	Capacity[2]
				(tonnes
Lefroy Plant	2005	Single-stage crushing and SAG milling	CIP	375,000
Heap Leach Facility	2000	Multiple-stage crashing and screening process	Carbon absorption	200,000

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions regarding the blend of soft and hard ores processed, that can change and which may resu throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.
(3) Heap leach recoveries are the result of an extended solution application process with full recovery rec recoveries must be considered in terms of a progressive recovery.

The Lefroy Plant consistently achieved in excess of nameplate capacity throughout fiscal 2012. Optimizat to realize incremental improvements in recovery while maintaining throughput and mi

The Heap Leach Facility treated low and marginal-grade ore from St. Ives. The heap leach operated until was taken to stop stacking ore on the heap leach due to the high cost of heap leach processing and declini Ives will continue irrigating the heap leach during fiscal 2013 while the value of gold produced e

Capital Expenditure

Gold Fields spent approximately A$268 million on capital expenditures at St. Ives in fiscal 2012 pri development of a new tailings facility and fleet acquisition for the transition to owner mining (excluding A which is expensed). Gold Fields has budgeted approximately A$137 million for capital expenditures at S A$21 million spent on exploration, which is expensed). These funds are principally earmarked for pre continuing development at Cave Rocks and Hamlet Mines, development of Bellerophon mine and t

Agnew

Introduction

Agnew is located 23 kilometers west of Leinster, approximately 375 kilometers north of Kalgoorlie and 6 Western Australia. It holds exploration licenses, prospecting licenses and mining leases covering a tota hectares. Agnew operated both the Waroonga underground mining complex (comprising the Kim, Mai Songvang open pit in fiscal 2012. Underground mining is conducted from the Waroonga Underground C ore zones. Agnew has one metallurgical plant. Agnew is serviced by sealed road infrastructure to the mi fly-out site. Local services including air transport with a sealed runway and accommodation is provided p neighboring mine operated by a major mining company. Agnew has access to electricity pursuant to a co mine which expires in January 2014. The bulk of the water is supplied from the mining operations and r facility and previously mined pits. Supplies are generally trucked in from Perth or Kalgoorlie. In fisca 0.176 million ounces of gold. As of December 31, 2012, Agnew had approximately 260 employees a contractors.

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History

Gold was discovered at Agnew in 1895 and production was intermittent until WMC acquired the operation
the current mill in 1986. Since that time, numerous open pits and underground operations

Geology

The Agnew deposits are located within the northwest portion of the Norseman-Wiluna greenstone belt of t
In the Agnew area the greenstone belt consists of an older sequence of ultramafic flows, gabbros, basa
sedimentary rocks. The rocks are folded about the large, moderately north plunging Lawlers Anticline. T
the western limb of this anticline, and major deposits discovered to date lie on sheared contacts between s
cut by north-northeast trending faults such as the Waroonga and East Murchison Uni

Mining

The principal production source in fiscal 2012 at Agnew was the Waroonga underground mining compl
Songvang open pit commenced in 2011 and this ore has supplemented underground feed to the mill. Minin
early 2012 and the stockpiled ore supplemented underground production throughout 2012. Gold Fields ex
will remain the principal production source in fiscal 2013. The Waroonga Underground Complex include
South, Rajah and Main Lode ore bodies. Following a strategic review of Agnew in the third quarter of fis
that there were improved economics by only mining the higher grade Kim ore body. This revised strateg
quarter of fiscal 2012. The mining method involves longhole open stoping with paste filling. Access to t
tunnel which accommodates workers, materials and equipment. Waroonga underground performance ave
fiscal 2012.

During fiscal 2012, exploration to extend reserves at Waroonga continued to focus on down-dip extension
prior to the strategic review, the Main Lode resources.

During fiscal 2012, mining development of a new primary return air shaft was completed and new surfac
was designed to ensure sufficient ventilation underground for the life of the mine and doubled the previ
commenced owner mining of its stoping activities in 2010. Underground development is performed by B
Barminco provides employees, consumables and equipment including drilling, blasting and haulage of dev
was awarded a three-year contract for mine development in June 2010. The contract for underground deve
of being competitively tendered with a new three year contract to be award

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Detailed below are the operating and production results at Agnew for fiscal 2012 and 2011, the six month
and fiscal 2010.

	Fiscal 2010	Six-Month Period Ended December 31, 2010
Production		
Tonnes (000)	883	417
Recovered grade (g/t)	5.8	5.9
Gold produced (000 oz)	165	80
Results of operations ($ million)		
Revenues	177.8	102.4
Total production costs(1)(2)	109.1	60.5
Total cash costs(3)	87.7	50.2
Cash profit(4)	90.1	52.2
Cost per ounce of gold ($)		
Total production costs	660	760
Total cash costs	531	631
Notional cash expenditure per ounce of gold produced ($)(5)	874	961

Notes:

(1) For purposes of allocating production costs between St. Ives and Agnew, the consideration paid for th
of the book value of the underlying net assets was allocated pro rata to the value of the underlying ass

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi
of Operations Years Ended December 31, 2012 and 2011 Costs and Expenses , Operating and Fin
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia
Operations Years Ended December 31, 2012 and 2011 Costs and Expenses , Operating and Finan
Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati
Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and

(4) Cash profit represents revenues less total cash costs.

(5) For a reconciliation of Gold Fields NCE to its production costs for fiscal 2012 and 2011, the six-mo
2010 and fiscal 2010, see Operating and Financial Review and Prospects Costs Notional Cash Ex

From fiscal 2011 to fiscal 2012, tonnes of ore processed at Agnew increased from 0.935 million tonnes to
the processing of stockpiled ore from a cutback of the Songvang pit. Gold production decreased to 0.17
compared to 0.194 million ounces in fiscal 2011 due to mining constraints at the Kim underground mine. 9
underground. Total cash cost per ounce increased to $864 per ounce in fiscal 2012 from $769 per ounce i
due to lower production, normal inflationary increases and processing the higher cost low grad

Assuming that Gold Fields does not increase or decrease reserves estimates at Agnew and that there are no
at Agnew, Agnew s December 31, 2012 proven and probable reserves at 1.2 million ounces will be suffic
approximately fiscal 2019. However, as discussed earlier in Risk Factors and Mine Planning and M
which can affect reserve estimates and the mine plan, which could thus materially change

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Agnew engaged in underground mining and reclaiming stockpiles arising from the mined out Songvang op
may pursue further open pit opportunities in the future and is thus subject to all of the underground and s
Risk Factors . The primary safety risk at Agnew is falls of ground at the underground operations, wh
ground support, backfilling of open voids and sequencing of mine operations to improve overall stabilit
fatalities at Agnew in fiscal 2012, fiscal 2011 and fiscal 2010 or to date. On a calendar year basis, the lost t
2012, fiscal 2011 and calendar 2010 was 3.93 (excluding restricted work cases, 16.69 if such cases are in
injuries per million hours worked, respectively.

Agnew deploys a health and safety management system that conforms to the requirements of OHSAS
environmental management system that is certified to the ISO 14001 standard. Agnew has retained ISO
successful audit undertaken in March 2012. Agnew achieved full compliance certification under the Intern
in March 2010. There were no strikes or material work stoppages at Agnew in fiscal 2

Processing

All processing at Agnew is provided by a single plant. The following table sets forth year commission
processing capacity per month, as well as average tonnes milled per month and the metallurgical recovery
December 31, 2012 for the plant:

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1]	A f
				(tonnes/month)	
Main Plant	1986	2-stage ball milling	CIP treatment	110,000	

Notes:

(1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a nun
including assumptions regarding the blend of soft and hard ores processed, that can change and which
of throughput over and above the designed nameplate capacity.

(2) Percentages are rounded to the nearest whole percent.

Capital Expenditure

Gold Fields spent approximately A$55 million on capital expenditures at Agnew in fiscal 2012 primarily
development (excluding A$5 million spent on exploration, which is expensed). Gold Fields has budgeted
capital expenditures at Agnew for fiscal 2013, primarily for mine development and c

Peru Operation

Gold Fields owned a 92% voting interest (80.7% economic interest) in the Cerro Corona mine through
April 15, 2011, Gold Fields increased its economic interest in La Cima from 80.7% to its present 98.5%
minority shareholders in La Cima to acquire their shares at a cost of $382 mi

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Cerro Corona

Introduction

The Cerro Corona mine became operational by the end of the first quarter of fiscal 2009. It forms part of situated within the Hualgayoc Mining District in northern Peru. It is located in the highest part of the We northern Peru, close to the headwaters of the Atlantic continental basin. Cerro Corona is located approxim of the City of Cajamarca. Cerro Corona holds mining leases covering a total area of approximately 1,6 developed over an area of 940 hectares. Cerro Corona s electricity is supplied through a long-term contr and transported through the national power transmission system and a 34 kilometer transmission line c Corona s water requirements are provided primarily by retention of rainfall and pit dewatering; water is c the operation produced 0.170 million ounces of gold and 36,171 tonnes of copper, of which 0.168 million of copper were attributable to Gold Fields. As of December 31, 2012, Cerro Corona had approximately 37 the mine and approximately 1,200 outside contractors involved in both mine operations and tailings

History

In December 2003, Gold Fields, through a subsidiary, signed a definitive agreement to purchase an 80.7% in the Cerro Corona mine from a Peruvian family-owned company, Sociedad Minera Corona S.A., or S reorganization whereby the assets of Cerro Corona were transferred to La Cima, in July 2004. Followin impact assessment on December 2, 2005, Gold Fields completed the purchase of the 92% voting interest Cima in January 2006, for a total consideration of $40.5 million. La Cima subsequently acquired all requis the mine and construction commenced in May 2006.

Geology

The Cerro Corona gold-copper deposit is hosted by a 600- to 700-meter diameter sub-vertical cylindrica stock emplaced into mid-Cretaceous limestone and marls and siliclastic rocks. Within the porphyry, gold- hosted by extensive zones of stockwork veining. There are at least two phases of diorite placement, only non-mineralized diorite is generally regarded as the last phase, and is referred to as barren core. The Cerro Corona porphyry is probably comprised of four or five satellite stocks with the last two being barre at the intersection of Andean-parallel and Andeannormal (transandean) structures. Supergene oxidation Corona have led to the development of a weak to moderate copper enrichment blanket, allowing for the s surface downward, into an oxide zone, a mixed oxide-sulphide zone, a secondary enriched (supergene (hypogene) sulphide zone.

Mining

The Cerro Corona deposit is mined by conventional, bulk surface mining methods. The Cerro Corona o mine. This ore is treated in a conventional milling and sulphide flotation concentrator capable of treating 6 and producing between 100,000 and 190,000 tonnes per annum of copper and gold containing concent smelters in Japan, Korea and Europe.

The single largest contractor employer is Minera San Martin. Minera San Martin carries out all minin excavation and head grade and engineering specifications to meet the required design performance thro managed by La Cima personnel. Other contractors

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provide camp administration and catering, security, safety and laboratory operations. In addition, an averag
contractors per month are involved in the construction program at the tailings

Detailed below are the operating and production results at Cerro Corona in fiscal 2010, the six-month peric
2011 and fiscal 2012.

	Fiscal 2010	Six-Month Period ended December 31, 2010
Production		
Tonnes (000)	6,141	3,102
Recovered grade (g/t)	0.7	0.8
Recovered copper grade (%)	0.70	0.66
Combined yield (g/t)	2.0	2.0
Gold produced (000 oz)	139	80
Copper produced (000 tonnes)	41	20
Gold equivalent ounces (000 eq oz)	394	200
Results of operations ($ million)		
Revenues(1)	411.4	266.6
Total production costs(2)	198.8	113.8
Total cash costs(3)	135.5	80.6
Cash profit(4)	275.9	186.0
Cost per ounce of gold($)(5)		
Total production costs	505	570
Total cash costs	348	401
Notional cash expenditure per ounce of gold produced ($)(6)	560	548

Notes:

(1) Equates to 172 thousand ounces on a gold equivalent basis at a price of $1,663 per ounce of gold and
(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Fi of Operations Years Ended December 31, 2012 and 2011 Costs and Expenses , Operating and Fi Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati Prospects Results of Operations Six Month Periods Ended December 31, 2010 and 2009 Costs and
(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financia Operations Years Ended December 31, 2012 and 2011 Costs and Expenses , Operating and Finar Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operati Prospects Results of Operations Six Months Review and Prospects Results of Operations Years E 2010 Costs and Expenses , Operating and Financial Review and Prospects Results of Operations 2010 and 2009 Costs and Expenses .
(4) Cash profit represents revenues less total cash costs.
(5) Calculated on the basis of a total of 350,379 ounces of gold and gold equivalent sold.
(6) Calculated on the basis of a total of 342,098 ounces of gold and gold equivalent produced. For a reco its production costs for fiscal 2012, see Operating and Financial Review and Prospects Costs Noti

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Assuming that Gold Fields does not increase or decrease reserve estimates at Cerro Corona and that there
plan, Cerro Corona s December 31, 2012 proven and probable reserves of 2.8 million ounces of gold and
which, 2.7 million ounces of gold and 1,024 million pounds of copper are attributable to Gold Fields, w
non-controlling shareholders at La Cima) will be sufficient to maintain production through approximately
earlier in Risk Factors and Mine Planning and Management, there are numerous factors that can a
which could thus materially change the life of mine.

The Cerro Corona mine involves open pit mining, and is thus subject to all of the risks associated with o
Factors . Although surface mining generally is less dangerous than underground mining, serious and ever
occur. There were no fatalities at Cerro Corona in fiscal 2012 and none to date in fiscal 2013. On a calend
frequency rate (See Defined Terms and Conventions) at Cerro Corona for fiscal 2012, fiscal 2011 and c
lost time injuries for every million hours worked, respectively. Cerro Corona has implemented a health a
accordance with the Gold Fields Full Compliance Health and Safety Management System and in accor
OHSAS 18001 certification was obtained in June 2010. The recertification audit of the integrated IS
requirements was successfully completed in August 2012. In fiscal 2012, Cerro Corona was ranked second
mining by the Peruvian National Institute of Mining. La Cima was also awarded the John T. Ryan saf
outstanding safety performance for the third consecutive year. The fourth amendment to the Cerro Corona
or EIA, was approved by MEM in September 2011. Further, in fiscal 2012, Cerro Corona s non-profit org
el Desarrollo , which was incorporated in fiscal 2011 to administrate and co-finance specific social progra
regional government for the improvement of child nutrition.

La Cima entered into a five year labor agreement with the Cerro Corona workers union in November 2011
seen many cases of conflicts and dissention between local communities and mining operations and minin
the communities desire for greater participation in the economic benefits of these mining projects. Cerr
community consultation and negotiation since 2003 through the land purchase and permitting process t
communities on various aspects of community involvement. A comprehensive strategy to work with the c
through the operations stages. The main focus of this strategy relies on three pillars which are (i) promoti
infrastructure such as roads, telecommunications, electricity, potable water, education and health, (ii) tr
communities, including having employed more than 1,000 locals during construction, maintaining app
developing more than 50 local contractors and (iii) developing economically self-sustaining projects
forestation. Gold Fields believes its social strategy has created goodwill with the local communities, with
such as the paving of the road to Hualgayoc, rural electrification, a potable water plant, and the Kunturw
sustainable development projects have been very successful, with more than 700 hectares of natural pa
genetically enhanced to improve production of milk. Through the construction and operations phase, La C
agreements with local communities.

La Cima did not experience any work stoppages in fiscal 2012.

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Processing

The following table sets forth year commissioned, processing techniques and processing capacity per mont
Corona:

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[(1)] (tonnes/month)
Main Plant	2008	SAG/ball milling	Conventional sulphide floatation circuit	560,000

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions regarding the blend of soft and hard ores processed, that can change and which may resu throughput over and above the designed nameplate capacity.

(2) Percentages are rounded to the nearest whole percent.

Studies are currently being conducted to evaluate the feasibility of a heap leach facility for the treatment o been mined and stockpiled on surface. An expansion of the processing plant capacity for the treatment o

Gold Fields operates a concentrate storage warehouse at the port of Salaverry in Trujillo city, approximate Corona. Concentrate is shipped from the Salaverry port in bulk carrier vessels. Gold Fields entered into a f Rodrigo Carranza, or TRC, in the third quarter of fiscal 2008 pursuant to which TRC handles the logistic mine to the warehouse and then transferring it to the ships. Operations at Salaverry are managed under th standards as those at Cerro Corona. La Cima has contributed to improvement of the environmental practic first fully hermetic shiploading equipment in Peru.

Capital Expenditure

Gold Fields spent approximately U.S.$94 million on capital expenditures at Cerro Corona in fiscal 20 construction activities at the tailings facility. Gold Fields has budgeted approximately U.S.$84 million f Corona for fiscal 2013, primarily on construction of the tailings dam and completion of improvements

Growth and International Projects

Gold Fields Growth & International Projects Group, or GIP, manages a diverse portfolio of exploration Europe, Central Asia, the Americas and Australasia. In addition, Gold Fields has a number of exploratio rights it holds which are adjacent to its active mining operations in South Africa, Ghana, Peru and Australi from two exploration hubs in Perth, Australia and Denver, United States. The company also has offices Canada; and Bamako, Mali. As of December 31, 2012, Gold Fields GIP included 481 full-time, part-tim 165 are geoscientists and engineers, who provide the key technical capability in the regions of focus arou employees, Gold Fields GIP also employs approximately 230 employees of outside contractors. Gold F balanced approach to projects, which provides the ability to consider a project at any stage of developm through the feasibility study and including construction.

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The goal of this strategy is to maintain a consistent pipeline covering all stages of project development in
level project every one to two years, with at least one project in construction at any

Gold Fields budgets to spend about $40 per ounce of gold produced on greenfields exploration in fiscal 2
development and feasibility staged projects and near-mine exploration which refers to exploration an

Gold Fields previously operated in four regional operating areas: South Africa, Australasia, West Africa a
exploration activities in North America and an opportunistic approach to the Rest of the World . Follo
management philosophies during 2012, the regional operating areas were expanded to cover the entire g
organized as clusters of countries based on time zones. Four Regions cover the globe: the Americas region
East and North Africa) region; the Australasia region (including Central and Eastern Asia); and the Southe
region. The location of any project or activity defines which region it is designated to. The designated regi
the associated project business case for advanced project development, while Gold Fields GIP is responsi
and project development focused on the growth of the company.

Gold Fields vision is to deliver sustainable growth in high quality gold production with a focus on qu
maximizing total margin and free cash flow. Gold Fields will leverage off its established infrastructur
development hurdles and delivery timelines for new opportunities. Near-mine exploration projects, which a
mining operations, endeavor to capture any possible operating synergies which can be realized, for exampl
other infrastructure, which has a knock-on effect with regard to minimum project s

In the longer term, Gold Fields is also considering a limited number of opportunities in a number of new
historically had lower levels of activity. The focus is on areas of the world which are historically under-ex
and concepts can be applied to improve the likelihood of discovery. Gold Fields has successfully expan
countries and regions where it has limited experience by means of equity investments in, and strategic alli
who are already well established in those areas. Gold Fields has historically applied this strategy to exp
Philippines, Argentina and Kyrgyzstan, amongst others.

Gold Fields divides the different phases of an exploration target s development into what it refers to as th
project normally comprises several distinct exploration targets and the resource pipeline provides for th
targets in five stages: (1) target definition, (2) initial drilling, (3) advanced drilling or scoping study,
pre-feasibility study, and (5) feasibility study. To be successful, exploration targets need to be drill te
exploration phase, or be divested. This leads to a focus on turning over targets as quickly and as effecti
Greenfields exploration projects are generated by reviewing and ranking the most prospective terrains acro
are selected after considering country risk and strategic fit. Each exploration region continuously monitors
all stages of development.

Greenfields Exploration

Gold Fields focuses its greenfields exploration activities on finding opportunities with the correct balanc
determining whether it will proceed with a project, Gold Fields weighs a variety of factors, including acq
and capital costs of production, as well as the possible technical, commercial, social, environmental an
expected returns for the project. Other important considerations include the optionality embedded in the p
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terms of geographic diversification and production profiles. This could result in consideration of additiona
copper-gold deposits, gold-silver type deposits, or even platinum group metals, or PGM, deposits such as
greenfields projects, Gold Fields makes use of its existing operating centers in Ghana (through Gold Fi
Australia (through Gold Fields Australasia Pty. Ltd.) and Peru (through Minera Gold Fields Peru S.A.) to
opportunities within other prospective countries in the respective regions

The table below provides a breakdown of the number of targets in Gold Fields three main exploration re
the resource triangle as of December 31, 2012. Multiple early stage targets in a single project has been
opposed to multiple targets as previously reported by Gold Fields. This provides a more coherent repre
pipeline. The table does not include near-mine exploration projects on sites adjacent to Gold Fi

Phase	Europe and MENA	Australasia
Feasibility Study	0	0
Resource Development	3	1
Advanced Drilling	0	1
Initial Drilling	3	3
Target Definition	0	3

During fiscal 2012, Gold Fields spent approximately U.S.$135.3 million on greenfields exploration pro
operations and completed approximately 236,800 meters of drilling. In the same period, Gold Fields spen
and evaluation costs. Gold Fields total budget for greenfields exploration for fiscal 2013 is appr

Initial Drilling Projects

Gold Fields currently has 10 initial drilling projects (i.e., projects where a target has been successfully def
in eight countries, ranging from Argentina to the Philippines.

Advanced Drilling Projects

In central British Columbia, Canada, Gold Fields is exploring the Woodjam project for copper-gold porphy
two separate joint venture agreements signed in July 2009 and May 2010 with Fjordland Exploration In
respectively, to earn up to a 70% interest. In November 2011, Fjordland Exploration and Cariboo Rose
which spun out their stake of the Woodjam project into Consolidated Woodjam Copper Corp., a separate
Venture Exchange. The properties comprise 56,800 hectares covering several known porphyry copper an
East Zone, Takom, Megabuck, Deerhorn, and the recently discovered Three Firs zones. Additional pros
totaling 2,150 hectares within the project area were optioned during 2011 and have been incorporated int
Gold Fields also signed a joint venture agreement to earn up to a 70% interest of the nearby 8,902 hectar
which is owned by two private individuals.

In January 2011, the Woodjam project was promoted to the advanced drilling stage based on positive resu
As of December 2012, Gold Fields has completed a total of 89,100 meters of diamond drilling and 170 m
on multiple targets within the Woodjam project. Gold Fields vested its 51% interest in the Woodjam Nort
notified the partners of its intention to take up an additional 19% option allowing for a total project inter
required a minimum commitment of $2 million dollars on Woodjam South and $1 million on Woodja
commitment was achieved during 2012 to allow Gold Fields to maintain its ri

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the additional option. It has also completed approximately 2,400 meters of diamond drilling on the adjace
3,900 meters of diamond drilling on the Redgold property. Gold Fields completed a conceptual mining stu
copper-gold resource for the South East zone as first reported in February 2012, which will be further upd
of additional infill and extensional drilling programs during 2012.

In northwestern Kyrgyzstan, Gold Fields now owns a 100% interest in the Talas Copper-Gold Project v
Metals Corporation, or Orsu. A transaction was completed on July 20, 2012 transferring the outstanding 40
consideration of $10 million and a private placement for 25 million units of Orsu at a price of CAD$0.40
unit consisted of one common share of Orsu and one-half of one common share purchase warrant. Each
warrant will be exercisable for a period of three years from the date of issue to acquire one common shar
Completion of the subscription is conditional on Orsu obtaining formal waiver of the Kazakh Gover
requirement for consent for the issuance or placement of new shares in Orsu pursuant to the subscription
interests is ongoing.

The Talas Copper-Gold Project covers four exploration licenses which are prospective for copper-gold po
completed to date has focused on the Taldybulak copper-gold deposit, with approximately 36,000 meters c
since 2008. Due to a prolonged period of social and political unrest in Kyrgyzstan from 2010-2011, all fiel
2011, a new President was elected and he consolidated a new government late in 2011. This allowed acti
diamond drilling program in April 2012, which completed approximately 6,400 meters in 2012 and is exp
new scoping study on this project is expected to be completed in first half of

In Chile, Gold Fields exercised an option, as part of an agreement, in February 2012 to acquire 100% of
Piedra, from SBX Asesorias e Inversiones, a private Chilean company, and the concessions were registe
Fields Salares Norte Limitada, a wholly owned subsidiary of Gold Fields. At Salares Norte, Gold Fiel
circulation drilling program in April 2011 consisting of three widely-spaced holes (comprising 933 meters
geophysical and soil geochemical anomalies considered prospective for epithermal gold-silver mineralizat
a follow-up diamond drilling program (consisting of 3,800 meters drilled) was completed in April 2012.
successful in identifying gold and silver mineralization in a high sulphidation system. The project was pro
in July 2012. A 30,000 meter drilling program commenced October 2012 to define limits and potential ex
the aim of reporting a maiden resource on the project by the end of 2013

In May 2011, an option agreement was signed with S.L.M. Rio Baker, a private Chilean company, which
acquire 100% of the Rio Baker property, which is adjacent to Salares Norte. Target definition work cons
sampling and geophysical surveys was completed in early 2012 and initial drilling of targets identified co
30,000 meter drilling program described for Salares Norte.

Gold Fields also has an option to acquire 100% of the nearby Pircas gold property held by S.C.M. Ag
company. In May 2011, a follow-up reverse circulation drilling program on the main breccia target w
snowstorms. Gold Fields aims to recommence and complete this drilling program in the seco

International Projects

Chucapaca Feasibility Study

In early 2007, Gold Fields formed an agreement with Compania de Minas Buenaventura S.A., or Buena
Chucapaca project. In early 2010, Minera Gold Fields Peru completed it

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back-in commitment to earn a 51% interest in the Chucapaca joint venture agreement and Gold Fiel
(49%) registered Canteras del Hallazgo S.A.C., or CDH, as the joint venture company to hold, explor
Chucapaca gold-copper property.

Gold Fields, through CDH, has completed more than 118,000 meters of drilling over the current life of t
resource drilling, as well as geotechnical and sterilization drilling required for feasibility studies. Deta
engineering studies have all been completed as part of the project over the last three years. Following com
Gold Fields, through CDH, commenced a feasibility study in 2011 for the Canahuire deposit on the Chuca
was completed in late fiscal 2012 and concluded that the project financials were not sufficiently robust to
that time. Instead, the project is expected to conduct a value engineering exercise in fiscal 2013, to look a
position relative to the feasibility result. This phase will re-examine options including open pit and under
well as reviewing aspects of the feasibility scope to improve the initial capital position

Arctic Platinum Project Pre-Feasibility Study and Exploration

The APP is located approximately 60 kilometers south of the city of Rovaniemi in northern Finland. APP
surface mineable platinum group elements plus copper and nickel deposits located within the Portimo and
The principal prospects under consideration occur within the Suhanko Project area, comprising of the Kon
North deposits.

From 2009, Gold Fields has investigated the potential of applying the hydrometallurgical process, Plats
options to recover copper, nickel, gold and the platinum group elements (platinum, palladium and rhodi
which would be produced in an on-site concentrator facility. Metallurgical testwork returned positive re
conducted to provide initial operating and capital cost estimates to use hydrometallurgical recovery o

Following completion of a full scale Platsol® pilot plant testwork program in 2011, which demonstrated
viable option for the Suhanko Project ores, Gold Fields completed a scoping study which showed a projec
could be identified to prolong life of mine of the project. A full pre-feasibility study commenced in la
December 2012 focusing on optimization of the Platsol-process and trade-off studies concerning processi
have continued into 2012. With the study now fully completed, Gold Fields will evaluate the results to det
which to capture the inherent value of the project. A major drilling program of 30,000 meters diamond
Suhanko North prospect in March 2012 has been successful in delineating a maiden resource on this dep
resource base of Konttijarvi and Ahmavaara, and to contribute to the overall Suhan

Additional work completed in fiscal 2012 included submission of an amendment to the valid Suhanko Env
of the Platsol® hydrometallurgical process and associated plant infrastructure to the Finnish environmen
Fields submitted an application for a new water permit which was subsequently approved by the authoriti
construction activities to commence in early 2015 and to be completed by 2018. The final proposal for the
submitted to the Finnish coordinating authority in December 2012. Baseline environmental data collection
the amended EIA is on-going.

Further, during fiscal 2012 Gold Fields continued hydrometallurgical test work to assess the suitability of
delivering enhanced onsite metal recovery. Planning, sampling and sample dispatch were completed for a
third quarter of fiscal 2012, an independent panel of experts completed a technical risk review on the amer
Suhanko project ore. This indicated the technology could be successfully implemented and that there w
studies are underway to determine downstream product marketing strategies. During 2012, this included di
base metal/platinum group metals refiners to explore potential synergies and terms

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Far Southeast Scoping Study

In September 2010, Gold Fields entered into two option agreements with Lepanto, the 60% owner, and
gold-copper FSE in the Philippines granting Gold Fields an option to acquire a 60% interest in FSE for a t
After paying option fees of $10.0 million and making two down-payments of $44 million and $66 million
2011 respectively, Gold Fields decided to bring forward half of the remaining $220 million payment to acc
Gold Fields continues to hold its option to acquire an additional 20% stake in FSE from Lepanto for a
exercised, would increase its total interest in FSE to 60%.

The Liberty and Lepanto options were initially granted to Gold Fields for the later of 18 months from signa
of receiving a FTAA for the project. A FTAA licence allows a foreign corporation to control a majority
project. Notwithstanding this provision, Gold Fields had the discretion to exercise either option prior to the
to exercise the Liberty option earlier than originally planned due to the fact that: due diligence results to d
to the resource potential; by acquiring ownership of 40% Gold Fields was able to demonstrate its commitm
partnership with Lepanto; and the early exercise of the Liberty option does not affect the remaining 20% L
be exercisable in accordance with the terms of the agreement.

The FTAA application for the FSE project was filed in November 2011. The application requires FPIC of
for Gold Fields exploration activities. The FPIC process was suspended at a national level pending the f
legislation. The process recommenced in August 2012, following the release of new national guideline
delayed Gold Fields FTAA application. Nonetheless, management anticipates completion of the FT

Gold Fields FPIC process is on-going and in support of the National Commission on Indigenous People
established a technical working group with the local community and other stakeholders. This group has be
process forward and ensuring alignment between all relevant stakeholders. The initiative is being adopted
FSE is being used as a model to support the incorporation of the working group as a Nationa

The Group commenced a pre-feasibility study focusing on extraction through bulk underground mining
some elements of the pre-feasibility study was stopped while access to surface drilling, the FPIC and soci
pursued.

A total of approximately 163,000 meters has been drilled on the project. A maiden mineral resource was
meters of FSE drilling and 64,000 meters of Lepanto drilling. Additional drilling in fiscal 2013 is expected
grade, high value areas of the resource and the final pre-feasibility study resourc

Approval for surface drilling at several drill sites has been obtained in fiscal 2012 and drilling has bee
Approvals are still pending on access to other required drill site locations, and negotiations are ongoing to
2013. The community relations team significantly ramped up its activities in the district during 2012 and
programs in partnership with the local communities.

Yanfolila Project

In southwestern Mali, Gold Fields is progressing the Yanfolila gold projects and a scoping study was comp
2012. It has been agreed that a de-risking program will be completed in the first half of 2013 to fast-track
feasibility to a position where a development

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decision could be made by the end of fiscal 2013. The project has simple metallurgy and low infrastruc
relatively low initial capital requirement. In the first quarter of 2013, Gold Fields submitted a project
Environmental and Social Impact Assessment, or ESIA, to the Malian authorities. Further, in fiscal 2013
will lapse and will need to be converted to an Exploitation Permit under Malian law. Gold Fields owns
Yanfolila properties (assuming a 10% interest will go to the Mali government upon granting of the mi
completed approximately 98,700 meters of exploration drilling on the project between 2009 and 2012,
meters of targeted infill drilling in fiscal 2012.

Near-Mine Exploration

At the St Ives mine in Australia, most activity over the previous three years focused on resource developm
underground mines and open pit prospects in the Neptune-Revenge area. Following a sustained period of
base was stabilized in these production areas allowing a robust life-of-mine to be developed and support
philosophy to owner operated mining. In 2012, the focus shifted to re-balancing the exploration portfo
component of a A$35 million exploration budget allocated to early stage greenfields activities targeting n
new discoveries while maintaining significant resource development programs at the Cave Rocks, Neptu
mining areas. A total of 255,000 meters of drilling completed in 2012 effectively tested more than 80
mineralization discoveries, the most notable of these being the Invincible prospect on the Lake Lefroy sal
the main Lefroy CIL processing plant. More than 9,000 meters of diamond drilling has been completed
extensions after initial aircore drilling made a discovery intersection in late 2011. Gold Fields announced
in the December 2012 annual statement with a current exploration potential defined by mineralization dri
depth of 300 meters. An access causeway to allow infill RC drilling of the pit resource was completed and
January 2013. Significant extensions were also defined at the Cave Rocks underground m

At the Agnew gold mine in Australia, drilling in fiscal 2012 continued to target the three high grade ore-
Waroonga Main Lode North, which were identified in fiscal 2011, the Fitzroy, the Bengal and the Hasting
additional ounces. The Fitzroy and Bengal shoots plunge steeply to the northwest with new drilling indicat
Kim/Edmunds Lodes approximately 1,200 meters below the surface. In fiscal 2012, 27,724 meters of
completed on the High Grade Shoots project at the Waroonga Mine, while a further 24,000 meters of airc
on early stage or conceptual targets three to 15 kilometers north of the Agnew

At the Damang gold mine in Ghana, the Damang Superpit described under International Projects forme
Accompanying this initiative, additional near-mine exploration activities focused on resource definition dr
to the north of the historic Amoanda open pit, which is situated south of the Damang Pit area. The prog
Amoanda resource up to 1,000 meters north of the existing Amoanda pit. A total of 20,400 meters of di
completed on this resource definition program in fiscal 2012.

Target definition and initial drilling activities completed in 2012 tested the highest ranking target, the Bo
displays geological features analogous to the main Damang ore body. An initial diamond drilling progra
conducted from September to November 2012 to test the major structures that identify this target area. Pr
and follow-up drilling may be required after the receipt of assay results in 2

At the Cerro Corona copper-gold mine in Peru, an infill and extensional drilling program completed in t
Corona Deep Project confirmed the existing resource model. The data was u

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develop a revised litho-structural-alteration model and resource update, which better defined the Life of M
potential for significant depth extensions below the existing open pit. The Corona Deep drill program, w
completed 6 diamond holes (6,800 meters) to scope the potential for deep extensions to higher grade go
current mine designs capable of supporting future mining options. While this drilling identified typica
copper-gold mineralization to depths of 600 meters below the current pit design, assay results received sl
evaluation of mining potential for the Corona Deep Project is expected to be completed in the first half o
results, this would potentially support plans for a first-pass deep drilling program to support large-scale un
the longer term.

Insurance

Gold Fields insurance policies provide coverage for general liability, accidental loss or damage to its pr
form of fixed operating costs or standing charges, material damage and other losses. While the bulk of th
insurance company domiciled in Gibraltar, not all potential losses are covered. Gold Fields does not insure
its operations as some insurance premiums are considered to be too high, some risks are considered too re
insurance cover are not available. Should an event occur for which there is no or limited insurance cover,
flows and profitability.

Management believes that the scope and amount of insurance coverage is adequate, taking into account th
of each identified risk. Gold Fields insurance coverage is consistent with customary practice for a gold
multinational operations. See Risk Factors Gold Fields insurance coverage may prove inadequ

The Gold Mining Industry

Background

Gold is a dense, relatively soft and rare precious metal which occurs in natural form as nuggets or grain
alluvial deposits. Gold mining operations include both underground and open pit operations with gold c
extracted from ore grades in amounts as low as 0.5 grams/metric tonne (open pit). The majority of gold
production and for investment purposes, in the latter case because some investors view it as a store of va
certain physical properties of gold including its malleability, ductility, electric conductivity, resistance to
the metal of choice in a number of industrial applications.

Global Markets

Demand

The two main categories of demand for gold are fabrication (primarily jewelry) and investment (private an
gold in 2012 was 4,406 tonnes or U.S.$236 billion in value terms (not reflecting over-the-counter, or OT
comprised of jeweler fabrication (43%); investments (35%); and technological applications (10%), accordi
the last few years has been mainly driven by China and India, which accounted for 28% and 24% of the t
2011, respectively. Significant private investment demand for gold is generated by gold ETFs and similar
of the total global demand for 2012. This was almost one and a half times the amount experienced in 2011
accounted for 4%. Demand for official gold purchases is driven by central banks, government bodies, sup
investors. In 2012, purchases by central banks were at their highest level in 48 years. Gold is typically
inflation, a fact that could impact the demand for gold given the recently announced commitment for ass
Reserve, currently the largest holder of gold reserves. Technological applications demand is mainly gene
industrial electronics and wireless equipment.

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Supply

Supply of gold consists of new production from mining, the recycling of gold scrap and releases from o
production represents the most important source of supply but has been steadily falling since 2001 as low
during periods of low gold prices more than offset production from new mines. Gold supply in 2012 totale
production was 64%), according to the WGC. However, with the strength in gold prices, a number of n
commence production in the coming years which could increase the outlook for min

Price

The market for gold is relatively liquid compared to other commodity markets, with London being the w
Gold is also actively traded via futures and forward contracts. The price of gold has historically be
macroeconomic factors, such as inflation, exchange rates, reserves policy and by global political and eco
supply/demand dynamics. Gold is often purchased as a store of value in periods of price inflation and wea
has historically been less volatile than that of most other commodities, however there has been a steady
rising investment demand against a backdrop of relatively flat supply as declining mine production and off
volumes. The closing gold price on May 9, 2013 was U.S.$1,466 per ounce. In 2012, the spot gold price
low as U.S.$1,540.

Top Producers

Based on fiscal 2011 production (the latest available data), the first, second and third largest gold produce
Newmont Mining and AngloGold, respectively. According to the AME Group, at March 13, 2013 Barri
countries, Newmont Mining had 15 operations in eight countries and AngloGold had 26 operations in 11
Gold assets, Gold Fields was the fourth largest gold producer in the world. Excluding production at the Sib
the tenth largest gold producer in the world in fiscal 2011.

Environmental and Regulatory Matters

South Africa

Environmental

Gold Fields South African operations are subject to various laws relating to the protection of the environm
No. 106 of 1996 grants the people of South Africa the right to an environment that is not harmful to hu
protection of that environment for the benefit of present and future generations through reasonable legi
Constitution and the National Environmental Management Act, No. 107 of 1998, or NEMA, as well as
legislation grant legal standing to a wide range of people and interest groups to bring legal proceedings to
which are enforceable against private entities as well as the South African gove

South African environmental legislation commonly requires businesses whose operations may have an im
permits and authorizations for those operations. The applicable environmental legislation also imposes ge
incorporates the polluter pays principle. Under the terms of the MPRDA, all prospecting and minin
according to an environmental management plan/program which must be approved by the DMR. Dire
provisions of the MPRDA and NEMA for any environmental degradation. See M

South African mining companies are required by law to undertake rehabilitation works as part of their ong
an approved environmental management plan/program, which supports a mine closure plan. Gold Fie
rehabilitation costs by making contributions into an environmental trust fund and with ins

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Under the National Water Act 36 of 1998, or the National Water Act, all water in the hydrological cycle
South African government held in trust for the people of South Africa and water users have been required t
this Act. In addition, the National Water Act governs waste water and waste water discharge into water re
use all reasonable and practical measures to remove underground water to permit the routine safe functioni
Kloof operation (now part of the KDC jointly managed operation) was issued a water use license in Decem
2011. The Group has applied for renewal of, and amendments to, this license. Pending approval of the Kl
obtained the Kloof Directive, from the DWA, that permits the continuation of water uses at its Kloof op
renewal of, and amendments to, its water use license was being processed. Prior to February 2011, th
compliance with the license granted to it in 2008. However, from February 2011 to September 2011, the
shafts of the KDC operation covered by the Kloof license exceeded the discharge parameters specified by
the DWA and other relevant regulators and has investigated the cause of the increased discharge. One of th
was that the increased discharge was most likely due to external variables beyond the control of the K
information, the Kloof Directive included an increase to the discharge limits of that specific discharge po
date of issue of the Kloof Directive, the water discharged from the shaft covered by the Kloof water use li
the discharge parameters specified in the Kloof Directive. The Driefontein operation was also issued a w
However, due to certain inaccuracies and discrepancies in the information provided for the water use lice
discussions with the DWA to revise the license.

While there was a delay in processing the water use license application at South Deep, which was submitte
Gold Fields was issued a new water use license for South Deep in December 2011. Gold Fields has made
amendment of this water use license to the DWA as well.

The DWA has advised Beatrix, which had pre-existing water permits of indefinite length, that its current w
it need not apply for a new license. However, Beatrix has nevertheless proactively submitted a water u
currently being processed. Therefore, management believes that the South African operations now hav
undertake regulated water uses for purposes of carrying out its mining operat

Under the National Environmental Management Air Quality Act, 2004, or Air Quality Act, the South Af
minimum emission standards for certain activities. Gold Fields has submitted an application for a new lic
respect of some of the activities at South Deep and is currently determining whether other activities at So
Fields is also drafting a plan to ensure it is in compliance with the Air Quality

The National Environmental Management Amendment Act, No. 62 of 2008, or NEMAA, was promulgated
effect on May 1, 2009. The Minerals and Petroleum Resources Development Amendment Act, No. 4
promulgated on April 21, 2009, although a commencement date has not been proclaimed by the President
Assessment Regulations, or EIA Regulations, as contained in Government Notices 543-546 of June 18, 20
These replace the 2006 EIA Regulations. The effect of the amendments as contained in the NEMAA and t
that NEMA will be responsible for all environmental authorizations for and relating to mining and the Mi
Affairs will be the relevant authority. Until the MPRDAA comes into effect, as well as during the first 18
MPRDA is the applicable legislation and the Minister of Mineral Resources is the responsible authority
mining activities. The Minerals and Petroleum Resources Development Amendment Bill was published
comment. This bill contains further environmental provisions relating to the requirement to obtain environ
prospecting, mining, production and exploration operations, where necessa

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The South African government is considering the introduction of a carbon tax with effect from January 1
emissions. The updated carbon tax policy paper released on May 2, 2013 confirmed that the proposed carb
of CO_2-e emitted above certain thresholds. The tax rate will increase by 10% a year, reaching R176 per to
60% of emissions would initially be tax exempt. The 60% discount will continue to apply until December 3
set at 5% or 10%, a carbon intensity correction based on industry benchmarks and a correction for internat
of tax liability, which together may allow for a cumulative reprieve from tax liability of up to 90%. The 60
reprieves will be scaled back gradually from 2020 until 2050 and may be replaced by absolute emis

The National Environmental Management Waste Act, 2008, or the Waste Act, commenced on July 1, 20
sections relating to contaminated land. Responsible waste management has become a priority for the Dep
or the DEA. Gold Fields is currently working with the DEA in order to ensure it is in complian

Gold Fields undertakes activities which are regulated by the National Nuclear Regulator Act 47 of 1999
requires Gold Fields to obtain authorization from the National Nuclear Regulator, or NNR, and undertake
conditions of such authorizations. Prior to the Spin-off, Gold Fields South African mining operations po
of Registration issued by the NNR. After the Spin-off, South Deep continues to possess and maintain its C

Although South Africa has a comprehensive environmental regulatory framework, enforcement of enviro
poor. The DEA has indicated that enforcement will improve and Environmental Management Inspectors h
The Environmental Management Inspectors have commenced and are finishing environmental inspections
major industrial facilities. The focus to date has been on those industries that impact heavily on air quality
steel industry.

Health and Safety

The principal objective of the South African Mine Health and Safety Act No. 29 of 1996, or the Mine Hea
health and safety of persons at mines. The Mine Health and Safety Act requires that employers and oth
non-operating mines provide a safe and healthy working environment, determines penalties and a syst
non-compliance and gives the Minister of Mineral Resources the right to restrict or stop work at any min
steps to minimize health and safety risks at any mine. The Mine Health and Safety Act further provides fo
the establishment of health and safety committees and by requiring the appointment of health and safe
employees the right to refuse dangerous work. Finally, it describes the powers and functions of the MHSI
DMR and the process of enforcement). Under the Mine Health and Safety Act, an employer is obligated, a
as reasonably practicable, that its mines are designed, constructed and equipped to provide conditions f
working environment and the mines are commissioned, operated, maintained and decommissioned in such
their work without endangering their health and safety or that of any other person. Every employer mu
practicable, that persons who are not employees, but who may be directly affected by the activities at a mi
to their health and safety.

The Mine Health and Safety Amendment Act, came into operation on May 30, 2009. It criminalizes violat
Act and increases the maximum fines. Any owner convicted in terms of the above offenses may have it
suspended, be fined up to R3 million and/or be

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imprisoned for a period not exceeding five years, while the maximum fine for other offenses and administ
highest fine being Rl million per occurrence. Two sections of the Mine Health and Safety Amendment A
contravening or failing to implement provisions of the Mine Health and Safety Act resulting in a person s
employer where certain persons commit an offense and the employer permitted or did not take all reason
actions, have not yet come into effect. Several mining companies objected to them on constitutional groun
they would not come into effect pending further discussion with the industry. In fiscal 2011, the DMR i
provisions of the Mine Health and Safety Act with respect to compliance with, and adoption of, leading p
Gold Fields senior leadership engaged with the DMR to ensure that Gold Fields is taking appropriate pr
minimize risk.

The principal health risks associated with Gold Fields mining operations in South Africa arise from occ
environmental exposure to silica dust, noise, heat and certain hazardous substances, including toxic gases
most significant occupational diseases affecting Gold Fields workforce include lung diseases (such as sili
the two and COAD) as well as NIHL. The ODMWA governs the payment of compensation and medical
such as silicosis, contracted by persons employed in mines or at sites where activities ancillary to minin
healthcare services are made available by Gold Fields to employees from its existing facilities. Pursua
ODMWA, Gold Fields may experience an increase in the cost of these services. See Risk Factors Go
environmental and health and safety regulations, which could impose significant costs and burdens and G
liability for breaches, or alleged breaches, of such regulations and other applicable laws . This increased c
indeterminate.

Until recently, the mining industry believed, as previous cases had indicated, that a provision in the Comp
and Diseases Act, No. 130 of 1993, or the COIDA, precluded an employee from recovering any dama
occupational injury or disease resulting in his disablement or death, if compensation had been paid to the
under the ODMWA. The ODMWA governs the payment of compensation and medical costs for certain ill
by those employed in mines or at sites where activities ancillary to mining are conducted. Recently, the S
ruled that a claim for compensation under ODMWA does not prevent the employee from seeking to recove
concerned in a civil action under common law (either as individuals or as a class). While issues, such as ne
proved on a case by case basis, it is nevertheless possible that such a ruling could expose Gold Fields to
hazards and diseases (including silicosis or other ailments alleged to arise due to exposure to hazardous ma
be in the form of a class action or similar group claim. Although risks associated with alleged occupationa
such actions may also arise in connection with the alleged incidence of such diseases in communities prox
second half of 2012, two suits were filed against several South African mining companies, including Gol
former gold mine workers and the dependants of gold mine workers who have contracted or died from si
diseases. See Legal Proceedings and Investigations .

If a significant number of such claims were suitably established against it, the payment of compensation fo
adverse effect on Gold Fields business, reputation, results of operations and financial condition. In a
significant additional costs arising out of these issues, including costs relating to the payment of fees, incr
in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts
resolve any outstanding claims or other potential action.

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Mineral Rights

The MPRDA

The MPRDA came into effect on May 1, 2004. The MPRDA transferred ownership of mineral resources
prospecting and mining rights on behalf of the nation) to the South African people with the South African
order to, among other things, promote equitable access to the nation s mineral resources by South Af
historically disadvantaged persons who wish to participate in the South African mining industry, advance
and create an internationally competitive and efficient administrative and regulatory regime, based on the
consistent with common international practice, that mineral resources are part of a nation s patrimony.
apply for the right to mine and/or prospect. In accordance with the MPRDA, the DMR on April 29, 2009
socio-economic transformation of the mining industry. However, certain provisions of the Code appeared
Charter, or to go beyond the scope envisaged by the MPRDA. Various industry participants have been
regarding the scope and applicability of the Code, the operation of which appears to b

Under the MPRDA, prospecting rights are initially granted for a maximum period of five years and can be
a further period not exceeding three years. Mining rights are valid for a maximum period of 30 years, and
for further periods, each of which may not exceed 30 years. A wide range of factors and principles, inclu
economic empowerment and social responsibility, will be considered by the Minister of Minerals Resourc
whether to grant these applications. A mining right can be canceled if the mineral to which such mining
optimal rate. In November 2006, the DMR approved the conversion of Gold Fields mining licenses un
Driefontein and Beatrix into rights under the new regime. During May 2010, the DMR approved the conv
mining rights into a new-order mining right. Included in this approval was an additional portion of ground
contiguous to South Deep. The durations of the South Deep mining right and the Uncle Harry s mini
cumulative effect of this approval, together with the previous conversions for the Driefontein, Kloof an
January 2007, was that all of Gold Fields South African mines had received their new-order mining rig
Additional Information Material Contracts Additional Black Economic Empowerment Transactions .
Mining Charter for effecting entry of HDSAs into the mining industry was developed to guide the DMI
mineral rights, the granting of new order mineral rights and the granting of consent relating to the transfera
rights. The Mining Charter became effective on May 1, 2004. The Mining Charter s state

promote equitable access to South Africa s mineral resources for all the people of South Africa

substantially and meaningfully expand opportunities for HDSAs, including women, to enter the
to benefit from the exploitation of South Africa s mineral resources;

utilize the existing skills base for the empowerment of HDSAs;

expand the skills base of HDSAs in order to serve the community;

promote employment and advance the social and economic welfare of mining communities and

promote beneficiation of South Africa s mineral commodities beyond mining and processing, i
consumer products.

To achieve these objectives, the Mining Charter requires that, within five years of its May 1, 2004 effec
achieves a 15% HDSA ownership of mining assets and, within 10 years of that date, a 26% HDSA owner
can comprise active involvement, through HDSA-controlled companies (where HDSAs own at least 50%
have management

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control), strategic joint ventures or partnerships (where HDSAs own at least 25% plus one vote of the joint
there is joint management and control) or collective investment vehicles, the majority ownership of wh
involvement, particularly through broad-based vehicles such as employee stock option plans. The Mini
companies to submit annual, audited reports on progress toward their commitments, as part of an ong
uncertainty relating to the enforceability of the Mining Charter.

Following a review, the DMR released the Amended Mining Charter on September 13, 2010. There
enforceability of the Amended Mining Charter s requirement for mining entities to achieve a 26% HDSA
Amendments to the Mining Charter in the Amended Mining Charter include, among other things, the requ
(i) facilitate local beneficiation of mineral commodities; (ii) procure a minimum of 40% of capital good
consumable goods from HDSA suppliers (i.e. suppliers in which a minimum of 25% + 1 vote of their s
HDSAs) by 2014 (exclusive of non-discretionary procurement expenditure); (iii) ensure that multinati
contribute a minimum of 0.5% of their annual income generated from South African mining companies in
2010 towards the socio-economic development of South African communities; (iv) achieve a minimum
representation by 2014 at top management (board) level, senior management (executive committee) level
management level, and core and critical skills; (v) invest up to 5% of annual payroll in essential skill
(vi) implement measures to improve the standards of housing and living conditions for mineworkers by co
hostels into family units, attaining an occupancy rate of one person per room and facilitating home owners
consultation with organized labor, all of which must be achieved by 2014. In addition, mining compan
evaluate their compliance to the Amended Mining Charter, and must submit annual compliance reports to
Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry attached to th
Scorecard, makes provision for a phased-in approach for compliance with the above targets over the five
measurement purposes, the Scorecard allocates various weightings to the different elements of the Ame
comply with the provisions of the Amended Mining Charter will amount to a breach of the MPRDA and
suspension of a mining company s existing mining rights.

The Amended Mining Charter clarifies that it is not the government s intention to nationalize the mining i
a report which, among other things, proposes greater state intervention in the mining industry, including
increasing the State s holdings in mining companies.

In December 2012, the MPRDB, was published for comment, with the stated purpose of, among other th
enhancing sanctions. However, the MPRDB has been criticized for introducing new and burdensome reg
things the upstream beneficiation of minerals, the status of tailings created prior to the commencement of
restricting the transfer of shares in listed and unlisted mining companies and retaining undue regulatory c
and issuance of, prospecting, mining and other rights. The MPRDB also seeks to significantly increase the
among other things, non-compliance with the MPRDA, other relevant law, the terms and conditions of a
While it is anticipated that the MPRDB may undergo various amendments before it becomes law, the pas
companies in the mining industry, like Gold Fields, to more stringent regulation in

The BBBEE Act and the BBBEE Amendment Bill

The BBBEE Act established a national policy on broad-based black economic empowerment with th
participation of HDSAs in the economy. The BBBEE Act provides for various measures to promote b
including empowering the Minister of Trade and Industry to

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issue the BBBEE Codes with which organs of state and public entities and parties interacting with them or
them would be required to comply. There has been some debate as to whether or to what extent the mi
BBBEE Act and the policies and codes provided for thereunder. In December 2011, the Minister of Trade
comment by the February 9, 2012 a draft BBBEE Amendment Bill, which has the effect of expanding and
empowerment provisions of the BBBEE Act. On August 8, 2012, the South African cabinet approved the
Amendment Bill to the South African parliament. It was expected that the draft bill would have clarified t
of the BBBEE Act to the mining industry, but such clarification has not been provided for in the draft bi
draft bill will undergo various amendments before it becomes law, it should be appreciated that a risk exis
industry may become subject to more stringent black economic empowerment re

The Royalty Act

The Mineral and Petroleum Resources Royalty Act, No. 28 of 2008, or the Royalty Act, was promulgated
into operation on March 1, 2010. The Royalty Act imposes a royalty on refined and unrefined mineral
government.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing ea
EBIT, by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EB
(with certain exceptions such as no deduction for interest payable and foreign exchange losses) before
expenditure. A maximum royalty of 5% of revenue has been introduced for refine

Gold Fields currently pays a royalty based on the refined minerals royalty calculation as applied to its gro
payable for fiscal 2012 was 1.5% of revenue.

Exchange Controls

South African law provides for Exchange Control Regulations which, among other things, restrict the outw
The Exchange Control Regulations, which are administered by the SARB, are applied throughout the C
transactions involving South African residents, including companies. The South African government h
relaxing exchange controls and various relaxations have occurred in recent y

SARB approval is required for Gold Fields and its South African subsidiaries to receive and/or repay lo
Such loans will usually be approved where the interest rate in respect of third party foreign denominate
lending rate plus 2% or, in the case of shareholder loans, the base lending rate as determined by comm
denomination. The interest rate in respect of Rand denominated loans may not exceed the base rate (i.e.
loans, or the base rate in the case of shareholder loans). Gold Fields has historically approached the SA
loans, irrespective of the interest rate.

Funds raised outside of the CMA by Gold Fields non-South African resident subsidiaries (whether thro
overseas expansion, subject to any conditions imposed by the SARB. Gold Fields and its South African su
SARB approval in order to provide guarantees for the obligations of any of Gold Fields subsidiaries w
non-residents of the CMA. Debt raised outside the CMA by Gold Fields non-South African subsidiaries
foreign subsidiaries. Absent SARB approval, income earned in South Africa by Gold Fields and its South
to repay or service such foreign debts. Unless specific SARB approval has been obtained, income earne
subsidiaries cannot be used to finance the operations of another foreign subsi

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Transfers of funds from South Africa for the purchase of shares in offshore entities or for the creation o offshore require exchange control approval. However, if the investment is a new outward foreign direct in not exceed R500 million per company per calendar year, the investment application may, without specific an authorized dealer, subject to all existing criteria and reporting obligations. Gold Fields applies annually for a specified amount for offshore exploration expenditure and to make exploration related foreign invest for annual expenditure of up to U.S.$159 million for fiscal 2012. Gold Fields is required to provide the S Group s activities, including any such exploration investments and obtain a new app

Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other its approval, it is possible that the SARB may impose conditions on Gold Fields use of the proceeds of a on Gold Fields ability to retain the proceeds of the capital raising outside South Africa or requirements t approval prior to applying any such funds to a specific use.

Ghana

Environmental

The laws and regulations relating to the environment in Ghana have their roots in the 1992 Constitution individuals with a duty to take appropriate measures to protect and safeguard the natural environment. Mi the Minerals and Mining Act, Environmental Assessment Regulations 1999 (LI 1652) and Water Use Reg all necessary approvals from the Ghanaian EPA, and, where applicable, the Water Resources Commis operations. The Minerals and Mining Act also requires the Ghana mines to comply with all laws for th

Under the relevant environmental laws and regulations, mining operations are required to undergo an e process and obtain approval for an environmental permit prior to commencing operations. Environmental submitted every three years and include details regarding the likely impact of the operation on the environ as well as a comprehensive plan and timetable for actions to lessen and remediate ad

The laws also require mining operations to rehabilitate land disturbed as a result of mining operations reclamation plan agreed with the Ghanaian environmental authorities. The reclamation plan provides an e the mining area for the life of the mine and an estimate of the costs to rehabilitate the mine as at the dat estimates are adjusted every two years. Each mining company is required to secure a percentage (typicall current estimated rehabilitation costs by posting an underwritten reclamation bond and a cash deposi reclamation bond secures an amount of $41.5 million, which is 52% of the rehabilitation costs esti

In March 2012, and in compliance with applicable laws, Gold Fields Ghana was issued an environmental Storage Facility. Under the applicable laws, an environmental certificate must be obtained within 24 m operations of the Tailings Storage Facility and CIL plant at Tarkwa. Gold Fields Ghana applied for a thre CIL plant in 2010. It is currently in discussions with the EPA regarding resubmitting its application. Unde may continue operations while its application is being considered as long as all necessary fil

On July 16, 2012, the operation of all heap leach facilities at Tarkwa was suspended after Gold Fields G Ghanaian EPA and the Ministry of Environment, Science and Technology to stop discharging water from discharges through a water treatment plant to reduce conductivity levels to the prescribed levels. In acc practice and in

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compliance with the Ghanaian EPA directive Gold Fields has commissioned the construction of two wate
South Heap Leach facilities. On August 9, 2012, Gold Fields received permission from the Ghanaian EPA
while the water treatment plants were being built. The North Heap Leach water treatment plant was oper
increased capacity expected by the third quarter of 2013. The South Heap Leach water treatment plant is
during the second quarter of 2013. See Risk Factors Gold Fields operations are subject to water use lic
costs and burdens.

Abosso has submitted the required EMP and reclamation plans and is in compliance with all permit, certifi
In October 2010, Abosso submitted a revised EMP covering the period from 2010 to 2013 to the Ghanaia
issued in 2011 for a period of three years. Tarkwa is in the process of updating its EMP in order to obtain
2016. This certificate is expected to be in place by the end of June 2013

Health and Safety

A mine owner is statutorily obligated to, among other things, take steps to ensure that the mine is manage
the regulations that provide for the safety and proper discipline of the mine workers. The Minerals and Mi
Regulations, 2012 (L.I 2173), prescribe the measures to be taken at every mining operation to ensure the s
Additionally, Gold Fields is required, under the terms of its mining leases, to comply with the reasonable
of Mines regarding health and safety in the mine. A violation of the provisions of the health and safety reg
the reasonable instructions of the Chief Inspector of Mines could lead to, among other things, a shutdown
the imposition of costly compliance procedures, and, in the case of a violation of the regulations relating t
offense. Gold Fields, as the holder of the mining lease, has potential liability arising from injuries to, or
some cases, workers employed by its contractors. Although Ghanaian law provides statutory workers co
workers, it is not the exclusive means for workers to claim compensation. Gold Fields insurance for hea
workers compensation may not be adequate to meet the costs which may arise upon any future health a
Fields may suffer material adverse consequences.

Mineral Rights

Gold Fields Ghana holds five mining leases in respect of its mining operations. Three mining leases in re
dated April 18, 1997, and two mining leases are dated February 2, 1988 and June 18, 1992, respectively
Teberebie property. The Tarkwa property mining leases all expire in 2027 and the Teberebie property m
Under the provisions of the Minerals and Mining Law, 1986 (PNDCL 153), or the Minerals and Mining
leases, all of the Tarkwa property and Teberebie property mining leases are renewable by agreement bet
Government of Ghana.

Abosso holds a mining lease in respect of the Damang mine dated April 19, 1995, as amended by an agr
lease expires in 2025. Abosso also holds a mining lease in respect of Lima South, dated March 22, 2006, v
Tarkwa and Teberebie mining leases, these leases are renewable under their terms and the provisions of
agreement between Abosso and the government of Ghana.

The Minerals and Mining Act came into force on March 31, 2006. Although the Minerals and Mining Act
Law, and the amendments to it, the Minerals and Mining Act provides that leases, permits and licenses gr
laws will continue under those laws unless the Minister responsible for minerals provides otherwise by reg
such regulations are passed in respect of Gold Fields mineral rights, the Minerals and Mining Law wil
current operations in Ghana.

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The major provisions of the Minerals and Mining Act include:

the government of Ghana s right to a free carried interest in mineral operations of 10% and the
below); and

mining companies which have invested or intend to invest at least U.S.$500 million (as Gold Fi
stability and development agreements, relating to both existing and new operations, which will
and future mining leases for a period not exceeding 15 years against changes in laws and regula
relating to customs and other duties, levels of payment of taxes, royalties and exchange control
dividend remittances. A development agreement may contain further provisions relating to the
environmental issues. Each stability and development agreement is subject to the ratification of

In 2010, the Minerals and Mining Act was amended to provide for a fixed royalty rate of 5% of the tota
obtained, with effect from March 17, 2010. Although payment of the royalty rate became effective in Mar
submitting the required payment until April 1, 2011 due to a moratorium on the tax burden for mining leas
of the Act, which ended on March 31, 2011.

The Ghanaian parliament has passed an Act that, effective March 9, 2012, increases taxes on mining co
introducing a separate tax category for companies engaged in mining, which raised the applicable corpor
reduced the capital allowance regime from 80% for the first year with reductions to a uniform regime of 2
bill has been presented to the Ghanaian parliament which, if passed in 2013, will impose a windfall profit
company engaged in mining activities. The bill would also allow the Commissioner-General, in determini
to disregard or re-characterize a transaction or any other transaction if the Commissioner-General believes
for the purpose of reducing the cash balance with respect to calculation of the windfall profit tax. In his bu
Minister of Finance announced that a mining review committee would consider the windfall profit tax as
industry and report to Parliament by the second half of 2013.

Government Option to Acquire Shares of Mining Companies

Under Ghanaian law, the government is entitled to a 10% interest in any Ghanaian company which holds
the payment of compensation. The government of Ghana has already received this 10% interest in each o
The government also has the option, under the Minerals and Mining Law, of acquiring an additional 20
mining companies whose rights were granted under the Minerals and Mining Law at a price agreed upon
value at the time the option is exercised, or as may be determined by international arbitration. The governm
in respect of Gold Fields Ghana and subsequently transferred the interest. The government of Ghana re
additional 20% of the share capital of Abosso. As far as management is aware, the government of Ghana h
other gold mining company in the past, other than Gold Fields Ghana.

Under the Minerals and Mining Law, which continues to apply to Gold Fields Ghana s operations, and u
the government has a further option to acquire a special share in a mining company for no consid
consideration as the government and that company shall agree. This interest, when acquired, constitutes
government the right to attend and speak at any general meeting of shareholders, but does not entitle the go
special share does not entitle the government to distributions of profits of the company which issues it to th
of the government is required to make any amendment to a company s articles of incorporation relating to
special share. Although the government of Ghana has agreed not to exercise this option in respect of Gold
option for Abosso.

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Exchange Controls

Under Ghana s mining laws, the Bank of Ghana or the Minister for Finance may permit the holder of a m
its foreign exchange earnings for certain expenses in bank accounts in Ghana. Under a foreign exchange re
government of Ghana, Gold Fields Ghana is required to repatriate 20% of its revenues derived from the T
repatriated revenues in Ghana or maintain them in a Ghanaian bank account. Management believes that G
on the provisions of the foreign exchange retention account agreement for the duration of the Tarkwa m
obligated to repatriate 25% of its revenue to Ghana, although the level of repatriation under the deed of v
government of Ghana is subject to renegotiation every two years. The most recent negotiations were concl
there have been no requests for negotiations by either side, until Abosso s repatriation level is renegotia
management has no reason to believe that the repatriation level will increase as a result of the next set o
ceiling on the repatriation level, and it could be increased. Gold Fields currently repatriates on average app
the Ghana operations to Ghana, annually.

Australia

Environmental

While Australia s federal government retains the power to regulate activities which impact matters of nati
Constitution vests the power to legislate environmental matters principally in the states. Gold Fields
primarily subject to the environmental laws and regulations of the State of Western Australia which requ
Fields obtains necessary environmental approvals, environmental licenses, work approvals and mining lic
mining operations. However, under the Environmental Protection and Biodiversity Act 1999 (Cth), it ma
approval from the federal government if any new project (including some expansions of existing faciliti
action having, or likely to have, any significant impact on matters of national environmental

Gold Fields is subject to the Environmental Protection Act 1986 (Western Australia), or EP Act, under w
abate pollution and environmental harm. The EP Act also prescribes sanctions and penalties for a range of
orders which may effectively suspend certain operations or activities. Gold Fields is also required to
Environmental Reports to the Department of Environment and Conservation, or DEC, in accordance with

At the state level, the Western Australian Environmental Protection Authority, or the Western Australian E
impact assessment, or EIA, of some proposals referred to it under Part IV of the EP Act. An EIA is a syste
new proposal (including an expansion of an existing facility) and its impact on the environment. The asses
which the proposal, if implemented, could avoid or reduce any impact on the environment. As a result of r
Australian EPA s administrative processes, there are now only two formal levels of assessment Public E
Assessment on Proponent Information, or API.

During the operational life of its mines, Gold Fields is required by law to make provisions for the ongoing
provide for the cost of post-closure rehabilitation and monitoring once mining operations cease. Gold Fie
obligations by providing the Western Australian government with unconditional bank-guarante

The Australian Clean Energy Act 2011 (Cth) and associated legislation establishing a national carbon prici
law in November 2011 and has now fully commenced. Under the Scheme, entities that have operational co
and that emit more than 25,000 tonnes CO_2-e per annum in greenhouse gas emissions covered by the Sche
required to acquire and surrender carbon units to cover those emissions.

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The Scheme will operate in two phases: a fixed price phase which commenced on July 1, 2012, follo
commencing on July 1, 2015. In the fixed price phase liable entities are able to acquire an uncapped numb
fixed price, which will be automatically surrendered by those entities to meet their liability and cannot be t
fixed carbon price has commenced at $23 per tonne CO_2-e (for 2012-13), increasing to $24.15 per tonne C
tonne CO_2-e (for 2014-15). In the floating price phase, the carbon price per tonne of CO_2-e will cease to
government will instead set annual caps on the number of carbon units to be issued in each year and carbo
purchase through an auction process thereby allowing the price of those carbon units to be det

The Scheme provides that by May 31, 2014, the Australian government will announce a price ceiling for
years of the floating price phase. The price ceiling will be $20 above the expected European allowance pri
in real terms in 2016-17 and 2017-18. There is uncertainty as to the price of carbon units under the Sche
commences in 2015. Emissions from the combustion of certain liquid fossil fuels (including petroleum,
liquefied petroleum gas) are excluded from the Scheme and entities are not required to acquire and surrend
resulting from the combustion of those types of fuels.

However, while entities which consume these types of liquid fossil fuels in their operations will not be dire
will nonetheless be indirectly regulated through the imposition, by the Australian government, of an effe
The effective carbon price will be applied by the Australian government making periodic changes to the s
excise/customs duties in respect of:

- liquid fuels used for business transport (other than in the agriculture, forestry and fisheries indu
in the domestic aviation, shipping and rail sectors;

- liquid fuels used for non-transport purposes (e.g. diesel used for power generation); and

- compressed natural gas, liquefied natural gas and liquefied petroleum gas used for off-road tran

The first of these changes became effective on July 1, 2012 and will be made annually during the fixed
bi-annually during the floating price phase.

Emissions from Gold Fields Australian operations predominantly arise from the combustion of liquid f
Australian operations are not likely to be directly regulated by the Scheme and Gold Fields Australian
acquire and surrender carbon units to cover those emissions. However, the effective price of diesel fuel
operations is likely to rise due to the Government s periodic reduction in diesel fuel rebates and subsidy l
carbon price on diesel fuel consumption. This will result in members of Gold Fields Australian group
Scheme. In addition, operational expenditures will also be affected by the pass-through of compliance co
suppliers.

Health and Safety

The Mines Safety and Inspection Act 1994 (Western Australia), or the Safety and Inspection Act and th
Regulations 1995 (Western Australia) together regulate the duties of employers and employees in the
occupational health and safety and outline offenses and penalties for breach. Resources Safety, a divisior
Petroleum, administers this legislation. Under the approach utilized by Resources Safety, it is the responsi
safety (i.e. a general duty of care exists in mines located in Western Australia). A violation of the safety l
instructions of the relevant health and safety authorities could lead to, among other things, a temporary s
mine, a loss of the right to mine or the imposition of costly compliance proce

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The Work Health and Safety Bill 2011 (Western Australia), or the WHS bill, (which is a significantly ame
Work Health and Safety Act) has been drafted in respect of general industry; however, model work, healt
not been finalized in respect of the mining industry in the WHS bill. The Western Australian State G
implementation of the model work, health and safety laws under the WHS bill requires a complete packag
general and mining industries.

The Western Australian State Government has not given a date for implementation of the model work, h
currently under way and a Western Australia-specific public consultation period commenced on August
work, health and safety regulations. The position regarding implementation of the model work, health a
unclear, but it seems unlikely that any form of the law will be introduced to the Western Australian

Mineral Rights

In Australia, the ownership of land is separate from the ownership of most minerals, which are the pro
regulated by the state governments. The Mining Act is the principal piece of legislation governing explora
Australia. Licenses and leases for, among other things, prospecting, exploration and mining must be obtai
the Mining Act before the relevant activity can begin.

Prospecting licenses, exploration licenses and mining leases are subject to prescribed minimum annual ex
are payable to the state based on the amount of ore produced or obtained from a mining tenement. A quarte
and royalties are calculated accordingly at a fixed rate of 2.5% of royalty value in respect of gold, and
produced or obtained from a mining tenement. The royalty value of gold is the amount of gold produced
quarter multiplied by the average gold spot price for that month. Despite the discussion above, no royalt
2,500 ounces of gold metal produced during a financial year from gold bearing material produced or obt
project.

Land Claims

In 1992, the High Court of Australia recognized a form of native title which protects the rights of indigen
waters in certain circumstances. As a result of this decision, the Native Title Act 1993 (Cth), or Native T
and protect existing native title by providing a mechanism for the determination of native title claims an
groups or persons to negotiate, object, and/or be consulted when, among other things, there is an expansi
interests in the land which affect native title and which constitute a future act under the Native Title A
not necessarily prevent continued mining under existing tenements. Tenements granted prior to January 1,
need to comply with the aforementioned consultation or negotiation procedures. As a general rule, tenem
need to comply with this process. However, in Western Australia, some tenements were granted without c
negotiation process on the basis of then prevailing Western Australian legislation. This legislation was sub
conflicted with the Native Title Act which is Commonwealth legislation. Subsequent legislation was passe
between January 1, 1994 and December 23, 1996, provided certain conditions w

Certain of Gold Fields tenements are currently subject to native title claims. However, most of Gold Fie
January 1, 1994. Where tenements were granted between January 1, 1994 and December 23, 1996, Gold F
the conditions set out by the Native Title Act for those tenements to be validly granted. On those teneme
Gold Fields has entered into agreements with the claimant parties which provide the Company with se
granting of native title over any of these tenements (if ever it occurs) will not have a material effect o
operation of these agreements.

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Peru

Regulatory

The regulatory framework governing the development of mining activities in Peru mainly consists of the
de Minería), or the LGM, and regulations relating to mining procedures, health and safety, environmental
and guarantees. Mining activities as defined by the LGM include surveying, prospecting, exploration,
beneficiation, trading and transportation of ore. In addition to general taxation, mining companies are als
established in 2011 through the amendment of the Mining Royalty Law and enactment of the Special M
Mining Charge Law.

Regulatory and Supervisory Entities

In general terms, the principal regulator of mining activities in Peru is the Ministry of Energy and Mine
Bureau of Mining (*Dirección General de Minería*), or DGM, and its General Bureau of Mining and En
General de Asuntos Ambientales Mineros), or DGAAM. Other regulatory institutions are the INGEM
Supervisory Body of Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía*
and the Assessment and Environment Supervising Agency (*Organismo de Evaluación y Fiscalizació*

Concessions

In accordance with the LGM, mining activities (except surveying, prospecting and trading) must be pe
concession system. A concession confers upon its holder the exclusive right to develop a specific mining
LGM establishes four types of concessions:

Mining Concessions

A mining concession is a real property interest independent and separate from surface land located within
Holders of mining concessions or of any pending claims for mining concessions must comply with pay
hectare per year). Holders of mining concessions are also required to meet minimum annual producti
Titleholders are entitled to group multiple concessions into Administrative Economic Units to comply
requirement, provided certain conditions are met. In the case of mining concessions obtained prior to Oc
production target for concessions to mine metals is equivalent to U.S.$100.00 per hec

In the case of mining concessions obtained starting in October 2008, the minimum annual production ta
equivalent to one Fiscal Payment Unit, or UIT, per hectare per year. The UIT is fixed on a yearly basis a
U.S.$1,480.00 in 2013.

Beneficiation Concessions

Beneficiation or process concessions confer the right to extract or concentrate the valuable substances of a
smelt, purify or refine metals through a set of physical, chemical and/or physicochemical processes. As w
beneficiation concessions are required to pay the ACF, which is calculated on the basis of the production

General Working Concessions

General workings concessions confer the right to render ancillary services to two or more mining conce
considered ancillary services: ventilation, drainage, hoisting or extraction in favor of two or more concess

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Ore Transportation Concessions

Ore transportation concessions confer the right to install and operate a system for the continuous massive between one or more mining centers and a port or beneficiation plant, or a refinery, or along one or more transportation system must be non-conventional, such as conveyor belts, pipelines or cable cars, among o systems are authorized by the Ministry of Transport and Communication

Mining Royalty and Other Special Mining Taxes and Charges

In addition to general taxation, mining companies are subject to a special tax regime established, in its curr special tax regime is structured around the Mining Royalty Law, the Special Mining Tax Law and the S Mining Royalty Law, enacted in 2004, established payment of a mining royalty by owners of mining co metallic and non-metallic resources. This mining royalty was originally calculated on the basis of reve minerals. However, in September 2011, an amendment to the Mining Royalty Law was approved establis mining royalty will be determined by applying a sliding scale rate (ranging from 1% to 12%, previously quarterly operating profits of mining companies. Mining royalties are deductible for inco

In September 2011, the Special Mining Tax Law and the Special Mining Charge Law were enacted. The S that owners of mining concessions must pay, as of October 2011, a special mining tax for the exploitation mining tax is calculated by applying a sliding scale of rates (ranging from 2% to 8.4%) based on the qua companies. The special mining tax is deductible for income tax purposes and only applies to owners of r executed a Mining Tax Stability Agreement with the Ministry of Energy and M

In lieu of the special mining tax, holders of metallic mining concessions that have executed a Mining T Ministry of Energy and Mines will be subject, as of October 2011, to payment of the special mining charge Charge Law. The special mining charge is calculated by applying a sliding scale of rates (ranging from 4% operating profits of mining companies. The special mining charge is deductible for incor

In addition to the above, beginning with their annual income in calendar 2012, mining companies will equivalent to 0.5% of their annual income before taxes to fund the Complementary Retirement Fund for activities that was created by Law 29741 in the 2011 calendar year.

Also, since July 2012 mining companies have to pay an annual supervisory contribution to the OSINERG Supreme Decree but that in no case will exceed an amount equivalent to 1% of annual invoicin

Environmental

In 1990, the Environmental Code was enacted, which established for the first time a legal and institu environment. In 1993, the Environmental Protection Regulations for Mining and Metallurgical Activities w the Environmental Act completely repealed and replaced the Environmental C

The following items are required to be produced under the environmental laws in order to perf

Environmental Impact Assessment, or EIA: EIAs are required for new projects, expansions c and in conjunction with a project moving from the exploration stage to the development stage. I biological, socio-economic and cultural impacts on the environment resulting from the executio

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Semi-Detailed Environmental Impact Assessment, or SD-EIA, and Environmental Impact
and DIAs are required for mining exploration projects. SD-EIAs apply to larger projects while I
Recent legislation has been enacted establishing that the initiation of exploration activities need
the DGM. A SD-EIA or DIA is a requirement to obtain such authorization.

Annual Consolidated Statement: Holders of mining concessions must submit statements by Ju
emissions to the environment and follow-up actions taken pursuant to the previously approved
Environmental Adequacy, or PAMA.

In 2003, a law regulating mine closure was approved. The closure of a mine usually entails the sealing of
mines, the removal of surface infrastructure and the environmental rehabilitation of the surface where the m
The law requires mining companies to ensure the availability of the resources necessary for the execution
including an Environmental Liabilities Closure Plan, in order to prevent, minimize and control the risks
personal safety and environment that may be generated or may continue after the cessation of mining o
obligates holders of mining concessions to furnish guarantees in favor of the MEM to ensure that they v
Liabilities Closure Plan in accordance with the environmental protection regulations and to ensure that th
execute the mine closure plan in the event of non-compliance by the holder of the mining concession. Mi
these requirements by providing to the MEM stand-by letters of credit to cover the amount of

Other matters subject to regulation include, but are not limited to, transportation of ore or hazardous subs
power use and generation, use and storage of explosives, housing and other facilities for workers, reclan
safety and occupational health.

Right to Prior Consultation

On August 31, 2011, the Peruvian government approved the Law of Prior Consultation to Indigenous or
Convention 169 of the International Labor Organization. This law establishes that the Peruvian governm
indigenous or tribal populations on legislative or administrative measures (including pending claims fo
directly affect the collective rights related to their physical existence, cultural identity, quality of life
consultation is undertaken by the Peruvian government, not Gold Fields or inv

While the final decision to move forward with the consulted legislative or administrative measures rests w
in the absence of agreement, the Peruvian government has an obligation to take all necessary measures to
indigenous or tribal populations are protected.

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Property

Gold Fields operations as of December 31, 2012 comprised the followi

Gold Fields operative mining areas as of December 31, 2012

Operation
South Africa
Driefontein
Kloof
Beatrix
South Deep
Ghana
Tarkwa
Damang
Australia
St. Ives
Agnew
Peru
Cerro Corona

Note:

(1) Gold Fields disposed of its KDC (Kloof and Driefontein) and Beatrix operations as part of the Spin-o

(2) As of July 13, 2010, the South Deep mining rights were extended to include Uncle Harry s Area, inc 4,268 hectares.

Gold Fields leases its corporate headquarters in Sandton and its exploration offices not lo

The MPRDA came into operation on May 1, 2004 and vests the right to prospect and mine in the South A the government of South Africa. In November 2006, the South African Department of Minerals and Energ Fields mining rights under the former regulatory regime at Driefontein and Kloof (both now part of KD new regime. Both of these operations were distributed on the Spin-off date. During May 2010, the DMR South Deep old order mining rights into a new order mining right. Included in this approval was an additi Uncle Harry s, which is contiguous to South Deep. The cumulative effect of this approval, together wit Driefontein, Kloof and Beatrix Gold Mines granted in January 2007, was that, as of the Spin-off date, all c had received their new order mining rights.

Gold Fields also owns most of the surface rights with respect to its South African mining properties. Wh operations on land the surface rights of which it does not own, it does so in accordance with applicable mi Gold Fields owns prospecting and surface rights contiguous to its operations in South Africa. As required u registered its surface rights utilized for mining purposes. Gold Fields has received prospecting rights on p being able to contribute, now or in the future, to its business and is in the process of converting those pr under the MPRDA. See Environmental and Regulatory Matters South Africa

Gold Fields Ghana obtained the mining rights for the Tarkwa property from the government of Ghana i consent of the government of Ghana, Gold Fields Ghana was assigned the mining rights for the northern The Tarkwa rights expire in 2027, while the Teberebie rights expire in 2018. Abosso holds the right to mi mining lease from the government of Ghana which expires in 2025. Gold Fields may exploit all surfa

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three sites until the rights expire, provided that Gold Fields pays the government of Ghana a quarterly roya
of a formula which ranges from 3% to 12% of revenues derived from mining at the sites. For fiscal 2011, t
Ghana paying royalties equivalent to approximately 3.0% of the revenues from gold produced at the Tark
Abosso paying approximately 3.0% of the revenues from gold produced at the Damang property. In 2010,
amended to provide for a fixed royalty rate of 5% of the total revenue earned from minerals obtained,

In Australia, mining rights and property are leased from the state. Australian mining leases have an in
automatic 21-year renewal period and thereafter an indefinite number of 21-year renewals with govern
operations, the initial 21-year term has expired for 30 mining leases, with those mining leases having now
At the Agnew operations, the initial 21-year term has expired for 40 mining leases, with those mining lease
21-year term. In relation to gold produced from the mining leases at St. Ives and Agnew, Gold Fields pay
2.5% of production.

In Peru, exploration and extraction activities can only be performed in duly authorized areas. Authoriza
government when a mining concession is issued. Mining concessions expire if the titleholder does not exp
twenty years. The titleholder must comply with specific obligations, such as paying annual fees of U.S.$3
investment requirements, paying a monthly royalty according to the value of the produced concentrates an
33 mining concessions which cover 2,939.68 hectares, including 185.2 hectares outside of Cerro Corona.
Cerro Corona cover 1,216.89 hectares. Five additional mining concessions located in the surrounding ar
31.64 hectares were assigned to La Cima for a 30 year period.

As of December 31, 2012, Gold Fields also held exploration tenements covering a total of approximate
countries outside South Africa, including Chile, Peru, Finland, Kyrgyzstan, South Africa, Ghana, Mali, Gu
Canada. Gold Fields ownership interests in these sites vary with its participation interests in the relevan
international exploration offices are leased under various contract terms and durations. See Grov

Gold Fields is the registered owner of approximately 55,341 hectares of land in the Gauteng and Free Stat
includes numerous non-mining properties e.g., buildings, shops, farmland and h

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The maps presented below show the location of Gold Fields operation

South Africa Operations

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Ghana Operations

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Australia Operations

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Peru Operations

Research and Development

Gold Fields undertakes various research and development projects relating to gold production technolog
particular, Gold Fields developed a patented technology called BIOX® through its formerly wholly-ov
Technologies S.A., or Biomin BIOX®, which involves a process whereby bacteria release gold from sulfic
economical recovery of the gold. Gold Fields completed the sale of Biomin to Biomin s mar

The Company was involved in the testing of biotechnology for the destruction of cyanide compounds in r
complying with the Cyanide Code. The ASTER® process is patented in South Africa. This project was sep
of Biomin.

In Australia, Gold Fields continues to work with the Commonwealth Scientific & Industrial Research Or
projects that are mutually beneficial, building on a relationship agreement signed in 2008, although curre

Legal Proceedings and Investigations

On August 21, 2008, Gold Fields Operations Limited, formerly known as Western Areas Limited, or W
received a summons from Randgold and Exploration Company Limited, or R&E, and African Strategic In
summons claims that during the period that WAL was

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under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of sh
Resources Limited, or Resources, and Afrikander Lease Limited, now known as Uranium One. WAL
sustainable defenses to these claims and, accordingly, WAL s attorneys have been instructed to vigorously
been computed in various ways. The highest claims have been computed on the basis of the highest price
between the dates of the alleged unlawful acts and March 2008 (between R11 billion and R12 billion). T
computed on the basis of the actual amounts allegedly received by WAL to fund its operations (approxima
only against WAL, which holds a 50% stake in the South Deep Mine. This alleged liability is historic and
Gold Fields purchasing the company.

On August 21, 2012, a court application was served on a group of respondents that included Gold F
Respondents. On December 21, 2012, a further court application was issued and was formally served on a
Gold Fields, or the December Respondents and, together with the August Respondents, the Respondents,
classes of mine workers, former mine workers and their dependents who were previously employed by, o
among others, Gold Fields, and who allegedly contracted silicosis and/or other occupational lung diseases.
application of August 21, 2012 and the court application of December 21, 2012 are together referred

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

With respect to the Applications, Gold Fields has filed a notice of its intention to oppose the Applications
defend the claims. Gold Fields and its attorneys are engaging with the applicants attorneys in both A
court-sanctioned process to agree the timelines (including the date by which Gold Fields must file its pape
the possible consolidation of the separate applications. At this stage, Gold Fields cannot quantify its po

In December 2012, Gold Fields, through the Social and Ethics Committee of the Board, commenced an e
Empowerment transaction related to its South Deep license. The Company took this action following press
transaction. In that context, the Board engaged an independent law firm to assist in its examination an
investigation. The Board may also authorize a review of the Company s relevant internal controls in
improvements are necessary. The Board s examination of the matter is ong

For further information regarding the risks associated with these matters, please read Risk Factors The
and South Deep may expose Gold Fields to unknown liabilities and risks and Risk Factors An actu
governance processes, or fraud, bribery and corruption may lead to public and private censure, regulato
permits and impact negatively upon our empowerment status and may damage Gold Fi

Other than the proceedings and investigations described above, Gold Fields is not a party to any material l
is any of its property the subject of pending material legal proceedings.

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Glossary of Mining Terms

The following explanations are not intended as technical definitions, but rather are intended to assist the re
terms used in this annual report.

Acid-base accounting , or **ABA** means the analysis applied to mine waste and geological materials t
be acid producing or acid neutralizing.

Agglomeration means a method of concentrating gold based on its adhesive c

Backfill means material, generally sourced from tailings or waste rock, used to refill mined-out areas
mines and mitigate the effects of seismicity.

Breast Stoping means a mining method whereby the direction of mining is in the directi

Carbon absorption means a treatment process which uses activated carbon to remo

Carbon in leach , or **CIL** means a process similar to CIP (described below) except that the ore slurr
carbon loading. Instead, the leaching and carbon loading occur simultaneou

Carbon in pulp , or **CIP** means a common process used to extract gold from cyanide leach slurries.
suspended in the slurry and flowing counter-current to the process slurry in multiple- staged agitated tan
been leached with cyanide prior to the CIP process, contains soluble gold. The soluble gold is absorbed o
subsequently separated from the slurry by screening. The gold is then recovered from the carbon by electr
or by a similar process.

Cleaning means the process of removing broken rock from a mine

Closely spaced dip pillar mining method means a mining method where support pillars are left in
increase the stability of the mine. Mining is conducted using conventional drilling and bl

Comminution means the breaking, crushing or grinding of ore by mechani

Crosscut means a mine working driven horizontally and at right angles to

Cut-off grade means the grade which distinguishes the material within the ore body that is to be extra

De-bottlenecking means decreasing production constraints (e.g., removing mechanical deficiencies
increased).

Decline or incline means a sloping underground opening for machine access from the surface to an un
in a mine. Declines and inclines are often driven in a spiral to access different elevatio

Declustered averaging means an estimation technique used in the evaluation o

Depletion means the decrease in quantity of ore in a deposit or property resulting from e

Development means activities (including shaft sinking and on-reef and off-reef tunneling) required
maintain a planned production level and those costs incurred to enable the conversion of mine

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Dilution means the mixing of waste rock with ore, resulting in a decrease in the

Dissolution means the process whereby a metal is dissolved and becomes amenable to separati

Electrowinning means the process of removing gold from solution by the action of

Elution means removal of the gold from the activated carbon.

Exploration means activities associated with ascertaining the existence, location, extent or quality of m technical evaluations of mineralization.

Flotation means the process whereby certain chemicals are added to the material fed to the leach circui to produce a concentrate of the mineral to be processed. This process can be carried out in co

Gangue means commercially valueless material remaining after ore extractio

Gold in process means gold in the processing circuit that is expected to be recovered du

Gold reserves means the gold contained within proven and probable reserves on the basis of recoverab tonnes and head grade).

Grade means the quantity of metal per unit mass of ore expressed as a percentage or, for gold, as

Greenfield means a potential mining site of unknown quality.

Grinding means reducing rock to the consistency of fine sand by crushing and abrading in a

Head grade means the grade of the ore as delivered to the metallurgical

Heap leaching means a relatively low-cost technique for extracting metals from ore by percolating lea placed on impervious pads. Generally used on low-grade ores.

Hypogene means ore or mineral deposits formed by ascending fluids withi

In situ means within unbroken rock or still in the ground.

Kriging means an estimation technique used in the evaluation of ore res

Leaching means dissolution of gold from the crushed and milled material, including reclaimed slime, f the activated carbon.

Level means the workings or tunnels of an underground mine which are on the sam

Life of mine , or **LoM** means the expected remaining years of production, based on prod

London afternoon fixing price means the afternoon session open fixing of the gold price which takes board comprising five financial institutions.

Longwall mining method means a mining method involving mining over large continuous sp

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Mark-to-market means the current fair value of a derivative based on current market prices, or to c
derivative based on current market prices, as the case may be.

Measures means conversion factors from metric units to U.S. units are provi

Metric unit		**U.S. equivalent**
1 tonne	= 1 t	= 1.10231 short tons
1 gram	= 1 g	= 0.03215 ounces
1 gram per tonne	= 1 g/t	= 0.02917 ounces per
1 kilogram per tonne	= 1 kg/t	= 29.16642 ounces pe
1 kilometer	= 1 km	= 0.62137 miles
1 meter	= 1 m	= 3.28084 feet
1 centimeter	= 1 cm	= 0.39370 inches
1 millimeter	= 1 mm	= 0.03937 inches
1 hectare	= 1 ha	= 2.47104 acres

Metallurgical plant means a processing plant used to treat ore and extract the c

Metallurgical recovery factor means the proportion of metal in the ore delivered to the mill, that is re
or processes.

Metallurgy means in the context of this document, the science of extracting metals from ores

Mill delivered tonnes means a quantity, expressed in tonnes, of ore delivered to the

Milling/mill means the comminution of the ore, although the term has come to cover the broad range o
where the gold is separated from the ore.

Mine call factor means the ratio, expressed as a percentage, of the specific product recovered at the mil
contained in an ore body calculated based on an operation s measuring and valuat

Mineralization means the presence of a target mineral in a mass of hos

Mini-longwall means mining that is utilized in geologically/geotechnically constrained areas where st
The back lengths of the individual mini-longwalls are dictated by the vertical spacing of the

Net smelter return means the volume of refined gold sold during the relevant period multiplied by
average exchange rate for the period, less refining, transport and insurance c

Notional Cash Expenditure , or **NCE** means operating costs plus additions to propert

Open pit means mining in which the ore is extracted from a pit. The geometry of the pit may vary wit

Ore means a mixture of material containing minerals from which at least one of the minerals can be m
profit.

Ore body means a well defined mass of material of sufficient mineral content to make extra

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Ore grade means the average amount of gold contained in a tonne of gold-bearing ore expr

Ore reserves or reserves means that part of a mineral deposit which could be economically and legall the reserve determination.

Ounce means one troy ounce, which equals 31.1035 grams.

Overburden means the soil and rock that must be removed in order to expose a

Paste filling means a technique whereby cemented paste fill is placed in mined out voids to improve an waste dilution and maximize extraction of the ore.

Pay limit means the value at which the ore body can be mined without profit or loss, calculated using costs and recovery factors.

Porphyry means an igneous rock of any composition that contains larger, well-formed mineral grai

Probable reserves means reserves for which quantity and grade and/or quality are computed from infor reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less a assurance, although lower than that for proven reserves, is high enough to assume continuity betw

Production stockpile means the selective accumulation of low grade material which is actively man operations.

Prospect means to investigate a site with insufficient data available on mineralization to determine if m

Prospecting right means permission to explore an area for mineral

Proven reserves means reserves for which means (1) quantity is computed from dimensions reveal boreholes; (2) grade and/or quality are computed from the results of detailed sampling; and (3) the site measurement are spaced so closely and the geologic character is so well defined that size, shape, depth an well-established.

Reef means a gold-bearing sedimentary horizon, normally a conglomerate band, that may cont

Refining means the final stage of metal production in which final impurities are removed from the m fluxes. The impurities are removed as gases or slag.

Rehabilitation means the process of restoring mined land to a condition approximati

Remnant pillar mining means the removal of blocks of ground previously left behind for various re mining.

Rock burst means an event caused by seismicity which results in damage to underground workings

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Rock dump means the historical accumulation of low grade material derived in the course of mining
advantage of spare processing capacity.

Run of Mine, or **RoM** means a loose term to describe ore of averag

Sampling means taking small pieces of rock at intervals along exposed mineralization for assay (t

Scattered mining method means conventional mining which is applied in a non-syste

Seismicity means a sudden movement within a given volume of rock that radiates detectable seismic w
seismic waves radiated from such a source depend, in general, on the strength and state of stress of the roc
radiation, and the magnitude and the rate at which the rock moves during the fracturing process. Rock b
seismicity.

Semi-autogenous grinding, or **SAG, mill** means a piece of machinery used to crush and grind ore w
ore itself to achieve comminution. The mill is shaped like a cylinder causing the grinding media and the

Shaft means a shaft providing principal access to the underground workings for transporting personnel
A shaft is also used for ventilation and as an auxiliary exit. It may be equipped with a surface hoist system
for men, materials and ore in the shaft. A shaft generally has more than one conveyanci

Shortfall means the ratio of actual reef tonnage hoisted compared to monthly reef

Sichel t means an estimation technique used in the evaluation of ore r

Slimes means the finer fraction of tailings discharged from a processing plant after the valuable

Slurry means a fluid comprising fine solids suspended in a solution (generally water c

Smelting means thermal processing whereby molten metal is liberated from beneficiated ore or conc
lighter slag.

Spot price means the current price of a metal for immediate deliver

Stockpile means a store of unprocessed ore.

Stope means the underground excavation within the ore body where the main gold pr

Stripping means the process of removing overburden to mine ore

Sulfide means a mineral characterized by the linkages of sulfur with a metal or semi-metal, such as pyri
sulfide minerals occur.

Supergene means ores or ore minerals formed where descending surface water oxidizes mineralized r
often concentrating them in zones.

Tailings means finely ground rock from which valuable minerals have been extra

Tailings dam/slimes dam means dams or dumps created from tailings or

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Tonne means one tonne is equal to 1,000 kilograms (also known as a me

Tonnage means quantities where the tonne is an appropriate unit of measure. Typically used to measur situ or quantities of ore and waste material mined, transported or milled

Total cash costs per ounce means a measure of the average cost of producing an ounce of gold, calcul a period by the total gold sold over the same period. Total cash costs represent production costs as recor less offsite (i.e., central) general and administrative expenses (including head office costs charged to the industry association fees and social development costs) and rehabilitation costs, plus royalties and e determining the total cash cost of different elements of the operations, production overheads

Total production costs per ounce means a measure of the average cost of producing an ounce of g production costs in a period by the total gold production over the same period. Total production costs amortization, depreciation and rehabilitation costs.

Waste means rock mined with an insufficient gold content to justify pro

Yield means the actual grade of ore realized after the mining and treatmen

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ITEM 4A: UNRESOLVED STAFF COMMENTS

Not applicable.

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ITEM 5: OPERATING AND FINANCIAL REVIEW AND PROSPEC

You should read the following discussion and analysis together with Gold Fields consolidated financia appearing elsewhere in this annual report. Certain information contained in the discussion and analysis se annual report includes forward-looking statements that involve risks and uncertainties. See Forward- Factors for a discussion of important factors that could cause actual results to differ materially from the the forward-looking statements contained in this annual report.

Overview

General

Gold Fields is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Fields also produces copper. Gold Fields is primarily involved in underground and surface gold and cop including exploration, extraction, processing and smelting. Gold Fields also has an interest in a platinu by-product metals) exploration project in Finland.

On the Spin-off date, Gold Fields completed the Spin-off. See The Spin-o

Prior to the Spin-off, approximately half of Gold Fields operations, based on gold production, were l Spin-off, Gold Fields expects that its South African, Ghanaian, Australian and Peruvian operations will pr its total gold production in 2013, respectively. Gold Fields remaining South African operation is South Ives and Agnew gold mining operations in Australia and has a 90.0% interest in each of the Tarkwa gold Ghana. Gold Fields also owns a 98.5% economic interest in the Cerro Corona mine. In addition, Gold F metal exploration activities and interests in Africa, Eurasia, Australasia and the A

As of December 31, 2012, Gold Fields reported attributable proven and probable gold and copper reserv ounces of gold and 1,024 million pounds of copper, as compared to the 77.6 million ounces of gold and reported as of December 31, 2011. Of the 68.4 million ounces as of December 31, 2012, the Sibanye Gol ounces of gold. For a description of how gold equivalent ounces are determined, see Defined

Total gold production was 3.348 million ounces of gold (including gold equivalents) in fiscal 2012, 3.2 attributable to Gold Fields with the remainder attributable to noncontrolling shareholders in Gold Fields C gold production was 3.697 million ounces in fiscal 2011, 3.485 million ounces of which were attributable attributable to noncontrolling shareholders in Gold Fields Ghana, Abosso and L

In fiscal 2012, production from the South African operations decreased 13% mainly due to illegal strike Beatrix, the fire at the Ya Rona mine shaft which broke out on June 30, 2012 and was extinguished on A compared with fiscal 2011. At KDC, production was 15% lower due to the reasons noted above resulti volumes at slightly higher grades. The illegal strike action resulted in 30 days lost production at KDC Eas production at KDC West (formerly Driefontein). Gold Fields estimated that approximately 116,000 ounc due to the illegal strike and 30,000 ounces due to the fire. Beatrix s production was 17% lower due to volumes mined and also because of the illegal strike action which resulted in the loss of 23 production da and the loss of 29 days at the West section (formerly Oryx or No. 4 Shaft). Approximately 29,000 ounces due to the illegal strike. South Deep s production decreased by 1%. Increased underground mining volum to full production, were offset by a decrease in surface production which was discontinued in 2012

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Production at the international operations decreased by 6%. In Ghana, Tarkwa s production increased ma at the CIL plant, partially offset by lower volumes processed at the North Heap Leach facility. Damang s lower volumes and grades mined from Damang pit as a result of safety concerns in the southern interface cutback and deteriorating conditions on the East wall which restricted mining. In Australia, St. Ives prod to lower grade open pit ore mined. At Agnew, production was 9% lower due to complex ground condit schedule to be re-planned mid-year, resulting in a focus on lower-volume higher-grade ore from Kim und production decreased 11% mainly due to the lower copper price relative to the gold price in fiscal 2012 an copper grades.

The Spin-off

On the Spin-off date, Gold Fields completed the Spin-off. The Spin-off was achieved by way of Gold Fie rata basis of one Sibanye Gold ordinary share for every one Gold Fields share (whether held in the form depositary receipts) to Gold Fields shareholders, registered as such in Gold Fields register at close of bus of section 46 of the South African Companies Act and section 46 of the South African Income Tax Act. Th resolution necessary to implement the Spin-off on December 12, 2012. Sibanye Gold shares listed on the issued basis, on February 11, 2013.

Gold Fields consolidated results of operations discussed herein are not necessarily indicative of its future its financial performance would have been had Sibanye Gold not been party of the Group durin

Prior to the Spin-off, Gold Fields provided purchasing, corporate communications, human resources and b finance, investor relations, internal audit, legal and tax advice, compliance regarding internal controls and to Sibanye Gold. The total cost of these services from Gold Fields was U.S.$8.4 million in fiscal 2012. Wh will be some savings from the abovementioned functions, additional costs are also expected, including the 2013, which should offset these savings.

Following the Spin-off, Gold Fields continues to provide some of these services to Sibanye Gold and Si some services to Gold Fields on a transitional basis for a period of up to one year, pursuant to the Transitio information on the Transitional Services Agreement, see Additional Information M

Sibanye Gold s total liabilities exceeded its assets by $965.2 million and $1,325.2 million as of Decembe respectively. In addition, Sibanye Gold s current liabilities exceeded its current assets by $2,001.3 million at those dates. Included in Sibanye Gold s current liabilities were $1,996.3 million and $2,614.8 millio Mining Services Limited, or GFLMSL (a subsidiary of Gold Fields), as of December 31, 2012 and Dece February 1, 2013, Gold Fields subscribed for further shares in Sibanye Gold at a total subscription price o used the majority of the proceeds of such subscription amount to repay the intercompany loan to GFLMS Gold Fields. Gold Fields subscribed for such number of shares in Sibanye Gold so that, following such s shares held by Gold Fields in Sibanye Gold equaled the number of issued shares in Gold Fields. Sibanye G the proceeds of such subscription to establish a cell captive to continue to cover insurance exposures for r liability claims that are typically denominated in U.S. dollars, which were covered under Go

Comparability of Historical Financial Information

In 2010, Gold Fields changed its fiscal year end from June 30 to December 31 to align with the Company It may not be possible to directly compare the audited consolidated financ

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statements as at and for the fiscal year ended December 31, 2011 with the audited consolidated financia
month period ended December 31, 2010, as these relate to different financial periods, and it may not b
consolidated financial statements as at and for the six month period ended December 31, 2010 directly wi
as at and for the fiscal years ended June 30, 2010, insofar as such financial statements refer to a complete
discussion below provides a comparison of fiscal 2012 and fiscal 2011, fiscal 2011 and fiscal 2010 (which
periods) and the six-month periods ended December 31, 2010 and 2009. Management believes that there a
affect the comparability of fiscal 2011 and 2010, except for the effect of inflation affect

Disposal of Sino Gold shares

During fiscal 2010, Gold Fields entered into a sale agreement with Eldorado Gold Corporation, or Eldorad
Sino Gold (50 million shares) for equivalent shares in Eldorado (28 million). This resulted in a profit of U.
share exchange, a further four million top-up shares were issued to Gold Fields by Eldorado. The entire ho
fiscal 2010 resulting in a profit of U.S.$99.9 million of which U.S.$53.6 million relating to the top-up sha
financial instruments. The total proceeds on disposal of the Eldorado shares were U.S.

Purchase of Glencar

In fiscal 2010, Gold Fields acquired, for cash, 100% of Glencar Mining Plc., a company whose principal a
the Komana project in Southern Mali, West Africa. The cash consideration paid was

Payment for exploration rights in the Far South East Project

On September 20, 2010, Gold Fields entered into option agreements with Lepanto, a company listed in the
holding company, to acquire a 60% interest in the FSE, deposit in the Philipp

The agreements provide Gold Fields with an 18 month option on FSE, during which time Gold Fields wil
as part of a feasibility study on FSE. The option was initially granted to Gold Fields for the later of 18 mo
2010 or the date of receiving a FTAA for the project. A FTAA license allows a foreign corporation to
Philippine mining project. The FTAA application for the FSE project was filed in November 2011. The ap
Kankana-ey indigenous people. The FPIC process was suspended at a national level pending the finali
legislation. The process recommenced in August 2012, following the release of new national guideline
delayed Gold Fields FTAA application. Nonetheless, management anticipates completion of the FTA
Description of the Company Description of the Business International Projects Far S

As part of the agreement, Gold Fields was required to pay U.S.$10.0 million in option fees to Lepan
non-refundable down payment to Liberty upon signing of the option agreement, which payments were m
fiscal 2011, Gold Fields paid a further non-refundable down-payment of U.S.$66.0 million to Liberty, in a
March 22, 2012, Gold Fields exercised its option to acquire 40% of FSE after making a payment of U.S.$1
U.S.$110.0 million is payable at the expiration of the option period. The total pre-agreed acquisition p
inclusive of all of the above payments, is U.S.$340.0 million. See Information on the Company Devel

Purchase of noncontrolling interests

On March 22, 2011, Gold Fields announced a voluntary purchase offer in Lima, Peru, to acquire the outst
investment shares of La Cima that it did not already own. Gold Fields

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offered 4.20 Peruvian Nuevos Soles in cash for each La Cima common or investment share. The offer transaction resulted in Gold Fields increasing its stake in La Cima from 80.7% to 98.5%, after purchasing $382.3 million. In fiscal 2012, Gold Fields purchased a further 0.1% in La Cima for U.

On April 15, 2011, Gold Fields announced that a binding agreement had been entered into with IAMGold 18.9% indirect minority stake (noncontrolling interest) in Tarkwa and Damang, for a cash consideratio completion of the acquisition, which was subject to obtaining shareholder approval, Gold Fields increased and Damang gold mines from 71.1% to 90%, with the remaining 10% interest being held by the

On October 14, 2011, Gold Fields purchased a 26% interest in Western Areas Prospecting from Peotona Peotona Gold, for $6.3 million. The transaction was concluded in terms of an agreement signed between th Fields now owns 100% of Western Areas Prospecting which owns the Cardoville, the Kalbasfontein, th prospecting rights.

Revenues

Substantially all of Gold Fields revenues are derived from the sale of gold and copper. As a result, Gold F the prices of gold and copper. Historically, the prices of gold and copper have fluctuated widely. For exa price had fallen approximately 30% from its high in September 2011. The gold and copper prices are af which Gold Fields does not have control. See Risk Factors Changes in the market price for gold, and to past have fluctuated widely, affect the profitability of Gold Fields operations and the cash flows generate of gold and copper prices is illustrated in the following tables, which show the annual high, low and avera price of gold and the London Metal Exchange cash settlement price for copper in U.S. dollars for the pas calendar year 2013:

	Pri
Gold	**High**
2000	313
2001	293
2002	349
2003	416
2004	454
2005	537
2006	725
2007	834
2008	1,011
2009	1,213
2010	1,421
2011	1,895
2012	1,792
2013 (through May 9, 2013)	1,694

Source: I-Net

Note:

(1) Rounded to the nearest U.S. dollar.

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On May 9, 2013, the London afternoon fixing price of gold was U.S.$1,466 per

Copper	Pri High
2000	2,009
2001	1,837
2002	1,690
2003	2,321
2004	3,287
2005	4,650
2006	8,788
2007	8,301
2008	8,985
2009	7,346
2010	9,740
2011	9,986
2012	8,658
2013 (through May 9, 2013)	8,243

Source: I-Net

Note:

(1) Rounded to the nearest U.S. dollar.

On May 9, 2013, the LME cash settlement price for copper was U.S.$7,311 per

As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit fr not enter into hedging arrangements such as forward sales or derivatives which establish a price in adva production. Hedges can be undertaken in one or more of the following circumstances: to protect cash flo expenditures; for specific debt servicing requirements; and to safeguard the viability of higher cost operat Fields had no outstanding hedges. See Quantitative and Qualitative Disclosure About Market Risk Com changes in the prices of gold and copper over a sustained period of time may lead Gold Fields to increase near-term, which could have a material impact on Gold Fields revenue

Sales of copper concentrate are provisionally priced that is the selling price is subject to final adjust ranging from 30 to 90 days after delivery to the customer, based on market prices at the relevant quotatio

Revenue on provisionally priced copper concentrate sales is recorded on the date of shipment, net of refini forward London Metal Exchange price to the estimated final pricing date, adjusted for the specific term between the price used to recognize revenue and the actual final price received can be caused by changes i and result in an embedded derivative. The host contract is the receivable from the sale of copper concent Exchange price at the time of sale. The embedded derivative, which does not qualify for hedge accounting until final settlement occurs, with changes in fair value classified as provisional price adjustments and inc while the contract itself is recorded in accounts receivable.

Gold Fields Realized Gold and Copper Prices

The following table sets out the average, the high and the low London afternoon fixing price per ounce of dollar realized gold price during the past three fiscal years and the six month periods ended December average realized gold price per equivalent ounce is

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calculated using the actual price per ounce of gold received on gold sold and the actual amount of rever
expressed in terms of the price per gold equivalent ounce. For a description of how gold equivalent oun
Terms and Conventions.

	Fiscal	
Realized Gold Price[1]	**2010**	**2011**
Average	1,089	1,56
High	1,261	1,87
Low	909	1,31
Gold Fields average realized gold price[2]	1,085	1,56

Notes:

(1) Prices stated per ounce.

(2) Gold Fields average realized gold price may differ from the average gold price due to the timing of

The following table sets out the average, the high and the low London Metal Exchange cash settlement pr
Fields average U.S. dollar realized copper price for fiscal 2010, 2011 and 2012 and the six month perio
2009.

	Fiscal	
Realized Copper Price[1]	**2010**	**2011**
Average	6,675	8,83
High	7,951	9,98
Low	4,821	7,06
Gold Fields average realized copper price[2]	6,273	8,16

Notes:

(1) Prices stated per tonne.

(2) Gold Fields average realized copper price may differ from the average copper price due to the timin
each year and is net of treatment and refining charges.

Production

Gold Fields revenues are primarily driven by its production levels and the price it realizes on the sale of
by a number of factors. Total production at the Gold Fields operations decreased from 3.7 million ounces
in fiscal 2012, having decreased from 3.8 million ounces in fiscal 2010 to 3.7 million ounces in fiscal 2
between fiscal 2011 and fiscal 2012 was the result of a number of factors, primarily including the illegal st
the fire at the Ya Rona shaft at KDC.

Labor Impact

In recent years, Gold Fields has experienced greater union activity in some of the countries in which it op
unions, which has resulted in more frequent industrial disputes, including violent protests, intra-union v
authorities, and has impacted labor relations. In particular, in South Africa during the second half of fisca
mining industry threatened to or went on strike for various reasons, including the renegotiation of wage ag
each of Gold Fields South African operations and caused work stoppages and significant production loss
in 30 days lost production at KDC East and 39 days lost production at KDC West. Gold Fields estimated t
of production at KDC was lost due to the illegal strike. The illegal strike action at Beatrix resulted in the

North and South

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sections and the loss of 29 production days at the West section. Approximately 29,000 ounces of producti
April 3, 2013, employees at Gold Fields Ghanaian operations engaged in a work stoppage that led to a h
the strike ended and production resumed after management and the GMWU reached a settlement regardin
issues raised by union petitions. See Risk Factors Gold Fields operations and profits have been and
activity and new and existing labor laws .

Health and Safety Impact

Gold Fields operations are also subject to various health and safety laws and regulations that impose va
while granting the authorities broad powers to, among other things, close or suspend operations at unsafe
relating to health and safety matters. Additionally, it is Gold Fields policy to halt production at its operati
order to rectify dangerous situations and, if necessary, retrain workers. During fiscal 2012, Gold Field
stoppages, some of which were self-imposed mine closures as a result of safety-related incidents. During f
suffered 75 safety stoppages, some of which were self-imposed mine closures as a result of safety-relatec
Fields has actively engaged with the DMR on the protocols applied to safety-related mine closures. Gold F
and Safety Summit in February 2012 along with government and labor organizations to promote health anc
comprehensive effort to improve mine safety. See Risk Factors Gold Fields operations are subject to
regulations, which could impose significant costs and burdens and Gold Fields may face claims and li
breaches, of such regulations and other applicable laws .

Gold Fields expects that each of these factors will continue to impact production levels in the future. These
impact on Gold Fields South Deep operation in fiscal 2013, as Gold Fields expects the next round of lab
may be accompanied by further strikes, work stoppages or other labor actions; however, Gold Fields expe
will be reduced after the divestiture of the Sibanye Gold assets.

Costs

Over the last three fiscal years (including the transition period), Gold Fields total cash costs consisted pri
power, water, consumable stores, which include explosives, timber, diesel fuel, other petroleum products a
expects that its total cash costs, particularly the input costs noted above, are likely to continue to increase i
economic trends, market dynamics and other regulatory changes.

In order to counter the effect of increasing costs in the mining industry, Gold Fields introduced broad-base
collectively referred to as the BPR program. This program has been implemented across the Group and fo
major cost savings on an ongoing basis to ensure the long term sustainability of the operations. See Infor
of the Mining Business Productivity and Cost Initiatives The BPR Program . One of Gold Fields stra
management of costs with a view to maintaining an NCE margin of between 20% and 2

In addition, in order to enable Gold Fields to increase its focus on providing shareholders with increased
Portfolio Review commenced in fiscal 2012. Its focus is on cash flow growth (not just ounce growth), anc
expenditure and exploration spend based on expected risk-adjusted return on inv

Gold Fields South African operations are labor intensive due to the use of deep level underground minin
three fiscal years labor has represented on average approximately 44% of total cash costs at the S

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Negotiations with the South African mining unions in fiscal 2011 resulted in above-inflation wage incre
depending upon the category of employee. Such negotiations historically have occurred every two years. H
resulted in South African mining industry participants undergoing negotiations with workers and labor u
ad-hoc negotiations resulted in a settlement proposal made by a number of gold mining companies in Sou
Through the Chamber of Mines, Gold Fields agreed with the trade unions to an earlier implementation of a
agreement reached in 2011 that were agreed to by all parties, culminating in an adjustment to wages in the
2.5%, or R150 million, per annum, relating to changes to job grades and entry-level wages. In addition, go
and government have set up a working group for a wide-ranging review of working practices, prod
socio-economic conditions in the gold mining industry, which will feed into the next round of wage negoti
the fact that returning employees will receive the benefit of this settlement, Gold Fields employees may
protest and seek redress in connection with a variety of issues, including pay and work

At the South African operations, power and water made up on average approximately 14% of total cash co
In fiscal 2012, power costs made up 16% of the costs of production at the South African operations. Esk
average tariff increase on each of April 1, 2010, 2011 and 2012, and NERSA granted average increase
respectively. However, on March 9, 2012, NERSA announced a reduction in the electricity tariff increase
2012, through to March 2013. Eskom has announced its intention to institute an average annual tariff
industrial users, the latter of which will apply to Gold Fields, for the five-year period starting April 1, 201
decreases to partially offset increases in labor and other costs.

Both Gold Fields Ghana and Abosso have concluded tariff negotiations for 2012 and 2013 with their resp
electricity supplier, the VRA, supplies power to Gold Fields Ghana and the ECG, provides power to Ab
facility at Gold Fields Ghana), representing a 19% increase from VRA and 15% increase from ECG, resp
2013. The 2013 tariffs will remain unchanged from the 2012 tariffs. The VRA has provided a revised Po
between VRA and Gold Fields Ghana which is expected to be concluded by June 2013. Gold Fields Gh
Service Agreement with GridCo.

At the Ghana operations, Damang completed the transition to owner mining in March 2011. In fiscal 2005
mining and therefore significantly reduced its use of outside contractors. Both Tarkwa and Damang co
maintenance of the trucking fleet during fiscal 2011. Contractor costs represented on average 12% of total
three fiscal years, and 11% of total cash costs during fiscal 2012. Over the last three fiscal years contractor
of total cash costs at Damang with 11% in fiscal 2012. Direct labor costs represent on average a further 1
over the last three fiscal years and 11% in fiscal 2012. Over the last three fiscal years direct labor costs rep
and 9% in fiscal 2012.

At Cerro Corona, contractor cost represented on average 37% of total cash costs over the last three fiscal
during fiscal 2012. Direct labor costs represent on average a further 25% of total cash costs over the last t
2012.

At the Australian operations, mining operations were conducted by outside contractors. However at
underground operations commenced in May 2010, while development is still conducted by outside contr
commenced in July 2011 at the underground operations and in July 2012 at the surface operations, but d
contractors. Over the last three fiscal years, total contractor costs represented on average 36% at St. Ives
costs and direct labor costs represented on average a further 17% at St. Ives and 20% at Agnew of total cas
and direct labor cost represented 37% and 16% at St. Ives and 30% and 22% at Agnew

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Gold Fields operations in Ghana consume large quantities of diesel fuel for the running of their mining fl
related to the oil price and any movement in the oil price will have an impact on the cost of diesel fuel an
mining fleet. Over the last three fiscal years, fuel costs have represented approximately 13% of total cash c
use is proportionately higher at the Ghana operations than at other operations because open pit mining in
than underground mining and because of the configuration of the Ghana operations, including the scale of
between the pits and the plants. In order to provide some protection against future increases in oil prices,
Gold Fields has in recent years entered into various call options for diesel fuel for the benefit of its Ghan
options entered into during fiscal 2012 or fiscal 2011 and call options entered into during fiscal 2009 ex
Quantitative and Qualitative Disclosures About Market Risk Commodity Price Sensitivity, Quantita
Market Risk Commodity Price Hedging Policy Oil, Quantitative and Qualitative Disclosures About
Experience Oil and Quantitative and Qualitative Disclosures About Market Risk Commo

During fiscal 2010, price participation royalties of A$3.4 million (U.S.$3.0 million) were paid to certain su
in respect of St. Ives. No such royalties were paid in fiscal 2011 due to the buy-out of the ro

Total gold produced from St. Ives since November 30, 2001 exceeded 3.3 million ounces prior to July 1,
the 4% net smelter volume royalty which amounted to A$2.8 million (U.S.$2.5 million) for fiscal 2
Company Gold Fields Mining Operations Australia Operations. On August 26, 2009, Gold Fields ter
A$308 million (U.S.$257.1 million). The remainder of Gold Fields total costs consist primarily of amorti
costs and selling, administration and general and corporate charges.

Notional Cash Expenditure

Gold Fields defines NCE as operating costs plus additions to property, plant and equipment, and defines o
(exclusive of depreciation and amortization) plus corporate expenditure, employment termination costs a
for environmental rehabilitation but excluding share-based compensation costs and GIP movement. Go
equivalent ounce basis. Management considers NCE per equivalent ounce to be an important measure as i
more information than other commonly used measures, such as total cash costs per equivalent ounce, rega
producing an equivalent ounce of gold, reflecting not only the ongoing costs of production but also the inv
production. Management also believes that revenue less NCE is a useful indication of the cash Gold Fiel
repaying debt, funding exploration and paying dividends and the like.

NCE is a non-U.S. GAAP measure. An investor should not consider NCE or operating costs in isolation or
cash flows from operating activities or any other measure of financial performance presented in accorda
operating costs as presented in this annual report may not be comparable to other similarly titled mea
companies.

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The following tables set out a reconciliation of Gold Fields production costs, as calculated in accordanc
NCE per equivalent ounce of gold produced for fiscal 2012, 2011, 2010 and the six-month periods ende

	For the year ended December 31, 2012						
	KDC	**Beatrix**	**South Deep**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**
	(in $ million except as otherwise stated)[1]						
Production Costs	1,005.3	322.5	328.1	587.5	215.5	426.3	152.2
Less Share-based payments	(14.1)	(5.2)	(4.4)	(5.5)	(1.9)	(3.5)	(1.6)
Add:							
Corporate expenditure[4]	6.3	2.1	2.0	4.7	2.1	3.0	1.8
Employment termination costs	6.0	1.7	0.2	1.6		1.7	1.8
GIP movement				21.2	3.7	(13.8)	(0.2)
Accretion expense on provision for environmental rehabilitation	11.4	2.8	0.8	2.8	0.6	6.7	1.3
Operating costs[3]	1,014.9	324.0	326.7	612.1	220.0	420.5	155.3
Additions to property, plant and equipment	296.2	80.4	314.5	142.3	51.0	278.4	57.5
Notional cash expenditure[3]	1,311.1	404.4	641.2	754.4	271.0	698.9	212.8
Gold produced (000oz)	934.9	288.7	270.4	718.8	166.4	449.8	176.6
Notional cash expenditure per ounce of gold produced ($)	1,402	1,400	2,371	1,050	1,628	1,554	1,205

Notes:

(1) Calculated using an average exchange rate of R8.19 per $1.00.
(2) Including gold equivalent ounces.
(3) This total may not reflect the sum of the line items due to rounding.
(4) Corporate expenditure expense excludes share-based compensation as it is non-cash.

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				For the year ended December 31, 2011			
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
				(in $ million except as otherwise stated)[1]			
Production Costs	1,028.7	335.1	299.0	450.3	173.9	401.2	145.7
Less Share-based payments	(16.9)	(5.8)	(5.1)	(4.3)	(1.8)	(2.5)	(0.8)
Add:							
Corporate expenditure[4]	5.3	1.6	1.4	4.0	1.2	2.9	1.2
Employment termination costs	27.0	4.9	0.1				
GIP movement				78.6	(1.1)	(2.9)	2.7
Accretion expense on provision for environmental rehabilitation	10.8	2.9	1.0	1.8	0.3	4.2	2.3
Operating costs[3]	1,054.8	338.7	296.4	530.4	172.6	403.0	151.1
Additions to property, plant and equipment	318.6	84.6	274.6	124.8	57.4	150.8	63.3
Notional cash expenditure[3]	1,373.4	423.4	571.0	655.2	230.0	553.7	214.3
Gold produced (000oz)	1.100.1	346.8	273.0	717.3	217.7	464.5	194.0
Notional cash expenditure per ounce of gold produced ($)	1,248	1,221	2,092	913	1,056	1,192	1,105

Notes:

(1) Calculated using an average exchange rate of R7.22 per $1.00.
(2) Including gold equivalent ounces.
(3) This total may not reflect the sum of the line items due to rounding.
(4) Corporate expenditure expense excludes share-based compensation as it is non-cash.

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	For the year ended June 30, 2010							
	Driefontein	Kloof	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
	(in \$ million except as otherwise stated)[1]							
Production Costs	494.6	442.0	293.9	219.7	456.1	124.4	321.7	93.1
Less Share-based payments	(7.1)	(6.4)	(4.1)	(3.2)	(3.2)	(1.5)	(1.3)	(0.7
Add:								
Corporate expenditure[4]	10.3	9.4	5.5	3.8	5.7	1.5	3.6	1.6
Employment termination costs	2.6	3.4	2.7	0.7				0.3
GIP movement					10.9	(1.3)	18.8	(0.3
Accretion expense on provision for environmental rehabilitation	4.8	3.2	2.5	0.7	1.5	0.3	3.3	1.6
Operating costs[3]	505.1	451.4	300.4	221.5	470.8	123.3	346.1	95.6
Additions to property, plant and equipment	150.3	145.7	85.8	212.8	64.6	29.8	84.9	48.8
Notional cash expenditure[3]	655.4	597.1	386.2	434.3	535.4	153.1	431.0	144.5
Gold produced (000oz)	709.8	566.5	391.9	264.8	720.7	207.4	421.1	165.2
Notional cash expenditure per ounce of gold produced ($)	923	1,053	985	1,640	743	738	1,023	874

Notes:

(1) Calculated using an average exchange rate of R7.58 per $1.00.
(2) Including gold equivalent ounces.
(3) This total may not reflect the sum of the line items due to rounding.
(4) Corporate expenditure expense excludes share-based compensation as it is non-cash.

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	For the six-month period ended December 31						
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
	(in $ million except as otherwise stated)[1]						
Production Costs	523.3	170.5	138.8	258.6	73.1	162.1	49.9
Less Share-based payments	(6.5)	(2.1)	(1.8)	(1.0)	(0.8)	(0.5)	(0.4)
Add:							
Corporate expenditure[4]	8.1	2.3	1.7	1.9	0.8	1.7	1.4
Employment termination and restructuring costs	22.0	7.1	0.4	0.2		0.2	0.3
GIP movement				(1.8)	0.5	5.0	0.4
Accretion expense on provision for environmental rehabilitation	4.3	1.4	0.4	0.9	0.2	2.0	1.0
Operating costs[3]	551.2	179.2	139.4	258.8	73.7	170.4	52.5
Additions to property, plant and equipment	177.3	42.7	140.5	64.0	56.3	52.8	24.0
Notional cash expenditure[3]	728.5	221.9	279.9	322.8	129.9	223.2	76.5
Gold produced (000oz)	634.0	202.0	146.2	362.0	116.9	243.0	79.6
Notional cash expenditure per ounce of gold produced ($)	1,149	1,098	1,914	892	1,111	918	961

Notes:

(1) Calculated using an average exchange rate of R7.14 per $1.00.
(2) Including gold equivalent ounces.
(3) This total may not reflect the sum of the line items due to rounding.
(4) Corporate expenditure expense excludes share-based compensation as it is non-cash.

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	For the six-month period ended December 31						
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
	(in $ million except as otherwise stated)(1						
Production Costs	461.6	150.3	103.8	201.5	55.5	151.0	47.1
Less Share-based payments	(7.7)	(2.3)	(1.7)	(2.1)	(0.9)	(1.0)	(0.4)
Add:							
Corporate expenditure(4)	9.5	2.7	1.9	3.1	0.8	1.9	0.7
Employment termination and restructuring costs	2.6	1.3					
GIP movement				10.2	(0.7)	3.9	0.9
Accretion expense on provision for environmental rehabilitation	3.9	1.2	0.3	0.7	0.1	1.7	1.2
Operating costs(3)	469.8	153.2	104.3	213.3	54.8	157.5	49.4
Additions to property, plant and equipment	139.9	40.0	105.9	33.4	9.9	41.5	19.1
Notional cash expenditure(3)	609.7	193.2	210.2	246.7	64.6	199.0	68.5
Gold produced (000oz)	695.4	217.2	136.9	347.9	96.7	196.3	92.8
Notional cash expenditure per ounce of gold produced ($)	877	890	1,535	709	668	1,014	738

Notes:

(1) Calculated using an average exchange rate of R7.65 per $1.00.
(2) Including gold equivalent ounces.
(3) This total may not reflect the sum of the line items due to rounding.
(4) Corporate expenditure expense excludes share-based compensation as it is non-cash.

NCE increased from U.S.$1,153 per ounce in fiscal 2011 to U.S.$1,364 per ounce in fiscal 2012, primaril increases in additions to property, plant and equipment mainly due to the project build-up at South Deep development and owner mining conversion at St. Ives and lower production. In addition, costs increased South African Rand against the U.S. dollar, annual wage increases, increases in electricity tariffs in Sou increases in Ghana and Australia.

Royalties

South Africa

The Royalty Act was promulgated on November 24, 2008 and came into operation on March 1, 2010. The refined and unrefined minerals payable to the South African government

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing E gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (deduction for interest payable and foreign exchange losses) before assessed losses but after capital expend levied on refined minerals.

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by revenue calculated as a percentage, plus an additional 0.5%. A maximum royalty of 7% is levie

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Where unrefined mineral resources (such as uranium) constitute less than 10% in value of the total compo
rate in respect of refined mineral resources may be used for all gross sales and a separate calculation of
resources is not required. For Gold Fields, this means that currently it will pay a royalty based on the refin
applied to its gross revenue. The rate of royalty tax payable for fiscal 2012 and fiscal 2011 was appr

Ghana

Because minerals are owned by the Republic of Ghana and held in trust by the President, the Tarkwa and D
gold royalty which was set at 5% of total revenue earned from minerals obtained, effective from March 19
5% became effective on March 19, 2010, Gold Fields only became subject to the higher rate after April
although the royalty rate was calculated on a sliding scale with rates ranging from 3% to a maximum of
mining operations, the gold mining sector paid at a rate of 3%.

Australia

Royalties are payable to the state based on the amount of gold produced from a mining tenement. Royalti
rate of 2.5% of the royalty value of gold sold. The royalty value of gold is the amount of gold produced d
average gold spot price for the month.

Peru

On October 1, 2011, the Peruvian Congress approved a new mining royalty law which established a mini
concessions must pay to the Peruvian government for the exploitation of metallic and non-metallic resou
with reference to the operating margin and ranging from 1% (for operating margins less than 10%) to 12
than 80%). Under the new regime, La Cima s effective royalty rate for fiscal 2012 was

Under the previous mining royalty law, the previous royalty rates were calculated on gross revenues wit

Income and Mining Taxes

South Africa

Gold Fields pays taxes on its taxable income generated by its mining and non-mining tax entities. Under
companies and non-gold mining companies are taxed at different rates. Companies in the Group not car
operations are taxed at a statutory rate of 28%.

During the periods discussed below, Sibanye Gold (then known as GFIMSA) owned both the KDC a
Operations Limited or GFO, and GFI Joint Venture Holdings (Proprietary) Limited (the legal partners o
jointly own the South Deep Mine. Accordingly, these companies (Sibanye Gold, Gold Fields Operations
Holdings (Proprietary) Limited) constituted gold mining companies for South African taxation purposes.
the gold formula on their mining income.

The applicable formula takes the form $Y = a - \frac{ab}{x}$

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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%)

x = the ratio of taxable income to the total income (expressed as a percentage).

In addition, until December 31, 2011, these gold mining companies paid tax on their non-mining incom
(depending on the STC election see below).

Up until December 31, 2011 a gold mining company could elect to pay a higher formula rate of tax (in th
in the formula above) in exchange for being exempt from Secondary Tax on Companies, or STC (the wor
detail below). All of Gold Fields gold mining companies made this election, and as a result these comp
income according to the 43% variation of the gold formula above in respect of mining income, and 35%

During the budget speech in February 2012, the Minister of Finance announced that STC will be abolished
STC inclusive gold mining formula. The result is that there is now only one gold mining formula

Gold Fields gold mining companies are taxed at a rate of 28% on any non-mining income with effect fr
reduction in the marginal rate applicable to mining income. The repeal of STC with effect from April 1, 20
the dividend withholding tax therefore results in a net lower effective tax rate paid by Gold Field

While Sibanye Gold owns both the KDC and Beatrix gold mines, unredeemed capital expenditure is still
gold mines (being KDC West (Driefontein), KDC East (Kloof) and Beatrix), so that capital expenditure at
to reduce taxable income from another mine.

Up until December 31, 2011, South Africa imposed a STC, which was charged at a rate of 10%. STC wa
companies or closed corporations tax resident in South Africa.

STC differed from a dividend withholding tax in that it was a tax imposed on companies or closed corpor
STC was payable on the amount of dividends declared by the company, less the sum of qualifying divi
company during a particular time period (referred to as a dividend cycle)

In terms of the STC provisions, certain dividends received by South African resident companies carried S
South African resident companies in turn declared these same dividends no additional

While STC has now been abolished and replaced with a withholding tax on dividends at 15% with effect
three year transition period ending on March 31, 2015 during which dividends carrying STC credits ma
resident companies free of tax. No withholding tax on dividends will be levied on the distribution of suc
during this three year window period.

Gold Fields Limited and its subsidiaries have utilized all such STC credits at Decem

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Ghana

Ghanaian resident entities are subject to tax on the basis of income derived from, accruing in, received
standard corporate income tax rate is currently 35%.

On July 21, 2009, the Ghanaian government promulgated the National Fiscal Stabilization Levy Act, w
profits before tax of companies in selected industries, including mining. The Ghanaian government has in
announced that the National Fiscal Stabilization Levy does not apply for the 2012 calendar year onwards.
Levy therefore was only applicable to the 2009, 2010 and 2011 calendar years, commencing for Gold
September 30, 2009. The levy was introduced as a temporary measure to raise additional revenue and mee
and was not intended to be a permanent feature of the Ghanaian fiscal regi

Tax depreciation of capital equipment operates under a capital allowance regime. From March 9, 2012, t
amended to allow qualifying mining equipment to be eligible for capital allowances at a rate of 20% per an
capital allowances for mine development consisted of an initial allowance of 80% of the cost of assets
balance of the brought forward balance was depreciated at the rate of 50% per year on a declining balance
allowance based on prior year additions. Under the project development agreement, (entered into betwe
Gold Fields Ghana) and the deed of warranty, (entered into between the Ghanaian government and Aboss
no withholding tax shall be payable on any dividend or capital repayment declared by Gold Fields Ghana o
to any shareholder not normally resident in Ghana.

The following changes are now in force, effective March 9, 2012:

Increased tax rate for mining companies from 25% to 35%.

Capital allowances on mining assets would now be granted at the rate of 20% per annum on the
previous 80% of the cost base of assets in the first year, 50% of the balance (the remaining 20%
annually thereafter. Previously an upliftment allowance calculated as being 5% of the cost pr
claimable in the year following the acquisition. This upliftment allowance has expired and ha

Expenses exclusively incurred on one contracting area or site would no longer be offset against
area or site belonging to the same company in determining the chargeable income for income ta
change still need to be defined by the Ghanaian tax authorities).

Enactment of Transfer Pricing Regulations, effective September 14, 2012.

In addition, the following further amendment has been proposed:

A windfall profit tax of 10% on mining companies. The 10% is expected to be calculated based
method. In the 2013 budget speech made by the Minister of Finance in Ghana, the windfall pro
mining review committee. The mining review committee needs to make a recommendation to F
profit tax discussion should continue or be revoked from the roll.

Australia

Generally, Australia imposes tax on the worldwide income (including capital gains) of all of Gold Fields
resident entities. The current income tax rate for companies is 30%. Exploration costs are deductible in
expenditure is deductible over the lives of the assets acquired. The Australian Uniform Capital Allow
depreciation attributable to assets and certain other capital expenditures.

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Gold Fields Australia and its wholly-owned Australian controlled entities have elected to be treated as a ta
purposes. As a tax consolidated group, a single tax return is lodged for the group based on the consolidate
the group.

Withholding tax is payable on dividends, interest and royalties paid by Australian residents to non-res
payments to non-residents, withholding tax at a rate of 30% will apply. However, where the recipient o
country with which Australia has concluded a double taxation agreement, the rate of withholding tax is g
where the dividend is paid to a company s parent company). Where dividends are paid out of profits th
corporate tax there is no withholding tax, regardless of whether a double taxation agree

Peru

Peru taxes resident individuals and domiciled corporations on their worldwide income. The corporate inco
corporations is 30% on taxable income. Capital gains are also taxed as ordinary income for do

Tax losses may be carried forward by a domiciled corporation using one of the follow

losses may be carried forward and used in full in the subsequent four tax years. The balance of t
used during these four tax years is forfeited; or

losses can be carried forward, and up to 50% of the tax loss may be set off against taxable inco
balance of the assessed losses may be carried forward and applied on this basis until the balance
limit on the carry forward.

On October 4, 2007, La Cima and its parent company, Gold Fields Corona (BVI) Limited, or Gold Fie
Stability Agreements on withholding taxes and income tax rates, or Investor Stability Agreement, with the
in Peru. These agreements, among other things, guarantee the current tax regime, including a 4.1% withh
30% income tax rate, for a period of 10 years.

Following the review of the previous royalty regime, the mining sector signed a letter of understanding
August 24, 2011 stating that:

in calculating future royalty payments, the rate would be calculated based on profitability; and

increased collections will come from existing and new operations resulting from the implement

The new fiscal regime distinguishes between a company with formal stability agreements and those witho
Stability Agreements signed by Gold Fields Corona and La Cima do not constitute a stability agreemen
scheme.

Companies without signed stability agreements or with Investor Stability Agreements, such as La Cima
effectively replaces the existing royalty regime) calculated with reference to the operating margin and r
margins of less than 10%) to 12% (for operating margins of more than 80%). Such companies would al
mining , or IEM, ranging from 2% (for operating margins of less than 10%) to 8.4% (for operating

Companies with signed stability agreements, or Comprehensive Stability Agreements, would be subject
GEM, ranging from 4% (for operating margins of less than 10%) to 13.12% (for operating margins of m
would also be expected to sign voluntary agreements with the Government. A further distinction is made b
are exempt from mining royalties and those who are not. Stabilized companies would only be subject to

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companies who currently are exempt from royalty payments would only pay the new GEM tax and not t
companies who are not exempt from paying royalties will pay the new royalty and the GEM tax but be
payments against the GEM payment so due.

The new royalty, IEM and GEM would be treated as tax deductible and the new royalty would no longer
case with the previous royalty.

Exchange Rates

Gold Fields South African revenues and costs are very sensitive to the Rand/U.S. dollar exchange rate be
gold price denominated in U.S. dollars, while the costs of the South African operations are incurred princi
Rand against the U.S. dollar reduces Gold Fields average costs when they are translated into U.S. dollar
margin of the South African operations. Conversely, appreciation of the Rand results in South African op
U.S. dollars at a lower Rand/U.S. dollar exchange rate, resulting in lower operating margins. The impact o
value of the Rand against the U.S. dollar can be substantial. Furthermore, the exchange rates obtained whe
are set by foreign exchange markets, over which Gold Fields has no control. For more information regard
Rand against the U.S. dollar, see Key Information Exchange Rates. In fiscal 2012, movements in the
significant impact on Gold Fields results of operations as the Rand weakened 13.4% against the U.S. do
$1.00 in fiscal 2011 to R8.19 per $1.00 in fiscal 2012.

With respect to the Australian operations, the effect of fluctuations in the value of the Australian dollar aga
to that for the Rand, with weakness in the Australian dollar resulting in improved earnings for Gold Fiel
dollar producing the opposite result.

With respect to its operations in Ghana and Peru, a substantial portion of Gold Fields operating costs (i
incurred in U.S. dollars or are translated to U.S. dollars. Accordingly, fluctuations in the Ghanaian Cedi a
materially impact operating results for the Ghana and Peru operations.

During fiscal 2012, Gold Fields had the following currency forward contra

South African rand/Australian dollar forward cover contract with an initial value of A$3 million
delivered into during fiscal 2012.

See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Sensitivity Fore

Inflation

A period of significant inflation could adversely affect Gold Fields results and financial condition. For e
South Africa decreased to 5.7% from 6.1% in fiscal 2011. Further, over the past several years, product
electricity costs, have increased considerably. The effect of these increases has adversely affected, and ma
profitability of Gold Field s South Deep operations.

In order to combat increasing production costs, in fiscal 2011, Gold Fields restructured several of its busi
program to optimize productivity and eliminate inefficiencies. One component of this project was a redu
South African operations. In addition, Gold Fields carried out a reduction of non-specialized contractors
electricity consumption savings were also realized during the period. BPR mitigated mining inflation in
increases to an effective 3% for fiscal 2011.

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Further the majority of Gold Fields costs at the South African operations are in Rand and revenues fr
Generally, when inflation is high, the Rand potentially devalues thereby increasing Rand revenues and po
costs. However, there can be no guarantee that any cost-saving measures or the effects of any potential de
increased inflation and production costs.

The same applies to the Australian operations with regard to the link between Australian dollars and U.S. d
operations, on the other hand, are affected by inflation without a potential similar effect on revenue procee
inflation on the operating margins.

Capital Expenditures

Gold Fields will continue to be required to make capital investments in both new and existing infrastructur
management will be required to continue to balance the demands for capital expenditure in the business an
a focused manner to achieve its sustainable growth objectives. Gold Fields expects that its use of available
its capital expenditures may shift in future periods as it increases investment in certain of its

Set out below are the capital expenditures made by Gold Fields during fiscal

South African Operations

Gold Fields spent approximately U.S.$296 million on capital expenditures at the KDC operatio
was disposed of in the Spin-off.

Gold Fields spent approximately U.S.$80 million on capital expenditures at the Beatrix operatio
was disposed of in the Spin-off.

Gold Fields spent approximately U.S.$315 million on capital expenditures at the South Deep op
to spend approximately U.S.$227 million on capital expenditures at South Deep in fiscal 2013.

Ghanaian Operations

Gold Fields spent approximately U.S.$142 million on capital expenditures at the Tarkwa operat
U.S.$118 million spent on capital waste mining, which is expensed) and has budgeted U.S.$134
Tarkwa for fiscal 2013 (excluding U.S.$130 million budgeted on capital waste mining, which is

Gold Fields spent approximately U.S.$51 million on capital expenditures at the Damang mine i
million spent on capital waste mining, which is expensed) and has budgeted U.S.$56 million of
for fiscal 2013 (excluding U.S.$21 million budgeted on capital waste mining, which is expense

Australian Operations

Gold Fields spent approximately U.S.$278 million on capital expenditures at St. Ives in fiscal 2
spent on exploration, which is expensed) and has budgeted U.S.$137 million for capital expend
(excluding U.S.$20 million budgeted on exploration which is expensed).

Gold Fields spent approximately U.S.$58 million on capital expenditures at Agnew in fiscal 20
on exploration, which is expensed) and has budgeted U.S.$39 million for capital expenditures a
budgeted for exploration).

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Peruvian Operations

Gold Fields spent approximately U.S.$94 million on capital expenditures at Cerro Corona in fis
U.S.$84 million for capital expenditures at Cerro Corona for fiscal 2013.
The actual expenditures for the future periods noted above may be different from the amounts set out abov
expenditure will depend on a number of factors, such as production volumes, the price of gold, copper ar
Fields and general economic conditions. Some of the factors are outside of the control of Gold Fields
Information on the Company for further information.

Critical Accounting Policies and Estimates

Gold Fields significant accounting policies are more fully described in note 2 to its audited consolida
elsewhere in this annual report. Some of Gold Fields accounting policies require the application of sign
management that can affect the amounts reported in the financial statements. By their nature, these judg
uncertainty and are based on Gold Fields historical experience, terms of existing contracts, management
industry, information from outside sources and other assumptions that Gold Fields considers to be reaso
Actual results could differ from these estimates under different assumptions or co

Gold Fields significant accounting policies that are subject to significant judgments, estimates and ass

Business combinations

Management accounts for its business acquisitions under the purchase method of accounting. The total v
acquisitions is allocated to the underlying net assets acquired, based on their respective estimated fair valu
external valuations. Management uses a number of valuation methods to determine the fair value of assets
discounted cash flows, external market values, valuations on recent transactions or a combination thereof
appropriate measure or a combination of measures to value each asset or liab

In addition, management believes that it uses the most appropriate valuation assumptions underlying each
on current information available including discount rates, market risk rates, entity risk rates and cash flo
policy for valuation of business acquisitions is considered critical because judgments made in determin
expected useful lives assigned to each class of assets and liabilities acquired can significantly impact th
including the impact on deferred taxes, the respective amortization periods and ultimately net profit. The
methods, as well as other assumptions underlying these valuation methods, could significantly impact the
and the results of operations.

Depreciation, depletion and amortization of mining assets

Depreciation, depletion and amortization charges are calculated using the units-of-production method and
gold production as a percentage of total expected gold production over the lives of Gold Fields mines. A
at the time it is removed from the mine. The lives of the mines are estimated by Gold Fields miner
interpretations of mineral reserves, as determined in accordance with the SEC s industry

Depreciation, depletion and amortization at Gold Fields South African operations are calculated using
probable reserves only, which because of their reserve base and respective l

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lives (which range from 5 to 80 years), are less sensitive to changes in reserve assumptions. Accordingly, policy to update its depreciation, depletion and amortization calculations only once the new ore reserve de Gold Field s Board. However, if Gold Fields management becomes aware of significant changes in its a the scheduled updates, management would not hesitate to immediately update its depreciation, depletion then subsequently notify the Board.

A similar approach is followed at Gold Fields operations in Ghana and Peru, due to the longer life of th Australian operations, where mine-life ranges from 4 to 5 years, proven and probable reserves used for depletion and amortization are more susceptible to changes in reserve estimates. At these locations, Gold amortization calculations are updated on a more regular basis (at least quarterly) for all known changes in nature of the ore body, and the on-going information being gathered in connection with the ore bod

The estimates of the total expected future lives of Gold Fields mines could be different from the actual and the actual lives of the mines due to changes in the factors used in determining Gold Fields mineral estimates of the total expected future lives of Gold Fields mines would therefore impact the depreciation recorded in Gold Fields consolidated financial statements. Changes due to acquisitions, sales or closures impact on Gold Fields depreciation, depletion and amortization calculations, are incorporated in those c known.

Impairment of long-lived assets

Gold Fields reviews and tests the carrying amounts of assets when events or changes in circumstances sug not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely ind assets and liabilities.

Under U.S. GAAP, the impairment model for long-lived assets consists of two steps. The impairment a estimated cash flows on an undiscounted basis to the carrying amount of the asset including goodwill, if a are less than the carrying amount of the asset, a second step is performed. The Group records an impai discounted expected future cash flows are less than the carrying amount

The lowest level at which such cash flows are generated are generally at an individual operating mine, eve is included in a larger mine complex.

If there are indications that an impairment may have occurred, Gold Fields prepares estimates of expected assets. Expected future cash flows reflect:

- estimated sales proceeds from the production and sale of recoverable gold and copper containe
- expected future commodity prices and currency exchange rates (considering historical averages curves and related factors). In impairment assessments conducted in fiscal 2012, the Group use price of $1,500 per ounce, and expected future market exchange rates of R8.29 to $1.00 and A$ Group used an expected future market copper price of $7,720 per tonne for the life of mine;
- expected future operating costs and capital expenditures to produce proven and probable gold r assume current plant capacity, but exclude the impact of inflation; and
- expected cash flows associated with value beyond proven and probable reserves.

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Gold Fields records a reduction of a group of assets to fair value as a charge to earnings if expected fut carrying amount. The process of determining fair value is subjective as gold mining companies typically t is based on a multiple of net asset value and requires management to make numerous assumptions. Gol discounting the expected future cash flows using a discount factor that reflects a market-related rate of int period of expected cash flows.

Expected future cash flows are inherently uncertain, and could materially change over time. They are s estimates, together with economic factors such as gold prices and currency exchange rates, estimates of co sustaining capital.

Because of the significant capital investment that is required at many mines, if an impairment occurs, it c Due to the long-life nature of many mines, the difference between total estimated discounted net cash f substantial. An impairment is only recorded when the carrying amount of a long-lived asset exceeds the to flows. Therefore, although the value of a mine may decline gradually over multiple reporting periods, accounting rules could lead to recognition of the full amount of the decline in value in one period. Due future cash flows, the determination of when to record an impairment charge can be very subjective. Man using available evidence taking into account current expectations for each mining

For acquired exploration-stage properties, the purchase price is capitalized, but post-acquisition exploratio future economic viability of exploration-stage properties largely depends upon the outcome of exploration of years to complete for large properties. Management monitors the results of exploration activity over tim may have occurred. The measurement of any impairment is made more difficult because there is not a properties, and because it is not possible to use discounted cash flow techniques due to the very limited accurately model future cash flows.

In general, if an impairment occurs at an exploration stage property, it would probably have minimal valu may have to be written down.

Gold Fields recorded no impairment charges on its long-lived assets during the six month ended Decem recorded impairment charges amounting to $9.5 million in fiscal 2011 and $22.4 millio

Impairment of goodwill

Gold Fields acquired the South Deep mine on December 1, 2006. Goodwill related to this acquisition is r U.S. dollar reporting currency at $1,020.1 million. Gold Fields performs its annual impairment test of go mine at the end of each fiscal period.

Under U.S. GAAP, the goodwill impairment test consists of two steps. The first step, which compares th carrying amount, is used as a screening process to identify potential goodwill impairment. If the carrying the reporting unit s fair value, the second step of the impairment test must be completed to measure the an impairment loss, if any. During this step, the reporting unit s fair value is assigned to the reporting unit s acquisition accounting guidance in ACS 805, in order to determine the implied fair value of the reportin value of the reporting unit s goodwill is then compared with the carrying amount of the reporting unit s impairment loss to be recognized, if any.

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The fair value represents a discounted cash flow valuation based on expected future cash flows. The exp
determine the fair value of the reporting unit are inherently uncertain and could materially change over tir
by a number of factors including, but not limited to, reserves and production estimates, together with econ
price and foreign currency exchange rates, estimates of production costs, future capital expenditure and dis
that outcomes within the next financial year that are materially different from the assumptions used in the
require an adjustment to the carrying values.

Management s estimates and assumptions to estimate the fair value of the South Deep rep

estimated sales proceeds from the production and sale of recoverable ounces of gold contained

expected future commodity prices and currency exchange rates (considering historical averages
curves and related factors). In impairment assessments conducted in fiscal 2012, the Group used
price of $1,500 per ounce, and expected future market exchange rates of R8.29 to $1.00 for life

expected future operating costs and capital expenditures to produce proven and probable gold re
assume current plant capacity, but exclude the impact of inflation; and

expected cash flows associated with value beyond proven and probable reserves.

Gold Fields has determined that the fair value of the South Deep mine is in excess of its carrying value of
related to the South Deep mine was therefore not considered impaired under U.S

Income Taxes

Management establishes a valuation allowance for deferred tax assets where it is more likely than not that
not be realized based on projections. These determinations are based on the projected taxable income and
losses and unredeemed capital expenditure. In the event that these tax assets are not realized, an adjustmen
be required, which would be charged to income in the period that the determination was made. Likewise, s
Gold Fields would be able to realize tax assets in the future in excess of the recorded amount, an adju
allowance would be recorded generally as a credit to income in the period that the detern

Gold Fields is periodically required to estimate the tax basis of assets and liabilities. Where tax laws and
subject to varying interpretations, it is possible that changes in these estimates could occur that materiall
income tax assets and liabilities recorded in the consolidated financial statements. Changes in deferred ta
have a direct impact on earnings in the period of changes. See note 6 to the audited consolidated financial s
in this annual report.

Gold Fields recognizes the tax benefit from an uncertain tax position only if it is more likely than not that
on examination by the taxing authorities, based on the technical merits of the position. The tax benefits rec
from such positions are then measured based on the largest benefit that has a greater than 50% likelihood
Changes in recognition or measurement are reflected in the period in which the change in

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Derivative financial instruments

The determination of the fair value of derivative financial instruments, when marked-to-market, takes into rates, commodity prices and foreign currency exchange rates under prevailing market conditions, depend derivatives.

These estimates may differ materially from actual interest rates and foreign currency exchange rates prev financial derivatives and, therefore, may materially influence the values assigned to the financial derivativ or an increase in Gold Fields earnings through maturity of the financial deri

Environmental rehabilitation costs

Gold Fields makes provision for environmental rehabilitation costs and related liabilities when environm management s interpretations of current environmental and regulatory requirements. The provisions are r cash flows associated with the environmental rehabilitation using a discount factor that reflects a credit-adj principal factors that can cause expected cash flows to change are: the construction of new processing fac material in reserves and a corresponding change in the life of mine plan; changing ore characteristics that changes in water quality that impact the extent of water treatment required; and changes in laws and regul the environment. In general, as the end of the mine life becomes nearer, the reliability of expected cash f mine life, the estimation of rehabilitation liabilities is inherently more subjective. Significant judgment estimating the fair value of rehabilitation liabilities. In addition, expected cash flows relating to rehabilit periods up to the planned life of mine at the time the estimate is made and the assessment of the extent of highly subjective.

While management believes that the environmental rehabilitation provisions made are adequate and tha appropriate, the amounts estimated for the future liabilities may, when considering the factors discussed costs that will actually be incurred to rehabilitate Gold Fields mine sites in th

Employee benefits

Management s determination of Gold Fields obligation and expense for post-retirement healthcare lia certain assumptions used by actuaries to calculate the amounts. These assumptions are described in not financial statements and include, among others, the discount rate, healthcare inflation costs and rates of Actual results that differ from management s assumptions are accumulated and charged over future perio Fields recognized expense and recorded obligation in future periods. While management believes that significant changes in the assumptions may materially affect Gold Fields post-retirement obligations as result in an impact on earnings in the periods that the changes in the assumption

Stockpiles, gold-in-process and product inventories

Costs that are incurred in or benefit the production process are accumulated as stockpiles, gold-in-proces inventories. Lower of cost or market value tests are performed at least annually and represent the estimate based on prevailing and long-term metals prices, less estimated costs to complete production and

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

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Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quan
(metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor reco
metallurgical balancing process is constantly monitored and the engineering estimates are refined bas

Concentrate inventories represent concentrate available for shipment. The concentrate inventory is value
allocated portion of amortization. Costs are added to and removed from the concentrate inventory based
valued at the lower of cost and market value. Management s determination of the percentage gold and cop
weight of gold and copper in the concentrate depends on assay and laboratory results for the content

Gold Fields recorded a write-down to market value of U.S.$19.2 million in fiscal 2012. There were no w
month period ended December 31, 2010 or fiscal 2011.

Share-based compensation

U.S. GAAP requires Gold Fields to determine the fair value of shares and share options as of the date of th
share-based compensation expense in the statement of operations over the vesting period of the option g
grant-date fair value of shares and options using a Black-Scholes or Monte Carlo simulation valuation mo
make assumptions regarding the estimated term of the option, share price volatility, expected forfeiture
dividend yield.

While Gold Fields management believes that these assumptions are appropriate, the use of different a
impact on the fair value of the option grant and the related recognition of share-based compensation exp
statement. Gold Fields options have characteristics significantly different from those of traded options
differ.

Share-based compensation charges are included in production costs, corporate expenditure, exploration e
compensation costs of the underlying employees are classified.

Share-based compensation in prior periods has been reclassified into respective expense captions where c
employees are ordinarily classified. The reclassification has been made to conform with guida

Recently adopted accounting pronouncements

Revenue recognition

In October 2009, the Accounting Standards Codification, or ASC guidance, related to revenue recogniti
arrangements was updated. The update specifies multiple deliverable revenue arrangements will be sep
under existing U.S. GAAP requirements. It establishes a selling price hierarchy and requires significant ex
multiple-deliverable revenue arrangements. The amendments in this update are effective prospectively for
or modified in fiscal years beginning on or after June 15, 2010. The updated guidance did not impact th

In April 2010, the ASC guidance related to revenue recognition: milestone method of revenue recognitio
provide guidance on the criteria that should be met for determining whether the milestone method of reve
amendments are effective on a prospective basis for milestones achieved in fiscal years, and interim perio
or after June 15, 2010. The updated guidance did not impact the Group s financia

Fair value measurements

In January 2010, the ASC guidance related to fair value measurement: improving disclosures about fair v
providing amendments to the guidance which requires entities to disclos

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separately the amounts of significant transfers in and out of Level 1 (unadjusted quoted prices in active r
measurement date for identical unrestricted assets or liabilities) and Level 2 (Quoted prices in markets tha
observable, either directly or indirectly for substantially the full term of the asset or liability) fair value
reasons for the transfers. In addition, entities are required to present separately information about purchase
in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). The discl
2 fair value measurements are effective for interim and annual reporting periods beginning after Decembe
to Level 3 fair value measurements are effective for interim and annual reporting periods beginning afte
presentation changes, the updated guidance did not have an impact on the Group s fina

During May 2011, the ASC guidance related to fair value measurement: amendments to achieve comm
disclosure requirements in U.S. GAAP and IFRS was issued. The new standards do not extend the use o
guidance about how fair value should be applied where it already is required or permitted under IFRS or U
of the changes are clarifications of existing guidance, additional disclosure requirements to the financial
align with IFRS. The updated guidance did not materially impact Gold Fields financ

Derivatives and hedging

During March 2010, the ASC guidance related to derivatives and hedging: scope exception related to e
updated. The amendments clarify the scope exceptions related to embedded credit derivatives. The amend
fiscal quarter beginning after June 15, 2010. The updated guidance did not impact the Group

Compensation stock compensation

During April 2010, the ASC guidance related to compensation stock compensation: effect of denor
share-based payment awarded in the currency of the market in which the underlying equity security trades
that an employee share-based payment award with an exercise price denominated in the currency of a mark
the entity s equity securities trades should not be considered to contain a condition that is not a market,
Therefore, an entity would not classify such an award as a liability if it otherwise qualifies as equity. The a
fiscal years, and interim periods within those fiscal years beginning on or after December 15, 2010. The up
Group s financial statements.

Intangibles goodwill and other

In December 2010, the ASC guidance related to intangibles goodwill and other: when to perform step 2
reporting units with zero or negative carrying amounts relating to goodwill testing was updated. The upda
impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an e
of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determin
not that goodwill impairment exists, an entity should consider whether there are any adverse qualitative fa
may exist. For public entities, the update is effective for fiscal years, and interim periods within those yea
2010. The updated guidance did not impact the Group s financial stateme

Comprehensive income

During June 2011, the ASC guidance related to comprehensive income: presentation of comprehensi
amendments provide an entity with the option to present the components of net

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and comprehensive income in either one or two consecutive financial statements. The amendments elimi present other comprehensive income in the statement of changes in equity. An entity should apply the A 2011, the FASB decided to defer the effective date of those changes in ASU 2011-05 that relate only to t adjustments in the statement of income by issuing ASU 2011-12, Comprehensive Income (Topic 220): I Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Update 2011-05. The updated guidance impacted Gold Fields order of its primary fin

Intangibles: Goodwill

During September 2011, the ASC guidance related to intangibles: goodwill and other: testing goodwill f amendments permit an entity to make a qualitative assessment of whether it is more likely than not that a r its carrying amount before applying the two-step goodwill impairment test. If an entity concludes it is no value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test. annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 20 impact Gold Fields financial statements.

Recently issued accounting pronouncements not yet adopted

Balance sheet

During December 2011, the ASC guidance related to disclosures about offsetting assets and liabilities was an entity to disclose information about offsetting and related arrangements to enable users of financial sta those arrangements on its financial position, and to allow investors to better compare financial statements financial statements prepared under IFRS. The amendments are effective for annual periods beginning Ja within those annual periods. Retrospective application is required. The Group will implement the provisio 2013. Gold Fields does not expect that the updated guidance will impact its financia

Comprehensive Income

In February 2013, the ASC guidance related to reporting of Amounts Reclassified Out of Accumulated O updated. The amendments require an entity to report the effect of significant reclassifications out of ac income on the respective line items in net income, either on the face of the statement of operations or i reclassified is required under U.S. GAAP to be reclassified in its entirety to net income in the same report required by U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an e other disclosures which provide additional information about the amounts. The guidance is effective pro beginning after December 15, 2012. As this guidance provides only presentation requirements, the adopti Gold Fields results of operations, cash flows or financial position.

Results of Operations

Years Ended December 31, 2012 and December 31, 2011

Revenues

Product sales decreased by U.S.$248.3 million, or 4.3%, from U.S.$5,800.1 million in fiscal 2011 to U.S.$ decrease in product sales was primarily due to a decrease of 0.341 million equivalent ounces, or 9.2%, i 3.697 million ounces in fiscal 2011 to

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3.356 million ounces in fiscal 2012, partially offset by an increase in the average realized gold price of 5.
fiscal 2011 to U.S.$1,654 per ounce in fiscal 2012 and a decrease in the average realized copper price of 1
U.S.$7,322 per tonne.

At the Cerro Corona operation in Peru copper production was converted to equivalent gold ounces on a m
and gold prices for the month in which the copper was produced.

At the South African operations, gold sales decreased by 13.1% from 1.72 million ounces in fiscal 2011 to
primarily as a result of illegal strike action which affected KDC and Beatrix, the fire at the Ya Rona mine
2012 and was extinguished on August 14, 2012, and lower grades compared to 2011. At KDC, gold s
1.1 million ounces in fiscal 2011 to 0.93 million ounces in fiscal 2012 due to reasons noted above, result
volumes at slightly higher grades. At Beatrix, gold sales decreased by 16.7% from 0.35 million ounces to
illegal industrial action, lower mining grades and lower volumes mined. At South Deep, gold sales were
Increased underground mining volumes and grades, as South Deep builds to full production, were offset b
which was discontinued in 2012 due to a lack of payable ore.

At the West African operations, total gold sales decreased by 5.3% from 0.94 million ounces in fiscal 20
2012. This was mainly due to Damang s gold sales decreasing by 23.6% from 0.22 million ounces to 0.1
mainly as a result of less ore mined from the high grade Damang Pit Cutback (as a result of safety concer
which is in the process of being refurbished. Tarkwa remained flat at 0.72 million ounce

At the South American operation of Cerro Corona in Peru, total gold equivalent sales decreased by 8.6%
ounces in fiscal 2011 to 0.35 million gold equivalent ounces in fiscal 2012, mainly due to lower copper p
calculate equivalent production and scheduled lower gold and copper grad

At the Australasian operations, total gold sales decreased by 5.0% from 0.66 million ounces in fiscal 20
2012. At St. Ives, gold sales decreased by 3.2% from 0.47 million ounces to 0.45 million ounces due to mi
At Agnew, gold sales decreased by 9.0% from 0.19 million ounces in fiscal 2011 to 0.18 million ounces f
conditions which required the mining schedule to be re-planned mid-year, resulting in a focus on lower v
underground.

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Costs and Expenses

The following table sets out Gold Fields total ounces sold and weighted average total cash costs and to fiscal 2011 and fiscal 2012.

	Fiscal 2011			Fiscal 2012		
	Gold sold	**Total cash costs[1]**	**Total production costs[2]**	**Gold sold**	**Total cash costs[1]**	**pr**
	(000 oz)		*($/oz)*	*(000 oz)*		*($/oz)*
South Africa	1,720	982	1,231	1,494	1,107	
KDC	1,100	963	1,206	935	1,078	
Beatrix	347	969	1,199	289	1,121	
South Deep	273	1,073	1,376	270	1,194	
Ghana	935	712	794	885	925	
Tarkwa[3]	717	668	752	719	838	
Damang[4]	218	855	932	166	1,299	
Peru	383	447	632	350	490	
Cerro Corona[5]	383	447	632	350	490	
Australia[6]	659	849	1,150	626	921	
St. Ives	465	882	1,244	450	943	
Agnew	194	769	926	176	864	
Total[7][8]	3,697			3,356		
Weighted average		835	1,050		960	

Notes:

(1) For information on how Gold Fields has calculated total cash costs per ounce, see Key Information Financial Data Statement of Operations Data Footnote 4 .

(2) For information on how Gold Fields has calculated total production costs per ounce, see Key Inform Consolidated Financial Data Statement of Operations Data Footnote 5 .

(3) In fiscal 2011 and 2012, 0.576 million ounces and 0.647 million ounces of sales, respectively, were a with the remainder attributable to noncontrolling shareholders in the Tarkwa operation.

(4) In fiscal 2011 and 2012, 0.175 million ounces and 0.149 million ounces of sales, respectively, were a remainder attributable to noncontrolling shareholders in the Damang operation.

(5) In fiscal 2011 and 2012, 0.356 million ounces and 0.345 million ounces of sales were attributable to attributable to noncontrolling shareholders in the Cerro Corona operation

(6) The consideration paid for the Australian operations in excess of the book value of the underlying ne the value of the underlying assets, which affected the allocation of amortization between St. Ives and

(7) In fiscal 2011 and 2012, 3.485 million ounces and 3.262 million ounces of sales, respectively, were a remainder attributable to noncontrolling shareholders in the Ghana and Peru operations.

(8) The total may not reflect the sum of the line items due to rounding.

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The following tables set out a reconciliation of Gold Fields production costs to its total cash costs and to and fiscal 2011.

	For the year ended December 31, 2012						
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
	(in $ million except as otherwise stated)[1]						
Production Costs	1,005.3	322.5	328.1	587.5	215.5	426.3	152.2
Less:							
G&A other than corporate costs	(15.3)	(4.0)	(3.3)	(39.4)	(9.6)	(16.1)	(7.8)
GIP adjustment[2]				(1.5)	(1.7)	(3.0)	0.9
Share-based payments	(14.1)	(5.2)	(4.4)	(5.5)	(1.9)	(3.5)	(1.6)
Plus: Employee termination costs	6.0	1.7	0.2	1.6		1.7	1.8
Royalties	25.8	8.6	2.3	59.9	13.9	18.7	7.3
Total cash costs[6]	1,007.8	323.7	322.9	602.6	216.2	424.1	152.7
Plus: Amortization[2]	215.5	76.7	82.3	95.9	19.2	141.3	34.8
Share-based payments	14.1	5.2	4.4	5.5	1.9	3.5	1.6
Rehabilitation	11.4	2.8	0.8	2.8	0.6	6.7	1.3
Total production costs[6]	1,248.8	408.4	410.3	706.8	238.0	575.5	190.4
Gold produced (000 oz)[3]	934.9	288.7	270.4	718.8	166.4	449.8	176.6
Gold sold (000 oz)	934.9	288.7	270.4	718.8	166.4	449.8	176.6
Total cash costs ($/oz)[4]	1,078	1,121	1,194	838	1,299	943	864
Total production costs ($/oz)[5]	1,336	1,414	1,517	983	1,430	1,280	1,078

Notes

(1) Calculated using an average exchange rate of R8.19 per $1.00.
(2) The GIP adjustment excludes the non-cash portion of GIP which is included in amortization. GIP rep circuit, which is expected to be recovered.
(3) For the year ended December 2012, 3.254 million ounces of production were attributable to Gold Fie to non-controlling shareholders in the Ghana and Cerro Corona operations.
(4) For information on how Gold Fields has calculated total cash costs per ounce, see Key Information Financial Data Statement of Operations Data Footnote 4 .
(5) For information on how Gold Fields has calculated total production costs per ounce, see Key Inform Consolidated Financial Data Statement of Operations Data Footnote 5 .
(6) The total may not reflect the sum of the line items due to rounding.

	For the year ended December 31, 2011						
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
	(in $ million except as otherwise stated)[1]						
Production Costs	1,028.7	335.1	299.0	450.3	173.9	401.2	145.7
Less:							
G&A other than corporate costs	(14.6)	(2.9)	(3.1)	(29.8)	(2.9)	(8.0)	(5.0)
GIP adjustment[2]				12.0	1.4	0.8	1.4
Share-based payments	(16.9)	(5.8)	(5.1)	(4.3)	(1.8)	(2.5)	(0.8)
	27.0	4.9	0.1				

Plus: Employee termination costs	171

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	For the year ended December 31, 2011						
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
	(in $ million except as otherwise stated)[1]						
Royalties	35.5	4.6	2.1	51.0	15.5	18.4	7.9
Total cash costs[6]	1,059.7	335.9	293.0	479.2	186.1	409.9	149.3
Plus: Amortization[2]	238.9	71.1	76.6	53.9	14.8	161.1	27.2
Share-based payments	16.9	5.8	5.1	4.3	1.8	2.5	0.8
Rehabilitation	10.8	2.9	1.0	1.8	0.3	4.2	2.3
Total production costs[6]	1,326.3	415.7	375.7	539.2	203.0	577.7	179.6
Gold produced (000 oz)[3]	1,100.1	346.8	273.0	717.3	217.7	464.5	194.0
Gold sold (000 oz)	1,100.1	346.8	273.0	717.3	217.7	464.5	194.0
Total cash costs ($/oz)[4]	963	969	1,073	668	855	882	769
Total production costs ($/oz)[5]	1,206	1,199	1,376	752	932	1,244	926

Notes:

(1) Calculated using an exchange rate of R7.22 per $1.00.
(2) The GIP adjustment excludes the non-cash portion of GIP which is included in amortization. GIP rep circuit, which is expected to be recovered.
(3) For the year ended December 2011, 3.485 million ounces of production were attributable to Gold Fie to noncontrolling shareholders in the Ghana and Cerro Corona operations.
(4) For information on how Gold Fields has calculated total cash costs per ounce, see Key Information Financial Data Statement of Operations Data Footnote 4.
(5) For information on how Gold Fields has calculated total production costs per ounce, see Key Inform Consolidated Financial Data Statement of Operations Data Footnote 5 .
(6) The total may not reflect the sum of the line items due to rounding.

Gold Fields weighted average total cash costs per ounce increased by U.S.$125 per ounce, or 15.0%, fro to U.S.$960 per ounce in fiscal 2012.

The weighted average total cash costs at the South African operations increased by U.S.$125 per ounce, o in fiscal 2011 to U.S.$1,107 per ounce in fiscal 2012. This increase was as a result of the increase in elec increases, wage increases of around 9.4%, additional support costs, an increase in de-stress development at

The weighted average total cash costs at the West African operations increased by U.S.$213 per ounce, or in fiscal 2011 to U.S.$925 per ounce in fiscal 2012. This increase was as a result of the increase in electric with normal inflationary increases and lower production at Damang.

The weighted average total cash costs per ounce at the South American operation increased by U.S.$43 p per ounce in fiscal 2011 to U.S.$490 per ounce in fiscal 2012. This increase was due to the decrease i

The weighted average total cash costs per ounce at the Australasian operations increased by U.S.$72 per o ounce in fiscal 2011 to U.S.$921 per ounce in fiscal 2012. This increase was due to inflationary increases prices as well as the lower production at both St. Ives and Agnew.

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Production costs

Production costs increased by U.S.$201.4 million, or 6.7%, from U.S.$2,989.0 million in fiscal 2011 to U

This increase was due to inflationary increases, annual wage increases, increases in electricity tariffs in Sou
in fuel prices in Ghana and Australia.

Depreciation and amortization

Depreciation and amortization charges decreased by U.S.$15.4 million, or 2.1%, from U.S.$745.3 milli
million in fiscal 2012. Depreciation and amortization is calculated on the units-of-production method and i
as a percentage of total expected gold production over the lives of the different mines. In South Africa th
production. The increase at Tarkwa was due to the increase in production, increased amortization rates ref
mined and the additional mining fleet. The increase in Damang was due to the additional mining fleet. In A
due to the decrease in production at St. Ives and Agnew, partially offset by the increase in amortization
Agnew. The decrease in Cerro Corona was due to an increase in reserve tonnes on which ar

The table below depicts the changes from December 31, 2010 to December 31, 2011, and December 31
proven and probable managed gold reserves above current infrastructure and for the life of mine for each
on the amortization charge in fiscal 2011 and 2012, respectively. The life of mine information is based o
adjusted for proven and probable reserve balances. In basic terms, amortization is calculated using the life
is based on: (1) the proven and probable reserves above infrastructure for the operation at the start of the re
the same as at the end of the prior fiscal year and using only above infrastructure reserves); and (2) the a
operation during the year. The ore reserve statement as at December 31, 2012 became effectiv

	Proven and provable reserves as of			Life of mine[1]	
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2011	December 2012
		(000 oz)		*(years)*	
South African Region					
KDC	16,500	16,600	10,200	17	1
Beatrix	5,500	5,000	3,300	15	1
South Deep [8]	28,800	30,000	39,100	69	8
West African Region					
Tarkwa[2][8]	9,300	10,300	10,100	13	2
Damang[3]	2,000	3,400	4,100	14	1
South American Region					
Cerro Corona[4]	2,700	6,100	2,800	17	1
Australasian Region[5]					
St. Ives	2,800	2,800	2,200	7	
Agnew	1,300	1,300	1,200	8	
Corporate and other					
Total	68,900	75,500	72,900		
Reserves below infrastructure[6]	9,500	9,600			
Total reserves[7]	78,400	85,100	72,900		

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Notes:

(1) The LoM for each operation shown in the above table differs from that shown in Information on the Operations. The LoM in the above table is based on the above infrastructure proven and probable re information in Information on the Company Gold Fields Mining Operations is based on both ab probable reserves. In line with other International Operations, all South Deep reserves are classed as reserves will be accessed via ongoing decline.
(2) As of December 31, 2010, December 31, 2011 and December 31, 2012 reserves of 6.576 million oun 9.073 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attrib shareholders in the Tarkwa operation.
(3) As of December 31, 2010, December 31, 2011 and December 31, 2012 reserves of 1.479 million oun 3.681 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attrib shareholders in the Damang operation.
(4) As of December 31, 2010, December 31, 2011 and December 31, 2012 reserves of 2.156 million oun 2.734 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributa in the Cerro Corona operation.
(5) The consideration paid for the Australian operations in excess of the book value of the underlying net the value of the underlying assets, which affected the allocation of amortization between St. Ives and
(6) Below infrastructure reserves relate to mineralization which is located at a level at which an operation infrastructure sufficient to allow mining operations to occur, but where the operation has made plans in the future which will allow mining to occur at that level.
(7) As of December 31, 2010, December 31, 2011 and December 31, 2012 reserves of 75.940 million ou 71.388 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attri shareholders in the West African and South American operations.
(8) The change in tail-end management and milling strategy at South Deep and Tarkwa respectively, acc LoM.

Corporate expenditure

Corporate expenditure increased from U.S.$37.6 million in fiscal 2011 to U.S.$46.6 million in fiscal 2 increase is due to reorganization of corporate services and inflation. Corporate expenditure consists prima and corporate service department costs, primarily in the areas of technical services, human resources an operations. Corporate expenditure also includes business development costs. In Rand terms, corporate ex million in fiscal 2011 to R381.7 million in fiscal 2012 mainly due to the reorganization of corpor

Employee termination costs

Employee termination costs decreased from U.S.$32.8 million in fiscal 2011 to U.S.$13.8 million in fisc fiscal 2012 and 2011 related primarily to restructuring at all the operations as part of the BPR program a

Exploration expenditure

Exploration expenditure increased from U.S.$125.4 million in fiscal 2011 to U.S.$135.3 million in fiscal 2 of the expenditure was incurred on a diversified pipeline of projects in Africa, Australia, Asia and North, the increase in fiscal 2012 due primarily to a higher spend on advanced stage exploration projects; U.S.$18 in Finland and U.S.$14 million on Yanfolila in Mali, U.S.$13 million on Salares Norte in Chile, U.S.$10 U.S.$8 million on Taguas in Argentina and U.S.$6 million on Talas in Kyrgyzstan. Subj

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exploration success, exploration expenditure is expected to be U.S.$208 million in fiscal 2013 comprisi
U.S.$80 million, near-mine exploration of U.S.$47 million and projects exploration of U.S.$81 mil
Company Growth and International Projects .

Feasibility and evaluation costs

Feasibility and evaluation expenditure increased from U.S.$95.2 million in fiscal 2011 to U.S.$103.5 mil
8.7%, comprising U.S.$51.8 million on Chucapaca in Peru on a 100% basis, U.S.$34.3 million on corp
project costs and general office costs in the various countries the Group operates in, U.S.$9.8 million on
and U.S.$7.6 million on the Greater Damang project in Ghana.

(Profit)/loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was U.S.$0.4 million in fiscal 2011 compared to a profit

The major disposals in fiscal 2012 related to the sale of various redundant assets primarily at St. Ives, L
Beatrix, whereas in fiscal 2011, they related to Tarkwa, La Cima and KD

Impairment of assets

There was U.S.$9.5 million in impairment of assets in fiscal 2011 compared with U.S.$41.6 million in fisc
fiscal 2012 consisted of a U.S.$10.1 million impairment of heap leach assets and U.S.$19.2 million write-
inventory at St. Ives in Australia due to the cessation of the heap leach at St. Ives and U.S.$4.4 millio
equipment in Ghana. In addition, the Group impaired its patented technology, known as the Biox process,
of refractory ores and concentrates prior to gold recovery through conventional cyanide leaching techni
agreement to sell its Biox technology in 2013. This impairment amounted to U.S.$7.9 million. The impair
from the decision to reassess the optimal processing methodology for the oxides at Cerro Corona, where th
of a heap leach operation to capture the value inherent in the oxide instead of a stand-alone oxide plant; t
written off in 2011.

Increase/(decrease) in provision for post-retirement healthcare costs

In South Africa, Gold Fields provides medical benefits to employees in its operations through the G

Under the medical plan which covers certain of its former employees, Gold Fields remains liable for 50%
contributions after their retirement. At December 31, 2012, 126 (fiscal 2011: 128) former employees we
benefit is not available to members of the scheme who were employees of the former Free State opera
operation) who retired after August 31, 1997, and other employees who retired after Ja

As part of the acquisition of South Deep, Gold Fields assumed an additional post-retirement healthcare c
South Deep belonged to a commercial medical scheme with employer liability for contribution per pensio
R400 monthly contribution was fixed until the termination of Gold Fields obligations on

The U.S.$0.3 million charge in fiscal 2012 and the U.S.$0.1 million charge in 2011 comprise the annual
post-retirement healthcare provision is updated annually based on actuarial calculations, with any increas
statement of operations.

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Accretion expense on provision for environmental rehabilitation

At all of its operations, Gold Fields makes full provision for environmental rehabilitation based on the net of restoring the environmental disturbance that has occurred up to the balance sheet date. The rehabilitatio million in fiscal 2011 to U.S.$28.2 million in fiscal 2012. The increase was due primarily to the effect of h case liability for fiscal 2012 compared to fiscal 2011.

For its South African operations, Gold Fields contributes to environmental trust funds it has established rehabilitation obligations and expected closure costs relating to its mining operations. The amounts investe non-current assets and any income earned on these assets is accounted for as interest income. For the Gh operations Gold Fields does not contribute to a trust fund.

Interest and dividends

Interest and dividend income increased from U.S.$25.4 million in fiscal 2011 to U.S.$29.2 million in fisc due to higher average cash balances at the international operations in fiscal 2012 compar

The interest and dividends received in fiscal 2012 of U.S.$29.2 million comprised U.S.$nil million in divi monies invested in the South African environmental rehabilitation trust funds and U.S.$20.1 million on balances.

The interest and dividends received in fiscal 2011 of U.S.$25.4 million comprised U.S.$0.5 million in div monies invested in the South African environmental rehabilitation trust funds and U.S.$15.2 million on balances.

Interest received on the funds invested in rehabilitation trust funds decreased from U.S.$9.7 million in fi fiscal 2012 in dollar terms due to the weakening of the Rand against the U.S. dollar but in Rand terms i balances invested in the funds.

Interest on cash balances increased from U.S.$15.2 million in fiscal 2011 to U.S.$20.1 million in fiscal average cash balances at the international operations in fiscal 2012 compared to fi

Finance expense

Finance expense increased from U.S.$54.3 million in fiscal 2011 to U.S.$70.1 million

Net finance expense in fiscal 2012 consisted of gross interest payments of U.S.$83.1 million (2011: U.S. interest capitalized of U.S.$13.0 million (2011: U.S.$9.3 million).

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The interest payments in fiscal 2012 and 2011 comprised:

Interest on the U.S.$1 billion 4.875% guaranteed notes due October 7, 2020
Interest on borrowings to fund capital expenditure and operating costs at the South African operations
Interest on the U.S.$200 million Non-Revolving Senior Secured Term Loan
Interest on the $1 billion Syndicated Revolving credit facility
Interest on the Split-tenor Revolving credit facility
Interest on $500 million syndicated revolving credit facility
Interest on the non-convertible redeemable preference shares
Interest on DMTN Program (Commercial Paper)
Interest on the $60 million Senior Secured Revolving credit facility
Other interest charges

Gross interest paid

Interest on the U.S.$1 billion guaranteed notes remained primarily unchanged at U.S.$49.6 n

Interest on borrowings to fund capital expenditure and operating costs at the South African operations in
fiscal 2011 to U.S.$16.4 million in fiscal 2012 due to additional borrowings to fund working capital rec
operations due to the fire at the Ya Rona mine shaft and the illegal strike act

Interest on the U.S.$200 million Non-Revolving Senior Secured Term Loan remained similar at U.S

Interest on the U.S.$1 billion Syndicated Revolving credit facility, Split-tenor Revolving credit facility a
revolving credit facility increased from U.S.$4.6 million in fiscal 2011 to U.S.$10.7 million in fiscal 20

Interest on the non-convertible Gold Fields preference shares decreased from U.S.$1.3 million in fiscal
2012 due to the redemption of the preference shares in fiscal 2011. See Liquidity and Capital Resourc
Resources.

Interest on DMTN Program decreased from U.S.$1.1 million in fiscal 2011 to U.S.$nil million in fiscal
commercial paper in fiscal 2011.

Interest on borrowings incurred in respect of assets requiring a substantial period of time to prepare for the
date on which the assets are substantially completed and ready for their intended use, at which time they
the corresponding assets. During fiscal 2012, U.S.$13.0 million was capitalized in respect of the South
ventilation shaft deepening projects compared to U.S.$9.3 million in fiscal 2011 in resp

(Loss)/gain on financial instruments

Gain on financial instruments was U.S.$4.4 million in fiscal 2011 compared to a loss of U.S.$0.

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The realized loss of U.S.$0.4 million in fiscal 2012 comprised:

Mark-to-market valuation of exploration junior warrants
Gain on Australian diesel hedge
Other

The realized gain of U.S.$4.4 million in fiscal 2011 comprised:

Gain on receipt of 15 million shares in Timpetra Resources Limited[1]
Mark-to-market gain on Atacama Pacific Corporation warrants
Other

Note:

(1) During fiscal 2011, 15 million Timpetra Resources Limited shares valued at U.S.$3.2 million were re
Victoria tenements, or CVT, an Australian exploration project previously owned by Gold Fields. Bec
costs as incurred, on exchange of CVT for Timpetra shares, a financial gain of U.S.$3.2 million arose

(Loss)/gain on foreign exchange

Gold Fields recognized an exchange loss of U.S.$13.8 million in fiscal 2012 compared to an exchange g
2011.

The loss of U.S.$13.8 million in fiscal 2012 comprises:

Exchange loss on cash and cash equivalent balances held in currencies other than the functional
currencies of the Gold Fields various subsidiary companies
Gain on repayment of U.S. dollar denominated intercompany loans

The gain of U.S.$9.1 million in fiscal 2011 comprises:

Gain on repayment of U.S. dollar denominated intercompany loans
Exchange gain on cash and cash equivalent balances held in currencies other than the functiona
currencies of the Gold Fields various subsidiary companies

Profit/(loss) on disposal of listed investments

During fiscal 2012 and 2011, Gold Fields liquidated certain non-current investments. The gain on dispos
from U.S.$12.8 million in fiscal 2011 to U.S.$27.6 million in fiscal 2012

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The gain of U.S.$27.6 million in fiscal 2012 resulted from the following sa

Gain on the sale of 5.6 million shares in Atacama Pacific Corporation
Gain on the sale of 14.0 million shares in GoldQuest Mining Corporation
Loss on the sale of 15.4 million shares in Evolution Mining Limited

The gain on of U.S.$12.8 million in fiscal 2011 resulted from the following s

Gain on the sale of 12.5 million shares in Gold One International Limited
Gain on exchange of 51.8 million Conquest Mining Limited shares for 15.5 million shares in Evolution Mi

Impairment of listed investments

The charge in fiscal 2011 was U.S.$0.5 million compared with U.S.$10.5 million in fiscal 2012. The cha
2012 relates to the impairment of Northam Platinum Limited of U.S.$8.9 million and impairment of U.S
listed exploration investments to their market values. The charge of U.S.$0.5 million in fiscal 2011 relates
listed exploration investments to their market values. The decline in market value below the carrying v
determined to be other than temporary.

Royalties

Royalties of U.S.$149.7 in fiscal 2011 compared with U.S.$151.2 million in fiscal 2012. Royalties in fiscal
revenues and profits at the international operations as well as an increase in the royalty rate in Ghana fro
partially offset by lower royalties at the South African operations due to the decrease in production and a
U.S. dollar.

Other expenses

Other expenses represents miscellaneous corporate expenditure not allocated to the operations, net of mis
scrap sales and rental income. In fiscal 2011, there were other expenses of U.S.$79.3 million compared wit

Other expenses in fiscal 2012 and fiscal 2011 consisted of miscellaneous items whi

Corporate social investment and sponsorship costs;

Research and development into mechanized mining;

Loan facility charges;

Share-based compensation for service entities;

Restructuring costs as part of the business process re-engineering; and

Legal fees paid as a result of a dispute with a former mining contractor at the Ghanaian operatio

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Income and mining tax expense

Income and mining tax expense decreased from U.S.$552.0 million in fiscal 2011 to U.S.$291.9 million i
forth Gold Fields effective tax rate for fiscal 2012 and fiscal 2011, including normal a

	2012
Effective tax expense rate	29.

As noted in Overview Income and Mining Taxes , during the budget speech in February 2012 th
announced that STC would be abolished. This resulted in there being only one gold mining formula to ca
revised formula was enacted on April 1, 2012, with effect from January 1, 2012, and resulted in a reducti
tax rate for mining companies from 43% to 34%.

In fiscal 2012, the effective tax expense rate of 29.3% was lower than the maximum South African minin
due to the tax-effect of the following:

U.S.$34.5 million adjustment relating to the difference between the maximum rate and the actu
of the South African gold mining formula rate calculation;

U.S.$17.8 million adjustment to reflect the actual realized company tax rates in South Africa an

U.S.$137.3 million deferred tax release on reduction of the estimated future tax rate for brough
due to the reduction in the maximum mining rate and consequent impact in the gold mining tax

U.S.$58.2 million reversal of a portion of a valuation allowance previously raised against defer
the Group reversed a portion of the valuation allowance against unredeemed capital expenditur
extent that there is sufficient future taxable income. In making this determination, the Group an
recent history of earnings and cashflows, forecasts of future earnings, the nature and timing of f
represented by deferred tax assets and the cumulative earnings for the last three years.

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

U.S.$116.1 million of non-deductible expenditure comprising mainly share-based compensatio
U.S.$74.4 million exploration and feasibility and evaluation costs, and

U.S.$63.6 million deferred tax charge on increase in the tax rate in Ghana.

In fiscal 2011, the effective tax expense rate of 36.6% was lower than the maximum South African mining
due to the tax-effect of the following:

U.S.$239.2 million adjustment to reflect the actual realized company tax rates in South Africa a

U.S.$11.9 million reduction relating to the South African mining tax formula rate adjustment;

U.S.$22.0 million reversal of valuation allowance previously raised against deferred tax assets;

U.S.$9.1 million deferred tax release on reduction of the estimated rate at the Peruvian operatio

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

U.S.$199.0 million non-deductible expenditure comprising mainly U.S.$24.5 million share-bas
million exploration and feasibility and evaluation costs and U.S.$35.9 million National Stabiliz

Impairment of investment in equity investee

The impairment of investment in equity investee was U.S.$6.8 million in fiscal 2011 compared with U.
related to Rusoro. The market value and carrying value of Rusoro at December 31, 2012 and December 3
U.S.$13.2 million, respectively. Gold Fields owned 26.4% of Rusoro at the end of fiscal 20

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Share of equity investees (losses)/profits

Share of equity investees profits was a profit of U.S.$4.0 million in fiscal 2011 and a loss of U.S.

Gold Fields equity accounts for four associates; Rand Refinery Limited, Rusoro Mining Limited, Timpe fiscal 2012, Far South East Gold Resources.

The Group s 35% share of after-tax profits in Rand Refinery Limited was U.S.$12.0 million in fiscal 2012 fiscal 2011.

The Group s 26.4% share of after-tax losses accounted for in Rusoro Mining Limited was U.S.$13.4 mi U.S.$nil million in fiscal 2011. The share of Rusoro s fiscal 2012 loss took into account U.S.$924.3 mi expropriation of all of the company s mining concessions, property, plant and equipment and mineral pr the investment is now below nil.

In August 2011, the late President of Venezuela Hugo Chavez Frias approved a decree with force of orga of Venezuela exclusive rights for the extraction of gold in Venezuela. The decree was subsequently app Venezuela and it was published in the Official Gazette of Venezuela in September 2011. The Venezuelan controlling stake of 55% in Rusoro and as such, Rusoro would be compensated for its decrease in owners compensation with the Venezuelan government lapsed and all assets and operations reverted to the Ve possession and control of the company. Rusoro filed a Request for Arbitration against the government du and timely compensation as a result of the nationalization.

During fiscal 2011, the Group acquired a 21.8% interest in Timpetra Resources Limited as a result of Resources Limited shares valued at U.S.$3.2 million. Timpetra Resources is an Australian listed junior ex were received in exchange for the Central Victoria tenements, an Australian exploration project previous 21.8% share of after-tax losses in Timpetra was U.S.$0.2 million during fiscal 2012 and U.S.$1

Gold Fields paid U.S.$10.0 million in option fees to Lepanto Consolidated Mining Company during December 31, 2010. In addition, Gold Fields paid non-refundable down payments of U.S.$66.0 million du 2011 and U.S.$44.0 million during the six month period ended December 31, 2010 to Liberty Express agreement concluded whereby the Group has the option to acquire 60% of FSE. On March 31, 2012, Gold share capital of FSE by contributing an additional U.S.$110.0 million in accordance with the agreement s FSE was U.S.$50.1 million in fiscal 2012.

Net income

As a result of the factors discussed above, Gold Fields net income was U.S.$652.5 million in fiscal 20 U.S.$953.0 million in fiscal 2011.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests was U.S.$71.5 million in fiscal 2011 compared to a loss Due to the purchase of noncontrolling interests in Tarkwa, Damang, Cerro Corona in the first half of fisca half of fiscal 2012, net income attributable to noncontrolling interests decrea

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The noncontrolling interests in Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) remained a
Cima (Cerro Corona) noncontrolling interest decreased from 1.5% in fiscal 2011 to 1.4 % in fiscal 2012
1.5%) and at Living Gold (Pty) Limited, noncontrolling interest increased from 0.0% in fiscal 2011 to 10.0
for the year of 10.0%).

The noncontrolling interest in Canteras del Hallazgo remained at 49.0% (fiscal 2011: 49.0%). Canteras de
that owns the Chucapaca project.

The amounts making up the noncontrolling interests in fiscal 2012 and 2011

	Effective interest	Fiscal 201
Gold Fields Ghana Limited Tarkwa	10.0%	20.6
Abosso Goldfields Damang	10.0%	(0.3
La Cima Cerro Corona	1.5%	3.1
Canteras del Hallazgo	49.0%	(25.3
Living Gold (Pty) Limited	10.0%	0.1
		(1.8

Net income attributable to Gold Fields shareholders

As a result of the factors discussed above, net income attributable to Gold Fields shareholders was U.S
compared to U.S.$881.5 million in fiscal 2011.

Years Ended December 31, 2011 and June 30, 2010

Revenues

Product sales increased by U.S.$1,635.8 million, or 39.3%, from U.S.$4,164.3 million in fiscal 2010 to U
The increase in product sales was primarily due to an increase in the average realized gold price of 44.6
fiscal 2010 to U.S.$1,569 per ounce in fiscal 2011 and an increase in the average realized copper price of
to U.S.$8,160 per tonne, coupled with a decrease of approximately 0.14 million equivalent ounces, or 3.
from 3.837 million ounces in fiscal 2010 to 3.697 million ounces in fiscal 2

At the Cerro Corona operation in Peru copper production was converted to equivalent gold ounces on a m
and gold prices for the month in which the copper was produced.

At the South African operations, gold sales decreased from 1.93 million ounces in fiscal 2010 to 1.72 milli
as a result of safety related stoppages and wage related industrial action. At KDC, gold sales decreased by
to wage related industrial action and safety related stoppages, resulting in lower underground mining vol
gold sales decreased from 0.39 million ounces to 0.35 million ounces mainly due to lower mining grade in
mined and lower mine call factor. At South Deep, gold sales increased from 0.26 million ounces in fisca
fiscal 2011, through an increase in long hole stoping and benching, despite wage-related industrial action
mined was partly offset by a 19.0% decrease in underground yield from 6.3 grams per tonne to 5.1 gram
production from the higher grade 95 3 West area and increased infrastructure development, which cuts th
current mine area, required for access to additional de-stress mining projec

At the West African operations, total gold sales remained relatively flat at 0.94 million ounces in fiscal 201
in fiscal 2010. This was mainly due to Tarkwa remaining flat at 0.72 million ounces in fiscal 2011. Dama
from 0.21 million ounces to 0.22 million ounces due to the commissioning of the secondary crusher in th
allowed more higher grade fresh ore to be treated.

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At the South American operation of Cerro Corona in Peru, total gold equivalent sales decreased from 0.39 fiscal 2010 to 0.38 million gold equivalent ounces in fiscal 2011, mainly due to lower copper prices relati equivalent production.

At the Australasian operations, total gold sales increased from 0.59 million ounces in fiscal 2010 to 0.66 m Ives, gold sales increased by 10.5% from 0.42 million ounces to 0.47 million ounces due to increased ore the Diana, Formidable and Mars/Minotaur link, partially offset by the closure of Belleisle in May 2011. A 17.6% from 0.17 million ounces in fiscal 2010 to 0.19 million ounces fiscal 2011 due to improved p underground mine and additional ore mined at Songvang.

Costs and Expenses

The following table sets out Gold Fields total ounces sold and weighted average total cash costs and to fiscal 2010 and fiscal 2011.

	Fiscal 2010			Fiscal 2011		
	Gold sold *(000 oz)*	**Total cash costs(1)** *($/oz)*	**Total production costs(2)** *($/oz)*	**Gold sold** *(000 oz)*	**Total cash costs(1)** *($/oz)*	**To produ cost** *($/*
South Africa	**1,933**	**741**	**925**	**1,720**	**982**	**1**
KDC				1,100	963	1
Driefontein	710	691	826			
Kloof	567	769	979			
Beatrix	392	741	939	347	969	1
South Deep	264	816	1,056	273	1,073	1
Ghana	**928**	**645**	**726**	**935**	**712**	
Tarkwa(3)	721	652	745	717	668	
Damang(4)	207	621	661	218	855	
Peru	**390**	**348**	**505**	**383**	**447**	
Cerro Corona(5)	390	348	505	383	447	
Australia(6)	**586**	**692**	**957**	**659**	**849**	**1**
St. Ives	421	755	1,073	465	882	1
Agnew	165	531	660	194	769	
Total(7)(8)	**3,837**			**3,697**		
Weighted average		670	844		835	1

Notes:

(1) For information on how Gold Fields has calculated total cash costs per ounce, see Key Information Financial Data Statement of Operations Data Footnote 4 .

(2) For information on how Gold Fields has calculated total production costs per ounce, see Key Inform Consolidated Financial Data Statement of Operations Data Footnote 5 .

(3) In fiscal 2010 and 2011, 0.513 million ounces and 0.576 million ounces of sales, respectively, were a with the remainder attributable to noncontrolling shareholders in the Tarkwa operation.

(4) In fiscal 2010 and 2011, 0.147 million ounces and 0.175 million ounces of sales, respectively, were a remainder attributable to noncontrolling shareholders in the Damang operation.

(5) In fiscal 2010 and 2011, 0.315 million ounces and 0.356 million ounces of sales were attributable to C remainder attributable to noncontrolling shareholders in the Cerro Corona operation.

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(6) The consideration paid for the Australian operations in excess of the book value of the underlying net the value of the underlying assets, which affected the allocation of amortization between St. Ives and
(7) In fiscal 2010 and 2011, 3.494 million ounces and 3.485 million ounces of sales, respectively, were a remainder attributable to noncontrolling shareholders in the Ghana and Peru operations.
(8) The total may not reflect the sum of the line items due to rounding.

The following tables set out a reconciliation of Gold Fields production costs to its total cash costs and to and fiscal 2010.

	For the year ended December 31, 2011						
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
	(in $ million except as otherwise stated)[1]						
Production Costs	1,028.7	335.1	299.0	450.3	173.9	401.2	145.7
Less:							
G&A other than corporate costs	(14.6)	(2.9)	(3.1)	(29.8)	(2.9)	(8.0)	(5.0)
GIP adjustment[2]				12.0	1.4	0.8	1.4
Share-based payments	(16.9)	(5.8)	(5.1)	(4.3)	(1.8)	(2.5)	(0.8)
Plus: Employee termination costs	27.0	4.9	0.1				
Royalties	35.5	4.6	2.1	51.0	15.5	18.4	7.9
Total cash costs[6]	1,059.7	335.9	293.0	479.2	186.1	409.9	149.3
Plus: Amortization[2]	238.9	71.1	76.6	53.9	14.8	161.1	27.2
Share-based payments	16.9	5.8	5.1	4.3	1.8	2.5	0.8
Rehabilitation	10.8	2.9	1.0	1.8	0.3	4.2	2.3
Total production costs[6]	1,326.3	415.7	375.7	539.2	203.0	577.7	179.6
Gold produced (000 oz)[3]	1,100.1	346.8	273.0	717.3	217.7	464.5	194.0
Gold sold (000 oz)	1,100.1	346.8	273.0	717.3	217.7	464.5	194.0
Total cash costs ($/oz)[4]	963	969	1,073	668	855	882	769
Total production costs ($/oz)[5]	1,206	1,199	1,376	752	932	1,244	926

Notes:

(1) Calculated using an exchange rate of R7.22 per U.S.$1.00.
(2) The GIP adjustment excludes the non-cash portion of GIP which is included in amortization. GIP rep circuit, which is expected to be recovered.
(3) For the year ended December 2011, 3.485 million ounces of production were attributable to Gold Fie to noncontrolling shareholders in the Ghana and Cerro Corona operations.
(4) For information on how Gold Fields has calculated total cash costs per ounce, see Key Information Financial Data Statement of Operations Data Footnote 4 .
(5) For information on how Gold Fields has calculated total production costs per ounce, see Key Inform Consolidated Financial Data Statement of Operations Data Footnote 5 .
(6) The total may not reflect the sum of the line items due to rounding.

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	For the year ended June 30, 2010							
	Driefontein	**Kloof**	**Beatrix**	**South Deep**	**Tarkwa**	**Damang**	**St. Ives**	**Agne**
	(in $ millions except as otherwise stated)[1]							
Production Costs	494.6	442.0	293.9	219.7	456.1	124.4	321.7	93
Less:								
G&A other than corporate costs	5.5	4.6	2.9	1.6	18.3	2.4	6.1	2
GIP adjustment[2]					(6.4)		(4.1)	0
Exploration							12.0	6
Share-based payments	(7.1)	(6.4)	(4.1)	(3.2)	(3.2)	(1.5)	(1.3)	(0
Plus: Employee termination costs	2.6	3.4	2.7	0.7				0
Royalties	5.8	1.1	0.7	0.5	29.0	8.2	11.6	4
Total cash costs[6]	490.4	435.5	290.3	216.1	470.0	128.7	318.0	87
Plus: Amortization[2]	84.0	109.7	71.2	59.5	62.1	6.5	129.3	19
Share-based payments	7.1	6.4	4.1	3.2	3.2	1.5	1.3	0
Rehabilitation	4.7	3.2	2.5	0.7	1.5	0.3	3.3	1
Total production costs[6]	586.2	554.8	368.1	279.5	536.8	137.0	451.9	109
Gold produced (000 oz)[3]	709.8	566.5	391.9	264.8	720.7	207.4	421.1	165
Gold sold (000 oz)	709.8	566.5	391.9	264.8	720.7	207.4	421.1	165
Total cash costs ($/oz)[4]	691	769	741	816	652	621	755	53
Total production costs ($/oz)[5]	826	979	939	1,056	745	661	1,073	66

Notes:

(1) Calculated using an exchange rate of R7.58 per U.S.$1.00.
(2) The GIP adjustment excludes the non-cash portion of GIP which is included in amortization. GIP rep
circuit, which is expected to be recovered.
(3) In fiscal 2010, 3.497 million ounces of production were attributable to Gold Fields, with the remaind
shareholders in the Ghana and Cerro Corona operations.
(4) For information on how Gold Fields has calculated total cash costs per ounce, see Key Information
Financial Data Statement of Operations Data Footnote 4 .
(5) For information on how Gold Fields has calculated total production costs per ounce, see Key Inforn
Consolidated Financial Data Statement of Operations Data Footnote 5 .
(6) The total may not reflect the sum of the line items due to rounding.

Gold Fields weighted average total cash costs per ounce increased by U.S.$165 per ounce, or 24.6%, fro
to U.S.$835 per ounce in fiscal 2011.

The weighted average total cash costs at the South African operations increased by U.S.$241 per ounce, o
in fiscal 2010 to U.S.$982 per ounce in fiscal 2011. This increase was as a result of the increase in electri
wage increases, the 4.7% strengthening of the Rand against the U.S. dollar and lowe

The weighted average total cash costs at the West African operations increased by U.S.$67 per ounce, or 1
fiscal 2010 to U.S.$712 per ounce in fiscal 2011. This increase was as a result of the increase in elec

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The weighted average total cash costs per ounce at the South American operation increased by U.S.$99 pe
per ounce in fiscal 2010 to U.S.$447 per ounce in fiscal 2011. This increase was due to the decrease in go
increase in statutory workers participation as a result of increased profits

The weighted average total cash costs per ounce at the Australasian operations increased by U.S.$157 per
per ounce in fiscal 2010 to U.S.$849 per ounce in fiscal 2011. This increase was due to inflationary incre
fuel prices and contractor costs at St. Ives and the increase in more expensive ounces mined from Songv
offset by increased production at both St. Ives and Agnew.

Production costs

Production costs increased by U.S.$415.4 million, or 16.1%, from U.S.$2,573.6 million in fiscal 2010 to U

This increase was due to the 4.7% strengthening of the South African Rand against the U.S. dollar, infl
increases, increases in electricity tariffs in South Africa and Ghana, increases in fuel prices in Ghana and A
in Australia and the increase in statutory workers participation in Cerro Corona as a result o

Depreciation and amortization

Depreciation and amortization charges increased by U.S.$114.2 million, or 18.1%, from U.S.$631.1 mil
million in fiscal 2011. Depreciation and amortization is calculated on the units-of-production method and i
as a percentage of total expected gold production over the lives of the different mines. In South Africa th
Rand, the increase in short life ore reserve development which is amortized over a shorter period at KDC
Deep. The increase in Ghana was mainly at Tarkwa due to the increase in production and additional amor
the high pressure grinding rolls (HPGR). In Australia the increase was mainly due to the increase in produc
rates on the Formidable pit, Mars Minotaur Link and Diana pit is much higher than that of the prev

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The table below depicts the changes from June 30, 2010 to December 31, 2011 for proven and probable re
and for the LoM for each operation and the resulting impact on the amortization charge in fiscal 2010 a
information is based on the operations strategic plans, adjusted for proven and probable reserve balanc
calculated using the LoM for each operation, which is based on: (1) the proven and probable reserves abov
the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and u
reserves); and (2) the amount of gold produced by the operation during the year. The ore reserve statemen
effective on January 1, 2012.

	Proven and probable reserves as of			Lif
	June 30, 2010	Dec 31, 2010	Dec 31, 2011	Dec 3 201
		(000 oz)		
South African Region				
KDC	17,600	16,500	16,600	1
Beatrix	5,400	5,500	5,000	1
South Deep	16,900	28,800	30,000	5
West African Region				
Tarkwa[2]	9,900	9,300	10,300	14.
Damang[3]	2,100	2,000	3,400	9.
South American Region				
Cerro Corona[4]	2,700	2,700	6,100	1
Australasian Region[5]				
St. Ives	2,300	2,800	2,800	
Agnew	1,200	1,300	1,300	
Corporate and other				
Total	58,100	68,900	75,500	
Reserves below infrastructure[6]	21,300	9,500	9,600	
Total reserves[7]	79,400	78,400	85,100	

Notes:

(1) The LoM for each operation shown in the above table differs from that shown in Information on the Operations. The LoM in the above table is based on the above infrastructure proven and probable re information in Information on the Company Gold Fields Mining Operations is based on both ab probable reserves.

(2) As of June 30, 2010, December 31, 2010 and December 31, 2011 reserves of 7.038 million ounces, 6 9.310 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attrib shareholders in the Tarkwa operation.

(3) As of June 30, 2010, December 31, 2010 and December 31, 2011 reserves of 1.493 million ounces, 1 3.051 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attrib shareholders in the Damang operation.

(4) As of June 30, 2010, December 31, 2010 and December 31, 2011 reserves of 2.179 million ounces, 2 6.011 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributa in the Cerro Corona operation.

(5) The consideration paid for the Australian operations in excess of the book value of the underlying ne the value of the underlying assets, which affected the allocation of amortization between St. Ives and

(6) Below infrastructure reserves relate to mineralization which is located at a level at which an operatio infrastructure sufficient to allow mining operations to occur, but where the operation has made plans in the future which will allow mining to occur at that level.

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(7) As of June 30, 2010, December 31, 2010 and December 31, 2011 reserves of 75.940 million ounces, 77.612 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attri shareholders in the West African and South American operations.

Corporate expenditure

Corporate expenditure decreased from U.S.$54.5 million in fiscal 2010 to U.S.$37.6 million in fiscal 2 decrease is mainly due to the strengthening of the Rand against the U.S. dollar and the effect of corporate during calendar 2010. Corporate expenditure consists primarily of general corporate overhead and corp primarily in the areas of technical services, human resources and finance, which are used by the operati includes business development costs. In Rand terms, corporate expenditure decreased to R271.5 million in fiscal 2010 mainly due to the reallocation of costs to the operations as well as restruct

Employee termination costs

Employee termination costs increased from U.S.$10.3 million in fiscal 2010 to U.S.$32.8 million in fisc fiscal 2011 and 2010 related primarily to restructuring at the South African operations as part

Exploration expenditure

Exploration expenditure increased from U.S.$86.6 million in fiscal 2010 to U.S.$125.4 million in fiscal 20 of the expenditure was incurred on a diversified pipeline of projects in Africa, Australia, Asia and North, the increase in fiscal 2011 due primarily to a higher spend on advanced stage exploration projects; U.S.$ project in Finland and U.S.$23.0 million on Yanfolila in Mali, U.S.$15.0 million on FSE in the Philippines Canada and U.S.$4 million on Tacna, Moquequa and Amantina in Peru. Subject to continued exploration s expected to be U.S.$110 million in fiscal 2012. See Information on the Company Growth &

Feasibility and evaluation costs

Feasibility and evaluation expenditure increased from nil in fiscal 2010 to U.S.$95.2 million in fiscal 2011 Chucapaca in Peru on a 100% basis, U.S.$17.4 million on the FSE project in the Philippines and U.S.$18 project in Ghana.

(Loss)/profit on disposal of property, plant and equipment

Profit on disposal of property, plant and equipment was U.S.$0.3 million in fiscal 2010 compared to a loss

The major disposals in fiscal 2011 related to the sale of various redundant assets primarily at Tarkwa, La 2010, they related to the sale of surplus housing at Beatrix.

Impairment of assets

There was no impairment of assets in fiscal 2010 compared with U.S.$9.5 million in fiscal 2011. The in resulted from the decision to reassess the optimal processing methodology for the oxides at Cerro Corona evaluation of a heap leach operation to capture the value inherent in the oxide instead of a stand-alone ox which were written off this year.

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Increase/(decrease) in provision for post-retirement healthcare costs

In South Africa, Gold Fields provides medical benefits to employees in its operations through the G

Under the medical plan which covers certain of its former employees, Gold Fields remains liable for 50%
contributions after their retirement. At December 31, 2011, 128 (fiscal 2010: 166) former employees we
benefit is not available to members of the scheme who were employees of the former Free State opera
operation) who retired after August 31, 1997, and other employees who retired after Ja

As part of the acquisition of South Deep, Gold Fields assumed an additional post-retirement healthcare co
South Deep belonged to a commercial medical scheme with employer liability for contribution per pensio
R400 monthly contribution was fixed until the termination of Gold Fields obligations on December 31,
182 former South Deep employees that were subject to this employer contrib

In fiscal 2011, U.S.$0.1 million was charged to earnings compared with a U.S.$9.4 million credit to ea
obligations under these medical plans in fiscal 2010. The U.S.$0.1 million charge in fiscal 2011 compris
charge. The U.S.$9.4 million credit comprises the annual interest and service charge and a decrease in the
due to the buy-out of 22 members. The post-retirement healthcare provision is updated annually based o
increase in the provision reflected in the statement of operations.

Accretion expense on provision for environmental rehabilitation

At all of its operations, Gold Fields makes full provision for environmental rehabilitation based on the net
of restoring the environmental disturbance that has occurred up to the balance sheet date. The rehabilitatio
million in fiscal 2010 to U.S.$24.9 million in fiscal 2011. The increase is due primarily to the effect of hi
2011 compared to fiscal 2010.

For its South African operations, Gold Fields contributes to environmental trust funds it has established
rehabilitation obligations and expected closure costs relating to its mining operations. The amounts investe
non-current assets and any income earned on these assets is accounted for as interest income. For the Gh
operations Gold Fields does not contribute to a trust fund.

Interest and dividends

Interest and dividend income decreased from U.S.$40.2 million in fiscal 2010 to U.S.$25.4 million in fisc
due to lower interest rates in fiscal 2011 compared to fiscal 2010.

The interest and dividends received in fiscal 2011 of U.S.$25.4 million comprised U.S.$0.5 million in div
monies invested in the South African environmental rehabilitation trust funds and U.S.$15.2 million on
balances.

The interest and dividends received in fiscal 2010 of U.S.$40.2 million comprised U.S.$0.1 million in div
monies invested in the South African environmental rehabilitation trust funds and U.S.$31.4 million on
balances.

Interest received on the funds invested in rehabilitation trust funds increased from U.S.$8.7 million in fisca
2011 mainly due to a an interest adjustment on maturity, in November 2011, of a consumer-price-index-li
fund investment portfolio.

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Interest on cash balances decreased from U.S.$31.4 million in fiscal 2010 to U.S.$15.2 million in fiscal 20
rates in fiscal 2011 compared with fiscal 2010.

Finance expense

Finance expense decreased from U.S.$65.2 million in fiscal 2010 to U.S.$54.3 million

Net finance expense in fiscal 2011 consisted of gross interest payments of U.S.$63.6 million (2010: U.S.
interest capitalized of U.S.$9.3 million (2010: U.S.$6.5 million).

The interest payments in fiscal 2011 and 2010 comprised:

Interest on the U.S.$1 billion 4.875% guaranteed notes due October 7, 2020
Interest on the U.S.$200 million Non-Revolving Senior Secured Term Loan
Interest on the U.S.$1 billion Syndicated Revolving credit facility
Interest on the Split-tenor Revolving credit facility
Interest on borrowings to fund capital expenditure and operating costs at the South African operations
Interest on the non-convertible redeemable preference shares
Interest on DMTN Program (Commercial Paper)
Interest on the U.S.$60 million Senior Secured Revolving credit facility
Forward cover costs on the foreign exchange contract taken out on the revolving credit facility
Interest on Project Finance loan La Cima (Cerro Corona)
Other interest charges
Gross interest paid

Interest on the U.S.$1 billion guaranteed notes increased from nil in fiscal 2010 to U.S.$50.0 million in f
notes on September 30, 2010.

Interest on borrowings to fund capital expenditure and operating costs at the South African operations dec
fiscal 2010 to U.S.$1.4 million in fiscal 2011 due to the repayment of the borro

Interest on the non-convertible Gold Fields preference shares decreased from U.S.$5.9 million in fiscal
2011 because in March 2011, the entire outstanding balance of U.S.$90 million (including U.S.$1.5 m
preference shares to Rand Merchant Bank, was redeemed. See Liquidity and Capital Resources Credit

Interest on DMTN Program decreased from U.S.$27.4 million in fiscal 2010 to U.S.$1.1 million in fiscal
commercial paper in fiscal 2011.

Forward cover costs on the foreign exchange contract decreased from U.S.$5.0 million in fiscal 2010
settlement of the forward cover on September 17, 2009.

Interest on the Project Finance loan decreased from U.S.$5.1 million in fiscal 2010 to nil in fiscal 2011 d
September 16, 2010.

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Interest on borrowings incurred in respect of assets requiring a substantial period of time to prepare for the
date on which the assets are substantially completed and ready for their intended use, at which time they v
the corresponding assets. During fiscal 2011, U.S.$9.3 million was capitalized in respect of the South
ventilation shaft deepening projects compared to U.S.$6.5 million in fiscal 2010 in resp

Gain/(loss) on financial instruments

Gain on financial instruments decreased from U.S.$27.7 million in fiscal 2010 to U.S.$4.4 m

The realized gain in fiscal 2011 comprised:

Gain on receipt of 15 million shares in Timpetra Resources Limited[1]
Mark-to-market gain on Atacama Pacific Corporation warrants
Other

Note:

(1) During fiscal 2011, 15 million Timpetra Resources Limited shares valued at U.S.$3.2 million were re
CVT an Australian exploration project previously owned by Gold Fields. Because Gold Fields expen
on exchange of CVT for Timpetra shares, a financial gain of U.S.$3.2 million arose.

The realized gain in fiscal 2010 comprised:

Gain on receipt of 4 million top-up shares in Eldorado Gold Corporation[1]
Loss on the copper financial instruments
Loss on the International Petroleum Exchange Gasoil call option
Other

Note:

(1) During fiscal 2010, 58 million Sino Gold shares were exchanged for 28 million shares in Eldorado. S
top-up shares were received from Eldorado. All of the Eldorado shares, including the top-up shares w
resulting in a total profit of U.S.$99.9 million, of which U.S.$53.6 million relating to the top-up share
financial instruments.

The loss on copper financial instruments in fiscal 2010 was due to the forward sale, during June 2009, o
expected copper production for monthly deliveries from June 24, 2009 to June 23, 2010. The average forw
was U.S.$5,001 per tonne. An additional 8,705 tonnes of Cerro Corona s expected copper production for
a zero cost collar, guaranteeing a minimum price of U.S.$4,600 per tonne with full participation up to a m
tonne.

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Gain/(loss) on foreign exchange

Gold Fields recognized an exchange gain of U.S.$9.1 million in fiscal 2011 compared to an exchange loss

The gain of U.S.$9.1 million in fiscal 2011 comprises:

Gain on repayment of U.S. dollar denominated intercompany loans
Exchange gain on cash and cash equivalent balances held in currencies other than the functional currencies of the Gold Fields various subsidiary companies

The loss of U.S.$8.5 million in fiscal 2010 comprises:

Loss on Australian dollar denominated intercompany loans
Exchange losses on cash and cash equivalent balances held in currencies other than the functional currencies of the Gold Fields various subsidiary companies

Profit/(loss) on disposal of listed investments

During fiscal 2011 and 2010, Gold Fields liquidated certain non-current investments. The gain on dispos
from U.S.$111.7 million in fiscal 2010 to U.S.$12.8 million in fiscal 201

The gain on of U.S.$12.8 million in fiscal 2011 resulted from the following s

Gain on the sale of 12.5 million shares in Gold One International Limited
Gain on exchange of 51.8 million Conquest Mining Limited shares for 15.5 million shares in Evolution Mining Limited

The gain of U.S.$111.7 million in fiscal 2010 resulted from the following sa

Gain on exchange of 58 million Sino Gold shares for 28 million shares in Eldorado Gold Corporation[1]
Gain on sale of 32 million Eldorado Gold Corporation shares acquired through the Sino Gold Inc. share exchange (28 million) plus a further 4 million top-up shares
Gain from sale of Troy Resources shares
Gain from sale of Orezone Resources shares
Gain from sale of equity shares held through the New Africa Mining Fund

Gain from sale of Aquarius Platinum Ltd

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Note:

(1) During fiscal 2010, 58 million Sino Gold shares were exchanged for 28 million shares in Eldorado. S
top-up shares were received from Eldorado. All of the Eldorado shares, including the top-up shares w
resulting in a total profit of U.S.$99.9 million, of which U.S.$53.6 million relating to the top-up share
financial instruments.

Impairment of listed investments

The charge in fiscal 2010 was U.S.$8.1 million compared with U.S.$0.5 million in fiscal 2011 and relat
offshore listed exploration investments to their market values. The decline in market value below the carry
determined to be other than temporary.

Royalties

Royalties of nil in fiscal 2010 compared with U.S.$149.7 million in fiscal 2011. In fiscal 2010, royaltie
mining tax expense. The reason for the classification is explained below

The classification of royalty expense at the Group s operations requires judgment, particularly at the Gr
operations, where the percentages to be applied in calculating royalties are influenced by the expenses inc
sales (and therefore the profitability of the operations). In light of the continued increase in royalties at the
and the fact that the calculation of royalties in Ghana, representing the largest component of consolidated
a predetermined 5% of product sales (regardless of the operating margin), Gold Fields has changed the cla
consolidated financial statements from a component of income and mining taxes to other expense
operations for fiscal 2011. Given the change in circumstances, Gold Fields considered it appropriate t
prospective basis.

Other expenses

Other expenses represents miscellaneous corporate expenditure not allocated to the operations, net of mis
scrap sales and rental income. In fiscal 2010, there were other expenses of U.S.$45.0 million compared wit
The increase in fiscal 2011 is in part attributable to the stronger Rand against the U

Other expenses in fiscal 2011 and fiscal 2010 consisted of miscellaneous items whic

Corporate social investment and sponsorship costs;

Research and development into mechanized mining;

Share-based compensation for service entities;

Loan facility charges;

Restructuring costs as part of the business process re-engineering; and

Legal fees paid as a result of a dispute with a former mining contractor at the Ghanaian operatio

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Income and mining tax expense

Income and mining tax expense increased from U.S.$358.4 million in fiscal 2010 to U.S.$552.0 million i
forth Gold Fields effective tax rate for fiscal 2011 and fiscal 2010, including normal a

	2011
Effective tax expense rate	36.

In fiscal 2011, the effective tax expense rate of 36.6% was lower than the maximum South African mining
due to the tax-effect of the following:

U.S.$239.2 million adjustment to reflect the actual realized company tax rates in South Africa a

U.S.$11.9 million reduction relating to the South African mining tax formula rate adjustment;

U.S.$22.0 million reversal of valuation allowance previously raised against deferred tax assets;

U.S.$9.1 million deferred tax release on reduction of the estimated rate at the Peruvian operatio

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

U.S.$199.0 million non-deductible expenditure comprising mainly U.S.$24.5 million share-bas
million exploration and feasibility and evaluation costs and U.S.$35.9 million National Stabilis

In fiscal 2010, the effective tax expense rate of 42.1% was lower than the maximum South African mining
due to the tax-effect of the following:

U.S.$62.7 million adjustment to reflect the actual realized company tax rates in South Africa an

U.S.$16.6 million reduction relating to the South African mining tax formula rate adjustment; a

U.S.$27.4 million net adjustment comprising U.S.$80.7 million of profit on disposal of investm
investments relating to the Eldorado top-up shares, which are subject to capital gains tax rather
royalties, offset by U.S.$53.3 million comprising non-deductible charges, mainly share-based c
expense.

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

U.S.$71.6 million of royalties and levies at the South African, West African, Australasian and S

U.S.$8.3 million in additional valuation allowance raised against deferred tax assets; and

U.S.$23.9 million of capital gains tax on taxable gains on disposal of investments.

Impairment of investment in equity investee

The impairment of investment in equity investee was nil in fiscal 2010 compared with U.S.$6.8 million in
The market value and carrying value of Rusoro at December 31, 2011 was U.S.$13.2 million. Gold Fields
of fiscal 2011 and fiscal 2010.

Share of equity investees profits/(losses)

Share of equity investees profits increased from a loss of U.S.$22.7 million in fiscal 2010 to a profit o

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Gold Fields equity accounts for three associates; Rand Refinery Limited, Rusoro Mining Limited and
Resources Limited.

The Group s 35% share of after-tax profits in Rand Refinery Limited was U.S.$5.0 million in fiscal 2011
fiscal 2010.

The Group s 26.4% share of after-tax profits in Rusoro Mining Limited was nil in fiscal 2011 compared
fiscal 2010. The share of Rusoro s fiscal 2010 loss took into account U.S.$27.9 million translation loss as
accounting to its investments in Venezuela.

In August 2011, President of Venezuela Hugo Chavez Frias approved a decree with force of organic la
Venezuela exclusive rights for the extraction of gold in Venezuela. The decree was subsequently appr
Venezuela and it was published in the Official Gazette of Venezuela in September 2011. The Venezuel
seeking a controlling stake of 55% in Rusoro and as such, Rusoro will be compensated for its decrease
negotiate with the Venezuelan government has now lapsed and Rusoro is preparing to seek international a
for the assets it expects to be nationalized.

During fiscal 2011, the Group acquired a 21.8% interest in Timpetra Resources Limited as a result of
Resources Limited shares valued at U.S.$3.2 million. Timpetra Resources is an Australian listed junior ex
were received in exchange for the Central Victoria tenements, an Australian exploration project previous
21.8% share of after-tax losses in Timpetra was U.S.$1.0 million during fiscal

Net income

As a result of the factors discussed above, Gold Fields net income was U.S.$953.0 million in fiscal 20
U.S.$470.3 million in fiscal 2010.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests was U.S.$79.3 million in fiscal 2010 compared to U.S.$
the purchase of noncontrolling interests in Tarkwa, Damang, Cerro Corona and Living Gold during the fi
attributable to noncontrolling interests decreased.

As a result of the purchase of the noncontrolling interests in Gold Fields Ghana (Tarkwa) and Abosso G
2011, noncontrolling interests reduced to 10.0% (effective interest for the year of 19.2%) from 28.9% i
Corona), from 19.3% to 1.5% (effective interest for the year of 7.4%) and in Living Gold (Pty) Limited
interest for the year of 3.4%).

The noncontrolling interest in Canteras del Hallazgo is 49.0% (fiscal 2010: nil). Canteras del Hallazgo is a
Chucapaca project.

The amounts making up the noncontrolling interests in fiscal 2011 and 2010

	Effective interest	Fiscal 2011
Gold Fields Ghana Limited Tarkwa	19.1%	72.0
Abosso Goldfields Damang	19.9%	13.6
La Cima Cerro Corona	7.4%	14.9
Canteras del Hallazgo	49.0%	(28.9)
Living Gold (Pty) Limited	3.4%	(0.1)
		71.5

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Net income attributable to Gold Fields shareholders

As a result of the factors discussed above, net income attributable to Gold Fields shareholders was U.S
compared to U.S.$391.0 million in fiscal 2010.

Six-Month Periods Ended December 31, 2010 and 2009

Revenues

Product sales increased by U.S.$540.3 million, or 26.7%, from U.S.$2,023.9 million in the six month per
U.S.$2,564.2 million in the six month period ended December 31, 2010. The increase in product sales was
average realized gold price of 25.9% from U.S.$1,026 per ounce in the six month period ended December
in the six month period ended December 31, 2010 and an increase in the average realized copper price of
to U.S.$7,182 per tonne.

At the Cerro Corona operation in Peru copper production was converted to equivalent gold ounces on a m
and gold prices for the month in which the copper was produced.

At the South African operations, gold sales decreased from 1.05 million ounces in the six month perio
0.98 million ounces in the six month period ended December 31, 2010 primarily as a result of lower under
decreased by 8.8% from 0.70 million ounces to 0.63 million ounces as a result of lower grades

At Beatrix, gold sales decreased by 7.0% from 0.22 million ounces in the six month period ended Decemb
in the six month period ended December 31, 2010 due to lower mining volumes. At South Deep, gol
0.14 million ounces in six month period ended December 31, 2009 to 0.15 million ounces for the six mo
2010, in line with anticipated production build-up.

At the West African operations, total gold sales increased from 0.44 million ounces in the six month per
0.48 million ounces in the six month period ended December 31, 2010.

This was mainly due to a 20.9% increase in gold sales at Damang from 0.10 million ounces in six month p
0.12 million ounces in the six month period ended December 31, 2010. Gold sales increased at Dam
commissioning of the secondary crusher in May 2010, which improved throughput and grades, as well as
2009. Tarkwa s gold sales increased by 4.1% from 0.35 million ounces to 0.36 million ounces due to

At the South American operation of Cerro Corona in Peru, total gold equivalent sales increased by 6.5%
ounces in the six month period ended December 31, 2009 to 0.20 million gold equivalent ounces in the six
2010, because of higher gold grades mined and processed.

At the Australasian operations, total gold sales increased from 0.29 million ounces in the six month peri
0.32 million ounces in the six month period ended December 31, 2010. At St. Ives, gold sales increased b
to 0.24 million ounces due to an increase in underground tonnes processed and higher head grades from su
gold sales decreased by 14.2% from 0.09 million ounces in the six month period ended December 31, 200
month period ended December 31, 2010 due to restricted underground stope access a

All percentage increase or decrease calculations above were made using full produc

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Costs and Expenses

The following table sets out Gold Fields total ounces sold and weighted average total cash costs and tota month period ended December 31, 2009 and the six month period ended Decembe

	Six month period ended December 31, 2009			Six month period ende December 31, 2010		
	Gold sold	**Total cash costs(s)[(1)]**	**Total production costs[(2)]**	**Gold sold**	**Total cash cost[(1)]**	**T pro c**
	(000 oz)	*(U.S.$ oz)*		*(000 oz)*	*(U.S.$ oz*	
South Africa	**1049**	**668**	**838**	**982**	**874**	
KDC	695	649	804	634	860	
Beatrix	217	680	867	202	868	
South Deep	137	740	961	146	940	
Ghana	**445**	**604**	**672**	**479**	**682**	
Tarkwa[(3)]	348	612	675	362	696	
Damang[(4)]	97	575	661	117	638	
Peru	**189**	**360**	**530**	**201**	**401**	
Cerro Corona[(5)]	189	360	530	201	401	
Australia[(6)]	**289**	**667**	**879**	**323**	**695**	
St. Ives	196	759	1,028	243	716	
Agnew	93	474	565	80	631	
Total[(7)(8)]	1,972			1,985		
Weighted average		624	782		753	

Notes:

(1) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined usin Institute, by gold ounces sold for all periods presented. The guidance was first adopted in 1996 and r cash costs, as defined in the Gold Institute industry guidance, are production costs as recorded in the (i.e. central) general and administrative expenses (including head office costs performance, as well a rate between the Rand and the Australian dollar, compared with the U.S. dollar). Total cash costs and U.S. GAAP measures. Management, however, believes that total cash costs per ounce provides a mea operational performance against that of its peer group, both for Gold Fields as a whole, and for its in should not consider total cash costs and total cash costs per ounce in isolation or as an alternative to t income/(loss), income before tax, operating cash flows or any other measure of financial performanc U.S. GAAP. In particular, depreciation and amortization is included in a measure of production costs included in total cash costs under the guidance provided by the Gold Institute. See Presentation of F

(2) Gold Fields has calculated total production costs per ounce by dividing total production costs, as dete provided by the Gold Institute, by gold ounces sold for all periods presented. Total production costs, industry guidance, are total cash costs, as calculated using the Gold Institute guidance, plus amortiza costs. Changes in total production costs per ounce are affected by operational performance, as well a rate between the Rand, and the Australian dollar compared with the U.S. dollar. Total production co measure. Management, however, believes that total production costs per ounce provides a measure f operational performance against that of its peer group, both for Gold Fields as a whole, and for its in should not consider total production costs per ounce in isolation or as an alternative to total productio income before tax, operating cash flows or any other measure of financial performance presented in a Presentation of Financial Information .

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(3) In the six month periods ended December 31, 2009 and 2010, 0.247 million ounces and 0.257 millior were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the
(4) In the six month periods ended December 31, 2009 and 2010, 0.069 million ounces and 0.083 millior were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the
(5) In the six month periods ended December 31, 2009 and 2010, 0.153 million ounces and 0.162 millior to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Cerro Corona op
(6) The consideration paid for the Australian operations in excess of the book value of the underlying ne the value of the underlying assets, which affected the allocation of amortization between St. Ives and
(7) In the six month periods ended December 31, 2009 and 2010, 1.806 million ounces and 1.806 millior were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the
(8) The total may not reflect the sum of the line items due to rounding.

The following tables set out a reconciliation of Gold Fields production costs to its total cash costs and tot period ended December 31, 2010 and the six month period ended December 31

				Six month period ended December 31, 201			
	KDC	Beatrix	South Deep	Tarkwa	Damang	St. Ives	Agnew
				(in U.S.$ million except as otherwise stated)			
Production Costs	523.3	170.5	138.8	258.6	73.1	162.1	49.9
Less:							
G&A other than corporate costs	(5.3)	(1.5)	(0.8)	(11.8)	(1.3)	(3.2)	(1.8)
GIP adjustment[2]				(2.8)	0.5	10.3	0.7
Share-based payments	(6.5)	(2.1)	(1.8)	(1.0)	(0.8)	(0.5)	(0.4)
Exploration						(2.6)	(1.0)
Plus:							
Employee termination costs	22.0	7.1	0.4	0.2		0.2	0.3
Royalties	11.8	1.3	0.9	8.7	3.1	7.6	2.5
Total cash costs[6]	545.5	175.3	137.5	251.9	74.6	173.9	50.2
Plus							
Amortization[2]	126.0	36.7	37.7	26.9	12.8	98.7	9.2
Share-based payments	6.5	2.1	1.8	1.0	0.8	0.5	0.4
Rehabilitation	3.6	1.2	0.3	0.2	0.1	1.0	0.7
Total production costs[6]	681.6	215.3	177.3	280.0	88.3	274.1	60.5
Gold produced (000 oz)[3]	634.0	202.0	146.2	362.0	116.9	243.0	79.6
Gold sold (000 oz)	634.0	202.0	146.2	362.0	116.9	243.0	79.6
Total cash costs (U.S.$/oz)[4] [6]	860	868	940	696	638	716	631
Total production costs (U.S.$/oz)[5][6]	1,075	1,066	1,213	773	755	1,128	760

Notes:

(1) Calculated using an exchange rate of R7.14 per U.S.$1.00.
(2) The GIP adjustment excludes the non-cash portion of GIP which is included in amortization. GIP rep circuit, which is expected to be recovered.
(3) In the six month period ended December 31, 2010, 1.806 million ounces of production were attributa remainder attributable to noncontrolling shareholders in the Ghana and Cerro Corona operations.

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(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using
Institute, by gold ounces sold for all periods presented. The guidance was first adopted in 1996 and re
cash costs, as defined in the Gold Institute industry guidance, are production costs as recorded in the
(i.e. central) general and administrative expenses (including head office costs performance, as well as
rate between the Rand and the Australian dollar, compared with the U.S. dollar). Total cash costs and
U.S. GAAP measures. Management, however, believes that total cash costs per ounce provides a mea
operational performance against that of its peer group, both for Gold Fields as a whole, and for its ind
should not consider total cash costs and total cash costs per ounce in isolation or as an alternative to t
income/(loss), income before tax, operating cash flows or any other measure of financial performance
U.S. GAAP. In particular, depreciation and amortization is included in a measure of production costs
included in total cash costs under the guidance provided by the Gold Institute. See Presentation of F

(5) Gold Fields has calculated total production costs per ounce by dividing total production costs, as dete
provided by the Gold Institute, by gold ounces sold for all periods presented. Total production costs,
industry guidance, are total cash costs, as calculated using the Gold Institute guidance, plus amortizat
costs. Changes in total production costs per ounce are affected by operational performance, as well as
rate between the Rand, and the Australian dollar compared with the U.S. dollar. Total production cos
measure. Management, however, believes that total production costs per ounce provides a measure fo
operational performance against that of its peer group, both for Gold Fields as a whole, and for its ind
should not consider total production costs per ounce in isolation or as an alternative to total productio
income before tax, operating cash flows or any other measure of financial performance presented in a
Presentation of Financial Information .

(6) The total may not reflect the sum of the line items due to rounding.

				Six month period ended December 31, 20			
	KDC	**Beatrix**	**South Deep**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**
				(in U.S.$ million except as otherwise stated			
Production Costs	461.6	150.3	103.8	201.5	55.5	151.0	47.1
Less:							
G&A other than corporate costs	(5.0)	(1.5)	(0.8)	(8.7)	(0.7)	(2.8)	(1.3
GIP adjustment[2]				11.5	(1.2)	1.9	0.8
Share-based payments	(7.7)	(2.3)	(1.7)	(2.1)	(0.9)	(1.0)	(0.4
Exploration						(5.2)	(4.6
Plus:							
Employee termination costs	2.6	1.3					
Royalties				10.8	3.0	5.0	2.4
Total cash costs[6]	451.5	147.8	101.3	213.0	55.6	148.9	44.0
Plus							
Amortization[2]	96.9	37.3	28.2	19.3	7.3	51.0	7.0
Share-based payments	7.7	2.3	1.7	2.1	0.9	1.0	0.4
Rehabilitation	3.2	1.0	0.3	0.4	0.1	0.8	1.0
Total production costs[6]	559.3	188.4	131.5	234.8	63.9	201.7	52.4
Gold produced (000 oz)[3]	695.4	217.2	136.9	347.9	96.7	196.3	92.8
Gold sold (000 oz)	695.4	217.2	136.9	347.9	96.7	196.3	92.8
Total cash costs (U.S.$/oz)[4] [6]	649	680	740	612	575	759	474
Total production costs (U.S.$/oz)[5][6]	804	867	961	675	661	1,028	565

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Notes:

(1) Calculated using an exchange rate of R7.65 per U.S.$1.00.
(2) The GIP adjustment excludes the non-cash portion of GIP which is included in amortization. GIP rep
circuit, which is expected to be recovered.
(3) In the six month period ended December 31, 2009, 1.806 million ounces of production were attributa
remainder attributable to noncontrolling shareholders in the Ghana and Cerro Corona operations.
(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using
Institute, by gold ounces sold for all periods presented. The guidance was first adopted in 1996 and re
cash costs, as defined in the Gold Institute industry guidance, are production costs as recorded in the
(i.e. central) general and administrative expenses (including head office costs performance, as well as
rate between the Rand and the Australian dollar, compared with the U.S. dollar). Total cash costs and
U.S. GAAP measures. Management, however, believes that total cash costs per ounce provides a mea
operational performance against that of its peer group, both for Gold Fields as a whole, and for its inc
should not consider total cash costs and total cash costs per ounce in isolation or as an alternative to t
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(5) Gold Fields has calculated total production costs per ounce by dividing total production costs, as dete
provided by the Gold Institute, by gold ounces sold for all periods presented. Total production costs,
industry guidance, are total cash costs, as calculated using the Gold Institute guidance, plus amortizat
costs. Changes in total production costs per ounce are affected by operational performance, as well as
rate between the Rand, and the Australian dollar compared with the U.S. dollar. Total production cos
measure. Management, however, believes that total production costs per ounce provides a measure fo
operational performance against that of its peer group, both for Gold Fields as a whole, and for its inc
should not consider total production costs per ounce in isolation or as an alternative to total productio
income before tax, operating cash flows or any other measure of financial performance presented in a
Presentation of Financial Information .
(6) The total may not reflect the sum of the line items due to rounding.

Gold Fields weighted average total cash costs per ounce increased by U.S.$129 per ounce, or 20.7%, fro
period ended December 31, 2009 to U.S.$753 per ounce in the six month period ended De

The weighted average total cash costs at the South African operations increased by U.S.$207 per ounce, o
in six month period ended December 31, 2009 to U.S.$874 per ounce in the six month period en

This increase was as a result of the 6.7% strengthening of the Rand against the U.S. dollar, above inflation
electricity tariffs.

The weighted average total cash costs at the West African operations increased by U.S.$78 per ounce, or 1
six month period ended December 31, 2009 to U.S.$682 per ounce in the six month period ended Decemb
result of the increase in electricity tariffs.

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The weighted average total cash costs per ounce at the South American operation increased by U.S.$41 pe
per ounce in six month period ended December 31, 2009 to U.S.$401 per ounce in the six month period
increase was due to the increase in transport costs due to an increase in concentrate shipped as well as t
participation.

The weighted average total cash costs per ounce at the Australasian operations increased by U.S.$28 per o
ounce in six month period ended December 31, 2009 to U.S.$695 per ounce in the six month period ended
was due to the 7.5% strengthening of the Australian dollar against the U.S. dollar partly offset by the i

In the six month period ended December 31, 2010 exchange rate translations had a very significant effect
6.7% against the U.S. dollar from an average of 7.65 in six month period ended December 31, 2009 to 7.
December 31, 2010.

Production costs

Production costs, exclusive of depreciation and amortization, increased by U.S.$214.8 million, or 17.4%,
six month period ended December 31, 2009 to U.S.$1,450.3 million in the six month period end

This increase was due to a 6.7% and an 7.5% strengthening of the South African Rand and Australian
respectively, above inflation annual wage increases at the South African operations, increases in electricity
and the increase in statutory workers participation in Cerro Corona due to the increase in profitability and
and St. Ives.

Depreciation and amortization

Depreciation and amortization charges increased by U.S.$98.8 million, or 34.0%, from U.S.$290.6 milli
December 31, 2009 to U.S.$389.4 million in the six month period ended December 31, 2010. Depreciation
the units-of-production method and is based on current gold production as a percentage of total expected g
different mines. In South Africa, the increase was due to the 6.7% stronger Rand, increased amortizatio
additions to plant and machinery and the increase in short life ore reserve development (defined as develop
shorter than the LoM or shaft, including assets such as crosscuts, travelling ways, box holes) at KDC. The
was due to an increase in short life ore reserve development and due to the project build-up at South Deep.
due to the increase in production. Cerro Corona was similar as tonnes milled, on which amortization is bas
the increase was mainly due to the 7.5% stronger Australian dollar against the U.S. dollar, the increase in p
the Morgan Stanley royalty for the six month period ended December 31, 2010 compared with only fo
December 31, 2009.

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The table below depicts the changes from June 30, 2009 to December 31, 2010 for proven and probable re
and for the life of mine for each operation, and the resulting impact on the amortization charge in the six n
2009 and 2010, respectively. The LoM information is based on the operations strategic plans, adjusted
balances. In basic terms, amortization is calculated using the LoM for each operation, which is based on: (1
above infrastructure for the operation at the start of the relevant period (which are taken to be the same as
using only above infrastructure reserves); and (2) the amount of gold produced by the operation during the
as at December 31, 2010 became effective after January 1, 2011.

	Proven and probable reserves as of			Life of mine a	
	June 30, 2009	June 30, 2010	December 31, 2010	December 31, 2009	Decem 20
		(000 oz)			(years)
South African Region					
KDC	19,800	17,600	16,500	18	
Beatrix	6,100	5,400	5,500	13	
South Deep	17,200	16,900	28,800	42	
West African Region					
Tarkwa(1)	10,700	9,900	9,300	13	
Damang(2)	1,800	2,100	2,000	10	
South American Region					
Cerro Corona(3)	2,800	2,700	2,700	15	
Australasian Region(4)					
St. Ives	2,300	2,300	2,800	5	
Agnew	700	1,200	1,300	4	
Corporate and other					
Total	61,400	58,100	68,900		
Reserves below infrastructure(5)	21,700	21,300	9,500		
Total reserves(6)	83,100	79,400	78,400		

Notes:

(1) As of June 30, 2009, June 30, 2010 and December 31, 2010, reserves of 7.608 million ounces, 7.038
ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to nonc
Tarkwa operation.

(2) As of June 30, 2009, June 30, 2010 and December 31, 2010, reserves of 1.280 million ounces, 1.493
ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to nonc
Damang operation.

(3) As of June 30, 2009, June 30, 2010 and December 31, 2010, reserves of 2.260 million ounces, 2.179
ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to nonc
Cerro Corona operation. However, amortization at Cerro Corona is based on tonnes milled being the
life of the mine.

(4) The consideration paid for the Australian operations in excess of the book value of the underlying net
the value of the underlying assets, which affected the allocation of amortization between St. Ives and

(5) Below infrastructure reserves relate to mineralization which is located at a level at which an operation
infrastructure sufficient to allow mining operations to occur, but where the operation has made plans
in the future which will allow mining to occur at that level.

(6) As of June 30, 2009, June 30, 2010 and December 31, 2010 reserves of 78.947 million ounces, 75.94
74.571 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attri
shareholders in the West African and South American operations.

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Corporate expenditure

Corporate expenditure was U.S.$24.5 million in the six month period ended December 31, 2010 compare month period ended December 31, 2009, a decrease of 13.1%. The decrease is mainly due to the restruc Johannesburg, that took place in the six months period ended December 31, 2009. Corporate expenditu corporate overhead and corporate service department costs, primarily in the areas of technical services, hu are used by the operations. Corporate expenditure also includes business development costs. In Rand term from R180.0 million in the six month period ended December 31, 2009 to R148.0 million in the six month

Employee termination costs

In the six month period ended December 31, 2010, Gold Fields incurred employee termination costs of U.S.$4.3 million in the six month period ended December 31, 2009. The terminations related primarily to operations. The significant increase in 2010 is mainly due to employees opting for voluntary separation process re-engineering exercise.

Exploration expenditure

Exploration expenditure was U.S.$53.2 million in the six month period ended December 31, 2010, an in million in the six month period ended December 31, 2009. The bulk of the expenditure was incurred on a Africa, Europe, Asia, Australia and North, South and Central America, with the increase in the six mon primarily to a higher spend on advanced stage exploration projects; U.S.$8.3 million on Chucapaca in P South East and U.S.$6.1 million on Yanfolila in Mali. Subject to continued exploration success, explorat U.S.$143.0 million in the fiscal year ending December 31, 2011 (excluding expenditure in relation to FSE Project).

Feasibility and evaluation costs

Feasibility and evaluation costs were U.S.$9.3 million in the six month period ended December 31, 2010 month period ended December 31, 2009. The costs were comprised of spending on the Chucapaca project FSE in the Philippines of U.S.$3.0 million.

No feasibility and evaluation costs were incurred on these two projects during the six month period ende programs only beginning in the six month period ended December 31, 201

Profit on disposal of property, plant and equipment

Profit on disposal of property, plant and equipment increased from U.S.$0.1 million in the six month per U.S.$0.7 million in the six month period ended December 31, 2010.

The major disposals in the six month period ended December 31, 2010 related to the sale of equipment at Cima compared to the sale of assets at KDC, Beatrix and La Cima in the six month period end

(Decrease)/increase in provision for post-retirement healthcare costs

In South Africa, Gold Fields provides medical benefits to employees in its operations through the G

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Under the medical plan which covers certain of its former employees, Gold Fields remains liable for 50%
contributions after their retirement. At December 31, 2010, 142 (June 30, 2010: 166) former employees
fiscal 2009, there was no actuarial valuation at December 31, 2009 because the valuation was conducted a
available to members of the scheme who were employees of the former Free State operation (which is now
after August 31, 1997, and other employees who retired after January 31, 1

As part of the acquisition of South Deep, Gold Fields assumed an additional post-retirement healthcare c
South Deep belong to a commercial medical scheme with employer liability for contribution per pensione
R400 monthly contribution is fixed until the termination of Gold Fields obligations on December 31, 2
were 194 (June 30, 2010: 182) former South Deep employees that were subject to this emp

In the six month period ended December 31, 2010, an amount of U.S.$0.1 million was credited to earning
six month period ended December 31, 2009, in respect of Gold Fields obligations under these medical p
the six month period ended December 31, 2009 and U.S.$0.1 million in six month period ended Decem
interest and service charge. The post-retirement healthcare provision is updated annually based on actuaria
the provision reflected in the statement of operations.

Accretion expense on provision for environmental rehabilitation

At all of its operations, Gold Fields makes full provision for environmental rehabilitation based on the net
of restoring the environmental disturbance that has occurred up to the balance sheet date. The rehabilitatio
ended December 31, 2010 was U.S.$10.9 million compared to U.S.$9.9 million in the six month period
increase is due primarily to the effect of translating accretion expenses at the South African operations at
dollar.

For its South African operations, Gold Fields contributes to environmental trust funds it has established
rehabilitation obligations and expected closure costs relating to its mining operations. The amounts investe
non-current assets and any income earned on these assets is accounted for as interest income. For the Gh
operations Gold Fields does not contribute to a trust fund.

Interest and dividends

Interest and dividends amounted to U.S.$12.9 million in the six month period ended December 31, 2010
the six month period ended December 31, 2009. The decrease was mainly due to lower interest rates
December 31, 2010 compared to the six month period ended December 31, 2

The interest and dividends received in the six month period ended December 31, 2010 of U.S.$12.9 milli
monies invested in the South African environmental rehabilitation trust funds and U.S.$8.7 million on
balances.

The interest and dividends received in the six month period ended December 31, 2009 of U.S.$19.2 milli
monies invested in the South African environmental rehabilitation trust funds and U.S.$14.6 million on
balances.

Interest on cash balances decreased from U.S.$14.6 million in the six month period ended December 31, 2
month period ended December 31, 2010 mainly due to lower interest rates in the six month period

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Finance expense

Gold Fields recognized net finance expense of U.S.$31.7 million in the six month period ended Decembe
million in the six month period ended December 31, 2009.

Net finance expense in the six month period ended December 31, 2010 consisted of gross interest paym
U.S.$33.7 million) partially offset by interest capitalized of U.S.$4.7 million (2009: U.

The gross interest payments in the six month periods ended December 31, 2010 and 20

Interest on the U.S.$1,000,000,000 4.875% guaranteed notes due October 7, 2020, or the Notes
Interest on the U.S.$200 million Non-revolving Senior Secured Term Loan
Interest on the non-convertible redeemable preference shares, or the Preference shares
Interest on R10 billion Domestic Medium Term Note program, or the DMTN Program
Interest on borrowings to fund capital expenditure and operating costs at the South African operations
Forward cover costs on the foreign exchange contract taken out on the revolving credit facility
Interest on Project Finance loan La Cima (Cerro Corona)
Interest on the split-tenor revolving credit facility used to partially fund the Morgan Stanley Royalty, the acquisition of Glencar and capital expenditure in Cerro Corona in 2009
Other interest charges

Gross interest paid

Interest charges increased from U.S.$33.7 million to U.S.$36.4 million due

Higher average borrowings on the DMTN Program;

Interest charges arising from the new U.S.$1 billion notes issue and non-revolving senior secure
These increases were partly offset by:

Lower borrowings at the South African operations and the repayment of the Project Finance loa

The cancellation of the forward cover contract on the Western Areas loan in September 2009, r
in the six month period ended December 31, 2010 compared to U.S.$5.4 million in the six mon
2009.

The overall strategy at South African operations was to move away from traditional bank debt and to acce
order to benefit from the lower interest rates offered by commercial paper. With the U.S.$1 billion Note
under the DMTN program were repaid and replaced with the less expensive N

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Interest on borrowings incurred in respect of assets requiring a substantial period of time to prepare for the
date on which the assets are substantially completed and ready for their intended use, at which time they v
the corresponding assets. During the six month period ended December 31, 2010, U.S.$4.7 million was c
Deep operation compared to U.S.$2.4 million in the six month period ended Decemb

Gain/(loss) on financial instruments

Gold Fields recognized a net gain on financial instruments of U.S.$1.0 million in the six month period enc
to U.S.$28.2 million in six month period ended December 31, 2009.

The gain on financial instruments in the six months to December 31, 2010 related to the U.S.$1.4 millio
warrants in Atacama Pacific Corporation, partly offset by a U.S.$0.4 million loss on the Rand/

The realized net gain in the six month period ended December 31, 2009 comp

Gain on receipt of 4 million top-up shares in Eldorado Gold Corporation[(1)]
Loss on the copper financial instruments[(2)]
Loss on the International Petroleum Exchange Gasoil call option
Other

Notes:

(1) During the six month period ended December 31, 2009, 58 million Sino Gold shares were exchanged
at a profit of U.S.$59.0 million. Subsequently, a further four million top-up shares, valued at U.S.$53
Eldorado and accounted for as gain on financial instruments. The 28 million Eldorado shares were lic
period ended December 31, 2009, resulting in a profit of U.S.$36.3 million.

(2) The loss on copper financial instruments in the six month period ended December 31, 2009 was due t
2009, of 8,705 tonnes of Cerro Corona s expected copper production for monthly deliveries from Jur
average forward price for the monthly deliveries was U.S.$5,001 per tonne.

An additional 8,705 tonnes of Cerro Corona s expected copper production for the six month period ended
means of a zero cost collar, guaranteeing a minimum price of U.S.$4,600 per tonne with full participa
U.S.$5,400 per tonne. The above loss relates to 4,415 forward tonnes and 4,415 zero-co

(Loss)/gain on foreign exchange

Gold Fields recognized an exchange loss of U.S.$1.4 million in the six month period ended December 31,
in the six month period ended December 31, 2009.

The loss of U.S.$1.4 million in the six months to December 31, 2010 related to net exchange losses on c
held in currencies other than the functional currencies of the Gold Fields various subsi

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The loss of U.S.$7.2 million in the six month period ended December 31, 2009 c

Loss on Australian dollar denominated intercompany loans
Net exchange gains on cash and cash equivalent balances held in currencies other than the functional currencies of the Gold Fields various subsidiary companies

(Loss)/profit on disposal of listed investments

During the six month periods ended December 31, 2010 and 2009, Gold Fields liquidated certain non-cur period ended December 31, 2010, a loss of U.S.$0.4 million was realized on disposal of investments he compared to a gain of U.S.$99.2 million in the six month period ended December

The gain of U.S.$99.2 million resulted from the following sales:

Gain on exchange of 58 million Sino Gold shares for 28 million shares in Eldorado Gold Corporation(1)
Gain on sale of 28 million Eldorado Gold Corporation shares acquired through the Sino Gold Inc. share exchange
Gain from sale of Troy Resources shares

Note:

(1) During the six month period ended December 31, 2009, 58 million Sino Gold shares were exchanged at a profit of U.S.$59.0 million. Subsequently, a further four million top-up shares, valued at U.S.$53 Eldorado and accounted for as gain on financial instruments. The 28 million Eldorado shares were lic period ended December 31, 2009, resulting in a profit of U.S.$36.3 million.

Impairment of listed investments

There was no impairment charge recognized in the six month period ended December 31, 2010 compared the six month period ended December 31, 2009. The impairment relates to various offshore listed explor value as at December 31, 2009. The decline in market value below the carrying value of these investment temporary.

South African Equity Empowerment Transactions

The Mining Charter requires mining entities to achieve a 26% ownership of South African mining asse

In fiscal year ended June 30, 2004, Gold Fields implemented its first 15% Black Economic Empowern Mvelaphanda, a BEE partner. During the six month period ended December 31, 2010. Gold Fields imp transactions which enable the Group to achieve the 2014 BEE equity ownership

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The value of these transactions was U.S.$297.6 million (2009: U.S.$0 million) and were comprised of a
ESOP, for 10.75% of GFIMSA; a broad-based BEE transaction for 10.0% of South Deep, and a broad-b
GFIMSA, excluding South Deep. For accounting purposes, these transactions qualify as share-b

The U.S.$297.6 million was comprised of U.S.$171.9 million for the ESOP, U.S.$10.2 million for the GF
million for the South Deep transaction.

Under the ESOP transaction, 13.5 million shares were issued to approximately 47,000 Gold Fields emplo
the grant date using the Gold Fields closing share price of R122.79 on December 22, 2010, adjusted by a
reflect the value of the restrictions placed on these shares; that the eligible employees may not dispose of
grant gate. The cost of this once-off share-based compensation was U.S.$171.9

Under the GFIMSA transaction, 0.6 million shares were issued to broad-based BEE partners on Decem
compensation cost, based on the closing price of R118.51, was U.S.$10.2 million. These shares were not a
because they had no trading restrictions.

The South Deep transaction amounted to U.S.$115.5 million and was made up of a preferred BEE divid
equity component equivalent to U.S.$94.3 million. Under the South Deep transaction, a wholly-owned su
was created to acquire 100% of the South Deep asset from GFIMSA. The new company then issued 10
representing 10.0% of South Deep s net worth to a consortium of BEE partners. Class B ordinary shareho
per share and can convert to Class A ordinary shares over a twenty year period from the effective date of
The Class B ordinary shares will convert one-third after ten years and a third thereafter on each fifth y
purposes, the dividend represents a liability of Gold Fields to the Class B ordinary shareholders and quali
It has been valued at U.S.$21.2 million, of which U.S.$2.7 million has been classified as a short-term po
Rand based effective interest rate used to discount the future dividend payments w

The disposal of 10% of South Deep was subject to valuation adjustments relating to minority, liquidity a
resulted in an overall once-off share-based compensation expense of U.S.$94.3

All but the dividend share-based compensation have been included within additional paid-in capital w
long-term dividend liability component of the share-based compensation has been shown as oth

Royalties

Royalties increased from U.S.$26.8 million in the six month period ended December 31, 2009 to U.S.$43
ended December 31, 2010 largely due to the increase in revenues and the fact that the South African opera
in the second half of fiscal year ended June 30, 2010, resulting in no royalty charges in the six month per
these operations. In the six month period ended December 31, 2009, royalties were classified as income a
for the reclassification is explained below.

The classification of royalty expense at the Group s operations requires judgment, particularly at the Gr
operations, where the percentages to be applied in calculating royalties are influenced by the expenses in
sales (and therefore the profitability of the operations). In light of the continued increase in royalties at th
and the fact that recent changes to the calculation of royalties in Ghana, representing the largest c

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royalty expense, will going forward change the percentage to a predetermined 5% of product sales (regard
Fields has changed the classification of royalty expense in its consolidated financial statements from a c
taxes to other expenses in its consolidated statements of operations for the six month period ended De
circumstances, Gold Fields considered it appropriate to change the presentation on a pr

Other expenses

Other expenses represent miscellaneous corporate expenditure not allocated to the operations, net of mis
scrap sales and rental income. In the six month period ended December 31, 2010, there were other expens
to U.S.$8.3 million in the six month period ended December 31, 2009. The increase is in part attributabl
U.S. dollar as well as restructuring costs incurred during the six month period ended De

Other expenses in the six month period ended December 31, 2010 and six month period ended Dec
miscellaneous items which included:

- social investment and sponsorship costs;
- research and development costs into mechanized mining;
- new loan facility charges;
- share-based compensation for service entities;
- restructuring costs incurred on business process re-engineering;
- in the six month period ended December 31, 2010, legal fees paid as a result of a dispute with a
operation; and
- in the six month period ended December 31, 2010, a write off of costs incurred on the Abosso D

Income and mining tax expense

The income and mining tax expense decreased from U.S.$185.5 million in the six month period ended D
million in the six month period ended December 31, 2010. This decrease is explai

The table below sets forth Gold Fields effective tax rate for the six months ended December 31, 2010 a
2009, including normal and deferred tax.

	P D 2010
Effective tax expense rate	68.

In the six month period ended December 31, 2010, the effective tax expense rate of 68.7% was higher t
mining statutory tax rate of 43.0% mainly due to the tax-effect of the follow

U.S.$74.3 million adjustment to reflect the actual realized company tax rates in South Africa an

U.S.$61.3 million deferred tax release on reduction of the estimated rate at the South African m

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U.S.$10.4 million reduction relating to the South African mining tax formula rate adjustment; a

U.S.$10.3 million reversal of valuation allowance previously raised against deferred tax assets.
The above were offset by the following tax-effected charges:

U.S.$197.6 million non-deductible expenditure comprising mainly of U.S.$128.0 million BEE transacti
compensation, U.S.$25.9 million exploration, feasibility and evaluation costs and U.S.$12.6 million Nati

In the six month period ended December 31, 2009, the effective tax expense rate of 36.1% was lower th
mining statutory tax rate of 43.0% mainly due to the tax-effect of the follow

U.S.$58.3 million adjustment to reflect the actual realized company tax rates in South Africa an

U.S.$15.3 million reduction relating to the South African mining tax formula rate adjustment.
The above were offset by the following tax-effected charges:

U.S.$26.8 million of royalties at the South African, West African, Australian and South Americ

U.S.$7.1 million non-deductible expenditure.

Share of equity investees profits/(losses)

Gold Fields equity accounts for two associates, Rand Refinery Limited and Rusoro M

The share of equity investees results increased from a share of profits of U.S.$3.1 million in the six mon
to a share of profits of U.S.$4.9 million in the six month period ended December

The Group s 35% share of after-tax profits in Rand Refinery Limited was U.S.$5.5 million in six month
compared with U.S.$3.1 million in the six month period ended December 31,

The Group s 26.4% share of after-tax losses in Rusoro Mining Limited was U.S.$2.4 million in the six
2009 compared with a share of after-tax profit of U.S.$1.8 million in the six month period end

Net income

As a result of the factors discussed above, Gold Fields net income was U.S.$65.9 million in the six mont
compared with net income of U.S.$332.1 million in the six month period ended Decer

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests represented an expense of U.S.$53.3 million in the six
2010 compared to U.S.$37.0 million in the six month period ended December 3

Net income attributable to noncontrolling interests increased as a result of the increase in profits at Tarkw
noncontrolling interests comprised Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 28.9
19.3%, Canteras del Hallazgo at 49.0% and in Living Gold (Pty) Limited at 35.0%. Canteras del Hallazg
owns the Chucapaca project.

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The amounts making up the noncontrolling interest for the six month periods ended December 3

	Noncontrolling interest
Gold Fields Ghana Tarkwa	28.9%
Abosso Goldfields Damang	28.9%
La Cima Cerro Corona	19.3%
Canteras del Hallazgo Chucapaca project	49.0%
Living Gold (Pty) Limited	35.0%

Net income attributable to Gold Fields shareholders

As a result of the factors discussed above, net loss attributable Gold Fields shareholders was U.S.$12.6 mi
December 31, 2010, compared to net income of U.S.$295.1 million in the six month period end

Liquidity and Capital Resources

Cash resources

Cash flows from operations

Net cash provided by operations in fiscal 2011 was U.S.$1,907.5 million compared with U.S.$1,14

Gold Fields realized gold price increased from an average of U.S.$1,569 per ounce in fiscal 2011 to an a
fiscal 2012. Gold Fields realized copper price decreased from an average of U.S.$8,160 per tonne in fisc
per tonne in fiscal 2012. The increase in realized gold price and decrease in realized copper price result
decreasing by U.S.$248.3 million from U.S.$5,800.1 million in fiscal 2011 to U.S.$5,551.8 m

The decrease in net cash provided by operations was further reduced by

- a negative movement of U.S.$78.8 million in working capital resulting from an investment of w million in fiscal 2011 compared to an investment of U.S.$159.1 million in fiscal 2012;
- an increase of U.S.$201.4 million in production costs, which increased from U.S.$2,989.0 in fis in fiscal 2012;
- a U.S.$37.9 million increase in royalties paid from U.S.$125.1 million in fiscal 2011 to U.S.$16 as a result of increased profitability at the international subsidiaries; and
- a U.S.$102.3 million increase in taxes paid from U.S.$352.8 million in fiscal 2011 to U.S.$455. a result of the increased profitability of the international subsidiaries.

The net effect of the above was a U.S.$760.6 million decrease in cash flow provided b

Net cash provided by operations in fiscal 2010 was U.S.$1,162.9 million compared with U.S.$1,90

Gold Fields realized gold price increased from an average of U.S.$1,085 per ounce in fiscal 2010 to an a
fiscal 2011. Gold Fields realized copper price increased from an average

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U.S.$6,273 per tonne in fiscal 2010 to an average of U.S.$8,160 per tonne in fiscal 2011. The increase in
from product sales increasing by U.S.$1,635.8 million from U.S.$4,164.3 million in fiscal 2010 to U.S.$5
effect of the increased revenue on profit was further supported by a decrease of U.S.$8.1 million in actu
capitalized).

The increase in product sales was partially offset by:

- a negative movement of U.S.$89.6 million in working capital resulting from a release of workin
fiscal 2010 compared to a net investment of U.S.$80.3 million in fiscal 2011, which was mainly
in fiscal 2011;

- an increase of U.S.$415.4 million in production costs, which increased from U.S.$2,573.6 in fis
in fiscal 2011; and

- a U.S.$250.0 million increase in royalties and taxes paid as a result of the increased profitability

The net effect of the above was a U.S.$744.6 million increase in cash flow provided b

Although revenues from Gold Fields South African operations are denominated in U.S. dollars, Gold Fiel
then subject to South African exchange control limitations. See Information on the Company Environm
Africa Exchange Controls. As a result, those revenues are generally not available to service Gold Fields
investments outside South Africa without the approval of the South African Rese

Revenues from Gold Fields Ghanaian, Australian and Peruvian operations are also denominated in U.S.
Gold Fields receives them in U.S. dollars or is freely able to convert them into U.S. dollars. The Ghan
revenues can be used by Gold Fields to service its U.S. dollar-denominated debt and to make investments i
taking into account SARB-applicable requirements.

Cash flows from investing activities

Cash utilized in investing activities was U.S.$1,372.5 million in fiscal 2012, U.S.$1,223.3 million in fisca
fiscal 2010 respectively. The items comprising of these amounts are discussed

Capital expenditure increased by U.S.$169.8 million from U.S.$1,153.0 million in fiscal 2011 to U.S.$1,32
terms, capital expenditure increased by R2,508.7 million from R8,324.7 million in fiscal 2011 to R10

The U.S.$169.8 million increase in capital expenditure to U.S.$1,322.8 million in fiscal 2012 from U.S.$
mainly due to:

- increased expenditure at South Deep in line with the project plan build-up;

- increased expenditure at St. Ives due to capital development at the Cave Rocks and Hamlet und
Bellerophon open pit;

- increased expenditure at St. Ives due to the acquisition of open pit mobile equipment due to the

increased expenditure at Cerro Corona due to construction activities at the tailings facility and c
plant; and

increased expenditure at Tarkwa on additional mining fleet and the water treatment plants.

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Partially offset by:

decreased expenditure on ore reserve development at KDC; and

decreased expenditure at Damang due to the completion of the owner mining project in fiscal 20
Expenditure on Gold Fields major capital projects in fiscal 2012 includ

U.S.$259.8 million on ore reserve development at the South African operations, compared to U
and U.S.$235.1 million in fiscal 2010;

U.S.$314.5 million on the development and equipping of the South Deep mine as the mine buil
to U.S.$274.6 million in fiscal 2011 and U.S.$212.8 million in fiscal 2010;

U.S.$1.7 million on the CIL expansion project (secondary crusher) at Tarkwa, compared to U.S
fiscal 2011 and no expenditure in fiscal 2010;

No expenditure on the heap leach pads at Tarkwa, as compared to U.S.$6.7 million expenditure
in fiscal 2010;

U.S.$12.7 million on the water treatment plant at Tarkwa, compared to no expenditure in fiscal

U.S.$62.5 million on new mining equipment at Tarkwa, as compared to U.S.$29.7 million in fi
fiscal 2010;

U.S.$2.6 million on new mining fleet at Damang as compared to U.S.$17.3 million in fiscal 20
2010

U.S.$31.7 million expenditure on development of the Waroonga underground complex at Agne
in fiscal 2011 and U.S.$21.1 million in fiscal 2010;

U.S.$112.4 million on development of underground mines at St. Ives compared to U.S.$81.5 m
million in fiscal 2010. Athena accounted for U.S.$20.8 million of expenditure in fiscal 2012, as
2011 and U.S.$27.0 million in 2010;

U.S.$5.0 million expenditure on the acquisition of additional mining fleet at Agnew as compare
2011 and U.S.$12.0 million in 2010; and

U.S.$13.0 million of interest capitalized as compared to U.S.$9.3 million in fiscal 2011 and U.S
Proceeds on the disposal of property, plant and equipment decreased from U.S.$5.3 million in fiscal 2011
Proceeds on the disposal of property, plant and equipment were U.S.$1.2 million in fiscal 2010. In all thre
of various redundant mining assets by the South African and international mining

On August 27, 2009, Gold Fields reached agreement with Morgan Stanley Bank to terminate, for A$308
royalty agreement between St. Ives Gold Mining Company Pty Limited and Morgan Stanley Bank s su
agreement required St. Ives to pay a 4% net smelter volume royalty on all of its revenues once total gold p
exceeded 3.3 million ounces which was triggered early in fiscal 2009, and provided that if the gold price
an additional 10% of the revenue difference between the spot gold price, in Australian dollars per ounce,

In fiscal 2010, Gold Fields acquired, for cash, 100% of Glencar Mining Plc., a company whose principal a
the Komana project in Southern Mali, West Africa. The cash consideration paid was U.

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On September 20, 2010, Gold Fields entered into option agreements with Lepanto, a company listed in the
holding company, to acquire a 60% interest in the FSE deposit in the Philippines. The agreements provi
option on FSE, during which time Gold Fields will conduct a major drilling program as part of a feasibi
agreement, Gold Fields was required to pay U.S.$10 million in option fees to Lepanto and U.S.$44
down-payment to Liberty upon signing of the option agreements, totaling U.S.$54 million, which payme
2010. During fiscal 2011, Gold Fields paid a further non-refundable down payment of U.S.$66 million t
agreement. On March 22, 2012, Gold Fields exercised its option to acquire 40% of the FSE after making a
final payment of U.S.$110 million is payable at the expiration of the option period. The total pre-agreed a
in FSE, inclusive of all of the above payments, is U.S.$340 million.

On October 4, 2011, Gold Fields entered into an option agreement with Bezant Resources PLC, or Bezant
capital of Asean Copper Investments Limited, or Asean, which is incorporated in the British Virgin Islan
Bezant. Asean holds Bezant s entire interest in the Guinaoang porphyry copper-gold deposit (the Mankay
in the Philippines.

Gold Fields paid an upfront non-refundable option fee of U.S.$7.0 million and was granted the option t
capital of Asean for U.S.$63.0 million. The option can be exercised from the date upon which it is grante
Subsequent to year end, the option was extended to January 31, 2014 with a revised consideration of U.S.
exercise of the option. The Mankayan project is located approximately four kilometers east

Purchase of listed investments was U.S.$0.8 million in fiscal 2012, U.S.$0.1 million in fiscal 2011 and
respectively.

The investment purchases of U.S.$0.8 million in fiscal 2012 were:

Purchase of a shareholding in Cascadero Copper Corporation
Purchase of a shareholding in Atacama Pacific Gold Corporation conversion of warrants

The investment purchase of U.S.$0.1 million in fiscal 2011 was:

Purchase of a shareholding in Atacama Pacific Gold Corporation

The investment purchases comprising the U.S.$13.5 million in fiscal 2010 w

Loans advanced to GBF Underground Mining Company
Purchase of a shareholding in Atacama Pacific Gold Corporation
Other

Proceeds from the sale of listed investments were U.S.$65.4 million in fiscal 2012, U.S.$13.7 million in f
in fiscal 2010 respectively.

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The investment disposals comprising the U.S.$65.4 million in fiscal 2012 w

Sale of shares in Evolution Mining Limited
Sale of shares in GoldQuest Mining Corporation
Sale of shares in Atacama Pacific Gold Corporation
Sale of shares in Africo Resources Corporation Limited
Repayment of loans advanced to GBF Underground Mining Company

The investment disposals comprising the U.S.$13.7 million in fiscal 2011 w

Sale of shares in Gold One International
Repayment of loans advanced to GBF Underground Mining Company

The investment disposals comprising the U.S.$385.8 million in fiscal 2010 v

Sale of shares in:
Eldorado Gold Corporation
Troy Resources NL
Orezone Resources Inc
Great Basin Gold Ltd and Lupa Joint Venture held through New Africa Mining Fund
Aquarius Platinum Ltd
Cascadero Copper Corporation

For its South African operations, Gold Fields contributes to an environmental trust fund it has established
rehabilitation obligations and expected closure costs relating to its mining operations. The amounts investe
non-current assets and any income earned on these assets is accounted for as interest income. The amour
year is calculated pursuant to a statutory formula, and can vary depending on how the fund s investments
different South African operations and various other factors. During fiscal 2012, Gold Fields South Afri
million to the environmental trust fund compared to U.S.$16.2 million in fiscal 2011 and U.S.$12.3 milli
Australia and Peru operations, Gold Fields does not contribute to a trust fu

Cash flows from financing activities

Net cash provided by financing activities was U.S.$115.8 million in fiscal 2012 as compared to cash utiliz
2011 and U.S.$176.5 million in fiscal 2010. The items comprising these amounts are d

Long and short-term loans received were U.S.$1,451.0 million in fiscal 2012, U.S.$1,167.9 million in fisca
fiscal 2010.

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The U.S.$1,451.0 million in loans received in fiscal 2012 comprised:

Draw down under the U.S.$1 billion Syndicated Revolving credit facility
Draw down under the U.S.$500 million Syndicated Revolving credit facility
Draw down under the U.S.$60 million Senior Secured Revolving credit facility
Draw down under the various rand credit facilities

The U.S.$1,167.9 million in loans received in fiscal 2011 comprised:

Draw down under the Split-tenor revolving facility
Draw down under the U.S.$1 billion Syndicated Revolving credit facility
Draw down under the U.S.$60 million Senior Secured Revolving credit[1]
Proceeds on the scrip lending of 3 million Mvelaphanda shares
Borrowings by Sibanye Gold from various local banks to fund short term working capital and capital expenditure requirements

Note:

(1) Total drawdowns were made up of two separate drawdowns of U.S.$20 million (subsequently repaid

The U.S.$1,619.9 million in loans received in fiscal 2010 comprised:

Drawn down under the Domestic Medium Term Notes, or DMTN, program to refinance existing facilities
Loans raised under the Split-tenor Revolving Credit facility to partially fund the St. Ives Royalty and the acquisition of Glencar Mining
Loans raised under U.S.$311 million Syndicated Revolving Credit Facility for purposes of refinancing existing facilities
Borrowings by Sibanye Gold from various local banks to fund short term working capital requirements and capital expenditure
Proceeds on the scrip lending of 3 million Mvelaphanda shares

Long and short-term loans repaid were U.S.$975.9 million in fiscal 2012, U.S.$654.6 million in fiscal 201
2010.

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The U.S.$975.9 million in loans repaid in fiscal 2012 comprised:

- Split-tenor Revolving Facility
- U.S.$500 million syndicated revolving credit facility
- U.S.$1 billion syndicated revolving credit facility
- U.S.$200 million Non-Revolving Senior Secured Term loan
- U.S.$60 million Senior Secured Revolving credit facility
- Borrowings under various rand facilities

The U.S.$654.6 million in loans repaid in fiscal 2011 comprised:

- U.S.$1 billion Syndicated Revolving credit facility
- DMTN Program
- Preference Shares
- Borrowings by Sibanye Gold from various local banks to fund short term working capital and capital expenditure requirements
- Split-tenor Revolving Facility
- U.S.$200 million Non-Revolving Senior Secured Term loan
- Payments for the scrip lending of 3 million Mvelaphanda shares
- U.S.$60 million Senior Secured Revolving credit facility

The U.S.$1,637.5 million in loans repaid in fiscal 2010 comprised:

- DMTN Program
- U.S.$311 million Syndicated Revolving Credit Facility
- Group committed and uncommitted facilities
- Split-tenor Revolving Credit Facility
- Project Finance Facility
- Short-term syndicated facility

For a description of the Gold Fields various credit facilities, see Credit Facilities and C

U.S.$9.7 million overdraft was repaid in fiscal 2010. There were no changes in fiscal 2

U.S.$15.4 million of noncontrolling shareholder loans at Tarkwa were repaid in fiscal 2010. No noncontro in fiscal 2011 and 2012.

U.S.$27.7 million and U.S.$31.0 million of noncontrolling shareholder loans were received in fiscal 2012 Buenventura which holds a 49% noncontrolling interest in Canteras del Hallazgo, the company that owns noncontrolling shareholder loans were received in fiscal 2010.

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During fiscal 2012, Gold Fields purchased an additional 0.1% in La Cima for U.S.$0.8 million and the no
Talas project from Orsu Metals Corporation for U.S.$10.0 million. During fiscal 2011, Gold Fields purcha
Cima, Ghana and South Deep (relating to Western Areas Prospecting) for a total consideration of U.S
U.S.$382.3 million for La Cima, U.S.$667.0 million for Ghana and U.S.$6.3 million for South Deep. Th
fiscal 2010.

On March 22, 2011, Gold Fields announced a voluntary purchase offer in Lima, Peru, to acquire the outst
investment shares of La Cima that it did not already own. Gold Fields offered 4.20 Peruvian Nuevos Soles
or investment share. The offer closed on April 15, 2011. The transaction resulted in Gold Fields increasin
to 98.5%, after purchasing 254.8 million shares, at a cost of U.S.$382.3 mil

On April 15, 2011, Gold Fields announced that a binding agreement had been entered into with IAMGold
18.9% indirect minority stake (noncontrolling interest) in Tarkwa and Damang, for a cash consideratio
completion of the acquisition, which was subject to obtaining shareholder approval, Gold Fields increase
and Damang gold mines from 71.1% to 90%, with the remaining 10% interest being held by th

On October 14, 2011, Gold Fields purchased a 26% interest in Western Areas Prospecting from Peotona
transaction was concluded in terms of an agreement signed between the parties during fiscal 2009. Gold F
Areas Prospecting which owns the Cardoville, the Kalbasfontein, the WA4 and the Wildebeest

Dividends paid amounted to U.S.$364.2 million in fiscal 2012 compared to U.S.$174.9 million in fiscal 20
2010. Dividend payments amounted to R2,846.3 million, or 390 SA cents per ordinary share in fiscal 20
cents per ordinary share in fiscal 2011 and R917.1 million, or 130 SA cents per ordinary sh

During fiscal 2012, Tarkwa and La Cima paid dividends to noncontrolling shareholders amounting to U
U.S.$41.9 million paid by Tarkwa, Damang and La Cima in fiscal 2011 and U.S.$23.1 million pai

During the six month period ended December 31, 2010, Gold Fields implemented three empowermen
broad-based BEE transaction for 10.0% of South Deep. The South Deep transaction amounted to U.S.$11
preferred BEE dividend of U.S.$21.2 million and an equity component equivalent to U.S.$94.3 million. U
wholly owned subsidiary company of Gold Fields was created to acquire 100% of the South Deep asset f
then issued 10 million Class B ordinary shares representing 10.0% of South Deep s net worth to a cons
ordinary shareholders are entitled to a dividend of R2 per share. During fiscal 2012 and fiscal 2011, U.S.$
the Class B dividend was paid, respectively.

In fiscal 2012, U.S.$2.0 million was received as a result of share options exercised, as compared to U.S
U.S.$7.4 million in fiscal 2010.

Net increase/(decrease) in cash and cash equivalents

As a result of the above, net cash utilized after accounting for the effect of exchange rate on cash and cash
in fiscal 2012, U.S.$65.5 million in fiscal 2011 and U.S.$143.2 million generated in fiscal

The resultant cash and cash equivalents at December 31, 2012, December 31, 2011 and June 30, 2010 wa
million and U.S.$500.7 million, respectively.

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Credit Facilities and Other Capital Resources

As at December 31, 2012, Gold Fields had committed, unutilized banking facilities of U.S.$831.3 millio
facilities, details of which are discussed below:

U.S.$334.0 million available under U.S.$1 billion Syndicated Revolving Credit Facility;

U.S.$396.0 million available under U.S.$500 million Syndicated Revolving Credit Facility

U.S.$43.0 million available under U.S.$60 million Senior Secured Revolving Credit Facility; ar

U.S.$58.3 million (R500.0 million) available under various committed revolving credit facilitie
On February 15, 2013, the U.S.$1 billion Syndicated Revolving Credit Facility and the U.S.$500 millio
Facility were refinanced with the U.S.$1,440 million term loan and revolving credit facility (as defined b
On February 18, 2013, the Sibanye Gold Rand long-term revolving credit facilities were refinanced by Sib
Rand bridge loan facility as detailed under Rand bridge loan facility below. These facilities were a

As of May 9, 2013, Gold Fields had committed unutilized banking facilities of U.S.$671 million under th
Revolving Credit Facility and the U.S.$1,440 million facility (as defined below) and R800 million und
Revolving Credit Facility described below. Substantial contractual arrangements for uncommitted borrov
several banking counterparties to meet Gold Fields normal contingency funding requirements. As of the
not in default under the terms of any of its outstanding credit facilities.

In the event that Gold Fields undertakes any acquisitions or incurs significant capital expenditure, it may n
other financing to fund the costs, which could have an adverse effect on Gold Fields liquidity, incluc

Project Finance Facility

On November 14, 2006, La Cima, entered into a U.S.$150 million project finance facility agreement, or
The Royal Bank of Scotland plc, Citigroup Global Markets Inc., The Bank of Nova Scotia, The Bank of N
York, Scotiabank Peru S.A.A. and other financial institutions, as set out in the agreement. The terms of th
upfront arrangement fee of 1.2% and a margin over LIBOR of 0.45% during the pre-completion phase
thereafter.

Scheduled principal repayments were to be made in 16 semi-annual installments of various amounts ran
principal amount, beginning on June 30, 2009. The final installment was due on the tenth anniversary of th
Facility was secured by, among other things, pledges of and mortgages over the assets and properties of
make optional prepayments and had to make prepayments in certain circumstances, including with the proc
maximum of U.S.$100 million. At June 30, 2008, La Cima had drawn down a total of U.S.$150 million un
million during fiscal 2010. Under the terms of the Project Finance Facility, all payments from the Peruvi
group entities were restricted until the Project Finance Facility had been repaid

In accordance with the facility agreement, the final completion date (i.e., the date on which the Guarantees
non-recourse) was required to occur before November 14, 2010. However, La Cima repaid the full amoun
September 16, 2010, from which date the security granted by La Cima in connection with this facility, w
made from cash generated by operations.

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U.S.$200 million Non-revolving Senior Secured Term Loan

On September 17, 2010, La Cima entered into a non-revolving senior secured term loan for up to U.S.$20
Scotia and Banco de Crédito del Perú. The purpose of this facility is to (i) repay La Cima s outstanding s
and (ii) to finance its working capital requirements.

On September 22, 2010, the lenders advanced U.S.$200 million to La Cima under this facility. The faci
equal quarterly installments of U.S.$10 million each. The final maturity date of this facility is 5 years

Borrowings under the non-revolving senior secured term loan are secured by first-ranking assignments of
La Cima s concentrate sale agreements. In addition, the offshore and onshore collection accounts of La C
Control Agreement and a first ranking charge in favor of the lenders. This facility will be non-recourse to
The loan bears an interest at LIBOR plus a margin of 2.0% per annum.

During fiscal 2011 and 2012, La Cima repaid U.S.$40.0 million and U.S.$40.0 million, respectively, and
December 31, 2010, La Cima repaid U.S.$10.0 million in accordance with the agree

The outstanding balance at December 31, 2012 was U.S.$110.0 million compared with U.S.$150.0 m

Split-tenor Revolving Credit Facility

On May 16, 2007, Sibanye Gold, Orogen and GFO entered into a U.S.$750.0 million split-tenor revolvin
Revolving Credit Facility, with lead lenders Barclays Bank Plc and ABN Amro N.V. As originally con
consisted of a U.S.$250.0 million 364-day revolving tranche, or Facility A, and a U.S.$500.0 million five-
B. Facility A has since expired, as explained below.

Borrowings under the Split-tenor Facility were guaranteed by Gold Fields, Sibanye Gold, GF Holdings
Holdings, Orogen and GFO. Under the Split-tenor Facility, Gold Fields was required to maintain a consoli
finance charge ratio of at least 5 to 1 and a consolidated net borrowing to consolidated EBITDA ratio of
also restrictions on the ability of Gold Fields and certain of its subsidiaries to encumber their assets, dispo
or corporate reconstruction.

In connection with this facility Gold Fields paid an arrangement fee of 0.10% on Facility A and 0.30% c
commitment fee of 0.09% of any undrawn amounts under Facility B and an agency fee of U.S.$35,000 per
A bore interest at LIBOR plus a margin of 0.25% per annum while borrowings under Facility B bore int
0.3% per annum. Where the total utilizations under Facility A were equal to or greater than 50% of the am
0.05% per annum was payable on the total amount of utilizations. The utilization fee was payal

On April 28, 2008, Gold Fields exercised the term out option under Facility A which converted the full U
point into a term loan with a final maturity date of May 16, 2009. In terms of the facility agreement, Gold
loan under Facility A early in whole or in part by giving five days prior notice. Facility B matured on
facilities was to refinance existing facilities and for general corporate purpo

During fiscal 2008 and 2009, Group companies borrowed a total of U.S.$225.1 million and U.S.$138.0
repayments were U.S.$431.9 million and U.S.$150 million in fiscal 2008 and fiscal 200

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On September 17, 2009, Gold Fields utilized U.S.$259.0 million of the proceeds from the sale of the shar
borrowings under Facility B. Subsequently, on various dates, Orogen drew down U.S.$221.0 million to re
the U.S.$311.0 million Syndicated Revolving Credit Facility. Orogen also repaid U.S.$32.0 mi

The outstanding borrowings of Orogen, all under Facility B, at June 30, 2010 were U.S.$430.0 million. D
December 2010, Orogen drew down an additional U.S.$70 million and repaid the full outstanding balance
2011, Orogen s total drawdowns under Facility B were U.S.$540.0 million and Orogen s total repayme
million.

On April 16, 2012, Orogen refinanced the outstanding balance of U.S.$500.0 million under the Split-ten
drawing down under the U.S.$1.0 billion syndicated revolving credit facility. The Split-tenor Revolving
April 16, 2012.

The loan under Facility B bore interest at LIBOR plus a margin of 0.30% per annum. Borrowings under
Facility were guaranteed by Gold Fields, Sibanye Gold, GF Holdings, Orogen, Newshelf a

U.S.$500 million Syndicated Revolving Credit Facility

On April 17, 2012, Sibanye Gold, Orogen and GFO entered into a U.S.$500 million syndicated revolvin
Revolving Loan Facility. The purpose of the facility was to refinance existing facilities and for general
purposes. The final maturity date of this facility was April 17, 2017.

The facility bore interest at LIBOR plus a margin of 1.60% per annum. Where the utilization under the
33 1/3%, a utilization fee of 0.20% per annum would be payable on the amount of utilizations. Where the
greater than 33 1/3% and less than or equal to 66 2/3%, a utilization fee of 0.40% per annum would be pay
Where the utilization under the facility was greater than 66 2/3%, a utilization fee of 0.60% per annum w
utilizations. Such utilization fee was payable quarterly in arrears. The borrowers were required to pay
0.56% per annum.

On April 23, 2012, Orogen drew down U.S.$194.0 million under this facility to partially refinance borr
Syndicated Revolving Credit Facility. On June 1, 2012, Orogen drew down a further U.

On July 25, 2012 and August 2, 2012, Orogen repaid U.S.$20.0 million and U.S.$20.0 million, respectivel
repaid a further U.S.$100.0 million. On November 23, 2012, Orogen drew down U.S.$10 million and o
U.S.$20 million was drawn under the facility.

The outstanding borrowings of Orogen under this facility at December 31, 2012 were U.S.$104.0 million
December 31, 2011.

Subsequent to year end, on February 15, 2013, this facility was refinanced by drawing down under the U.
below) as detailed below. The Syndicated Revolving Credit Facility was also canceled on

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, G

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U.S.$311 million Syndicated Revolving Credit Facility

On May 7, 2009, Sibanye Gold, Orogen and GFO entered into a 364-day U.S.$311 million syndicated rev
to extend the term on the same terms for an additional 364 days from the date of the original final maturit
time prior to the date of final maturity, Gold Fields had the option to convert all advances outstanding und
a final maturity date being no more than 24 months after the signing date of the facility, or the Term Out O
not exercisable if the Term Out Option had been exercised. The purpose of the facilities was to refinance
corporate purposes.

On May 15, 2009, GFO and Orogen drew down U.S.$59 million and U.S.$57 million respectively und
respective portion of the loans maturing under Facility A of the Split-tenor revolving credit facility. On Ju
million of its loan.

On various dates during July 2009, Orogen drew down a total of U.S.$50 million for the funding of the
During August 2009, Orogen drew down U.S.$150 million to partly fund the termination of the S

On September 17, 2009, Gold Fields utilized U.S.$15 million, of the proceeds from the sale of the share
borrowings under this Facility. On September 22, 2009, Orogen repaid U.S.$36 milli

Subsequently, Orogen refinanced the outstanding balance under the facility of U.S.$221 million with t
Facility. The facility was then canceled.

The facility bore interest at LIBOR plus a margin of 2.75% per annum. The borrowers were required to p
1.10% per annum, payable on the undrawn portion of the facility. Neither the Extension Option nor the Te
and the facility expired on May 7, 2010.

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold,

U.S.$450 million Syndicated Revolving Credit Facility

On May 12, 2010, Sibanye Gold, Orogen and GFO entered into a U.S.$450 million syndicated revolvin
increase the Facility to U.S.$550 million within six months from signing date. The option to increase the f
exercised. The purpose of the facilities was to refinance existing facilities and for general corporate and w
maturity date of this facility was September 30, 2013.

The facility bore interest at LIBOR plus a margin of 1.75% per annum. Where the utilization under the fa
50%, a utilization fee of 0.25% per annum would be payable on the amount of utilizations. Such utilizat
arrears. The borrowers were required to pay a quarterly commitment fee of 0.70% per annum. The facilit
2010. The facility was canceled and replaced on June 22, 2011 with the new U.S.$1 billion Syndicat

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, G
GFO.

U.S.$60 million Senior Secured Revolving Credit Facility

On December 22, 2010, GF Ghana and Abosso entered into a U.S.$60 million reducing senior secured rev
became available on February 21, 2011. The available facility amount

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reduces annually on the anniversary date being February 21, from U.S.$60 million to U.S.$43 million to U
year with the final maturity date being February 21, 2014. This facility is for (i) general corporate purpos
and/or (iii) capital expenditure purposes, including the purchase of a mining

On February 25, 2011, Abosso drew down U.S.$20.0 million under this facility and subsequently repaid th
various dates of which the last payment was on July 26, 2011. On November 28, 2011, GF Ghana dr

On January 30, 2012, GF Ghana repaid U.S.$7.0 million in advance of the first anniversary date of the fa
February 2012 and March 2012, GF Ghana repaid U.S.$16.0 million and on May 1, 2012 repaid an additi
dates during April 2012, Abosso drew down U.S.$15.0 million under the facility. On May 1, 2012, Abosso
million under the facility.

On August 1, 2012, GF Ghana repaid U.S.$20 million and Abosso repaid U.S.$23 million bringing the bal
to U.S.$nil million.

The outstanding borrowings for GF Ghana on December 31, 2012 and December 31, 2011 were U.S.$ni
respectively.

The loan bears interest at LIBOR plus a margin of 2.85% per annum. The borrowers are required to pay
1.30% per annum.

Borrowings under this facility are guaranteed by GF Ghana and Abosso. Borrowings under this facility are
security over certain fleet vehicles owned by GF Ghana and Abosso, or the Secured Assets. In addition,
payees under the insurance contracts in respect of the Secured Assets and are assigned the rights under th
certain suppliers of the Secured Assets. This facility is non-recourse to the rest of the Go

Other Short-Term Credit Facilities

The group utilized uncommitted loan facilities from some of the major banks to fund the capital exp
requirements of the South African operations.

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

The total draw downs were R1,245.0 million (U.S.$152.0 million) in fiscal 2012, R400 million (U.S.$56
million (U.S.$39.4 million) in six month ended December 31, 2010 and R1,040 million (U.S.$135 million
were R25.0 million (U.S.$2.9 million) in fiscal 2012, R400 million (U.S.$56.7 million) in fiscal 2011, R2
six month ended December 31, 2010 and R2,140 million (U.S.$284 million) in fiscal 2010. The repaymen
by operations.

The outstanding borrowings for the Group on December 31, 2012, were U.S.$142.4 million (Decemb

Subsequent to year end, on February 18, 2013, these facilities were refinanced by drawing down under t
detailed below.

Preference Shares

On December 24, 2007, Gold Fields issued R1,200 million (U.S.$165 million at the exchange rate in e
non-convertible redeemable preference shares to Rand Merchant Bank. The di

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rate payable is a floating rate that increases from 22% up to 54% of the prime lending rate quoted by Firs
Rate, over the life of the Preference Shares.

In certain circumstances, the dividend rate increases up to 61% of the Prime Rate in the event that the Pref
their scheduled maturity date and the dividend rate is also subject to adjustment in the case of a change in l
quarterly and are rolled up until the redemption date. The Preference Shares can be redeemed by the Com
is adjusted according to the terms of the Preference Shares, or at any time on 14 days notice. The procee
Shares were used to refinance a portion of the Split-tenor Facility. The Preference Shares matured on Janu
all dividends, redemption amounts, costs and expenses that may become payable in respect of the Preferer
Sibanye Gold, Orogen, GFO, Newshelf and GF Holdings.

On October 10, 2008, R600 million (U.S.$61 million) of the R1,200 million (U.S.$165 million) prefer
attributable dividend of R23 million (U.S.$3 million).

On December 15, 2010, Gold Fields declared and paid U.S.$19 million of the attributable dividend. On the
January 24, 2011 was extended to September 15, 2011. The preference shares may be redeemable earlie
holder and Gold Fields.

The remaining balance as at December 31, 2010 was U.S.$91 million (June 30, 2010: U.S.$96 million),
million (June 30, 2010: U.S.$79 million) and an attributable dividend of U.S.$3 million (June 30

On March 31, 2011, the entire outstanding balance of preference shares of R600 million (U.S.$88.5 milli
attributable dividend of R9.9 million (U.S.$1.5 million).

R10 billion Domestic Medium Term Note Program

Gold Fields established a R10 billion Domestic Medium Term Note Program, or the Program, on April 6
Fields could from time to time issue notes denominated in any currency. The notes were not subject to an
and the maximum aggregate nominal amount of all notes from time to time outstanding could

The Program was registered with the bond market of the JSE and the notes issued could be lis

Under the Program, Gold Fields issued listed notes totaling nil during fiscal 2011, R1,825.0 million (U.S.
period ended December 31, 2010, R7,902 million (U.S.$1,045 million) during fiscal 2010 and R1,143 m
2009, and settled listed maturing notes totaling R735 million (U.S.$105.3 million) in fiscal 2011, R4,692 r
six month ended December 31, 2010, R5,443 million (U.S.$722 million) during fiscal 2010 and nil in fisc
mature three, six or 12 months from date of issue and bear interest at JIBAR plus a margin ranging from 0
for notes with a carrying value of R300 million (U.S.$39.6 million) which are at a fixe

The outstanding issued notes under the Program at December 31, 2011 were U.S.$nil million and at Dece
(U.S.$108.9 million). On December 14, 2012, the JSE approved the deregistration of the Gold Fields R
Note Program.

Notes under the Program were guaranteed by Sibanye Gold, GF Holdings, Orogen

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R3,500 million Long-Term Revolving Credit Facilities

Sibanye Gold and GFO entered into separate revolving credit facilities with tenors between three and five
was to finance capital expenditure, general corporate and working capital requirements and to refinance e
unutilized at December 31, 2011 and December 31, 2010.

The borrowers were required to pay a commitment fee of between 0.65% and 0.90% per annum on the un
the facilities, calculated and payable either quarterly or semiannually in arre

In summary the facilities are:

a R1.0 billion (U.S.$116.7 million) revolving credit facility entered into on December 9, 2009 a
JIBAR plus 3.00%;

a R500 million (U.S.$58.3 million) revolving credit facility entered into on March 8, 2010 and
JIBAR plus 2.85%;

a R1.5 billion (U.S.$175.0 million) revolving credit facility entered into on May 6, 2009 and ma
plus 2.95%. This facility was canceled and replaced with a new R2.0 billion (U.S.$233.4 millio
December 19, 2011; and

a R2.0 billion (U.S.$233.4 million) revolving credit facility entered into on December 19, 2011
2016 at JIBAR plus 1.95%.

On various dates during 2012, Sibanye Gold drew down R2.0 billion (U.S.$249.4 million) under the R2.0
October 24, 2012, Sibanye Gold drew down R500.0 million (U.S.$58.3 million) under the R500.0 mill
November 16, 2012, Sibanye Gold drew down a further R500.0 million (U.S.$58.3 million) under the R1

The outstanding borrowings of Sibanye Gold under these facilities at December 31, 2012 were R3.0 bil
December 31, 2011: Rnil (U.S.$nil).

Borrowings under these facilities were guaranteed by Gold Fields, GF Holdings, GFO, Orogen, N

Subsequent to year end, on February 18, 2013, these facilities were refinanced by Sibanye Gold drawing
facility as detailed below. These facilities were also canceled on February 18,

U.S.$1 billion Notes Issue

On September 30, 2010, Orogen announced the issue of U.S.$1,000,000,000 4.875% guaranteed Note
October 7, 2010. The payment of all amounts due in respect of the Notes was unconditionally and irrevoc
on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and unsecured
Guarantors, respectively, and rank equally in right of payment among themselves and with all other existi
unsecured obligations of Orogen and the Guarantors, respectively.

Gold Fields used the net proceeds of the offering of the Notes to repay certain existing indebtedness of th
purposes.

Each of Gold Fields and the other Guarantors have entered into the Indemnity Agreement in favor of Sib
Sibanye Gold against any loss caused to Sibanye Gold in circumstances where Sibanye Gold is required to
the trustee of the Notes by virtue of its guarantee of the Notes. See Additional Information Material

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U.S.$1 billion Syndicated Revolving Credit Facility

On June 20, 2011, Sibanye Gold, Orogen and GFO entered into a U.S.$1 billion syndicated revolving loan
this facility to U.S.$1.1 billion within six months from signing date. The option to increase the facility to U
The purpose of the facility was to refinance the existing U.S.$450 million Syndicated Revolving Credi
purposes and working capital. The final maturity date of this facility was June 2

The facility bore interest at LIBOR plus a margin of 1.20% per annum. Where the utilization under the fac
less than or equal to 66 $^{2}/_{3}$%, a utilization fee of 0.20% per annum would be payable on the amount of u
under the facility was greater than 66 $^{2}/_{3}$%, a utilization fee of 0.40% per annum would be payable on t
utilization fee was payable quarterly in arrears. The borrowers were required to pay a quarterly commi

Orogen s total drawdowns were U.S.$666.0 million and U.S.$483.0 million in fiscal 2012 and fiscal 201
U.S.$220 million and U.S.$263.0 million in fiscal 2012 and fiscal 2011, respectively. The outstanding b
December 31, 2012 were U.S.$666.0 million (December 31, 2011: U.S.$220.0 m

Subsequent to year end, on February 15, 2013, this facility was refinanced by drawing down under the U.
below) as detailed below. The facility was also canceled on February 15, 20

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, G
GFO.

Rand bridge loan facility

On November 28, 2012, Sibanye Gold entered into a R6.0 billion term loan and revolving credit facilities r
below. The facilities are comprised of a R2.0 billion revolving credit facility and a R4.0 billion term loan
credit facility amount will reduce from R2.0 billion to R1.5 billion on the earliest of the date on which S
declares a final dividend in respect of the financial year ending December 2013 or the first anniversary of
Similarly, the term loan facility amount will reduce from R4.0 billion to R3.5 billion on the earliest of th
Board of Directors declares a final dividend in respect of the financial year ending December 2013 or the
The final maturity date of the facilities is 18 months after the Spin-off (August 1

The purpose of the Rand bridge loan facilities is to refinance Sibanye Gold s debt as detailed above under
credit facilities and the other Rand short-term credit facilities on Spin-off, with the balance of the Rand b
fund Sibanye Gold s ongoing capital expenditure, working capital and general corporate exp

Sibanye Gold will cede all of its rights, title and interest in and to the Indemnity Agreement in favor of th
facility, jointly and severally, as security for its obligations under the facilities. Sibanye Gold must lodge a
its obligations under the facilities within six months from the Spin-off if it is not released as a guarantor un

The Rand bridge loan facilities bear interest at JIBAR plus a margin of 3.00% per annum for 12 months
annum for the last six months of the facilities. If Sibanye Gold is not released as a guarantor under the
Spin-off, the margin will increase to 3.25% per annum for the six to 12 months period after Spin-off and
months of the facilities. Sibanye Gold is required to pay a quarterly commitment fee of 35% of the applic
on the undrawn portion of the facilities.

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The facility was undrawn at December 31, 2012.

Subsequent to year end, on February 18, 2013, the Rand revolving credit facilities and the short-term Ran
by drawing down under this facility.

U.S.$1,440 million term loan and revolving credit facility

On November 28, 2012, Orogen, GFO and GFI Joint Venture Holdings Proprietary Limited, or GFIJVH,
into a U.S.$900 million Term Loan and Revolving Credit Facility, or the U.S.$900 million facility. The U.
U.S.$450 million three-year term loan tranche, or Facility A, and a U.S.$450 million five-year revolving tr
the U.S.$900 million facility, the Borrowers entered into a U.S.$600 million bridge loan facility, or the
U.S. Dollar Bridge Facility had a 21-month maturity.

The purpose of the U.S.$900 million facility was to refinance the U.S.$1 billion syndicated revolving cred
syndicated revolving credit facility on the Spin-off date and for general corporate and working capital pur
Facility A and Facility B are November 28, 2015 and November 28, 2017, respectively, with the U.S. D
August 28, 2014.

Subsequent to entering into the U.S.$900 million facility, the facility was syndicated to a wider bank grou
which allowed the Borrowers to increase the facility amount to U.S.$1,440 million on January 30, 2013,
Accordingly, the amounts of Facility A and Facility B both equaled U.S.$720 million. As a result of this
canceled the U.S. Dollar Bridge Facility on January 30, 2013.

Borrowings under Facility A bear interest at LIBOR plus an initial margin of 2.45% per annum while b
interest at LIBOR plus an initial margin of 2.25% per annum. The initial margins detailed above are base
rating assigned to Gold Fields and could either increase or decrease depending on the changes in the long

Where the utilization under Facility B is less than or equal to 33 $^{1}/_{3}$%, a utilization fee of 0.20% per annum
utilizations. Where the utilization under Facility B is greater than 33 $^{1}/_{3}$% and less than or equal to 66 $^{2}/$
annum will be payable on the amount of utilizations. Where the utilization under Facility B is greater th
0.60% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterl
required to pay a quarterly commitment fee of 0.90% per annum under Facil

The facility was undrawn at December 31, 2012.

Subsequent to year end, on February 15, 2013, the U.S.$1 billion and the U.S.$500 million syndicated
refinanced by drawing down under this facility.

Borrowings under the U.S.$1,440 million facility are guaranteed by Gold Fields, GF Holdings, O

R1,500 million Nedbank Revolving Credit Facility

On March 1, 2013, Nedbank, GFIJVH and GFO entered into a R1,500 million Revolving Credit Facility
fund Gold Fields capital expenditure and general corporate and working capital requirements. The tenor
maturity date of this facility is March 7, 2018.

The facility bears interest at JIBAR plus a margin of 2.50% per annum. The borrowers are required to pa
annum every six months.

On March 8, 2013, each of GFO and GFIJVH drew down R350 million under thi

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Borrowings under the facility are guaranteed by Gold Fields, GFO, GFH, Orogen a

Contractual obligations and commitments as at December 31, 2012

		Payme
	Total	Less than 12 months
Long-term debt		
Notes Issue		
Capital	1,000.0	
Interest	379.2	48.8
Non-Revolving Senior Secured Term Loan		
Capital	110.0	40.0
Interest	3.7	2.1
U.S.$1,440 million term loan and revolving credit facility[3]		
Capital	770.0	
Interest	61.6	20.3
Rand bridge loan facility[3]		
Capital	492.4	
Interest	66.3	39.5
Operating lease obligations building	11.5	3.8
Other long-term obligations		
Post-retirement healthcare[1]	2.1	0.1
Environmental obligations[2]	373.6	2.7
Total contractual obligations	3,270.4	157.3

Notes:

(1) Gold Fields provision for post-retirement healthcare obligations increases annually based on the exp individual contributions in order to settle its obligations to its former employees, set off by payments pensioners and dependants of former employees on a pay-as-you-go basis.

(2) Gold Fields makes full provision for all environmental obligations based on the net present value of t environmental disturbance that has occurred up to the balance sheet date. This provision increases an Management believes that the provisions made for environmental obligations are adequate to cover t obligations. See Critical Accounting Policies and Estimates Environmental rehabilitation costs.

(3) The U.S.$1 billion Syndicated Revolving Facility, the U.S.$500 million Syndicated Revolving Credi Long-Term Revolving Credit Facilities and other short-term credit facilities were refinanced on Febr the U.S.$1,440 million term loan and revolving credit facility and the Rand bridge loan facilities. The terms of the refinanced facilities.

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	Amounts of comm	
	Total	Less than 12 months
Other commercial commitments		
Guarantees[1]	0.5	0.5
Capital expenditure[2]	244.6	244.6
Total commercial commitments	245.1	245.1

Notes:

(1) Guarantees consist of numerous obligations. Guarantees consisting of $100.7 million committed to gu environmental obligations with respect to its West African, South American and Australasian operati the provision for environmental rehabilitation and are not included in the amount above.

(2) Capital expenditure consists only of amounts committed to external suppliers, although as of Decemb million in respect of capital expenditure had been approved by Gold Fields Board.

Working capital

Management believes that Gold Fields working capital resources, by way of internal sources and banki Gold Fields currently foreseeable future business requirements.

Off balance sheet items

At December 31, 2012, Gold Fields had no material off balance sheet iten

Recent Developments

Spin-Off

See Overview Spin-Off of Sibanye Gold .

Ghana Labor Action

On April 3, 2013, employees at Gold Fields Ghanaian operations engaged in a work stoppage that led t 2013 the strike ended and production resumed after management and the GMWU reached a settlem Company Gold Fields Mining Operations Ghana Operations Tarkwa Mine Mining and Informa Operations Ghana Operations Damang Mine Mining .

Trend and Outlook

In fiscal 2013, Gold Fields expects the trends discussed in Overview to continue to have an impa

The trend and outlook below are based on management accounts, which are prepared in accordance with Standards.

Gold production for the fiscal year ending December 31, 2013 (for the Group including two months of pr Gold assets up to the Spin-off date) is expected to be between 2.010 million attributable equivalent ounc equivalent ounces. On an IFRS basis, the total cash cost is estimated at U.S.$850 per ounce and NCE is e (including U.S.$40 per ounce for exploration and growth projects). These estimates are based on an ave U.S.$1.00 and U.S.$1.04 per A$1.00.

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Gold production for the fiscal year ending December 31, 2013 (for the Group excluding the Sibanye Gold
1.825 million attributable equivalent ounces and 1.900 million attributable equivalent ounces. On an II
estimated at U.S.$860 per ounce and NCE is estimated at U.S.$1,360 per ounce (including U.S.$40 per o
projects). These estimates are based on an average exchange rate of R9.00 per U.S.$1.00 and

The above is an estimate subject to change based on a number of factors. For further information on the
Statements and Risk Factors . The estimated financial information has not been reviewed and rep

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ITEM 6: DIRECTORS, SENIOR MANAGEMENT AND EMPLOYE

Directors

Gold Fields directors and their ages and positions are:

Name	Age	Position
Cheryl A. Carolus	54	Non-executive Chair
Nicholas J. Holland	54	Executive Director and Chief Execu
Paul A. Schmidt	45	Executive Director and Chief Finan
Rupert L. Pennant-Rea	65	Non-executive Director
Kofi Ansah	68	Non-executive Director
Donald M. J. Ncube	65	Non-executive Director
David N. Murray	68	Non-executive Director
Gayle M. Wilson	68	Non-executive Director
Richard P. Menell	57	Non-executive Director
Roberto Dañino	62	Non-executive Director
Alan R. Hill	70	Non-executive Director
Delfin L. Lazaro	62	Non-executive Director

Notes:

(1) Terms expire on the date of the annual general meeting in that year.
Matthews S. Moloko resigned as a non-executive director with effect from December 31, 2012. Mamphel
and the Non-executive Chair with effect from February 13, 2013.

Directors and Executive Officers

The Memorandum of Incorporation of Gold Fields provides that the Board must consist of no less than fou
any time. The Board currently consists of two executive directors and 10 non-executive directors, a

The Memorandum of Incorporation of Gold Fields provides that the longest serving one-third of directo
annual general meeting of Gold Fields. Retiring directors normally make themselves available for re-electi
general meeting at which they retire. The number of directors serving under these contracts must at all tim
number of directors in office. Gold Fields current executive directors are appointed to their positi

According to the Memorandum of Incorporation, the Board may meet as it sees fit and set its own polic
regulating meetings. Any director may call a meeting at any time by requesting the company secreta
Memorandum of Incorporation further provides for the following:

if a Director has a personal financial interest in a matter to be considered at a meeting of the Bo
disclose that interest, must leave the meeting after making that disclosure and must not take par
While absent from such meeting, the interested Director will nevertheless be regarded as being
determining a quorum, but will not be regarded as being present for the purpose of determining
support to be adopted. However, a Director who owns ordinary shares may vote his ordinary sh
shareholders in a transaction in which the Director is interested;

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a director may not vote as a director to determine his own compensation. The shareholders in a
for directors from time to time. Any additional compensation, including compensation for addit
director for Gold Fields business or for other positions in Gold Fields or its subsidiaries, must
directors whose compensation would not be affected by the decision; and

the directors are not required to hold shares in Gold Fields, although a shareholding qualificatio
of the shareholders.

The Memorandum of Incorporation does not provide for a mandatory retirement age for directors. How
specifies the retirement age to be 72 years of age.

Some of Gold Fields executive officers and executive directors are members of the boards of directo

Under Section 303A.11 of the New York Stock Exchange Company Manual, or the NYSE Listing Standa
Gold Fields must disclose any significant ways in which their corporate governance practices differ fro
companies under the NYSE Listing Standards. Disclosure of the significant ways in which Gold Fields c
from practices followed by U.S. companies listed on the NYSE can be found in Item 16

The business address of all the directors and executive officers of Gold Fields is 150 Helen Road, Sandow
address of Gold Fields head office.

Executive Directors

Nicholas J. Holland *BCom, BAcc, Witwatersrand; CA (SA).*

Executive Director and Chief Executive Officer. Mr. Holland has been an Executive Director of Gold Fiel
Chief Executive Officer on May 1, 2008. He served as Executive Director of Finance from April 1998. O
to Chief Financial Officer until April 30, 2008. Mr. Holland has more than 30 years experience in financi
experience in the mining industry. Prior to joining Gold Fields he was Financial Director and Senior M
Gencor Limited. He is also an alternate director of Rand Refinery.

Paul A. Schmidt *BCom, Witwatersrand; BCompt (Hons), UNISA; CA (SA*

Executive Director and Chief Financial Officer. Mr Schmidt was appointed Chief Financial Officer on Jan
on November 6, 2009. Prior to this, Mr. Schmidt was acting Chief Financial Officer from May 1, 2008
Schmidt was financial controller for Gold Fields from April 1, 2003. He has more than 16 years exper
Schmidt holds no other directorships.

Non-executive Directors

Cheryl A. Carolus *BA Law; Bachelor of Education, University of the Western*

Chair of the Board. Ms. Carolus has been a director of Gold Fields since March 10, 2009. She was appoin
February 13, 2013. Ms. Carolus is an Executive Chairperson of Peotona Group Holdings. In 2009, she w
Board of South African Airways and served on a number of listed and unlisted companies. Ms. Carolus ha
positions in the liberation movement in South Africa and in the ANC. She has served as Deputy Secretary
and helped to negotiate the new South African constitution and coordinate the drafting of post-apartheid
Africa s High Commissioner to the United Kingdom from 1998 to 2001 and was the CEO of SA Tour
Chairperson of South African National Parks

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Board for six years and currently serves on the boards of other public and private companies, including th works with NGOs focused on young people at risk and conflict prevention. Ms. Carolus was appointe February 14, 2013.

***Rupert L. Pennant-Rea** BA, Trinity College, Dublin, Ireland; MA, University of Mancheste*

Mr. Pennant-Rea has been a Director of Gold Fields since July 1, 2002. He is Chairman of Henderson Newspaper Limited and is a Director of Hochschild Mining Plc, Go-Ahead Group, Times Newspaper H other companies. Previously, Mr. Pennant-Rea was editor of The Economist and Deputy Governo

***Kofi Ansah** BSc (Mechanical Engineering) UST Ghana; MSc (Metallurgy) Georgia Institute of Techno*

Mr. Ansah was appointed a Director of Gold Fields on March 4, 2004. He is a Director of Eco

***Donald M. J. Ncube** BA Economics and Political Science, Fort Hare University; Post Graduate Diplom University, Scotland; Graduate MSc Manpower Studies, University of Manchester, United Kingdom, Dip Honorary Doctorate in Commerce, University of Transkei*

Mr. Ncube was appointed a Director of Gold Fields on February 15, 2006. Previously, he was an altern Industrial Corporation Limited and Anglo American Corporation of South Africa Limited, a Director of A as Non-Executive Chairman of South African Airways. He is currently Chairman of Badimo Gas (Pty) Lin Vula Mining Supplies (Pty) Ltd.

***David N. Murray** BA Hons Econ; MBA (UCT)*

Mr. Murray joined the Board on January 1, 2008. He has more than 38 years experience in the mining in Officer of Rio Tinto Portugal, Rio Tinto Brazil, TVX Gold Inc., Avgold Limited and Avmin Limited. H Ivernia, Inc.

***Gayle M. Wilson** BCom, BCompt (Hons); CA (SA)*

Mrs. Wilson was appointed a Director on August 1, 2008. She was previously an audit partner at Ernst & Y focus was on mining clients. In 1998, she was involved in AngloGold Ashanti Limited s listing on the NY lead partner on the global audit. Other mining clients during her career include Northam Platinum Limit Anglovaal Mining Limited (now African Rainbow Minerals Limited) and certain Anglo Platinum operatio of Witwatersrand Consolidated Gold Resources Limited.

***Richard P. Menell** BA (Hons), MA (Natural Sciences, Geology), Trinity College, Cambridge, United King and Management), Stanford University, California, United States of Amer*

Mr. Menell has been a Director of Gold Fields since October 8, 2008. He has over 34 years experience in has been the President and Member of the Chamber of Mines of South Africa, President and Chief Executi Mining Inc., Chairman of Anglovaal Mining Limited and Avgold Limited, Chairman of Bateman Eng Harmony Gold Limited and African Rainbow Minerals and Executive Chairman of Anglovaal Mining Li currently a director of and senior advisor to Credit Suisse Securities Johannesburg, Weir Group Plc, the N Tourism Enterprise Partnership. Mr. Menell is a Trustee of Brand

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South Africa and a Council Member of Business Leadership South Africa. He is also Chairman of the City
Organization, the Carrick Foundation and the Palaeontological Scientific Trust. Mr Menell became a dir
from January 1, 2013.

Roberto Dañino *LLM, Harvard Law School; Bachelor of Law and Attorney, Pontificia Univer*

Mr. Dañino has been a director of Gold Fields since March 10, 2009. He served as Prime Minister of
Ambassador of Peru to the United States from 2002 to 2003. From 2003 to 2006, Mr Dañino was the Se
Counsel of the World Bank Group as well as Secretary General of the International Centre for Settlemen
also the founding General Counsel of the Inter-American Investment Corporation, the private sector a
Development Bank. Mr. Dañino sits on various corporate and non-profit boards, both in Peru and the Un
Peru. Mr Dañino is a Peruvian lawyer who has practiced for over 30 years as a partner of leading law firms
Dañino is currently the Deputy Chairman of the Board of Hochschild Mining Plc and Chairman of the Bo

Alan R. Hill *B.Sc (Hons), M. Phil (Rock Mechanics), Leeds University, United I*

Mr Hill joined the Board on August 21, 2009. From 2004 to 2007, Mr Hill was the non-executive chairm
from 2005 to 2009, he held the position of President and CEO of Gabriel Resources Limited. Both co
exploration and development. Mr Hill s mining career started on the Zambian Copperbelt, following whic
managed gold and nickel mines. He worked as a consultant for a short period, before joining Camflo Mi
Barrick Gold in 1984. Mr Hill joined Barrick as part of the merger and spent 19 years with Barrick and w
growth, having played a pivotal role in its various merger and acquisition initiatives through the years. He
Executive Vice President, Development. He was appointed the Executive Chairman of Teranga Gold Corp
been the Chairman and CEO since it was founded in October 2010.

Delfin L. Lazaro *BS Metallurgical Engineering, University of Philippines, MBA, Harvard Grad*

Mr Lazaro was appointed a director of Gold Fields on June 1, 2011. He also serves on the Board of Aya
Assurance Company Ltd. and Manila Water Company, Inc., amongst other companies. He served as th
Telecom from 1996 to 1998. Prior to this, he was head of the Philippines Department of Energy and ser
entities from 1992 to 1994. He started his working career at Benguet Corporation in 1975 as a Treasurer a
the organization until he was appointed Vice Chairman; he served in this role from 1

Former Non-executive Directors

Matthews S. Moloko *BSc (Hons) and Certificate in Education, University of Leicester, Advanced Man*

Mr. Moloko was appointed a director of Gold Fields on February 25, 2011. He is the executive Chair, fo
Group and non-executive Chair of Alexander Forbes Group. He worked at a number of financial services c
Mutual, where he was CEO of Old Mutual Asset Management until 2004. Other directorships include S
Limited. He is chairman of the Nelson Mandela Foundation Investment Committee. Mr Moloko resigned a
Chair effective December 31, 2012, following his appointment as the Chairman of Sibanye Gold

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Mamphela A. Ramphele *MBCHB, University of Natal; PhD in Social Anthropology, University of South*
South Africa. Diploma in Tropical Health and Hygiene and Diploma in Public Health, Unive

Dr. Ramphele was appointed non-executive Deputy Chair of the Board of Gold Fields on July 1, 201
November 2, 2010. She is the Founder of Letsema Circle, a Cape Town based specialist Transformatio
public and private sector, as well as The Citizen Movement, an organization which encourages South A
participants in entrenching the country s constitutional democracy. Dr Ramphele is a director of Remgro,
Edu-Loan. She previously served as a director of Anglo American Plc and Medi-Clinic and was the Man
from May 2000 to July 2004, with responsibility for human development activities and the World Bank In
learning for both staff and clients. Dr. Ramphele served as Co-Chair on the Global Commission for Intern
2004 and 2005. Prior to joining the World Bank, she was Vice-Chancellor of the University of Cape To
having joined the university as a research fellow in 1986. Dr Ramphele resigned from the Board with

Executive Officers

Michael D. Fleischer *(52) BProc, University of Witwatersrand*

Admitted as attorney of the High Court of South Africa in 1991, Advanced Taxation Certificate, Universi
President, General Counsel. Mr. Fleischer was appointed to his current position of Executive Vice P
November 1, 2006. Prior to his appointment, Mr. Fleischer was a partner in the corporate services departm
leading South African law firms. Mr. Fleischer has a wide range of experience in mergers and acquisition
law and stock exchange transactions. In 2005, he was ranked as one of South Africa s leading commerc

Tommy D. McKeith *(49) BSc. Hons (Geology), GDE (Mining) and MBA, University of the Witw*

Executive Vice President, Head of Growth and International Projects. Mr. McKeith was appointed Executi
and International Projects on July 1, 2011. Prior to this, he served as Executive Vice President, Head
Development since October 1, 2007. Prior to rejoining Gold Fields in October 2007, he served as Chief Ex
NL. From August 2004 until January 2006, he was Vice President of Business Development at Gold Field
for over 17 years with Gold Fields and its predecessors in various mine geology, exploration and bus
Mr. McKeith has 20 years of experience in business development, mining and exploration geology in the i
Fellow of the AusIMM and SEG.

Richard M. Weston *(61) FAIMM, CPEng, IEA. MSc Mining Geomechanics, UNSW; GDM, UCQ; E*

Executive Vice President, Head of Australasia. Mr Weston was appointed to the position of Executive Vic
May 1, 2010. He was formerly Senior Vice-President, Operations for Coeur d Alene Mines Corporation
based in Idaho in the United States. Before joining Coeur, he lead the site team responsible for the develo
gold project and prior to that he headed operations at Rio Tinto Australia s ERA Ranger and Jabiluka
Territory.

Naseem A. Chohan *(52) BE (Electronic), University of Limerick.*

Senior Vice President, Sustainable Development. Mr. Chohan was appointed to the position of Senio
Development on September 13, 2010. Mr. Chohan was previously self-employ

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consultant to various companies and, prior to that, spent 25 years at De Beers. When he left DeBeers i
Consultant, Sustainability and ECOHS (Environment, Community, Occupational Health and

Jan W. Jacobsz *(52). BA, University of Johannesburg (previously Rand Afrikaans*

Senior Vice President, Head of Investor Relations and Corporate Affairs. Mr. Jacobsz was appointed Se
Investor Relations & Corporate Affairs, as well as a member of the Group executive committee, on April
held the portfolio of Group Sustainable Development from 2002 to 2005. Prior to that Mr. Jacobsz was Se
Corporate Affairs; Programme Manager of Gold Fields Group Transformation Program at Gold Fie
Administrator of the Gold Fields Foundation.

Kgabo F. L. Moabelo *(42) B.Admin (Honours) in Industrial Psychology, University of South Africa,*
Management, University of Warwick

Managing Executive, South Africa. Mr Kgabo Moabelo was appointed Managing Executive, South Afric
that Mr. Moabelo had served as Executive Vice President, People and Organizational Effectiveness since
Gold Fields on October 1, 2010 as Senior Vice President, Human Resources. Before joining Gold Fields,
and Levant at Cisco Systems, the IT Group from 2008 to 2010. Prior to Cisco Systems he was the Huma
Bank overseeing the Global Personal and Business Banking, Credit and Support Services from 2005 to 20
experience within the mining and energy industries, having also worked for Anglo Platinum betwee
respectively.

Timothy W. Rowland *(52) BSc Hons Geology; MSc Mineral Exploration; GDE Mining Engineering; Pr.S*

Executive Vice-President, Group Technical Services. Mr Rowland has 26 years mining industry experien
Executive Vice President, Group Technical Services he had been acting Executive Vice-President and Hea
October 16, 2010. Tim received his BSc (Hons) Geology at the University of Nottingham, UK, in 1982
Mining Geology and Mineral Exploration Postgraduate at the University of Leicester, UK. During the
various Anglo American and AngloGold Ashanti Gold Operations and at the AAC Head Office as Technic
areas of Mine and Exploration Geology, Business Development, Mineral Resource Management and g
diligences, before joining Gold Fields Limited, Kloof Division as Manager: Mineral Resources and Mine
appointed to Head Office as Group Senior Consultant: Mineral Resources and Mine Planning in 2004 wh
Resource Management in Gold Fields and specifically held the position of Group Competent Person for t
Reporting process compliance and governance. In October 2008, Tim was appointed as Vice President and
Division for the South African region.

Peet van Schalkwyk *(49) BSc (GeoChem), University of Potchefstroom. Diploma in Ind*

Executive Vice President, Head of MENA & Eurasia. Mr. van Schalkwyk was appointed Executive V
September 19, 2011 a scope which was subsequently expanded to include operations in MENA & Eurasia
Schalkwyk was the General Manager of Alamos Gold Incorporated since March 2010. Prior to that, he wa
and Damang (from April 2007 to March 2010). Before joining Gold Fields, Mr. van Schalkwyk held va
Ashanti Ltd, Harmony Gold Mining Co. Ltd. and Anglo American Corpora

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Lee-Ann N. Samuel *(35) BA Psychology and Honors Political Science, University of Johannesburg, Gl*
(GRP), WorldatWork, USA.

Senior Vice President, Human Resources. Mrs. Samuel joined Gold Fields in 2009 as Vice President, Gr
Benefits, and, effective March 1, 2013, she was promoted to Senior Vice President: Human Resources.
Resources experience in financial services, mining and telecommunications. Prior to joining Gold Fields
People Development at Telkom Media, a subsidiary of Telkom for 3 years. Her overall responsibility is to
Human Resources discipline at Gold Fields, including the development of Human Resource policies to ens
the Group as well as external trends and demands impacting on HR.

Ernesto Balarezo *(45)MSc Industrial Management, BSc Industrial Engineering, Texas A&M University*
School of Business, Management Studies, Harvard University.

Executive Vice President, South America. Mr. Balarez joined Gold Fields effective March 11, 2013 as E
America. He has 21 years of professional experience at industrial and mining companies with a focus or
joining Gold Fields, Mr. Balarezo was the Vice-President: Operations of Hochschild Mining plc, or Hoc
responsible for overseeing the Hochschild group s six silver and gold mining operations in Peru, Argentin
projects. He had 9,000 employees under his management. He joined Hochschild in 2007 as General Manag
being promoted to General Manager for Peru in 2008 and Vice President of Operations in 2010. Prior to H
subsidiaries of the Hochschild group since 1997, including at Hochschild s cement subsidiary, Cemen

Brett J. Mattison *(34). BComm (Hons) Law, Accounting, University of Stellenbosch, Masters in Law, H*
Johannesburg, Exec. MBA (PLD), Harvard Business School

Senior Vice-President: Strategy, Planning and Corporate Development. Mr. Mattison was appointed S
Planning and Corporate Development effective May 1, 2013. He began his career with Gold Fields in 200
providing commercial, legal and tax structuring advice in relation to various global transactions. He sul
Development team in 2005 where he worked for 6 years until 2010. In late 2010, Mr. Mattison was appoir
Philippines tasked with the mandate of setting up Gold Fields activities in the Philippines. Most recent
President of Special Projects tasked with setting out the groundwork for the Gold Fields

Former Executive Officers

James W. D. Dowsley *(55) BSc (Mining Engineering), Witwatersrand.*

Senior Vice President, Head of Corporate Development. Mr. Dowsley was General Manager of Corporate
March 1998. On April 15, 2002, Mr. Dowsley s title changed to Senior Vice President, Corporate Devel
General Manager of Corporate Development, Mr. Dowsley served as General Manager of New Business, a
Economics Division of Gold Fields of South Africa Limited. Mr. Dowsley retired from Gold Fields w

Zakira Amra *(31). BCom. University of Natal. Senior Vice President: Head of Corporate Affair*

Ms. Amra was appointed Senior Vice President: Head of Corporate Affairs and Investor Relations on Ma
from Barclays Capital where she was a senior member of the Mining & Metals team since 2008. Prior to B
at RMB Asset Management since 2007 and Barnard Jacobs Mellet Securities since 2005. Ms. Amra resig
May 2012.

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***Cain Farrel** (63). FCIS, MBA, Southern Cross University, Australia.*

Mr. Farrel was appointed Company Secretary on May 1, 2003 and retired on December 31, 2012. Mr. Fa
Director of the Southern African Institute of Chartered Secretaries and Administrators. Previously, Mr. F
Secretary of Anglo American Corporation of South Africa. Mr Farrel was appointed Company Secretary o
2013.

***Peter L. Turner** (56) National Higher Diploma (NHD) Vaal Triangle Technikon SA, Mechanical Enginee
Certificate of Competency Metalliferous; South Africa Mechanical Engineers Certifica*

Mr Turner was appointed as Executive Vice President, Head of South Africa region on August 8, 2011 a
Vice President, Head of West Africa since August 1, 2009. He moved to Ghana in 2008 when he was appo
and before that he was the head of the Kloof mine in South Africa from 2005 and later the Driefontein mi
2005, he was Managing Director of Geita Gold Mining Limited in Tanzania from 2002 to 2005 and, befo
and West Africa region for AngloGold Ashanti where he spent the majority of his career. He progressed
engineering trainee at Vaal Reefs in 1975, later spending time in various managerial positions at numer
Turner has more than 34 years of experience in the mining industry. Mr Turner resigned from Gold Field
join Sibanye Gold.

***Juan L. Kruger** (42) Bachelor degree in Business and Finance, Universidad del Pacifico; MBA,*

Mr. Kruger was appointed as Executive Vice President, Head of Operations for South America on Aug
subsequently expanded to include the Americas. He has over 15 years of broad experience in corporate
general management in the mining, consumer goods, airline, telecommunications, consumer goods and fi
America. Mr. Kruger joined Gold Fields in October 2007 as Senior Vice President and country manager fo
the start-up team at Cerro Corona. As of April 2008, he assumed responsibilities for the South American r
Mr. Kruger was the Chief Executive Officer for LAN Peru, a subsidiary of LAN Airlines. From 2001 to
Financial and Strategy Officer for Telefonica Data in Peru and, from 2004 to 2006, he was employed by
Chief Financial Officer for Glencore s operating assets in the region. Mr. Kruger also held senior mana
McKinsey & Co. and Procter & Gamble in South America. In fiscal 2012, Mr Kruger left Gold Fields to
mining company in Peru.

Company Secretary

Karen Robinson (35). LLB, Certificate in Advanced Corporate & Securities

Mrs Robinson was appointed as Assistant Company Secretary on November 1, 2011 and was promoted to
2013. She was previously the Company Secretary of Aveng Limited and Kagiso Trust Investments (Pty) L
Secretary of Murray & Roberts Limited.

Board of Directors Committees

In order to ensure good corporate governance, the Board has formed an Audit Committee, a Remunerati
Governance Committee a Safety, a Health and Sustainable Development Committee, a Capital Projects Co
Social & Ethics Committee. All the committees are comprised exclusively of Non-executive Directors.
independent Non-executive Director. The remuneration of Non-executive Directors for their service on
approved by the shareholders.

The Audit Committee monitors and reviews Gold Fields accounting controls and procedures, includin
information systems and other systems of internal control; the effectiveness of the internal audit functi
internal auditors; quarterly reports, the Form 20-F, annual report and the annual financial statements; the
and any proposed revisions

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thereto; external audit findings, reports and fees, and the approval thereof; and compliance with applicab
regulatory authorities and Gold Fields Code of Ethics. The current membership of the Audit C

Gayle M. Wilson (chair)

Rupert L. Pennant-Rea

Donald M. J. Ncube

Richard P. Menell

The Remuneration Committee establishes the compensation philosophy of Gold Fields and the terms ar
Executive Directors and other executive officers. The current membership of the Remuneration C

Rupert L. Pennant-Rea (chair)

Cheryl A. Carolus

Gayle M. Wilson

Donald M. J. Ncube

The Safety, Health and Sustainable Development Committee reviews adherence to occupational health, sa
by Gold Fields. The Committee seeks to minimize mining-related accidents, to ensure that the Company
all environmental regulations and to establish policy in respect of HIV/AIDS and health matters. The cu
Health and Sustainable Development Committee is as follows:

David N. Murray (chair)

Kofi Ansah

Cheryl A. Carolus

Roberto Dañino

Richard P. Menell

The Nominating and Governance Committee develops and implements policy on corporate governance
process for evaluating nominations to the Board of Directors, identifies successors to the Chairman an
considers selection and rotation of the Board committee members. The current membership of the Nomina
as follows:

Cheryl A. Carolus (chair)

Rupert L. Pennant-Rea

Kofi Ansah

Roberto Dañino

The Capital Projects Control and Review Committee was established on May 1, 2009 as a sub-committe
Fields has used appropriate and efficient methodologies and has adequate controls in place in respect of
management in excess of R1.5 billion or U.S.$200 million. These projects are reviewed from inception t
makes recommendations to management as it considers appropriate. The current membership of the Cap

Committee is as follows:

Richard P. Menell (chair)

Gayle M. Wilson

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Alan R. Hill

David N. Murray

Delfin L. Lazaro

The Social & Ethics Committee was established on November 29, 2011 and is responsible for ensuring, ar discharges its statutory duties in respect of section 72 of Companies Act 71 of 2008 (as amended) and i include monitoring Gold Fields activities in relation to relevant legislation, other legal requirements an regarding: (i) social and economic development; (ii) good corporate citizenship; (iii) the environment, h impact on Gold Fields activities, products and services; (iv) consumer relations; and (v) labor and empl Ethics Committee must bring any matters relating to this monitoring to the attention of the Board and rep general meeting. The Board seeks the assistance of the Social and Ethics Committee in ensuring that Gold recommendations in respect of social and ethical management. The current members of the committee Committee, Remuneration Committee, the Safety, Health and Sustainable Development Committee and Committee, as follows:

Roberto Dañino (chair)

Cheryl A. Carolus

David N. Murray

Rupert L. Pennant-Rea

Gayle M. Wilson

Executive Committee

Gold Fields Executive Committee meets on a regular basis to discuss and make decisions on strategic Fields. The current composition of the Executive Committee is as follow

Nicholas J. Holland	Chief Executive Officer
Paul A. Schmidt	Chief Financial Officer
Brett J. Mattison	Senior Vice President, Strategy, Planning and Corporate Dev
Tommy D. McKeith	Executive Vice President, Growth and International Projects
Kgabo F. L. Moabelo	Managing Executive, South Africa
Peet van Schalkwyk	Executive Vice President, Head of MENA & Eurasia
Ernesto Balarezo	Executive Vice President, South America
Jan W. Jacobsz	Senior Vice President, Head of Investor Relations and Corpor
Richard M. Weston	Executive Vice President, Head of Australasia
Michael D. Fleischer	Executive Vice President, General Counsel
Naseem A. Chohan	Senior Vice President, Sustainable Development
Timothy W. Rowland	Executive Vice President, Group Technical Services
Lee-Ann N. Samuel	Senior Vice President, Human Resources
Karen Robinson	Company Secretary (In attendance)

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Regional Executive Management Committees

Each of Gold Fields four operating regions (South Africa, Australasia, West Africa and South Ame
Management Committee. Gold Fields also has a Growth and International Projects Committee and a Grou

South African Regional Executive Management Committee composition(

Kgabo F. L. Moabelo	Managing Executive, South Africa
Ken Matthysen	Vice President and Head of South Deep

Note:

(1) Prior to the Spin-off, Peter L. Turner was Executive Vice President, Head of South African Region, F
President and Head of KDC, Reg Naidoo was Vice President and Head of Finance South Africa Reg
President and Head of Beatrix, Morapedi Mutloane was Vice President and Head of Human Resourc
Govender was Vice President and Head of Commercial Services, Stuart Allan was Vice President an
Project, Philip Jacobs was Vice President and Head of Sustainable Development South Africa Regio
President and Head of Engineering South Africa Region.

Australasian Regional Executive Management Committee composition:

Richard Weston	Executive Vice President, Head of Australasia
Ross Calnan	General Manager St. Ives
Garry Mills	General Manager Agnew
Wimpie Du Toit	Vice President and Head of Human Resources Australasia
Alex Munt	Vice President and Head of Finance Australasia
Philip Woodhouse	Vice President and Head of Sustainable Development Austra

Middle East North Africa, or MENA, and Eurasia Regional Executive Management Comm

Peet van Schalkwyk	Executive Vice President, Head of MENA and Eurasia
Alfred Baku	Vice President Operations Ghana
Pierre Coussey	Country Manager Ghana
Marnu Lombaard	Vice President and Regional Head of Technical Services ME
Gary Hamman	Vice President and Regional Head of Finance MENA and Eu
Dawie Strydom	Vice President and Regional Head of Human Resources ME
Errol Drake	Vice President and Regional Head of Projects MENA and Eu
Johan Joubert	Regional Manager: Protection Services Manager MENA and

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South American Regional Executive Management Committee compositio

Ernesto Balarezo	Executive Vice President, South America
Manuel Diaz	General Manager Cerro Corona
Alberto Cardenas	Vice President Head of Strategic Planning and Business Dev
Rodolfo Michels	Vice President Head of Finance
Miguel Inchaustegui	Vice President Head of Corporate Affairs and Sustainable D
Ralph Alosilla-Velasco	Vice President Head of Logistics and Commercial
Veronica Valderrama	Vice President Head of Human Resources
Juan Jose Granda	Legal and Institutional Relations Corporate Manager
Manuel Villanueva	General Manager Chucapaca
Francisco Azevedo	Head of Exploration

Growth and International Projects Committee composition:

Tommy McKeith	Executive Vice President, Growth and International Projects
Nate Brewer	Senior Vice President Greenfields Exploration
Mike Nelson	Senior Vice President: International Projects
Matt Dusci	Vice President Concept and Studies
Diego Ortega	Vice President Sustainability and Corporate Affairs
Vinit Desai	Vice President Finance: Growth and International Projects
Conrad Mtshali	Vice President Human Resources: Growth and International I
Alan Gibson	Head of Legal and Commercial

Group Technical Services Committee composition:

Timothy Rowland	Executive Vice President, Group Technical Services
Kevin Robertson	Vice President and Group Head of Mineral Resource Manage
Jacques van Rensburg	Vice President and Group Head of Engineering
Philip Engelbrecht	Group Head of Metallurgy
Paul Lucey	Group Head of Technology and Innovations
Jan Du Plessis	Vice President and Group Head of Energy, Carbon and Wate
Jan van Niekerk	Manager: BIOX®

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Compensation of Directors and Senior Management

During the fiscal year ended December 31, 2012, the aggregate compensation paid or payable to director
Fields as a group was approximately R212.0 million, including all salaries, fees, bonuses and contributio
pension, retirement or similar benefits for directors and senior management of Gold Fields, of which R7.8
contributions and life insurance, R125.8 million was due to bonus and performance-related share paymen
R77.3 million was due to salary payments.

The following table presents information regarding the compensation paid by Gold Fields for the year
directors and executive officers:

	Directors fees	Committee fee	Salary	Annual Bonus	Share Proceeds	F S Con
				(Rand thousand)		
Executive Directors						
Nicholas J. Holland(3)			9,310	8,460	25,389	
Paul A. Schmidt(3)			5,465	5,553	8,001	
Executive officers						
Zakira Amra(4)			2,250			
Naseem A. Chohan			2,464	1,402	236	
James W. D. Dowsley			3,115	3,298	4,110	
Michael D. Fleischer(3)			4,603	4,307	8,462	
Juan L. Kruger			4,753	5,726	5,455	
Tommy D. McKeith			7,391	3,782	7,985	
Kgabo F. L. Moabelo			3,499	3,102	321	
Timothy W. Rowland			3,227	2,679	4,854	
Peet van Schalkwyk(3)			4,827	2,771	113	
Peter L. Turner			5,032	3,394	4,521	
Richard M. Weston			5,483	2,909	20	
Jan W. Jacobsz(5)			2,102	3,325	3,551	
Non-executive Directors						
Kofi Ansah	758	214			410	
Cheryl A. Carolus	758	107				
Roberto Dañino	758	364			412	
Alan R. Hill	758	107				
Richard P. Menell	758	418				
David N. Murray	758	371			411	
Donald M. J. Ncube	758	249			413	
Mamphela A. Ramphele(6)	2,284					
Rupert L. Pennant-Rea	758	513				
Gayle M. Wilson	758	583			414	
Delfin L. Lazaro	758	107				
Matthews S. Moloko(7)	758	142				
Total	10,622	3,175	63,521	50,708	75,078	

Notes:

(1) The annual bonus relates to bonus accruals for the year ended December 31, 2012 paid in February 2013.

(2) This relates to all share transactions for the year ended December 31, 2012 in terms of the Gold Fields Managemen
2005 and 2012 Share Plans. Mr. Holland s 2009 share award resulted in a share pay-out of R24.3 million and Mr. S
share pay-out of R6.4 million in 2012.

(3) These amounts reflect the full directors emoluments in Rand for comparative purposes. The portion of executive d
dollars is paid in terms of agreements with the offshore subsidiaries for work done by directors offshore for offshor
amounts paid for 2012 were as follows: Nicholas J. Holland $336,300, Paul A. Schmidt $90,300, Michael D. Fleisc

$272,924.

(4) Resigned on May 31, 2012.

(5) Appointed as a prescribed officer on August 1, 2012.

(6) Resigned as Chair of Gold Fields on February 13, 2013.

(7) Resigned as non-Executive Director on December 31, 2012.

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Share options and restricted shares outstanding and held by directors, former directors, executive officers a
December 31, 2012 were, to the knowledge of Gold Fields management, as f

Name	Options to purchase ordinary shares	Share Appreciation Rights (SARS)	Restricted Shares	Option/ SARS exercise price	Spin-off Adjustment(1
Executive Directors					
Nicholas J. Holland		49,000		109.66	7,383
		59,000		89.76	6,045
			80,800		22,659
		38,250		119.15	5,762
			52,500		7,908
			116,415		17,536
			11,027		
Paul A. Schmidt		4,950		124.19	1,516
		6,300		107.59	949
		9,450		103.99	1,326
		14,390		109.66	2,168
		8,220		103.78	1,173
		22,350		89.76	2,290
			26,250		7,361
		25,800		119.15	3,886
			32,600		4,910
			5,481		
			43,743		6,589
Non-executive Directors					
Rupert L. Pennant-Rea			4,100		
Cheryl A. Carolus			4,100		
Richard P. Menell			4,100		
Executive Officers					
James W. D. Dowsley		5,500		124.19	1,684
	2,500			107.59	
	2,500			107.59	
	5,000			107.59	
	5,000			107.59	
		12,750		107.59	1,921
		12,750		103.99	1,789
		9,950		109.66	1,499
		18,000		89.76	1,844
			18,525		5,194
		12,975		119.15	1,954
			13,275		1,998
			24,283		3,657
			3,395		
Michael D. Fleischer		11,067		124.19	3,389
		15,900		107.59	2,396
		15,900		103.99	2,231
		20,400		109.66	3,073
		22,350		89.76	2,290

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Name	Options to purchase ordinary shares	Share Appreciation Rights (SARS)	Restricted Shares	Option/ SARS exercise price	Spin-off Adjustment[1]
			25,575		7,172
		18,225		119.15	2,744
			20,850		3,140
			4,533		
			36,390		5,481
Tommy D. McKeith		50,000		121.82	7,547
		10,600		107.59	1,597
		10,600		103.99	1,487
		20,400		109.66	3,073
		22,350		89.76	2,290
			25,575		7,172
		18,225		119.15	2,744
			20,850		3,140
			12,661		
			50,302		7,577
Peter L. Turner	15,000			89.8	
		4,800		124.19	1,470
		8,550		107.59	1,578
		8,550		103.99	2,439
		6,650		109.66	4,798
		5,500		99.87	3,396
		22,350		89.76	
			25,575		7,172
		12,150		119.15	
			13,900		2,092
			5,341		
			37,146		5,595
Juan L. Kruger		10,000		124.09	1,509
		8,500		107.59	1,281
		8,500		103.99	1,193
		9,950		109.66	1,499
		3,600		99.87	468
		22,350		89.76	2,290
			25,575		7,172
		18,225		119.15	2,744
			20,850		3,140
			8,108		
			46,624		7,023
Richard M. Weston		10,840		101.48	1,493
			12,460		1,876
		18,225		119.15	2,744
			20,850		3,140
			12,661		
			36,195		5,452
Naseem A. Chohan		4,130		118.35	622
			4,200		632
		12,975		119.15	1,954

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Name	Options to purchase ordinary shares	Share Appreciation Rights (SARS)	Restricted Shares	Option/ SARS exercise price	Spin-off Adjustment[1]
			13,275		1,998
			2,287		
			16,961		2,554
Kgabo F.L. Moabelo		3,440		118.35	518
			3,500		527
		12,975		119.15	1,954
			13,275		1,998
		4,156		114.64	626
			5,643		850
			3,133		
			27,188		4,095
Timothy W. Rowland		4,950		124.19	1,516
		6,300		107.59	949
		9,450		103.99	1,326
		11,400		109.66	1,717
		14,400		89.76	1,475
			14,775		4,143
		11,925		119.15	1,796
			12,225		1,840
		5,450		114,64	821
			7,150		1,077
			2,651		
			25,971		3,912
Peet van Schalkwyk		4,400		136.29	662
			20,000		3,012
			1,089		
			29,831		4,493
Jan W. Jacobsz		18,000		89.76	1,844
		6,487		119.15	977
		6,488		119.15	977
		5,500		124.19	1,684
		9,950		109.66	1,499
			6,638		999
			18,525		5,194
			6,637		999
			2,851		
			19,173		2,888
			5,448		820

Notes:

(1) The rules of the share plans make provision for an adjustment to the number of shares in the event there is a variatio of corporate action. The share plans require that the fair market value of an employee s share portfolio pre- and pos order to uphold this principle an independent auditing firm was contracted to provide a fair opinion on the additiona maintain the pre-Spin-off value of the share portfolios of employees, which resulted in 1,639,517 shares being awar

(2) For the restricted shares, the settlement date is three years after the date of award and for the SARS six years after t

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Share Ownership of Directors and Executive Officers

The following sets forth, to the knowledge of Gold Fields management, the total amount of ordinary sha
the directors and executive officers of Gold Fields as of December 31, 201

Holder	Ordinary shares
Nicholas J. Holland[(1)]	5,000
Paul A. Schmidt [(2)]	7,000
Mamphela A. Ramphele	1,450
Rupert L. Pennant-Rea	13,759
Donald M. J. Ncube[(4)]	7,874
Peter L. Turner[(3)]	13,689
Gayle M. Wilson[(5)]	2,378
Michael D. Fleischer[(6)]	4,533
Naseem A. Chohan[(7)]	2,286
Peet van Schalkwyk[(8)]	1,090
Jan W. Jacobsz[(9)]	12,939
Total Directors (6 persons)	37,461
Total Non-Director Executive Officers (5 persons)	34,537
Total Directors and Executive Officers (11 persons)	71,998

Note:

(1) Nicholas J. Holland acquired 5,000 ordinary shares on March 23, 2012.
(2) Paul A. Schmidt acquired 5,000 ordinary shares on March 13, 2012 and 1,000 ordinary shares on Jun
(3) Peter L. Turner acquired 13,689 ordinary shares on September 20, 2012
(4) Donald M. J. Ncube acquired 2,378 ordinary shares on December 14, 2012
(5) Gayle M. Wilson acquired 2,378 ordinary shares on December 6, 2012
(6) Michael D. Fleischer acquired 4,533 ordinary shares on December 14, 2012
(7) Naseem A. Chohan acquired 2,286 ordinary shares on December 13,2012
(8) Peet van Schalkwyk acquired 1,090 ordinary shares on December 20,2012
(9) Jan W. Jacobsz acquired 7,852 ordinary shares on December 12, 2012 and 887 ordinary shares on De

The Gold Fields Limited 2012 Share Plan

At Gold Fields annual general meeting held on May 14, 2012, the shareholders approved the Gold Fiel
2012 Plan, under which employees, including executive directors but excluding non-executive directors, a
of The 2012 Plan, no further awards will be made to participants under The 2005 Plan (a

The 2012 Plan contains two equity instruments: conditional shares, or the Performance Shares, and forf

The Performance Shares share similar features with the PVRSs (as defined below) under The 2005 Plan. T
subsequent to the vesting date. The employee s annual salary, grade, performance, retention and attra
benchmarks determine the number of Performance Shares to be awarded. The actual number of Performan
to a participant after the original award date is determined by the company s performance measured agai
(made up of AngloGold Ashanti, Barrick, Goldcorp, Harmony, Newmont, Newcrest and Kinross) based on
share price compared to the respective U.S. dollar

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share prices of its peer group. Furthermore, for PVRS awards to be settled to executives, an internal comp
to be met before the external relative measure is applied. As in The 2005 Plan, the target performance cr
company s expected gold production over the three-year measurement period as set out in the Business Pl
Board. In the event that the target performance criterion is met, the full initial target award shall be sett
Remuneration Committee has determined that the number of Performance Shares to be settled may only
opposed to 300% in terms of The 2005 Plan, of the number of the initial target number of Performance

The 2012 Plan discontinues SARs (as defined below) and replaces them with Bonus Shares. The Bonus S
18-month period from the award date in equal parts. The size of the award of Bonus Shares is dependent o
calculated with reference to actual performance against predetermined targets for the financial year ending
date. The aggregate number of shares which may at one time be allocated under the 2012 Plan, when ad
Management Initiative Scheme may not exceed 35,309,593 shares (which represents approximately 5% o
the company currently in issue). The maximum number of shares which may be allocated to an individual
December 31, 2012, Gold Fields had 4,262,170 Performance Shares and 792,376 Bonus Shares outs

The Gold Fields Limited 2005 Share Plan

At Gold Fields annual general meeting held on November 17, 2005, the shareholders approved The Gold
The 2005 Plan, under which employees, including executive directors, were compensated. With the appr
awards will be made to participants under the 2005 Plan.

The 2005 Plan provided for two types of awards: performance vesting restricted shares, or PVRS, and
appreciation rights, or SARS. The PVRS are settled three years after being awarded and the SARS vest thr
a further three years before expiration. The size of the annual award or allocation was dependent on the pe
time of the award or allocation, which was usually in March. As of December 31, 2012, Gold Fields had
PVRS outstanding under The 2005 Plan.

All PVRS allocations made from March 1, 2006 to December 1, 2011 were conditionally awarded to parti
2005 Plan, the actual number of PVRS which would be settled to a participant three years after the origina
company s performance measured against the individual performance of five other major gold mining c
group and made up of AngloGold Ashanti; Barrick, Goldcorp, Harmony and Newmont) based on the relati
price compared to the respective U.S. dollar share prices of the individual companies within the peer group
executives, an internal company performance target is required to be met before the external relative mea
2008, the rules were modified so that two performance measures apply, as permitted under the existing rul
the annual general meeting. The target performance criterion has been set at 85% of the company s ex
three-year measurement period as set out in the Business Plans of the company approved by the Boar
performance criterion was met, the full initial target award was settled on the settlement date. In additio
determined that the number of PVRS to be settled may be increased by up to 300% of the number of th
conditionally awarded, depending on the performance of the company relative to the performance of five o
(the peer group) based on the relative change in the Gold Fields share price compared to the respective
individual companies within the peer group.

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The GF Management Incentive Scheme

Prior to approval of The 2005 Plan, share options were available to executive officers and other employe
Directors under The GF Management Incentive Scheme. Before the Spin-off, the exercise prices of all ou
Rand 63.65 and Rand 140.66 per ordinary share and they expire between January 3, 2013 and July 2, 201
of the Spin-off, the exercise prices of all outstanding options range between R49.78 and R118. The exer
which is the subject of an option is the weighted average price of the ordinary shares on the JSE on the da
on which the Board of Directors resolved to grant the option.

Each option may normally only be exercised by a participant on the following bases: (1) after two years ha
the option was accepted by the participant, in respect of not more than one-third of the ordinary shares wh
(2) after three years have elapsed from the date on which the option was accepted by the participant, in r
one-third (representing two-thirds cumulatively) of the ordinary shares which are the subject of that opti
elapsed from the date on which the option was accepted by the participant, in respect of all the ordinary sh
option, subject to revision by the Board of Directors. For so long as a person continues to work for Gold
after the date of acceptance of the option by the participant. Options vest as soon as they are exercisable
Fields have one year following their departure to exercise options which have

The first allocations under The 2005 Plan were made in March 2006 and no further allocations have been
Incentive Scheme from that date as the scheme has been discontinued.

The Gold Fields Limited 2005 Non-Executive Share Plan

At Gold Fields annual general meeting held on November 17, 2005, the shareholders approved The Gold
Share Plan, or The 2005 Non-Executive Plan. Participants in The 2005 Non-Executive Plan were non-exec
are not members of the Non-Executive Directors Remuneration Committee, which comprises independe
under The GF Non-Executive Director Share Plan. The Plan provided for the release of restricted share
directors three years after the date of the award, provided that the non-executive director was not remove
from the Board of Directors during that period. No consideration is payable for the grant of an a

Shareholders approved that the 2005 Non-Executive Plan, which governed the award of restricted share
discontinued in the 2010 financial year. This was to achieve full compliance with the rules of the JSE Listi
from April 1, 2010, any director who participates in a share incentive/option scheme will not be regarded
that section 3.84(f)(iii) of the Listings Requirements, as amended, will not be applied retrospectively. E
awarded to the non-executive directors before the amended JSE Listings Requirements became effective
valid and the non-executive directors are considered independent until the restricted shares already awarde
in November 2012 and the scheme was subsequently closed.

Additional Scheme Shares

The aggregate number of the Company s issued ordinary share capital on December 31, 2012, reserved f
share schemes described above was limited to 35,309,593 shares (which represents approximately 5%
shares). This percentage may only be amended with the approval of shareholders in general

As at February 28, 2013, the number of shares in issue under the share schemes was 19,955,492 (which i
1,639,517, a performance condition of 300% for the March 2010 award that vested on March 1, 2013 of 1
of 2,339,380). The March Annual Awards in terms of Gold Fields totalled 4,796,526 performance shares
resulted in a total of 26,704,114 shares in issue as at March 1, 2013.

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As a result of the above, the shares that have been set aside for the share plans are being depleted and will
and settlements. A special resolution will be tabled at the 2014 annual general meeting requesting an additi
for the share plans.

The rules of the share plans make provision for an adjustment to the number of shares in the event there
capital as a result of corporate action. The share plans require that the fair market value of an employe
corporate action remain the same. In order to uphold this principle, an independent audit firm was contract
the additional number of shares required to maintain the pre-Spin-off value of the share portfolios of empl
shares being awarded. Furthermore, employees who ceased to be employed by the Group as a result of
leavers in terms of the rules of the share plans. Good leavers are entitled to a portion of their shares on ac
that the shares were held up to vesting date. The unvested portion is forfeited in terms of the rules of th
2,339,380 shares.

Employee Share Option Scheme

An ESOP in respect of an effective 10.75% stake in GFIMSA was registered on December 1, 2010. The
through the Thusano Share Trust. The effective holding in GFIMSA was equivalent to about 13.5 million
with full voting rights, which were issued to and held by the trust at par value of R0.50 which represented
volume-weighted average price at July 30, 2010. This represents approximately 1.87% of the current G
Additional Information Material Contracts Additional Black Economic Empowern

Executive Directors Terms of Employment

Nicholas J. Holland (Executive Director and Chief Executive Officer) is party to three employment agreen
Holdings (BVI) Limited, or Gold Fields Ghana Holdings, one with Orogen and one with Gold Fields Gro
Paul A. Schmidt (Executive Director and Chief Financial Officer) is party to three employment contrac
Holdings, one with Orogen, and one with GFGS. The terms and conditions of employment for each exe
similar, except where otherwise indicated below.

The annual gross remuneration package, or GRP, payable to each of Mr. Holland and Mr. Schmidt for fi
Remuneration Committee and is as follows:

Nicholas J. Holland: R8,145,700 plus U.S.$336,300

Paul A. Schmidt: R5,125,000 plus U.S.$90,300

The split between the contracts for these amounts payable to the executive directors is determined on the b
that executive director in respect of each contract.

The GFGS Contracts

Under the GFGS Contracts, the employment of an executive director will continue until terminated upon (
party for the Chief Executive Officer and Chief Financial Officer, respectively or (ii) retirement of the rele
provided for at age 60 in the contract). Gold Fields can also terminate the executive director s employ
recognized by law as justifying summary termination.

The value of the GRP payable in terms of the GFGS Contract is to be allocated among the following ber
retirement fund contribution (with contributions set at 20% of Pensionable Emoluments, which are set a
GRP as elected by the executive director); (iii) voluntary participation in a vehicle scheme; (iv) comp
(v) compulsory Group Personal Accident Policy coverage. In addition, it is compulsory for the executive
GRP to the Unemployment Insurance Fund, subject to any legislated contribution maxin

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The Offshore Contracts

Under the agreements with Gold Fields Ghana Holdings and Orogen, or the Offshore Contracts, the execu
appropriate currency, that portion of the GRP relating to the amount of time spent performing duties of
companies. In the interest of simplicity, no benefits other than annual leave accrue to each executive direc

Other Remuneration

In addition to the gross guaranteed remuneration payable, each executive director is entitled, among othe
under their employment contracts: (i) participation in the GF Management Incentive Scheme and The Go
Share Plans; and (ii) consideration for an annual (financial year) incentive bonus based upon the fulfillmen
of Directors and an expense allowance.

In fiscal 2012, the amount and manner of any bonus payment for the CEO and CFO was determined by th
Board. See Board of Directors Committees . The annual bonus was set at a target of 65% of the value
value of the GRP for the CFO, assuming fulfillment of all targets, with scope to award a lesser bonus if t
bonus, up to a further 65% of the GRP for the CEO and 60% of the value of the GRP for the CFO

As of January 1, 2013, the amount and manner of any bonus payment for the CEO and CFO remaine

The employment contracts also provide that, in the event of the relevant executive director s employmen
of a change of control as defined below, and within 12 months of the change of control, the director is
equal to twice his GRP, or two and a half times in the case of the CEO and two times in the case of the CF
to the average of the incentive bonuses paid to the executive director during the previous two complete
payments and/or benefits due under the contracts; (iv) payment of any annual incentive bonus he has e
notwithstanding that the financial year is incomplete; (v) an entitlement, for two years after the date of te
rules of the GF Management Incentive Scheme then in force, to retain and to exercise all share options a
which may not have vested at the date of such termination; and (vi) an entitlement to be settled with th
allocated and awarded to him, and in the case of the SARS will have a further period of one year in wh
employment contracts further provide that these payments cover any compensation or damages the execu
applicable employment legislation.

A change of control for the above is defined as the acquisition by a third-party or concert parties of 30
shares.

In the event of the consummation of an acquisition, merger, consolidation, scheme of arrangement or oth
there is a change of control, if the executive director s services are terminated, the change of control pr

The committee resolved to discontinue the compensation entitlement in the event of change of control for
January 1, 2013. The senior executives who are currently entitled to the change of control compensation be
the previous policy.

Non-executive Director Fees

Gold Fields has no service contracts with its non-executive directors. The fees for non-executive direct
non-executive directors Remuneration Committee comprised of indepen

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external remuneration advisers. Fees for the non-executive directors are reviewed by the independent exte
and proposed fees are presented to shareholders at the Annual General Meeting in May of each year. Annu
of each year.

The Board decided to freeze the salaries of senior executives for fiscal 2013 due to challenging economic
lost in 2012 as a result of the illegal strike. There will be a freeze on salaries for top management, includi
fiscal 2013.

Employees

The gold mining industry, particularly in South Africa, is labor-intensive. The total number of employees
contractors who are not on Gold Fields payroll, as of the end of the last three fiscal years at each of the op
those dates was:

		As of[1][2]	
	June 30, 2010	December 31, 2010	De
South Africa			
KDC[3]	35,300[4]	32,100[4]	
Beatrix[3]	11,200[4]	10,500[4]	
South Deep	6,500[4]	6,800[4]	
Ghana			
Tarkwa	2,100[4]	2,200[4]	
Damang	430[5]	420[5]	
Australia			
St. Ives	760[5]	790[5]	
Agnew	370[5]	360[5]	
Peru			
Cerro Corona	310[5]	340[5]	
Corporate	90[5]	100[5]	
Total	59,800[4]	56,200[4]	

Notes:

(1) The employee numbers presented in 2012 do not include contractors who are not on the payroll. As a
employed approximately 14,200 outside contractors divided among its operations as follows: KDC 4
4,750; Tarkwa: 1,700; Damang: 800; St. Ives: 350; Agnew: 200; and Cerro Corona: 1,200. The 2010
contractors not on payroll. This was rebased in 2011 and 2012 to only include employees on the payr

(2) In addition to the employee numbers for fiscal 2012, Gold Fields also employs approximately 770 em
International Project division and 3,100 employees in its Support Services division. As at December
employees and contractors on payroll was approximately 48,100.

(3) Gold Fields distributed KDC and Beatrix as part of the Spin-off.

(4) Rounded to the nearest hundred.

(5) Rounded to the nearest ten.

Labor Relations

South Africa

Since 1995, the South African legislature has enacted various labor laws that enhance the rights of empl

confirm the right of employees to belong to trade unions and the right of unions to have access t

guarantee employees the right to strike, picket and participate in secondary strikes in certain pre

provide for mandatory severance pay in the event of termination of employment for operational

reduce and limit the maximum ordinary hours of work;

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increase the rate of pay for overtime;

require large employers such as Gold Fields to implement affirmative action policies to benefit
and impose significant monetary penalties for non-compliance with the administrative and repo
legislation;

provide for the financing of training programs by means of a levy grant system and a National S

grant employees the right to strike if a company employing over 500 employees terminates the
at any one time for operational reasons.

Prior to the Spin-off approximately 97% of the labor force at Gold Fields South African operations was
its South African workforce being members of the NUM the other two recognized unions being UASA
highly unionized labor force in South Africa and the fact that labor costs constituted approximately 43%
attempted to balance union demands with the need to contain and reduce total cash costs in order to ens
operations. After the Spin-off, approximately 78% of the labor force at Gold Fields South African ope
Sibanye Gold assets, labor costs constituted approximately 40.4% of productio

In fiscal 2012, Gold Fields, like several other South African mining companies, was affected by work
operations. See Risk Factors Gold Fields operations and profits have been and may be adversely aff
existing labor laws , Information on the Company Sibanye Gold s Mining Operations KDC Operatio
Gold s Mining Operations Beatrix Operation . For example, approximately 29,000 of 36,000 employees
mines in September and October 2012. These work stoppages continued despite the Chamber of Mines ne
Solidarity and UASA which the striking employees rejected. This breakdown of union cohesion has ma
difficult to settle labor issues such as wage demands and working conditions. Additionally, at South Deep
announced that its South Deep mine was entering into a formal 60 day consultation process with the NUM
terms of Section 189(3) of the Labour Relations Act No. 66 of 1995, or the LRA. However, on October 2,
it had reached a formal agreement with the NUM and the UASA to implement a new operating mod
implemented for the fourth quarter of fiscal 2012. Gold Fields expects that this new South Deep operating
allow the mine to create up to an additional 400 full-time positions at the mine. It is also expected to impr
for the mine to approach international best practice. South Deep withdrew the Section 189 notice issued to
the operating model were agreed.

During fiscal 2012, Gold Fields South African operations suffered 49 safety stoppages, of which one
stoppages were self-imposed mine closures as a result of safety-related incidents. Gold Fields has active
protocols applied to safety-related mine closures. Gold Fields conducted a tri-partite Health and Safety Su
government and labor organizations to promote health and safety in South Africa as part of a comprehens

Gold Fields South African Operations has offered an Employee Share Option Plan to non-management
Mining Charter requirements. The plan, which places an effective 10.75% stake in GFIMSA in the hand
shareholders and became effective on December 1, 2010. See Additional Information Material Con
Empowerment Transactions .

Wage Agreements

2011 2013 Agreement

Wage increases and changes to terms and conditions of employment are negotiated with the unions every
Gold Fields reached a two-year wage agreement, or the 2011 wage agreement, with the UASA, Solidarit
provided for wage increases marginally above inflation, where the majority of employees received in
depending upon the category of employee. The increases were implemented with effect from July 1, 201
applied in fiscal 2012. Annual increases for management were implemented in M

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The 2011 wage agreement further provided for a few adjustments to other conditions of employment, such
as well as an increase in the living out allowance from R1,400 to R1,520, effective from September 1, 2
effective from September 1, 2012. Currently, approximately 36% of Gold Fields South African labor fo
contractors) receive living out allowances.

In total, labor costs in South Africa decreased by 7.3% in fiscal 2012 compared to fiscal 2011. The decre
Rand from 7.22 to 8.19 per U.S.$1.00.

As noted above, as part of the strike settlement negotiations, the Chamber of Mines offered a settlement
existing collective wage agreement, to the striking miners on October 12, 2012. Under this proposal, Gold
to an earlier implementation of a number of provisions of the 2011 wage agreement that were agreed to
adjustment to wages in the relevant bargaining units of around 2.5%, or R150 million, per annum relat
entry-level wages. In addition, the gold mining companies, trade unions and government have set up a w
review of working practices, productivity improvements and socio-economic conditions in the gold minin
next round of wage negotiations scheduled for 2013. Gold Fields offered the benefit of the settlement pr
Mines, NUM, Solidarity and UASA to striking miners that returned to wo

Ghana

In Ghana, there are various constitutional and legislative provisions relating to labor which,

- entitle workers to join trade unions and give those unions the power to negotiate on their behalf employment;
- prohibit discrimination against union members;
- entitle workers to strike in certain prescribed circumstances;
- regulate the hours of work, termination notice, severance pay and minimum length of annual le
- provide for social security for workers and workers compensation; and
- provide for arbitration in trade disputes.

On October 8, 2003, the Ghanaian parliament passed the Labor Act, 2003 (Act 651), or the Labor Act.
greater freedom to form and to join trade unions, among other rights. The Labor Regulations 2007 (L.I 18
the Labor Act came into effect on June 8, 2007.

Of the Ghanaian employees at Tarkwa, Damang and the Accra office, the majority are members of the
GMWU, whose employment is governed by a collective bargaining agreement originally concluded in 19
and 2006. Wages are revised annually by negotiation with the GMWU.

Gold Fields negotiated a new employee gain-sharing model with the union for fiscal 2007, 2008 and 20
profits after tax and royalties will be shared among local employees. This profit sharing agreement is still
Fields paid a lump sum of U.S.$1,047 to each employee.

In October 2010, Gold Fields concluded wage negotiations for 2010 and signed a three year wage deal wit
wages by 10% per year for 2010, 2011 and 2012, as well as adjustments to other benefits such as housing,

Australia

In Western Australia, where Gold Fields Australian operations are located, labor is now primarily regula
the Fair Work Act, and the federal industrial relations system created thereby. The Fair Work Act came in
the previous federal industrial relations system created by the Workplace Relations Act 1996 (Cth.), o

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With the exception of a range of state statutes limited to health and safety, long-service leave, discrimina
Gold Fields and its employees are not subject to state industrial or employmen

The Fair Work Act continues to prescribe, among other things:

- minimum wages;
- maximum weekly hours;
- forms of leave (other than long-service leave);
- conditions regarding termination of an employee for redundancy;
- sanctions for unfair dismissal and unlawful termination;
- rights of unions to enter a workplace;
- collective bargaining rights for employees; and
- sanctions against unlawful industrial action.

However, the Fair Work Act has made significant changes to the previous federal industrial relations syst
Act by enhancing employee collective bargaining rights and increasing the role of unions in the collective
federal industrial relations system under the Fair Work Act include, among othe

- the removal of the ability for employers to make Australian Workplace Agreements which were indiv by employers to exclude collective bargaining and union access to the workplace;
- the introduction of a new collective bargaining framework that introduces good faith bargaining o restrictions on the content of agreements and an enhanced role for union officials as bargaining repre and participants in dispute resolution;
- the introduction of the National Employment Standards on January 1, 2010, which prescribe core mi applicable to all Australian employees under the federal industrial relations system;
- the introduction of new industry-wide terms of employment known as Modern Awards on January 1, such agreements for different industry sectors, including the mining industry;

the opening of access to unfair dismissal laws to all Australian employees; and

the creation of a national body called Fair Work Australia which, among other matters, will have wid
collective agreements and hear and determine unlawful dismissal claims and matters relating to minin
and freedom of association.

All of Gold Fields Australian employees and the employees of the contractors at the St. Ives and Agnew
individually negotiated federal workplace agreements under the Workplace Relations Act which will even
no longer exist under the Fair Work Act.

The commencement of the Fair Work Act means that unions have an increased role in negotiating collectiv
conditions and may lead to an increased union presence in Western Australia s mining industry, potentia
operations in Australia. In order to mitigate potential labor risks, Gold Fields has implemented an Employ
employees which provides some protection from potential third-party interventions. The Employee Colle
from negotiating terms and conditions of employment for a period of five years starting fro

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Peru

Mine workers in Peru are subject to the general regulations of the private labor system. In addition to thes
legal framework regarding mining activities is provided by the General Mining Law and its regulations a
Regulations.

New regulations regarding the contracting of outsourcing services have been recently enacted in the priv
regulations, mining companies that decide to hire outsourcing companies for the execution of specialized
of personnel will have the assigned personnel added to their payrolls and be jointly liable with the outsour
labor benefits and social security obligations of the assigned personnel. The liability is enforceable agains
of one year after the personnel have concluded its assignment.

Prior to 2011, the employees at Cerro Corona were not unionized and had no collective bargaining agre
regulations provide that a collective negotiation process may be commenced by a union or by workers re
thereof. Beyond these collective bargaining rights, there are various labor regulations which,

- entitle workers to strike in certain prescribed circumstances and manners;
- prescribe maximum ordinary hours of work and minimum vacation time;
- prescribe overtime pay, which can include the provision of rest days;
- prescribe minimum wages, bonuses, profit-sharing and compensation for the employee s perio
- require mine owners to transport workers between remote mine sites and population centers; an
- provide for mediation or arbitration in certain collective bargaining negotiations.

In June 2011, operational employees at Cerro Corona formed a labor union and negotiated a five year col
Gold Fields. This agreement provides for a 9.1% wage increase during the first year and 5.77% annual wag
addition, eligible employees are entitled to a special bonus payment, education expenses a

Though not required by law, Gold Fields provides to certain management staff a flat amount to cover hous
of Cajamarca in accordance with Gold Fields internal policy.

Also, Gold Fields provides to its workers, as a working condition, free transportation between the mine

In January 2010, the new Law of Labor Procedure, establishing the procedural rules for labor-related cl
emphasis on documentary filings, as compared to hearings, and reduce the time involved in resolving labo
on July 15, 2010. These laws have been implemented progressively in 2011 throughout Peru in accorda

In addition, in calendar 2010, the Peruvian Labor Authority set up new labor inspection programs aime
correcting irregular labor practices. These programs are part of the administrative measures promoted by
compliance with labor laws. Gold Fields has put practices in place to ensure compliance

Benefits

Gold Fields provides benefits to its employees, generally including pension, medical and accommodati
entitled to a severance package if they are laid off. Gold Fields own employees are generally provided w
In Australia, benefits for contractors employees are the responsibility of each contractor and Gold Fie
responsible for their own medical costs and other benefits, except that Gold Fields contributes to a

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In South Africa, Gold Fields attempts to attract and retain motivated high caliber employees throug
performance-based remuneration, as well as short-term and long-term incentives, and non-financial rewa
Gold Fields has also implemented company pay structuring for management employees and also for super
known as the Gross Remuneration Package.

Furthermore, in order to maintain competitiveness in the South African labor market, regular industry n
benchmark remuneration practices and to keep abreast of industry movements regarding employee bene
reward and recognition programs. Gold Fields was actively involved in an industry task team working v
formulating industry standards for remuneration practices based on labor market c

Gold Fields provides 50% of the contributions (premiums) under a medical plan, or the Gold Fields Plan
South Africa. As of December 31, 2012, approximately 126 former employees were still cov

As part of the acquisition of South Deep, Gold Fields assumed an additional post-retirement healthcare cos
Former employees of South Deep belong to a commercial medical scheme with employer liability for con
R400 per month. The R400 monthly contribution is fixed and is payable until the arrangement termi

In fiscal 2012, $0.3 million was debited to earnings under both the Gold Fields and South Deep

Bonus Schemes

Gold Fields offers appropriate bonus schemes for employees at all levels. The focus of Gold Fields bo
production and safety targets as the primary drivers, with quality factors, such as cost and developme
management levels. Bonus scheme drivers and parameters are aligned with the Group Annual Incentive S
bonus percentages of the Group Annual Incentive Scheme were reviewed in fiscal 2012. The short-term c
notional cash expenditure, development/waste mined and growth.

Employment Equity

Under the South African Employment Equity Act, or the Employment Equity Act, Gold Fields has a res
opportunity and fair treatment in employment by eliminating unfair discrimination; and (2) implement affi
the disadvantages in employment experienced by certain groups, in order to ensure their equitable rep
categories and levels in the workforce. As required by the Employment Equity Act, Gold Fields had a form
was been approved by its unions and submitted as part of its report to South African regulatory officials. T
to be achieved over a five year period, with regular meetings of employment equity forums involving
representatives to monitor progress against the plan. Management believes that Gold Fields is currently ma
targets under its plan and is in compliance with legal and regulatory requirements regarding

Training

Gold Fields spent approximately R366.0 million on employee training and development at its South Afri
R42.0 million at its Ghanaian, Australian, Peruvian and Growth and International Proj

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During fiscal 2012, most Gold Fields employees in South Africa participated in one or more of the num
programs offered. Approximately 42,300 employees and 9,700 contractor employees went through the in
program. In addition, during the second half of fiscal 2012, Gold Fields introduced a new program for o
providing further skills development at the workplace for approximately 12,500 employees. In fiscal 2012
participated in team-based health and safety training, and approximately 1,050 employees and 800 local c
literacy programs. In addition, approximately 500 employees were given portable skills training, in orde
empower employees with technical skills that can be used outside the mining i

In fiscal 2012, approximately 400 employees attended technical trade qualification programs in the engin
300 received mining qualification training. Approximately 1,500 employees received part qualification
programs, while in-house new skills training and short skills-enhancement programs were also offered t
employees, 1,900 technical service employees and 131 metallurgical emplo

For fiscal 2013, the direct employee training and development in human resources budget at South Deep is
represents a decrease over the budget from 2012 primarily due to the Spin-

Gold Fields continues to provide comprehensive training to its employees, in full compliance with the reg
which it operates. The training provided in South Africa is aligned with South Africa s National Qualifica
within the ambit of Gold Fields education, training and development, or ETD, establishment, which is
Sectoral Education and Training Authority, or SETA, which for Gold Fields is the Mining Qualifications
ETD establishment has secured accreditation and program approvals from a number of SETAs outside o
certificated in terms of the ISO 9001/2008 and ISO 14000 quality management standards. In order to sec
productive work performance, Gold Fields exposes its employees to ETD interventions which significantl
standards, in the form of additional mining and safety skills training, team-based behavioral training, and
skills training.

In addition, Gold Fields continues to focus systematically on managerial, leadership, and professional deve
Professional Talent Pipeline program, by means of a process known as the Talent Review, which is i
management system.

In South Africa, Gold Fields has maintained its enrollment of University Bursars and entry-level scholarsh

Gold Fields continues to review the performance of its human resource development, which seeks to identi
the training and development initiatives. This new focus has resulted in changes in the approach of hum
conscious departure from the traditional training-only approach, towards a holistic talent and change ma
believes that this approach will facilitate the cultural and behavioral changes required for the organizatio
performance objectives.

Through the Gold Fields foundation, Gold Fields previously announced that it would be investing R28 m
shortages in the South African mining industry. The three-year sponsorship deal comprises investments in
the University of Witwatersrand and the University of Johannesburg. Since this announcement, Gold Fiel
million with the University of Witwatersrand and over R10 million with the University of Johannesburg,
in accelerating their long-term strategies for upgrading facilities and implementing improved learning tech
an alliance between Gold Fields and the universities has been formed to promote the study of mining eng
sustain not only the company itself but the local mining industry as a collective. In addition to these univ
continues to provide approximately R5 million annually to support private students in obtaining practica
Mining Education Trust Fund, which provides subsidization towards university st

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Gold Fields continues to subscribe to initiatives concerning national critical skills formation, operating collaborative initiatives such as the Gold Producer s Committee s Collaborative Skills Developmen Business Partnership, or TSBP, which involves Arcelor-Mittal, SASOL, Eskom, Transnet, Anglo Plats a Fields continues to work closely with local and national government forums towards the development addressing youth development.

All of Gold Fields employee training activities in South Africa take account of the human resources deve Charter, and are fully described in the Social and Labor Plan submitted by Gold Fields to the Departme Information on the Company Environmental and Regulatory Matters South Afric

Gold Fields has initiated training and development programs internationally that are appropriate to the sp regional and site-specific objectives and constraints. A comprehensive leadership development program a developed to further the growth of high-potential individuals, including management, specialists, and oth Gold Fields expects to develop supervisory and management skills components and other initiatives to fu health, safety and environmental training remained a focal point in order to comply with site-specific safe support the Group s core value that if it cannot mine safely, it will not m

Leadership development

In addition, each of Gold Fields regions runs its own leadership development programs. Key leadership Group include the following:

Global Leader Program: This 15-day course is run in partnership with Duke University in North development of global leaders , with a focus on strategic thinking, risk management, stakeho

Business Leader Program: This 15-day course is also run in partnership with Duke University a senior managers. It is focused on issues such as the cascading of strategy, community engagem perspectives and related issues.

Operational Leader Program: This 10 to 15-day course is run in partnership with both Duke Un Business Science in South Africa. The course is focused on developing potential successors for on the execution of strategy, process excellence, employee engagement and related issues.

Emergent Leader Program: This nine-day course is run in partnership with Duke University and high-performing/high-potential managers. Focus areas include safe production behaviors, teamb and related issues.

Preparatory Program: This two to four-day program for high performers, including potential su focuses on self-leadership, leading others and driving safe performance.

Foundational Program: This two to three-day program for all Gold Fields employees (with pa talent and those in mission critical roles) addresses issues such as linking individuals roles options, internal governance, sustainable development strategy and a range of other important i

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Health and Safety

Health

The principal health risks associated with Gold Fields mining operations in South Africa arise from occup
to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases a
include lung diseases (such as silicosis, tuberculosis, a combination of the two and COAD) as well as NIHL
tuberculosis in mine workers is aggravated by exposure to crystalline silica dust and by compromised imm
infection is the most significant non-occupational disease impacting the South African workforce. Exposu
silica dust can significantly increase the risk of contracting tuberculosis and silicosis, compared with eit
continues to introduce many initiatives to reduce exposure to silica dust at its underground operations. In
numerous interventions, including hearing conservation programs, engineering controls to reduce exposure
training of exposed workers and the provision of hearing protection devices to exposed workers. Gold Fie
to address HIV infection and AIDS among its workforce.

In Ghana, Australia and Peru, the primary health risks include dust and NIHL. Malaria is also a significan
these risks, Gold Fields provides workers with appropriate protective equipment, regular traini

Gold Fields provides free healthcare to a substantial portion of its South African, Peruvian and Ghanaian e
by Gold Fields. This includes the operation of hospitals and/or clinics to provide treatment as needed.
surveillance of all employees at the South African operations is conducted by Gold Fields in-house healt
responsible for their own healthcare.

HIV/AIDS Program

Management estimates that the prevalence of HIV was approximately 18% for Gold Fields employees in
Spin-off. After the Spin-off, management estimates that the prevalence of HIV is approximately 17.1%
South Africa region. Gold Fields believes that its South African workforce has a similar level of HIV prev
demographic groups in South Africa generally. Accordingly, Gold Fields has developed and implemented
with the goals of reducing the rate of HIV infection among its workforce and minimizing the potential
operations. This program involves a multi-faceted approach known as the HAST program (HIV, AIDS, s
tuberculosis), which consists of a variety of initiatives aimed at preventing these diseases and includes
organizations such as the Global Health Initiative, World Economic Forum, World Health Organization
programs, care and support for workers with HIV/AIDS includes wellness management, ill health retire
home-based care for such workers following retirement. See Risk Factors HIV/AIDS, tuberculosis and o
Gold Fields in terms of lost productivity and increased costs.

HIV/AIDS prevalence is not significant in Gold Fields Ghanaian, Australian or Peruvian workforces. G
HIV/AIDS program in Ghana.

Safety

Operating mines, particularly underground mines, involves significant safety hazards. Gold Fields takes
issues which are present at its operations. Specific safety issues are explained in further detail in connecti
Gold Fields operations. See Information on the Company Gold Fields Mining Operations KDC
Company Gold Fields Mining Operations Beatrix Operation Mining , Information on the Company
Operation Mining , Information on the Company Gold Fields Mining Operations Ghana Operation
Company Gold Fields Mining

Operations Ghana Operations Damang Mine Mining , Information on the Company Gold Fields
Ives Mining , Information on the Company Gold Fields Mining Operations Australia Operation
Company Gold Fields Mining Operations Peru Operations Cerro Coron

During fiscal 2012, Gold Fields faced a number of significant safety issues, including the deaths of 16 w
The Company continually renews its commitment to safety. OHSAS 18001 surveillance audits were con
Fields three South African operations. Non conforming practices identified during the audits have been
maintained at all operations. See Information on the Company Strate

Gold Fields Full Compliance Health and Safety Management System started as a health and safety init
consisting of representatives of management, the DMR s Mine Health and Safety inspectorate and South
management system for Gold Fields. The Full Compliance Health and Safety Management System consist
standards aimed at improving the safety performance of each mine. Every year the system is revisited tak
accidents, lessons learned from the investigations and the outcomes of the various safety audits that have
initiatives at the South African operations are tailored for these particular circumstances. All employees u
once a year.

In fiscal 2010, in order to further safety-improvement efforts, Gold Fields Safe Production Management
efforts: compliance and engineering out risk. These efforts were further implemented in fiscal 2011 and
continue carrying out this safety-improvement strategy through its well-being program and leadership
remaining South African operation, the existing health and safety strategy focuses on five elements: cu
well-being, engineering out risk and compliance. This approach was project managed through 2012 to brin
and safety attitudes, practices and procedures. Bain & Company was engaged for the first half of 2012 to
the South African operations (which at the time included the Sibanye Gold assets) safety strategy as
program. Thereafter, Gold Fields continued implementing the programs until the date

Gold Fields South African operations have subscribed to the milestones set for accidents, silicosis and N
Safety Council of South Africa, which is a legislative body set up under the Mine Health and Safety Act
Resources on mine health and safety legislation. These milestones include (i) achieving safety performanc
standards for underground metalliferous mines by 2013, (ii) by December 2008, achieving respirable cry
mg per cubic meter in 95% of individual exposure measurement results, (iii) after December 2013, ther
among individuals previously unexposed prior to 2008, (iv) after December 2008, eliminating hearing dete
occupationally exposed individuals and (v) by December 2013, reducing the noise emitted by equipment
location in the workplace. As of December 31, 2012, Gold Fields measured respirable crystalline silica le
in 3.5% of exposure measurement results and 1.2% of all equipment measurements taken were above 110
at a rock drill machine in a small confined space and five readings being measurements of fans where s
corrosion. Silencing of equipment is ongoing, with continued focus on replacing blocked and/or damag
Africa has a legislated personal OEL of 85 dBA. Both the DMR and the Chamber of Mines accept the use
methods for reducing noise are explored. As of December 31, 2012, the NIHL exposure above 85 dBA a
measurement excludes protection from hearing protection devices. Studies indicate that with the prope
protection devices no employee will be subject to a sound pressure level in excess of 85 dBA. A project
hearing protective devices to provide further verification was started in September 2012 and is ongoing. C
arise in the future, particularly due to the latency period after exposure. Gold Fields has also set internal
than these milestones. Action plans to achieve the milestones have been developed and the Vice Presid
operations reports to the Board s Safety, Health and Sustainable Development Committee

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Lost Time Injury Frequency Rate and Fatal Injury Frequency Rate

The following tables set out the lost time injury frequency rate data for Gold Fields South African, W
American mining operations for the last five calendar years. The tables also set out the number of fataliti
data for Gold Fields South African and West African operations. The number of fatalities and fatal inju
Ives, Agnew and Cerro Corona were 0.00 for each of the last five calendar y

South Africa

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West Africa

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Australia

Notes:

(1) Excluding restricted work cases, 23.17 if such cases are included.
(2) Excluding restricted work cases, 16.69 if such cases are included.

South America

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ITEM 7: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSAC

Major Shareholders

To the knowledge of management: (1) Gold Fields is not directly or indirectly owned or controlled (a) by
foreign government; and (2) there are no arrangements the operation of which may at a subsequent date re
Fields. To the knowledge of Gold Fields management, there is no controlling shareholo

As of December 31, 2012, the issued share capital of Gold Fields consisted of 731,588,61

A list of the individuals and organizations holding, to the knowledge of management, directly or indirect
capital as of May 1, 2013 is set forth below.

Beneficial owner
Investec Asset Management
First Eagle Investment Management LLC
Van Eck Associates Corporation

To the knowledge of management, none of the above shareholders hold voting rights which are differen
other shareholders.

The table below shows the significant changes in the percentage of ownership by Gold Fields major shar
Fields management, during the past three fiscal years.

	June 30, 2010	Beneficial December 3
Beneficial owner		
Tradewinds Global Investors	6.54	
Investec Asset Management	5.91	
First Eagle Investment Management LLC	5.82	

Related Party Transactions

None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields
interest, direct or indirect, in any transaction during the last three fiscal years or in any proposed transac
materially affect Gold Fields or its investment interests or subsidiaries, other than as

Rand Refinery

GFLMSL, as agent for Gold Fields and its subsidiaries, has an agreement with Rand Refinery, in which Si
33.1% and 1.8% interest, respectively prior to the Spin-off, providing for the refining of substantially all o
production by Rand Refinery. After the Spin-off, Gold Fields holds a 1.8% interest with the remaining int
gold producers including Sibanye Gold which holds a 33.1% interest. Prior to October 1, 2004, GFLMSL a
sell up to 50% of Gold Fields South African production. However, since October 1, 2004, Gold Fields h
South African operations itself. Gold Fields Ghana and Abosso are each party to agreements with Rand Re
substantially all of the gold production from the Tarkwa and Damang mines entered into in June 2003. Nic
Executive Officer and a Director of Gold Fields, was a Director of Rand Refinery from Ju

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September 30, 2008. He remains an alternate Director. As a Director of GFLMSL, which is a wholly-o
Mr. Holland declared his interest in the contract between Rand Refinery and GFLMSL, pursuant to South
participate in the decision of Rand Refinery to enter into the agreement with GFLMSL, Gold Fields Gha
the agreement with Rand Refinery on behalf of GFLMSL. See Information on the Company Descripti
Marketing for further details regarding these arrangements.

Uncle Harry s Area

Cheryl A. Carolus, the non-executive chair of Gold Fields, is a party in her capacity as a founding share
(Proprietary) Limited, or PGH, to the agreement described below. Ms. Carolus has a 25% interest in PG
economic interest and a 51% voting interest in the issued share capital of Peotona Gold. Western Areas Pr
WAP, which is a company 74% owned by GFO and 26% owned by Peotona Gold, held four prospecting
South Deep. On April 21, 2009, Gold Field Operations Limited, or GFO, GFI Joint Venture Holdings (Pr
WAP and others entered into an agreement, or the April 2009 Agreement, under which WAP relinquishe
prospecting area covered by one of the above prospecting rights (commonly known as Uncle Harry s A
Venture. The April 2009 Agreement was subject to (among other conditions precedent) the conversion of
Deep to a new order mining right and simultaneously amending the South Deep mining right by extendi
Deep mining right to include Uncle Harry s Ground pursuant to the Mineral and Petroleum Resources De
Gold also granted GFO an option to acquire its 26% shareholding in WAP. With effect from October 14, 2
2009 Agreement pursuant to which amendment GFO acquired Peotona Gold s 26% shareholding in WA
the Share Purchase Price. Against receipt by Peotona Gold of the Share Purchase Price, Peotona Gold dis
(less applicable tax and certain historical costs), as a dividend to its shareholders, including PGH, in respe
in Peotona Gold.

Alexander Forbes Group

Gold Fields, of which Sibanye Gold was a wholly-owned subsidiary during fiscal 2012, has an agreement
or Alexander Forbes, pursuant to which Alexander Forbes manages Gold Fields employee defined
wholly-owned subsidiary of Alexander Forbes, manages Gold Fields local short-term insurance polici
financial guarantees in favor of the South African Department of Mineral Resources from Alexander Forb
rehabilitation costs at its South African operations. Matthews S. Moloko, who was a non-executive di
resignation on December 31, 2012, has been a non-executive director of Alexander Forbes from Decem
Fields, Mr. Moloko declared his interest in the agreement between Alexander Forbes and Gold Fiel
requirements, and did not participate in the decision of Alexander Forbes to enter into the agree

Credit Suisse

On April 17, 2012, Sibanye Gold, Orogen and GFO, owned subsidiaries of Gold Fields (the former paren
U.S.$500 million syndicated revolving loan facility. The purpose of the facility was to refinance existing
and working capital purposes. Credit Suisse AG, London Branch, or Credit Suisse, was a lender under t
revolving loan facility. See Operating and Financial Review and Prospects Credit Facilities and Oth
Syndicated Revolving Credit Facility for further details regarding this fac

Further, Credit Suisse was an original lender and arranger of the U.S.$1,440 million facility and the U.S. D
of these facilities was to refinance Gold Fields debt upon the

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occurrence of the Spin-off and for general corporate and working capital purposes. See Operating and Fi
Facilities and Other Capital Resources U.S.$1,440 million term loan and revolving credit facility for fu

Credit Suisse Securities (Europe) Limited was also a co-financial advisor to the

Richard Menell, who is both a senior advisor to Credit Suisse Securities Jhb Ltd and a non-executive di
director of Credit Suisse Securities Jhb Ltd since September 2012. As a director of Gold Fields, Mr. Mene
mentioned agreements between Credit Suisse and Gold Fields, pursuant to South African requirements, an
of Credit Suisse to enter into the agreements with Gold Fields.

Sibanye Gold

GFLMSL accounted for a significant portion of related party loans with the Sibanye Gold Group. These l
fiscal 2012. These loans were unsecured, interest-free and had no fixed terms of repayment. The amount
June 30, 2012 was U.S.$2.4 billion, The amount outstanding on the Spin-off date, the date that th

On February 1, 2013, Gold Fields subscribed for further shares in Sibanye Gold at a total subscription pri
Gold used the majority of the proceeds of such subscription amount to repay the intercompany loan to G
Fields subscribed for such number of shares in Sibanye Gold so that, following such subscription, the nu
Fields in Sibanye Gold equalled the number of issued shares in Gold Fields. Sibanye Gold will use the re
such subscription to establish a cell captive to continue to cover insurance exposures for risk categories i
that are typically denominated in U.S. dollars, which were covered under Gold Field

Guarantees

Gold Fields guaranteed certain debt of Sibanye Gold Group until the Spin-off date. For information on th
Financial Review and Prospects Credit Facilities and Other Capital Resou

Indemnity Agreement

Each of Gold Fields and the other Guarantors have entered into the Indemnity Agreement in favor of Sib
Sibanye Gold, with effect from the date on which the Spin-off took place, against any loss caused to Siba
Sibanye Gold is required to make a payment to noteholders or the trustee of the Notes by virtue of its gua
loss is made prior to or after the date on which the Spin-off takes effect or whether the circumstances givi
after such date). The Indemnity Agreement will remain in place for as long as Sibanye Gold s guarantee o
place.

For further information on the Indemnity Agreement see Additional Information Material Con

Gold Fields believes that the above transactions with related parties have been conducted on terms at leas
terms; however, in certain circumstances such as related party loans, the transactions were not at arm s l
interest-free and had no fixed terms of repayment.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or h
three fiscal years materially indebted to Gold Fields.

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ITEM 8: FINANCIAL INFORMATION

Reference is made to Item 18 for a list of all financial statements filed as part of this annual report. For i please refer to Information on the Company above.

Dividends and Dividend Policy

The following table sets forth the dividends announced and paid per share in respect of Gold Fields ordi

	June 30, 2007		June 30, 2008		June 30, 2009		Year ended June 30, 2010		December 31, 2010	
	($)	*(Rand)*	*($)*	*(Rand)*	*($)*	*(Rand)*	*($)*	*(Rand)*	*($)*	*(Rand)*
Prior year s final dividend	0.15	1.10	0.13	0.95	0.16	1.20	0.10	0.80	0.10	0.70
Interim dividend	0.13	0.90	0.09	0.65	0.03	0.30	0.07	0.50		
Total dividend	0.28	2.00	0.22	1.60	0.19	1.50	0.17	1.30	0.10	0.70

Note:

(1) A final dividend of R0.75 was announced on February 13, 2013 and paid on March 11, 2013.

During fiscal 2012, Gold Fields restated its dividend policy. Previously, Gold Fields dividend policy v dividend in respect of each financial year based on 50% of the earnings for the year before taking accoun after excluding impairments. Earnings were adjusted to exclude unrealized gains and losses on financial adjusted to include cash payments and receipts in relation to the underlying financial instruments. The dividend of between 25% and 35% of normalized earnings.

Significant Changes

Please refer to Operating and Financial Review and Prospects Recent Devel

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ITEM 9: THE OFFER AND LISTING

Listing Details

The principal non-United States trading market for the ordinary shares of Gold Fields is the JSE on which
The ordinary shares of Gold Fields are also listed on the SWX Swiss Exchange. Gold Fields International
Euronext Brussels. As of December 31, 2012, 15,849 record holders of Gold Fields ordinary shares, ho
ordinary shares (28.66%), were listed as having addresses in South Africa. As of December 31, 2012, 4
ordinary shares, holding an aggregate of 121,017,265 ordinary shares (16.54%), were listed as having

Gold Fields ADSs currently trade in the United States on the NYSE under the symbol GFI. ADRs rep
Bank of New York Mellon, as Depositary. Each ADS represents one ordinary share. Gold Fields ADR
Dubai.

JSE Trading History

The tables below show the high and low closing prices in Rand and the average daily volume of trading a
ordinary shares for the last five fiscal years.

The following table sets out ordinary share trading information on a yearly basis for the last five fiscal ye
South African financial information service:

Year ended
June 30, 2008
June 30, 2009
June 30, 2010
December 31, 2010
December 31, 2011
December 31, 2012
through May 9, 2013

The following table sets out ordinary share trading information on a quarterly basis for the periods indica

Quarter ended	Ord
	H
March 31, 2011	12
June 30, 2011	12
September 30, 2011	14
December 31, 2011	14
March 31, 2012	13
June 30, 2012	11
September 30, 2012	11

December 31, 2012 11

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The following table sets out ordinary share trading information on a monthly basis for each of the last s
Bridge:

Month ended	Orc
	H
November 30, 2012	11
December 31, 2012	10
January 31, 2013	10
February 28, 2013	10
March 31, 2013	7
April 30, 2013	7

On May 9, 2013, the closing price of the ordinary shares on the JSE was 62

New York Stock Exchange Trading History

The tables below show the high and low closing prices in U.S. dollars and the average daily volume of tra
last five fiscal years.

The following table sets out ordinary share trading information on a yearly basis for the last five fiscal y

Year ended
June 30, 2008
June 30, 2009
June 30, 2010
December 31, 2010
December 31, 2011
December 31, 2012
through May 9, 2013

The following table sets out ADS trading information on a quarterly basis for the periods indicated.

Quarter ended
March 31, 2011
June 30, 2011
September 30, 2011
December 31, 2011
March 31, 2012
June 30, 2012
September 30, 2012

December 31, 2012

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The following table sets out ADS trading information on a monthly basis for each of the last six mont

Month ended
November 30, 2012
December 31, 2012
January 31, 2013
February 28, 2013
March 31, 2013
April 30, 2013

On May 9, 2013, the closing price of Gold Fields ADSs quoted on the NYSE v

JSE Limited

The JSE was formed in 1887. The JSE provides facilities for the buying and selling of a wide range of corporate debt securities and warrants in respect of securities, as well as Kruge

The JSE is a self-regulating organization operating under the ultimate supervision of the Ministry of Finan Board and its representative, the Registrar of Stock Exchanges. Following the introduction of the Stock Ex No. 54 of 1995, or the Stock Exchange Act, which provides the statutory framework for the deregulation amended with effect from November 8, 1995. These amendments removed the restrictions on corpor stockbrokers to form limited liability corporate entities. Members were, for the first time, also required to separate from members own funds. Further rules to complete the deregulation of the JSE, as envisaged promulgated during 1996 to permit members of the JSE to trade either as agents or as principals in any tr members to negotiate freely the brokerage commissions payable on agency transactions in equities. With commenced on the JSE. The Securities Services Act No. 36 of 2004 came into effect on January 18, 2005 the laws relating to the regulation and control of exchanges and securities trading, the regulation and contr and the custody and administration of securities and the prohibition of insider t

The market capitalization of companies listed on the stock exchange operated by the JSE was approximate 2012. The actual float available for public trading is significantly smaller than the aggregate market cap number of long-term holdings by listed holding companies in listed subsidiaries and associates, the exist and cross-holdings between listed companies. Liquidity on the JSE (measured by reference to the total ma percentage of the total market capitalization) was 43.1% for fiscal 2012. Trading is concentrated in a s companies. As of May 9, 2013, there were 395 listed companies on the JS

South Africa was included in the Morgan Stanley Capital International Emerging Markets Free Index Corporation Investable Index in March and April 1995, respectively. South Africa has a significant repres indices.

The JSE has established a project named Share Transactions Totally Electronic, or STRATE, which has share certificates in a central securities depositary and the introduction of contractual, rolling, electronic s speed, certainty and efficiency of settlement and

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to fall into line with international practice. Gold Fields joined STRATE on October 1, 2001. Investors are
their securities in dematerialized form in the central securities depositary or retaining their share certificate
their share certificates are not able to trade their shares on the JSE, although they may trade their sha
dematerialized shares traded electronically on the JSE is made five days after each t

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ITEM 10: ADDITIONAL INFORMATION

General

Gold Fields is a public company registered in South Africa under the Companies Act which limits the li
governed by its Memorandum of Incorporation in terms of the Companies Act. Gold Fields registratio
April 8, 2009, South Africa passed the Companies Act, which came into force on May 1, 2011. At the
May 14, 2012, Gold Fields adopted a new Memorandum of Incorporation, or Memorandum of Incorporat
association and the articles of association. Upon the passage of the Companies Act, the Memorandum of
Memorandum of Incorporation upon the advent of the Act. The Memorandum of Incorporation confo
Companies Act and the amended JSE Listings Requirements. Clause 4 of the Memorandum of Incorpora
the powers and capacity of a natural person and is not subject to any special conditions. Gold Fields a
Incorporation at its annual general meeting on May 9, 2013. These amendments relate to, a

the ability of the Board to create and issue debt instruments (in the form of bonds, notes, comm
similar securities that are, or are capable of being, listed or ordinarily dealt with on an exchange
shareholders, on such terms and conditions as the Board may from time to time determine, prov
be granted to secured and unsecured debt instruments as contemplated in the JSE Listings Requ
circumstances be subject to, and be in accordance with, the JSE Listings Requirements and the

the retirement of directors by rotation, which amendment will, in line with international best pra
and not only non-executive directors, are subject to retirement by rotation; and

recent changes to the JSE Listings Requirements.

The memoranda of incorporation of all of its subsidiary companies are similarly aligned. This process wa
deadline.

Dividends and Payments to Shareholders

Gold Fields may make distributions (including the payment of dividends to its shareholders) from time to
of the Companies Act and the JSE Listing Requirements and Gold Fields Memorandum of Incorporation
company may only make a distribution (including the payment of any divide

it reasonably appears that the Company will satisfy the solvency and liquidity test immediately
distribution;

the Board, by resolution, has acknowledged that it has applied the solvency and liquidity test an
Company will satisfy the solvency and liquidity test immediately after completing the proposed

In terms of the Companies Act, the solvency and liquidity test will be satisfied at a particular time if, cons
financial circumstances of the Company at that time:

the assets of the Company, fairly valued, equal or exceed the liabilities of the Company, as fairl

it appears that the Company will be able to pay its debts as they become due in the ordinary cou

12 months after the date on which the test is considered; or

in the case of a distribution (including the payment of dividends to its shareholders) 12 m

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Subject to the above requirements, the shareholders of Gold Fields in a general meeting or the directors
dividend or any other payment to be paid to shareholders and to the holders of share warrants (if any) in p
held by them.

The Company must hold all monies due to the shareholders in trust indefinitely but subject to the laws of p
entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed payme
Company s bankers.

Voting Rights

Every shareholder of Gold Fields, or representative of a shareholder, who is present at a shareholders
hands, regardless of the number of shares he holds or represents or the number of shareholders he repres
Every Gold Fields shareholder is, on a poll, entitled to one vote per ordinary share held. A poll may b
persons having the right to vote on that matter, a person or persons entitled to exercise not less than one
entitled to vote on that matter, or the chairperson. Neither the Companies Act nor Gold Fields Memora
cumulative voting.

A shareholder is entitled to appoint a proxy to attend, speak and vote at any meeting on his or her beh
shareholder; however, the proxy may not delegate authority granted to him or her

Issue of Additional Shares and Pre-emptive Rights

Shareholder approval is required for any issuance of additional shares. Shareholders may either convey
directors to issue shares. A general authority is valid until the earlier of the next annual general meeting an
granted.

The JSE and Gold Fields Memorandum of Incorporation require that any new issue of equity shares by
existing shareholders in proportion to their shareholding in the company unless, among other things, the

pursuant to a shareholder approved employee share incentive scheme;

for the acquisition of an asset, provided that, if the issue is more than 30% of the company s iss
of shareholders must vote in favor of the acquisition;

to raise cash through a general issuance at the discretion of the directors to the general public (b
10% of the issued share capital in any one fiscal year at an issue price with a discount not excee
weighted average trading price prior to the date the application is made to the JSE to list the sha
of votes cast by shareholders at a general meeting must approve the granting of such authority t

to raise cash through a specific issuance of shares for cash, provided that a 75% majority of sha
controlling shareholders, votes in favor of the resolution to issue the shares at a general meeting

Transfer of Shares

The transfer of any Gold Fields certificated shares will be implemented in accordance with the provision
then common form of transfer. Dematerialized shares which have been traded on the JSE are transferre
delivered five business days after each trade. The transferor of any share is deemed to remain the holder o
transferee is entered in Gold Fields register for that share. Since Gold Fields shares are traded through ST
dematerialized may be traded on the JSE. Accordingly, Gold Fields shareholders who hold shares in
dematerialize their shares in order to trade on the JSE.

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Disclosure of Interest in Shares

Under South African law, a registered holder of Gold Fields shares who is not the beneficial owner of suc
Gold Fields, within five business days after the end of every month during which a change has occurred
identity of the beneficial owner and the number and class of securities held on behalf of the beneficial own
notice in writing, require a person who is a registered shareholder, or whom Gold Fields knows or has r
beneficial interest in Gold Fields ordinary shares, to confirm or deny whether or not such person holds t
interest and, if the ordinary shares are held for another person, to disclose to Gold Fields the identity of
ordinary shares are held. Gold Fields may also require the person to give particulars of the extent of the b
three years preceding the date of the notice. Gold Fields is obligated to establish and maintain a register o
and to publish in its annual financial statements a list of the persons who hold a beneficial interest equal
number of ordinary shares issued by Gold Fields together with the extent of those bene

General Meetings of Shareholders

The shareholders and/or directors may convene Gold Fields shareholders meetings pursuant to the requir
Fields is obligated to hold an annual general meeting for each fiscal year prior to 15 months after the date

Shareholders meetings, including annual general meetings, require at least 15 business days notice in w
meeting to shareholders.

Business may be transacted at any shareholders meeting only while a quorum of shareholders is present.
of a shareholders meeting shall be:

- sufficient persons present to exercise, in aggregate, at least 25% of all the voting rights that are

- in addition, three shareholders entitled to vote and present at the meeting.

The annual general meeting deals with and disposes of all matters prescribed by Gold Fields Memor
Companies Act, including:

- the presentation of the Directors report, the audited financial statements for the immediately p
committee report; and

- the election of directors.

Annual Report and Accounts

Gold Fields is required to keep the accounting records and books of accounts as are necessary to present t
and to explain the financial position of the company as prescribed by the Companies Act. No sharehold
Fields) has the right to inspect any account or book or document of Gold Fields, except as conferred by th
the directors or by a resolution of Gold Fields at a shareholders meetin

The directors of Gold Fields will cause to be prepared annual financial statements and an annual report as r
the Listing Requirements of the JSE. Gold Fields will send by mail to the registered address of every share
and annual financial statements. Not later than three months after the first six months of its financial yea
shareholder an interim report for the previous six month period.

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Changes in Capital or Objects and Powers of Gold Fields

The Gold Fields shareholders may, by the passing of a special resolution in accordance with the prov

increase Gold Fields authorized share capital;

divide all or any part of Gold Fields share capital into shares of larger amounts than Gold Fiel
reduce the number of the issued no par value shares, if any;

reduce Gold Fields authorized share capital and, if required by law, its issued share capital, sta
redemption reserve fund or any share premium account;

alter the provisions of Gold Fields Memorandum of Incorporation; and

subject to the provisions of the Companies Act or any other South African law governing comp
JSE and any other stock exchange upon which the shares of Gold Fields may be quoted or listed
Fields to acquire shares issued by itself or in any subsidiary of the company from time to time,

the directors may resolve that any return of capital made to all or any shareholders whose regist
Africa will, subject to any exchange control regulations then in force, be paid in such other curr
directors. The directors may also stipulate the date for converting Rand to those currencies and
provided that the date for conversion must be within a period of 30 days prior to the date of pay

all unclaimed amounts due as a result of a reduction of capital or any consolidation or subdivisi
otherwise made use of by the directors for the benefit of Gold Fields until claimed.

Variation of Rights

All or any of the rights, privileges or conditions attached to Gold Fields ordinary shares may be varied by
passed in accordance with the provisions of the Companies Act.

Distribution of Assets on Liquidation

In the event of a voluntary or compulsory liquidation, dissolution or winding-up, the assets remaining a
liabilities of Gold Fields, including the costs of liquidation, shall be dealt with by a liquidator who may
resolution, among other things, divide among the shareholders any part of the assets of Gold Fields, and
Gold Fields as the liquidator deems fit in trustees for the benefit of shareholders. The division of asset
accordance with the legal rights of shareholders of Gold Fields. In particular, any class may be given pref
partly or fully excluded.

Purchase of Shares

The Companies Act permits the establishment of share incentive trusts for the purpose of purchasing shar
its employees, including salaried directors. These share incentive trusts are permitted to extend loans to
non-salaried directors, for the purpose of purchasing or subscribing for shares of th

The solvency and liquidity test will be satisfied at a particular time if, considering all reasonably foreseea
Company at that time:

the assets of the Company, fairly valued, equal or exceed the liabilities of the Company, as fairl

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it appears that the Company will be able to pay its debts as they become due in the ordinary cou

12 months after the date on which the test is considered; or

in the case of a distribution (including the payment of dividends to its shareholders) 12 r
The procedure for acquisition of shares by Gold Fields is regulated by its Memorandum of Incorporation,
Requirements of the JSE.

Gold Fields may, if authorized by special resolution, acquire its own shares; provided that it reasonably ap
the solvency and liquidity test immediately after completing the proposed distribution and that the Board
that it has applied the solvency and liquidity test and reasonably concluded that the Company will satisf
immediately after completing the proposed distribution. See Dividends and Paymen

Borrowing Powers

In terms of the provisions of Section 19(1) of the Companies Act, read together with Clause 4 of the
Incorporation, the borrowing powers of the Company are unlimited.

Non-South African Shareholders

There are no limitations imposed by South African law or by the Memorandum of Incorporation of Gold
African shareholders to hold or vote Gold Fields ordinary shares.

Rights of Minority Shareholders and Directors Duties

The Companies Act provides instances in which minority shareholders may seek relief from the courts
prejudiced by the company.

In South Africa, a director of a company, when acting in that capacity, must exercise the powers and per

in good faith and for a proper purpose;

in the best interests of the company; and

with the degree of care, skill and diligence that may reasonably be expected of a person;

carrying out the same functions in relation to the company as those carried out by that di

having the general knowledge, skill and experience of that director.

Material Contracts

Additional Black Economic Empowerment Transactions

On August 5, 2010, Gold Fields announced a series of empowerment transactions to meet its 2014 Black
ownership requirements. On November 2, 2010, the shareholders of Gold Fields approved these transacti

included the establishment of an ESOP, the issue of approximately 600,000 Gold Fields shares to a broad-b
and BEECO s subscription for a 10% holding in South Deep with a phase in participation over 20 years. G
issued 13,525,394 shares to the ESOP housed and administered by the Gold Fields Thusano Share Tr
implementation of the ESOP transaction. The remaining empowerment transactions have

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U.S.$1 billion Note Issue

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resourc

Project Finance Facility

See Information on the Company Gold Fields Mining Operations Peru Operation Cerro Corona Prospects Credit Facilities and Other Capital Resources Project Finance F

U.S.$200 million Non-revolving Senior Secured Term Loan

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S Secured Term Loan .

U.S.$60 million Senior Secured Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S. Credit Facility .

Split-tenor Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources Sp

U.S.$500 million Syndicated Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S Credit Facility .

R1,000 million Standard Bank Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources R Credit Facilities .

R500 million RMB Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources R Credit Facilities .

R10 billion Domestic Medium Term Note Program

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources R10 Program .

U.S.$1 billion Syndicated Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.$ Facility .

U.S.$1,440 million Term Loan and Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U Revolving Credit Facility .

R1,500 million Nedbank Revolving Credit Facility

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources R1,5
Facility .

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Management and Other Compensatory Plans and Arrangements

See Directors, Senior Management and Employees The Gold Fields Limited 2005 Share Plan ,
Employees The Gold Fields Limited 2005 Non-Executive Share Plan , Directors, Senior Management
Incentive Scheme , Directors, Senior Management and Employees The GF Non-Executive Directo
Management and Employees Executive Directors Terms of Employm

Transitional Services Agreement

Following the Spin-off, Gold Fields and Sibanye Gold are continuing to provide services to each other
Services Agreement. These services include corporate functions and infrastructure support, purchasing, c
resources and benefit management, treasury and finance, investor relations, corporate controller, inter
compliance regarding internal controls and information technology functions, which will be provided on a
to 12 months.

Indemnity Agreement

Pursuant to the Indemnity Agreement entered into between the Guarantors and Sibanye Gold, the Guarar
harmless from and against any and all liabilities and expenses which may be incurred by Sibanye Gold und
including any payment obligations by Sibanye Gold to the noteholders or the trustee of the Notes pursuan
on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in pl
guarantee obligations under the Notes remain in place. See Operating and Financial Review and Prospec
Resources U.S.$1 billion Notes Issue .

Deposit Agreement

Gold Fields has an American Depositary Receipt facility. In connection with this facility, Gold Fields is pa
as of February 2, 1998, as amended and restated as of May 21, 2002 among Gold Fields, The Bank of New
New York Mellon, or BNYM), as Depositary, and all owners and holders from time to time of Americ
thereunder.

This summary is subject to and qualified in its entirety by reference to the Deposit Agreement, including t
Terms used in this section and not otherwise defined will have the meanings set forth in the Deposit Ag
Agreement are available for inspection at the Corporate Trust Office of the Depositary, located at 101 Bar
10286. The Depositary s principal executive office is located at One Wall Street, New Yor

American Depositary Receipts

Each Gold Fields ADS represents ownership interests in one Gold Fields ordinary share and the rights
ordinary share that Gold Fields will deposit with one of the custodians, which currently are Standard Bar
Bank of South Africa and Société Générale. Each Gold Fields ADR also represents securities, cash or oth
but not distributed to holders of Gold Fields ADRs.

As BNYM will actually be the holder of the underlying ordinary shares, Gold Fields will not treat you as o
of ADSs, you will have ADR holder rights. A Deposit Agreement among Gold Fields, BNYM and you, a
out the ADR holders rights and obligations of BNYM, as depositary. New York state law governs the
evidencing the Gold Fields ADSs.

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You may hold ADRs either directly or indirectly through your broker or financial institution. If you hold
holder. This description assumes you hold your ADRs directly. If you hold the ADRs indirectly, you mu
broker or financial institution to assert the rights of ADR holders described in this section. You should co
institution to find out what those procedures are.

Share Dividends and Other Distributions

How will you receive dividends and other distributions on the ordinary sha

BNYM will pay to you the cash dividends or other distributions it or the custodian receives on the ord
securities, after deducting its fees and expenses. You will receive these distributions in proportion to the nu
Fields ADSs represent.

Cash:

BNYM will convert any cash dividend or distribution Gold Fields pays on the ordinary shares, other than a
U.S. dollars, into U.S. dollars. If that is not possible on a reasonable basis, or if any approval from any go
obtained, the Deposit Agreement allows BNYM to distribute the foreign currency only to those ADS hold
or to hold the foreign currency it cannot convert for the account of the ADS holders who have not been p
currency and it will not be liable for any interest.

Before making a distribution, BNYM will deduct any withholding taxes that must be paid under applicable
U.S. dollars and U.S. cents and will round any fractional amounts to the nearest whole cent. If the excha
when BNYM cannot convert the foreign currency, you may lose some or all of the value

Ordinary shares:

BNYM will distribute new ADRs representing any ordinary shares Gold Fields distributes as a dividend
requests that BNYM make this distribution and if Gold Fields furnishes BNYM promptly with satisfactor
BNYM will only distribute whole ADRs. It will sell ordinary shares which would require it to issue a frac
proceeds to the holders entitled to those ordinary shares. If BNYM does not distribute additional cash or A
the new ordinary shares.

Right to purchase additional ordinary shares:

If Gold Fields offers holders of securities any rights, including rights to subscribe for additional ordinary
necessary to make these rights available to you. Gold Fields must first instruct BNYM to do so and furnish
is legal to do so. If Gold Fields does not furnish this evidence and/or give these instructions, and BNYM d
the rights, BNYM may sell the rights and allocate the net proceeds to holders accounts. BNYM may all
sold to lapse. In that case, you will receive no value for them.

If BNYM makes rights available to you, upon instruction from you it will exercise the rights and purchase
BNYM will then deposit the ordinary shares and deliver ADSs to you. It will only exercise rights if you p
any charges the rights require you to pay. U.S. securities laws may restrict the sale, deposit, cancellation an
exercise of rights. In this case, BNYM may deliver the ADSs under a separate restricted deposit agreem
provisions as the Deposit Agreement, except for changes needed to put the restrictions in place. BNYM w
rights and the securities to which the rights relate are either exempt from registration or have been register
with respect to a distribution to you.

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Other distributions:

BNYM will send to you anything else Gold Fields distributes on deposited securities by any means BNYM
If it cannot make the distribution in that way, BNYM may decide to sell what Gold Fields distributed for
distribute the net proceeds, in the same way as it does with cash, or it may decide to hold what Gold Fie
ADRs will also represent the newly distributed property.

BNYM is not responsible if it decides that it is unlawful or impractical to make a distribution available to
have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or a
means that you may not receive the distribution Gold Fields makes on its ordinary shares or any value fo
for Gold Fields to make them available to you.

Deposit, Withdrawal and Cancellation

How does the Depositary issue ADSs?

BNYM will deliver the ADSs that you are entitled to receive in the offer against deposit of the underlyi
deliver additional ADSs if you or your broker deposit ordinary shares with the custodian. You must also
BNYM of any necessary approvals of the governmental agency in South Africa, if any, which is responsib
at that time. If required by BNYM, you must in addition deliver an agreement transferring your rights as a
other property. Upon payment of its fees and of any taxes or charges, BNYM will register the appropriate
request and will deliver the ADRs at its Corporate Trust Office to the persons yo

How do ADS holders cancel an ADS and obtain ordinary shares?

You may submit a written request to withdraw ordinary shares and turn in your ADRs evidencing your AD
BNYM. Upon payment of its fees and of any taxes or charges, such as stamp taxes or stock transfer taxes,
securities underlying the ADSs to an account designated by you at the office of the custodian. At your requ
deliver at its Corporate Trust Office any dividends or distributions with respect to the deposited securities
proceeds from the sale of any dividends, distributions or rights, which may be held

Record Dates

Whenever any distribution of cash or rights, change in the number of ordinary shares represented by ADS
of ordinary shares or ADSs is made, BNYM will fix a record date for the determination of the owners ent
or notice.

Voting of Deposited Securities

How do you vote?

If you are an ADS holder on a record date fixed by BNYM, you may exercise the voting rights of the same
shares represented by your ADSs, but only if Gold Fields asks BNYM to ask for your instructions. Otherw
your right to vote unless you withdraw the ordinary shares.

However, you may not know about the meeting enough in advance to withdraw the ordinary shares. If Gol
BNYM will notify you of the upcoming meeting and arrange to deliver cer

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materials to you. The materials will: (1) include all information included with the meeting notice sent by G
how you may instruct BNYM to vote the ordinary shares or other deposited securities underlying your A
mail or by proxy and (3) include a voting instruction card and any other information required under South
BNYM will prepare. For instructions to be valid, BNYM must receive them on or before the date specifie
try, to the extent practical, subject to applicable law and the provisions of the by-laws of Gold Fields, to
underlying shares as you instruct. BNYM will only vote, or attempt to vote, as you instruct. However, if B
instructions, it will give a proxy to vote your ordinary shares to a designated representative of Gold Fie
BNYM that either: (1) it does not want the proxy issued, (2) substantial opposition exists or (3) the matte
the rights of holders of ordinary shares.

Gold Fields cannot assure that you will receive the voting materials in time to ensure that you can instru
shares. In addition, BNYM and its agents are not responsible for failing to carry out voting instructions o
voting instructions. This means that you may not be able to exercise your right to vote and there may be n
shares are not voted as you requested.

Inspection of Transfer Books

BNYM will keep books for the registration and transfer of ADRs. These books will be open at all reason
provided that you are inspecting the books for a purpose related to Gold Fields or the Deposit A

Reports and Other Communications

BNYM will make available for your inspection at its Corporate Trust Office any reports or communicatio
received from Gold Fields, as long as these materials are received by BNYM as the holder of the deposited
to Gold Fields shareholders. At Gold Fields written request, BNYM will also send copies of reports, no

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Fees and Expenses

BNYM, as Depositary, will charge any party depositing or withdrawing ordinary shares or any party surre
are issued:

For:	Gold Fields ADS h
each issuance of a Gold Fields ADS, including as a result of a distribution of ordinary shares or rights or other property or upon exercise of a warrant to purchase an ADS	$5.00 or less per 100 Gold Fiel
each distribution of securities distributed to holders of Gold Fields ordinary shares which are distributed by BNYM to Gold Fields ADR holders	any fees that would be payable ordinary shares and those ordinary the issuance of ADSs
each cancellation of a Gold Fields ADS, including if the Deposit Agreement terminates	$5.00 or less per 100 Gold Fiel
each cash distribution pursuant to the Deposit Agreement	not more than $0.02 per ADS (
annual depositary services	not more than $0.02 per ADS (provided that this fee will not be c distributions described above was year
transfer and registration of ordinary shares on the Gold Fields share register from your name to the name BNYM or its agent when you deposit or withdraw ordinary shares	registration or transfer fees
conversion of foreign currency to U.S. dollars	expenses of BNYM
cable, telex and facsimile transmission expenses, if expressly provided in the Deposit Agreement	expenses of BNYM
as necessary	certain taxes and governmental has to pay on any Gold Fields AD Gold Fields ADS

In fiscal 2012, BNYM paid U.S.$1.3 million to Gold Fields as reimbursement for costs incurred over the
program

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADRs or on the dep
ADRs. BNYM may deduct the amount of any taxes owed from any payments to you. It may also restrict o
Fields ADSs or restrict or refuse the withdrawal of your underlying deposited securities until you pay any
ADSs or underlying securities. It may also sell deposited securities to pay any taxes owed. You will remai
are not enough to pay the taxes. If BNYM sells deposited securities, it will, if appropriate, reduce the num
you to reflect the sale and pay to you any proceeds, or send to you any property, remaining aft

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Reclassifications, Recapitalizations and Mergers

If Gold Fields:

changes the par value of any of the Gold Fields ordinary shares;

reclassifies, splits or consolidates any of the Gold Fields ordinary shares;

distributes securities on any of the Gold Fields ordinary shares that are not distributed to you; o

recapitalizes, reorganizes, merges, consolidates, sells its assets, or takes any similar action, then
the cash, ordinary shares or other securities received by BNYM will become new deposited securities unde
Gold Fields ADS will automatically represent the right to receive a proportional interest in the new deposit
will, if Gold Fields asks it to, distribute some or all of the cash, ordinary shares or other securities it rece
Fields ADSs or ask you to surrender your outstanding Gold Fields ADSs in exchange for new Gold Fi
deposited securities.

Amendment and Termination of the Deposit Agreement

How may the Deposit Agreement be amended?

Gold Fields may agree with BNYM to amend the Deposit Agreement and the Gold Fields ADRs without
amendment adds or increases fees or charges, except for taxes and governmental charges, or prejudices a
ADS holders, it will only become effective 30 days after BNYM notifies you of the amendment. At th
effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bou
However, no amendment will impair your right to receive the deposited securities in exchange fo

How may the Deposit Agreement be terminated?

BNYM will terminate the Deposit Agreement if Gold Fields asks it to do so, in which case it must not
termination. BNYM may also terminate the agreement after notifying you if BNYM informs Gold Fields th
Fields does not appoint a new depositary bank within 90 days.

If any Gold Fields ADSs remain outstanding after termination, BNYM will stop registering the transfer
distributing dividends to Gold Fields ADS holders, and will not give any further notices or do anything e
other than:

collect dividends and distributions on the deposited securities;

sell rights and other property offered to holders of deposited securities; and

deliver ordinary shares and other deposited securities upon cancellation of Gold Fields ADSs.
At any time after one year after termination of the Deposit Agreement, BNYM may sell any remaining
private sale. After that, BNYM will hold the money it received on the sale, as well as any cash it is holding

the pro rata benefit of the Gold Fields ADS holders that have not surrendered their Gold Fields ADSs. It w
liability for interest. BNYM s only obligations will be to account for the money and cash. After terminatio
be with respect to indemnification of, and to pay specified amounts to, BNY

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Your Right to Receive the Ordinary Shares Underlying Your Gold Fields

You have the right to cancel your Gold Fields ADSs and withdraw the underlying ordinary sha

due to temporary delays caused by BNYM or Gold Fields closing its transfer books, the transfe
in connection with voting at a shareholders meeting, or Gold Fields paying dividends;

when you or other ADR holders seeking to withdraw ordinary shares owe money to pay fees, ta

when it is necessary to prohibit withdrawals in order to comply with any laws or governmental
Fields ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any provision of the Deposit Ag

Limitations on Obligations and Liability to Gold Fields ADS Holder

The Deposit Agreement expressly limits the obligations of Gold Fields and BNYM. It also limits the liab
Gold Fields and BNYM:

are only obligated to take the actions specifically set forth in the Deposit Agreement without ne

are not liable if either of them is prevented or delayed by law, any provision of the Gold Fields
their control, from performing their obligations under the agreement;

are not liable if either of them exercises, or fails to exercise, discretion permitted under the agre

have no obligation to become involved in a lawsuit or proceeding related to the ADSs or the De
behalf or on behalf of any other party unless they are indemnified to their satisfaction; and

may rely upon any advice of or information from any legal counsel, accountants, any person de
Fields ADS holder or any other person whom they believe in good faith is competent to give th

In the Deposit Agreement, Gold Fields and BNYM agree to indemnify each other under spe

Requirements for Depositary Actions

Before BNYM will deliver or register the transfer of a Gold Fields ADS, make a distribution on a Gold Fi
ordinary shares, BNYM may require:

payment of taxes, including stock transfer taxes or other governmental charges, and transfer or
parties for the transfer of any ordinary shares or other deposited securities, as well as the fees ar

production of satisfactory proof of the identity of the person presenting ordinary shares for depo
withdrawal, and of the genuineness of any signature; and

compliance with regulations BNYM may establish consistent with the Deposit Agreement, incl
documents.

BNYM may refuse to deliver, transfer, or register transfer of Gold Fields ADSs generally when the transfe
any time if BNYM or Gold Fields thinks it advisable to do so.

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Pre-Release of Gold Fields ADSs

In certain circumstances, subject to the provisions of the Deposit Agreement, BNYM may deliver Gold F
underlying ordinary shares. This is called a pre-release of Gold Fields ADSs. BNYM may also deliver ordi
cancellation of pre-released Gold Fields ADSs (even if those Gold Fields ADSs are canceled before the
closed out). A pre-release is closed out as soon as the underlying ordinary shares are delivered to BNYM
ADSs instead of the ordinary shares to close out a pre-release. BNYM may pre-release Gold Fields A
conditions:

before or at the time of the pre-release, the person to whom the pre-release is being made must
it or its customer, as the case may be, owns the ordinary shares or Gold Fields ADSs to be depo

the pre-release must be fully collateralized with cash or collateral that BNYM considers approp

BNYM must be able to close out the pre-release on not more than five business days notice.

The pre-release will be subject to whatever indemnities and credit regulations BNYM considers appropri
the number of Gold Fields ADSs that may be outstanding at any time as a result of

Governing Law

The Deposit Agreement is governed by the law of the State of New York

South African Exchange Control Limitations Affecting Security Holde

*The discussion below relates to exchange controls in force as of the date of this annual report. These con
time without notice. It is not possible to predict whether existing exchange controls will be abolished, co
African government in the future. Investors are urged to consult a professional adviser as to the exchar
particular investments.*

Acquisitions of shares or assets of South African companies by non-South African purchasers solely for a
value of the shares, will generally be permitted by the SARB pursuant to South African exchange contr
shares or assets of a South African company by a non-South African purchaser may be refused by the SA
if the consideration for the acquisition is shares in a non-South African company or if the acquisition is
African lender. Denial of SARB approval for an acquisition of shares or assets of a South African compan
being able to be completed. Subject to this limitation, there are no restrictions on equity investments in
foreign investor may invest freely in the ordinary shares and ADSs of Gold F

There are no exchange control restrictions on the remittance in full of dividends declared out of trading
Common Monetary Area (comprising South Africa, the Kingdoms of Lesotho and Swaziland and the Rep

Under South African exchange control regulations, the ordinary shares and ADSs of Gold Fields are freel
between persons who are not residents of the Common Monetary Area. Additionally, where ordinary shar
shareholders of Gold Fields who are not residents of the Common Monetary Area, the proceeds of such sal
foreign currency and remittable to them. Any share certificates held by non-resident Gold Fields shareh
words non-resident. The same endorsement, however, will not be applicable to ADSs of Gold Fields

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Taxation

Certain South African Tax Considerations

The discussion in this section sets forth the material South African tax consequences of the purchase, ow Fields ordinary shares or ADSs under current South African law. Changes in the law may alter the tax shares or ADSs, possibly on a retroactive basis.

The following summary is not a comprehensive description of all of the tax considerations that may be r own or dispose of Gold Fields ordinary shares or ADSs and does not cover tax consequences that d circumstances. In particular, the following summary addresses tax consequences for holders of ordinary sh of, or who do not carry on business in, South Africa and who hold ordinary shares or ADSs as capital purposes). For the purposes of the income tax treaty between South Africa and the United States, and Sou resident that owns Gold Fields ADSs will be treated as the owner of the Gold Fields ordinary shares repre recommends that you consult your own tax adviser about the consequences of holding Gold Fields ordina your particular situation.

Withholding Tax on Dividends

It should be noted that the 15% withholding tax on dividends declared by South African resident compani non-resident ADS holders was introduced with effect from April 1, 2012. Generally, under the terms of th between South Africa and the United States, or the Treaty, the withholding tax is limited to 5% of the gro beneficial owner of the shares is a company holding directly at least 10% of the voting stock of the comp 15% of the gross amount of the dividends in all other cases. South Africa previously imposed a tax on co STC, at a rate of 10%. Although it applied to the dividend paying company, and not the recipient, STC wa of the double taxation convention between South Africa and the United States, but it did not constitute a w was abolished with effect from March 31, 2012.

Income Tax and Capital Gains Tax

Non-resident holders of ordinary shares or ADSs will not be subject to income or capital gains tax in S disposal of those ordinary shares or ADSs, on the basis that the Shares do not relate to any immovable pro the non-resident carried on business through a permanent establishment in South Africa, and the profits ar that business.

Securities Transfer Tax

No Securities Transfer Tax, or STT, is payable in South Africa with respect to the issu

STT is charged at a rate of 0.25% on the taxable amount of the transfer of every security issued by a c incorporated in South Africa, or a company incorporated outside South Africa but listed on an exchange exemptions.

The word transfer is broadly defined and includes the transfer, sale, assignment or cession or disposal i cancellation or redemption of a security is also regarded as a transfer unless the company is being liquidate that does not result in a change in beneficial ownership is not regarded as a tr

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STT is levied on the taxable amount of a security. The taxable amount of a listed security is the greater of
declared by the transferee or the closing price of that security. The taxable amount of an unlisted security
given for the acquisition of the security or the market value of the unlisted security. In the case of a trans
member or the participant or the person to whom the security is transferred is liable for the tax. The tax m
days from the transfer. The liability for tax with respect to the transfer of listed securities lies with the pa
recipient of the security.

The liability for STT with respect to the transfer of unlisted securities is that of the company that issued th
be paid by the company issuing the unlisted security within two months from the date of the tr

U.S. Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS AR
(A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED O
UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING
IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS
FIELDS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING
FIELDS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SH
ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX

The following discussion summarizes the material U.S. federal income tax consequences of the acquisiti
ordinary shares and ADSs by a U.S. Holder. As used herein, the term U.S. Holder means a beneficial o
is for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation created or organized under the laws of the United States or any State within the U

otherwise subject to U.S. federal income tax on a net income basis in respect of the ordinary sh
The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal
ordinary shares or ADSs will depend upon the status of the partner and the activities of the partnership.
partnership for U.S. federal income tax purposes, you should consult your tax adviser concerning the U.S
to your partners of the acquisition, ownership and disposition of ordinary shares or A

This summary only applies to U.S. Holders that hold ordinary shares or ADSs as capital assets. Th

the current tax laws of the United States, including the Internal Revenue Code of 1986;

current U.S. Internal Revenue Service practice and applicable U.S. court decisions; and

the income tax treaty between the United States and South Africa.
This summary assumes that the obligations of the Depositary under the Deposit Agreement and any relate
accordance with their terms.

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The following summary is of a general nature and does not address all U.S. federal income tax consequen
light of your particular situation. For example, this summary does not apply

- investors that own (directly or indirectly) 10% or more of Gold Fields voting stock;
- financial institutions;
- insurance companies;
- investors liable for the alternative minimum tax;
- individual retirement accounts and other tax-deferred accounts;
- tax-exempt organizations;
- dealers in securities or currencies;
- investors that hold ordinary shares or ADSs as part of straddles, hedging transactions or convers
income tax purposes; or
- investors whose functional currency is not the U.S. dollar.

Gold Fields does not believe that it should be treated as, and does not expect to become, a PFIC for U.S.
Gold Fields possible status as a PFIC must be determined annually and therefore may be subject to chan
as a PFIC, U.S. Holders of ordinary shares or ADSs would be required (i) to pay a special U.S. addition t
gains on sale and (ii) to pay tax on any gain from the sale of ordinary shares or ADSs at ordinary income
addition to paying the special addition to tax on this gain. Additionally, dividends paid by Gold Fields wo
reduced rate of tax described below under Taxation of Dividends . You should consult your own ta
application of the PFIC regime.

**The summary of U.S. federal income tax consequences set out below is for general information only
tax advisers as to the particular tax consequences to you of acquiring, owning and disposing of t
including the applicability and effect of state, local, foreign and other tax laws and possib**

U.S. Holders of ADSs

For U.S. federal income tax purposes, an owner of ADSs will be treated as the owner of the correspondin
shares held by the depositary for the ADSs, and references to ordinary shares in the following discussion r
ordinary shares.

Taxation of Dividends

Distributions paid out of Gold Fields current or accumulated earnings and profits (as determined for U.S
generally be taxable to you as foreign source dividend income, and will not be eligible for the dividend

corporations. Distributions that exceed Gold Fields current and accumulated earnings and profits will b
capital to the extent of your basis in the ordinary shares and thereafter as capital gain. However, we do
earnings and profits in accordance with U.S. federal income tax accounting principles. You should therefo
us with respect to the shares will constitute ordinary dividend income. You should consult your own t
appropriate U.S. federal income tax treatment of any distribution received from us. For purposes of deter
tax credits, dividends paid by Gold Fields will generally constitute passive i

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Dividends paid by Gold Fields will be taxable to non-corporate U.S. Holders at the special reduced rate
capital gains, provided that either Gold Fields qualifies for the benefits of the income tax treaty between th
or the ADSs are considered to be readily tradable on the NYSE. You will be eligible for this reduced r
have held the ordinary shares for more than 60 days during the 121-day period beginning 60 days b

For U.S. federal income tax purposes, the amount of any dividend paid in Rand will be included in income
by reference to the exchange rate in effect on the date the dividends are received by you or the depositary
depositary, as the case may be, convert dividends received in Rand into U.S. dollars on the day they are r
required to recognize foreign currency gain or loss in respect of this dividend i

Effect of South African Withholding Taxes

As discussed in Certain South African Tax Considerations Withholding Tax on Dividends , under c
withholding tax of 15% on dividends paid by Gold Fields. A U.S. Holder will generally be entitled, subjec
tax credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable
taxes withheld by Gold Fields.

U.S. Holders that receive payments subject to this withholding tax will be treated, for U.S. federal incom
the amount of South African taxes withheld by Gold Fields, and as then having paid over the withheld t
authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. fede
Holder with respect to a payment of dividends may be greater than the amount of cash actually received (
from Gold Fields with respect to the payment.

For purposes of the foreign tax credit limitation, foreign source income is classified in one of two basket
income in any basket is limited to U.S. federal income tax allocable to that income. Dividends paid by Go
foreign source income in the passive income basket. If a U.S. Holder receives a dividend from Gold Fi
described above under Taxation of Dividends , the amount of the dividend taken into account in calcul
will in general be limited to the gross amount of the dividend, multiplied by the reduced rate divided by
applicable to dividends. In certain circumstances, a U.S. Holder may be unable to claim foreign tax cred
deductions) for foreign taxes imposed on a dividend if the U.S. Holder has not held the Shares for at lea
beginning 15 days before the ex dividend date.

U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate South Afric
equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders
income into U.S. dollars at the spot rate on the date received. This difference in exchange rates may reduce
for South African taxes relative to the U.S. Holder s U.S. federal income tax liability attributable to a d
electing accrual basis U.S. Holders may translate South African taxes into U.S. dollars using the exchange
were paid. Any such election by an accrual basis U.S. Holder will apply for the taxable year in which it is
years, unless revoked with the consent of the IRS.

You should consult your tax advisor concerning the foreign tax credit implications of the payment of So

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Taxation of a Sale or Other Disposition

Your tax basis in an ordinary share will generally be its U.S. dollar cost. The U.S. dollar cost of an ordin currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the ca established securities market, as defined in the applicable Treasury Regulations, that are purchased by a c basis taxpayer that so elects), on the settlement date for the purchase. Such an election by an accrual b consistently from year to year and cannot be revoked without the consent of th

Upon a sale or other disposition of ordinary shares or ADSs, other than an exchange of ADSs for ordinar generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference betw adjusted tax basis in the ordinary shares or ADSs. This capital gain or loss will be long-term capital gain o ordinary shares or ADSs exceeds one year. However, regardless of your actual holding period, any loss m loss to the extent you receive a dividend that qualifies for the reduced rate described above under Taxat 10% of your basis in the ordinary shares. Any gain or loss will generally be U.S

The amount realized on a sale or other disposition of ordinary shares for an amount in foreign currency w amount on the date of sale or disposition. On the settlement date, you will recognize U.S. source foreign ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount recei effect on the date of sale or other disposition and the settlement date. However, in the case of ordinary securities market that are sold by a cash basis taxpayer (or an accrual basis taxpayer that so elects), the am exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be

Foreign currency received on the sale or other disposition of an ordinary share will have a tax basis equ settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar v date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (incluc shares or upon exchange for U.S. dollars) will be U.S. source ordinary income

Deposits and withdrawals of ordinary shares by U.S. Holders in exchange for ADSs will not result in the federal income tax purposes. Your tax basis in withdrawn ordinary shares will be the same as your tax ba your holding period for the ordinary shares will include the holding period of th

To the extent you incur Securities Transfer Tax in connection with a transfer or withdrawal of ordinary s South African Tax Considerations Securities Transfer Tax above, such securities transfer tax will not b credit purposes.

Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to ordinary shares or ADSs by U.S. persons will b may be required under applicable regulations. Backup withholding may apply to these payments if you fa identification number or certification of exempt status or fail to report all interest and dividends required income tax returns. Some holders are not subject to backup withholding. You should consult your tax adv exemption from backup withholding and the procedure for obtaining an exem

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Foreign Financial Asset Reporting

Legislation enacted in March 2010, the Hiring Incentives to Restore Employment (HIRE) Act of 2010, im
on the holding of certain foreign financial assets, including equity of foreign entities, if the aggregate va
$50,000 at the end of the taxable year or $75,000 at any time during the taxable year. Gold Fields ordina
constitute foreign financial assets subject to these requirements unless they are held in an account at a fina
account may be reportable if maintained by a foreign financial institution). You should consult you tax ac
this legislation.

Documents on Display

Gold Fields files annual and special reports and other information with the SEC. You may read and copy a
file at the SEC s public reference room at the following location:

100 F Street, N.E.

Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC fili
from commercial document retrieval services. Gold Fields SEC filings may also be obtained electronic
website maintained by the SEC at http://www.sec.gov.

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ITEM 11: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MA

Gold Fields is exposed to market risks, including foreign currency, commodity price and interest rate risk
liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields m
instruments to manage some of these exposures. As part of its strategy, however, Gold Fields does not g
changes in the price of gold. See Commodity Price Sensitivity Commodity Price

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits w
Fields Board of Directors. Management of financial risk is centralized at Gold Fields treasury departme
Gold Fields operations and counterparty banks. The treasury department manages financial risk in a
procedures established by the Gold Fields Board of Directors and Executive Committee. Gold Fields Au
limits for money market, foreign exchange and commodity transactions, which Gold Fields treasury de
Among other restrictions, these limits describe which instruments may be traded and demarcate open posit
as indicating counterparty credit- related limits. The dealing exposure and limits are checked and contro
Chief Financial Officer.

Foreign Currency Sensitivity

General

In the ordinary course of business, Gold Fields enters into transactions, such as gold and concentrate sales,
primarily U.S. dollars. In addition, Gold Fields has investments and indebtedness in various foreign curren
dollars. Although this exposes Gold Fields to transaction and translation exposure from fluctuations in fore
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 ac
fluctuations in exchange rates when management believes exchange rates are at unsustai

Foreign Currency Hedging Experience

Gold Fields uses various derivative instruments to protect its exposure to adverse movements in fore

During fiscal 2012, forward cover was taken out to cover various commitments of the South African
completed during the year.

Realized gains and losses on financial instruments are disclosed in detail under Operating and Financi
Operations Realized (loss)/gain on financial instruments.

Foreign Currency Contract Position

As of December 31, 2012, there were no material foreign currency contract po

Foreign Currency Sensitivity Analysis

Gold Fields revenues and costs are very sensitive to the Rand/U.S. dollar and Australian dollar/U.S. doll
are generated using a gold price denominated in U.S. dollars, while costs of the South African and Aus
principally in Rand and Australian dollars, respectively. Depreciation of the Rand and Australian dollar
lower operating costs when they

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are translated into U.S. dollars, thereby increasing the operating margin of the South African and Aust
appreciation of the Rand and Australian dollar results in higher operating costs when translated into U.S
operating margins at the South African and Australian operations. The impact on profitability of chang
Australian dollar against the U.S. dollar can be substantial.

A sensitivity analysis of the mark-to-market valuation has not been performed as there were no material
December 31, 2012.

Commodity Price Sensitivity

General

Gold and copper

The market price of gold and to a lesser extent copper have a significant effect on the results of operations
Fields to pay dividends and undertake capital expenditures, and the market price of Gold Fields ordinary
historically fluctuated widely and are affected by numerous industry factors over which Gold Fields doe
Factors Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctua
Gold Fields operations and the cash flows generated by those operations and Operating and Financia
aggregate effect of these factors on the gold and copper prices, all of which are beyond the control of Go
Fields to predict.

Oil

The market price of oil has a significant effect on the results of the offshore operations of Gold Fields. The
quantities of diesel in the running of their mining fleets. Oil prices have historically fluctuated widely and
over which Gold Fields does not have any control.

Commodity Price Hedging Policy

Gold and copper

Generally, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to esta
gold and copper production. On an exceptional basis, Gold Fields may consider gold and copper hedging a
following circumstances:

to protect cash flows at times of significant capital expenditure;

for specific debt-servicing requirements; and

to safeguard the viability of higher cost operations.

See Information on the Company Strategy Hedging.

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

Oil

Generally Gold Fields does not enter into derivatives or other hedging arrangements to establish a p
consumption. However, where oil prices are expected to increase in the short- to medium- term, Gold Fie

price in order to protect itself against the adverse cost effects of a material increase in

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Commodity Price Hedging Experience

Gold

No gold derivative instruments were entered into during fiscal 2012 and no gold derivative instruments h
2007.

Copper

During June 2009, Gold Fields La Cima sold forward 8,705 tonnes of Cerro Corona s expected copper pr
deliveries. The contract ran from June 24, 2009 to June 23, 2010. The average forward price for the mon
tonne. An additional 8,705 tonnes of Cerro Corona s expected copper production for fiscal 2010 was hed
guaranteeing a minimum price of U.S.$4,600 per tonne with full participation up to a maximum price of U
realized a total loss of $25.9 million.

No further contracts were entered into during fiscal 2012.

Oil

From time to time, various subsidiaries of Gold Fields enter into call options to fix the price of specified
fiscal 2009, the following options were entered into and expired unexercised during fisca

On July 21, 2008, Gold Fields Australia (Pty) Ltd purchased a one-year Asian Style Singapore
of 30 million liters of diesel for the period August 1, 2008 to July 31, 2009 at a strike price of $
$2.85 million paid upfront.

On August 21, 2008, Gold Fields Ghana purchased a further two-month Asian style ICE Gasoil
10 million liters of diesel for the period July 1, 2009 to August 31, 2009 at a strike price of $0.9
$1.0 million paid upfront.

On September 18, 2008, Gold Fields Ghana purchased a further six-month Asian style ICE Gas
36 million liters of diesel for the period September 1, 2009 to February 28, 2010 at a strike pric
cost $3.6 million paid upfront.

On September 18, 2008, Gold Fields Australia (Pty) Ltd purchased a further six-month Asian S
option in respect of 17.5 million liters of diesel for the period August 1, 2009 to February 28, 20
liter. The call option cost $1.6 million paid upfront.

On July 5, 2012, St. Ives Gold Mining Company (Pty) Ltd entered into a Gasoil 10ppm free on board Sin
per month effective from August 1, 2012 until January 31, 2013 at a fixed price of $11

No further contracts were entered into during fiscal 2012.

Commodity Price Contract Position

The following contract was outstanding as of December 31, 2012:

Australian diesel hedge 20,000 barrels with a mark-to-market value of $0.1 million.

Interest Rate Sensitivity

General

As of December 31, 2012, Gold Fields indebtedness amounted to $2,361.2 million. Gold Fields genera
action to cover its exposure to interest rate risk, although it may do so in spe

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circumstances. For a discussion of Gold Fields credit facilities and other borrowings outstanding as of interest rates applicable to them, see Operating and Financial Review and Prospects Credit Faciliti

Interest Rate Sensitivity Analysis

$1,372.4 of Gold Fields interest bearing debt outstanding as of December 31, 2012 was exposed to inter normally rolled for periods between one and three months and is therefore exposed to the rate

$880.0 million of the total debt was exposed to changes in LIBOR while $492.4 million was exposed to following table indicates the change to finance expense had LIBOR and the Prime Rate di

	Change in finance expens interest rate, Decembe ($ million, except		
Sensitivity to interest rates	(1.5)%	(1.0)%	(0.5)%
Sensitivity to LIBOR interest rate	(13.9)	(9.3)	(4.6)
Sensitivity to Prime and JIBAR	(2.6)	(1.7)	(0.9)
Change in finance expense	(16.5)	(11.0)	(5.5)

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ITEM 12: DESCRIPTION OF SECURITIES OTHER THAN EQUITY SEC

Not applicable.

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PART II

ITEM 13: DEFAULTS, DIVIDEND ARREARAGES AND DELINQUEN

Not applicable.

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ITEM 14: MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY

AND USE OF PROCEEDS

Not applicable.

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ITEM 15: CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures:
Gold Fields has carried out an evaluation, under the supervision and with the participation of manageme
Officer and Chief Financial Officer of Gold Fields, of the effectiveness of the design and operation of Go
procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this annual
Gold Fields Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 20
and procedures were effective.

(b) Management s Report on Internal Control over Financial Reporting:
Gold Fields management is responsible for establishing and maintaining adequate internal control over
Exchange Act of 1934 defines internal control over financial reporting in Rule 13a-15(f) and 15d-15(f) as
supervision of, the company s principal executive and principal financial officers and effected by th
management and other personnel, to provide reasonable assurance regarding the reliability of financial
financial statements for external purposes in accordance with generally accepted accounting principles
procedures that:

pertain to the maintenance of records that in reasonable detail accurately and fairly refle
of the assets of the company;

provide reasonable assurance that transactions are recorded as necessary to permit prepa
accordance with generally accepted accounting principles, and that receipts and expendi
made only in accordance with authorizations of management and directors of the compa

provide reasonable assurance regarding prevention or timely detection of unauthorized a
company s assets that could have a material effect on the consolidated financial stateme
Because of its inherent limitations, internal control over financial reporting may not prevent or detect miss
evaluation of effectiveness to future periods are subject to risk that controls may become inadequate becau
the degree of compliance with the policies or procedures may deteriorate

Gold Fields management assessed the effectiveness of its internal control over financial reporting as of
assessment, Gold Fields management used the criteria set forth by the Committee of Sponsoring Organiz
or COSO, in Internal Control- Integrated Framework. Based upon its assessment, Gold Fields man
December 31, 2012, its internal control over financial reporting is effective based upon

KPMG Inc., or KPMG, an independent registered public accounting firm that audited the consolidated fi
annual report on Form 20-F, has issued an attestation report on the effectiveness of Gold Fields internal
December 31, 2012.

(c) Attestation Report of the Registered Public Accounting Firm:
See report of KPMG Inc., an Independent Registered Public Accounting Firm, on

(d) Changes in Internal Control Over Financial Reporting:

There has been no change in Gold Fields internal control over financial reporting that occurred during fis
or is reasonably likely to materially affect, Gold Fields internal control over financ

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ITEM 16A: AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors has determined that Gold Fields Audit Committee does not have an audit comm rules promulgated by the Securities and Exchange Commission. Although a person with such qualificat Committee, the Board of Directors believes that the members of the Audit Committee collectively posses oversee and assess the performance of Gold Fields management and auditors, the quality of Gold Fields and evaluation of Gold Fields financial statements and Gold Fields financial reporting. Gold Fields B members of the Audit Committee collectively possess the understanding of audit committee functions ne responsibilities. For biographical information on each member of the Audit Committee, see Direc Employees Non-executive Directors .

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ITEM 16B: CODE OF ETHICS

Gold Fields has adopted a Company Code of Ethics, or the Code, which applies to all directors and emp
accessed on Gold Fields website at www.goldfields.co.za.

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ITEM 16C: PRINCIPAL ACCOUNTANT FEES AND SERVICES

As of the six month period ended December 31, 2010 KPMG has served as Gold Fields principal accoun
audit and other services rendered by KPMG for the six month period ended December 31, 2010, f

	Six Month Period ended December 31, 2010	Year ended December 31, 2011
		(U.S.$ millio
Audit fees	2.9	3.8
Audit related fees		0.3
Tax fees	0.1	
All other fees	0.2	
Total	3.2	4.1

Audit fees include fees billed for audit services rendered for Gold Fields annual consolidated financia
organizations.

Audit related fees include fees billed for related services by the principal accountant that are reasonably
audit or review of the registrant s financial statements.

Tax fees include fees billed for tax compliance, tax advice, tax planning and other tax-r

All other fees consist of fees for all other services not included in any of the other catego

All of the above fees were pre-approved by the Audit Committee.

Audit Committee s Policies and Procedures

In accordance with the Securities and Exchange Commission rules regarding auditor independence, the A
Policies and Procedures for Audit and Non-Audit Services Provided by an Independent Auditor. The ru
consolidated subsidiaries engaging any accounting firms for audit services and the auditor who audits the
and Exchange Commission, or the external auditor, for permissible non-audit s

When engaging the external auditor for permissible non-audit services (audit-related services, tax ser
pre-approval is obtained prior to the commencement of the services.

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ITEM 16D: EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT C

Not applicable.

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ITEM 16E: PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND A

PURCHASERS

None.

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ITEM 16F: CHANGE IN REGISTRANT S CERTIFYING ACCOUNT

Not applicable

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ITEM 16G: CORPORATE GOVERNANCE

Gold Fields home country corporate governance practices are regulated by the Listing Requirement
Requirements. The following is a summary of the significant ways in which Gold Fields home country c
its corporate governance practices differ from those followed by domestic companies under the N

The NYSE Listing Standards require that the non-management directors of U.S. listed compani
executive sessions without management. The JSE Listing Requirements do not require such me
non-executive directors. Gold Fields non-management directors do meet regularly without ma

The NYSE Listing Standards require U.S. listed companies to have a nominating/corporate gov
entirely of independent directors. The JSE Listing Requirements also require the appointment o
that all members of this committee must be non-executive directors, the majority of whom mus
Nominating and Governance Committee which is currently comprised of four non-executive di
independent under the NYSE Listing Standards and which is chaired by the Chairman of Gold F
Listing Requirements.

The NYSE Listing Standards require U.S. listed companies to have a compensation committee
directors. The JSE Listing Requirements merely require the appointment of such a committee. G
Remuneration Committee, currently comprised of four board members, all of whom are indepen
Requirements and the NYSE Listing Standards.

The NYSE Listings Standards require U.S. listed companies to have an audit committee compo
directors. The JSE Listings Requirements also require an audit committee composed entirely of
has appointed an Audit Committee, currently comprised of four board members, all of whom ar
as defined under both the JSE Listings Requirements and the NYSE Listing Requirements.

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ITEM 16H: MINE SAFETY DISCLOSURE

Not applicable.

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PART III ITEM 17: FINANCIAL STATEMENTS

Gold Fields has responded to Item 18 in lieu of responding to this item.

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ITEM 18: FINANCIAL STATEMENTS

The following financial statements of Gold Fields Limited are filed as part of this an

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INDEX TO FINANCIAL STATEMENTS

Gold Fields Limited

Report of the Independent Registered Public Accounting Firm (KPMG)

Report of the Independent Registered Public Accounting Firm (PwC)

Consolidated Statements of Operations for fiscal 2012, fiscal 2011, the six month period ended December

Consolidated Statements of Comprehensive Income for fiscal 2012 and 2011, the six month period ended I
fiscal 2010

Consolidated Balance Sheets as of December 31, 2012 and 2011

Consolidated Statements of Changes in Shareholders Equity for fiscal 2012 and 2011, the six month perio
2010 and fiscal 2010

Consolidated Statements of Cash Flows for fiscal 2012 and 2011, the six month period ended December 31

Notes to the Consolidated Financial Statements

Schedules to Gold Fields Limited s Financial Statements

Schedule 1 Valuation and Qualifying Accounts

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ITEM 19: EXHIBITS

The following instruments and documents are included as Exhibits to this annua

No.	Exhibit
1.1	Memorandum of Association of Gold Fields (incorporated by reference to Exhibit 1.1 to the reg (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May
1.2	Articles of Association of Gold Fields (incorporated by reference to Exhibit 1.2 to the registratio No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 6, 20
1.3	Amended Articles of Association of Gold Fields (incorporated by reference to Exhibit 1.3 to the No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December
2.1	Memorandum of Incorporation of Gold Fields (included in Exhibits 1.1 and 1.2)
2.2	Deposit Agreement among Gold Fields, Gold Fields Limited (f/k/a/Driefontein Consolidated Li depositary, and the owners and beneficial owners from time to time of American Depositary Re 1998, as amended and restated as of May 21, 2002 (incorporated by reference to Exhibit 2.3 to t (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on Octo
2.3	Form of American Depositary Receipt (included in Exhibit 2.2)
2.4	Amended Memorandum of Incorporation of Gold Fields (included in Exhibit 1.3)
2.5	Trust Deed among Orogen, as issuer; Gold Fields Limited, GFIMSA, GFO, and GF Holdings, a Company Limited, as trustee, dated October 7, 2010 in relation to the U.S.$1 billion Note Issue Exhibit 2.8 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Commission on December 2, 2010)
2.6	Amended Memorandum of Incorporation of Gold Fields, adopted by Special Resolution on May
4.1	The GF Management Incentive Scheme, adopted November 10, 1999 (incorporated by reference statement on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Excha
4.2	Deed of Amendment to the GF Management Incentive Scheme between Gold Fields Limited an and Gordon Rae Parker, both in their capacity as trustees for The GF Management Incentive Tr (incorporated by reference to Exhibit 4.4 to the annual report on Form 20-F (File No. 1 -31318), Securities and Exchange Commission on November 26, 2004)
4.3	Deed of Amendment to the GF Management Incentive Scheme between Gold Fields Limited an and Gordon Rae Parker, both in their capacity as trustees for The GF Management Incentive Tr (incorporated by reference to Exhibit 4.5 to the annual report on Form 20-F (File No. 1 -31318), Securities and Exchange Commission on November 26, 2004)
4.4	The Gold Fields Limited 2005 Non-Executive Share Plan, adopted November 17, 2005 (incorpo to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities a December 22, 2005)

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No.	Exhibit
4.5	The Gold Fields Limited 2005 Share Plan, adopted November 17, 2005 (incorporated by referer report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange 2005)
4.6	The Gold Fields Limited 2012 Share Plan, dated May 14, 2012
4.7	U.S.$750,000,000 Facility Agreement between GFIMSA, Orogen, Western Areas Limited, ABI Capital and Barclays Bank plc, dated May 16, 2007 (incorporated by reference to Exhibit 4.37 t (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on Dec
4.8	Agency Agreement in respect of the Domestic Medium Term Note Program, between Gold Fiel dated April 6, 2009, including Annexures (incorporated by reference to Exhibit 4.19 to the annu -31318), filed by Gold Fields with the Securities and Exchange Commission on December 3, 20
4.9	Gold Fields Limited Program Memorandum in respect of the Domestic Medium Term Note Pro (incorporated by reference to Exhibit 4.20 to the annual report on Form 20-F (File No. 1 -31318 Securities and Exchange Commission on December 3, 2009)
4.10	Gold Fields Limited Operating and Procedures Memorandum in respect of the Domestic Mediu April 6, 2009 (incorporated by reference to Exhibit 4.21 to the annual report on Form 20-F (File Fields with the Securities and Exchange Commission on December 3, 2009)
4.11	Program Agreement in respect of the Gold Fields Limited Domestic Medium Term Note Progra Absa Capital and Nedbank Capital, dated April 6, 2009 (incorporated by reference to Exhibit 4. 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission or
4.12	Agreement between Nicholas J. Holland and Gold Fields Group Services (Pty) Ltd, dated Marcl 2009 (incorporated by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 1 - the Securities and Exchange Commission on December 3, 2009)
4.13	Agreement between Nicholas J. Holland and Gold Fields Ghana Holdings (BVI) Limited, dated March 1, 2009 (incorporated by reference to Exhibit 4.30 to the annual report on Form 20-F (Fi Fields with the Securities and Exchange Commission on December 3, 2009)
4.14	Agreement between Nicholas J. Holland and Gold Fields Orogen Holding Company (BVI), date March 1, 2009 (incorporated by reference to Exhibit 4.31 to the annual report on Form 20-F (Fi Fields with the Securities and Exchange Commission on December 3, 2009)
4.15	Agreement between Nicholas J. Holland and Gold Fields Group Services (Pty) Ltd, dated April 2010 (incorporated by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 1 - the Securities and Exchange Commission on December 2, 2010)
4.16	Agreement between Nicholas J. Holland and Gold Fields Ghana Holdings (BVI) Limited, dated 1, 2010 (incorporated by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 1 with the Securities and Exchange Commission on December 2, 2010)

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No.	Exhibit
4.17	Agreement between Nicholas J. Holland and Gold Fields Orogen Holding Company (BVI), dat April 1, 2010 (incorporated by reference to Exhibit 4.31 to the annual report on Form 20-F (File Fields with the Securities and Exchange Commission on December 2, 2010)
4.18	R1,000 million Standard Bank Revolving Credit Facility between Standard Bank of South Afric Original Guarantors (listed in Schedule 1), dated December 9, 2009 (incorporated by reference on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Comm
4.19	R500 million RMB Revolving Credit Facility between FirstRand Bank Limited, GFIMSA, GFC Schedule 1), dated March 8, 2010 (incorporated by reference to Exhibit 4.34 to the annual repor -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 20
4.20	U.S.$200 million Non-revolving Senior Secured Term Loan between The Bank of Nova Scotia mandated lead arrangers; Banco de Crédito del Perú, as administrative agent; Scotiabank Perú S The Bank of Nova Scotia Trust Company of New York, as offshore collateral agent; and La Cir (incorporated by reference to Exhibit 4.33 to the annual report on Form 20-F (File No. 1 -31318 Securities and Exchange Commission on December 2, 2010).
4.21	U.S.$1,000,000,000 Syndicated Revolving Facility Agreement between Barclays Bank Plc, GFI Limited, dated June 20, 2011 (incorporated by reference to Exhibit 4.25 to the annual report on filed by Gold Fields with the Securities and Exchange Commission on April 23, 2012).
4.22	Rand 2,000,000,000 Revolving Facility Agreement between Nedbank Limited, GFIMSA and th Schedule 1), dated December 19, 2011 (incorporated by reference to Exhibit 4.26 to the annual -31318), filed by Gold Fields with the Securities and Exchange Commission on April 23, 2012)
4.23	U.S.$500 million Credit Facility Agreement between The Bank of Tokyo Mitsubishi UFJ, Limi Orogen Holdings (BVI) Limited and the Original Guarantors (listed in Schedule 1), dated April
4.24	Bridge Facility Agreement between Barclays Bank Plc, GFI Joint Venture Holdings (Pty) Limit Holding (BVI) and the Original Guarantors (listed in Schedule 1), dated November 28, 2012.
4.25	Credit Facilities Agreement between Barclays Bank Plc, GFI Joint Venture Holdings (Proprieta Orogen Holding (BVI) and the Original Guarantors (listed in Schedule 1), dated November 28, of January 30, 2013 pursuant to a Syndication and Amendment Agreement.
4.26	Indemnity Agreement among Gold Fields Orogen Holding (BVI) Limited, Gold Fields, GFO, C (BVI) Limited and Sibanye Gold, in respect of Sibanye Gold s obligations under the Notes, dat
4.27	Transitional Services Agreement among Sibanye Gold, Gold Fields, Gold Fields Shared Service Group Services (Pty) Limited, dated December 21, 2012.
4.28	Revolving Credit Facility Agreement among Nedbank Limited, GFI Joint Venture Holdings (Pr Original Guarantors (listed in Schedule 1), dated March 1, 2013.

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No.	Exhibit
4.29	Agreement between Paul A. Schmidt and Gold Fields Group Services (Pty) Ltd, dated Nov November 6, 2009 (incorporated by reference to Exhibit 4.33 to the annual report on Form by Gold Fields with the Securities and Exchange Commission on December 3, 2009)
4.30	Agreement between Paul A. Schmidt and Gold Fields Ghana Holdings (BVI) Limited, date effective November 6, 2009 (incorporated by reference to Exhibit 4.34 to the annual report -31318), filed by Gold Fields with the Securities and Exchange Commission on December
4.31	Agreement between Paul A. Schmidt and Gold Fields Orogen Holding Company (BVI), da effective November 6, 2009 (incorporated by reference to Exhibit 4.35 to the annual report -31318), filed by Gold Fields with the Securities and Exchange Commission on December
4.32	First Addendum to the Employment Contract made and entered into between Gold Fields C A. Schmidt, dated April 1, 2010 (incorporated by reference to Exhibit 4.40 to the annual re -31318), filed by Gold Fields with the Securities and Exchange Commission on December
4.33	First Addendum to the Employment Contract made and entered into between Gold Fields C and Paul A. Schmidt, dated April 1, 2010 (incorporated by reference to Exhibit 4.41 to the No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on Dece
4.34	First Addendum to the Employment Contract made and entered into between Gold Fields C and Paul A. Schmidt, dated April 1, 2010 (incorporated by reference to Exhibit 4.42 to the No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on Dece
8.1	Amended list of subsidiaries of the registrant
12.1	Certification of Chief Executive Officer
12.2	Certification of Chief Financial Officer
13.1	Certification of Chief Executive Officer
13.2	Certification of Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it ha
undersigned to sign this annual report on its behalf.

GOLD FIELDS LIMITED

/s/ Nicholas J. Holland
Name: Nicholas J. Holland

Title: Chief Executive Officer

Date: May 14, 2013

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Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders

Gold Fields Limited

We have audited the accompanying consolidated balance sheets of Gold Fields Limited (the Company) 2012 and 2011, and the related consolidated statements of operations, comprehensive income, changes in s for the years then ended and the six-month period ended December 31, 2010. In connection with our aud statements, we also have audited the financial statement schedule, Schedule I - Valuation and Qualifyin Gold Fields Limited s internal control over financial reporting as of December 31, 2012, based on criter Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commi management is responsible for these consolidated financial statements and financial statement schedule, control over financial reporting, and for its assessment of the effectiveness of internal control over fin Management s Report on Internal Control over Financial Reporting appearing in Item 15 on Form 20 opinion on these consolidated financial statements and financial statement schedule, and an opinion on th financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversig standards require that we plan and perform the audits to obtain reasonable assurance about whether the material misstatement and whether effective internal control over financial reporting was maintained in all consolidated financial statements included examining, on a test basis, evidence supporting the amounts statements, assessing the accounting principles used and significant estimates made by management, and statement presentation. Our audit of internal control over financial reporting included obtaining an under financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the desi internal control based on the assessed risk. Our audits also included performing such other procedures a circumstances. We believe that our audits provide a reasonable basis for our op

A company s internal control over financial reporting is a process designed to provide reasonable assu financial reporting and the preparation of financial statements for external purposes in accordance with principles. A company s internal control over financial reporting includes those policies and procedures t records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the as reasonable assurance that transactions are recorded as necessary to permit preparation of financial statem accepted accounting principles, and that receipts and expenditures of the company are being made only in management and directors of the company; and (3) provide reasonable assurance regarding prevention or acquisition, use, or disposition of the company s assets that could have a material effect on t

Because of its inherent limitations, internal control over financial reporting may not prevent or detect miss evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate b that the degree of compliance with the policies or procedures may deteriora

In our opinion, the consolidated financial statements referred to above present fairly, in all material respe Fields Limited and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and ended and the six-month period ended December 31, 2010, in conformity with U.S. generally accepted a opinion, the accompanying financial statement schedule for the years ended December 31, 2012 and 201

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December 31, 2010, when considered in relation to the basic consolidated financial statements taken as
material respects, the information set forth therein. Also in our opinion, Gold Fields Limited maintained,
internal control over financial reporting as of December 31, 2012, based on criteria established in Intern
issued by the Committee of Sponsoring Organizations of the Treadway Comm

KPMG Inc.

Johannesburg, South Africa

May 14, 2013

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Gold Fields Limited

In our opinion, the statements of operations, changes in shareholders equity, comprehensive income and
30, 2010 present fairly, in all material respects, the results of operations and cash flows of Gold Fields L
year ended June 30, 2010, in conformity with accounting principles generally accepted in the United Stat
opinion, the financial statement schedule for the year ended June 30, 2010 presents fairly, in all material
therein when read in conjunction with the related consolidated financial statements. These financial sta
schedule are the responsibility of the Company s management. Our responsibility is to express an opinio
financial statement schedule based on our audit. We conducted our audit of these statements in accordanc
Company Accounting Oversight Board (United States). Those standards require that we plan and perfor
assurance about whether the financial statements are free of material misstatement. An audit includes exa
supporting the amounts and disclosures in the financial statements, assessing the accounting principles us
by management, and evaluating the overall financial statement presentation. We believe that our audit pr
opinion.

PricewaterhouseCoopers Inc.

Johannesburg, Republic of South Africa

December 2, 2010

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Gold Fields Limited

Consolidated Statements of Operations

($ in millions unless otherwise noted)

	Fiscal Year Ended December 31,		Si
	2012	2011	
REVENUES			
Product sales	**5,551.8**	5,800.1	
COSTS AND EXPENSES			
Production costs (exclusive of depreciation and amortization)	**3,190.4**	2,989.0	
Depreciation and amortization	**729.9**	745.3	
Corporate expenditure	**46.6**	37.6	
Employee termination costs	**13.8**	32.8	
Exploration expenditure	**135.3**	125.4	
Feasibility and evaluation costs	**103.5**	95.2	
(Profit)/loss on disposal of property, plant and equipment	**(0.5)**	0.4	
Impairment of assets	**41.6**	9.5	
Increase/(decrease) in provision for post-retirement health care costs	**0.3**	0.1	
Accretion expense on provision for environmental rehabilitation	**28.2**	24.9	
	4,289.1	4,060.2	
OTHER (EXPENSES)/INCOME			
Interest and dividends	**29.2**	25.4	
Finance expense	**(70.1)**	(54.3)	
(Loss)/gain on financial instruments	**(0.4)**	4.4	
(Loss)/gain on foreign exchange	**(13.8)**	9.1	
Profit/(loss) on disposal of listed investments	**27.6**	12.8	
Impairment of listed investments	**(10.5)**	(0.5)	
South African Equity Empowerment Transactions			
Royalties	**(151.2)**	(149.7)	
Other expenses	**(77.4)**	(79.3)	
	(266.6)	(232.1)	
INCOME BEFORE TAX, IMPAIRMENT OF INVESTMENT IN EQUITY INVESTEE AND SHARE OF EQUITY INVESTEES (LOSSES)/PROFITS	**996.1**	1 507.8	
Income and mining tax expense	**(291.9)**	(552.0)	
INCOME BEFORE IMPAIRMENT OF INVESTMENT IN EQUITY INVESTEE AND SHARE OF EQUITY INVESTEES (LOSSES)/PROFITS	**704.2**	955.8	
Impairment of investment in equity investee		(6.8)	
Share of equity investees (losses)/profits	**(51.7)**	4.0	
Net income	**652.5**	953.0	
Net loss/(income) attributable to noncontrolling interests	**1.8**	(71.5)	
Net income attributable to Gold Fields shareholders	**654.3**	881.5	
BASIC EARNINGS PER SHARE ($)	**0.90**	1.22	
DILUTED EARNINGS PER SHARE ($)	**0.90**	1.21	
WEIGHTED AVERAGE NUMBER OF SHARES USED IN THE			

- COMPUTATION OF BASIC EARNINGS PER SHARE	**727,459,457**	722,376,228
- COMPUTATION OF DILUTED EARNINGS PER SHARE	**730,723,950**	730,787,498
DIVIDEND PER SHARE ($)	**0.50**	0.24

The accompanying notes are an integral part of these consolidated financial sta

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Gold Fields Limited

Consolidated Statements of Comprehensive Income

($ in millions unless otherwise noted)

	Fiscal Year Ended December 31,		Six Months E December
	2012	2011	2010
Net income	**652.5**	953.0	6
Other comprehensive (loss)/income	**(190.6)**	(1,008.9)	65
Share of equity investee s other comprehensive income			
Mark-to-market adjustment of listed investments	**18.7**	(26.4)	2
Realized (gain)/loss on disposal of listed investments	**(14.7)**	(12.8)	
Impairment of listed investments	**10.5**	0.5	
Foreign currency translation adjustment	**(205.1)**	(970.2)	62
Comprehensive income/(loss)	**461.9**	(55.9)	72
Comprehensive income/(loss) attributable to:			
Gold Fields shareholders	**424.6**	(104.2)	67
Noncontrolling interests	**37.3**	48.3	5
	461.9	(55.9)	72

The accompanying notes are an integral part of these consolidated financial sta

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Gold Fields Limited

Consolidated Balance Sheets

($ in millions unless otherwise noted)

ASSETS
CURRENT ASSETS
Cash and cash equivalents
Receivables
Inventories
Materials contained on heap leach pads

Total current assets

Property, plant and equipment, net
Goodwill
Deferred income and mining taxes
Materials contained on heap leach pads
Non-current investments

TOTAL ASSETS

LIABILITIES AND SHAREHOLDERS EQUITY

Accounts payable and provisions
Interest payable
Royalties, income and mining taxes payable
Short-term loans and current portion of long-term loans

Total current liabilities
Long-term loans
Deferred income and mining taxes
Provision for environmental rehabilitation
Other non-current liabilities
Provision for post-retirement health care costs

Total liabilities

COMMITMENTS AND CONTINGENCIES - see notes 19 and 20

SHAREHOLDERS EQUITY
Share capital December 31, 2012 - 1,000,000,000 (December 31, 2011 - 1,000,000,000) authorized ordinary shares of 50 South African cents each. Shares issued December 31, 2012: 729,536,813 (December 31, 2011: 723,735,186)
Additional paid-in capital
Retained earnings
Accumulated other comprehensive loss

Gold Fields shareholders equity
Noncontrolling interests

Total equity

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY

The accompanying notes are an integral part of these consolidated financial sta

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Gold Fields Limited

Consolidated Statements of Changes in Shareholders Equity

($ in millions unless otherwise noted)

	Number of ordinary shares issued	Share capital	Additional paid-in capital	Retained earnings	Accumu othe compreh (loss)/in
BALANCE - JUNE 30, 2009	704,749,849	**57.7**	**4,944.2**	**561.5**	**(3**
Net income				391.0	
Dividends declared				(118.1)	
Share-based compensation			53.9		
Exercise of employee share options	1,153,662	0.1	7.3		
Other comprehensive income*					2
Transactions with noncontrolling interests					
BALANCE - JUNE 30, 2010	705,903,511	**57.8**	**5,005.4**	**834.4**	**(**
Net income				12.6	
Dividends declared				(67.4)	
Share-based compensation			303.4		
Exercise of employee share options	751,630		4.4		
Shares issued under the South African Equity Empowerment Transactions	14,141,746	1.0			
Other comprehensive income*					6
Receipt of funds from noncontrolling interests					
BALANCE - DECEMBER 31, 2010	720,796,887	**58.8**	**5,313.2**	**779.6**	**5**
Net income				881.5	
Dividends declared				(174.9)	
Share-based compensation			66.4		
Exercise of employee share options	3,794,629	0.3	6.2		
Treasury shares	(856,330)	(0.1)	(11.2)		
Purchase of noncontrolling interests				(713.7)	
Other comprehensive income*					(9
Receipt of funds from noncontrolling interests					
BALANCE - DECEMBER 31, 2011	723,735,186	**59.0**	**5,374.6**	**772.5**	**(4**
Net income				654.3	
Dividends declared				(364.2)	
Share-based compensation			77.7		
Exercise of employee share options	5,801,627	2.0			
Purchase of noncontrolling interests				(8.3)	
Other comprehensive income*					(2
Receipt of funds from noncontrolling interests					
BALANCE - DECEMBER 31, 2012	729,536,813	**61.0**	**5,452.3**	**1,054.3**	**(6**

* Noncontrolling interests share of other comprehensive income/(loss) relates to foreign exchange transl

The accompanying notes are an integral part of these consolidated financial sta

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Gold Fields Limited

Consolidated Statements of Changes in Shareholders Equity (continu

($ in millions unless otherwise noted)

The following is a reconciliation of the components of accumulated other comprehensive (loss)/ inco

	Share of equity investee s other comprehensive income	Mark-to-market of listed investments	Foreig tra
BALANCE - JUNE 30, 2009	**(15.2)**	**66.6**	
Share of equity investee s other comprehensive income movements	0.8		
Mark-to-market of listed investments		24.9	
Realized gain on disposal of listed investments		(111.7)	
Impairment of listed investments		8.1	
Foreign exchange translation			
BALANCE - JUNE 30, 2010	**(14.4)**	**(12.1)**	
Mark-to-market of listed investments		28.8	
Realized loss on disposal of listed investments		0.4	
Foreign exchange translation			
BALANCE - DECEMBER 31, 2010	**(14.4)**	**17.1**	
Mark-to-market of listed investments		(26.4)	
Realized gain on disposal of listed investments		(12.8)	
Impairment of listed investments		0.5	
Foreign exchange translation			
BALANCE - DECEMBER 31, 2011	**(14.4)**	**(21.6)**	
Mark-to-market of listed investments		18.7	
Realized gain on disposal of listed investments		(14.7)	
Impairment of listed investments		10.5	
Foreign exchange translation			
BALANCE - DECEMBER 31, 2012	**(14.4)**	**(7.1)**	

The accompanying notes are an integral part of these consolidated financial sta

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Gold Fields Limited

Consolidated Statements of Cash Flows

($ in millions unless otherwise noted)

	Fiscal Year Ended December 31,	
	2012	2011
CASH FLOWS FROM OPERATIONS		
Net income	**652.5**	953.0
Reconciled to net cash provided by operations:		
- Share of equity investees (profits)/losses	**51.7**	(4.0)
- Impairment of investment in equity investee		6.8
- Income and mining tax expense	**291.9**	552.0
- Royalties	**151.2**	149.7
- (Profit)/loss on disposal of listed investments	**(27.6)**	(12.8)
- Impairment of listed investments	**10.5**	0.5
- Impairment of assets	**41.6**	9.5
- Depreciation and amortization	**729.9**	745.3
- Loss/(profit) on disposal of property, plant and equipment	**(0.5)**	0.4
- Share-based compensation	**77.7**	66.4
- Accretion expense on provision for environmental rehabilitation	**28.2**	24.9
- Increase/(decrease) in provision for post-retirement health care costs	**0.3**	0.1
- Finance expense capitalized	**(13.0)**	(9.3)
- South African Equity Empowerment Transactions		
- Other	**(20.1)**	(16.5)
- Cash portion of share of equity investee loss	**(50.1)**	
- Payment against post-retirement health care provision	**(0.1)**	(0.3)
Changes in operating assets and liabilities:		
- Receivables	**(151.8)**	22.1
- Inventories and heap leach pads	**(93.4)**	(165.2)
- Accounts payable and provisions	**86.1**	62.8
- Royalties paid	**(163.0)**	(125.1)
- Income and mining taxes paid	**(455.1)**	(352.8)
NET CASH PROVIDED BY OPERATIONS	**1,146.9**	1,907.5
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(1,322.8)**	(1,153.0)
Proceeds on disposal of property, plant and equipment	**2.0**	5.3
Royalty termination		
Purchase of Glencar asset		
Investment in the Far South East Project	**(110.0)**	(66.0)
Investment in the Mankayan Project - Bezant Resources		(7.0)
Purchase of listed investments	**(0.8)**	(0.1)
Proceeds on sale of listed investments	**65.4**	13.7
Investment in environmental trust funds	**(6.3)**	(16.2)
NET CASH UTILIZED IN INVESTING ACTIVITIES	**(1,372.5)**	(1,223.3)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long and short-term loans raised	**1,451.0**	1,167.9
Long and short-term loans repaid	**(975.9)**	(654.6)
(Repayment)/utilization of bank overdraft		
Decrease in noncontrolling interests funding		
Increase in noncontrolling interests funding	**27.7**	31.0
Purchase of noncontrolling interests	**(10.8)**	(1,055.6)
Dividends paid to Company shareholders	**(364.2)**	(174.9)

Dividends paid to noncontrolling interests	**(11.5)**	(41.9)
Payment to South African Equity interests in South Deep	**(2.5)**	(3.0)
Ordinary shares issued	**2.0**	6.5
NET CASH PROVIDED BY/(UTILIZED IN) FINANCING ACTIVITIES	**115.8**	(724.6)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	**21.4**	(25.1)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(88.4)**	(65.5)
CASH AND CASH EQUIVALENTS - beginning of the year	**744.0**	809.5
CASH AND CASH EQUIVALENTS - end of year	**655.6**	744.0

The accompanying notes are an integral part of these consolidated financial sta

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

1 GENERAL

Gold Fields Limited (formerly Driefontein Consolidated Limited, or Driefontein, the Company or the Gro
South Africa and listed on the JSE Securities Exchange S.A. (JSE) during 1968 as East Driefontein
Following a merger with West Driefontein Gold Mining Company Limited, it was renamed Driefontein or
Driefontein completed a business combination, with another South African company listed on the JSE,
Fields). Old Gold Fields evolved through a series of transactions in 1998, whereby it acquired substantia
interests previously held by Gold Fields of South Africa Limited, Gencor Limited, New Wits Limited and
companies owning the assets and interests. These assets and interests included publicly traded gold minin
service agreements. Driefontein, the surviving entity, was renamed Gold Fields Limited, and Old Gold F
Services Limited, effective from that date. The Group is engaged in gold mining and related activities, i
processing and smelting. Gold bullion, the Group s principal product, is currently produced in South Afri
South Africa and internationally.

On November 29, 2012, Gold Fields announced the creation of a new South African gold mining company
unbundling of its 100% owned subsidiary, Sibanye Gold Limited (Sibanye Gold), formerly known as G
Limited, which holds the KDC and Beatrix gold mines as well as various service companies. The separa
Fields is referred to as the Spin-off. The board of directors of Gold Fields, or the Board, passed the resol
Spin-off on December 12, 2012 and the Spin-off was completed in February 2013. Refer to

The Group also produces copper/gold concentrate in Peru, which is sold interna

2 SIGNIFICANT ACCOUNTING POLICIES

(a) **USE OF ESTIMATES:** The preparation of the consolidated financial statements in conformity
accepted accounting principles, or U.S. GAAP, requires the Group s management to make esti
and future events that affect the reported amounts of assets and liabilities and disclosure of cont
date of the financial statements, and the reported amounts of revenues and expenses during the
Future events and their effects cannot be determined with absolute certainty. Therefore, the determination
of judgment based on various assumptions and other factors such as historical experience, current and exp
some cases actuarial techniques. Actual results ultimately may differ from those e

The more significant areas requiring the use of management estimates and assumptions relate to mineral r
cash flow estimates and unit-of-production depreciation, depletion and amortization calculations; enviro
obligations; estimates of recoverable gold and other materials in heap leach pads; asset impairments (inc
long-lived assets, and investments); write-downs of inventory to market; post employment, post retirem
liabilities (including valuation of share-based compensation); valuation allowances for deferred tax asset
litigation; and the fair value and accounting treatment of financial instrume

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

The following are accounting policies used by the Group which have been consistently applied f

(b) **CONSOLIDATION:** The Group s financial statements include the financial statements of the share of results of investments in associates. A company in which the Group has, directly or ind undertakings, a controlling interest is classified as a subsidiary undertaking. In addition, the Co with other entities to assess if the Company is the primary beneficiary of a variable interest enti that the Company is the primary beneficiary, then that entity is consolidated from the date that t become the primary beneficiary. The results of subsidiaries acquired or disposed of are included effective dates of acquisition or excluded from such statements as from the effective dates of di which the Company does not control, but where it has the ability to exercise significant influenc financial policies, are accounted for by the equity method.

Inter-company transactions and balances are eliminated on consolidation. Gains or losses that arise from subsidiaries or equity method investees are recognized in equity.

Any excess between the purchase price and the fair value of the attributable net assets of subsidiaries and a is capitalized as goodwill.

Goodwill is not amortized; however it is subject to an annual assessment for impairment. The Company goodwill to determine whether current events and circumstances indicate that such carrying amount ma accomplish this, the Company compares the estimated fair values of its reporting units to their carrying am reporting unit exceeds its estimated fair value, the Company compares the implied fair value of the repor amount, and any excess of the carrying value over the fair value is charged to earnings. The Company s numerous assumptions and it is possible that actual fair values will be significantly different from the estir recoverable minerals, gold and other commodity prices, production levels and operating costs of producti significant risks and uncertainties.

(c) (i) **FOREIGN CURRENCY TRANSACTIONS:** Foreign currency transactions are recor at the date of the transaction. Monetary assets and liabilities designated in foreign curren rate ruling at period end. Gains and losses arising from these translations are recognized

(ii) **FOREIGN ENTITIES:** The Group s foreign entities are regarded as those entities that The balance sheets and statements of operations of foreign subsidiaries are translated on

Assets and liabilities are translated at the prevailing exchange rate at period end. Statement of operations exchange rate for the period. Exchange differences on translation are accounted for in shareholders equi in net income or loss upon realization of the underlying foreign entity.

(iii) **FUNCTIONAL CURRENCY:** The functional currency of the Group s South African
Rand, of its Australian operations is the Australian dollar, of its Ghanaian operations and
U.S. dollar. The translation differences arising as a result of converting the South Africa
U.S. dollars (reporting

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

currency) using the current exchange rate method are included as a separate component
Comprehensive Income.

(d) **PROPERTY, PLANT AND EQUIPMENT**

(i) **MINING ASSETS:** Mining assets, including mine development costs and mine plant fa
At the Group s surface mines, when it has been determined that a mineral property can be economically
proven and probable reserves, costs incurred to develop the property are capitalized as incurred until salea
mine and are amortized using the units-of-production method over the estimated life of the ore body base
or pounds mined from proven and probable reserves. These costs include costs to further delineate the or
initially expose the ore body. Subsequent mine development costs are treated as variable

At the Group s underground mines, the Group capitalizes all underground development costs to access sp
mine where such costs will provide future economic benefits as a result of establishing proven and prob
specific block or area of operations, even after the reef horizon may have been intersected with the develo
or area of the mine. All costs associated with the development of a specific underground block or area are
are extracted from that specific block or area. At the Group s underground mines, these costs include the
costs of building access ways, lateral development, drift development, ramps, box cuts and other i

The costs incurred to access specific ore blocks or areas of the mine, which only provide an economic be
that ore block or area is being mined, are attributed to earnings using the units-of-production method wh
recoverable ounces of gold contained in proven and probable reserves within that ore block or area. C
economic benefit over the entire mine life, such as the initial primary shaft in an underground complex,
earnings using the units-of-production method, where the denominator is the estimated recoverable ou
accessible proven and probable reserves. Accessible proven and probable reserves, also referred to as
probable reserves , relate to mineralization which is located at a level at which an operation currently h
mining operations to occur.

Interest on borrowings incurred in respect of assets requiring a substantial period of time to prepare for the
date on which the assets are substantially completed and ready for their intend

(ii) **LAND:** Land is shown at cost and is not depreciated.

(iii) **MINERAL INTERESTS:** Mineral interests represent mineral and surface use rights fo
Group. Mineral interests and other tangible assets include acquired mineral use rights in
exploration stage properties. The amount capitalized related to mineral interests represe
acquired, either as an individual asset purchase or as part of a business combination.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Production stage mineral interests represent mineral interests in operating properties that contain proven a *stage* mineral interests represent interests in properties under development that contain proven and prob mineral interests represent interests in properties that are believed to potentially contain (i) *other miner* material within pits, measured, indicated and inferred material with insufficient drill spacing to qualify as inferred material in close proximity to proven and probable reserves; (ii) *around-mine exploration poten* immediately adjacent to existing reserves and mineralization but located within the immediate mine infra *exploration potential* that is not part of measured, indicated or inferred material and is comprised mainly o mine area; or (iv) *greenfield exploration potential* that is not associated with any other *production, develop* as described above. The Group s mineral use rights are enforceable regardless of whether proven or prob In certain limited situations, the nature of a use right changes from an exploration right to mining right up probable reserves. The Group has the ability and intent to renew mineral use rights where the existing te identified and valued proven and probable reserves and/or undeveloped mineral

(iv) **AMORTIZATION AND DEPRECIATION OF MINING ASSETS:** Mining assets, r costs, and mine plant facilities are amortized over the life of mine using the units-of-prod estimated above infrastructure proven and probable ore reserves. Proven and probable o quantities of economically recoverable reserves, which can be recovered in future from l Group s South African operations, its amortization and depreciation calculations are ge recent life-of-mine plan and annual above-infrastructure reserve declarations as approve However, if management becomes aware of significant changes in its above-infrastructu updates, management would update its amortization and depreciation calculations and th Company s Board. A similar approach is followed at the Group s operations in Ghana primary ore body. At the Group s other international operations, such as Australia, the C depreciation calculations are updated on a more regular basis during the year for all kno reserves. The nature and life-span of the ore body, and the on-going information gathere facilitates these more frequent updates.

(v) **AMORTIZATION OF MINERAL INTERESTS:** Mineral interests associated with p are amortized over the life-of-mine using the units-of-production method in order to mat expected underlying future cash flows. Mineral interests associated with development a interests are not amortized until such time as the underlying property is converted to the

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(vi) **DEPRECIATION OF NON-MINING ASSETS:** Other non-mining assets are recorde depreciated on a straight-line basis over their expected useful lives as follows:

Vehicles
Computers
Furniture and Equipment

(vii) **MINING EXPLORATION:** Expenditure on exploration activities is expensed as incur costs incurred for purposes of upgrading resources from one category to another or for p proven and probable reserves, even when in close proximity to the Company s developr properties. When it has been determined that a property can be economically developed and probable reserves, costs incurred prospectively to develop the property are capitalize

(viii) **IMPAIRMENT:** The Group reviews and tests the carrying amounts of long-lived assets costs, when events or changes in circumstances suggest that the carrying amount may no purposes, assets are grouped at the lowest level for which identifiable cash flows are larg of other assets and liabilities. The lowest level at which such cash flows are generated is operating mine, even if the individual operating mine is included in a larger mine comple
If there are indications that an impairment may have occurred, the Group prepares estimates of expected f assets. Expected future cash flows are based on a probability-weighted approach applied to poten

estimated sales proceeds from the production and sale of recoverable ounces of gol probable reserves;

expected gold prices and currency exchange rates (considering historical and curre factors);

expected future operating costs and capital expenditures to produce proven and pro approved life-of-mine plans that assume current plant capacity, but exclude the imp

expected cash flows associated with value beyond proven and probable reserves, w outflows required to develop and extract the value beyond proven and probable res
The impairment analysis first compares the total estimated cash flows on an undiscounted basis to the carr goodwill, if any. If the undiscounted cash flows are less than the carrying amount of the asset, a second ste a reduction of a group of assets to fair value as a charge to earnings if discounted expected future cash

amount. The Group estimates fair value by discounting the expected future cash flows using a discount f
reflects the risk- free rate of interest for a term consistent with the period of expectec

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Management s estimate of future cash flows is subject to risk and uncertainties. It is therefore reasonably which may affect the recoverability of the Group s mining assets.

(e) **INCOME TAXES:** Deferred taxation is calculated on the comprehensive basis using the balan approach. Deferred tax liabilities and assets are recognized by applying expected tax rates to the each reporting date between the tax values and their carrying amounts. These temporary differe taxable or deductible amounts in determining taxable profits for future periods when the carryin or the liability is settled. The effect on deferred tax of any changes in tax rates is recognized in period in which the change occurs.

The principal temporary differences arise from depreciation on property, plant and equipment, provisions, tax losses carried forward. A valuation allowance is recorded to reduce the carrying amounts of deferred ta that such assets will not be realized.

The Group recognizes interest and penalties, if any, in net income or loss as part of inco

Gold Fields recognizes the tax benefit from an uncertain tax position only if it is more likely than not the examination by the taxing authorities, based on the technical merits of the position. The tax benefits reco from such positions are then measured based on the largest benefit that has a greater than 50% likelihood Changes in recognition or measurement are reflected in the period in which the change in

(f) **NON-CURRENT INVESTMENTS:** Non-current investments comprise (i) investments in list as available-for-sale and are accounted for at fair value, with unrealized holding gains and losse reported as a separate component of shareholders equity; and (ii) investments in unlisted comp original costs as the directors believe that the original cost is not materially different from the fa environmental trust fund; and (iv) equity method investments. Realized gains and losses are inc income or loss.

Unrealized losses are included in the determination of net income or loss where it is determined that a decline, in the value of the investment has occurred.

(g) **MATERIALS CONTAINED IN HEAP LEACH PADS:** The recovery of gold from certain o the heap leaching process. Under this method, ore is placed on leach pads where it is permeated dissolves the gold contained in the ore. The resulting pregnant solution is further processed i solution is recovered. For accounting purposes, value is added to leach pads based on current m depreciation and amortization relating to mining operations. Value is removed from the leach p circuit at the leach plant based on the average cost per recoverable ounce of gold on the leach p

The engineering estimates of recoverable gold on the heap leach pads are calculated from quantities of o tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recov process and the ore type). In

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

general, the leach pad production cycles project recoveries of approximately 50% to 70% of the placed rec
leaching, declining each year thereafter until the leaching process is comple

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grad
quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inheren
monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and engi
on actual results over time. Variations between actual and estimated quantities resulting from changes in a
not result in write-downs to market are accounted for on a prospective basis. The ultimate recovery of gol
until the leaching process is terminated.

The current portion of leach pad inventories is determined based on engineering estimates of the quantitie
are expected to be recovered during the next twelve months.

(h) **INVENTORIES:** Inventories are valued at the lower of cost and market. The Group s invento
gold-in-process, gold bullion, ore stockpiles and mineral rights and are accounted for as follows
Consumable stores: Consumable stores are valued at average cost, after appropriate provision for su

Gold-in-process: Gold in-process inventories at the international operations represent materials that are
converted to a saleable product. Conversion processes vary depending on the nature of the ore and the spe
mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process mate
the material fed to process and the projected recoveries of the respective pla

In-process inventories are valued at the average cost of the material fed to process attributable to the sourc
stockpile or leach pad plus the in-process conversion costs, including applicable depreciation relating to th
point in the process.

Gold bullion: Gold bullion inventories represent saleable gold ore or gold bullion and are valued at the
in-process inventories incurred prior to the refining process, plus refining co

Concentrates: Concentrate inventories represent concentrate available for shipment. The concentrate inve
including an allocated portion of amortization. Costs are added to and removed from the concentrate inven
and are valued at the lower of average cost and market value. Management s determination of the gold a
quantity depends on assay and laboratory results for the metal content and survey for

Stockpiles: Stockpiles represent coarse ore that has been extracted from the mine that is available for fu
measured by estimating the number of tons (via truck counts and/or in-pit surveys of the ore before stockp
stockpile, the number of contained ounces (based on assay data) and the recovery percentage (base

the ore is destined). Stockpile tonnages are verified by periodic surveys. Stockpiles are valued based on m
of stockpiling the ore, including applicable depreciation and amortization relating to mining operations. V
on the current mining

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

cost per ton plus applicable depreciation and amortization and removed at the average cost per recoverab

Mineral rights: Mineral rights not linked to any specific operation are valued at the lower of

(i) **FINANCIAL INSTRUMENTS:** Financial instruments carried on the balance sheet include ca investments, receivables, derivative financial instruments, accounts payable and accrued liabilit method for each financial instrument item is disclosed in its respective significant accounting p

(j) **HEDGING**: The Group accounts for its hedging activities in accordance with Accounting Stan Codification, or ASC, guidance for derivative instruments and hedging activ

Under ASC 815, all derivatives are recognized on the balance sheet at their fair value, unless they meet th normal sale exemption. On the date a derivative contract is entered into, the Group designates the derivativ a recognized asset or liability (fair value hedge), (2) a hedge of a forecasted transaction (cash flow hedge). in a foreign entity. Certain derivative transactions, while providing effective economic hedges under the G not qualify for hedge accounting.

Hedging activities are conducted in accordance with guidelines established by the Audit Committee wh hedging instruments.

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a fa income or loss, along with the change in the fair value of the hedged asset or liability that is attrib

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a directly in shareholders equity. Amounts deferred in shareholders equity are included in net income or the hedged firm commitment or forecasted transaction affects net income or

Recognition of derivatives which meet the criteria for the normal purchases normal sales exception ur settlement. Under these contracts, the Group must deliver a specified quantity of gold at a future date at a counter-party.

Hedges of net investment in foreign entities are accounted for similarly to cash flow hedges. Changes in t not qualify for hedge accounting are recognized in net income or loss, under the caption entitled gains an The fair value recognized on the balance sheet is included under the caption financial

The Group formally documents all relationships between hedging instruments and hedged items, as well as strategy for undertaking various hedge transactions. This process includes linking derivatives designed liabilities or to specific firm commitments or forecasted transactions. The Group also formally assesses, b on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in c cash flows of hedged items.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) **CASH AND CASH EQUIVALENTS:** Cash and cash equivalents comprise cash on hand, den money market instruments. These are all highly liquid investments with a maturity of three mor The carrying amount of cash and cash equivalents is stated at cost which approximat

(l) **TRADE RECEIVABLES:** Trade receivables are carried at anticipated realizable value. Estim based on a review of all outstanding amounts at period end. Irrecoverable amounts are written c are identified.

(m) **PROVISIONS:** Provisions are recognized when information is available prior to the issuance c indicates that it is probable that an asset has been impaired or a liability had been incurred at the and the amount can be reasonably estimated.

(n) **REHABILITATION COSTS:** ASC 410 applies to legal obligations associated with the retirer result from the acquisition, construction, development and/or the normal operation of a long-liv Under ASC 410 the Group records the fair value of a liability for an asset retirement obligation in the peric liability is initially recorded, the Group correspondingly capitalizes the cost by increasing the carrying va Over time, the liability is increased (accretion) to reflect an interest element considered in its initial me capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the C the actual cost incurred differs from the liability recorded.

Environmental liabilities, other than rehabilitation costs which relate to liabilities from specific even

(o) **ENVIRONMENTAL TRUST FUNDS:** Contributions are made to the Group s trust funds, cr requirements, to fund the estimated cost of pollution control, rehabilitation and mine closure at South African mines. Contributions are determined on the basis of the estimated environmental mine. Income earned on monies paid to environmental trust funds is accounted for as investmer the trusts plus growth in the trust funds are included under investments on the balance sheet.

(p) **EMPLOYEE BENEFITS**

(i) **PENSION AND PROVIDENT FUNDS:** In South Africa, the Group operates a definec contributes to a number of industry based defined contribution retirement plans. The reti payments from employees and the Group.
Contributions to defined contribution funds are recognized in net income or loss a

(ii) **POST-RETIREMENT HEALTH CARE COSTS:** Medical coverage is provided throu
Post-retirement health care in respect of existing employees is recognized as an expense
the relevant employees.

The Group has an obligation to provide medical benefits to certain of its pensioners and dependents of ex
unfunded and have been provided in full, calculated on an actuarial basis

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation of these obligations is carried out annually by independent actuaries using appropriate mortali increases in medical costs and appropriate discount rates.

(iii) **SHARE-BASED COMPENSATION PLANS:** Compensation costs recognized in fisca December 31, 2010 and fiscal 2010 include: a) compensation cost for all share-based pa vested as of July 1, 2005, based on the grant-date fair value estimated in accordance wit 718, Accounting for Stock- Based Compensation, and b) compensation cost for all share subsequent to June 30, 2005, based on the grant-date fair value estimated in accordance Stock-Based Compensation.

(q) **REVENUE RECOGNITION:** Revenue arising from gold and by-product sales is recognized ownership and title pass to the buyer under the terms of the applicable contract, the pricing is fi collectability is reasonably assured. Sales revenue excludes value-added tax but includes the ne hedging transactions from matched gold sales contracts, which are designated as normal sales c Contracts for the sale of copper concentrate are provisionally priced - that is, the selling price is subject t period normally ranging from 30 to 90 days after delivery to the customer, based on market prices at the r in the contract.

Revenue on provisionally priced copper concentrate sales is recorded on the date of shipment, net of refini forward London Metal Exchange price to the estimated final pricing date, adjusted for the specific ter Variations between the price used to recognize revenue and the actual final price received can be caused b gold prices and result in an embedded derivative. The host contract is the receivable from the sale of co London Metal Exchange price at the time of sale. The embedded derivative, which does not quali marked-to-market each period until final settlement occurs, with changes in fair value classified as pro included as a component of revenue while the contract itself is recorded in accounts

(r) **DIVIDEND INCOME:** Dividends are recognized when the right to receive payment is establis

(s) **INTEREST INCOME:** Interest is recognized on a time proportion basis taking account of the principal outstanding and the effective rate to maturity on the accrual basi

(t) **DIVIDENDS DECLARED:** Dividends proposed are recognized only when the dividends are South African Rand.

(u) **SEGMENT REPORTING:** The Group is a gold mining company operating geographically in
and Peru. The business segments comprise geographical operations based on locations and oper

(v) **EARNINGS/(LOSS) PER SHARE** is calculated based on the net income/(loss) divided by the
common shares in issue during the period. Diluted earnings/(loss) per share is presented when t
shares has a dilutive effect on earnings/ (loss) per share.

(w) **RECLASSIFICATIONS:** Share-based compensation in prior periods has been reclassified int
where compensation costs of underlying employees are ordinarily classified. The reclassificatio
guidance SAB Topic 14.F.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) **RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS**

Revenue recognition

In October 2009, the Accounting Standards Codification, or ASC guidance, related to revenue recogniti
arrangements was updated. The update specifies multiple-deliverable revenue arrangements will be sepa
under existing U.S. GAAP requirements. It establishes a selling price hierarchy and requires significant e
multiple-deliverable revenue arrangements. The amendments in this update are effective prospectively for
or modified in fiscal years beginning on or after June 15, 2010. The updated guidance did not impact t

In April 2010, the ASC guidance related to revenue recognition: milestone method of revenue recognitio
provide guidance on the criteria that should be met for determining whether the milestone method of reve
amendments are effective on a prospective basis for milestones achieved in fiscal years, and interim perio
or after June 15, 2010. The updated guidance did not impact the Group s financia

Fair value measurements

In January 2010, the ASC guidance related to fair value measurement: improving disclosures about fair
providing amendments to the guidance which requires entities to disclose separately the amounts of signifi
(unadjusted quoted prices in active markets that are accessible at the measurement date for identical unr
Level 2 (Quoted prices in markets that are not active, or inputs that are observable, either directly or indir
of the asset or liability) fair value measurements and describe the reasons for the transfers. In addition,
separately information about purchases, sales, issuances, and settlements in the reconciliation for fair val
unobservable inputs (Level 3). The disclosures related to Level 1 and Level 2 fair value measurements a
reporting periods beginning after December 15, 2009. The disclosures related to Level 3 fair value measure
annual reporting periods beginning after December 15, 2010. Except for presentation changes, the update
on the Group s financial statements.

During May 2011, the ASC guidance related to fair value measurement: amendments to achieve comm
disclosure requirements in U.S. GAAP and IFRS was issued. The new standards do not extend the use
guidance about how fair value should be applied where it already is required or permitted under IFRS or U
of the changes are clarifications of existing guidance, additional disclosure requirements to the financial
align with IFRS. The updated guidance did not, materially impact Gold Fields finan

Derivatives and hedging

During March 2010, the ASC guidance related to derivatives and hedging: scope exception related to e
updated. The amendments clarify the scope exceptions related to

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

embedded credit derivatives. The amendments are effective from the first fiscal quarter beginning after Ju
did not impact the Group s financial statements.

Compensation - stock compensation

During April 2010, the ASC guidance related to compensation - stock compensation: effect of denom
share-based payment awarded in the currency of the market in which the underlying equity security trades
that an employee share-based payment award with an exercise price denominated in the currency of a mark
the entity s equity securities trades should not be considered to contain a condition that is not a market,
Therefore, an entity would not classify such an award as a liability if it otherwise qualifies as equity. The a
fiscal years, and interim periods within those fiscal years beginning on or after December 15, 2010. The up
Group s financial statements.

Intangibles - goodwill and other

In December 2010, the ASC guidance related to intangibles - goodwill and other: when to perform step 2 o
reporting units with zero or negative carrying amounts relating to goodwill testing was updated. The upda
impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an e
of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determin
not that goodwill impairment exists, an entity should consider whether there are any adverse qualitative fa
may exist. For public entities, the update is effective for fiscal years, and interim periods within those yea
2010. The updated guidance did not impact the Group s financial stateme

Comprehensive income

During June 2011, the ASC guidance related to comprehensive income: presentation of comprehensi
amendments provide an entity with the option to present the components of net income and comprehens
consecutive financial statements. The amendments eliminate the option in U.S. GAAP to present other
statement of changes in equity. An entity should apply the ASU retrospectively. In December 2011, the F
date of those changes in ASU 2011-05 that relate only to the presentation of reclassification adjustment
issuing ASU 2011-12, Comprehensive Income (Topic 220): Deferral of the Effective Date for Amen
Reclassifications of Items Out of Accumulated Other Comprehensive income in Accounting Standards
guidance impacted Gold Fields order of its primary financial statement

Intangibles: Goodwill

During September 2011, the ASC guidance related to intangibles: goodwill and other: testing goodwill f
amendments permit an entity to make a qualitative

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

assessment of whether it is more likely than not that a reporting unit s fair value is less than its carrying a
goodwill impairment test. If an entity concludes it is not more likely than not that the fair value of a repo
amount, it need not perform the two-step impairment test. The amendments are effective for annual and i
performed for fiscal years beginning after December 15, 2011. The updated guidance did not impact G

Recently issued accounting pronouncements not yet adopted

Balance sheet

During December 2011, the ASC guidance related to disclosures about offsetting assets and liabilities was
an entity to disclose information about offsetting and related arrangements to enable users of financial stat
those arrangements on its financial position, and to allow investors to better compare financial statements
financial statements prepared under IFRS. The amendments are effective for annual periods beginning Ja
within those annual periods. Retrospective application is required. The Group will implement the provisio
2013. Gold Fields does not expect that the updated guidance will impact its financia

Comprehensive Income

In February 2013, the ASC guidance related to reporting of Amounts Reclassified Out of Accumulated C
updated. The amendments require an entity to report the effect of significant reclassifications out of ac
income on the respective line items in net income, either on the face of the statement of operations or i
reclassified is required under U.S. GAAP to be reclassified in its entirety to net income in the same report
required by U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an e
other disclosures which provide additional information about the amounts. The guidance is effective pro
beginning after December 15, 2012. As this guidance provides only presentation requirements, the adopti
Gold Fields results of operations, cash flows or financial position.

3. ACQUISITION AND DISPOSAL OF BUSINESSES

(a) Sibanye Gold Spin-off

On February 18, 2013, Gold Fields completed the separation of its wholly-owned subsidiary, Sibanye Gol
South Africa, or GFIMSA), which includes the KDC and Beatrix mining operations. The Spin-off was
making a distribution on a pro rata basis of one Sibanye Gold ordinary share for every one Gold Fields s
shares, American depositary receipts, or ADRs, or international depositary receipts) to Gold Fields shareh
Fields register at close of business on February 15, 2013, in terms of section 46 of the South African Co
South African Income Tax Act. The Board of Gold Fields passed the resolution necessary to implement th
Sibanye

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

3. ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

Gold shares listed on the JSE, and on the NYSE on a when issued basis, on February 11, 2013. As of Fe
Gold Fields and Sibanye Gold were independent, publicly traded companies with separate public own
management.

(b) Far South East Project

On September 20, 2010, Gold Fields entered into option agreements with Lepanto Consolidated Mining
listed in the Philippines, and Liberty Express Assets, or Liberty, a private holding company, to acquire a
gold-copper Far Southeast, or FSE, deposit in the Philippines. The agreements provide Gold Fields with a
which time Gold Fields will conduct a major drilling program as part of a feasibility study on FSE. As part
required to pay $10.0 million in option fees to Lepanto and $44.0 million as a non-refundable down-paym
option agreements, which payments were made during September 2010. During fiscal years ended Decemb
paid further non-refundable down-payments of $66.0 million and $110.0, respectively to Liberty. The fi
payable at the expiration of the option period. The total pre-agreed acquisition price for a 60% interest in
payments, is $340.0 million. Refer note 12(c) for disclosure on FSE.

(c) The Mankayan Project

On October 4, 2011, Gold Fields entered into an option agreement with Bezant Resources PLC (Bezant)
issued share capital of Asean Copper Investments Limited, or Asean, which is incorporated in the Britisl
subsidiary of Bezant. Asean holds Bezant s entire interest in the Guinaoang porphyry copper-gold deposi
Luzon Island in the Philippines.

Gold Fields paid an upfront non-refundable option fee of $7.0 million and was granted the option to acqui
Asean for $63.0 million. The option could have been exercised from the date upon which it is granted u
Subsequent to year end, the option was extended to January 31, 2014 with a revised consideration of $6
exercise of the option.

The Mankayan project is located approximately four (4) kilometres east of the FS

(d) Ghana Operations

On June 22, 2011, Gold Fields acquired the 18.9% minority stake of IAMGold Corporation, or IAMGold
mines in Ghana, for a cash consideration of U.S.$667.0 million, increasing Gold Fields interest in each
mines from 71.1% to 90.0%, the remaining 10.0% interest being held by the governm

(e) Peru Operations

On March 22, 2011, Gold Fields Corona (BVI) Limited, a wholly owned subsidiary of Gold Fields, ma
acquire the outstanding common voting shares and investment shares of Gold Fields La Cima S.A.A., o
owned. The offer closed on April 15, 2011. With the closing of the offer and with further purchases of s
effective economic

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

3. ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

shareholding in La Cima increased to 98.5% from 80.7% for a total cash consideration of U.S.$382.0 m
Fields purchased an additional 0.1% in La Cima for U.S.$0.8 million La Cima holds the Cerro

4. IMPAIRMENT OF ASSETS

	Fiscal Year Ended December 31,		Six Months December
	2012	2011	2010
Materials contained on heap leach pad (1)	**19.2**		
Property, plant and equipment (2)	**14.5**	9.5	
Biox - property, plant and equipment (3)	**7.9**		
	41.6	9.5	

(1) The charge of $19.2 million relates to a write-down to market value in Australia due to the cess

(2) The impairment charge in fiscal 2012 consisted of a $10.1 million impairment of heap leach ass cessation of the heap leach at St. Ives and $4.4 million impairment of heavy mining machinery in fiscal 2011 resulted from the decision to reassess the optimal processing methodology for the the focus was on the evaluation of a heap leach operation to capture the value inherent in the ox plant; the evaluation costs of which were written off in 2011.

(3) The Group impaired its patented technology, known as the Biox process, which is used for the p concentrates prior to gold recovery through conventional cyanide leaching techniques. The Gro sell its Biox technology in 2013.

5. FINANCE EXPENSE

	Fiscal Year Ended December 31,		Six Months December
	2012	2011	2010
Interest expense - preference share dividend		(1.3)	
Interest expense - other	**(83.1)**	(62.3)	(
Total finance expense	**(83.1)**	(63.6)	(

Capitalized interest	**13.0**	9.3	
	(70.1)	(54.3)	(

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Gold Fields Limited

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($ in millions unless otherwise noted)

6. INCOME AND MINING TAX EXPENSE

	Fiscal Year Ended December 31, 2012	2011	Six Months December 2010
Current income taxes			
South Africa	**(72.4)**	(108.3)	(
Ghana	**(170.6)**	(180.5)	(
Australia	**(64.1)**	(35.9)	
Peru	**(104.7)**	(111.7)	(
Current income and mining taxes	**(411.8)**	(436.4)	(1
Deferred income taxes			
South Africa	**149.6**	(70.1)	
Ghana	**(36.8)**	(12.0)	
Australia	**(4.8)**	(51.3)	(
Peru	**11.9**	17.8	
Deferred income and mining taxes	**119.9**	(115.6)	
Total income and mining taxes	**(291.9)**	(552.0)	(1

The Company s pre-tax income before impairment of equity investee and share of equity investe

	Fiscal Year Ended December 31, 2012	2011	Six Months Decembe 2010
South Africa	**113.9**	378.5	(
Ghana	**441.6**	624.9	
Australia	**156.5**	258.8	
Peru	**259.6**	241.1	
British Virgin Islands	**24.5**	4.5	
	996.1	1,507.8	

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

6. INCOME AND MINING TAX EXPENSE (continued)

	Fiscal Year Ended December 31,		Six Mo
	2012	2011	Dec
South African mining tax on mining income, an income tax, is determined on a formula basis which takes into account the profit and revenue from mining operations during the period. Non-mining income is taxed at a standard rate. Deferred tax is provided at the estimated effective mining tax rate on temporary differences. The applicable tax rates are:			
South Africa:			
Mining statutory rate	**34.0%**	43.0%	
Non-mining income standard tax rate	**28.0%**	35.0%	
Non-mining companies	**28.0%**	28.0%	
Ghana	**35.0%**	25.0%	
Australia	**30.0%**	30.0%	
Peru	**30.0%**	30.0%	
Major items causing the Group s income tax provision to differ from the South African mining statutory rate were:			
Tax on income before tax, impairment of investment in equity investee and share of equity investees profits/(losses) at South African mining statutory rate	**(338.7)**	(648.4)	
Rate adjustment to reflect company tax rates	**17.8**	239.2	
South African mining tax formula rate adjustment	**34.5**	11.9	
Valuation allowance raised against deferred tax assets			
Reversal of valuation allowance previously raised against deferred tax assets[3]	**58.2**	22.0	
Non taxable income/non deductible expenditure[1]	**(116.1)**	(199.0)	
South African capital gains tax			
Royalties[2]			
Deferred tax adjustment on changes in tax rates at the South African and Ghanaian operations (2011: Peruvian operation and for six months ended December 31, 2010: South African operations)	**73.7**	9.1	
Other	**(21.3)**	13.2	
Income and mining tax expense	**(291.9)**	(552.0)	

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

6. INCOME AND MINING TAX EXPENSE (continued)

1) The $116.1 million (fiscal year ended December 31, 2011: $199.0 million, six months ended De
non-deductible expenditure comprises mainly $23.8 million (fiscal year ended December 31, 20
ended December 31, 2010: $11.6 million) share-based-compensation, $nil million (fiscal year e
million, six months ended December 31, 2010: $128.0 million) empowerment transaction costs
ended December 31, 2011: $92.8 million, six months ended December 31, 2010: $25.9 million)
evaluation costs. There are no other individually significant amounts included in this line item.
2) The classification of royalty expense at the Group s operations requires judgement, particularly
Ghanian operations, where the percentages to be applied in calculating royalties are influenced
generating those product sales (and therefore the profitability of the operations). In light of the c
the Group s international operations, and the fact that changes to the calculation of royalties in
component of consolidated royalty expense, changed to a predetermined 5% of product sales (re
Gold Fields changed the classification of royalty expense in its consolidated financial statement
mining taxes to other expenses in its consolidated statements of operations starting with the
Given the change in circumstances, Gold Fields considered it appropriate to change the presenta
3) During fiscal year ended December 31, 2012, the Group reversed a portion of the valuation allo
expenditure and net operating losses to the extent that there is sufficient future taxable income.
Group analyzed, amongst other things, the recent history of earnings and cashflows, forecasts o
timing of future deductions and benefits represented by deferred tax assets and the cumulative e
4) No provision is made for the income tax effect that may arise on the remittance of unremitted ea
subsidiaries. It is management s intention that these earnings will be permanently re-invested i
maintenance capital and ongoing working capital funding requirements. In the event that the Gr
income taxes and withholding taxes may be incurred. The determination of such taxes is subjec
and accordingly, the Group has determined that it is impractical to estimate the amount of defer
earnings.
5) The Group does not have any uncertain tax benefits which will more likely than not result in ch

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

6. INCOME AND MINING TAX EXPENSE (continued)

	Decer 2
Deferred income and mining tax liabilities and assets on the balance sheet as of December 31, 2012 and 2011 relate to the following:	
Deferred income and mining tax liabilities	
Mining assets	
Investments held by environmental trust funds	
Inventory	
Other	
Gross deferred income and mining tax liabilities	
Provisions, including rehabilitation accruals	
Tax losses	
Unredeemed capital expenditure	
Other	
Gross deferred income and mining tax assets	(
Valuation allowance for deferred tax assets	
Total deferred income and mining tax assets	
Total deferred income and mining tax liabilities	
Less: short term portion of deferred income and mining tax (included in accounts payable and provisions)	
Long-term portion of deferred income and mining tax liabilities	
Classified as:	
Long-term liabilities	
Long-term assets	

The classification of deferred income and mining tax liabilities or assets as current or non-current is base creating the deferred tax. Deferred taxes not related to a specific liability or asset are classified based on

The Group has established a valuation allowance for certain deferred tax assets where cumulative losses where management believes that they will not be realized based on projections as of December 31, 201 valuation allowance relates primarily to net operating loss carry-forwards for the entities below, except fo GFI Joint Venture Holdings, or GFIJVH, which also include unredeemed capital e

	Decemb 201
Orogen Investments SA (Luxembourg)	

Gold Fields Arctic Platinum Oy
Living Gold (Pty) Limited
Gold Fields Operations
GFI Joint Venture Holdings
Other

The Group has tax losses available of $95.9 million (December 31, 2011: $101.0 million) at Gold Fields A
be carried forward for ten years. These losses expire on a first-in first-out ba

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

6. INCOME AND MINING TAX EXPENSE (continued)

The Group has tax losses available of $126.3 million (December 31, 2011: $130.8 million) at Orogen In
Orogen, which can only be used to offset future interest income generated by Orogen. In terms of current
losses incurred in accounting periods subsequent to December 31, 1990, can be carried forward indefinitel
could only be carried forward for five (5) years. All losses incurred by Orogen were incurred subsec

As at December 31, 2012 and December 31, 2011 the Group had unredeemed capital expenditure and tax
deduction against future mining income at its operations as follows:

	December 31, 2012
Unredeemed capital expenditure:	
Gold Fields Operations	**724.3**
GFI Joint Venture Holdings	**1,885.4**
	2,609.7

At December 31, 2012, the Group has, at Gold Fields La Cima, estimated capital allowances of $506.8 n
taxable income (December 31, 2011: $507.9 million). The estimated capital allowances do not have an exp
or La Cima, currently has no tax losses available for utilization against future

	December 31, 2012
Calculated tax losses:	
Gold Fields Operations	**404.9**
GFI Joint Venture Holdings	
Gold Fields Group Services (Pty) Limited	**15.2**
Golden Oils (Pty) Limited	
Agrihold (Pty) Limited	**2.1**
Golden Hytec Farming (Pty) Limited	
Living Gold (Pty) Limited	**17.1**
	439.3

These future deductions may be utilized against income generated by the individual tax entity concerned
entity ceases to commercially operate for a period longer than one year. Under South African mining tax
entity is treated separately and as such these deductions can only be utilized by the tax entities in which th

Tax years open for assessments

South Africa [(1)]	**2**
Ghana [(2)]	**A**
Australia [(3)]	**2**
Peru [(4)]	**2**

Notes:

(1) The South African Tax legislation allows the Revenue Authorities to reopen assessments issued
years after the assessments were issued.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

6. INCOME AND MINING TAX EXPENSE (continued)

(2) The Ghanaian Tax Authorities have the right to examine and, if necessary, amend the income ta Group entity for any year without limitation to the years which may be reassessed.
(3) The Australian Tax Authorities have the right to examine and, if necessary, amend the income t Group entity in the last four years, as from the date the tax returns have been filed.
(4) The Peruvian Tax Authorities have the right to examine and, if necessary, amend the income ta Group entity in the last four years, as from the date the tax returns have been filed.

It is possible that the Group will receive assessments during the next twelve months, which may have an The Group cannot estimate the amounts of possible changes as a result of an ass

The Group does not have any unrecognised tax benefits for which it is reasonably possible the amount will months of the recognition date.

7. EARNINGS PER SHARE

	Fiscal Year Ended December 31, 2012	2011
BASIC EARNINGS PER SHARE		
Net income attributable to Gold Fields shareholders	654.3	881.5
Shares outstanding - beginning of year	723,735,186	720,796,887
Weighted average number of shares issued	3,724,271	1,579,341
Weighted average number of shares issued at the end of the year	727,459,457	722,376,228
Basic earnings per share	0.90	1.22
DILUTED EARNINGS PER SHARE		
Net income attributable to Gold Fields shareholders	654.3	881.5
Weighted average number of shares issued at the end of the year	727,459,457	722,376,228
Effect of dilutive securities	3,264,493	8,411,270
	730,723,950	730,787,498
Diluted earnings per share	0.90	1.21

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

8. RECEIVABLES

	December 31, 2012
Product sale trade receivables	240.6
Other trade receivables	32.8
Deposits	0.5
Value added tax	69.3
Interest receivable	0.4
Payroll debtors	11.3
Prepayments [(1)]	138.9
Other	28.9
	522.7

(1) Includes $7.0 million for the Bezant s Mankayan Project (December 31, 2011: $120.0 million for th

9. INVENTORIES

	December 31, 2012
Ore stockpiles	76.5
Gold in-process	29.7
Consumable stores	295.2
Other	0.7
	402.1

10. PROPERTY, PLANT AND EQUIPMENT

	December 31 2012
Cost	12,868.5
Accumulated depreciation and amortization	(5,479.6
	7,388.9
	6,344.5

Mining properties, mine development costs, mine plant facilities and mineral interests	
Asset retirement costs	**119.3**
Other non-mining assets	**925.1**
	7,388.9

Included in property, plant and equipment is cumulative capitalized interest, net of amortization, rel

	December 31, 2012
South African operations	**45.5**
Tarkwa Mine	**13.5**
Cerro Corona	**71.6**
	130.6

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation charge on property, plant and equipment amounted to $729.9 million (fiscal year ended Dece
months ended December 31, 2010: $389.4 million; fiscal year ended June 30, 2010: $6

Fleet assets in Ghana with a cost of $80.7 million have been pledged as security for the $60 million senio
For further information, see Note 14(h).

11. GOODWILL

	December 31, 2012
Balance at beginning of the year	**1,075.4**
Translation adjustment	**(55.3)**
Balance at end of the year	**1,020.1**

The goodwill arose on the acquisition of South Deep and was attributable to the upside potential of the as
The total goodwill has been allocated to South Deep, being the reporting unit where it is tested for impair

Goodwill is tested for impairment on an annual basis at the end of each fiscal year or transition period. In
tests the carrying value of assets when events or changes in circumstances suggest that the carrying amou
recoverable.

For goodwill impairment testing purposes, Gold Fields estimated the fair value of the South Deep reporting
fair value is subjective as gold mining companies typically trade at a market capitalization that is based
management to make numerous assumptions. The net asset value represents a discounted cash flow valuat
flows. The expected future cash flows used to determine the fair value of the reporting unit are inherentl
change over time. They are significantly affected by a number of factors, including, but not limited to, re
together with economic factors such as the spot gold price and foreign currency exchange rates, estimates
expenditure and discount rates. Therefore it is possible that outcomes within the next fiscal year that ar
assumptions used in the impairment testing process could require an adjustment to the c

Based on management s assessment, no impairment to the goodwill was required at December 31, 20
assumptions for the goodwill impairment test include:

- Long-term gold price used is R400,000 per kilogram ($1,500 per ounce at an exchange rate of R8.29 to $
is estimated at 80 years.

- A range of discount rates of 3.2% - 5.8% based on a calculated weighted average cost of ca

- Expected future operating costs and capital expenditures to produce proven and probable gold reserves
current plant capacity, but exclude the impact of inflation; and

- Expected cash flows associated with value beyond proven and probable res

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

12. NON-CURRENT INVESTMENTS

	December 31, 2012
Listed investments [(a)]	**36.2**
Unlisted investments	**1.3**
Investments held by environmental trust funds [(b)]	**165.3**
Equity investees [(c)]	**254.4**
Other investments	**0.8**
	458.0

(a) Listed investments mainly consist of:

	December 31, 2012		
	Number of shares	Market value, $ per share	Num sh
Northam Platinum	**7,820,169**	**4.55**	7,8
Radius Gold Incorporated	**3,625,124**	**0.22**	3,6
Gran Columbia Gold Corporation	**1,585,274**	**0.36**	1,5
Evolution Mining Limited			15,5
GoldQuest Mining Corporation			13,9
Atacama Pacific Gold Corporation			4,9

Details of the listed investments are as follows:

	December 31, 2012
Fair value	**36.2**
Less: Cost	**24.8**
Net unrealized gain	**11.4**
The net gain comprises:	
Gross unrealized gains	**11.7**
Gross unrealized losses	**(0.3)**
	11.4
The gross unrealized loss comprises the following number of equity instruments none of which have been in a continuous unrealized loss position for more than 12 months:	**4**

Realized gain reclassified from equity on disposal of listed investments ($ million)	**14.7**

(b) The environmental trust funds are irrevocable trusts under the Group s control. The monies in the tru bearing short-term (money market), government and other corporate bond investments and the costs c their fair value. The investments provide for the estimated cost of rehabilitation during and at the end African mines. While the asset is under the Group s control, it is not available for the general purpos this asset is reinvested or spent to meet these obligations. These obligations are described in note 15, Rehabilitation .

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

12. NON-CURRENT INVESTMENTS (continued)

(c) Equity investees comprise the following:

Investment	Description of business	Ownership % December 31, 2012	December 31, 2011
Far South East	Exploration	**40.0**	
Rusoro Mining Limited	Gold mining	**26.4**	26.4
Rand Refinery Limited	Refining of gold bullion and by-products	**34.9**	34.9
Timpetra Resources Limited	Resource exploration	**21.8**	21.8

* - Not readily determinable

Rusoro Mining Limited

The carrying value of the equity investment in Rusoro Mining Limited, or Ru

De

Opening balance
Share of losses recognized [1]
Impairment
Other comprehensive income

Closing balance

(1) The results of Rusoro for the Gold Fields fiscal year ended December 31, 2012 are for the twe (December 31, 2011: nine months ended September 30, 2011).

Rusoro, a company listed on the TSX Venture Exchange, is a junior gold producer with a large land positi of southern Venezuela. Gold Fields interest in Rusoro remained unchanged at 26.4% at Dece

The Group acquired its interest in Rusoro on November 30, 2007.

Rand Refinery Limited

The carrying value of the equity investment in Rand Refinery Limited, or Rand

	December 31, 2012
Opening balance	**12.9**
Share of profits recognized	**12.0**
Translation	**(1.2)**
Closing balance	**23.7**

During the fiscal years ended December 31, 2012 and 2011, the Company did not receive dividends from
ended December 31, 2010, $5.4 million was received in dividends (fiscal year ended June 30

Rand Refinery acts as a sale and refining agent on behalf of the Company s African operations. The mark
in Rand Refinery is not readily determinable.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

12. NON-CURRENT INVESTMENTS (continued)

Far South East

Far South East Gold Resources Incorporated has a 31 December year end and has been equity acc

	December 31, 2012
Gold Fields interest in FSE on December 31, 2012 was 40.0%.	
Opening balance	
Investment	**230.0**
Equity contribution	**50.1**
Share of losses recognized	**(50.1)**
Closing balance	**230.0**

Gold Fields paid US$10.0 million in option fees to Lepanto Consolidated Mining Company during the 6 r
In addition, Gold Fields paid non-refundable down payments of US$66.0 million during the year ended l
million during the 6 months ended December 31, 2010 to Liberty Express Assets in accordance with the a
Group has the option to acquire 60% of FSE. On March 31, 2012, Gold Fields acquired 40% of the is
contributing a further US$110.0 million in fiscal year ended December 31, 2

The remaining 20% option is not likely to be exercised until such time as FSE obtains a Foreign Technic
allows for direct majority foreign ownership and control.

13. ACCOUNTS PAYABLE AND PROVISIONS

	December 31, 2012
Trade payables	**220.5**
Accruals	**352.0**
Payroll and other compensation	**57.8**
Leave pay accrual	**73.8**
Dividends payable	
Short-term portion of the South Deep Dividend liability	**2.3**
Short term portion of deferred income and mining tax	**17.9**
Other	**27.6**
	751.9

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

14. SHORT-TERM AND LONG-TERM LOANS

	December 31, 2012
Collateralized	
- Split-tenor revolving credit facility (a)	
- $500 million syndicated revolving credit facility (b)	**104.0**
- Preference shares (c)	
- Scrip loan (d)	
- Non-revolving Senior Secured Term Loan (e)	**110.0**
- $1 Billion Notes Issue (f)	**988.8**
- $1 Billion syndicated revolving credit facility (g)	**666.0**
- $60 million senior secured revolving credit facility (h)	
Uncollateralized	
- Domestic Medium Term Notes Program (i)	
- Other loans (j)	**492.4**
	2,361.2
Short-term loans and current portion of long-term loans *	**(40.0)**
Total long-term loans	**2,321.2**

* - The maturity of the loans has been updated to reflect post year end refinancing terms.

(a) Split-tenor revolving credit facility

On May 16, 2007, Sibanye Gold, Orogen and GFO entered into a $750 million split-tenor revolving cre million 364-day revolving tranche with a twelve-month term out option, or Facility A, and a $500 millio Facility B.

On April 28, 2008, Gold Fields exercised the term out option under Facility A converting the full $250 m term loan with a final maturity date of May 16, 2009. In terms of the facility agreement, Gold Fields had Facility A early in whole or in part by giving five days prior notice. Facility B was due to mature on M facilities was to refinance existing facilities and for general corporate purpo

On June 30, 2008, Orogen had borrowed $73 million and $121 million under Facility A and Facility B, re and $141 million outstanding under Facility A and Facility B, respectively, on the

On various dates during fiscal 2009, Orogen drew down a further $120 million under Facility B. On May million under Facility B to partly refinance its maturing loan under Facility A. The balance of the GFO lo $59 million was refinanced with the $311 million syndicated revolving loan facility. Also on May 15, 200 portion of the maturing Facility A and refinanced the remaining $57 million with the $311 million syn

Facility A was repaid in full on May 15, 2009. On September 17, 2009, Gold Fields utilized $259 million shares in Eldorado Gold Corporation, or Eldorado, to fully settle GFO borrowings under facility B. Subse

drew down $221 million to refinance

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

14. SHORT-TERM AND LONG-TERM LOANS (continued)

more expensive debt under the $311 million syndicated revolving loan facility. Orogen also repaid

On August 26, 2010, Orogen drew down a further $70 million and on October 8, 2010, repaid the full $50
using proceeds of the $1 billion Notes issue. On March 22, 2011, Orogen drew down $420 million t
noncontrolling interests in La Cima. On May 26, 2011, Orogen repaid $40 million. On June 22, 2011, Oro
this facility to partially fund the acquisition of IAMGold s 18.9% noncontrolling interests in t

The loan under Facility B bore interest at LIBOR plus a margin of 0.30% per a

On April 16, 2012, Orogen refinanced the outstanding balance of $500.0 million under the facility by dra
syndicated revolving credit facility. The facility was cancelled on April 16, 2

The outstanding borrowings of Orogen, all under Facility B, at December 31, 2011 wer

Borrowings under the Revolving Credit Facility were guaranteed by Gold Fields, Sibanye Gold, Gold F
Limited, or GF Holdings, Orogen, GFO and Newshelf 899 (Proprietary) Limited, o

	December 31, 2012
Opening balance	**500.0**
Loans advanced, net of transaction costs	
Loan repayments	**(500.0)**
Closing balance	

(b) $500 million syndicated revolving credit facility

On April 17, 2012, Sibanye Gold, Orogen and GFO entered into a $500 million syndicated revolving cr
facility was to refinance existing facilities, for general corporate purposes and working capital. The final
April 17, 2017.

The facility bore interest at LIBOR plus a margin of 1.60% per annum. Where the utilisation under the f
$33\,^{1}/_{3}$%, a utilisation fee of 0.20% per annum would be payable on the amount of utilisations. Where the
greater than $33\,^{1}/_{3}$% and less than or equal to $66\,^{2}/_{3}$%, a utilisation fee of 0.40% per annum would be paya
Where the utilisation under the facility was greater than 66 2/3%, a utilisation fee of 0.60% per annum w
utilisations. Such utilisation fee was payable quarterly in arrears. The borrowers were required to pay
0.56% per annum.

On April 23, 2012, Orogen drew down $194.0 million under this facility to partially refinance borrowing
Revolving Credit Facility. On June 1, 2012, Orogen drew down a further $20.0

On July 25, 2012 and August 2, 2012, Orogen repaid $20.0 million and $20.0 million, respectively. On Se
further $100.0 million. On November 23, 2012, Orogen drew down $10 million and on November 29, 201
under the facility.

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

The outstanding borrowings under this facility at December 31, 2012 were $104.

Borrowings under the syndicated revolving loan facility were guaranteed by Gold Fields, Sibanye Gold, G
GFO.

Subsequent to year end, on February 15, 2013, this facility was refinanced by drawing down under the
revolving credit facility as detailed in (j). The facility was also cancelled on Februa

	December 31, 2012
Opening balance	
Loans advanced	**244.0**
Loan repayments	**(140.0)**
Closing balance	**104.0**

(c) Preference shares

On December 24, 2007 Gold Fields issued R1.2 billion of non-convertible redeemable preference shares,
Merchant Bank, or RMB, a division of First Rand Bank Limited. The dividend rate payable is a floating ra
61% of the prime lending rate quoted by First Rand Bank Limited, or the Prime Rate, over the life of th
circumstances, the dividend rate increases to 61% of the Prime Rate in the event the Preference Shares ar
maturity date and the dividend rate is also subject to adjustment in the case of a change in law or regulatio
are rolled up until the redemption date. The purpose of the Preference Shares was to refinance

On October 10, 2008, $61.0 million of the outstanding Preference Shares were repaid. In addition, a prefer
also paid on the same date. On December 15, 2010, Gold Fields declared and paid $19.3 million of the p
date, the redemption date of January 24, 2011 was extended to September 15, 2011. The Preference Shares
as agreed between the holder and Gold Fields. On March 31, 2011, Gold Fields redeemed the entire ou
million, which included a dividend of $1.5 million.

The Preference Shares were guaranteed by Sibanye Gold, Orogen, Newshelf, GF Hold

	December 31, 2012
Opening balance	
Preference share dividend	
Redemptions	
Other	
Translation	

Closing balance

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

(d) Scrip loan

On March 26, 2010, GFL Mining Services, or GFLMS, entered into a Scrip Lending agreement with a Sou
GFLMS agreed to lend 3 million of its securities in Mvelaphanda for an initial cash collateral of $19.5 m
value of the collateral delivered by the bank to GFLMS on each settlement date shall represent not less th
securities on that date together with a margin of 5% per annum.

The agreement provides for the substantial risks and rewards on ownership inherent in the securities to b
price risk) and as a consequence, GFLMS has transferred the legal right to receive cash flows (dividends) o
The agreement was set to terminate on March 26, 2011. In the event of unbundling of the assets of Mvelap
the agreement would terminate within thirty days of unbundling and GFLMS would be entitled to re

Subsequent to December 31, 2010, Mvelaphanda unbundled certain of its assets and in accordance with the
unbundled securities were returned and the collateral was repaid on February 28, 2011. A new scrip len
between the parties with the same terms and conditions as the original agreement whereby GFLMS agreed
securities in Mvelaphanda for a cash collateral of R127 million ($18.8 million). The loaned securities we
repaid on April 5, 2011 and the new agreement was cancelled on the same d

Interest on the cash collateral held was calculated based on one month JIBAR rate and accrued daily and
The first interest settlement was on June 24, 2010. In terms of the agreement, the next interest payment d
loan.

	December 31, 2012
Opening balance	
Interest	
Loans advanced	
Loans repaid	
Translation	
Closing balance	

(e) Non-revolving Senior Secured Term Loan

On September 17, 2010, La Cima entered into a non-revolving senior secured term loan for up to $200.0
Scotia and Banco de Credito del Peru. The purpose of this facility was to repay the Gold Fields outstand
affiliates and to finance its working capital requirements. The loan bears interest at LIBOR plus a m

On September 22, 2010, the lenders advanced $200 million to La Cima under this facility. The facility
quarterly instalments of $10 million each. During fiscal year ended December 31, 2012, $40 million
December 31, 2011 $40 million; six months ended December 31, 2010: $10 m

The final maturity of this facility is five years from the disbursement dat

The outstanding borrowings under this facility at December 31, 2012 were $110.0 million (Decemb

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

Borrowings under the non-revolving senior secured term loan are secured by first-ranking assignments of La Cima s concentrate sale agreements. In addition, the offshore and onshore collection accounts of La control agreement and a first ranking charge in favor of the lenders. This facility will be non-recou

	December 31, 2012
Opening balance	**150.0**
Loans repaid	**(40.0)**
Closing balance	**110.0**

(f) $1 Billion Notes Issue

On September 30, 2010, Orogen issued $1,000,000,000 4.875% guaranteed notes due October 7, 2020, Notes is unconditionally and irrevocably guaranteed by Gold Fields Limited, Sibanye Gold, GFO and Guarantors, on joint and several basis. The Notes and guarantees constitute direct, unsubordinated and uns the Guarantors, respectively, and rank equally in right of payment amoung themselves and with all other e and unsecured obligations of Orogen and the Guarantors, respectively.

The transaction costs of $13.6 million were deducted from the liability on initial measurement. These costs Notes as an interest expense.

Gold Fields used a portion of the net proceeds of the offering of the Notes to repay certain existing indebte of the net proceeds for general corporate purposes.

An indemnity agreement (the Indemnity Agreement) has been entered into between the Guarantors, pu than Sibanye Gold) hold Sibanye Gold harmless from and against any and all liabilities and expenses wh Gold under or in connection with the Notes, including any payment obligations by Sibanye Gold to the not pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The in place for as long as Sibanye Gold s guarantee obligations under the Notes rem

	December 31, 2012
Opening balance	**987.7**
Unwinding of transaction costs	**1.1**
Closing balance	**988.8**

(g) $1 billion syndicated revolving credit facility

On June 20, 2011, Sibanye Gold, Orogen and GFO entered into a $1 billion syndicated revolving loan fac
Facility to $1.1 billion within six months from signing date, which option was not exercised. The purpos
existing facility, for general corporate purposes and working capital. The final maturity date of thi

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

The facility bears interest at LIBOR plus a margin of 1.20% per annum. Where the utilization under the f
less than or equal to 66 $^{2}/_{3}$%, a utilization fee of 0.20% per annum will be payable on the amount of utiliza
the facility is greater than 66 $^{2}/_{3}$%, a utilization fee of 0.40% per annum will be payable on the amount of
payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee o

On June 22, 2011, Orogen drew down $450.0 million under this facility to partially fund the acquisition
Ghanaian operations. On August 22, 2011 and September 22, 2011, Orogen repaid $75.0 million and $105
facility. On November 16, 2011, Orogen drew down $33.0 million which was repaid on December 19, 2
$50.0 million on December 23, 2011 under this facility.

On March 15, 2012, Orogen drew down $110.0 million to fund the third payment to exercise the Group s
April 16, 2012, Orogen drew down $556.0 million of which $500.0 million was used to refinance the Split
April 23, 2012, Orogen repaid $220.0 million under this facility which was partially funded by drawing do
million syndicated revolving credit facility.

The outstanding borrowings under this facility at December 31, 2012 were $666.0 million (Decembe

Borrowings under the syndicated revolving loan facility are guaranteed by Gold Fields, Sibanye Gold, GF
GFO.

Subsequent to year end, on February 15, 2013, this facility was refinanced by drawing down under the
revolving credit facility as detailed in (j). The facility was also cancelled on Februa

	December 31, 2012
Opening balance	**220.0**
Loans advanced	**666.0**
Repayments	**(220.0)**
Translation	
Closing balance	**666.0**

(h) $60 million senior secured revolving credit facility

On December 22, 2010, GF Ghana and Abosso entered into a $60 million reducing senior secured revolv
available on February 21, 2011. The available facility amount reduces annually on each anniversary date f
$35 million in the last and final year with the final maturity date being February 21, 2014. The purpose of t
purposes, working capital purposes and/or capital expenditure purposes, including the purchase

The loan bears interest at LIBOR plus a margin of 2.85% per annum. The borrowers are required to pay
1.30% per annum.

Borrowings under the facility are guaranteed by GF Ghana and Abosso and further secured by the registr
vehicles owned by GF Ghana and Abosso, or the Secured Assets.

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

In addition, the lenders are noted as first loss payees under the insurance contracts in respect of the Secured
under the maintenance contracts between certain suppliers of the Secured Assets. This facility is non-rec
February 25, 2011, Abosso drew down $20.0 million under this facility and subsequently repaid the full l
last payment was on July 26, 2011. On November 28, 2011, GF Ghana drew down $

On January 30, 2012, GF Ghana repaid $7.0 million in advance of the first anniversary date of the facility.
2012, GF Ghana repaid $16.0 million and on May 1, 2012 repaid an additional $7.0 million. On various
drew down $15.0 million under the facility. On May 1, 2012 Abosso drew down an additional $8.0 millio
2012, GF Ghana repaid $20 million and Abosso repaid $23 million bringing the balance outstandi

The outstanding borrowings for GF Ghana on December 31, 2012 were $nil million (December 31

	December 31, 2012
Opening balance	**50.0**
Loans advanced	**23.0**
Repayments	**(73.0)**
Balance at close	

(i) Domestic Medium Term Notes Progam

On April 6, 2009, Gold Fields established a R10 billion domestic medium term notes program, or the Prog
may, from time to time, issue notes denominated in any currency. The notes will not be subject to any min
the maximum aggregate nominal outstanding amount of all notes will not exceed R10 billion. The Progran
market of the JSE Limited, or the JSE, and the notes issued can be listed on the J

On December 31, 2010, $108.9 million of listed notes were outstanding. Gold Fields settled the last listed
the year ended December 31, 2011. No notes were issued during the years ended December

Notes under the programme were guaranteed by Sibanye Gold, GF Holdings, Oroge

The Programme was deregistered on December 14, 2012.

	December 31, 2012
Opening balance	
Settlements	
Translation	

Balance at close

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

(j) Other loans

	Decembe 2012
Opening balance	
Loans advanced	5
Loans repaid	(
Translation	(
Closing balance	4

Short-term credit facilities: The Group utilized uncommitted loan facilities from some of the major ban and working capital requirements of the South African operations. The total draw downs were $152.0 mill 31, 2012 (fiscal year ended December 31, 2011: $56.7 million; six months ended December 31, 2010: $39 $2.9 million in fiscal year ended December 31, 2012 (fiscal year ended December 31, 2011: $56.7 million 2010: $41.9 million).

These facilities have no fixed terms, are short-term in nature and interest rates are market related. Borro guaranteed by Gold Fields.

The outstanding borrowings of Sibanye Gold under these facilities at December 31, 2012 were $142.4 December 31, 2011: $nil.

Subsequent to year end, on February 18, 2013, these facilities were refinanced by drawing down under t detailed below.

$450 million syndicated revolving credit facility: On May 12, 2010, Sibanye Gold, Orogen and GF syndicated revolving loan facility with an option to increase the facility to $550 million within six months increase the facility to $550 million was not exercised. The purpose of the facilities was to refinance exist purposes and working capital.

The facility bore interest at LIBOR plus a margin of 1.75% per annum. Where the utilization under the fa 50%, a utilization fee of 0.25% per annum would be payable on the amount of utilizations. Such utilizat arrears. The borrowers were required to pay a quarterly commitment fee of 0.70%

Borrowings under these facilities were guaranteed by Gold Fields, GF Holdings, GFO, Orogen, N

This facility was unutilized at December 31, 2010. The final maturity of this facility was September 30, 20 replaced on June 22, 2011 with the new U.S.$1 billion revolving credit faci

R3.5 billion long-term revolving credit facilities: Sibanye Gold and GFO (collectively the borrowers
facilities with some of the major banks with tenors between three and five years. The purpose of the f
expenditure, general corporate and working capital requirements and to refinance existing borrowings. Th
commitment fee of between 0.65% and 0.90% per annum on the undrawn and uncancelled amounts of th
either quarterly or semi-annually in arrears.

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

In summary the facilities are:

- a R1.0 billion ($116.7 million) revolving credit facility entered into on December 9, 2009 and maturi 3.00%;

- a R500 million ($58.3 million) revolving credit facility entered into on March 8, 2010 and maturing Ma

- a R1.5 billion ($175.0 million) revolving credit facility entered into on May 6, 2009 and maturing June 1 facility was cancelled and replaced with a new R2 .0 billion ($233.4 million) revolving credit facility

- a R2.0 billion ($233.4 million) revolving credit facility entered into on December 19, 2011 and maturing plus 1.95%.

These facilities were unutilised during the year ended 31 December 2011

On various dates during 2012, Sibanye Gold drew down R2.0 billion ($249.4 million) under the R2.0 bi October 24, 2012, Sibanye Gold drew down R500.0 million ($58.3 million) under the R500.0 millio November 16, 2012, Sibanye Gold drew down a further R500.0 million ($58.3 million) under the R1.0

The outstanding borrowings of Sibanye Gold under these facilities at December 31, 2012 were R3.0 bi December 31, 2011: Rnil (US$nil).

Borrowings under these facilities were guaranteed by Gold Fields, GF Holdings, GFO, Orogen, N

Subsequent to year end, on February 18, 2013, these facilities were refinanced by drawing down under t detailed below. These facilities were also cancelled on February 18, 201

$1,440 million term loan and revolving credit facility : On November 28, 2012, Orogen, GFO and G Limited (GFIJVH) (collectively the Borrowers) entered into a US$900 million term loan and revol facility). The $900 million facility comprises a $450 million three-year term loan tranche (Facility A) tranche (Facility B). In addition to the $900 million facility, Orogen, GFO and GFIJVH entered into a facility (the US$ bridge facility). The US$ bridge facility had a 21-month

The purpose of the $900 million facility is to refinance the existing $1 billion syndicated revolving cre syndicated revolving credit facility on the unbundling of Sibanye Gold in February 2013 and for gener purposes. The final maturity dates of Facility A and Facility B are November 28, 2015 and November 2 bridge facility maturing on August 28, 2014.

Subsequent to entering into the $900 million facility, the facility was syndicated to a wider bank group which allowed the Borrowers to increase the facility amount to $1,440 million on January 30, 2013 (the the amounts of Facility A and Facility B both increased to $720 million. As a result of this oversubscript bridge facility on January 30, 2013.

Borrowings under Facility A bear interest at LIBOR plus an initial margin of 2.45% per annum while b
interest at LIBOR plus an initial margin of 2.25% per annum. The initial

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

margins detailed above are based on the current long term credit rating assigned to Gold Fields and co
depending on the changes in the long term credit rating of Gold Fields.

Where the utilization under Facility B is less than or equal to 33 $^1/_3$%, a utilization fee of 0.20% per annum
utilizations. Where the utilization under Facility B is greater than 33 $^1/_3$% and less than or equal to 66 $^2/_3$
annum will be payable on the amount of utilizations. Where the utilization under Facility B is greater t
0.60% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterl
required to pay a quarterly commitment fee of 0.90% per annum under Facili

The facility was undrawn at December 31, 2012.

Subsequent to year end, on February 15, 2013, the $1 billion and the $500 million syndicated revolving c
drawing down under this facility.

Borrowings under the $1,440 million facility are guaranteed by Gold Fields, GF Holdings, Oro

Rand bridge loan facilities: On November 28, 2012, Sibanye Gold entered into a R6.0 billion ($700.1
credit facilities reducing to R5.0 billion ($583.4 million) as detailed below. The facilities comprise of
revolving credit facility and a R4.0 billion ($466.7 million) term loan facility. The available revolving cred
R2.0 billion ($233.4 million) to R1.5 billion ($175.0 million) on the earliest of the date on which Sibanye G
final dividend in respect of the financial year ending December 2013 or the first anniversary of the Spin-O
the term loan facility amount will reduce from R4.0 billion ($466.7 million) to R3.5 billion ($408.4 milli
which Sibanye Gold s Board of Directors declares a final dividend in respect of the financial year end
anniversary of the Spin-Off. The final maturity date of the facilities is 18 months after the Spin-

The purpose of the Rand bridge loan facilities is to refinance Sibanye Gold s debt as detailed above unde
credit facilities and the other rand short-term credit facilities on Spin-Off, with the balance of the Rand b
fund Sibanye Gold s ongoing capital expenditure, working capital and general corporate exp

Sibanye Gold will cede all of its rights, title and interest in and to the Indemnity Agreement in favour of th
facility, jointly and severally, as security for its obligations under the facilities. Sibanye Gold must lodge a
its obligations under the facilities within six months from the Spin-Off if it is not released as a guarantor u
such point in time. The Indemnity Agreement is discussed in note 14(f).

The Rand bridge loan facilities bear interest at JIBAR plus a margin of 3.00% per annum for 12 months
annum for the last six months of the facilities. If Sibanye Gold is not released as a guarantor under the
Spin-Off, the margin will increase to 3.25% per annum for the six to 12 months period after Spin-Off and
months of the facilities. Sibanye Gold is required to pay a quarterly commitment fee of 35% of the applic
on the undrawn portion of the facilities.

The facilities were undrawn at December 31, 2012.

Subsequent to year end, on February 18, 2013, the rand revolving credit facilities and the short-term rand
drawing down under these facilities.

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Gold Fields Limited

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14. SHORT-TERM AND LONG-TERM LOANS (continued)

R1,500 million Nedbank Revolving Credit Facility: On March 1, 2013, Nedbank, GFIJVH and GFC Revolving Credit Facility. The purpose of the facility is to fund Gold Fields capital expenditure and ger requirements. The final maturity date of this facility is March 7, 2018.

The facility bears interest at JIBAR plus a margin of 2.50% per annum. The borrowers are required to pa annum every six months.

On March 8, 2013, each of GFO and GFIJVH drew down R350.0 million under th

Borrowings under the facility are guaranteed by Gold Fields, GFO, GFH, Orogen ar

Debt maturity ladder

The combined aggregate maturities of short and long-term loans for each of the next five years at Decem

Maturity	December 31, 2012
1 year	**40.0**
2 years	**532.4**
3 years	**750.0**
4 years	**50.0**
5 years and thereafter	**1,000.0**
	2,372.4

At December 31, 2012, the Group was in compliance with its debt covenar

$142.4 has been reclassified to long-term, even though they are considered short-term under the Short-ter refinanced these facilities as detailed in the Rand bridge loan facilities on February

15. PROVISION FOR ENVIRONMENTAL REHABILITATION

The Group has made, and expects to make in the future, expenditures to comply with environmental laws the full amount of such future expenditures. Estimated future reclamation costs are based principally on l The following is a reconciliation of the total liability for environmental rehabil

	December 31, 2012

Provision for environmental rehabilitation	
Opening balance	**336.9**
Addition to liabilities	**18.1**
Liabilities settled	**(2.7)**
Accretion of liability	**28.2**
Foreign currency translation adjustment	**(6.9)**
Balance at close	**373.6**

The Group intends to finance the ultimate rehabilitation costs of the South African operations from t
environmental trust fund (see Note 12(b)) and ongoing contributions, as well as the proceeds of the sal
clean-up at the time of mine closure.

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Gold Fields Limited

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16. PROVISION FOR POST-RETIREMENT HEALTH CARE COSTS

	December 31, 2012
Gold Fields Group (excluding South Deep) accrued post-retirement health care costs (a)	**2.1**
South Deep accrued post-retirement health care costs (b)	
Gold Fields Group accrued post-retirement health care costs	**2.1**

The Group is exposed to obligations for post-retirement health care costs under the Group health care sche
health care scheme, the exposure was up to December 31, 2011.

(a) Group (excluding South Deep) accrued post-retirement health care costs

The Group has certain liabilities to subsidize the contributions payable by certain pensioners and dep
pay-as-you-go basis. The Group s contributions to these schemes on behalf of current and retired emplo
fiscal 2012 (fiscal year ended December 31, 2011: $0.2 million; six months ended December 31, 2010:
June 30, 2010: $0.2 million). The obligation has been actuarially valued at December 31, 2012 and the c
funded over the lifetime of these pensioners and dependants.

The following table sets forth the funded status and amounts recognized by the Group (excluding South De
costs:

	December 31, 2012
Actuarial present value	**2.1**
Plan assets at fair value	
Accumulated benefit obligation in excess of plan assets	**2.1**
Prior service costs	
Unrecognized net (gain)/loss	
Post-retirement health care liability	**2.1**
The following is a reconciliation of the benefit obligation:	
Balance at beginning of year	**2.1**
Service costs	**0.2**
Contributions paid	**(0.1)**
Foreign currency translation adjustment	**(0.1)**
Balance at end of year	**2.1**

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16. PROVISION FOR POST-RETIREMENT HEALTH CARE COSTS (continued)

The obligation has been valued using the projected unit credit funding method on past service liabilities. T
cost inflation rate of 7.5% per annum (December 31, 2011: 8.0%) and a discount rate of 8.0% per annu

	December 31, 2012	December 31, 2011
The net periodic benefit cost is explained as follows:		
Service costs	**0.2**	0.1
Net periodic benefit cost	**0.2**	0.1

Assumed health care cost trend rates have a significant effect on the amounts reported for the health ca
increase in assumed health care cost trend rates would have increased the aggregate of service and in
December 31, 2012 by $0.02 million (fiscal year ended December 31, 2011: $0.03 million; six months e
million, fiscal year ended June 30, 2010: $0.1 million). The effect of this change on the accumulated po
obligation at December 31, 2012 would be an increase of $0.2 million (fiscal year ended December 31, 20
point decrease in assumed health care cost trend rates would have decreased the aggregate of service an
ended December 31, 2012 by $0.01 million (fiscal year ended December 31, 2011: $0.01 million; six mo
$0.01 million, fiscal year ended June 30, 2010: $0.01 million). The effect of this change on the accumu
benefit obligation at December 31, 2012 would be a decrease of $0.2 million (fiscal year ended Dece

(b) South Deep accrued post-retirement health care costs

As part of the acquisition of South Deep, the post-retirement health care cost liability was assumed. Th
provide fixed monthly post-retirement medical benefits to certain pensioners and dependents of ex-emplo
these schemes on behalf of current and retired employees amounted to $nil million (fiscal year ended De
months ended December 31, 2010: $0.1 million; fiscal year ended June 30, 2010: $0.1 million). The obl
December 31, 2011 and the outstanding contributions were funded until December 31, 2011, when th

17. EMPLOYEE BENEFIT PLANS

Retirement benefits

Contributions to the various retirement schemes are fully expensed during the year in which they are i
retirement benefits for the Company s defined contribution plans for the fiscal year ended December 31
ended December 31, 2011: $87.8 million; six months ended December 31, 2010: $43.0 million; fisc
$76.0 million).

Share option schemes

The Company currently maintains the Gold Fields Limited 2012 Share Plan. The Company also maintains
Limited 2005 Share Plan, the Gold Fields Limited 2005 Non-Executive

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Gold Fields Limited

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17. EMPLOYEE BENEFIT PLANS (continued)

Share Plan, the GF Management Incentive Scheme and the GF Non-Executive Director Share Plan), but n
plans. The details of these Plans are discussed below.

The charge for share-based compensation has been recognized in the statement of operations under the ca
expenditure, exploration expenditure and other expenses. The cost for fiscal year ended December 31, 2
ended December 31, 2011: $66.4 million; six months ended December 31, 2010: $27.0 million and fiscal
million).

The Gold Fields Limited 2012 Share Plan: At the annual general meeting on 14 May 2012 shareholders
Fields Limited 2012 Share Plan to replace the Gold Fields Limited 2005 Share Plan. The plan provides f
namely the Performance Share Method (PS) and the Bonus Share Method (BS). This plan seeks t
participating employees on a basis which seeks to align the interests of such employees with those of

The salient features of the plan are:

- PS are offered to participants annually in March. Quarterly allocations of PS are also made in June, Sept
basis to qualifying new employees. PS are performance-related shares, granted at zero cost (the shares
rendering of service by participants to the Company during the three-year restricted period prior to

- based on the rules of the plan, the actual number of PS which would be settled to a participant three yea
determined by the company s performance measured against the performance of seven other major gold
based on the relative change in the Gold Fields share price compared to the basket of respective US Doll
Furthermore, for PS awards to be settled to members of the Executive Committee, an internal company pe
met before the external relative measure is applied. The internal target performance criterion has been set
gold production over the three-year measurement period as set out in the business plans of the company ap
that the internal target performance criterion is met the full initial target award shall be settled on the s
Remuneration Committee has determined that the number of PS to be settled may be increased by up to
target PS conditionally awarded, depending on the performance of the company relative to the performan
relative change in the Gold Fields share price compared to the basket of respective US Dollar shar

- the performance of the Company that will result in the settlement of shares is to be measured by the Co
relative to the share price performance of a peer group of gold mining companies, over the

- BS are offered to participants annually in March; and

- based on the rules of the plan, the actual number of BS which would be settled to a participant in two equ
18-month period after the original award date is determined by the employee s annual cash bonus cal
performance against predetermined targets for the financial year ended immediately preced

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17. EMPLOYEE BENEFIT PLANS (continued)

Details of the Performance shares and Bonus shares granted under this Plan are a

	Number of Performance shares
Outstanding at December 31, 2011	
Granted during the year	4,511,700
Exercised and released	
Forfeited	(249,530)
Outstanding at December 31, 2012	4,262,170

None of the options above have vested at year end.

The Group uses the Monte-Carlo Simulation to value the Performance Shares. The inputs to the model fo were as follows:

Weighted average historical volatility (based on a statistical analysis of the share price on a weighted average basis for the expected term of the option)
Expected term (years)
Historical dividend yield
Weighted average three year risk free interest rate (based on US interest rates)
Weighted average fair value - Rand

A future trading model is used to estimate the loss in value to the holders of Bonus Shares due to trading r developed using a Monte-Carlo analysis of the future share price of Gold Fi

Weighted average historical volatility (based on a statistical analysis of the share price on a weighted average basis for the expected term of the option)
Expected term (months)
Historical dividend yield
Weighted average three year risk free interest rate (based on SA interest rates)
Marketability discount
Weighted average fair value - Rand

A marketability discount is applied to the bonus shares valuation as the shares are gr

The Gold Fields Limited 2005 Share Plan: At Gold Fields annual general meeting held on November
The Gold Fields Limited 2005 Share Plan, or the 2005 Plan, under which employees, including executive
going forward.

The 2005 Plan provided for two types of awards: performance vesting restricted shares, or PVRS, and
appreciation rights, or SARS. The PVRS will only be released to participants and the SARS will vest thre
and/or allocation of such shares. However, in respect of the PVRS, Company performance criteria need
executives. The size of the initial allocation of SARS and PVRS was dependent on the performance o
allocation. The allocations under The 2005 Plan were usually made annually in

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Gold Fields Limited

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17. EMPLOYEE BENEFIT PLANS (continued)

No further allocations of options under this plan are being made in view of the introduction of the Gold Fi above) and the plan will be closed once all options have been exercised or forfeited. Currently the last date 2017.

Details of the PVRS and SARS granted under this Plan are as follows:

	Number of PVRS	Number of SARS
Outstanding at June 30, 2009	6,831,964	4,609,626
Granted during the year	3,177,552	1,564,217
Exercised and released	(341,309)	
Forfeited	(619,793)	(513,571)
Conditions for vesting not met	(609,751)	
Outstanding at June 30, 2010	8,438,663	5,660,272
Granted during the period	381,115	307,070
Exercised and released	(355,779)	(13,329)
Forfeited	(753,918)	(683,416)
Conditions for vesting not met	(60,000)	
Outstanding at December 31, 2010	7,650,081	5,270,597
Granted during the period	3,165,342	1,638,484
Exercised and released	(2,559,552)	(1,247,317)
Forfeited	(886,759)	(631,621)
Outstanding at December 31, 2011	7,369,112	5,030,143
Exercised and released	(1,798,082)	(259,455)
Forfeited	(584,814)	(451,779)
Outstanding at December 31, 2012	4,986,216	4,318,909

In terms of the 2005 Plan rules, PVRS are granted for no consideration, vest after three years from grant d PVRS granted during fiscal year ended December 31, 2011 and the six months ended December 31, 2010 2012.

At the time the 2005 Plan was first implemented, the release of PVRS was subject to, among other things on the Philadelphia XAU Index, or the XAU Index. In fiscal year ended June 30, 2008, it became evid representative of Gold Fields peer competitors, as some of the companies in the XAU Index are no Furthermore, since the selection of the XAU Index as a benchmark, a number of relatively small gold pro XAU Index and again these cannot be regarded as representative of Gold Fields peer competitors. Acc Index, Gold Fields performance is therefore measured against only five gold mining companies whom it competitors.

During the year ended December 31, 2012, some share appreciation rights expiry dates were extended
disadvantaged due to the closed period to be placed in an equitable position. The incremental fair value o
share options were extended during the year ended December 31, 2011.

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Gold Fields Limited

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17. EMPLOYEE BENEFIT PLANS (continued)

The following executive directors were affected by the modification:

	Number of options	Average instrument price (cps) R	i pr
NJ Holland	49,000	109.66	
PA Schmidt	43,310	108.67	

In terms of the 2005 Plan rules, SARS currently expire no later than six years from the grant date and ve
SARS granted during the fiscal year ended December 31, 2011 and the six months ended December
December 31, 2012. The average exercise price for SARS outstanding at December 31, 2012

The following tables summarize information relating to the options outstanding at Dece

	Outstanding options		
	Price range		
	Rand	$	Number of options
Range of prices	60.00 - 84.99	7.00 - 9.92	3,400
	85.00 - 109.99	9.93 - 12.83	2,625,234
	110.00 - 134.99	12.84 - 15.75	1,652,471
	135.00 - 159.99	15.76 - 18.67	37,804
Total			**4,318,909**

The PVRS have not been included in the table above as they do not have an expiry date and are gr

GF Management Incentive Scheme: Prior to approval of The 2005 Plan, share options were available
employees, as determined by the Board of Directors under The GF Management Incentive Scheme. Opti
ordinary shares were outstanding under The GF Management Incentive Scheme as of December 31, 2012
executive directors of Gold Fields. The exercise prices of all outstanding options range between Rand 63
share and they expire between December 21, 2012 and July 2, 2013. The exercise price of each ordinary
option is the weighted average price of the ordinary shares on the JSE on the day immediately preceding
Directors resolved to grant the option.

Each option may normally only be exercised by a participant on the following bases: (1) after two years ha
the option was accepted by the participant, in respect of not more than one-third of the ordinary shares wh
(2) after three years have elapsed from the date on which the option was accepted by the participant, in r
one-third (representing two-thirds cumulatively) of the ordinary shares which are the subject of that opti
elapsed from the date on which the option was accepted by the participant, in respect of all the ordinary sh
option, subject to revision by the Board of Directors. For so long as a person continues to work for Gold
after the date of acceptance of the option by the participant. Options vest as soon as they are exercisable

Fields have one year following their departure to exercise options which have

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17. EMPLOYEE BENEFIT PLANS (continued)

Options which are not yet exercisable are forfeited upon leaving employment, subject to exceptions relat
Fields and no fault termination of service as part of organizational restructur

The share option scheme may be amended from time to time by the Board of Directors and the trustees of
in relation to amendments affecting: (1) the eligibility of participants under the scheme; (2) the formula f
ordinary shares which may be issued under the scheme; (3) the maximum number of options which may
(4) the option price formula; and (5) the voting, dividend and transfer rights attaching to options, which
approval in a general meeting), provided that no such amendment shall operate to affect the veste

The first allocations were made under The 2005 Plan in March 2006 and no further allocations will be m
Incentive Scheme from that date. A total of 5% of the Company s issued ordinary share capital, being 35
2012, is reserved for issuance under all the prevailing share schemes described above. This percentage
approval of shareholders in general meeting and the JSE.

For the convenience of the reader, the Rand amounts have been converted to U.S. dollars at the balance s
years.

Details of the options granted under the GF Management Incentive Scheme are a

	Number of Options	Ave Ra
Outstanding at June 30, 2009	2,304,421	7
Exercised and released	(778,172)	7
Forfeited	(173,616)	9
Outstanding at June 30, 2010	1,352,633	7
Exercised and released	(348,430)	7
Forfeited	(27,670)	9
Outstanding at December 31, 2010	976,533	7
Exercised and released	(614,340)	7
Forfeited	(50,968)	11
Outstanding at December 31, 2011	311,225	7
Exercised and released	(204,570)	6
Forfeited	(31,155)	7
Outstanding at December 31, 2012	75,500	8

In terms of the GF Management Incentive Scheme rules, options currently expire no later than seven yea
follows: upon the second anniversary of the grant date, a third of the total option grant vests, and then ann
the grant date, a further third of the total option grant vests. Proceeds received by the Company from the

common stock and additional paid-in capital. All of the outstanding options under this Schem

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17. EMPLOYEE BENEFIT PLANS (continued)

therefore exercisable. The range of exercise prices for options outstanding at December 31, 2012 was R
exercise prices for options is wide primarily due to the fluctuation of the price of the Company s stoc

No further allocations are being made under the GF Management Incentive Scheme in view of the Gold
However, during the six months ended December 31, 2010 and fiscal years ended December 31, 2012 and
expiry dates were extended to enable participants who were disadvantaged due to closed periods to be pla
incremental fair value of the modification was accounted for in each respective

The following tables summarize information relating to the options outstanding at Dece

			Outstand	
	Rand	$	Number of options	Cont (ir
Range of prices	60.00 - 84.99	7.00 - 9.92	34,500	
	85.00 - 109.99	9.93 - 12.83	21,800	
	110.00 - 134.99	12.84 - 15.75	14,000	
	135.00 - 159.99	15.76 - 18.67	5,200	
Total			**75,500**	

These options will expire if not exercised at specific dates ranging from December 21, 2012 to July 2, 2
which options were exercised during the fiscal year ended December 31, 2012 ranged from

The Gold Fields Limited 2005 Non-Executive Director Share Plan: At Gold Fields annual general m
the shareholders approved The Gold Fields Limited 2005 Non-Executive Share Plan, or The 2005 Non-E
2005 Non-Executive Plan are non-executive directors of Gold Fields who are not members of the Non-E
Committee, which is a committee comprising external independent remuneration advisors. The Plan pro
shares awarded to the non-executive directors three years after the date of the award, provided that the non
disqualified or forced to resign from the Board of Directors during that period. No consideration is paya
restricted shares.

Consistent with the King III Report on Corporate Governance and the JSE Listings Requirements, th
shareholders that the practice of awarding of rights under the Gold Fields Limited 2005 Non-executive Sh
discontinued. Allocations awarded before April 1, 2010 vested according to the rules of the plan. The las
2012 and the scheme will be closed.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

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17. EMPLOYEE BENEFIT PLANS (continued)

Details of the restricted shares granted under this Plan are as follows:

Outstanding at June 30, 2009
Granted during the year
Exercised and released

Outstanding at June 30, 2010
Exercised and released

Outstanding at December 31, 2010
Exercised and released

Outstanding at December 31, 2011
Exercised and released

Outstanding at December 31, 2012

The restricted shares have not been split per range as they do not have an expiry date and are gra

During fiscal 2008, the terms of the restricted shares granted to non-executive directors were modified in t
under the Gold Fields Limited 2005 Share Plan. The incremental fair value resulting from the modificatio
expensed over the remaining life of the restricted shares.

The GF Non-Executive Director Share Plan: Prior to the approval of The 2005 Non-Executive Plan,
non-executive directors selected by the Non-Executive Directors Remuneration Committee. No membe
Remuneration Committee could be a participant in The GF Non-Executive Director Share Plan. The GF N
was adopted at the annual general meeting of shareholders on October 31, 2001. The exercise price of e
subject of an option is the weighted average price of the ordinary shares on the JSE on the day immediate
Non-Executive Directors Remuneration Committee resolves to grant the op

Under The GF Non-Executive Director Share Plan, all options granted may only be exercised no less tha
years after the date on which the option was accepted by the participant

If an option holder ceases to hold office for any reason, he will be entitled within 30 days to exercise sha
exercise immediately prior to his ceasing to hold office, failing which the options shall automatically la
amended from time to time by the Non-Executive Directors Remuneration Committee in any respect, exc
of participants under the plan; (2) the formula for calculating the total number of ordinary shares which m
(3) the maximum number of options which may be acquired by any participant; (4) the price payable by
dividend and transfer rights attaching to options, which may only be amended through approval by the sh
by the JSE.

There were no outstanding options granted under this plan at December 31, 2011

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17. EMPLOYEE BENEFIT PLANS (continued)

Following the approval of The 2005 Non-Executive Plan at the Annual General Meeting held on Novemb
first allocations under that Plan at that meeting, no further allocations will be made under The GF Non-

The following tables summarize information relating to the options outstanding at December 31, 2011 an
reader, the Rand amounts have been converted to U.S. dollars at the balance sheet rates for the

Details of the Plan are as follows:

	Number of Options	Aver Ran
Outstanding as of June 30, 2009	81,700	88
Outstanding as of June 30, 2010	81,700	88
Exercised and released	(20,000)	78
Forfeited	(25,000)	110
Outstanding as of December 31, 2010	36,700	79
Exercised and released	(36,700)	79
Outstanding as of December 31, 2011 and 2012		

There were no options outstanding under the GF Non-Executive Director Share Plan as of Dece

The compensation cost related to awards not yet recognized in the statement of operations under all schem
to be spread over three years.

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Gold Fields Limited

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17. EMPLOYEE BENEFIT PLANS (continued)

The Group used the Black Scholes Model to value the SARS under the Gold Fields 2005 Share Plan. Th
granted during the period were as follows:

	Fiscal Year Ended December 31, 2012	**Fiscal Year Ended December 31, 2011**	Six Mont Decem 20
Weighted average exercise price - Rand		119.17	
Weighted average expected 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%	
Expected term (years)		5.90	3
Long-term expected dividend yield		1.70%	
Weighted average risk free interest rate		6.90%	
Weighted average fair value - Rand		51.66	

The Group used the Monte-Carlo Simulation to value the PVRS under the Gold Fields 2005 Share Plan a
Non-executive Director Share Plan. The inputs to the model for awards granted during the y

	Fiscal Year Ended December 31, 2012	**Fiscal Year Ended December 31, 2011**	Six Mont Decem 20
Weighted average expected 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%	
Expected term (years)		3.0	
Historical dividend yield		1.70%	
Weighted average risk free interest rate (based on U.S. interest rate)		0.20%	
Weighted average fair value - Rand		206.27	

(c) South African Equity Empowerment Transactions

The South African Mining Charter requires mining entities to achieve a 26% ownership of South Afric
disadvantaged South Africans, or HDSA, by the year 2014.

In fiscal year ended June 30, 2004, Gold Fields implemented its first 15% Black Economic Empowern
Mvelaphanda, a BEE partner. During the six months ended December 31, 2010. Gold Fields implemented
which are aimed at complying with the 2014 BEE equity ownership targe

The value of these transactions was $297.6 million and were comprised of an employee share option plan
Gold; a broad-based BEE transaction for 10.0% of South Deep, and a broad-based BEE transaction for a
interest in Sibanye Gold, excluding South Deep. For accounting purposes, these transactions qualify as s

The $297.6 million was comprised of $171.9 million for the ESOP, $10.2 million for the Sibanye Gold tra
South Deep transaction.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

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17. EMPLOYEE BENEFIT PLANS (continued)

Under the ESOP transaction, 13.5 million shares were issued to approximately 47,000 Gold Fields emplo
the grant date using the Gold Fields closing share price of R122.79 on December 22, 2010, adjusted by a r
reflect the value of the restrictions placed on these shares; that the eligible employees may not dispose of t
grant gate. The cost of this once-off share-based compensation was $171.9 m

Under the GFIMSA transaction, 0.6 million shares were issued to broad-based BEE partners on Decem
compensation cost, based on the closing price of R118.51, was $10.2 million. These shares were not adju
because they had no trading restrictions.

The South Deep transaction amounted to $115.5 million and was made up of a preferred BEE dividend
component equivalent to $94.3 million. Under the South Deep transaction, a wholly-owned subsidiary co
to acquire 100% of the South Deep asset from GFIMSA. The new company then issued 10 million Clas
10.0% of South Deep s net worth to a consortium of BEE partners. Class B ordinary shareholders are en
until conversion to Class A ordinary shares. The Class B ordinary shares will convert one-third after ten y
fifth year anniversary. For accounting purposes, the dividend represents a liability of Gold Fields to the C
qualifies as a share-based compensation. It was valued at $21.2 million, of which $2.3 million (Decem
classified as a short-term portion under accounts payable at December 31, 2012. The Rand based effectiv
future dividend payments was 9.55%.

The disposal of 10% of South Deep was subject to valuation adjustments relating to minority, liquidity a
resulted in an overall once-off share-based compensation expense of $94.3 m

All but the dividend share-based compensation have been included within additional paid-in capital w
long-term dividend liability component of the share-based compensation has been shown as oth

18. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF F

Risk management activities

In the normal course of its operations, the Group is exposed to commodity price, currency, interest rate, li
manage these risks, the Group has developed a comprehensive risk management process to facilitate cont

Concentration of credit risk

The Group s financial instruments do not represent a concentration of credit risk as the Group deals with
receivable are regularly monitored and assessed and where necessary an adequate level of pro

A formal process of allocating counterparty exposure and prudential limits is approved by the audit com
supervision of the Group s executive committee. Facilities requiring margin payments

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18. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF F (continued)

Foreign currency and commodity price risk

In the normal course of business, the Group enters into transactions for the sale of its gold, denominated
Group has assets and liabilities in a number of different currencies (South African Rand, U.S. Dollars and
Group is subject to transaction and translation exposure from fluctuations in foreign curren

As at December 31, 2012 and 2011, Gold Fields did not hold any derivative instruments to protect its expo
and copper commodity prices.

Under the long-established structure of sales agreements prevalent in the industry, substantially all of Go
are provisionally priced at the time of shipment. The provisional prices are finalized in a contractually spe
to three months) primarily based on quoted London Metal Exchange, or LME, prices. Sales subject to fina
subsequent month. Because a significant portion of Gold Fields copper concentrate sales in a period usu
the forward price is a major determinant of recorded revenues and the average recorded coppe

LME copper prices averaged $7,951 per ton during the fiscal year ended December 31, 2012 (fiscal year e
six months ended December 31, 2010: $7,828 per ton, fiscal year ended June 30, 2010: $6,651 per ton)
recorded average provisional price, net of refining charges, of $7,322 per ton. The applicable 3 month co
was $7,930 per ton. During the fiscal year ended December 31, 2012, changes in copper prices resu
mark-to-market gain of $15.6 million (included in revenue) (fiscal year ended December 31, 201

Interest rate and liquidity risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to int
currently hedge its exposure to interest rate risk.

In the ordinary course of business, the Group receives cash proceeds from its operations and is required t
expenditure requirements. The cash is managed to ensure surplus funds are invested to maximize retur
safeguarded to the maximum extent possible by investing only with top financial i

Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several b
Group s normal contingency funding requirements.

Fair value

The fair value of a financial instrument is defined as the amount at which the instrument could be exchang
willing parties, other than in a forced or liquidation sale. The carrying amounts of receivables, accou
equivalents are a reasonable estimate of their fair values due to the short-term maturity of such instru
environmental trust fund approximate fair value, as the monies are invested in short-term maturity invest
carried at market value. Long-term loans at floating rates, approximate fair value as they are subject t

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Gold Fields Limited

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18. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF F (continued)

The estimated fair values of the Group s financial instruments are:

	December 31, 2012	
	Carrying value	Fair value
Financial assets		
Cash and cash equivalents	**655.6**	**655.6**
Receivables	**314.5**	**314.5**
Non-current investments *	**458.0**	**464.6**
Financial liabilities		
Long-term loans	**2,321.2**	**2,322.4**
Accounts payable and provisions	**678.1**	**678.1**
Interest payable	**11.0**	**11.0**
Short-term loans and current portion of long-term loans	**40.0**	**40.0**
Other non-current liabilities	**13.9**	**13.9**

* Fair value determined by using cost for Rand Refinery Limited and Far South East due to a market va

Fair value accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liab the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value h

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directl full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair val (supported by little or no market activity).

The following table sets forth the Group s financial assets measured at fair value by level within the fai Accounting Standard Codification, or ASC, fair value guidance**,** assets and liabilities are classified in their of input that is significant to the fair value measurement.

	Fair value	
	Total	Level
Assets:		
Listed investments	36.2	36
Investments held by environmental trust funds	165.3	135
Unlisted investments	1.3	
Trade receivable from provisional copper concentrate sales, net	149.9	
	352.7	171

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Gold Fields Limited

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18. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF F (continued)

		Fair value
	Total	Level
Assets:		
Listed investments	77.3	77
Investments held by environmental trust funds	161.5	122
Unlisted investments	2.6	
Trade receivable from provisional copper concentrate sales, net	88.4	
	329.8	199

The Group s listed investments comprise equity investments in listed entities and are therefore valued us markets and classified within level 1 of the fair value hierarchy. The fair value of the listed investments is price and the number of shares held.

The Group investments held in environmental funds primarily comprise interest bearing short-term inve quoted market prices.

The Group s net trade receivable from provisional copper and gold concentrate sales in La Cima (Cerr market prices based on the forward London Metal Exchange and classified within level 2 of th

The Group s financial instruments are valued using pricing models and classified within level 2 of the fa the values produced by the valuation models are verified to market prices. Valuation models require a vari terms, market prices, yield curves, credit spreads, measures of volatility and correlation

The table below sets forth a summary of changes in the fair value of our Level 3 fina

	Decembe 2012
Balance at the beginning of the period	
Additions	
Unrealized (loss)/ gain	
Balance at the end of the period	

Unrealized loss of $1.3 million for the fiscal year ended December 31, 2012 was included in accumulated December 31, 2012, the assets classified within Level 3 of the fair value hierarchy represent less than 1.00 measured at fair value, respectively.

Derivative contracts

There were no derivative contracts December 31, 2011.

St Ives Gold Mining Company (Pty) Ltd entered into a Gasoil 10PPM FOB Singapore contract for 10,0
August 1, 2012 until January 31, 2013 at a fixed price of US$118.90 per barrel. 20,000 barrels with a n
million were outstanding at the end of December 2012.

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19. ADDITIONAL CASH FLOW INFORMATION

		Fiscal year End December 31, 2012	201
(a)	**Supplementalcash flow disclosures**		
	The income and mining taxes paid in the statement of cash flow represents actual cash paid.		
	The following amounts of interest paid were included in cash flows from operations:		
	Interest paid before capitalization	83.1	6
(b)	**Non cash-items**		
	Marked to market gain/(loss) of listed investments	18.7	(2

20. COMMITMENTS

	December 31, 2012
Capital expenditure	
Authorized	
South Africa - KDC	**401.0**
South Africa - Beatrix	**104.8**
South Africa - South Deep	**446.3**
Ghana - Tarkwa	**110.9**
Ghana - Damang	**9.8**
Peru - Cerro Corona	**6.4**
Australia - St Ives	**175.7**
Australia - Agnew	**1.6**
Other	**0.8**
	1,257.3
Contracted for	**244.6**
Other guarantees	**0.5**

The Group also provides environmental obligation guarantees with respect to its South African, Ghanaian guarantees, amounting to $193.8 million at December 31, 2012 (December 31, 2011: 154.4 million) have guarantees of $0.5 million (December 31, 2011: $1.7 million) because they are fully provided for und obligation.

Commitments will be funded from internal cash resources and borrowings as necessary. All the contr December 31, 2012 and December 31, 2011 relates to obligations within the next 12 months. The expendit

infrastructure and hostel upgrades.

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Gold Fields Limited

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21. CONTINGENT LIABILITIES

World Gold Council

Gold Fields is a member of the World Gold Council. In terms of the membership agreement, all members
including ongoing costs on a three year rolling basis, winding up costs, if applicable, and various other co
of liabilities, should they arise, is done proportionate to the member s production relative to the total pro
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
that the cost of providing such services could increase in the future depending upon changes in the nature
profile of employees. Any such increased cost has not yet been quantified. The Group is monitoring

The principal health risks associated with Gold Fields mining operations in South Africa arise from oc
noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold
diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease
hearing loss (NIHL). The Occupational Diseases in Mines and Works Act, 78 of 1973, or ODMWA
mining employees who contract certain illnesses, such as silicosis. Recently, the South African Constitut
compensation under ODMWA does not prevent an employee from seeking compensation from its employ
law (either as individuals or as a class). While issues, such as negligence and causation, need to be prov
possible that such ruling could expose Gold Fields to claims related to occupational hazards and diseases (
in the form of a class or similar group action. If Gold Fields were to face a significant number of such cla
established against it, the payment of compensation for the claims could have a material adverse effect on
and financial condition. In addition, Gold Fields may incur significant additional costs arising out of these
the payment of fees, levies or other contributions in respect of compensatory or other funds established (i
of its efforts to resolve any outstanding claims or other potential action.

On August 21, 2012, a court application was served on a group of respondents that included Gold Field
December 21, 2012, a further court application was issued and was formally served on a number of respo
December Respondents and, together with the August Respondents, the Respondents) on January
workers, former mine workers and their dependents who were previously employed by, or who are curren
Gold Fields and who allegedly contracted silicosis and/or other occupational lung diseases (the Classes
2012 and the court application of December 21, 2012 are together referred to below as t

These Applications request that the court certify a class action to be instituted by the applicants on behalf o
the first and preliminary steps in a process where, if the court were to certify the class action, the applican
action wherein they will attempt to hold the Respondents liable for silicosis and other occupational lung di
In the second stage, the Applications contemplate addressing what the applicants describe as common leg
claim arising from the allegations of the entire Classes. If the applicants a

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Gold Fields Limited

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21. CONTINGENT LIABILITIES (continued)

successful in the second stage, they envisage that individual members of the Classes could later submit ind
the respective Respondents. The Applications do not identify the number of claims that may be institute
quantum of damages the applicants may seek.

With respect to the Applications, Gold Fields has filed notices of its intention to oppose both the Applicati
to defend the claims. Gold Fields and its attorneys are engaging with the applicants attorneys in both
court-sanctioned process to agree the timelines, (including the date by which Gold Fields must file its pap
the possible consolidation of the separate applications. At this stage, Gold Fields cannot quantify its pote

Randgold and Exploration summons

On August 21, 2008, Gold Fields Operations Limited, formerly known as Western Areas Limited, or W
Limited, received a summons from Randgold and Exploration Company Limited, or R&E and African
Limited. The summons claims that, during the period that WAL was under the control of Brett Kebble,
assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited, or Resources a
known as Uranium One. WAL s assessment remains that it has sustainable defences to these claims and,
been instructed to vigorously defend the claims. The claims have been computed in various ways. The hig
the basis of the highest prices of Resources and Uranium One between the dates of the alleged unlawful a
billion and R12 billion). The alternative claims have been computed on the basis of the actual amounts alle
operations (approximately R519 million). The claims lie only against WAL, which holds a 50% stake in t
liability is historic and relates to a period of time prior to Gold Fields purchasing th

Acid mine drainage

Gold Fields has identified incidence of, and a risk of short-term and long term Acid Mine Drainage (A
AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bear
mines and in rock dumps, tailings dams and pits on the surface. Gold Fields has not been able to reliably
AMD might have on the Group, however, Gold Fields has adopted a proactive approach by initiating
(long-term water management strategy), and the identification of mine rehabilitation options that focus
Fields also conducts acid base accounting to obtain a more detailed understanding of where the key pot
identified operations, thereby better informing appropriate long term mitigation s

22. LINES OF CREDIT

The Group had unused lines of committed and uncommitted credit facilities available amounting to $893
(December 31, 2011: $1,429.1 million).

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23. RELATED PARTY TRANSACTIONS

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or h three fiscal years materially indebted to Gold Fields.

Rand Refinery

Rand Refinery, in which the Company holds a 34.9% interest, has an agreement with the Group whereby African and Ghanaian operations gold production. The Group s chief executive officer is currently an alte has held his directorship since September 30, 2008. Prior to this date, he had been a director since July 10 Refinery $1.8 million, $1.7 million, $1.4 million and $1.2 million in refining fees for the fiscal years ended months ended December 31, 2010 and fiscal year ended June 30, 2010, respectively. Refer to note 12 - dividends received from Rand Refinery for the fiscal year ended December 31, 2012, 2011, six months en year ended June 30, 2010.

On November 21, 2000, GFL Mining Services Limited, or GFLMS, entered into an agreement with Ra GFLMS acts as an agent for Rand Refinery with regard to the sale of a maximum of 50% of Gold Fields June 1, 2004, GFLMS exercised its right, by giving notice to Rand Refinery, to sell all of Gold Fields S effect from October 1, 2004. Gold Fields Ghana Limited and Abosso Goldfields Limited also have had agr March 2002 to transport, refine and sell substantially all of the gold production from the Tarkw

Peotona Gold

Cheryl A. Carolus, a non-executive director of Gold Fields, is a party in her capacity as founding shareh (Proprietary) Limited, or PGH, to the agreement described below. Ms Carolus has a 25% interest in PG economic interest and a 51% voting interest in the issued share capital of Peotona Gold (Proprietary

Western Areas Prospecting (Proprietary) Limited, (a company 74% owned by GFO and 26% owned by P prospecting rights on ground contiguous to the South Deep Mine. On April 21, 2009, GFO, GFIJVH, Peot into an agreement in terms of which WAP relinquished and abandoned a portion of the prospecting are prospecting rights on ground contiguous to the South Deep mine (commonly known as Uncle Harry s A Venture. The agreement was subject to (among other conditions precedent) the conversion of the old orde new order mining right and simultaneously amending the South Deep mining right by extending the area o right to include Uncle Harry s Ground pursuant to the Mineral and Petroleum Resources Development granted GFO an option to acquire its 26% shareholding in WAP.

On July 13, 2010, the South African Department of Mineral Resources executed the new-order mining rig including Uncle Harry s Ground.

On October 14, 2011, Gold Fields purchased the 26% interest in WAP from Peotona Gold for $6.3 millio WAP which owns the Cardoville, the Kalbasfontein, the WA4 and the Wildebeestkuil pr

Gold Fields believes that the above transactions with related parties have been conducted on terms at leas terms.

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24. SUBSEQUENT EVENTS

Sibanye Gold Spin-Off

On February 18, 2013, Gold Fields completed the separation of its wholly-owned subsidiary, Sibanye Go
way of Gold Fields making a distribution on a pro rata basis of one Sibanye Gold ordinary share for ever
held in the form of shares, American depositary receipts, or ADRs, or international depositary receipts
registered as such in Gold Fields register at close of business on February 15, 2013, in terms of section 4
Act and section 46 of the South African Income Tax Act. The Board of Gold Fields passed the resoluti
Spin-off on December 12, 2012. Sibanye Gold shares listed on the JSE, and on the NYSE on a when issu
of February 18, 2013, or the Spin-off Date, Gold Fields and Sibanye Gold were independent, publicly trad
ownership, boards of directors and management.

Refinancing of borrowings

Refer to note 14 for further details.

Final dividend

On February 13, 2013, Gold Fields declared a final dividend of R0.75 ($0.08) pe

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Gold Fields Limited

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($ in millions unless otherwise noted)

25 GEOGRAPHICAL AND SEGMENT INFORMATION

Gold Fields is primarily involved in gold mining, exploration and related activities. Activities are conducte
and outside of South Africa.

The segment results have been prepared and presented based on management s reporting format. The Gr
accordance with International Financial Reporting Standards, or IFRS, and such IFRS information by s
operating decision maker reviews in allocating resources and making investment decisions. The Compa
managed and internally reported based upon the following geographic areas: in South Africa the Driefonte
to July 1, 2010, Driefontein and Kloof divisions were reported as separate segments), the Beatrix division a
the Tarkwa and Damang mines, in Australia, the St. Ives and Agnew mines and in Peru, the Cerro Co
exploration interests which are included in the Corporate and other segment. Corporate costs are allocated
time spent on each segment by members of the executive team.

	Fiscal Year Ended December 31, 2012								
	South Africa			Ghana		Australia			Peru
	KDC	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total	Cerr Coro
Statement of operations									
Revenue	1,543.4	477.8	450.8	1,198.9	277.8	752.2	294.4	1,046.6	556
Operating costs (1)	(1,005.7)	(321.9)	(302.9)	(494.4)	(156.8)	(411.5)	(148.1)	(559.6)	(171
Gold inventory change (2)				24.8	3.6	(14.7)	(2.6)	(17.3)	11
Operating profit	**537.7**	**155.8**	**147.9**	**729.3**	**124.6**	**325.9**	**143.7**	**469.6**	**396**
Amortization and depreciation	(209.1)	(77.1)	(82.4)	(125.4)	(27.0)	(156.9)	(53.7)	(210.6)	(48
Net operating profit/(loss)	**328.5**	**78.7**	**65.6**	**603.8**	**97.6**	**169.0**	**90.0**	**259.0**	**347**
Exploration expenditure						(9.8)	(9.6)	(19.4)	(2
Feasibility and evaluation									
Other items as detailed in statement of operations	(49.8)	(9.4)	(44.0)	(24.6)	(12.0)	(62.8)	(21.7)	(84.5)	(20
Royalty	(25.8)	(8.6)	(2.3)	(59.9)	(13.9)	N3	N3	(26.0)	(14

Current taxation	(40.2)	(14.8)		(163.1)	(7.6)	N3	N3	(53.6)	(104
Deferred taxation	71.4	29.1	(4.5)*	(92.5)	(27.9)	N3	N3	13.2	12
Profit/(loss) after taxation	**284.1**	**74.9**	**14.9**	**263.7**	**36.3**	N3	N3	**88.9**	**217**

Corporate and other represents items to reconcile segment data to consolidated financial statement to and other is goodwill relating to the acquisition of South Deep.

* Indicative as tax is provided in the holding companies of South Deep.

Figures may not add as they are rounded independently.

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Gold Fields Limited

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

	December 31, 2012								
	South Africa			**Ghana**		**Australia**			**Peru**
	KDC	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total	Cerro Corona
Balance sheet									
Total assets (excluding deferred tax assets)	2,126.3	313.1	208.3	1,775.6	404.3	1,066.7	372.4	1,439.1	1,165.8
Total liabilities excluding deferred tax	740.8	(26.8)	104.0	377.2	93.2	189.7	47.8	237.5	234.4
Deferred tax liability/(asset)	379.2	110.3	19.2	300.2	56.9	N3	N3	264.5	12.4
Capital expenditure	296.2	80.4	314.5	259.9	114.4	311.9	62.3	374.2	93.8

(1) Operating costs for management reporting purposes includes: Corporate expenditure - $46.6 million, $28.2 million and Employee termination costs - $13.8 million, which are not included in production c addition, gold inventory change is included in production costs under U.S. GAAP.

(2) Reflects the change in quantity and value of broken ore and ore on the heap leach pad during the fisca

(3) As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew base as these two Australian operations are entitled to transfer and off-set losses from one company to ano the royalties, current or deferred taxation.

Figures may not add as they are rounded independently.

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($ in millions unless otherwise noted)

25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

	Fiscal Year Ended December 31, 2011								
	South Africa			**Ghana**		**Australia**			**Peru**
	KDC	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total	Cerr Coro
Statement of operations									
Revenue	1,745.5	555.4	427.5	1,122.9	340.8	734.2	313.1	1,047.3	560
Operating costs [1]	(1,032.2)	(333.6)	(296.2)	(436.4)	(142.1)	(415.4)	(138.5)	(553.9)	(157
Gold inventory change [2]				65.0	1.9	3.0	6.0	9.0	(0
Operating profit	**713.4**	**221.8**	**131.3**	**751.6**	**200.6**	**321.8**	**180.6**	**502.4**	**403**
Amortization and depreciation	(230.4)	(71.2)	(76.7)	(104.9)	(26.7)	(149.9)	(44.6)	(194.5)	(58
Net operating profit/(loss)	**483.0**	**150.6**	**54.6**	**646.6**	**173.9**	**171.9**	**136.0**	**307.9**	**344**
Exploration expenditure						(5.0)	(4.4)	(9.4)	(4
Feasibility and evaluation									
Other items as detailed in statement of operations	(56.3)	(11.2)	(15.1)	(21.5)	(15.0)	0.2	(0.1)	0.1	(15
Royalty	(35.5)	(4.6)	(2.1)	(51.0)	(15.5)	N3	N3	(26.3)	(14
Current taxation	(88.5)	(0.3)		(150.7)	(29.8)	N3	N3		(111
Deferred taxation	(39.7)	(43.4)	(17.1)*	(22.0)	(13.2)	N3	N3	(82.8)	10
Profit/(loss) after taxation	**263.2**	**91.1**	**20.3**	**401.4**	**100.5**	N3	N3	**189.6**	**208**

#

Corporate and other represents items to reconcile segment data to consolidated financial statement to
and other is goodwill relating to the acquisition of South Deep.

* Indicative as tax is provided in the holding companies of South Deep.

Figures may not add as they are rounded independently.

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

	December 31, 2011								
	South Africa			Ghana		Australia			Peru
	KDC	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total	Cerro Corona
Balance sheet									
Total assets (excluding deferred tax assets)	1,714.5	225.0	153.0	1,435.9	344.2	1,058.2	609.0	1,667.2	1,069.5
Total liabilities excluding deferred tax	414.2	(103.5)	66.9	323.9	99.2	174.9	44.6	219.5	282.8
Deferred tax liability/(asset)	471.6	145.6	15.8	207.7	29.1	N3	N3	270.8	24.9
Capital expenditure	318.6	84.6	274.6	218.9	87.8	182.7	74.1	256.8	69.4

(1) Operating costs for management reporting purposes includes: Corporate expenditure - $37.6 million, $24.9 million and Employee termination costs - $32.8 million, which are not included in production c addition, gold inventory change is included in production costs under U.S. GAAP.

(2) Reflects the change in quantity and value of broken ore and ore on the heap leach pad during the fisc

(3) As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew bas as these two Australian operations are entitled to transfer and off-set losses from one company to ano the royalties, current or deferred taxation.

Figures may not add as they are rounded independently.

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

	Six Months Ended December 31, 2010								
	South Africa			Ghana		Australia			Peru
	KDC	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total	Cerro Corona
Statement of operations									
Revenue	814.3	259.1	188.2	468.1	152.1	313.4	102.4	415.8	266.6
Operating costs [1]	(533.6)	(172.8)	(139.5)	(205.4)	(73.9)	(178.2)	(50.7)	(228.9)	(77.4
Gold inventory change [2]				(2.8)	0.5	10.3	0.7	11.0	1.6
Operating profit	**280.7**	**86.3**	**48.7**	**259.9**	**78.7**	**145.5**	**52.4**	**197.9**	**190.8**
Amortization and depreciation	(122.5)	(36.9)	(37.8)	(43.5)	(12.7)	(81.5)	(14.1)	(95.6)	(29.1
Net operating profit/(loss)	**158.2**	**49.4**	**10.9**	**216.4**	**66.0**	**64.0**	**38.3**	**102.3**	**161.7**
Exploration expenditure									
Feasibility and evaluation									
Other items as detailed in statement of operations	(148.9)	(47.7)	(22.9)	(11.6)	(6.0)	(4.2)	(1.4)	(5.6)	(12.1
Royalty	(11.8)	(1.3)	(0.9)	(8.7)	(3.1)	N3	N3	(10.2)	(7.3
Current taxation	(20.5)	(0.4)		(54.8)	(18.6)	N3	N3		(47.1
Deferred taxation	33.7	(7.9)	(0.6)*	(5.7)	1.2	N3	N3	(25.7)	(1.9
Profit/(loss) after taxation	**10.7**	**(7.9)**	**(13.5)**	**135.6**	**39.5**	**N3**	**N3**	**60.8**	**93.3**

Corporate and other represents items to reconcile segment data to consolidated financial statement tota
is goodwill relating to the acquisition of South Deep.

* Indicative as tax is provided in the holding companies of South Deep.

Figures may not add as they are rounded independently.

	December 31, 2010								
	South Africa			Ghana		Australia			Peru
	KDC	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total	Cerro Corona
Balance sheet									
Total assets (excluding deferred tax assets)	1,937.9	237.5	126.6	1,193.3	250.0	862.7	485.6	1,348.3	1,063.2
Total liabilities excluding deferred tax	437.1	(93.0)	67.5	189.4	70.5	140.9	45.9	186.8	288.5
Deferred tax liability/(asset)	525.6	128.9	0.6	185.7	15.8	N3	N3	187.2	35.2
Capital expenditure	177.3	42.7	140.5	116.6	56.3	55.5	25.0	80.5	31.4

(1) Operating costs for management reporting purposes includes: Corporate expenditure - $24.5 million, E
$10.9 million and Employee termination costs - $35.3 million, which are not included in production co
gold inventory change is included in production costs under U.S. GAAP.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

25 GEOGRAPHICAL AND SEGMENT INFORMATION (continue

(2) Reflects the change in quantity and value of broken ore and ore on the heap leach pad during the fina

(3) As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew bas as these two Australian operations are entitled to transfer and off-set losses from one company to ano the royalties, current or deferred taxation.

Figures may not add as they are rounded independently.

	Fiscal Year Ended June 30, 2010								
	South Africa				Ghana		Australia		
	Driefontein	Kloof	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total
Statement of operations									
Revenue	770.9	613.2	424.7	288.7	790.1	226.9	460.6	177.8	638.4
Operating costs (1)	(505.6)	(451.8)	(299.9)	(220.9)	(387.0)	(130.7)	(308.9)	(89.3)	(398.2)
Gold inventory change (2)					11.4	(2.1)	13.4	(0.5)	12.9
Operating profit	**265.3**	**161.4**	**124.8**	**67.8**	**414.5**	**94.1**	**165.1**	**88.0**	**253.1**
Amortization and depreciation	(82.0)	(105.6)	(71.5)	(59.7)	(111.0)	(17.2)	(98.6)	(18.2)	(116.8)
Net operating profit/(loss)	**183.3**	**55.8**	**53.3**	**8.1**	**303.5**	**76.9**	**66.5**	**69.8**	**136.3**
Exploration expenditure									
Other items as detailed in statement of operations	(12.0)	(14.1)	(6.4)	(24.8)	(10.9)	(3.3)	(4.5)	(1.3)	(5.8)
Current taxation	(32.6)	(3.7)	(1.0)	(0.5)	(70.3)	(28.3)	N3	N3	(16.5)
Deferred taxation	(26.5)	(15.4)	(18.6)	6.5*	(34.4)	0.5	N3	N3	(34.7)
Profit/(loss) after	**112.2**	**22.6**	**27.3**	**(10.7)**	**187.9**	**45.8**	N3	N3	**79.3**

taxation

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Gold Fields Limited

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

	June 30, 2010									
	South Africa				Ghana		Australia			Pe
	Driefontein	Kloof	Beatrix	South Deep	Tarkwa	Damang	St Ives	Agnew	Total	Ce Co
Balance sheet										
Total assets	1,076.5	661.2	140.5	132.0	1,059.0	177.4	701.8	380.8	1,082.6	88
Total liabilities excluding deferred tax	307.2	142.8	(114.9)	78.9	144.6	36.7	125.4	32.5	157.9	21
Deferred tax liability/(asset)	263.6	236.9	107.5		180.0	17.1	N3	N3	138.2	3
Capital expenditure	150.3	145.7	85.8	212.8	148.6	29.8	103.0	55.2	158.2	8

\# Corporate and other represents items to reconcile segment data to consolidated financial statement to and other is goodwill relating to the acquisition of South Deep.

(1) Operating costs for management reporting purposes includes: Corporate expenditure - $54.5 million, $19.3 million and Employee termination costs - $10.3 million, which are not included in production c addition, gold inventory change is included in production costs under U.S. GAAP.

(2) Reflects the change in quantity and value of broken ore and ore on the heap leach pad during the fina

(3) As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew bas as these two Australian operations are entitled to transfer and off-set losses from one company to ano the current or deferred taxation.

Figures may not add as they are rounded independently.

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

		Fiscal Year Ended December 31, 2012	Fiscal Year Ended December 31, 2011
The following provides a breakdown of the reconciling items for each line item presented			
Operating costs			
On-mine exploration	(i)	**(35.2)**	(22.9)
Provision for rehabilitation	(j)	**(7.7)**	(2.2)
Cut-backs	(h)	**(184.0)**	(144.4)
Deferred stripping	(l)	**31.5**	43.0
		(195.4)	(126.5)
Gold inventory			
Inventory	(m)	**0.1**	1.3
Inventory stockpiles	(q)		0.1
		0.1	1.4
Amortization and depreciation			
Business combination - formation of Original Gold Fields	(a)	**(4.1)**	(5.6)
Business combination - formation of Gold Fields	(b)	**(3.9)**	(3.4)
Business combination - purchase of St. Ives and Agnew	(c)		2.1
Business combination - purchase of Abosso	(d)		1.1
Amortization of reserves	(f)	**(11.9)**	(23.3)
Cut-backs	(h)	**41.1**	39.6
Amortization - inclusion of future costs	(g)	**47.0**	34.7
Amortization - capitalized interest	(p)	**(4.3)**	(6.9)
Provision for rehabilitation	(j)	**4.1**	(0.2)
Amortization - discontinued operations	(o)	**(29.4)**	
		38.6	38.1
Exploration expenditure			
Exploration, evaluation and feasibility costs	(i)	**(5.1)**	(83.1)
Other items as detailed in the statement of operations			
Impairment of assets	(a)	**(7.5)**	
Interest capitalization	(p)	**(3.1)**	
Other		**0.6**	0.6
		(10.0)	0.6

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

Total liabilities excluding deferred income and mining taxes	
Provision for rehabilitation	(j)
Total assets	
Business combination - formation of Original Gold Fields	(a)
Business combination - formation of Gold Fields	(b)
Business combination - purchase of St Ives and Agnew	(c)
Business combination - purchase of Abosso	(d)
Business combination - purchase of South Deep	(e)
Cut-backs	(h)
Amortization of reserves	(f)
Amortization - inclusion of future costs	(g)
Amortization - Interest capitalised	(p)
Exploration, feasibility and evaluation costs	(i)
Provision for rehabilitation	(j)
Investments in equity investees	(k)
Deferred stripping	(l)
Inventory	(m)
Impairment of Agnew	(n)
Interest capitalization	(p)
Inventory stockpiles	(q)
Amortization - discontinued operations	(o)

Notes to the reconciliation of segment information to the historical financial sta

(a) Business combination - formation of Original Gold Fields

For management reporting purposes, the formation of Original Gold Fields was accounted for as a unitin
the Company accounted for the assets and liabilities acquired from Gold Fields of South Africa Limited a
liabilities acquired from Gencor and outside shareholders as a purchase.

(b) Business combination - formation of Gold Fields

For management reporting purposes, the difference between the purchase price and net asset value of a
transaction was set-off against shareholders equity. Under U.S. GAAP, the excess purchase price was
equipment and is being amortized over its useful life.

(c) Business combination - purchase of St. Ives and Agnew

For management reporting purposes, traded equity securities issued as consideration in a business combina
issued. Under U.S. GAAP, traded equity securities issued as consideration in a business combination are v
the terms of the transaction are announced.

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Gold Fields Limited

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

(d) Business combination - purchase of Abosso

For management reporting purposes, traded equity securities issued as consideration in a business combina
issued. Under U.S. GAAP, traded equity securities issued as consideration in a business combination are v
the terms of the transaction are announced.

(e) Business combinations - purchase of South Deep

For management reporting purposes, traded equity securities issued as consideration in a business combina
issued. Under U.S. GAAP, traded equity securities issued as consideration in a business combination are v
the terms of the transaction are announced.

For management reporting purposes, the entire interest acquired in South Deep was fair value upon gainin
GAAP, only the additional interest acquired was accounted for at fair value; assets acquired before obtai
carrying amounts. In addition, U.S. GAAP requires retrospective equity accounting from the date the int
obtains control and the investment becomes a subsidiary. For management reporting purposes no retrospe

For management reporting purposes, any excess arising over the purchase price paid and the fair value
liabilities acquired for additional interests in subsidiaries from minority shareholders are recorded directly
Under U.S. GAAP, any excess over the purchased price paid and the fair value of the net identifiable ass
goodwill (parent company model).

(f) Amortization of reserves

For management reporting purposes, a portion of ore resources at the Australian operations, based on the
for calculating depreciation and amortization. Under U.S. GAAP, depreciation and amortization is calcula
probable reserves.

(g) Amortization - inclusion of future costs

For management reporting purposes, future mine development costs are included in mining assets in
amortization. Under U.S. GAAP, future development costs are not included in the calculation of de

(h) Cut-backs

For management reporting purposes, waste laybacks at surface operations are capitalized as mine develo
once the production phase of a mine has commenced, waste laybacks are considered variable production
component of inventory to be recognized in Production costs exclusive of depreciation and amortization
from the sale of inventory. As a result, capitalization of waste laybacks is appropriate only to the extent pr
a reporting period.

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Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

(i) Exploration, feasibility and evaluation costs

For management reporting purposes, exploration costs are capitalized from the date the drilling program mineralization to proceed with a feasibility study. Under U.S. GAAP, exploration costs are capitalized fr study is completed.

(j) Provision for rehabilitation

Revisions to the environmental rehabilitation obligation

For management reporting purposes, all changes in the carrying amount of the obligation are recognized carrying amount of the associated capitalized retirement cost. Due to differences in the capitalized retire reporting and U.S. GAAP, differences could arise. Changes resulting from revisions in the timing or am recognized as an increase or decrease in the carrying amount of the asset retirement obligation and the ass for U.S. GAAP.

In addition, the current discount rate is applied to measure the retirement obligation for management repo any decreases in the asset retirement obligation as a result of downward revisions in cash flow estimates s of an existing asset retirement obligation, and should be measured at the historical discount rate used to m obligation.

Amortization of rehabilitation asset

For reasons discussed above, the rehabilitation asset s carrying value for management reporting purpo GAAP, which results in a different amortization charge.

(k) Investments in equity investees

For management reporting purposes an equity investment exceeding a 20% shareholding was treated as an to fiscal 2003. Under U.S. GAAP this investment was accounted for under the equity metho

(l) Deferred stripping

For management reporting purposes, the Company defers the waste stripping costs in excess of the expec Under U.S. GAAP, waste stripping costs are considered costs of the extracted minerals and recognized a recognized in production costs exclusive of depreciation and amortization in the same period as the reve

(m) Inventory

Under U.S. GAAP additional amortization, waste normalization and cut backs expensed are included in th
such absorption of costs occurred for management reporting purposes. Additionally, for management rep
required to record inventory at net realizable value. Under U.S. GAAP, due to the impact of the amortiza
valuation, an adjustment may be required to record inventory at the lower of cost and net

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Gold Fields Limited

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25 GEOGRAPHICAL AND SEGMENT INFORMATION (continued)

(n) Impairment of Agnew

For management reporting purposes the Agnew mine was not determined to be impaired. Under U.S.
determined to be impaired and an impairment charge was recognized.

(o) Amortization - discontinued operations

For management reporting purposes, the Spin-off of Sibanye Gold was accounted for as discontinued opera
assets and liabilities were classified as held for distribution. As a result, depreciation ceased due to the cla
distribution. Under U.S. GAAP, the Spin-off was not accounted for as discontinued operations in 2012
liabilities continue to be classified as held for use until the Spin-off date. As a result, depreciation did no
charged until the Spin-off date.

(p) Interest capitalization

For management reporting purposes, borrowing costs are capitalized to the extent that qualifying assets a
financing or general outstanding debt not for any specific purpose other than funding the operations of th
outstanding debt financing is taken into account in calculating the amount of borrowing co

(q) Inventory stockpiles

For management reporting purposes, previous impairment charges writing down stockpiles to net realizab
realizable value rises above the original cost. Under U.S. GAAP, the net realizable value is deemed the
charges are not reversed.

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Schedule 1 - Valuation and Qualifying Accounts

Valuation allowances on deferred tax assets

	Balance at beginning of year	Charged to costs and expenses	Deduction	Charge unredee capit expend
Fiscal Year Ended December 31, 2012				
Valuation allowance	152.4	(58.2)		22
Fiscal Year Ended December 31, 2011				
Valuation allowance	192.4	(22.0)		
Six Months Ended December 31, 2010				
Valuation allowance	195.3	(10.3)		
Fiscal Year Ended June 30, 2010				
Valuation allowance	195.5	8.3	(0.1)	

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