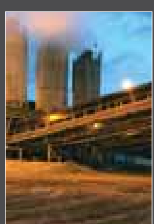
Annual Financial Report
for the year ended 31 December **2014**

GOLD FIELDS

About Gold Fields

Gold Fields Limited is an unhedged, globally diversified producer of gold with eight operating mines in Australia, Ghana, Peru and South Africa. In February 2013, Gold Fields unbundled its mature underground Beatrix and KDC mines in South Africa into an independent and separately listed company, Sibanye Gold Limited. It also expanded its presence in Australia, acquiring the Darlot, Granny Smith and Lawlers mines (known as the Yilgarn South Assets) from Barrick Gold in October 2013.

Gold Fields has attributable annual gold production of approximately 2.2 million ounces, as well as attributable Mineral Reserves of around 48 million ounces and Mineral Resources of around 108 million ounces. Attributable copper Mineral Reserves total 620 million pounds and Mineral Resources 1,001 million pounds. Gold Fields has a primary listing on the JSE Limited, with secondary listings on the New York Stock Exchange (NYSE), NASDAQ Dubai Limited and the Swiss Exchange (SWX).



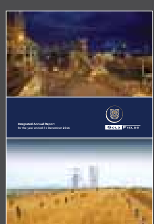
COVER PICTURES

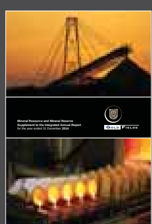
Tailings storage facility at Cerro Corona in Peru

Conveyor belt feeding CIL plant at Tarkwa in Ghana

Contents

The audited financial statements for the year ended 31 December 2014 have been prepared by the corporate accounting staff of Gold Fields Limited headed by Tzvet Ilarionova, the Group Financial Controller. This process was supervised by Paul Schmidt, the Group's Chief Financial Officer.





FURTHER RESOURCES

– Integrated Annual Report 2014
– Mineral Resources and Mineral Reserves Supplement 2014 (available April 2014)

Darlot processing plant

Statement of responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of the Company and of the Group, comprising the separate and consolidated statements of financial position at 31 December 2014, and the separate and consolidated income statements and separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as well as the Directors' report. These financial statements presented on pages 24 – 141 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa, and include amounts based on judgements and estimates made by management.

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

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

The directors are also responsible for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

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

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

The separate and consolidated financial statements of Gold Fields Limited, as identified in the first paragraph, were approved by the Board of Directors on 23 March 2015 and are signed on its behalf by:

NJ Holland
Chief Executive Officer

PA Schmidt
Financial Director

Company Secretary's certificate

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

MML Mokoka
Company Secretary

23 March 2015

Audit Committee report

for the year ended 31 December 2014

The Audit Committee (the committee) was appointed by the shareholders at the AGM in May 2014. The members are all independent non-executive directors who collectively have the necessary skills. Details and attendance at meetings are included on page 33 of the Integrated Annual Report. The committee has reporting responsibilities to both the shareholders and the Board of Directors of Gold Fields Limited (the Board) and is accountable to them. Its duties are set out in the Board Charter which is reviewed annually and incorporates its statutory obligations as set out in the South African Companies Act, No 71 of 2008 (SA Companies Act), as amended, and the King III Report on Governance Principles for South Africa 2009 (King III). A work plan is drawn up annually incorporating all these obligations and progress is monitored to ensure all these are fulfilled.

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

- the annual financial statements ensuring fair presentation and compliance with IFRS and the SA Companies Act and recommending same to the Board for approval;
- the integrity of the Integrated Annual Report by ensuring that its content is reliable, includes all relevant operational, financial and other non-financial information, risk and other relevant factors;
- quarterly and operational reports and all other widely distributed documents;
- the Form 20-F filing with the US Securities Exchange Commission (SEC);
- accounting policies of the Group and proposed revisions, and significant and unusual transactions, estimates and accounting judgements;
- the effectiveness of the internal control environment;
- the effectiveness of the internal audit function;
- recommending the appointment and remuneration of external auditors and reviewing the scope of their audit, their reports and findings and pre-approving all non-audit services in terms of policy;
- reports of both internal and external auditors;
- evaluation of the performance of the Chief Financial Officer;
- the adequacy and effectiveness of the group's enterprise-wide risk management policies, processes and mitigating strategies;
- the governance of information technology (IT) and the effectiveness of the group's information systems;
- the cash/debt position of the Group to determine that the going-concern basis of reporting is appropriate;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and the Company's Code of Ethics; and
- policies and procedures for preventing fraud.

EXTERNAL AUDIT

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

The committee reviewed and assessed the independence of the external auditor, including their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and other international bodies have been followed. The committee is satisfied that KPMG is independent of the Group.

An audit fee for the period of R35.0 million (US$3.2 million) was approved, as well as R3.0 million (US$0.3 million) for audit-related fees, R0.05 million (US$ nil) for tax services and R0.75 million (US$0.1 million) for other non-audit services. The committee has a documented policy on the nature and extent of non-audit services that the external auditor can provide and pre-approves all permitted non-audit assignments by the Company's independent auditor.

The committee reviewed and approved the annual audit plan presented by the external auditors including the materiality levels and monitors progress against the plan. The audit plan forms the basis of providing the committee with the necessary assurances on risk management, the internal control environment and IT governance.

The external auditors report on all issues identified during their audit including unusual or *ad hoc* items or areas identified as high risk.

The committee recommends that KPMG is reappointed for the 2015 financial year with Coenie Basson as the designated Group audit engagement partner.

Internal and external audit have unrestricted access to the committee, the Audit Committee Chair and the Chair of the Board, ensuring that auditors are able to maintain their independence. Both the internal and external auditors report at Audit Committee meetings. The committee also meets with both internal and external auditors separately, at least annually, and on an *ad hoc* basis as required without other invitees being present.

INTERNAL AUDIT

Gold Fields Internal Audit (GFIA) is an independent department within Gold Fields which has a direct reporting responsibility to the committee. GFIA is headed by the Vice-President: Internal Audit (VP:IA) who can be appointed or dismissed by the committee. He has direct access to the Audit Committee Chair and members of the committee and to the Board. The Audit Committee Chair meets with the VP:IA at least once a quarter and on an *ad hoc* basis as required. The VP:IA also meets with the committee before Audit Committee meetings, as required, without management present.

The VP:IA is committed to the ongoing training of his staff and keeping himself abreast of developments in his field. The committee is satisfied that the VP:IA has the requisite skills and experience and independence and that he is supported by sufficient staff with appropriate skills and training. GFIA is currently preparing for the implementation of the updated Internal Control – Integrated Framework released by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) during May 2013.

The committee determines the purpose, authority and responsibility of GFIA in an Internal Audit Charter which is reviewed annually. GFIA operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (IIA). The internal audit activities carried out during the year were identified through a combination of the Gold Fields Risk Management framework and the risk-based methodologies adopted by GFIA. The committee approves the annual internal audit assurance plan presented by GFIA and monitors progress against the plan that is reported to the committee each quarter.

The internal control systems of the Group are designed to provide reasonable assurance on the maintenance of proper accounting records and the reliability of financial information. It also covers operational areas, compliance with the Gold Fields Code of Ethics and sustainability records. These systems are monitored by GFIA which report its findings and recommendations to the committee and to senior management.

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

CHIEF FINANCIAL OFFICER

The committee evaluated the expertise and performance of the Chief Financial Officer (CFO), Paul Schmidt. The committee is satisfied that Paul Schmidt has the appropriate expertise and experience to carry out his duties as CFO of the Company and the Group, and is supported by highly qualified and competent senior staff. This conclusion is supported by input from both internal and external auditors.

IT GOVERNANCE

The committee is responsible for IT Governance on behalf of the Board and reviews the report of the Vice-President: Group Head of IT at each meeting. A comprehensive review and testing process to ensure that the Group is maintaining an adequate and effective IT system is carried out on an ongoing basis.

RISK MANAGEMENT

The committee convenes twice a year to review and discuss the risk management strategies and processes in place for the Group. These are updated on a quarterly basis by the Group Executive Committee. The committee also reviews the mitigating actions identified and follows up on the progress in implementation. The Board was consulted on the top risks and the committee recommended the strategies be approved.

GOVERNANCE

The committee is also responsible for monitoring compliance with the Gold Fields Code of Ethics (the Code). No major breaches of the Code by senior management were reported during the year.

Audit Committee report (continued)

for the year ended 31 December 2014

The committee is also responsible for ensuring that all calls to the Gold Fields Hot Line – administered by an independent external party – are followed up whenever the information provided is sufficient to initiate an investigation. The number and nature of these calls is reported at the quarterly Audit Committee meetings. The details, including the detail of the action taken is also reported by the Chair of the Audit Committee to the Social and Ethics Committee.

A detailed process is performed to identify all legislation applicable in each region of the Group together with the resulting risk exposure and mitigating actions to be followed. The Vice-President: Group Compliance reports on changes and progress at each quarterly audit committee meeting and GFIA also reports on the results of the work performed in this area.

FRAUD

The committee is responsible for ensuring that proper processes and internal controls are in place for the identification and prevention of fraud. No incidents of fraud involving senior management were brought to the attention of the committee during the year.

INTERNAL CONTROL STATEMENT

Management is accountable to the Board for designing, implementing, monitoring and integrating the internal controls for the day-to-day running of the Group, focusing on the efficiency and effectiveness of operations, safeguarding the Company's assets, legal and regulatory compliance, business sustainability and reliable reporting, including financial reporting.

The committee has documented the basis for its conclusion which includes discussions with internal and external auditors as well as management. Based on these discussions and reports tabled during the year, the committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year. The committee is of the opinion that the financial records can be relied upon as the basis for the preparation of the annual financial statements.

AUDIT COMMITTEE STATEMENT

The committee considered and discussed the Annual Financial Report (AFR) and the Integrated Annual Report (IAR) with both management and the external auditors.

During this process, the committee:

- reviewed the annual financial statements included in the AFR for consistency, fair presentation and compliance with IFRS;
- evaluated significant estimates and judgements and reporting decisions;
- reviewed the documentation supporting the going-concern basis of accounting and concluded that it is appropriate;
- evaluated the material factors and risks that could impact on the AFR and IAR;
- evaluated the completeness of the financial and sustainability discussion and disclosures;
- discussed the treatment of significant and unusual transactions with management and the external auditors; and
- reviewed and discussed the sustainability information disclosed in the IAR and is satisfied, based on discussions, that the information is reliable.

The committee considers that the AFR and the IAR comply in all material respects with the statutory requirements of the various regulations governing disclosure and reporting, and the annual financial statements comply in all material respects with the SA Companies Act, as amended, and with International Financial Reporting Standards.

The committee has recommended to the Board that the annual financial statements included in the AFR be adopted and approved by the Board.

Gayle Wilson
Chair: Audit Committee
23 March 2015

Independent auditor's report

TO THE SHAREHOLDERS OF GOLD FIELDS LIMITED

We have audited the consolidated and separate financial statements of Gold Fields Limited, which comprise the consolidated and separate statements of financial position at 31 December 2014, and the consolidated and separate income statements and consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and the accounting policies and the notes to the consolidated and separate financial statements, and the executive directors' and prescribed officers' remuneration and directors' and prescribed officers' equity-settled instruments sections of the remuneration report, the major group investments – direct and indirect and segment report, as set out on pages 43 to 133.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Gold Fields Limited at 31 December 2014, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Directors' report, the Audit Committee report and the Company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per Coenie Basson
Chartered Accountant (SA)
Registered Auditor
Director
23 March 2015

85 Empire Road
Parktown
2193
Gauteng
South Africa

Management's discussion and analysis of the financial statements

The following management's discussion and Analysis of the financial statements should be read together with the Gold Fields' consolidated financial statements, including the notes accompanying these financial statements.

Gold Fields is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. Gold Fields is primarily involved in underground and surface gold and surface copper mining and related activities, including exploration, extraction, processing and smelting.

On 29 November 2012, Gold Fields announced the creation of a new South African gold mining company through the listing and subsequent unbundling of its 100% owned subsidiary, Sibanye Gold Limited ("Sibanye Gold"), formerly known as GFI Mining South Africa Proprietary Limited, which held the Kloof/Driefontein complex ("KDC") and Beatrix gold mines as well as various service companies. Sibanye Gold was listed as a separate and independent company on both the JSE and the NYSE on 11 February 2013. Following the unbundling, Gold Fields retained the balance of its portfolio of assets, including the developing South Deep gold mine located in South Africa. The financial results for the two months ending February 2013 of Sibanye Gold, which include the KDC and Beatrix mine, were presented as discontinued operations in the comparative period.

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

The results for the period discussed are for continued operations, unless specifically stated to relate to discontinued operations.

Results for the period

Profit/(loss) attributable to owners of the parent was a profit of US$13 million (or US$0.02 per share) for 2014 compared to a loss of US$584 million (or US$0.79 per share) for 2013. The reasons for this increase are discussed below.

Revenue

Revenue decreased by 1% from US$2,906 million in 2013 to US$2,869 million in 2014. The decrease in revenue of US$37 million was due to a decrease of 10% in the average US Dollar gold price for the year from US$1,386 per ounce to US$1,249 per ounce, partially offset by a 9% increase in gold equivalent sales and an increase in the average realised copper price of 4% from US$6,575 per tonne to US$6,827 per tonne. The Rand weakened by 13% to the US Dollar from an average of R9.60 to R10.82. The average Australian/US Dollar exchange rate weakened by 7% from an average of A$1=US$0.97 to A$1=US$0.90.

Gold sales increased by 9% from 2,097,100 ounces in 2013 to 2,296,200 ounces in 2014. Gold sales at the South African operation decreased by 34% from 9,397 kilograms (302,100 ounces) to 6,237 kilograms (200,500 ounces). Gold sales at the West African operations decreased by 6% from 785,300 ounces to 736,000 ounces. Gold equivalent sales at the South American operation (Cerro Corona) increased by 6% from 309,400 equivalent ounces to 328,600 equivalent ounces. At the Australian operations, gold sales increased by 47% from 700,200 ounces to 1,031,100 ounces, mainly due to the inclusion of the Yilgarn South assets for the full year in 2014 as opposed to only one quarter in 2013.

At South Deep in South Africa, gold sales were lower, decreasing by 34% from 9,397 kilograms (302,100 ounces) to 6,237 kilograms (200,500 ounces) due to three fatalities which occurred on 17 and 27 May 2014 and on 28 July 2014, as well as the safety stoppages to remediate ground support in the main mining areas across the mine.

At the Ghana operations, gold sales at Tarkwa decreased by 12% from 632,200 ounces to 558,300 ounces mainly due to cessation of crushing and stacking operations at the heap leach facilities. Damang's gold sales increased by 16% from 153,100 ounces to 177,800 ounces mainly due to higher head grade mined and higher mill throughput.

At Cerro Corona in Peru, copper production increased by 7% from 30,200 tonnes to 32,300 tonnes and gold production decreased by 5% from 159,500 ounces to 150,800 ounces. As a result, gold equivalent sales increased by 6% from 309,400 ounces to 328,600 ounces due to an increase in ore processed and higher copper grades.

At the Australian operations, production at St Ives decreased by 10% from 402,700 ounces to 361,700 ounces mainly due to the closure of Argo and lower underground head grade. At Agnew/Lawlers, gold sales increased by 26% from 215,600 ounces to 270,700 ounces mainly due to the inclusion of Lawlers for the full year in 2014. Gold production at Darlot increased from 19,700 ounces to 83,600 ounces and Granny Smith increased from 62,200 ounces to 315,200 ounces. The increases at Darlot and Granny Smith are due to them being included for the full year in 2014 as opposed to only one quarter in 2013.

Cost of sales

Cost of sales, which consists of operating costs and amortisation and depreciation, increased by 2% from US$2,278 million in 2013 to US$2,334 million in 2014.

OPERATING COSTS

Operating costs increased marginally from US$1,679 million in 2013 to US$1,685 million in 2014.

At the South Deep operation in South Africa, operating costs decreased by 14% from R3,089 million (US$322 million) to R2,657 million (US$246 million). This decrease of R432 million (US$76 million) was mainly due to lower production as well as cost restructuring partially offset by annual wage increases and normal inflationary increases.

At the Ghana operations, operating costs decreased by 15% from US$645 million in 2013 to US$551 million in 2014. This decrease of US$94 million was mainly at Tarkwa due to lower production, good cost control and lower contractor and consumable costs due to the closure of the heap leach facilities. This was partially offset by increased costs at Damang due to the increased production as well as normal inflationary increases and annual wage increases at both operations. At Tarkwa, operating costs decreased by 21% from US$474 million to US$374 million and at Damang, operating costs increased by 4% from US$171 million to US$178 million.

At the Cerro Corona operation in Peru, operating costs decreased by 2% from US$161 million in 2013 to US$158 million in 2014, mainly due to a decrease in workers statutory participation in profits.

At the Australian operations, operating costs increased by 42% from A$569 million (US$551 million) in 2013 to A$808 million (US$730 million) in 2014, mainly due to the inclusion of the Yilgarn South assets for the full year in 2014. At St Ives, operating costs decreased by 9% from A$357 million (US$346 million) to A$324 million (US$292 million). This decrease of A$33 million was mainly due to a decrease in surface operational waste tonnes mined and cost improvements. At Agnew/Lawlers, operating costs increased by 37% from A$140 million (US$135 million) to A$192 million (US$173 million). This increase of A$52 million was mainly due to the inclusion of Lawlers for the full year in 2014 compared to one quarter in 2013. Operating costs at Darlot increased by 314% from A$22 million (US$22 million) to A$91 million (US$82 million) and at Granny Smith it increased by 304% from A$50 million (US$49 million) to A$202 million (US$183 million), both due to the operations being included for the full year in 2014 compared to one quarter in 2013.

GOLD INVENTORY CHANGE

The gold inventory credit to costs decreased by 42% from US$12 million in 2013 to US$7 million in 2014.

At Tarkwa, the gold inventory debit of US$31 million in 2013 compared with a credit of US$2 million in 2014. The US$2 million credit in 2014 was due to an increase in physical inventory during the year. The US$31 million charge in 2013 was due to a draw-down of physical inventory.

At Damang, the gold inventory credit of US$11 million in 2013 was due to an increase in physical stockpiles compared with a charge of US$2 million in 2014 due to a draw-down of physical stockpiles.

At Cerro Corona, the gold inventory credit of US$19 million in 2013 compared with a charge of US$2 million in 2014. The credit in 2013 was due to a build-up of sulphide physical stockpiles, while the charge in 2014 was due to a drawdown of sulphide physical stockpiles.

At St Ives, the credit to costs of A$9 million (US$9 million) in 2013 compared with A$11 million (US$10 million) in 2014. Both credits were as a result of a build-up of run-of-mine physical stockpiles.

At Agnew, the gold inventory charge of A$1 million (US$1 million) in 2013 compared with A$nil (US$nil) in 2014. The charge in 2013 was due to processing of the Songvang open pit stockpiles built-up in 2011, partially offset by the addition of the Lawlers stockpiles.

At Darlot, the credit to costs of A$1 million (US$1 million) in 2013 as a result of a build-up in run-of-mine stockpiles compared with a charge of A$2 million (US$2 million) in 2014 due to a drawdown of run-of-mine physical stockpiles.

At Granny Smith, the credit to costs of A$4 million (US$4 million) in 2013 compared with A$nil (US$nil) in 2014. The credit in 2013 was as a result of a build-up of run-of-mine physical stockpiles.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation increased by 8%, from US$611 million to US$657 million in 2014.

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

In South Africa, amortisation at South Deep decreased by 15% from R950 million (US$99 million) in 2013 to R806 million (US$75 million) in 2014 mainly due to lower production which is used in the calculation of amortisation.

At the Ghana operations, amortisation decreased by 3% from US$168 million in 2013 to US$163 million in 2014. Tarkwa increased by 3% from US$138 million to US$142 million due to additions to property, plant and equipment. Damang decreased by 32% from US$31 million to US$21 million due to a decrease in the carrying value of property, plant and equipment resulting from impairment of assets in 2013, partially offset by increase in production.

In South America, amortisation at Cerro Corona increased by 63% from US$49 million in 2013 to US$80 million in 2014. This significant increase in depreciation from 2013 to 2014 was due to the change in the life-of-mine reserves, which form the basis of the units of production amortisation calculation.

At the Australian operations, amortisation increased by 25% from A$300 million (US$290 million) in 2013 to A$374 million (US$338 million) in 2014 due to the inclusion of the Yilgarn South assets for the full year in 2014, partially offset by the change in estimate in the depreciation calculation at all the Australian operations. At St Ives, amortisation decreased by 22% from A$201 million (US$194 million) to A$156 million (US$141 million) in 2014 due to the decrease in production. Agnew/Lawlers increased by 47% from A$73 million (US$71 million) to A$107 million (US$96 million) in 2014 mainly due to the inclusion of Lawlers for the full year in 2014 compared to one quarter in 2013. Amortisation at Darlot increased by 350% from A$4 million (US$4 million) to A$18 million (US$17 million) and Granny Smith increased by 327% from A$22 million (US$21 million) to A$94 million (US$85 million), both due to being included for the full year in 2014 compared to one quarter in 2013.

ALL-IN SUSTAINING AND TOTAL ALL-IN COST

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

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

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

The following table sets out for each operation and the Group, total gold sales in ounces, all-in sustaining costs and total all-in cost in US$/oz for 2014 and 2013:

	2014			2013		
	Gold only ounces sold	**All-in sustaining costs – US$/oz**	**Total-all in cost – US$/oz**	Gold only ounces sold	All-in sustaining costs – US$/oz	Total-all in cost – US$/oz
South Deep	**200.5**	**1,548**	**1,732**	302.1	1,541	1,763
South African operations	**200.5**	**1,548**	**1,732**	302.1	1,541	1,763
Tarkwa	**558.3**	**1,068**	**1,068**	632.2	1,291	1,291
Damang	**177.8**	**1,175**	**1,175**	153.1	1,558	1,558
West African operations	**736.0**	**1,094**	**1,094**	785.3	1,343	1,343
Cerro Corona[1]	**153.6**	**316**	**316**	157.3	206	206
South American operations	**153.6**	**316**	**316**	157.3	206	206
St Ives	**361.7**	**1,164**	**1,164**	402.7	1,218	1,218
Agnew/Lawlers	**270.7**	**990**	**990**	215.6	919	919
Darlot	**83.6**	**1,222**	**1,222**	19.7	1,132	1,132
Granny Smith	**315.2**	**809**	**809**	62.2	888	888
Australian operations	**1,031.1**	**1,015**	**1,015**	700.2	1,094	1,094
GIP and Corporate	**–**	**11**	**28**	–	10	85
Total operations	**2,121.4**	**1,053**	**1,087**	1,944.9	1,202	1,312

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

[1] Gold sold at Cerro Corona excludes copper equivalents of 175,000 ounces in 2014 and 152,100 ounces in 2013.

All-in sustaining costs decreased by 12% from US$1,202 per ounce in 2013 to US$1,053 per ounce in 2014. Total all-in cost decreased by 17% from US$1,312 per ounce in 2013 to US$1,087 per ounce in 2014. The decrease in all-in sustaining costs and total all-in cost was due to no inventory write-offs in 2014, lower sustaining and non-sustaining capital expenditure, lower exploration, feasibility and evaluation costs as well as higher gold sold.

Net operating profit

Net operating profit decreased by 15% from US$629 million in 2013 to US$534 million in 2014.

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

Investment income

Income from investments decreased by 56% from US$9 million in 2013 to US$4 million in 2014. The decrease was mainly due to lower cash balances at the international operations in 2014.

The investment income in 2014 of US$4 million comprised US$1 million interest on monies invested in the South African and Ghanaian environmental rehabilitation trust funds and US$3 million interest on other cash and cash equivalent balances.

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

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

Interest on other cash balances decreased from US$9 million 2013 to US$3 million in 2014 mainly due to lower cash balances at the international operations in 2014.

Finance expense

Finance expense increased by 41% from US$70 million in 2013 to US$99 million in 2014.

The finance expense of US$99 million in 2014 comprised US$18 million relating to the accretion of the environmental rehabilitation liability and US$105 million on various Group borrowings, partially offset by interest capitalised of US$24 million.

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

- The environmental rehabilitation liability accretion expense increased from US$2 million in 2013 to US$18 million in 2014 mainly due to the inclusion of the rehabilitation inflation expense under finance expense. It was previously reported as part of cost of sales.
- Below is an analysis of the components making up other interest, stated on a comparative basis:

	2014 US$ million	2013 US$ million
Interest on borrowings to fund capital expenditure and operating costs at the South African operation	**18**	9
Interest on US$1 billion notes issue	**50**	50
Sibanye Gold guarantee fee	**5**	5
Interest on US$70 million senior secured revolving credit facility	**3**	2
Interest on US$200 million non-revolving senior secured term loan	**2**	2
Interest on US$1 billion syndicated revolving credit facility	**–**	1
Interest of US$1,510 million term loan and revolving credit facility	**25**	19
Other interest charges	**2**	3
	105	91

Interest on borrowings to fund capital expenditure and operating costs at the South African operations increased from US$9 million in 2013 to US$18 million in 2014 due to additional borrowings as a result of losses sustained at South Deep.

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

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

On 12 March 2015, Gold Fields announced the launch of a consent solicitation process to ask note holders to vote to, among other things, remove Sibanye Gold as a Guarantor under the US$1 billion notes issue. Completion of this process is subject to note holder approval, which at the date of this report has not been finalised.

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

Interest on the US$70 million senior secured revolving credit facility increased marginally from US$2 million in 2013 to US$3 million in 2014.

Interest on the US$200 million non-revolving senior secured term loan remained flat at US$2 million.

Interest on the US$1 billion syndicated revolving credit facility decreased from US$1 million in 2013 to US$nil in 2014 because the facility was refinanced on 15 February 2013 by drawing down under the US$1,510 million term loan and revolving credit facilities.

Interest on the US$1,510 million term loan and revolving credit facilities increased from US$19 million in 2013 to US$25 million in 2014. The increase is mainly due to the fact that interest for only eight months was included in 2013 compared to 12 months in 2014.

- During 2014, US$24 million (2013: US$23 million) of interest was capitalised in terms of IAS 23 *Borrowing Cost*. IAS 23 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The only qualifying project was South Deep's mine development (2013: South Deep and Chucapaca). An average interest capitalisation rate of 5.3% (2013: 4.6%) was applied.

Loss on financial instruments

The loss on financial instruments increased from US$nil in 2013 to US$12 million in 2014. The breakdown of these numbers is given below:

	2014 US$ million	2013 US$ million
(Loss)/gain on Australian diesel hedges	**(12)**	1
Loss on South Deep forward exchange contract	**–**	(1)
	(12)	–

FORWARD CONTRACTS

2014

The US$12 million loss on the Australian diesel hedges relates to Gold Fields Australia (Pty) Limited who entered into various Singapore Gasoil 10ppm cash settled swap transaction contracts. The first contract was entered into on 10 September 2014 for a total of 136,500 barrels, effective 15 September 2014 until 31 March 2015 at a fixed price of US$115.00 per barrel. The 136,500 barrels are based on 50% of usage for the seven-month period September 2014 to March 2015. Brent Crude at the time of the transaction was US$99.10 per barrel. The other contracts were entered into on 26 November 2014. A contract for 63,000 barrels for the period January to March 2015 was committed at a fixed price of US$94.00 per barrel, and a further 283,500 barrels was committed at a price of US$96.00 per barrel for the period April to December 2015. Brent Crude at the time of the transaction was US$78.50 per barrel. By entering into the above contracts, the Australian region hedged its full diesel requirements for 2015. As at 31 December 2014, the fair value of these oil derivative contracts was negative US$10 million.

On 1 October 2014, South Deep entered into a US$/Rand zero-cost collar for US$7.5 million per month for a period of six months starting October 2014. A floor of R11.2 and an average cap over the period of R12,0567 was achieved. The contract hedged approximately 37% of South Deep's estimated US Dollar revenue for the period. As at 31 December 2014, the fair value of the collar was US$nil.

2013

The US$1 million gain on the Australian diesel hedge relates to St Ives Gold Mining Company who entered into a Singapore Gasoil 10ppm cash settled swap transaction on 1 May 2013 for 7,500 barrels per month effective 1 June 2013 until 31 March 2014 at a fixed price of US$115.00 per barrel. 30,000 barrels with a positive mark-to-market value of US$0.3 million were outstanding at the end of December 2013.

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

Foreign exchange gains

The foreign exchange gains increased by 14% from US$7 million in 2013 to US$8 million in 2014. The breakdown of these numbers is given below:

	2014 US$ million	2013 US$ million
Exchange gains/(losses) on cash and working capital balances held in currencies other than the functional currencies of the Group's various subsidiary companies	**8**	(3)
Gain on repayment of US dollar-denominated intercompany loans	**–**	10
	8	7

The exchange gains/(losses) on cash and working capital balances were losses of US$3 million in 2013 compared with gains of US$8 million in 2014. The exchange gains of US$8 million in 2014 are mainly due to the effect of the weakening of the Ghanaian Cedi on accounts payable settled in local currency, while the exchange losses of US$3 million in 2013 were due to the effect of the weakening of the Ghanaian Cedi and Australian Dollar on cash holdings in local currencies.

The US$10 million gain in 2013 relates to the conversion of intercompany US Dollar-denominated loans between Gold Fields Orogen and Gold Fields Australia. This intercompany loan was fully repaid in 2013.

Other costs

Other costs decreased by 35% from US$97 million in 2013 to US$63 million in 2014.

The charges in 2014 are mainly made up of:

- Social contributions and sponsorships of US$13 million;
- Legal fees amounting to US$7 million as a result of the Gold Fields Board examination and regulatory investigation relating to the South Deep Black Economic Empowerment transaction;
- Rehabilitation costs of US$18 million as a result of an update of estimates; and
- Information technology conversion costs at the Yilgarn South assets of US$5 million.

The charges in 2013 are mainly made up of:

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

Share-based payments

Gold Fields recognises the cost of share options granted (share-based payments) in terms of IFRS 2 – *Share-based payment*.

Gold Fields has adopted appropriate valuation models (Black-Scholes and Monte Carlo simulation) to fair value share-based payments. The values of the share options and restricted shares are determined at the grant date of the options and depending on the rules of the plan expensed on a straight-line basis over a nine-month, 18-month or three-year vesting periods, adjusted for forfeitures as appropriate.

Based on these models, share-based payments decreased by 37% from US$41 million in 2013 to US$26 million in 2014. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The decrease in share-based payments was due to the fact that no further allocations of options under these plans are being made following the introduction of the Long-term Incentive Plan during 2014. The plans will be closed once all options have vested or forfeited.

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

Long-term Incentive Plan expense

Gold Fields recognises the long-term incentive plan expense in terms of IAS 19 – *Employee benefits*.

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited long-term incentive plan ("LTIP"). The plan provides for executive directors, certain officers and employees to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions are assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made.

These awards are measured on the date the award is made and re-measured at each reporting period. The total shareholder return portion of the award is measured using the Monte Carlo simulation valuation model, which requires assumptions regarding the share price volatility and expected dividend yield. The fair value of the free cash flow portion of the award is valued based on the actual and expected achievement of the cash flow targets set out in the plan. The assumptions used in the Monte Carlo model and the expected cash flow targets are reviewed at each reporting date.

The LTIP expense for 2014 amounted to US$9 million.

Exploration expense

Exploration expense decreased by 29% from US$66 million in 2013 to US$47 million in 2014. The bulk of the expenditure was incurred on a diversified pipeline of projects in Asia, Africa, Australia, North, South and Central America.

The decrease was due to the break-up of the Growth and International Projects ("GIP") division and deliberate reduction in exploration activities from September 2013. During 2014, the following amounts were spent on advanced stage exploration projects: Yanfolila in Mali (US$4 million) up to the date of disposal, Salares Norte in Chile (US$11 million), APP in Finland (US$3 million) and Chucapaca in Peru (US$3 million) and US$15 million was spent on exploration office costs. In addition, US$11 million related to brownfields exploration in Australia that is expensed.

During 2013, the following amounts were spent on advanced stage exploration projects: Yanfolila in Mali (US$3 million), Salares Norte in Chile (US$23 million), Pedernales in Chile (US$4 million), Woodjam in Canada (US$2 million) Taguas in Argentina (US$2 million), Talas in Kyrgyzstan (US$5 million) and Asosa in Ethiopia (US$5 million) and US$12 million was spent on exploration office costs. In addition, US$10 million related to brownfields exploration in Australia that is expensed.

Subject to continued exploration success, exploration expenditure is expected to be US$42 million in 2015, comprising brownfields exploration expensed of US$14 million and greenfields exploration of US$28 million.

Feasibility and evaluation costs

The Group did not incur any expenditure on feasibility and evaluation costs in 2014, compared with US$48 million in 2013, due to the deliberate reduction in feasibility and evaluation activities.

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

Share of equity accounted earnings after taxation

Share of results of equity accounted investees after taxation decreased by 89% from a loss of US$18 million in 2013 to a loss of US$2 million in 2014. Gold Fields equity accounts for four equity accounted investees: Rusoro Mining Limited ("Rusoro"), Far Southeast Gold Resources Incorporated ("FSE"), Bezant Resources PLC ("Bezant") and Hummingbird Resources PLC ("Hummingbird") (2013: Rusoro, FSE, Bezant, Rand Refinery Limited up to the date of unbundling of Sibanye Gold and Timpetra Resources Limited up to May 2013).

The Group's 26.4% share of after-tax losses in Rusoro Mining Limited was US$nil in 2014 and in 2013. The value of the investment was US$nil during 2014 and 2013 as the carrying value was written down to US$nil due to losses incurred by the entity.

The Group paid US$10 million in option fees to Lepanto Consolidated Mining Company during 2010 and non-refundable payments of US$44 million during 2010 and US$66 million during 2011 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. On 31 March 2012, the Group acquired 40% of the issued share capital of FSE after contributing an additional US$110 million to Liberty Express Assets. The Group's 40% share of after-tax losses in FSE decreased by 78% from US$18 million during 2013 to US$4 million during 2014. The decrease was mainly due to a deliberate reduction in exploration expenditure.

In January 2013, the Group purchased an associate stake in Bezant Resource PLC ("Bezant") for US$8 million. The Group's 21.6% share of after-tax profits in Bezant was US$1 million during 2014, compared with US$nil in 2013.

On 2 July 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird for US$21 million in the form of Hummingbird shares. The consideration represented an acquisition price of US$16/oz, which was higher than both a) the weighted average enterprise value per resource ounce of listed West African gold companies and b) recent mergers and acquisitions precedents of West African exploration/development assets, of US$14/oz. The Group's 25.1% share of after-tax profits in Hummingbird was US$nil during 2014. Hummingbird's results were released after year-end and are therefore not accounted for in 2014 results.

Before unbundling of Sibanye Gold, the Group had a 34.9% (1.8% for continuing operations and 33.1% for discontinued operations) in Rand Refinery Limited ("Rand Refinery"). The share of after-tax profits in Rand Refinery Limited for the two months ended February 2013 was US$nil.

During 2011, the Group acquired a 21.8% interest in Timpetra Resources Limited as a result of receiving 15 million Timpetra Resources Limited shares valued at US$3 million. Timpetra Resources is an Australian listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project previously owned by St Ives Gold Mining Company. During 2013, 13.7 million shares out of the 15 million previously held were disposed of and due to the decrease in shareholding, Timpetra Resources Limited is no longer considered an associate. The remaining number of shares is included in available-for-sale investments. The Group's share of after-tax profits for 2013 was US$nil.

Restructuring costs

Restructuring costs increased by 8% from US$39 million in 2013 to US$42 million in 2014. The cost in 2014 relates mainly to voluntary separation packages while the costs in 2013 include US$35 million on voluntary separation packages and US$4 million on business process re-engineering costs.

Impairment of investments and assets

Impairment of investments and assets decreased from US$810 million in 2013 to US$27 million in 2014.

The impairment charge of US$27 million in 2014 comprises:

- US$1 million net realisable write-downs of consumables at Lawlers;
- US$13 million impairment of redundant assets at South Deep, St Ives and Agnew;
- US$3 million at the Arctic Platinum project (APP). This project is valued at the lower of fair value less cost to sell or carrying value after a decision was made to dispose of APP and it was classified as held for sale in 2013. The carrying value at 31 December 2013 was US$43.2 million based on an offer made as part of the sale process during 2013. This offer was not realised but a second, lower offer was received closer to the end of 2014 which resulted in the further impairment in 2014;
- US$8 million related to impairment of listed investments (Bezant, Orsu Metals Corporation and various junior exploration companies); and
- US$6 million related to impairment of unlisted investments (Rand Refinery and Aurigin Resources Incorporated).

The above impairments were partially offset by the reversal of US$5 million impairment of Yanfolila. Following the Group's decision during 2013 to dispose of non-core projects, Yanfolila was classified as held for sale and, accordingly, valued at the lower of fair value less cost to sell or carrying value which resulted in an impairment of US$30 million during 2013. During 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird Resources PLC ("Hummingbird") for US$21 million, which was settled in the form of 21,258,503 Hummingbird shares. The fair value of Hummingbird shares exceeded the carrying value of Yanfolila, which resulted in a partial reversal of the 2013 impairment in 2014.

The impairment charge of US$810 million in 2013 included mainly cash-generating units ("CGU") impairments of US$265 million at St Ives, US$173 million at Damang and US$51 million at Tarkwa.

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

In addition the following were impaired during 2013:

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

There were no impairments of CGUs during 2014, while CGUs of US$265 million at St Ives, US$173 million at Damang and US$51 million at Tarkwa were impaired at 31 December 2013.

The 2013 impairment calculations for Ghana (Damang and Tarkwa) were based on the following estimates and assumptions:

- Long-term gold price of US$1,300 per ounce;
- A real discount rate of 8.0%;
- Proved and probable reserves as per the most recent life-of-mine plan;
- Operating costs and capital expenditure estimates as per the most recent life-of-mine plan; and
- Fair value, at US$26.0 per ounce, used for resource valuation.

The 2013 impairment calculation for St Ives was based on the following estimates and assumptions:

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

Profit on disposal of investments

The profit on the disposal of investments decreased by 94% from US$18 million in 2013 to US$1 million in 2014.

The profit on disposal of investments of US$1 million in 2014 comprises:

	US$ million
Profit on disposal of shares in Robust Resources Limited	**2**
Additional loss on disposal of the Group's interest in Talas (exploration project in Kyrgyzstan)	**(1)**
	1

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

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

Profit on disposal of Chucapaca

During 2014, Gold Fields sold its 51% interest in Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) for US$81 million to Compañía de Minas Buenaventura S.A.A. realising a profit of US$5 million.

(Loss)/profit on disposal of property, plant and equipment

(Loss)/profit on disposal of property, plant and equipment was a loss of US$1 million in 2014 compared to a profit of US$2 million in 2013.

The major disposals in 2014 related to the sale of redundant assets at St Ives, Darlot, Granny Smith, Tarkwa, Cerro Corona and South Deep whereas in 2013, they related to the sale of redundant assets at St Ives, Agnew, Cerro Corona, Tarkwa and South Deep.

Royalties

Royalties decreased by 5% from US$91 million in 2013 to US$86 million in 2014 and are made up as follows:

	2014 US$ million	2013 US$ million
South Africa	**1**	2
Ghana	**47**	56
Peru	**6**	9
Australia	**32**	24
	86	91

The royalty in South Africa (South Deep), Ghana and Peru decreased in line with the decrease in gold revenue. The royalty in Australia increased due to the inclusion of the Yilgarn South assets for a year in 2014.

Mining and income tax

Mining and income tax was a charge of US$118 million in 2014 compared to a credit of US$20 million in 2013. The tax credit in 2013 is mainly due to the impairment charges in Ghana and Australia.

The table below indicates Gold Fields' effective tax rate in 2014 and 2013:

	2014 US$ million	2013 US$ million
Income and mining tax (charge)/credit	**(118)**	20
Effective tax rate – %	**(85.3)**	3.3

In 2014, the effective tax rate of 85% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US$8 million adjustment to reflect the actual realised company tax rates in South Africa and offshore; and
- US$2 million non-taxable profit on disposal of investments and subsidiaries.

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

- US$18 million non-deductible charges comprising share-based payments (US$7 million) and exploration expense (US$11 million);
- US$4 million non-deductible impairment charges of assets relating to Arctic Platinum, Yanfolila, Bezant and Rand Refinery;
- US$28 million non-deductible interest paid;
- US$2 million non-deductible legal and consulting fees;
- US$3 million deferred tax charge on Peruvian Nuevo Sol devaluation against US Dollar;
- US$8 million of net non-deductible expenditure and non-taxable income;
- US$1 million of non-deductible share of results of associates after taxation; and
- US$8 million of various Peruvian non-deductible expenses.

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

In 2013, the effective tax rate of 3% was lower than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US$6 million adjustment to reflect the actual realised Company tax rates in South Africa and offshore; and
- US$2 million non-taxable profit on disposal of investments.

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

- US$50 million non-deductible charges comprising share-based payments (US$12 million), exploration expense (US$22 million) and feasibility and evaluation costs (US$16 million);
- US$44 million non-deductible impairment charges of assets relating to Arctic Platinum, Yanfolila and the non-refundable Bezant option payment;
- US$33 million non-deductible interest and facility charges paid;
- US$8 million non-deductible legal and consulting fees;
- US$5 million non-deductible stamp duty on the acquisition of the Yilgarn South assets;
- US$26 million deferred tax charge on Peruvian Nuevo Sol devaluation against US Dollar;
- US$17 million of net non-deductible expenditure and non-taxable income;
- US$6 million of non-deductible share of results of associates after taxation; and
- US$9 million of various Peruvian non-deductible expenses.

Profit/(loss) for the year from continuing operations

As a result of the factors discussed above, the continuing operations posted a profit of US$20 million in 2014 compared with a loss for the year of US$595 million in 2013.

Profit/(loss) attributable to owners of the parent from continuing operations

Gold Fields posted a profit attributable to ordinary shareholders of the Company from continuing operations of US$13 million in 2014 compared with a loss of US$584 million in 2013.

Profit/(loss) attributable to non-controlling interest holders from continuing operations

Profit/(loss) attributable to non-controlling interest from continuing operations was a profit of US$8 million in 2014 compared with a loss of US$12 million in 2013. The loss attributable to non-controlling interest in 2013 was mainly as a result of the impairment charges at the Ghanaian operations as discussed above.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% each at the end of 2014 (10% at the end of 2013), Gold Fields La Cima (Cerro Corona) at 0.47% at the end of 2014 (0.47% at the end of 2013) and Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) at nil% at the end of 2014 (49.0% at the end of 2013).

Gold Fields sold its interest in Canteras del Hallazgo for US$81 million during 2014.

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

	2014	2013	**2014**	2013
	Minority interest Effective*	Minority interest Effective*	**US$ million**	US$ million
Gold Fields Ghana Limited – Tarkwa	**10.0%**	10.0%	**9**	(2)
Abosso Goldfields – Damang	**10.0%**	10.0%	**–**	(11)
Gold Fields La Cima – Cerro Corona	**0.47%**	1.2%	**–**	1
Canteras del Hallazgo	**49.0%**	49.0%	**(1)**	–
			8	(12)

*Average for the year or period held.

Earnings/(loss) per share from continuing operations

As a result of the above, Gold Fields realised earning of US$0.02 per share in 2014 compared with a loss of US$0.79 per share in 2013.

Profit for the year from discontinued operations

The profit of US$288 million in 2013 comprised US$56 million relating to the profits of Sibanye Gold (classified as discontinued operations) for the two months up to the date of unbundling in February 2013 and US$232 million profit on distribution of Sibanye Gold.

Liquidity and capital resources

Cash resources

Cash flows from operating activities

Cash inflows from operating activities increased by 73% from US$467 million in 2013 to US$809 million in 2014. Included in the US$467 million from 2013 are US$31 million cash inflows related to discontinued operations for the two-month period to February 2013.

Continuing operations

Cash inflows from operating activities from continuing operations increased by 86% from US$436 million in 2013 to US$809 million in 2014. The increase of US$373 million was due to:

	US$ million
Increase in cash generated from operations due to lower other costs	**91**
Decrease in interest received due to lower cash balances	**(4)**
Increase in release of working capital	**74**
Increase in interest paid due to higher borrowings	**(15)**
Decrease in royalties paid due to lower revenue	**11**
Decrease in taxes paid due to higher tax paid in 2013	**193**
Decrease in dividends paid due to lower normalised earnings	**23**
	373

Dividends paid decreased from US$65 million in 2013 to US$42 million in 2014. The dividends paid of US$42 million in 2014 comprised dividends paid to ordinary shareholders of US$30 million, non-controlling interests in Ghana and Peru of US$10 million and South Deep BEE dividend of US$2 million.

The dividends paid of US$65 million in 2013 comprised dividends paid to ordinary shareholders of US$62 million, non-controlling interests in Ghana and Peru of US$1 million and South Deep BEE dividend of US$2 million.

Cash flows from investing activities

Cash outflows from investing activities decreased by 42% from US$915 million in 2013 to US$531 million in 2014. Included in the US$915 million from 2013 are US$55 million cash outflows related to discontinued operations for the two month period to February 2013.

Continuing operations

Cash outflows from investing activities for continuing operations decreased by 38% from US$860 million in 2013 to US$531 million in 2014. The items comprising these numbers are discussed below.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

Capital expenditure decreased by 18% from US$739 million in 2013 to US$609 million in 2014. The main reason for the decrease was the Group's response to the decrease in the gold price and the subsequent closure of the GIP division.

Capital expenditure at South Deep in South Africa decreased from R1,943 million (US$202 million) in 2013 to R994 million (US$92 million) in 2014:

- This decrease is mainly due to key infrastructure required for the build-up having been largely completed at the end of December 2013.

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

Capital expenditure at the West African operations decreased from US$257 million in 2013 to US$190 million in 2014:

- Tarkwa decreased from US$207 million to US$174 million mainly due to decreased expenditure on the purchase of mining fleet, decreased expenditure on capital waste stripping and no expenditure on the discharge water treatment plant; and
- Damang decreased from US$50 million to US$16 million mainly due to no expenditure on pre-stripping costs in 2014.

Capital expenditure at Cerro Corona in Peru decreased from US$56 million in 2013 to US$51 million in 2014:

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

Capital expenditure at the Australian operations increased from A$200 million (US$194 million) in 2013 to A$304 million (US$274 million) in 2014:

- St Ives decreased from A$137 million (US$132 million) to A$130 million (US$118 million) due to decreased capital development mainly at the Cave Rocks, Hamlet and Athena underground mines and no expenditure on open pit mobile equipment, partially offset by increased expenditure at the Neptune, West Idough and Redback open pits;
- Agnew/Lawlers increased from A$54 million (US$52 million) to A$92 million (US$83 million) due to Lawlers being included for the full year in 2014;
- Darlot increased from A$2 million (US$2 million) to A$16 million (US$15 million) due to expenditure being included for the full year 2014 as opposed to one quarter in 2013.
- Granny Smith increased from A$8 million (US$8 million) to A$65 million (US$59 million) due to expenditure being included for the full year 2014 as opposed to one quarter in 2013.

PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Proceeds on the disposal of property, plant and equipment decreased by 50% from US$10 million in 2013 to US$5 million in 2014. In 2014, this related to the sale of various redundant assets at South Deep and at the international mining operations. In 2013, this related mainly to the proceeds of US$10 million on sale of the Vivienne exploration asset at Agnew, as well as various redundant assets at South Deep and at the international mining operations.

LA CIMA NON-CONTROLLING INTEREST BUY-OUT

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

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

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

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

There was no additional buy-out of La Cima's non-controlling interest during 2014.

YILGARN SOUTH ASSET PURCHASE

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

PAYMENT TO BEZANT

In 2011, Gold Fields entered into an option agreement with Bezant Resources PLC ("Bezant") to acquire the entire issued share capital of Asean Copper Investments Limited ("Asean") which is incorporated in the British Virgin Islands, a wholly owned subsidiary of Bezant. Asean holds Bezant's entire interest in the Guinaoang porphyry copper-gold deposit ("the Mankayan project") located on the Luzon Island in the Philippines. Subsequent to approval being obtained from Bezant's shareholders, in 2011, Gold Fields paid an upfront non-refundable option fee of US$7 million to Bezant Resources PLC and had the option to acquire the entire issued share capital of Asean for US$63 million. The option could be exercised from the date upon which it was granted until expiry on 31 January 2013. In January 2013, the option was extended to 31 January 2014 with a revised consideration of US$61 million to be paid on future exercise of the option. In consideration for this extension, Gold Fields made a payment of US$10 million comprising a second non-refundable payment of US$2 million and US$8 million payment for a 21.6% shareholding in Bezant. In November 2013, Gold Fields relinquished the option ahead of the expiry date and the US$10 million non-refundable option fee was impaired. The 21.6% shareholding in Bezant, acquired in January 2013, is classified as an investment in associate.

PROCEEDS ON DISPOSAL OF CHUCAPACA

During 2014, Gold Fields sold its 51% interest in Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) for US$81 million to Compañía de Minas Buenaventura S.A.A.

PURCHASE OF INVESTMENTS

Investment purchases remained flat at US$4 million in 2014.

The purchase of investments of US$4 million in 2014 comprised:

	US$ million
Rand Refinery Limited[1]	**3**
Tocqueville Bullion Reserve Limited	**1**
	4

[1] On 25 July 2014, Rand Refinery announced that its shareholders had approved and certain shareholders would extend to Rand Refinery, an irrevocable, subordinated loan facility ("the Facility") up to R1.2 billion (US$103.8 million). The maximum commitment of Gold Fields Operations Limited ("GFO"), a subsidiary of Gold Fields Limited, is R37.3 million (US$3.2 million). In December 2014, GFO paid R32.0 million (US$3.0 million) to Rand Refinery.

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

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

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

PROCEEDS ON DISPOSAL OF INVESTMENTS

Proceeds on the disposal of investments decreased from US$35 million in 2013 to US$6 million in 2014.

The proceeds on disposal of investments of US$6 million in 2014 comprised:

	US$ million
Sale of shares in Robust Resources Limited	**4**
Sale of the Group's interest in Talas (exploration project in Kyrgyzstan)	**2**
	6

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

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

ENVIRONMENTAL TRUST FUNDS AND REHABILITATION PAYMENTS

The environmental trust fund and rehabilitation payments increased from US$5 million in 2013 to US$10 million in 2014.

During 2014, Gold Fields paid US$1 million into its South Deep mine environmental trust fund and US$6 million into its Tarkwa mine environmental trust fund and spent US$3 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US$10 million for the year.

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

Cash flows from financing activities

Cash flows from financing activities was an outflow of US$126 million in 2014 compared to an inflow of US$253 million in 2013. Included in the US$253 million from 2013 are US$39 million cash inflows related to discontinued operations for the two-month period to February 2013.

Continuing operations

Cash flows from financing activities for continuing operations was an outflow of US$126 million in 2014 compared to an inflow of US$214 million in 2013. This is in line with Gold Fields strategy to reduce debt. The items comprising these amounts are discussed below.

LOANS RECEIVED FROM NON-CONTROLLING INTERESTS

Non-controlling interest holders' loans received decreased from US$7 million in 2013 to US$2 million in 2014. Both financial years related to cash advanced by Buenaventura in accordance with their obligations under the Chucapaca agreement. The reason for the decrease in loans received from non-controlling interest holders is the disposal of Chucapaca in August 2014.

LOANS RAISED

Loans raised decreased from US$3,178 million in 2013 to US$464 million in 2014.

The US$464 million loans raised in 2014 comprised:

	US$ million
La Cima revolving senior secured credit facility	**42**
US$70 million senior secured revolving credit facility	**35**
US$1,510 million term loan and revolving credit facilities	**42**
R500 million Rand Merchant Bank revolving credit facility	**46**
Short-term Rand credit facilities	**299**
	464

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

	US$ million
US$70 million senior secured revolving credit facility	35
US$1,510 million term loan and revolving credit facility	893
R1,500 million Nedbank revolving credit facility – R1,500 million	156
Short-term Rand credit facilities[1]	2,094
	3,178

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

LOANS REPAID

Loans repaid decreased from US$2,971 million in 2013 to US$592 million in 2014.

The US$592 million loans repaid in 2014 comprised:

	US$ million
US$200 million non-revolving senior secured term loan	**70**
US$70 million senior secured revolving credit facility	**35**
US$1,510 million term loan and revolving credit facility	**189**
R500 million Rand Merchant Bank revolving credit facility	**22**
Short-term Rand credit facilities	**276**
	592

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

	US$ million
US$1 billion syndicated revolving credit facility	666
US$500 million syndicated revolving credit facility	104
US$200 million non-revolving senior secured term loan	40
US$1,510 million term loan and revolving credit facility	120
Short-term Rand credit facilities[1]	2,041
	2,971

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

Net loans repaid was US$128 million in 2014 compared to net loans raised of US$207 million in 2013. The increase in net loans repaid was mainly due to additional cash available to repay loans at the international operations.

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

PROCEEDS FROM THE ISSUE OF SHARES

Shares issued decreased from US$1 million in 2013 to US$nil in 2014. This related to proceeds received from shares issued in terms of the Group's employee share scheme.

Net cash generated/(utilised)

As a result of the above, net cash generated in 2014 amounted to US$152 million compared to net cash utilised in 2013 of US$195 million. Cash of US$106 million in 2013 relating to discontinued operations was transferred to Sibanye Gold upon unbundling.

Cash and cash equivalents amounted to US$458 million at 31 December 2014, as compared with US$325 million at 31 December 2013.

Statement of financial position

BORROWINGS

Total debt (short and long-term) decreased from US$2,060 million at 31 December 2013 to US$1,911 million at 31 December 2014. Net debt (total debt less cash and cash equivalents) decreased from US$1,735 million at 31 December 2013 to US$1,453 million at 31 December 2014 mainly as a result of lower debt and increase in the cash balances.

PROVISIONS

Long-term provisions increased from US$294 million at 31 December 2013 to US$320 million at 31 December 2014 and included a provision for environmental rehabilitation costs of US$311 million (2013: US$284 million) and other long-term provisions of US$9 million (2013: US$11 million).

PROVISION FOR ENVIRONMENTAL REHABILITATION COSTS

The amount provided for environmental rehabilitation costs increased from US$284 million at 31 December 2013 to US$311 million at 31 December 2014. The increase is largely due to the base case increases and decreases in discount rates. This provision represents the present value of closure, rehabilitation and other environmental obligations incurred up to 31 December 2014. This provision is updated annually to take account of inflation, the time value of money and any new environmental obligations incurred.

The inflation and range of discount rates applied in 2014 and 2013 for each region are shown in the table below:

	South Deep	Ghana	Australia	Peru
Inflation rates				
2014	**6.2%**	**2.2%**	**2.5%**	**2.2%**
2013	7.7%	9.0%	2.5%	2.3%
Discount rates				
2014	**8.6%**	**7.3 – 7.9%**	**2.3 – 3.1%**	**3.8%**
2013	8.8%	11.0%	3.8 – 4.8%	5.1%

The inflation and interest adjustment increased by 20% from US$15 million in 2013 to US$18 million in 2014 mainly due to higher base cases. In 2014, the rehabilitation inflation expense was included under finance expense, whereas it was previously reported as part of cost of sales.

The significant decrease in the Ghanaian inflation and discount rates is due to the change from a Ghanaian Cedi- based inflation and discount rates in 2013 to a United States Dollar-based inflation and discount rates in 2014.

Adjustments for new disturbances and changes in environmental legislation for continuing operations during 2014 and 2013, after applying the above inflation and discount rates were:

	2014 US$ million	2013 US$ million
South Africa	**(10)**	(1)
Ghana	**(24)**	(8)
Australia	**53**	(10)
Peru	**16**	(5)
Total	**35**	(24)

The South African and Ghanaian operations contribute to dedicated environmental trust funds to provide financing for final closure and rehabilitation costs. The amount invested in the fund is shown as a non-current asset in the financial statements and increased from US$24 million at 31 December 2013 to US$30 million at 31 December 2014. The increase is mainly as a result of contributions amounting to US$7 million. Interest income remained flat at US$1 million. The South African and Ghanaian operations are required to contribute annually to the trust fund over the remaining lives of the mines, to ensure that sufficient funds are available to discharge commitments for future rehabilitation costs.

OTHER LONG-TERM PROVISIONS

Other long-term provisions decreased by 18% from US$11 million at 31 December 2013 to US$9 million at 31 December 2014. Under the South Deep transaction, a wholly owned subsidiary company of Gold Fields was created to acquire 100% of the South Deep net assets from GFIMSA. GFIMSA was a wholly owned subsidiary of Gold Fields. The new company then issued 10 million Class B ordinary shares representing 10.0% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share and can convert the Class B to Class A ordinary shares over a 20-year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one-third after 10 years and a third thereafter on each fifth year anniversary. For accounting purposes, the dividend represents a liability of Gold Fields to the Class B ordinary shareholders and qualifies as a share-based compensation. The Rand-based effective interest rate used to discount the future dividend payments is 9.55%. At 31 December 2014, the outstanding provision is US$11 million of which US$2 million is classified as a short-term portion under accounts payable and US$9 million as long-term under long-term provisions.

Sarbanes-Oxley

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

At the time of reporting, management has completed control design and operating effectiveness testing for the Group across all significant locations, with the exception of the processes relating to preparation of US GAAP reporting (20F).

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

Paul Schmidt
Chief Financial Officer
23 March 2015

Directors' report

The directors have pleasure in submitting their report and the annual financial statements of Gold Fields Limited (Gold Fields or the Company) and its subsidiaries (together referred to as the Group) for the 12-month period ended 31 December 2014.

PROFILE

BUSINESS OF THE COMPANY

Gold Fields Limited is an unhedged, globally diversified producer of gold with eight operating mines in Australia, Ghana, Peru and South Africa. Gold Fields subsequently has attributable gold-equivalent annual production of approximately 2.22 million ounces, Mineral Reserves of approximately 48.1 million ounces and Mineral Resources of approximately 108.3 million ounces. Gold Fields has a primary listing on the JSE Limited, with secondary listings on the New York Stock Exchange (NYSE), NASDAQ Dubai Limited, Euronext in Brussels (NYX) and the Swiss Exchange (SWX).

REVIEW OF OPERATIONS

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

FINANCIAL RESULTS

The information on the financial position of the Group for the period ended 31 December 2014 is set out in the financial statements on page 64 of this Annual Financial Report. The income statement for the Group shows a profit attributable to Gold Fields shareholders of US$13 million for the 12-month period ended 31 December 2014 compared with a loss of US$296 million for the 12-month period ended 31 December 2013.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The financial statements of the Group and Company comply with International Financial Reporting Standards, the South African Institute of Chartered Accountants Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act.

LISTINGS

The abbreviated name under which the Company is listed on the JSE Limited (JSE) is GFIELDS and the short code is GFI.
The Company also has a secondary listing on the following stock exchanges:

New York Stock Exchange (NYSE); NASDAQ Dubai Limited (NASDAQ Dubai); NYSE Euronext in Brussels (NYX) and the SIX Swiss Exchange (SWX).

At 31 December 2014, the Company had in issue, through The Bank of New York Mellon on the New York Stock Exchange (NYSE), 332,768,397 (31 December 2013: 292,099,241) American Depository Receipts (ADRs). Each ADR is equal to one ordinary share.

DIRECTORATE

COMPOSITION OF THE BOARD

The Board currently consists of two executive directors and seven non-executive directors. There were no changes in directorship during the period under review.

ROTATION OF DIRECTORS

Directors retiring in terms of the Company's Memorandum of Incorporation, all of whom are eligible and offer themselves for re-election, are Mrs C Carolus, Mr AR Hill and Mr RP Menell all of whom are eligible and offer themselves for re-election. Should he be re-elected Mr AR Hill will only hold office until 31 December 2015.

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

DIRECTORS' AND OFFICERS' DISCLOSURE OF INTERESTS IN CONTRACTS

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

SHARE OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

For the period between 31 December 2014 and 16 March 2015, the directors' beneficial interest in the issued and listed share capital of the Company was 0.11412%. No one director individually exceeds 1% of the issued share capital or voting control of the Company.

Figure 1: Share ownership of directors and executive officers

	Beneficial			
	Direct		Indirect	
	31 Dec 14[1]	31 Dec 13	31 Dec 14	31 Dec 13
Director				
Nicholas J Holland	**610,877**	308,971	**–**	–
Paul A Schmidt	**95,109**	37,864	**–**	–
Alan Hill	**–**	–	**–**	–
Kofi Ansah	**–**	–	**–**	–
Cheryl Carolus	**3,129**	3,129	**–**	–
Richard Menell	**5,850**	17,949	**–**	–
Donald M J Ncube	**2,378**	2,378	**8,874**	5,496
David Murray	**–**	–	**–**	
Gayle Wilson	**2,378**	2,378	**–**	–
Prescribed officer			**–**	
Richard Weston	**–**	–	**–**	–
Naseem Chohan	**62,485**	26,201	**–**	–
Brett Mattison	**7,601**	7,594	**–**	–
Lee-Ann Samuel	**3,652**	3,365	**–**	–
Taryn Harmse	**2,102**	2,102	**–**	–
Alfred Baku	**–**	–	**–**	–
Ernesto Balarezo	**–**	–		
Willie Jacobsz	**62,044**	57,278	**18,284**	
Total	**857,605**	469,209	**27,158**	5,496

Notes

1. Inclusive of shares vested and transferred between 1 January 2014 and 16 March 2015.

FINANCIAL AFFAIRS

DIVIDEND POLICY

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

TOTAL DIVIDEND

On 11 February 2015, the Company declared a final cash dividend number 81 of 20 SA cents per ordinary share to shareholders reflected in the register of the Company on 6 March 2015. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 9 March 2015.

The dividend resulted in a total dividend of 40 SA cents per share for the 12-month period ended 31 December 2014 (2013: 22 SA cents), with the final dividend being accounted for in 2015. Dividends for SA shareholder are subject to the SA Dividend Withholding Tax and withheld at source. For offshore shareholders this also applies subject to bilateral tax treaties.

BORROWING POWERS

In terms of the provisions of section 19(1) of the Companies Act, No. 71 of 2008, read together with clause 4 of the Company's Memorandum of Incorporation, the borrowing powers of the Company are unlimited. As at 31 December 2014, the Company's gross borrowings totalled US$1.91 billion, compared to total borrowings of US$2.06 billion at 31 December 2013. Cash resources as of 31 December 2014 amounted to US$458 million, resulting in net borrowings of US$1.45 billion.

CAPITAL EXPENDITURE

Capital expenditure for the 12-month period to 31 December 2014 amounted to US$609 million compared with US$739 million in 2013. Estimated capital expenditure for 2015 is US$660 million and is intended to be funded from internal sources and, to the extent necessary, borrowings.

Directors' report (continued)

SIGNIFICANT ANNOUNCEMENTS

Decision in Native Title proceedings affecting St Ives mine

12 December 2014

Gold Fields advised the market that Gold Fields' subsidiary, St Ives Gold Mining Company and another major resources company have filed an appeal in respect of aspects of the decision of the Federal Court of Australia handed down on 7 July 2014 in the Ngadju native title matter. That decision was later set out in the Determination of the Court made on 21 November 2014.

Gold Fields hands over R27 million Westonaria housing project

1 December 2014

Gold Fields handed over 150 subsidised housing units to the Westonaria Local Municipality and the Gauteng Department of Human Settlement. The settlement is located near Gold Fields' South Deep mine on the West Rand. Gold Fields spent approximately R27 million on construction of the houses.

South Deep hands over Poortjie housing project

20 November 2014

Gold Fields' South Deep announced the handover of 13 homes to elderly residents in the Poortjie settlement near its South Deep mine. The cost of restoring the homes was R1.4 million.

SA mining companies seek comprehensive solution on occupational lung disease

18 November 2014

Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and Sibanye Gold announced the formation of an industry working group to address issues relating to compensation and medical care for occupational lung disease in the SA gold mining industry.

Gold Fields opens ICT centre in Ghana

16 September 2014

Gold Fields Ghana commissioned an Information Technology Centre at Huni Valley in the Western Region, in honour of the Late President John Evans Atla Mills.

Gold Fields' new Company Secretary

5 September 2014

The Board of Gold Fields announced that Taryn Harmse will step down as Company Secretary with effect from 15 September 2014 to concentrate on her role as Executive Vice-President: General Counsel. Lucy Mokoka, General Manager: Company Secretary, for MTN South Africa, was appointed in the role of Company Secretary for Gold Fields.

SA gold producers launch online communications platform

26 August 2014

This is Gold, a collaborative and web-based initiative to provide insight into the gold industry, its processes and its contribution to South Africa, was launched today by the country's four largest gold producers AngloGold Ashanti, Gold Fields, Harmony and Sibanye.

Gold Fields response to misleading Business Day *article*

22 August 2014

Gold Fields took note of the misleading and factually inaccurate *Business Day* article headlined "South Deep woes grow with R12 billion Kebble suit". The claim related to alleged activities during the period from 2002 – 2005 and was instituted by Randgold and Exploration Company on 21 August 2008. This claim is historic and related to a period prior to Gold Fields purchasing the mine.

Gold Fields sells its 51% stake in Peru's Chucapaca project to Buenaventura

19 August 2014

Gold Fields agreed to sell its 51% stake in Cantaras del Hallazgo S.A.C (CDH), the company that manages Chucapaca project in southern Peru, to its joint venture partner in the project, Buenaventura, which owned 49% in CDH. The agreed sale price was US$81 million and a 1.5% net smelter royalty on future sales of gold, copper and silver produced in the current Chucapaca concession.

Gold Fields extends its US Dollar credit facilities

19 June 2014

Gold Fields announced that it had reached agreement with its bank group to amend and extend certain facilities under its syndicated bank credit facilities agreement.

Gold Fields wins 2013 IAS/SAMREC award

13 June 2014

Gold Fields announced that it won the award for best mineral reserve and resource reporting held annually by the SA Investment Analyst, Society the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves.

South Deep Section 54 lifted, operations resumed

2 June 2014

The South Deep Project in South Africa is again operational after the section 54 order, issued by the Department of Mineral Resources on 27 May 2014, was lifted. The DMR issued the section 54 order after an in-loco inspection into the circumstances surrounding two separate fatal accidents on 17 and 27 May 2014, placing a moratorium on all workshop-related activities across the mine and effectively bringing all production to a halt.

South Deep fatalities

27 May 2014

Gold Fields announced that an employee at the South Deep Project in South Africa this morning lost his life in an industrial type accident in an underground satellite workshop at the mine. This followed a similar workshop-related fatal accident on 17 May 2014.

Gold Fields in support of EITI

27 February 2014

The Executive Industries Transparency Initiative (EITI) has published Gold Fields' principle of support on the EITI website. The EITI is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenue from natural resources.

Resignation of Executive Vice-President and General Counsel

20 January 2014

Gold Fields announced that Michael Fleischer, Executive Vice-President and General Counsel, has tendered his resignation to the Board of Directors to join MTN South Africa.

Directors' report (continued)

GOING CONCERN

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

DEMATERIALISATION OF THE SHARES

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

PROPERTY

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

OCCUPATIONAL HEALTHCARE SERVICES

Occupational healthcare services are made available by Gold Fields to employees in South Africa from its existing facilities. There is a risk that the cost of providing such services could increase in the future, depending upon changes in the nature of underlying legislation such as the ruling by the Constitutional Court in February 2011 against AngloGold Ashanti in favour of a claimant, who suffered from silicosis. Increased costs, should they transpire, are currently indeterminate (page 29).

ENVIRONMENTAL OBLIGATIONS

The Company's total closure liabilities in 2014 were estimated at US$391 million (2013: US$355 million). The total closure liabilities are broken down as follows:

- Americas: US$57 million (15% of total)
- Australasia: US$213 million (54%)
- South Africa: US$32 million (8%)
- West Africa: US$89 million (23%)

The funding methods used to make provision for the required portion of the mine closure cost liabilities, in accordance with in-country legislation, are:

- Ghana: Reclamation bonds underwritten by banks and restricted cash
- South Africa: Contributions into environmental trust funds and guarantees
- Australia: Due to legislative changes in Western Australia becoming effective in July 2014, companies are now required to pay an annual levy to the State of 1% of the total estimated mine closure liability. This levy goes into a State-administered fund known as the Mine Rehabilitation Fund which will be used to rehabilitate legacy sites or sites that have been prematurely closed or abandoned. This levy replaces the previous mine closure security provisions
- Peru: Bank guarantees

LITIGATION

RANDGOLD AND EXPLORATION SUMMONS

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

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest value of the Resources and Uranium One share prices between the dates of the alleged thefts and March 2008 (between R 11 billion and R12 billion (approximately US$1 billion)). The quantifiable alternative claims have been computed on the basis of the actual amounts allegedly received by GFO to fund its operations (approximately R521 million or US$45 million).

It should be noted that the claims lie only against GFO, whose only interest is a 50% stake in the South Deep mine. This alleged liability is historic and relates to a period of time prior to the Group purchasing the company.

GFO's assessment remains that it has sustainable defenses to these claims and, accordingly, GFO's attorneys were instructed to vigorously defend the claims.

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

SILICOSIS

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease ("COAD") as well as noise-induced hearing loss ("NIHL"). The Occupational Diseases in Mines and Works Act, 78 of 1973 ("ODMWA") governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. In 2011, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case-by-case basis, it is possible that such ruling could expose Gold Fields to claims related to occupational hazards and diseases (including silicosis), which may be in the form of a class or similar group action. If Gold Fields were to face a significant number of such claims and the claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Gold Fields' results of operations and financial position. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

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

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

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

The two class applications were consolidated into one application on 17 October 2013 and the parties agreed a court-sanctioned process for the delivery of answering and replying affidavits and for the consolidated application to be heard during the weeks of 12 and 19 October 2015. The consolidated application will be preceded by various legal technical applications and court processes.

In addition to the consolidated action, an individual action has been instituted against Gold Fields and one other mining group in terms of which the plaintiff claims R25.0 million (US$2.2 million) in damages (and interest on that amount at 15.5% from May 2013 to date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has defended the action and has pleaded to the claim.

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

SOUTH DEEP TAX DISPUTE

The South Deep mine (South Deep) is jointly owned and operated by GFIJVH (50%) and GFO (50%).

As at 31 December 2014, South Deep's gross deferred tax asset balance amounted to R6,495.1 million (US$561.9 million). This amount is included in the consolidated deferred tax asset of US$62.4 million on Gold Fields' statement of financial position. South Deep's gross deferred tax asset comprises unredeemed capital expenditure balances of R2,475.4 million (US$214.1 million) at GFI and R2,278.2 million (US$197.1 million) at GFO, a capital allowance balance (Additional Capital Allowance) of R687.6 million (US$59.5 million) at GFIJVH and assessed loss balances of R72.4 million (US$6.3 million) at GFIJVH and R981.5 million (US$84.9 million) at GFO.

Directors' report (continued)

During the September 2014 quarter, the South African Revenue Services (SARS) issued a Finalisation of Audit Letter (the Audit Letter) stating that SARS has restated GFIJVH's Additional Capital Allowance balance reflected on its 2011 tax return from R2,292.0 million to nil. The tax effect of this amount is R687.6 million, that being the amount referred to above as Additional Capital Allowance.

The Additional Capital Allowance was claimed by GFIJVH in terms of section 36(11)(c) of the South African Income Tax Act, 1962 (the Act). The Additional Capital Allowance provides an incentive for new mining development and only applies to unredeemed capital expenditure. The Additional Capital Allowance allows a 12% capital allowance over and above actual capital expenditure incurred on developing a deep level gold mine, as well as a further annual 12% allowance on the mine's unredeemed capital expenditure balance brought forward, until the year that the mine starts earning mining taxable income (i.e. when all tax losses and unredeemed capital expenditure have been fully utilised).

In order to qualify for the Additional Capital Allowance, South Deep must qualify as a "post-1990 gold mine" as defined in the Act. A "post-1990 gold mine", according to the Act, is defined as 'a gold mine which, in the opinion of the Director-General: Mineral and Energy Affairs, is an independent workable proposition and in respect of which a mining authorisation for gold mining was issued for the first time after 14 March 1990".

During 1999, the Director-General: Minerals and Energy Affairs (DME) and SARS confirmed, in writing, that GFIJVH is a "post-1990 gold mine" as defined, and therefore qualified for the Additional Capital Allowance. GFIJVH subsequently filed its tax returns on this basis, as was confirmed by the DME and SARS.

In the Audit Letter, SARS stated that both the DME and SARS erred in issuing the confirmations as mentioned above and that GFIJVH does not qualify as a "post-1990 gold mine" and therefore does not qualify for the Additional Capital Allowance.

The Group has taken legal advice on the matter and believes that SARS should not be allowed to disallow the Additional Capital Allowance. GFIJVH has in the meantime not only formally lodged an objection to the SARS' disallowance, but also filed an application in the High Court and will vigorously defend its position.

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

NATIVE TITLE CLAIM

Gold Fields advised the market on 27 January 2014, that Gold Fields' subsidiary, St Ives Gold Mining Company Pty Ltd ("St Ives"), which owns the St Ives Gold Mine in Western Australia, had been joined as a respondent, alongside the State of Western Australia (the "State") and another mining company, in proceedings commenced in the Federal Court of Australia by the Ngadju People, seeking determination of its claim for native title over a parcel of land in the Goldfields region of Western Australia.

"Native title" refers to the rights and interests held by Aboriginal people in Australia under traditional laws and customs, in relation to land and water to which those Aboriginal people have a connection, that are recognised under the common law of Australia.

In the course of these proceedings, the Ngadju People alleged that a number of mining tenements held by St Ives (being tenements that were originally granted to WMC Resources by the State under the terms of a State Agreement, and subsequently acquired in 2001 by St Ives), are invalid to the extent that they affect the Ngadju People's native title rights. The process for obtaining the re-grant of those tenements in 2004 under the provisions of the Mining Act 1978 (WA) was carefully considered and followed by Gold Fields at the time, acting in conjunction with the State.

As advised to the market on 7 July 2014, in a decision handed down by a single judge of the Federal Court of Australia on 3 July 2014, the Court accepted the submissions of the Ngadju People that the re-grant of these tenements by the State was not compliant with the correct processes in the Native Title Act 1993 (Cth), and as such, the re-granted tenements are invalid to the extent that they affect native title. This means that to the extent that there is inconsistency between the rights of St Ives as tenement holder, and the Ngadju People's native title rights (such the right to conduct ceremonies, or to hunt), the rights of the Ngadju People will prevail. This decision was confirmed by a Determination of native title made by the Federal Court in November 2014.

The practical effect of such a finding has never been tested under Australian law. However, it may mean the Ngadju People could seek to prevent the further exercise of rights by St Ives on the tenements in a manner that is inconsistent with the free exercise of their native title rights and/or seek damages for historical interference with their native title rights. The fact that the Ngadju People have only non-exclusive native title rights (and not the higher category of exclusive possession rights) may reduce the extent to which the two sets of rights are found to be inconsistent.

Importantly, the decision does not affect the grant of mining tenure to St Ives under the *Mining Act 1978* (WA). St Ives still validly holds all of the tenements which underpin its mining operations at St Ives, and as these proceedings are not an action against St Ives for failure to take certain steps, the Court has no ability to impose any sort of penalty against St Ives.

Gold Fields remains strongly of the view that it has at all times complied with its obligations under the *Native Title Act 1993* (Cth) in respect of its dealings with these tenements. Gold Fields advised the market on 12 December 2014 that, together with another major resources company, it had filed an appeal in respect of aspects of the Federal Court's decision. The appeal (before the Full Court of the Federal Court of Australia (3 Judges)) has been listed to take place in May 2015. Gold Fields retains the ability to seek leave to further appeal to the High Court of Australia, if necessary. Gold Fields will also take all steps necessary to ensure that the St Ives operations are unaffected whilst this matter is resolved through the relevant Court processes.

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

REGULATORY INVESTIGATION

Gold Fields was informed in September 2013 that it is the subject of a regulatory investigation in the United States by the US Securities and Exchange Commission relating to the Black Economic Empowerment transaction (BEE Transaction) associated with the granting of the mining licence for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation (the Hawks) informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed with a formal investigation, following a complaint by the Democratic Alliance. The investigation is still in process and it is not possible to determine what effect the ultimate outcome of this investigation any regulatory findings and any related developments may have on the Company or the timing thereof.

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

ADMINISTRATION

The office of Company Secretary of Gold Fields Limited was held by Taryn Harmse until 15 September 2014 of the period under review. As from 16 September 2014, Lucy Mokoka has held the position.

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

AUDITORS

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

SUBSIDIARY COMPANIES

Details of major subsidiary Companies in which the Company has a direct or indirect interest are set out on pages 130 – 131.

Remuneration report

Dear Shareholders

The Remuneration Report is presented in two parts. Part 1 explains the Remuneration Policy and forward looking changes, while Part 2 reports on the implementation of this policy during the past year. The Remuneration Policy will be put to a non-binding shareholder vote at the AGM in May.

PART 1: REMUNERATION PHILOSOPHY AND POLICY

Role of the Remuneration Committee

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

The committee ensures that total executive remuneration is competitive to allow the Company to attract and retain the critical talent required to deliver the growth strategy. At the same time, the committee regularly reviews local and international best practice benchmarks to ensure that remuneration is fair and reasonable.

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

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

2015 Remuneration Policy

The key principles of our Remuneration Policy remain unchanged, namely that the policy should:

- support the execution of the Group's business strategy
- provide competitive rewards to attract, motivate and retain highly skilled executives
- motivate and reinforce individual, team and business performance

Remuneration Strategy

The principle of performance-based remuneration is one of the cornerstones of the Remuneration Strategy. It is further underpinned by sound remuneration management and governance principles, which are promoted across Gold Fields to ensure the consistent application of the Remuneration Strategy and the Remuneration Policy.

The Gold Fields Remuneration Strategy comprises the following key elements:

- Guaranteed pay
- Benefits
- Short-term incentives (STI), i.e. annual performance bonuses
- Long-term cash incentive instrument i.e. as detailed in the Long-Term Cash Incentive Plan (LTIP)

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

	REWARD COMPONENT	STRATEGIC INTENT
TOTAL REMUNERATION	**Guaranteed Remuneration Package (GRP)** – in the form of an all-inclusive total cost to company package for South African employees **Base Rate of Pay (BRP)** – for international employees	• Increased flexibility • Reward for sustained performance and value added to the business over time • Pay competitive packages • Reward for overall contribution and performance
	Benefits – incl. in GRP, only leave is on top of GRP and all benefits are on top of BRP Standard benefits with flexible options: • Medical Aid • Retirement • Leave • Car and travel allowances	• Comply with legislation across regions • Competitive benefits • Affordable to both employees and the company • Fits in with lifestyle needs of employees • Convenient and flexible
	Short-Term Incentive (STI) • Group Annual Incentive Scheme	• Improved performance at corporate, regional, operational and individual level • Significant performance differentiation • Short-term view (12 months) • Alignment to business objectives
	Long-Term Incentive Plan (LTIP) • Long-term cash incentive	• Market performance of the company • Shareholder alignment • Long-term view (36 months) • Allow participants to participate in the future financial success of Gold Fields
OTHER ELEMENTS OF REWARD	• Training and Development • Work-life balance • Recognition	• Employee Value Proposition • Internal and external branding • Recognition Culture

Remuneration report (continued)

Remuneration mix

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

For 2014 and 2015, the overall remuneration mix of executives is as follows:

FIGURE 1: Paymix for actual total remuneration in 2014

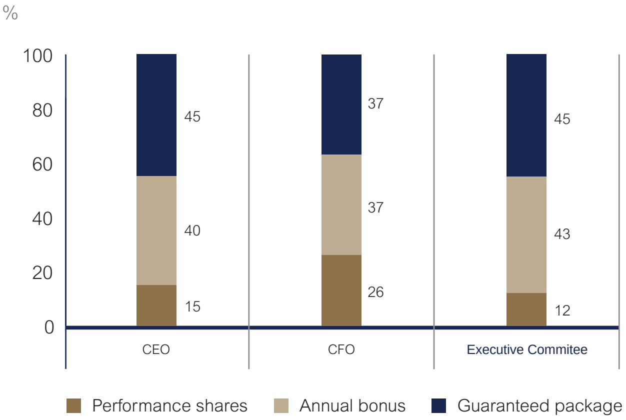
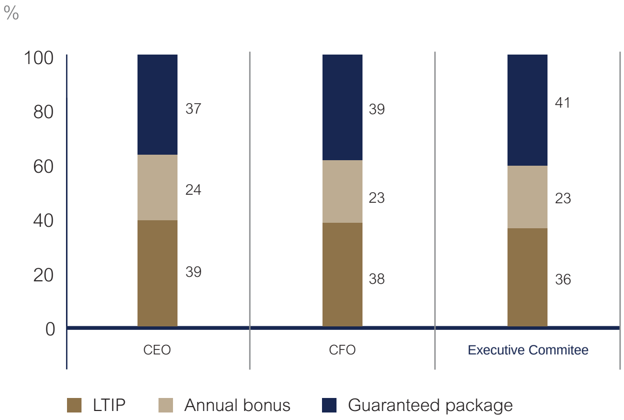


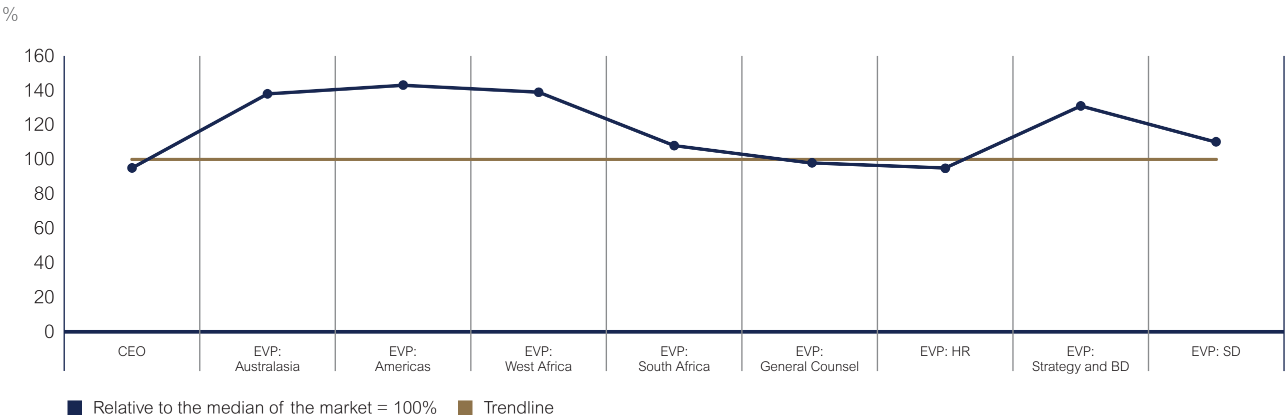
FIGURE 2: Paymix for on-target total remuneration in 2015



The nature of the industry is global and the dynamics of talent mobility at this level of position is a known phenomenon. Hence there is a requirement to establish a basis for comparing remuneration across currencies and geographies.

Gold Fields contracted Mercer Consulting South Africa to provide a comprehensive analysis of the Group Executive Committee's remuneration. The study confirmed that the compensation of executives is in line with where Gold Fields is positioned in the basket of comparator companies.

FIGURE 3: Executive guaranteed packages relative to the market



Guaranteed pay

Gold Fields' policy is to reward its people fairly and consistently according to their role and their individual contribution to the Company and its performance. To achieve external equity and competitive remuneration, Gold Fields uses surveys of peer-group mining companies. The benchmark for guaranteed pay is the market median for the relevant market, with a significant proportion of performance-related variable pay comprising short- and long-term incentives. For exceptional performance, the company positions remuneration, including short- and long-term incentives, at the 75th percentile of the market. The Remuneration Committee retains the discretion to determine whether and to what extent specific over-performance levels warrant total pay at the 75th percentile.

As a global company, with the majority of our operations now outside South Africa, we expect our senior executives to have global experience. We therefore compete for talent in a global marketplace, and our approach to remuneration takes account of the need to be competitive throughout the various jurisdictions in which the Group operates.

Benefits

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

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

Short-term Incentives (Annual Performance Bonus)

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

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

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

Operational objectives for each mine are measured against the operational plans approved by the Board and include safety, production, costs and ore reserve development. The operational objectives form the basis of the regional objectives and subsequently feed into the Group objectives.

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

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

Details of the bonus outcomes for 2014 are detailed in Part 2 of this report.

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

Remuneration report (continued)

The Group Scorecard translates the strategy into metrics for 2015:

FINANCIAL

KPI	OBJECTIVE
SUSTAINABLE FREE CASH-FLOW MARGIN	15% @ US$1,300/oz gold price
DEBT REDUCTION	US$200m @ US$1,300/oz gold price
IMPROVE INVESTORS/ ANALYSTS CONFIDENCE	Improved total shareholder return - Exceed the WACC and position GFL's share price in the upper quartile of its peer group
	Maintain Silver Class position on Dow Jones Sustainability Index

BUSINESS OPTIMISATION

KPI	OBJECTIVE
IMPROVE SAFETY PRACTICE	10% improvement in TRIFR and Behavioural based safety programmes implemented in all Regions
QUALITY PORTFOLIO OF EXISTING ASSETS	Clear decision points and deliverables for Darlot
GROWTH	Through a combination of exploration and portfolio management (acquisition; disposals), grow mineable resources that maintain or improve the group's FCF margin.
REBASING SOUTH DEEP TO DELIVER	Targeting significant reduction in cash outflows for 2015
	Determine sustainable medium-term plan to deliver a minimum 15% FCF margin

SOCIAL LICENCE TO OPERATE

KPI	OBJECTIVE
CREATING AND SUSTAINING SHARED VALUE	Two new Shared Value projects implemented in Ghana, Peru and South Deep with impact assessments completed
ENERGY AND CARBON EMISSION REDUCTION	5 year energy security plan for each region to be in place by end of 2015
IMPROVE COMMUNITY RELATIONS	Baseline community relations climate assessment completed for all mines with associated action plans in place
	Regional community employment and procurement targets met
WATER MANAGEMENT	Enhance water re-use, recycling and conservation initiatives

PEOPLE

KPI	OBJECTIVE
MANAGEMENT OF PERFORMANCE	Robust Balanced Scorecard objectives and active management of performance
	Active and effective employee communication as measured by the employee climate survey
	Tailored development plans for high performing individuals
	Effective training programmes to ensure appropriate supply of skills to meet current and future business needs

The bonus parameter objectives will be based on the drivers below and support the Group Scorecard. Other elements of the Group Scorecard not described below are captured in the Personal Scorecards. Jointly the bonus parameter objectives and the Personal Scorecard objectives roll-up to the Group Scorecard.

Safety	20%
Total gold production	20%
All-in-Cost (AIC) per ounce	40%
Development or waste mined	20%

A summary of the CEO's 2015 Performance Scorecard is reflected below:

Finance weight: 20.00 %		
Objectives	**Measurement**	**Weight**
Sustainable free cash-flow margin (FCFM)	15% at US$1,300/oz gold price	50
Improved investor confidence and total shareholder return improvement	Exceed the WACC and position GFL's share price in the upper quartile of its peer group	25
Debt reduction	Reduction in debt by US$100 million – US$200 million before considering acquisition opportunities	25

Business optimisation weight: 40.00 %		
Objectives	**Measurement**	**Weight**
Grow mineable resources that maintain or improve the Group's free cash-flow (FCF) profile	Conclude a JV or acquisition of an in-production asset	20
Rebase South Deep	Target a minimum of 25% – 40% reduction in cash outflows for 2015 without compromising the future of the region.	30
Develop an effective and productive workforce in core mining functions at South Deep	Develop a fit for purpose training programme for operators and artisans and investigate linkages with tertiary institutions, Chamber of Mines Centre of Excellence and other mining companies to create fit for purpose training centre model at South Deep	30
Improve safety practices	Implementation of behavioural-based safety programmes in the regions	20

Social licence to operate weight: 20.00 %		
Objectives	**Measurement**	**Weight**
Create and sustain Shared Value	Two new Shared Value projects implemented in Ghana, Peru and South Deep with impact assessments completed	50
Energy and carbon emission reduction	Five-year energy security plan for each region to be in place by end 2015	50

People 20.00 %		
Objectives	**Measurement**	**Weight**
Improve engagement of high potential employees to improve retention rates	Improvement in climate survey rating on top 4 initiatives for 2015 (communication, training and development, performance management and recognition)	100

Long-term incentives

The Company operates a long-term cash incentive plan (LTIP) designed to:

- reward key senior managers for their performance and contribution to long-term sustainable financial results that drive shareholder value; and
- increase the alignment of executives and shareholders with the future growth and profitability of Gold Fields.

Salient features of the LTIP:

- The LTIP is a three-year performance plan.
- Each performance cycle starts on January 1 of the first year and ends on December 31 of the third year.
- Annual awards will be made to eligible participants.
- Allocations will be based on annual salary x applicable % by grade x personal performance.
- Vesting will be based on two corporate performance conditions equally being met:
  - Free cash flow margin (FCFM) 50% weighted
  - Total shareholder return (TSR) 50% weighted
- Threshold must be achieved for pay-out of any portion of the award to be triggered.

Remuneration report (continued)

Free Cash Flow vesting criteria

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

Total Shareholder Return vesting criteria

Target	TSR	% vesting
Threshold	Below US-based cost of equity per annum	0%
Target	US-based cost of equity per annum	100%
Stretch	US-based cost of equity +6% per annum	200%
Above stretch	The award will be uncapped above the stretch and every additional 6% TSR growth per annum will result in an additional 50% vesting e.g. cost of equity +12% will result in a vesting of 250%	Every additional 6% TSR growth per annum will result in an additional 50% vesting

Tax and accounting treatment:

- From a tax perspective the cost should be deductible except where no tax base is available or no deduction is made due to transfer pricing issues.
- From an accounting perspective, the LTIP will be treated in terms of IAS – 19 Employee benefits and the actual accounting cost at the end of the vesting period should be equal to the cash cost incurred by the Company, this means that the accounting and cash treatment is aligned. This is distinct from the existing long-term incentive plan which is equity-settled and valued in terms of IFRS 2 – Share-based payments which could lead to the recognition of an accounting cost whilst participants may not realise the entire benefit.
- The LTIP introduces an element of downside whereby no performance could lead to no incentive payable.

Gatekeepers

- Board approval of annual operational plans
- Operational plans and bonus parameters on which annual bonuses are based include sustaining the operations (metrics such as development and stripping are included in these annual plans)

The LTIP replaced The Gold Fields Limited 2012 Share Plan which consists of two equity instruments: Performance Shares and Bonus Shares. Share awards were made annually to senior and key staff, and vesting depends on outcomes independently reviewed and verified by an external auditor. The last allocation of Bonus Shares will vest on 1 September 2015 and the last allocation of Performance Shares will vest on 1 December 2016 after which the plan will be discontinued.

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

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

As at 31 December 2014, the number of shares in issue under the share schemes was 4,316,657 performance shares, and 2,161,922 bonus shares.

The aggregate number of shares which may at one time be allocated under the 2012 Plan, when added to the 2005 Plan, may not exceed 35,309,563 shares (which represents approximately 5% of the number of ordinary shares of the Company currently in issue). The maximum number of shares which may be allocated to an individual may not exceed 3,530,956. The remaining shares set aside for the Share Plan is 5,348,373.

Long-term Cash Incentive Plan (LTIP): Implemented in March 2014 and replaced the Gold Fields Limited 2012 Share Plan. The decision to implement the LTIP followed the transformation that Gold Fields underwent in 2013. The focus away from ounces to cash flow meant a paradigm shift in the manner in which the business is run.

Executive director and prescribed officers service contracts

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

The terms and conditions of employment for each executive director are substantially similar, except where otherwise indicated below.

The annual gross remuneration packages, or GRP, payable to each of Mr Holland and Mr Schmidt for 2014 were determined by the Remuneration Committee and were as follows:

- Nicholas J Holland: R8,757,442 (US$809,375) plus US$348,000
- Paul A Schmidt: R5,524,238 (US$510,588) plus US$94,000

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

The GFGS contracts

Under the GFGS contracts, the employment of an executive director will continue until terminated upon (i) 24 or 12 months' notice by either party for the Chief Executive Officer and Chief Financial Officer, respectively or (ii) retirement of the relevant executive director (currently provided for at age 60). The notice period for members of the Group Executive Committee is six months.

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

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

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

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

The offshore contracts

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

Remuneration report (continued)

Other remuneration

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

(i) Participation in the Gold Fields Limited Long-term Cash Incentive Plan

(ii) Consideration of an annual (financial year) incentive bonus, based upon the fulfilment of certain targets set by the Board of Directors

(iii) An expense allowance

As of 1 January 2015, the amount and manner of any bonus payments for the CEO and CFO remained unchanged for 2015.

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

- Payment of an amount equal to two-and-a-half times GRP in the case of the CEO and two times GRP in the case of the CFO;
- Payment of an amount equal to the average percentage of the incentive bonuses paid to the executive director during the previous two completed financial years;
- Any other payments and/or benefits due under the contracts;
- Payment of any annual incentive bonus he/she has earned during the financial year notwithstanding that the financial year is incomplete;
- The employment contracts further provide that these payments cover any compensation or damages the executive director may have under any applicable employment legislation.
- The executive director shall be entitled to pro-rata LTIP, subject to scheme rules and payment at the end of the performance cycle.

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

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

The committee resolved to discontinue the compensation entitlement in the event of change of control for senior executives appointed from, January 1, 2013. The senior executives who are currently entitled to the change of control compensation benefits will retain their rights under the previous policy.

Non-executive director fees

The Board has considered current market conditions and in light thereof have taken a decision not to increase the non-executive directors' fees for 2015. The fees applicable in 2014 will apply in 2015.

Non-binding advisory vote

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

PART 2: DISCLOSURE OF THE IMPLEMENTATION OF THE POLICIES FOR THE FINANCIAL YEAR
Remuneration paid to executive directors

The executive team and Board of Directors are the Company's prescribed officers as defined in terms of the Companies Act.

Guaranteed pay adjustments

The annual remuneration review takes place annually in March. All eligible employees, received a salary increase on 1 March 2014 and the average increase for executives during 2014 was 5%. The overall increase in labour costs fell within the approved mandate of the committee.

Short-term incentive outcomes for 2014
a. Group objectives

For the year ended 31 December 2014, the Group performance targets and how senior executives performed against these targets, were as follows:

CORPORATE PERFORMANCE TABLE

	Weight	2013 Actual	2014 Actual	2014 Threshold +0%	2014 Target +100%	2014 Maximum +200%	Achieved
Safety improvement – TRIFR[1]	20%	4.66	**19%[4]**	**+0%**	**+10%**	**+20%**	167%
Gold production[2] – k'ozs	20%	2,104	**2 294**	**2,162**	**2,242**	**2,322**	165%
All-in cost $/oz	40%	1,312	**1 074**	**1,195**	**1,138**	**1,081**	200%
Development and waste mined[3]	20%	1.8%	**1.0%**	**+0%**	**+5%**	**+10%**	20%
	100%						150%

[1] Safety for the Group based on the improvement year-on-year on the Total Recordable Injury Frequency Rate.

[2] Managed equivalent ounces (for Peru) converted from copper production at the planned gold/copper price ratio to eliminate price differences.

[3] Refer to the development and waste mined table below.

[4] The TRIFR percentage change is based on the improvement in 2014 against 2013 (including Yilgarn South Assets during Q4 2013)

Development and waste mined table	2014 Group Plan	2014 Actual	% change	Weighting	Achieved
South Deep					
reef ton	**1,210**	**1,027**	-15.1	20%	-3
destress	**31,000**	**29,071**	-6.2	20%	-1.2
International operations					
Open pit	**112,805**	**110,729**	-1.8	30%	-0.6
Underground	**32,914**	**35,041**	6.5	30%	1.9
Progress on development					1.8

Notwithstanding the good safety progress made in 2014, the three fatalities at South Deep are of deep concern. The safety measure is the Total Recordable Injury Frequency Rate (TRIFR), which includes the total of fatalities, lost time injuries, medically treated injuries and restricted work injuries. In the TRIFR formulae fatalities carry the same weighting as other injuries. To ensure that the severity of fatalities are adequately accounted for, a modifier is applied. The final safety achievement will be reduced by 50% at mine level if there is one fatality and by 75% if there is more than one fatality. For this reason South Deep's safety performance was reduced by 75%, which also had an impact on the final Group safety score. This adjustment is included in the calculations in the development and waste mined table above.

b. Personal objectives

Aside from Group objectives listed above, the CEO and CFO were also assessed on individual, strategic objectives. These objectives are set every year based on key performance areas and are approved by the committee. Performance against these objectives is reviewed by the committee towards the end of the year. The individual strategic objectives are built around our three strategic pillars: Operational Excellence, Growing Gold Fields and Securing our Future.

Remuneration report (continued)

The achievements in 2014 in terms of Company strategic objectives include the following:

- Gold Fields declared a total dividend of R0.40 per share in line with its dividend policy
- The US$200 million debt reduction target for 2014 was exceeded by US$82 million – in a weaker gold market – lowering our debt to EBITDA ratio from 1.50 to 1.30 and strengthening our balance sheet
- Gold Fields cleaned up its portfolio of assets by disposing of the bulk of non-core assets in a difficult sellers' market. Projects sold included Chucapaca, Asosa and Yanfolila.
- Our All-in Cost per ounce was significantly reduced to US$1,087/oz, making Gold Fields one of the lower cost gold producers amongst its peers
- Australia surpassed the 1 million ounce production target a year into the acquisition of the Yilgarn South Assets following a near seamless integration of these processes and a successful change management programme
- Gold Fields' operations generated US$235 million in net cash – compared to an outflow of US$235 million in 2013 – despite the continued cash outflow at South Deep. This is a swing of US$470 million, despite lower gold prices in 2014, and all the international regions improved their cash flows. This positions Gold Fields as one of the strongest cash generators within our peer group

In spite of a difficult production year at South Deep, management took the necessary decision to halt production in pursuit of Gold Fields' number one value, safety. The production-critical safety related ground support at South Deep was completed within the specified time frame. Moreover, critical people interventions have been implemented and supported by the appointment of some of the country's top mechanised mining experts. Nico Muller's appointment as EVP for South Africa sees the introduction of a strong leadership team for South Deep.

Taking all these factors into account, the CEO received a personal performance score of 3.5 out of 5 and the CFO received a personal performance score of 4.5 out of 5. The aggregate bonus paid to members of the executive team in February 2015 was 70% of guaranteed remuneration package. For the CEO it was 93%[1] and the CFO 98%[2] of guaranteed remuneration package.

[1] 35% of Mr NJ Holland's bonus is based on personal performance and 65% on Company performance. The Company score for 2014 was 150%. Mr Holland received a personal performance rating of 3.5 out of 5 which equates to 130% out of 200% for the 35% portion of his bonus. His bonus calculation has been determined as follows: [(150% x 65%) + (130% x 35%)] x 65% = 93%. (On a scale of 1 – 5, achieving target equals 3 which in turn equals 100%, while 5 equals 200%. Ratings in between are determined on a linear scale).

[2] 35% of Mr PA Schmidt's bonus is based on personal performance and 65% on Company performance. The Company score for 2014 was 150%. Mr Schmidt received a personal performance rating of 4.5 out of 5 which equates to 190% out of 200% for the 35% portion of his bonus. His bonus calculation has been determined as follows: [(150% x 65%) + (190% x 35%)] x 60% = 98%. (On a scale of 1 – 5, achieving target equals 3 which in turn equals 100%, while 5 equals 200%. Ratings in between are determined on a linear scale).

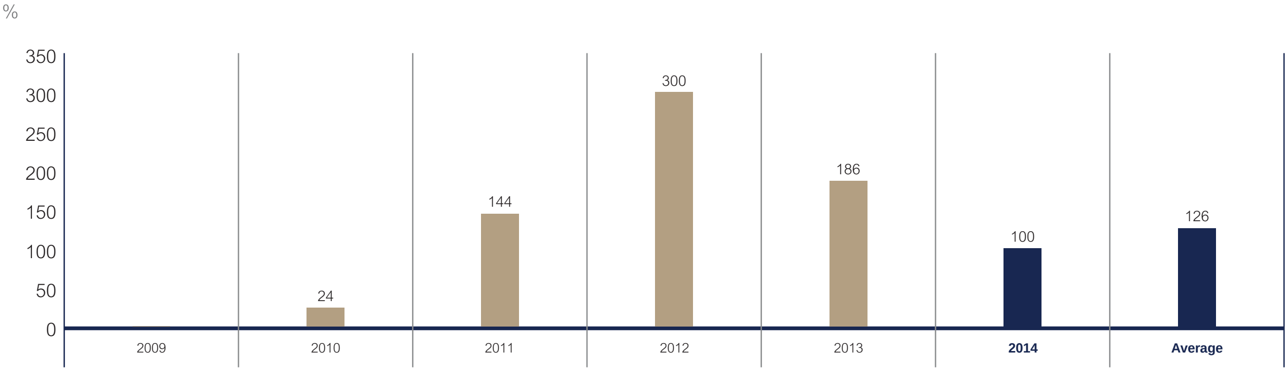
Performance Vesting Restricted Share (PVRS) 2014 vesting

In terms of the provisions of The Gold Fields Limited 2005 Share Plan (subsequently replaced with the 2012 Share Plan and discontinued on 1 December 2014), eligible employees were awarded Gold Fields shares on 1 March 2011. According to the performance criteria set by the committee, the number of PVRS awarded is modified by the Gold Fields share price performance measured against five other gold companies, namely AngloGold Ashanti, Harmony, Newmont, Barrick and Goldcorp. The performance is measured over a three-year period.

Gold Fields ranked fifth resulting in a settlement of 100% of the shares awarded to eligible employees on 1 March 2011.

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

FIGURE 4: Long-term share vesting based on corporate performance condition



Further details of the long-term incentive plans are disclosed in Note 5 of the Financial Statements on pages 68 – 73.

Executive directors' and prescribed officers' remuneration

Non-executive directors' fees, executive directors' and prescribed officers' remuneration – Rand values

The directors and officers were paid the following remuneration for the year ended 31 December 2014

	BOARD FEES										
All figures stated in R'000	**Directors' fees**	**Committee fees**	**Salary[1]**	**Pension Scheme contribution**	**Annual Bonus[2]**	**Sundry[9]**	**Severance**	**Sub-total**	**Pre-tax share proceeds for shares awarded in previous years[11]**	**Total realised earnings for the 12-month period ended 31 December 2014[3]**	**For the 12-month period ended 31 December 2013[12]**
Executive Directors											
Nicholas J Holland	–	–	10,668.4	1,731.0	11,384.3	65.0	–	23,848.7	4,320.7	28,169.4	24,932.8
Paul A Schmidt	–	–	5,785.7	682.2	6,363.6	61.4	–	12,892.9	4,448.8	17,341.7	16,358.4
Prescribed officers							–				
Ernesto Balarezo	–	–	7,521.3	–	7,753.3	4,328.0	–	19,602.6	1,716.6	21,319.2	18,009.0
Alfred Baku	–	–	7,967.3	1,495.9	6,465.8	2,705.0	–	18,634.0	1,806.5	20,440.5	7,539.0
Richard Weston	–	–	7,028.5	802.8	6,264.7	–	–	14,096.0	2,200.9	16,296.9	14,635.0
Willie Jacobsz	–	–	5,107.8	–	3,758.5	–	–	8,866.3	2,325.6	11,191.9	10,558.8
Naseem A Chohan	–	–	3,160.0	590.0	3,005.4	–	–	6,755.4	1,105.7	7,861.1	5,609.2
Brett Mattison	–	–	3,656.3	406.2	3,713.4	–	–	7,775.9	1,436.2	9,212.1	7,524.9
Lee-Ann Samuel	–	–	3,450.0	383.3	3,685.0	–	–	7,518.3	1,214.0	8,732.3	5,321.5
Taryn Harmse	–	–	2,763.4	659.7	3,011.3	1.3	–	6,435.7	855.0	7,290.7	3,358.2
Nico Muller[4]	–	–	1,181.3	131.3	553.7	2,500.0	–	4,366.3	–	4,366.3	–
Michael D Fleischer[5]	–	–	397.8	62.5	–	–	5,065.3	5,525.6	–	5,525.6	14,171.6
Kgabo FL Moabelo[6]	–	–	2,392.1	326.2	–	–	4,526.7	7,245.0	622.3	7,867.3	7,719.8
Juan L Kruger[7]	–	–	–	–	–	–	–	–	–	–	5,760.0
Tommy McKeith[7]	–	–	–	–	–	–	–	–	–	–	22,157.0
Tim W Rowland[7]	–	–	–	–	–	–	–	–	–	–	3,872.4
Peet van Schalkwyk[8]	–	–	–	–	–	–	–	–	–	–	11,122.0
Peter Turner[8]	–	–	–	–	–	–	–	–	–	–	6,238.0
Jimmy Dowsley[8]	–	–	–	–	–	–	–	–	–	–	7,495.4
Non-executive directors											
Cheryl A Carolus	2,513.6	–	–	–	–	–	–	2,513.6	–	2,513.6	2,403.0
Alan R Hill	825.4	533.9	–	–	–	–	–	1,359.3	–	1,359.3	1,213.0
David N. Murray	825.4	417.4	–	–	–	–	–	1,242.8	–	1,242.8	1,325.0
Richard P Menell	825.4	553.8	–	–	–	–	–	1,379.2	–	1,379.2	1,531.0
Gayle M Wilson	825.4	648.4	–	–	–	–	–	1,473.8	–	1,473.8	1,416.0
Donald M J Ncube	825.4	572.5	–	–	–	–	–	1,397.9	–	1,397.9	1,150.0
Kofi Ansah	825.4	233.1	–	–	–	–	–	1,058.5	–	1,058.5	1,017.0
Mamphela Ramphele[10]	–	–	–	–	–	–	–	–	–	–	403.0
Robert Danino[10]	–	–	–	–	–	–	–	–	–	–	1,088.0
Rupert Pennant-Rea[10]	–	–	–	–	–	–	–	–	–	–	1,114.0
Delfin Lazaro[10]	–	–	–	–	–	–	–	–	–	–	618.0
Total	**7,466.0**	**2,959.1**	**61,079.9**	**7,271.1**	**55,959.0**	**9,660.7**	**9,592.0**	**153,987.8**	**22,052.3**	**176,040.1**	**205,661.0**

[1]The total US$ amounts paid for 2014, and included in salary, were as follows: Mr NJ Holland US$348,000, Mr PA Schmidt US$94,000, Mr JW Jacobsz US$290,045 and Mr MD Fleischer US$6,442

[2]The annual bonus accruals for the 12-month period ended 31 December 2014, paid in February 2015

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

[4]Nico Muller – Appointed on 1 October 2014

[5]Michael Fleischer - Resigned effective 31 January 2014. As per employment contract Mr Fleischer was eligible for a total severance package of R5,0m. R2,7m was paid in February 2014

[6]Kgabo Moabelo – Voluntary retrenchment due to restructuring effective 31 July 2014. As per employment contract a total severance package of R4,5m was paid

[7]Prescribed officer until 30 May 2013

[8]Separation during 2013

[9]Sundry includes a special bonus for Mr N Muller of R2,5m, Mr A Baku of R2,7m and Mr E Balarezo of R4,3m

[10]Resigned as GFL directors during 2013

[11]Includes dividend payment

[12]Comparatives have been restated by R1,6m to exclude business travel reimbursements

Remuneration report (continued)

Non-executive directors’ fees, executive directors’ and prescribed officers’ remuneration – US Dollar values

The directors and officers were paid the following remuneration for the year ended 31 December 2014

	BOARD FEES										
All figures stated in US$'000	Directors’ Fees	Committee fees	Salary[1]	Pension Scheme Contribution	Annual Bonus[2]	Sundry[9]	Severance	Sub-total	Pre-tax share proceeds for shares awarded in previous years[11]	Total realised earnings for the 12-month period ended 31 December 2014[3]	For the 12-month period ended 31 December 2013[12]
Executive Directors											
Nicholas J Holland	–	–	986.0	160.0	1,052.2	6.0	–	2,204.2	399.3	2,603.5	2,597.2
Paul A Schmidt	–	–	534.7	63.0	588.1	5.7	–	1,191.5	411.2	1,602.7	1,704.4
Prescribed officers											
Ernesto Balarezo	–	–	695.1	–	716.6	400.0	–	1,811.7	158.7	1,970.4	1,875.9
Alfred Baku	–	–	736.3	138.3	597.6	250.0	–	1,722.2	167.0	1,889.2	785.3
Richard Weston	–	–	649.6	74.2	579.0	–	–	1,303.1	203.4	1,506.5	1,524.5
Willie Jacobsz	–	–	472.1	–	347.4	–	–	819.5	214.9	1,034.4	1,099.9
Naseem A Chohan	–	–	292.1	54.5	277.8	–	–	624.4	102.2	726.6	584.3
Brett Mattison	–	–	337.9	37.5	343.2	–	–	718.6	132.7	851.3	783.8
Lee-Ann Samuel	–	–	318.9	35.4	340.6	–	–	694.9	112.2	807.1	554.3
Taryn Harmse	–	–	255.4	61.0	278.3	0.1	–	594.8	79.0	673.8	349.8
Nico Muller[4]	–	–	109.2	12.1	51.2	231.1	–	403.6	–	403.6	–
Michael D Fleischer[5]	–	–	36.8	5.8	–	–	468.1	510.7	–	510.7	1,476.2
Kgabo FL Moabelo[6]	–	–	221.1	30.1	–	–	418.4	669.6	57.5	727.1	804.1
Juan L Kruger[7]	–	–	–	–	–	–	–	–	–	–	600.0
Tommy McKeith[7]	–	–	–	–	–	–	–	–	–	–	2,308.0
Tim W Rowland[7]	–	–	–	–	–	–	–	–	–	–	403.4
Peet van Schalkwyk[8]	–	–	–	–	–	–	–	–	–	–	1,158.5
Peter Turner[8]	–	–	–	–	–	–	–	–	–	–	649.8
Jimmy Dowsley[8]	–	–	–	–	–	–	–	–	–	–	780.8
Non-executive directors							–	–	–	–	–
Cheryl A Carolus	232.3	–	–	–	–	–	–	232.3	–	232.3	250.3
Alan R Hill	76.3	49.3	–	–	–	–	–	125.6	–	125.6	126.4
David N Murray	76.3	38.6	–	–	–	–	–	114.9	–	114.9	138.0
Richard P Menell	76.3	51.2	–	–	–	–	–	127.5	–	127.5	159.5
Gayle M Wilson	76.3	59.9	–	–	–	–	–	136.2	–	136.2	147.5
Donald MJ Ncube	76.3	52.9	–	–	–	–	–	129.2	–	129.2	119.8
Kofi Ansah	76.3	21.5	–	–	–	–	–	97.8	–	97.8	105.9
Mamphela Ramphele[10]	–	–	–	–	–	–	–	–	–	–	42.0
Robert Danino[10]	–	–	–	–	–	–	–	–	–	–	113.3
Rupert Pennant-Rea[10]	–	–	–	–	–	–	–	–	–	–	116.0
Delfin Lazaro[10]	–	–	–	–	–	–	–	–	–	–	64.4
Total	**690.1**	**273.4**	**5,645.2**	**671.9**	**5,172.0**	**892.9**	**886.5**	**14,232.3**	**2,038.1**	**16,270.4**	**21,422.9**

Average exchange rates were US$1=R10.82 for the December 2014 and R9.60 for the December 2013 year ends respectively

[1]The total US$ amounts paid for 2014, and included in salary above, were as follows: Mr NJ Holland US$348,000, Mr PA Schmidt US$94,000, Mr JW Jacobsz US$290,045 and Mr MD Fleischer US$6,442

[2]The annual bonus accruals for the 12-month period ended 31 December 2014, paid in February 2015

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

[4]Nico Muller – Appointed on 1 October 2014

[5]Michael Fleischer - Resigned effective 31 January 2014. As per employment contract Mr Fleischer was eligible for a total severance package of US$470,00. US$250,000 was paid in February 2014

[6]Kgabo Moabelo – Voluntary retrenchment due to restructuring effective 31 July 2014. As per employment contract a total severance package of US$420,000 was paid

[7]Prescribed officer until 30 May 2013

[8]Separation during 2013

[9]Sundry includes a special bonus for Mr N Muller of US$231,000 (R2,5m), Mr A Baku of US$250,000 and Mr E Balarezo of US$400,000

[10]Resigned as GFL directors during 2013

[11]Includes dividend payments

[12]Comparatives have been restated by US$171,000 to exclude business travel reimbursements

Directors' and prescribed officers' equity-settled instruments

The directors and prescribed officers held the following equity-settled instruments at 31 December 2014:

Directors' equity-settled instruments

	Equity-settled instruments at 31 December 2013		Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year			Equity-settled instruments at 31 December 2014	
	Number	Average strike price (Rand)	Granted	Number	Number	Average market price of vested shares	Benefit arising (R'000)	Number	Weighted average strike price (Rand)[1]
Director									
Nicholas Holland	584,248	89.87		–	97,359	44.30	4,313	**486,889**	**89.87**
Paul Schmidt	271,147	91.71	94,622	18,025	100,498	44.05	4,426	**247,246**	**95.82**
Richard Weston	188,188	97.64	95,408	–	50,773	43.23	2,195	**232,823**	**97.64**
Ernesto Balarezo	39,182	– –	76,273	–	38,136	44.61	1,701	**77,319**	**–**
Alfred Baku	74,947	90.50	54,470	–	40,348	44.43	1,793	**89,069**	**90.50**
Taryn Harmse	51,043	91.54	23,219	–	18,884	42.80	808	**55,378**	**91.54**
Lee-Ann Samuel	63,277	95.30	38,293	–	26,197	44.60	1,168	**75,373**	**95.30**
Brett Mattison	99,160	90.77	43,907	8,342	32,113	44.42	1,426	**102,612**	**90.10**
Naseem Chohan	87,044	103.39	36,335	–	39,563	44.12	1,745	**83,816**	**103.39**
Willie Jacobsz	137,142	89.63	58,841	–	52,735	43.81	2,310	**143,248**	**89.63**
Michael Fleischer[2]	242,060	91.21	–	39,281	97,270	41.76	4,062	**105,509**	**91.21**
Kgabo Moabelo[3]	151,932	102.65	42,851	66,051	105,196	42.27	4,446	**23,536**	**102.65**

[1] Share Appreciation Rights (SARS) weighted average strike price.
[2] Resignation effective 31 January 2014.
[3] Voluntary retrenchment effective 31 July 2014.

A register of detailed equity-settled instruments outstanding by tranche is available for inspection at the Company's registered office. The equity-settled instrument terms are detailed on pages 68 – 73.

Alan Hill
Chairman of the Remuneration Committee

On behalf of the Board, which approved the report on 23 March 2015

Accounting policies

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

Gold Fields Limited (the "Company") is a company domiciled in South Africa. The registration number of the Company is 1968/004880/06. The address of the Company is 150 Helen Road, Sandton, Johannesburg. The consolidated financial statements of the Company as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and joint ventures. The Group is primarily involved in gold mining.

1. BASIS OF PREPARATION

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

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 23 March 2015.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014

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

Standard(s) Amendment(s) Interpretation(s)	Nature of the Change	Salient features of the changes	Impact on financial position or performance
IAS 32 Offsetting Financial Assets and Financial Liabilities	Amendment	The amendments clarify that an entity currently has a legally enforceable right to set-off a financial asset and a financial liability if that right is: • Not contingent on a future event; and • Enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.	No impact
IFRS 10, IFRS 12 and **IAS 27** – Investment entities	Amendments	The amendments clarify that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investment activities. The consolidation exemption is mandatory and not optional.	No impact
IAS 36 – Impairment of Assets	Amendment	• The amendments reverse the unintended requirement in IFRS 13 *Fair Value Measurement* to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. • Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.	No impact
IFRIC 21 – Levies	New interpretation	The interpretation provides guidance on accounting for levies in accordance with IAS 37 *Provisions, Contingent Liabilities and Assets*.	No impact

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS WHICH ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on 1 January 2015 or later periods but have not been early adopted by the Group. Management is currently reviewing the impact of these standards on the Group.

These standards, amendments and interpretations are:

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective Date *
IAS 19 Defined Benefit Plans: Employee Contributions	Amendment	• The amendments introduce relief that will reduce the complexity of accounting for certain contributions from employees or third parties; and • The amendments clarify how service-linked contributions from employees or third parties should be included in determining net current service cost and the defined benefit obligation.	1 July 2014
Various **IFRS**		• Annual improvements project is a collection of amendments to IFRS and are the result of conclusions reached by the Board on proposals made at its annual improvements project.	1 July 2014
IFRS 14 Regulatory Deferral Accounts	New standard	• This interim standard provides guidance on accounting for the effects of rate regulations under IFRS. This will permit first-time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances while the IASB completes its comprehensive project in this area.	1 January 2016
IFRS 11 Joint Operations	Amendment	• The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business.	1 January 2016
IAS 16 Property, Plant and Equipment and **IAS 38** Intangible assets	Amendment	• The amendments to IAS 38 *Intangible Assets* introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate; and • The amendments to IAS 16 *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.	1 January 2016
IFRS 9 Financial Instruments (2009)	New Standard	• This IFRS is part of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*; • Addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value; and • The classification and measurement of financial liabilities are the same as per IAS 39 barring two aspects.	1 January 2018

Accounting policies (continued)

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective Date *
IFRS 9 Financial Instruments (2010)	New Standard	• Adds the requirements related to the classification and measurement of financial liabilities, and derecognition of financial assets and liabilities to the version issued in November 2009; and • Includes those paragraphs of IAS 39 dealing with how to measure fair value and accounting for derivatives embedded in a contract that contains a host that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of Embedded Derivatives.*	1 January 2018
IFRS 15 Revenue from contracts with customers	New Standard	• Provides a framework that replaces existing revenue recognition guidance in IFRS.	1 January 2017

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

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortisation calculations; provision for environmental rehabilitation costs; estimates of recoverable gold and other materials in heap leach and stockpiles inventories; asset impairments; write-downs of inventory to net realisable value; business combinations; value of share-based payments; long-term incentive plan and deferred taxation.

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

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

MINERAL RESERVES ESTIMATES

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

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

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

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

- Asset carrying values may be affected due to changes in estimated cash flows or timing thereof;
- Depreciation and amortisation charges to profit or loss may change as these are calculated on the units-of-production method, or where the useful economic lives of assets change;
- Provision for environmental rehabilitation costs change where changes in ore reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL

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

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

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

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

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

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

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

The carrying amount of property, plant and equipment at 31 December 2014 was US$4,895.7 million (31 December 2013: US$5,388.9 million). The carrying value of goodwill at 31 December 2014 was US$385.7 million (31 December 2013: US$431.2 million).

Accounting policies (continued)

Significant assumptions used in the Group's impairments assessments include:

	2014	2013
Long-term gold price	**US$1,300**	US$1,300
Discount rates		
• South Africa – nominal	**12.9% – 14.1%**	10.9% – 12.3%
• Ghana – real	**8.5%**	8.0%
• Peru – real	**5.0%**	6.0%
• Australia – real	**4.2%**	5.2%
Long-term exchange rates		
• ZAR/US$	**10.00**	9.5
• A$/US$	**0.90**	0.9

Also, refer notes 6 and 15 of the consolidated financial statements.

PRE-PRODUCTION

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

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

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

INCOME TAXES

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

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

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

Carrying values at 31 December 2014:

- Deferred taxation liability: US$387.0 million (31 December 2013: US$399.4 million)
- Deferred taxation asset: US$62.4 million (31 December 2013: US$51.9 million)
- Taxation and royalties payable: US$58.2 million (31 December 2013: US$34.6 million)

PROVISION FOR ENVIRONMENTAL REHABILITATION COSTS

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

Refer note 26.1 of the consolidated financial statements for details of key assumptions used to estimate the provision.

The carrying amounts of the provision for environmental rehabilitation costs at 31 December 2014 was US$311.2 million (31 December 2013: US$283.5 million).

STOCKPILES, GOLD IN PROCESS AND PRODUCT INVENTORIES

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold in process, ore on leach pads and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale. If any inventories are expected to be realised in the long-term horizon, estimated future sales prices are used for valuation purposes.

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

The carrying amount of total inventories (non-current and current) at 31 December 2014 was US$501.1 million (31 December 2013: US$498.3 million).

SHARE-BASED PAYMENTS

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

The charge for the year ended 31 December 2014 was US$26.0 million (31 December 2013: US$40.5 million).

LONG-TERM INCENTIVE PLAN

The Group issues awards relating to its long-term incentive plan to certain employees. These awards are measured on the date the award is made and re-measured at each reporting period, a portion of the award is measured using the Monte Carlo simulation valuation model, which requires assumptions regarding the share price volatility and expected dividend yield. The assumptions, supporting the estimated amount expected to be paid, are reviewed at each reporting date. While Gold Fields' management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the measurement of the awards and the related recognition of the compensation expense in profit or loss.

The charge for the year ended 31 December 2014 was US$8.7 million (31 December 2013: US$nil) and the balance at 31 December 2014 of the long-term cash incentive provision was US$8.3 million (31 December 2013: US$nil).

FINANCIAL INSTRUMENTS

The estimated fair value of financial instruments is determined at discrete points in time, based on the relevant market information. The fair value is calculated with reference to market rates using industry valuation techniques and appropriate models. If a financial instrument does not have a quoted market price and the fair value cannot be measured reliably, it will be stated at cost.

CONTINGENCIES

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

Accounting policies (continued)

2. CONSOLIDATION

2.1 BUSINESS COMBINATIONS

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

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

2.2 SUBSIDIARIES

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date on which control ceases.

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

Investments in subsidiaries (in the separate financial statements) are stated at cost less accumulated impairment losses.

2.3 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4 EQUITY ACCOUNTED INVESTEES

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

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

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

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

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

3. FOREIGN CURRENCIES

3.1 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Gold Fields' production and footprint are represented by a diversified portfolio of assets. The US Dollar is the dominant currency of the Group and the Group aligned its reporting currency to its peer group of international producers who all report in US Dollar. From 2014, the consolidated financial statements are presented only in US Dollar.

The Company's functional and presentation currency is the South African Rand and the separate financial statements of the Company is presented in South African Rand.

3.2 TRANSACTIONS AND BALANCES

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

3.3 FOREIGN OPERATIONS

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

Assets and liabilities are translated at the exchange rate ruling at the reporting date (ZAR/US$: 11.56; A$/US$: 0.81 (2013: ZAR/US$: 10.34; A$/US$: 0.89)). Equity items are translated at historical rates. The income and expenses are translated at the average exchange rate for the year (ZAR/US$: 10.82; A$/US$: 0.90 (2013: ZAR/US$: 9.60; A$/US$: 0.97)), unless this average was not a reasonable approximation of the rates prevailing on the transaction dates, in which case these items were translated at the rate prevailing on the date of the transaction. Exchange differences on translation are accounted for in other comprehensive income. These differences will be recognised in earnings upon realisation of the underlying operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (i.e. the reporting entity's interest in the net assets of that operation), and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recognised in profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

4. PROPERTY, PLANT AND EQUIPMENT

4.1 MINE DEVELOPMENT AND INFRASTRUCTURE

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

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

Development of ore bodies includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met.

4.2 BORROWING COSTS

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

Accounting policies (continued)

4.3 MINERAL AND SURFACE RIGHTS

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

4.4 LAND

Land is shown at cost and is not depreciated.

4.5 OTHER ASSETS

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

4.6 AMORTISATION AND DEPRECIATION OF MINING ASSETS

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

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

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

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

4.7 DEPRECIATION OF NON-MINING ASSETS

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

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

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

4.8 MINING EXPLORATION

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

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

4.9 IMPAIRMENT

Recoverability of the carrying values of long-term assets or cash-generating units of the Group are reviewed whenever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset or cash-generating unit may be impaired, the higher of "value-in-use" (defined as: "the present value of future cash flows expected to be derived from an asset or cash-generating unit") or "fair value less cost of disposal" (defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) is compared to the carrying value of the asset/unit. Impairment losses are recognised in profit or loss.

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

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

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

4.10 GAIN OR LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

4.11 LEASES

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

4.12 DEFERRED STRIPPING

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

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

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

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

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

5. GOODWILL

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

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

6. TAXATION

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

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

Accounting policies (continued)

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

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

These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled.

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

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

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

7. INVENTORIES

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

Cost is determined on the following basis:

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

Net realisable value is determined with reference to relevant market prices or the estimated future sales price of the product if it is expected to be realised in the long term.

8. FINANCIAL INSTRUMENTS

8.1 NON-DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

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

A financial asset not classified as fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy, economic conditions that correlate with defaults or the disappearance of an active market for a security.

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

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

8.1.1 Investments

Investments comprise (1) investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealised gains and losses subsequent to initial recognition recognised in other comprehensive income and included in the fair value adjustment reserve, and released to profit or loss when the investments are sold or impaired; and (2) investments in unlisted companies which are accounted for at cost and adjusted for impairment where appropriate.

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

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

8.1.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity (less than 12 months).

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

8.1.3 Trade receivables

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

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

8.1.4 Trade payables

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

8.1.5 Borrowings

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

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

Interest payable on borrowings is recognised in profit or loss over the term of the borrowings using the effective interest method.

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

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

Accounting policies (continued)

8.1.6 Financial guarantees

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

8.2 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

On initial designation of the derivative as a hedging instrument:

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

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

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

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

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

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

8.3 EMBEDDED DERIVATIVES

The Group assesses whether an embedded derivative is required to be separated from a host contract and accounted for as a derivative when the Group first becomes a party to a contract.

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

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

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

9. NON-CURRENT ASSETS HELD FOR SALE OR HELD FOR DISTRIBUTION AND DISCONTINUED OPERATIONS

9.1 NON-CURRENT ASSETS HELD FOR SALE OR HELD FOR DISTRIBUTION

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

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

9.2 DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations:
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations: or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal/distribution or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative income statement and statement of cash flows are re-presented as if the operation had been discontinued from the start of the comparative period.

10. PROVISIONS

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

11. PROVISION FOR ENVIRONMENTAL REHABILITATION COSTS

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

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

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

Changes in estimates are capitalised or reversed against the relevant asset. Estimates are discounted at the risk-free rate in the jurisdiction of the obligation.

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

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

Accounting policies (continued)

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

12. EMPLOYEE BENEFITS

12.1 SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

12.2 PENSION AND PROVIDENT FUNDS

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

Contributions to defined contribution funds are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

12.3 SHARE-BASED PAYMENTS

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

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

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

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

12.4 LONG-TERM INCENTIVE PLAN

The Group operates a long-term incentive plan.

The Group's net obligation in respect of the long-term incentive plan is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is estimated using appropriate assumptions and is discounted to determine its present value at each reporting date. Re-measurements are recognised in profit or loss in the period in which they arise.

12.5 TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of the date the Group can no longer withdraw the offer of those benefits or the date the Group recognises costs for a restructuring. Benefits falling due more than 12 months after the reporting date are discounted to present value.

13. SHARE CAPITAL

13.1 ORDINARY SHARE CAPITAL

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

13.2 REPURCHASE AND REISSUE OF SHARE CAPITAL

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

14. REVENUE RECOGNITION

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

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

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

15. INVESTMENT INCOME

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

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

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

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

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

16. DIVIDENDS DECLARED

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

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

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

17. EARNINGS PER SHARE

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

18. SEGMENTAL REPORTING

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

Consolidated income statement

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	Notes	UNITED STATES DOLLAR 2014	2013
CONTINUING OPERATIONS			
Revenue	1	**2,868.8**	2,906.3
Cost of sales	2	**(2,334.4)**	(2,277.8)
Net operating profit		**534.4**	628.5
Investment income	3	**4.2**	8.5
Finance expense	4	**(99.2)**	(69.5)
Loss on financial instruments		**(11.5)**	(0.3)
Foreign exchange gains		**8.4**	7.3
Other costs		**(62.5)**	(97.2)
Share-based payments	5	**(26.0)**	(40.5)
Long-term incentive plan	27	**(8.7)**	–
Exploration expense		**(47.2)**	(65.9)
Feasibility and evaluation costs		**–**	(47.7)
Share of results of equity accounted investees after taxation	16	**(2.4)**	(18.4)
Restructuring costs		**(42.0)**	(39.4)
Impairment of investments and assets	6	**(26.7)**	(809.5)
Profit on disposal of investments		**0.5**	17.8
Profit on disposal of Chucapaca	33	**4.6**	–
(Loss)/profit on disposal of property, plant and equipment		**(1.3)**	1.6
Profit/(loss) before royalties and taxation	7	**224.6**	(524.7)
Royalties	8	**(86.1)**	(90.5)
Profit/(loss) before taxation		**138.5**	(615.2)
Mining and income taxation	9	**(118.1)**	20.1
Profit/(loss) from continuing operations		**20.4**	(595.1)
DISCONTINUED OPERATIONS			
Profit from discontinued operations, net of taxation	10.1	**–**	287.9
Profit/(loss) for the year		**20.4**	(307.2)
Profit/(loss) attributable to:			
Owners of the parent		**12.8**	(295.7)
– Continuing operations		**12.8**	(583.6)
– Discontinued operations		**–**	287.9
Non-controlling interest holders		**7.6**	(11.5)
– Continuing operations		**7.6**	(11.5)
– Discontinued operations		**–**	–
		20.4	(307.2)
Earnings/(loss) per share attributable to ordinary shareholders of the Company:			
Basic earnings/(loss) per share from continuing operations – cents	11.1	**2**	(79)
Basic earnings per share from discontinued operations – cents	11.2	**–**	39
Diluted basic earnings/(loss) per share from continuing operations – cents	11.3	**2**	(79)
Diluted basic earnings per share from discontinued operations – cents	11.4	**–**	39

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

Consolidated statement of comprehensive income

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
Profit/(loss) for the year	**20.4**	(307.2)
Other comprehensive income[1]	**(320.1)**	(685.0)
Marked-to-market valuation of listed investments	**2.8**	(3.0)
Realised gain on disposal of listed investments	**(1.8)**	(7.4)
Deferred taxation on marked-to-market valuation and realised gain on disposal of listed investments	**–**	1.7
Currency translation adjustments	**(321.1)**	(676.3)
Total comprehensive income for the year	**(299.7)**	(992.2)
Attributable to:		
– Owners of the parent	**(308.9)**	(980.8)
– Non-controlling interest holders	**9.2**	(11.4)
	(299.7)	(992.2)

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

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

Consolidated statement of financial position

at 31 December 2014

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
	Notes	**2014**	2013
ASSETS			
Non-current assets		**5,764.9**	6,234.7
Property, plant and equipment	14	**4,895.7**	5,388.9
Goodwill	15	**385.7**	431.2
Inventories	20	**132.8**	93.8
Equity accounted investees	16	**252.4**	237.5
Investments	18	**5.5**	7.5
Environmental trust funds	19	**30.4**	23.9
Deferred taxation	24	**62.4**	51.9
Current assets		**1,092.8**	1,061.4
Inventories	20	**368.3**	404.5
Trade and other receivables	21	**226.5**	272.7
Cash and cash equivalents	22	**458.0**	325.0
Assets held for sale	10.2	**40.0**	59.2
Total assets		**6,857.7**	7,296.1
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		**3,538.8**	3,851.4
Share capital	23	**57.9**	57.8
Share premium		**3,412.9**	3,412.9
Other reserves		**(1,636.5)**	(1,340.8)
Retained earnings		**1,704.5**	1,721.5
Non-controlling interest		**124.5**	193.8
Total equity		**3,663.3**	4,045.2
Non-current liabilities		**2,481.3**	2,627.4
Deferred taxation	24	**387.0**	399.4
Borrowings	25	**1,765.7**	1,933.6
Provisions	26	**320.3**	294.4
Long-term incentive plan	27	**8.3**	–
Current liabilities		**713.1**	623.5
Trade and other payables	28	**509.7**	462.4
Taxation and royalties		**58.2**	34.6
Current portion of borrowings	25	**145.2**	126.5
Total equity and liabilities		**6,857.7**	7,296.1

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

Consolidated statement of changes in equity

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR							
	Number of ordinary shares in issue	Share capital and share premium	Accumulated other compre-hensive loss[1]	Other reserves[2]	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 31 December 2012	**729,536,813**	**4,599.9**	**(760.0)**	**59.2**	**2,082.5**	**5,981.6**	**209.4**	**6,191.0**
Loss for the year	–	–	–	–	(295.7)	**(295.7)**	(11.5)	**(307.2)**
Other comprehensive income	–	–	(685.1)	–	–	**(685.1)**	0.1	**(685.0)**
Total comprehensive income	–	–	(685.1)	–	(295.7)	**(980.8)**	(11.4)	**(992.2)**
Dividends declared	–	–	–	–	(61.2)	**(61.2)**	(1.1)	**(62.3)**
Distribution in specie (refer note 10.1)	–	(1,256.9)	–	–	–	**(1,256.9)**	–	**(1,256.9)**
Share-based payments for continuing operations	–	–	–	40.5	–	**40.5**	–	**40.5**
Share-based payments for discontinued operations	–	–	–	4.6	–	**4.6**	–	**4.6**
Acquisition of Yilgarn South assets (refer note 13)	28,717,660	127.3	–	–	–	**127.3**	–	**127.3**
Transactions with non-controlling interest holders	–	–	–	–	–	**–**	(1.2)	**(1.2)**
Equity contributions from non-controlling interest holders	–	–	–	–	–	**–**	6.8	**6.8**
Purchase of non-controlling interest	–	–	–	–	(4.1)	**(4.1)**	(8.7)	**(12.8)**
Exercise of employee share options	8,905,790	0.4	–	–	–	**0.4**	–	**0.4**
Balance at 31 December 2013	**767,160,263**	**3,470.7**	**(1,445.1)**	**104.3**	**1,721.5**	**3,851.4**	**193.8**	**4,045.2**
Profit for the year	–	–	–	–	12.8	**12.8**	7.6	**20.4**
Other comprehensive income	–	–	(321.7)	–	–	**(321.7)**	1.6	**(320.1)**
Total comprehensive income	–	–	(321.7)	–	12.8	**(308.9)**	9.2	**(299.7)**
Dividends declared	–	–	–	–	(29.8)	**(29.8)**	(10.7)	**(40.5)**
Share-based payments for continuing operations	–	–	–	26.0	–	**26.0**	–	**26.0**
Disposal of Chucapaca (refer note 33)	–	–	–	–	–	**–**	(69.8)	**(69.8)**
Equity contributions from non-controlling interest holders	–	–	–	–	–	**–**	2.0	**2.0**
Exercise of employee share options	4,256,228	0.1	–	–	–	**0.1**	–	**0.1**
Balance at 31 December 2014	**771,416,491**	**3,470.8**	**(1,766.8)**	**130.3**	**1,704.5**	**3,538.8**	**124.5**	**3,663.3**

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

[1] Accumulated other comprehensive loss mainly comprises foreign currency translation.

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

Consolidated statement of cash flows

for the year ended 31 December 2014

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
	Notes	2014	2013
Cash flows from operating activities		**808.5**	467.1
Cash generated by operations	29	**1,061.3**	970.2
Interest received		**3.6**	8.0
Dividends received		**0.1**	–
Change in working capital	30	**83.7**	10.0
Cash generated by operating activities		**1,148.7**	988.2
Interest paid		**(103.8)**	(89.4)
Royalties paid	31	**(88.8)**	(99.9)
Taxation paid	32	**(105.3)**	(298.2)
Net cash from operations		**850.8**	500.7
Dividends paid		**(42.3)**	(64.5)
– Ordinary shareholders		**(29.8)**	(61.2)
– Non-controlling interests holders		**(10.6)**	(1.1)
– South Deep BEE dividend		**(1.9)**	(2.2)
Cash generated by continuing operations		**808.5**	436.2
Cash generated by discontinued operations		**–**	30.9
Cash flows from investing activities		**(530.9)**	(914.6)
Additions to property, plant and equipment		**(608.9)**	(739.3)
Proceeds on disposal of property, plant and equipment		**4.9**	10.4
La Cima non-controlling interest buy-out		**–**	(12.8)
Yilgarn South asset purchase		**–**	(135.0)
Payment for Bezant		**–**	(10.0)
Proceeds on disposal of Chucapaca	33	**81.0**	–
Purchase of investments		**(4.4)**	(3.5)
Proceeds on disposal of investments		**6.4**	35.0
Environmental trust funds and rehabilitation payments		**(9.9)**	(4.5)
Cash utilised in continuing operations		**(530.9)**	(859.7)
Cash utilised in discontinued operations		**–**	(54.9)
Cash flows from financing activities		**(125.9)**	253.0
Equity contributions from non-controlling interest holders		**2.0**	6.8
Loans raised		**463.9**	3,177.7
Loans repaid		**(591.8)**	(2,971.3)
Proceeds from the issue of shares		**–**	0.8
Cash (utilised in)/generated by continuing operations		**(125.9)**	214.0
Cash generated by discontinued operations		**–**	39.0
Net cash generated/(utilised)		**151.7**	(194.5)
Cash transferred on unbundling of Sibanye Gold		**–**	(106.4)
Effect of exchange rate fluctuation on cash held		**(18.7)**	(29.7)
Cash and cash equivalents at beginning of the year		**325.0**	655.6
Cash and cash equivalents at end of the year	22	**458.0**	325.0

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

Notes to the consolidated financial statements

for the year ended 31 December 2014

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
		2014	2013
1.	**REVENUE**		
	Revenue from mining operations – spot sales	**2,868.8**	2,906.3
2.	**COST OF SALES**		
	Salaries and wages	**(448.1)**	(417.1)
	Consumable stores	**(441.2)**	(528.0)
	Utilities	**(199.2)**	(139.1)
	Mine contractors	**(351.0)**	(370.4)
	Other	**(245.4)**	(224.1)
	Operating costs	**(1,684.9)**	(1,678.7)
	Gold inventory change	**7.2**	11.8
	Operating costs including gold inventory change	**(1,677.7)**	(1,666.9)
	Amortisation and depreciation	**(656.7)**	(610.9)
	Total cost of sales	**(2,334.4)**	(2,277.8)
3.	**INVESTMENT INCOME**		
	Dividends received	**0.1**	–
	Interest received – environmental trust funds	**0.5**	0.5
	Interest received – cash balances	**3.6**	8.0
	Total investment income	**4.2**	8.5
4.	**FINANCE EXPENSE**		
	Interest charge – environmental rehabilitation	**(18.4)**	(2.3)
	Interest expense – borrowings	**(105.0)**	(90.8)
	Interest capitalised	**24.2**	23.6
	Total finance expense	**(99.2)**	(69.5)

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5. SHARE-BASED PAYMENTS

The Group granted equity-settled instruments comprising share options and restricted shares to executive directors, certain officers and employees. During the year ended 31 December 2014, the following share plans were in place: The Gold Fields Limited 2005 Share Plan and the Gold Fields Limited 2012 Share Plan. No further allocations of options under these plans are being made following the introduction of the Long-term Incentive Plan ("LTIP") (refer note 27) and the plans will be closed once all options have vested and have been exercised or forfeited.

The following information is available for each plan:

UNITED STATES DOLLAR 2013 Continuing operations	UNITED STATES DOLLAR 2013 Discontinued operations		UNITED STATES DOLLAR 2014 Continuing operations	UNITED STATES DOLLAR 2014 Discontinued operations
–	–	(a) The GF Management Incentive Scheme	–	–
9.8	2.7	(b) Gold Fields Limited 2005 Share Plan	1.7	–
		(c) Gold Fields Limited 2012 Share Plan		
18.8	1.1	– Performance Shares	12.0	–
11.9	0.8	– Bonus Shares	12.3	–
40.5	4.6	**Total included in profit for the year**	**26.0**	–
		Figures above in millions.		

Unbundling of Sibanye Gold during 2013

The rules of the share plans make provision for an adjustment to the number of shares in the event there is a variation in the issued share capital as a result of corporate action. The share plans require that the fair value of an employee's share portfolio pre- and post-corporate action remain the same. In order to uphold this principle, an independent professional firm was contracted to provide a fairness opinion on the additional number of shares or changes to strike prices required to maintain the pre-unbundling value of the share portfolios of employees as a result of the Sibanye Gold unbundling during 2013 (refer note 10.1 for details of the unbundling), which resulted in additional shares being awarded. The incremental fair value of these modifications was Rnil. Furthermore, employees who ceased to be employed by the Group as a result of the unbundling were treated as "good leavers" in terms of the rules of the share plans. Good leavers are entitled to the vested portion of their shares based on the period that the shares were held up to vesting date. The unvested portion was forfeited in terms of the rules of the share plans.

(a) THE GF MANAGEMENT INCENTIVE SCHEME

At the annual general meeting on 10 November 1999, shareholders approved the adoption of the GF Management Incentive Scheme to substitute the scheme in place prior to the reverse takeover of Driefontein by Gold Fields in 1999. This scheme was introduced to provide an incentive for certain officers and employees to acquire shares in the Company. No further allocations of options under this scheme are being made following the introduction of the Gold Fields 2005 Share Plan (see below) and the scheme was closed during the year ended 31 December 2013 as all options relating to this scheme were exercised or lapsed during the year.

5. SHARE-BASED PAYMENTS (continued)

(a) THE GF MANAGEMENT INCENTIVE SCHEME (continued)

The following table summarises the movement of share options under the GF Management Incentive Scheme during the years ended 31 December 2014 and 2013:

2013			2014	
Number of instruments	Average instrument price (US$)		**Number of instruments**	**Average instrument price (US$)**
75,500	10.09	**Outstanding at beginning of the year**	–	–
		Movement during the year:		
(28,100)	9.34	Unbundling of Sibanye Gold – forfeited	–	–
(31,147)	6.17	Exercised and released	–	–
(16,253)	9.68	Forfeited	–	–
–	–	**Outstanding at end of the year**	–	–
		All options above have vested.		

During the year ended 31 December 2013, some share options under the GF Management Incentive Scheme expiry dates were extended to enable participants who were disadvantaged due to the closed period to be placed in an equitable position. The incremental fair value of these modifications were Rnil.

(b) GOLD FIELDS LIMITED 2005 SHARE PLAN AND GOLD FIELDS LIMITED 2005 NON-EXECUTIVE SHARE PLAN

– Gold Fields Limited 2005 Share Plan

At the annual general meeting on 17 November 2005, shareholders approved the adoption of the Gold Fields Limited 2005 Share Plan to replace the GF Management Incentive Scheme approved in 1999. The plan provided for two methods of participation, namely the Performance Allocated Share Appreciation Rights Method ("SARS") and the Performance Vesting Restricted Share Method ("PVRS"). This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders. No further allocations of options under this plan are being made following the introduction of the Gold Fields Limited 2012 Share Plan (see below) and the plan will be closed once all options have been exercised or forfeited. Currently the last date of expiry is 1 December 2017.

The salient features of the plan were as follows:

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

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5. SHARE-BASED PAYMENTS (continued)

(b) GOLD FIELDS LIMITED 2005 SHARE PLAN AND GOLD FIELDS LIMITED 2005 NON-EXECUTIVE SHARE PLAN (continued)

– Gold Fields Limited 2005 Share Plan (continued)

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

The following table summarises the movement of share options under the Gold Fields Limited 2005 Share Plan during the years ended 31 December 2014 and 2013:

2013				**2014**		
Performance vesting restricted shares (PVRS)	Share appreciation rights (SARS)	Average instrument price (US$)		**Performance vesting restricted shares (PVRS)**	**Share appreciation rights (SARS)**	**Average instrument price (US$)**
4,998,516	4,318,909	12.53	**Outstanding at beginning of the year**	**1,230,971**	**3,151,728**	**8.89**
			Movement during the year:			
(2,221,264)	(1,077,878)	11.10	Unbundling of Sibanye Gold – forfeited	**–**	**–**	**–**
538,562	465,346	9.93	Additional shares awarded due to unbundling	**–**	**–**	**–**
(1,869,914)	–	–	Exercised and released	**(1,217,700)**	**–**	**–**
(214,929)	(554,649)	10.61	Forfeited	**(13,271)**	**(1,333,467)**	**8.62**
1,230,971	3,151,728	8.89	**Outstanding at end of the year**	**–**	**1,818,261**	**7.89**
			Included in the above are 1,818,261 (2013: 2,095,543) vested share appreciation rights and no further allocations are being made under this plan.			

5. SHARE-BASED PAYMENTS (continued)

(b) GOLD FIELDS LIMITED 2005 SHARE PLAN AND GOLD FIELDS LIMITED 2005 NON-EXECUTIVE SHARE PLAN (continued)

During the year ended 31 December 2013, some share appreciation rights' expiry dates were extended to enable participants who were disadvantaged due to the closed period to be placed in an equitable position. The incremental fair value of these modifications were Rnil. No expiry dates were extended during 2014. The following executive directors were affected by the modification:

2013				2014		
Number of options	Average instrument price (US$)	Contractual life extended by (years)		Number of options	Average instrument price (US$)	Contractual life extended by (years)
121,428	8.84	0.16	NJ Holland	–	–	–
75,082	9.21	0.17	PA Schmidt	–	–	–

(c) GOLD FIELDS LIMITED 2012 SHARE PLAN

At the annual general meeting on 14 May 2012 shareholders approved the adoption of the Gold Fields Limited 2012 Share Plan to replace the Gold Fields Limited 2005 Share Plan. The plan provided for two methods of participation, namely the Performance Share Method ("PS") and the Bonus Share Method ("BS"). This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders. No further allocations of options under this plan are being made following the introduction of the Long-term Incentive Plan ("LTIP") (refer note 27) and the plan will be closed once all options have vested and have been exercised or forfeited. Currently the last vesting date is 20 December 2016.

The salient features of the plan were:

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

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5. SHARE-BASED PAYMENTS (continued)

(c) GOLD FIELDS LIMITED 2012 SHARE PLAN (continued)

- The performance of the Company's shares against the shares of the peer group will be measured for the three-year period running from the relevant award date;
- BS were offered to participants annually in March; and
- Based on the rules of the plan, the actual number of BS which would be settled in equal proportions to a participant over a nine-month and a 18-month period after the original award date was determined by the employee's annual cash bonus calculated with reference to actual performance against predetermined targets for the financial year ended immediately preceding the award date.

The following table summarises the movement of share options under the Gold Fields Limited 2012 Share Plan during the years ended 31 December 2014 and 2013:

2013			2014	
Performance Shares (PS)	Bonus Shares (BS)		**Performance Shares (PS)**	**Bonus Shares (BS)**
4,262,170	792,376	**Outstanding at beginning of the year**	**6,029,716**	**882,072**
		Movement during the year:		
(1,562,498)	(241,023)	Unbundling of Sibanye Gold – forfeited	**–**	**–**
396,229	–	Additional shares awarded due to unbundling	**–**	**–**
5,310,968	2,018,771	Granted	**–**	**4,000,559**
(515,025)	(1,314,156)	Exercised and released	**(834,010)**	**(2,167,802)**
(1,862,128)	(373,896)	Forfeited	**(879,049)**	**(552,907)**
6,029,716	882,072	**Outstanding at end of the year**	**4,316,657**	**2,161,922**
		None of the outstanding options above have vested.		

2013		2014
	The fair value of equity instruments granted during the year ended 31 December 2014 and 2013 were valued using the Monte-Carlo simulation model:	
	Monte-Carlo simulation	
	Performance shares	
	This model is used to value the performance shares. The inputs to the model for options granted during the year were as follows:	
33.1%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**–**
3.0	– expected term (years)	**–**
4.6%	– dividend yield	**–**
0.2%	– weighted average three year risk free interest rate (based on US interest rates)	**–**
79.83	– weighted average fair value (South African Rand)	**–**
	Bonus shares	
	A future trading model is used to estimate the loss in value to the holders of bonus shares due to trading restrictions. The actual valuation is developed using a Monte-Carlo analysis of the future share price of Gold Fields:	
32.0%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**43.5%**
9.0 – 18.0	– expected term (months)	**9.0 – 18.0**
4.6%	– dividend yield	**0.6%**
4.1%	– weighted average three year risk free interest rate (based on SA interest rates)	**5.5%**
72.42	– weighted average fair value (South African Rand)	**40.28**
2.8%	– marketability discount	**2.0%**

5. SHARE-BASED PAYMENTS (continued)

The following table summarises information relating to the options and equity-settled instruments under all plans outstanding at 31 December 2014 and 2013:

2013				2014		
Number of instruments	Price (US$)	Contractual life (years)	Range of exercise prices for outstanding equity instruments (US$)	**Number of instruments**	**Price (US$)**	**Contractual life (years)**
8,142,759	–	1.52	n/a*	**6,478,579**	**–**	**0.80**
873,064	7.33	2.22	5.19 – 7.35	**580,833**	**6.56**	**1.22**
1,217,915	9.00	0.90	7.36 – 9.51	**454,131**	**8.17**	**0.33**
1,033,784	10.00	3.34	9.52 – 11.68	**769,159**	**8.94**	**2.33**
26,965	11.46	4.01	11.69 – 13.84	**14,138**	**10.25**	**3.01**
11,294,487			**Total outstanding at end of the year**	**8,296,840**		
			*These are restricted shares and are awarded for no consideration.			
		5.88	Weighted average share price during the year on the Johannesburg Stock Exchange (US$)	**3.90**		

The compensation costs related to awards not yet recognised under the above plans at 31 December 2014 and 31 December 2013 amount to US$14.3 million and US$40.1 million, respectively, and are to be spread over two years.

The directors were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 35,309,563 of the total issued ordinary shares capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 3,530,956 of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 1.08% of the total issued ordinary share capital at 31 December 2014. No further allocations of options are being made under any of these plans.

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Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
6. IMPAIRMENT OF INVESTMENTS AND ASSETS		
Investments	**(14.2)**	(10.3)
Listed investments	**(8.3)**	(10.3)
Unlisted investments	**(5.9)**	–
Property, plant and equipment and assets held for sale	**(11.2)**	(706.2)
Arctic Platinum[1]	**(3.2)**	(89.7)
Yanfolila[2]	**4.7**	(29.7)
Heap leach assets[3]	**–**	(73.4)
Tarkwa expansion project[4]	**–**	(4.6)
Tarkwa impairment – cash-generating unit[5]	**–**	(51.3)
Damang impairment – cash-generating unit[5]	**–**	(172.8)
St Ives impairment – cash-generating unit[5]	**–**	(264.9)
Property, plant and equipment – other[6]	**(12.7)**	(19.8)
Inventories	**(1.3)**	(61.3)
Stockpiles and consumables[7]	**(1.3)**	(18.5)
Heap leach inventory[3]	**–**	(42.8)
Other	**–**	(31.7)
Tarkwa expansion project[4]	**–**	(22.2)
Non-refundable option payment to Bezant[8]	**–**	(9.5)
Total impairment of investments and assets	**(26.7)**	(809.5)

[1]Following the Group's decision during 2013 to dispose of non-core projects, Arctic Platinum was classified as held for sale and, accordingly, valued at the lower of fair value less cost to sell or carrying value which resulted in an impairment of US$89.7 million during 2013. Arctic Platinum's carrying value at 31 December 2013 after the above impairment was US$43.2 million which was based on an offer made as part of the sale process during 2013. During 2014, active marketing activities for the disposal continued even though the offer was not realised. As a result of continued marketing activities, a second offer was received from another potential purchaser close to year-end. This lower offer resulted in a further impairment of US$3.2 million during 2014, resulting in a carrying value of US$40.0 million at 31 December 2014. Refer note 10.2 for further details.

[2]Following the Group's decision during 2013 to dispose of non-core projects, Yanfolila was classified as held for sale and, accordingly, valued at the lower of fair value less cost to sell or carrying value which resulted in an impairment of US$29.7 million during 2013. During 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird Resources Plc ("Hummingbird") for US$21.1 million, which was settled in the form of 21,258,503 Hummingbird shares. The fair value of Hummingbird shares exceeded the carrying value of Yanfolila, which resulted in a partial reversal of the 2013 impairment in 2014. Refer note 10.2 for further details.

[3]Write-down of inventory to net realisable value due to the cessation of the heap leach operations as well as impairment of related assets at Tarkwa.

[4]Impairment of assets due to the abandonment of the Tarkwa expansion project at Tarkwa.

[5]Following the impairment assessments performed during 2013, impairments were recorded for the Tarkwa, Damang and St Ives cash-generating units ("CGU"). No impairments were recorded following the impairment assessments performed during 2014. Details of the 2013 impairments are as follows:
The recoverable amount for each CGU was based on its fair value less cost of disposal ("FVLCOD"). FVLCOD for Tarkwa and Damang was calculated using a combination of the market (comparable resource transactions) and the income (present value techniques) approaches. FVLCOD for St Ives was calculated using the income approach (present value techniques). The impairments were mainly due to the decrease in the gold price which impacted the life-of-mine plans and increases in the discount rates used. The discount rates increased mainly as a result of the increase in the risk-free rates.

Key assumptions used in the FVLCOD calculations were:

	CGU AND REPORTABLE SEGMENTS		
	Tarkwa	**Damang**	**St Ives**
Discount rate – real	**8.0%**	**8.0%**	**5.2%**
Long-term gold price – Dollars per ounce	**US$1,300**	**US$1,300**	**US$1,300**
AUD/US$ exchange rate	**N/A**	**N/A**	**0.9**
Resource without infrastructure – Dollars per ounce	**US$26**	**US$26**	**N/A**
2013 life-of-mine – years	**17**	**6**	**15**

The FVLCOD calculations are very sensitive to the gold price assumptions and an increase or decrease in the gold price could materially change the FVLCOD.

[6] Impairment of redundant assets at South Deep, St Ives and Agnew/Lawlers (2013: Tarkwa, Cerro Corona and Agnew/Lawlers).

[7] Net realisable value write-down of consumables at Agnew/Lawlers (2013: stockpiles and consumables at Tarkwa and Damang).

[8] The US$9.5 million non-refundable option payment was impaired due to the fact that Gold Fields relinquished the Mankayan option in connection with the Guinaoang property ahead of the 31 January 2014 expiry date.

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
7. INCLUDED IN PROFIT/(LOSS) BEFORE ROYALTIES AND TAXATION ARE THE FOLLOWING:		
Environmental rehabilitation inflation adjustment	**–**	12.8
Operating lease charges	**3.2**	4.5
Stamp duty and other costs on the acquisition of Yilgarn South assets (refer note 13)	**–**	27.4
Facility charges[1]	**–**	23.5
Regulatory legal fees[2]	**7.1**	11.1
Rehabilitation costs in respect of previously retired assets	**18.4**	–
8. ROYALTIES		
South Africa	**(1.3)**	(2.1)
Foreign	**(84.8)**	(88.4)
Total royalties	**(86.1)**	(90.5)
Royalty rates		
South Africa (effective rate)[3]	**0.5%**	0.5%
Australia[4]	**2.5%**	2.5%
Ghana[4]	**5.0%**	5.0%
Peru[5]	**3.3%**	3.8%

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

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

[3]The Mineral and Petroleum Resource Royalty Act 2008 ("Royalty Act") was promulgated on 24 November 2008 and became effective from 1 March 2010. The Royalty Act imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Act) minerals payable to the state. The royalty in respect of refined minerals (which include gold refined to 99.5% and above and platinum) is calculated by dividing earnings before interest and taxes ("EBIT") by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2014 was approximately 0.5% of mining revenue (2013: 0.5%) equaling the minimum charge per the formula.

[4]The Australian and Ghanaian operations are subject to a 2.5% (2013: 2.5%) and 5.0% (2013: 5.0%) gold royalty, respectively, on revenue as the mineral rights are owned by the state.

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

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Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
9. MINING AND INCOME TAXATION		
The components of mining and income tax are the following:		
South African taxation		
– company and capital gains taxation	**(1.7)**	(4.5)
– prior year adjustment – current taxation	**(0.3)**	0.2
– deferred taxation	**24.9**	1.4
– prior year adjustment – deferred taxation	**(3.9)**	–
Foreign taxation		
– current taxation	**(128.4)**	(153.1)
– prior year adjustment – current taxation	**(3.8)**	(3.9)
– deferred taxation	**(4.9)**	180.0
Total mining and income taxation	**(118.1)**	20.1
Major items causing the Group's income taxation to differ from the maximum South African statutory mining tax rate of 34.0% (2013: 34.0%) were:		
Taxation on profit before taxation at maximum South African statutory mining tax rate	**(47.1)**	209.2
Rate adjustment to reflect the actual realised company tax rates in South Africa and offshore	**8.4**	5.7
Non-deductible share-based payments	**(7.2)**	(11.5)
Non-deductible exploration expense	**(10.9)**	(22.4)
Non-deductible feasibility and evaluation costs	**–**	(16.2)
Non-deductible impairment of assets and investments	**(3.6)**	(43.8)
Non-deductible interest paid	**(27.7)**	(25.3)
Non-deductible facility charges	**–**	(8.0)
Non-deductible legal and consulting fees	**(2.4)**	(8.2)
Non-deductible stamp duty on the acquisition of Yilgarn South assets	**–**	(5.1)
Non-taxable profit on disposal of investments and subsidiaries	**1.7**	2.2
Share of results of associates after taxation	**(0.8)**	(6.3)
Net non-deductible expenditure and non-taxable income	**(8.2)**	(16.8)
Deferred taxation charge on Peruvian Nuevo Sol devaluation against US Dollar[1]	**(3.1)**	(25.6)
Various Peruvian non-deductible expenses	**(8.0)**	(9.4)
Prior year adjustments	**(9.1)**	(3.7)
Other	**(0.1)**	5.3
Total mining and income taxation	**(118.1)**	20.1

[1]The functional currency of La Cima is US Dollar. However, the Peruvian tax base is based on values in Peruvian Nuevo Sol.

Figures in millions unless otherwise stated

9. MINING AND INCOME TAXATION (continued)

2013				2014
		South Africa – tax rates		
Y = 34	– 170/X	Mining tax[1]	**Y = 34**	**– 170/X**
	28.0%	Non-mining tax[2]		**28.0%**
	28.0%	Company tax rate		**28.0%**
		International operations – tax rates		
	30.0%	Australia		**30.0%**
	35.0%	Ghana		**35.0%**
	30.0%	Peru		**30.0%**

[1]South African mining tax on mining income is determined according to a formula which takes into account the profit and revenue from mining operations. South African mining taxable income is determined after the deduction of all mining capital expenditure, with the proviso that this cannot result in an assessed loss. Capital expenditure amounts not deducted are carried forward as unredeemed capital expenditure to be deducted from future mining income. Accounting depreciation is ignored for the purpose of calculating South African mining taxation. The effective mining tax rate for Gold Fields Operations Limited ("GFO") and GFI Joint Venture Holdings (Pty) Limited ("GFIJVH"), owners of the South Deep mine, has been calculated at 30% (2013: 30%).

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

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

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

At 31 December 2014, the Group had the following estimated amounts available for set-off against future income:

2013				2014		
Gross unredeemed capital expenditure US$ million	Gross tax losses US$ million	Gross deferred tax asset not recognised US$ million		**Gross unredeemed capital expenditure US$ million**	**Gross tax losses US$ million**	**Gross deferred tax asset not recognised US$ million**
			South Africa[3]			
692.3	301.1	–	Gold Fields Operations Limited	**656.9**	**283.0**	**–**
1,779.9	–	801.9	GFI Joint Venture Holdings (Pty) Limited[5]	**1,822.6[4]**	**20.9**	**910.6**
–	8.2	–	Gold Fields Group Services (Pty) Limited	**–**	**0.8**	**–**
2,472.2	309.3	801.9		**2,479.5**	**304.7**	**910.6**
R million	R million	R million		**R million**	**R million**	**R million**
			South Africa[3]			
7,158.1	3,113.7	–	Gold Fields Operations Limited	**7,594.1**	**3,271.5**	**–**
18,403.8	–	8,291.3	GFI Joint Venture Holdings (Pty) Limited[5]	**21,068.9[4]**	**241.2**	**10,525.7**
–	85.2	–	Gold Fields Group Services (Pty) Limited	**–**	**9.1**	**–**
25,561.9	3,198.9	8,291.3		**28,663.0**	**3,521.8**	**10,525.7**

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

[4]Comprises US$912.0 million (R10,543.2 million) gross recognised capital allowance and US$910.6 million (R10,525.7 million) gross unrecognised capital allowance (2013: US$978.0 million (R10,112.5 million) gross recognised capital allowance and US$801.9 million (R8,291.3 million) gross unrecognised capital allowance..

[5]During 2014, the South African Revenue Services ("SARS") issued a Finalisation of Audit Letter ("the Audit Letter") stating that SARS has disallowed US$198.3 million (R2,292.0 million) of GFIJVH's recognised capital allowance of US$912.0 million (R10,543.2 million). Refer note 36 on Contingent Liabilities for further details.

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9. MINING AND INCOME TAXATION (continued)

2013				2014		
Gross unredeemed capital expenditure US$ million	Gross tax losses US$ million	Gross deferred tax asset not recognised US$ million		**Gross unredeemed capital expenditure US$ million**	**Gross tax losses US$ million**	**Gross deferred tax asset not recognised US$ million**
			International operations			
–	140.4	140.4	Orogen Investments SA (Luxembourg)[1]	**–**	**126.1**	**126.1**
–	94.8	94.8	Gold Fields Arctic Platinum Oy[2]	**–**	**74.7**	**74.7**
450.9	–	–	Gold Fields La Cima[3]	**352.5**	**–**	**–**
19.3	7.2	–	Abosso Goldfields Limited[4]	**51.3**	**46.5**	**–**
470.2	242.4	235.2		**403.8**	**247.3**	**200.8**

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

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

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

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

Figures in millions unless otherwise stated

10. ASSETS AND LIABILITIES HELD FOR SALE/DISTRIBUTION

10.1 ASSETS AND LIABILITIES HELD FOR DISTRIBUTION – DISCONTINUED OPERATIONS

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

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

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

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

The financial results of Sibanye Gold, which include the KDC and Beatrix mines, have been presented as discontinued operations in the comparative income statement and statement of cash flows.

	UNITED STATES DOLLAR
Below is a summary of the results of the discontinued operations presented as discontinued operations in the comparative period:	**For the two-month period ended February 2013**
Revenue	310.7
Costs of sales	(216.0)
Net operating profit	94.7
Other costs, net	(15.5)
Profit before royalties and taxation	79.2
Royalties	(4.3)
Profit before taxation	74.9
Mining and income tax	(19.1)
Profit for the year	55.8
Profit on distribution of discontinued operations (taxation effect: Rnil)	232.1
Total profit from discontinued operations	287.9

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Figures in millions unless otherwise stated

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

10.1 ASSETS AND LIABILITIES HELD FOR DISTRIBUTION – DISCONTINUED OPERATIONS (continued)

	UNITED STATES DOLLAR
Below is a summary of Sibanye Gold's assets and liabilities distributed in February 2013:	**February 2013**
Property, plant and equipment	2,018.5
Investment in associate	25.5
Investments	0.2
Environmental trust funds	158.5
Deferred taxation	2.4
Inventories	40.5
Trade and other receivables	144.5
Cash and cash equivalents	106.4
Assets held for distribution	2,496.5
Deferred taxation	521.6
Borrowings	514.1
Environmental rehabilitation costs	197.4
Post-retirement health care costs	2.0
Trade and other payables	227.0
Taxation and royalties	9.3
Liabilities held for distribution	1,471.4
Net assets held for distribution	1,025.1
Non-controlling interest	(0.3)
Net asset value distributed[1]	1,256.9
Net profit on distribution of discontinued operations	232.1

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

10.2 ASSETS HELD FOR SALE

Following the Group's decision during 2013 to dispose of non-core projects, Arctic Platinum and Yanfolila were classified as held for sale and valued at the lower of fair value less cost to sell or carrying value at 31 December 2013.

On 2 July 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird Resources Plc ("Hummingbird") for US$21.1 million, which was settled in the form of 21,258,503 Hummingbird shares.

Arctic Platinum's carrying value at 31 December 2013 was US$43.2 million following an impairment of US$89.7 million which was based on an offer made as part of the sale process during 2013. During 2014, active marketing activities for the disposal continued even though the offer was not realised. As a result of continued marketing activities, a second offer was received from another potential purchaser close to year-end. This lower offer resulted in a further impairment of US$3.2 million, with an updated carrying value of US$40.0 million.

	UNITED STATES DOLLAR	
	2014	2013
Arctic Platinum	**40.0**	43.2
Yanfolila	**–**	16.0
Total assets held for sale[2]	**40.0**	59.2

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

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
11. EARNINGS PER SHARE		
11.1 BASIC EARNINGS/(LOSS) PER SHARE FROM CONTINUING OPERATIONS – CENTS	**2**	(79)
Basic earnings(loss) per share is calculated by dividing the profit attributable to ordinary shareholders from continuing operations of US$12.8 million (2013: loss of US$583.6 million) by the weighted average number of ordinary shares in issue during the year of 769,141,871 (2013: 742,606,726).		
11.2 BASIC EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS – CENTS	**–**	39
Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders from discontinued operations of US$287.9 million by the weighted average number of ordinary shares in issue during the quarter ended March 2013 of 731,207,454.		
11.3 DILUTED BASIC EARNINGS/(LOSS) PER SHARE FROM CONTINUING OPERATIONS – CENTS	**2**	(79)
Diluted basic earnings/(loss) per share is calculated on the basis of profit attributable to ordinary shareholders from continuing operations of US$12.8 million (2013: loss of US$583.6 million) and 771,814,815 (2013: 743,328,480) shares being the diluted number of ordinary shares in issue during the year.		
The weighted average number of shares has been adjusted by the following to arrive at the diluted number of ordinary shares:		
Weighted average number of shares	**769,141,871**	742,606,726
Share options in issue	**2,672,944**	721,754
Diluted number of ordinary shares	**771,814,815**	743,328,480
11.4 DILUTED BASIC EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS – CENTS	**–**	39
Diluted basic earnings per share is calculated on the basis of profit attributable to ordinary shareholders from discontinued operations of US$287.9 million and 733,268,639 shares being the diluted number of ordinary shares in issue during the quarter ended March 2013.		
The weighted average number of shares has been adjusted by the following to arrive at the diluted number of ordinary shares:		
Weighted average number of shares	**–**	731,207,454
Share options in issue	**–**	2,061,185
Diluted number of ordinary shares	**–**	733,268,639

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Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
11. EARNINGS PER SHARE (continued)		
11.5 HEADLINE EARNINGS/(LOSS) PER SHARE FROM CONTINUING OPERATIONS – CENTS	**4**	(12)
Headline earnings/(loss) per share is calculated on the basis of adjusted net earnings attributable to ordinary shareholders from continuing operations of US$27.3 million (2013: loss of US$80.9 million) and 769,141,871 (2013: 742,606,726) shares being the weighted average number of ordinary shares in issue during the year.		
Net earnings/(loss) attributable to ordinary shareholders from continuing operations is reconciled to headline earnings/(loss) as follows:		
Long-form headline earnings/(loss) reconciliation		
Net profit/(loss) attributable to ordinary shareholders from continuing operations	**12.8**	(583.6)
Profit on disposal of investments, net	**(5.1)**	(14.6)
Gross	**(5.1)**	(17.8)
Taxation effect	**–**	3.2
Loss/(profit) on disposal of property, plant and equipment, net	**0.9**	(1.1)
Gross	**1.3**	(1.6)
Taxation effect	**(0.4)**	0.5
Non-controlling interest effect	**–**	–
Impairment of investments and assets, net	**18.7**	518.4
Gross	**22.4**	738.7
Taxation effect	**(3.7)**	(198.7)
Non-controlling interest effect	**–**	(21.6)
Headline earnings/(loss)	**27.3**	(80.9)
11.6 HEADLINE EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS – CENTS	**–**	8
Headline earnings per share is calculated on the basis of adjusted net earnings attributable to ordinary shareholders from discontinued operations of US$55.8 million and 731,207,454 shares being the weighted average number of ordinary shares in issue during the quarter ended March 2013.		
Net profit attributable to ordinary shareholders from discontinued operations is reconciled to headline earnings as follows:		
Net profit attributable to ordinary shareholders from discontinued operations	**–**	287.9
Profit on distribution of discontinued operations (taxation effect: US$nil)	**–**	(232.1)
Headline earnings	**–**	55.8

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
11. EARNINGS PER SHARE (continued)		
11.7 DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE FROM CONTINUING OPERATIONS – CENTS	**4**	(12)
Diluted headline earnings/(loss) per share is calculated on the basis of headline earnings attributable to ordinary shareholders from continuing operations of US$27.3 million (2013: loss of US$80.9 million) and 771,814,815 (2013: 743,328,480) shares being the diluted number of ordinary shares in issue during the year.		
11.8 DILUTED HEADLINE EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS – CENTS	**–**	8
Diluted headline earnings per share is calculated on the basis of headline earnings attributable to ordinary shareholders from discontinued operations of US$55.8 million and 733,268,639 shares being the diluted number of ordinary shares in issue during the quarter ended March 2013.		
12. DIVIDENDS		
12.1 ORDINARY DIVIDENDS		
2013 final dividend of 22 SA cents per share (2012: 75 SA cents) declared on 12 February 2014.	**15.7**	61.2
2014 interim dividend of 20 SA cents was declared during 2014 (2013: nil).	**14.1**	–
A final dividend in respect of financial year ended 31 December 2014 of 20 SA cents per share was approved by the Board of Directors on 11 February 2015. This dividend payable is not reflected in these financial statements.		
Dividends are subject to Dividend Withholding Tax.		
12.2 DISTRIBUTION IN SPECIE		
Net asset value of Sibanye Gold distributed on unbundling	**–**	1,256.9
Total dividends	**29.8**	1,318.1
Dividends per share (ordinary shares) – cents	**4**	8
Dividends per share (distribution in specie) – cents	**–**	172

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Figures in millions unless otherwise stated

13. ACQUISITION OF YILGARN SOUTH ASSETS

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

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

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

Consideration transferred	US$ million
Equity instruments (28.7 million ordinary shares)	**127.3**
Cash	**135.0**
Total consideration	**262.3**

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

Identified assets acquired and liabilities assumed	US$ million
Property, plant and equipment	**362.7**
Inventories	**40.8**
Prepayments	**0.6**
Finance lease liability	**(4.3)**
Site restoration provision	**(69.7)**
Trade and other payables	**(46.7)**
Employee leave liability	**(21.1)**
Total identifiable net assets acquired	**262.3**

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

There were no changes in 2014 to the provisional purchase price allocation performed at the time of acquisition of the Yilgarn South assets.

Figures in millions unless otherwise stated

14. PROPERTY, PLANT AND EQUIPMENT

UNITED STATES DOLLAR 31 December 2013 Land, mineral rights and rehabilitation assets	Mine development, infrastructure and other assets	Total		UNITED STATES DOLLAR 31 December 2014 Total	Mine development, infrastructure and other assets	Land, mineral rights and rehabilitation assets
			Cost			
1,125.9	8,008.9	9,134.8	Balance at beginning of the year	**9,284.7**	**8,222.5**	**1,062.2**
–	–	–	Reclassifications	**(99.3)**	**(75.8)**	**(23.5)**
50.7	688.6	739.3	Additions for continuing operations	**608.9**	**592.3**	**16.6**
52.8	309.9	362.7	Yilgarn South asset acquisition	**–**	**–**	**–**
–	(59.2)	(59.2)	Reclassification to assets held for sale (refer note 10.2)	**–**	**–**	**–**
–	23.6	23.6	Finance charges capitalised[1]	**24.2**	**24.2**	**–**
(6.8)	(10.4)	(17.2)	Disposals	**(263.9)**	**(259.3)**	**(4.6)**
–	–	–	Disposal of Chucapaca (refer note 33)	**(133.1)**	**(8.6)**	**(124.5)**
(20.9)	–	(20.9)	Changes in estimates of rehabilitation assets	**16.1**	**–**	**16.1**
(139.5)	(738.9)	(878.4)	Translation adjustment	**(531.5)**	**(444.8)**	**(86.7)**
1,062.2	8,222.5	9,284.7	**Balance at end of the year**	**8,906.1**	**8,050.5**	**855.6**
			Accumulated depreciation and impairment			
297.8	2,578.6	2,876.4	Balance at beginning of the year	**3,895.8**	**3,585.5**	**310.3**
–	–	–	Reclassifications	**(99.3)**	**(98.4)**	**(0.9)**
25.3	585.6	610.9	Charge for the year for continuing operations[2]	**656.7**	**630.2**	**26.5**
29.7	676.5	706.2	Impairment[3]	**12.7**	**12.7**	**–**
–	(8.4)	(8.4)	Disposals	**(237.5)**	**(232.9)**	**(4.6)**
–	–	–	Disposal of Chucapaca (refer note 33)	**(0.7)**	**(0.7)**	**–**
(42.5)	(246.8)	(289.3)	Translation adjustment	**(217.3)**	**(189.9)**	**(27.4)**
310.3	3,585.5	3,895.8	**Balance at end of the year**	**4,010.4**	**3,706.5**	**303.9**
751.9	4,637.0	5,388.9	**Carrying value at end of the year[4]**	**4,895.7**	**4,344.0**	**551.7**

[1] Borrowing costs of US$24.2 million (2013: US$18.3 million) arising on Group general borrowings which are related to the qualifying projects at South Deep were capitalised during the period. The balance of US$nil (2013: US$5.3 million) of the borrowing cost capitalised relates to Group general borrowings relating to Chucapaca. An average interest capitalisation rate of 5.3% (2013: 4.6%) was applied.

[2] Change in estimate

During 2014, the Group took a decision to standardise the amortisation methodology across all operations. Previously, at the Australian operations, the calculation of amortisation took into account future costs which would be incurred to develop all the proved and probable ore reserves. From 1 July 2014, the Group decided to exclude future costs from the units-of-production method calculation used for the Australian operations. The effect of this change on amortisation and depreciation expense, included in total cost of sales, was as follows:

	US$ million	A$ million
Decrease in depreciation	49.0	54.2

The effect on future periods is not disclosed because estimating it is impracticable.

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

[4] Fleet assets in Ghana amounting to US$176.6 million (2013: US$80.7 million) have been pledged as security for the US$70 million senior secured revolving credit facility (refer note 25(f)).

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	UNITED STATES DOLLAR	
	2014	2013
15. GOODWILL		
Balance at beginning of the year	**431.2**	520.3
Translation adjustment	**(45.5)**	(89.1)
Balance at end of the year	**385.7**	431.2

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

The total goodwill is allocated to South Deep, the cash-generating unit ("CGU"), where it is tested for impairment.

In line with the accounting policy, the recoverable amount was determined by reference to "fair value less costs of disposal" being the higher of "value-in-use" or "fair value less cost of disposal", based on the cash flows over the life of the CGU and discounted to present value at an appropriate discount rate. Management's estimates and assumptions used in the 31 December 2014 calculation include:

- Long-term gold price of R420,000 per kilogram (US$1,300 per ounce) for the life-of-mine of 72 years (2013: R400,000 per kilogram (US$1,300 per ounce) for the life-of-mine of 73 years);
- A nominal discount rate of between 12.9% and 14.1% (2013: 10.9% and 12.3%);
- Fair value of US$63.7 per ounce (2013: US$50.0 per ounce), used for resource with infrastructure; and
- The annual life-of-mine plan takes into account the following:
  – proved and probable ore reserves of South Deep;
  – resources are valued using appropriate price assumptions;
  – cash flows are based on the life-of-mine plan which exceeds a period of five years; and
  – capital expenditure estimates over the life-of-mine plan.

The carrying value of CGUs, including goodwill, is tested on an annual basis for impairment. In addition, the Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount of a CGU may not be recoverable. There is no goodwill impairment at 31 December 2014 (2013: Rnil).

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

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

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR 2014	2013
16.	**EQUITY-ACCOUNTED INVESTEES**		
16.1	**INVESTMENTS IN ASSOCIATES**		
(a)	Rand Refinery Limited	**–**	–
(b)	Rusoro Mining Limited	**–**	–
(c)	Other	**22.4**	7.5
16.2	**JOINT VENTURE**		
(a)	Far Southeast Gold Resources Incorporated (“FSE”)	**230.0**	230.0
	Total equity accounted investees	**252.4**	237.5
	Share of results of equity accounted investees after taxation recognised in the income statement are made up as follows:		
16.1	**INVESTMENTS IN ASSOCIATES**		
(a)	Rand Refinery Limited	**–**	–
(b)	Rusoro Mining Limited	**–**[1]	–[1]
(c)	Other	**1.2**	–
16.2	**JOINT VENTURE**		
(a)	Far Southeast Gold Resources Incorporated	**(3.6)**	(18.4)
		(2.4)	(18.4)

16.1 INVESTMENTS IN ASSOCIATES

(a) Rand Refinery Limited

Before the unbundling of Sibanye Gold, the Group had a 34.9% (continuing operations: 1.8% and discontinued operations: 33.1%) interest in Rand Refinery Limited (“Rand Refinery”), a company incorporated in the Republic of South Africa, which is involved in the refining of bullion and by products sourced from, *inter alia*, South African and foreign gold producing mining companies. The investment was equity accounted since 1 July 2002. Due to the unbundling of Sibanye Gold during 2013, the Group no longer has significant influence over Rand Refinery and, accordingly, the investment is no longer equity accounted and was reclassified to unlisted investments.

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

	2014	2013
Total revenue of associate	**–**	12.5
Total profit of associate	**–**	2.8
Investment in associate consists of:		
Unlisted shares at cost	**–**	3.3
Share of accumulated profits brought forward	**–**	25.9
Purchase of additional investment	**–**	1.1
Share of profit after taxation for continuing operations	**–**	–
Share of profit after taxation for discontinued operations	**–**	0.9
Unbundling of Sibanye Gold	**–**	(25.5)
Reclassification to unlisted investments	**–**	(2.5)
Translation adjustment	**–**	(3.2)
Total investment in associate	**–**	–

[1]The unrecognised share of losses of Rusoro for the year amounted to US$2.7 million (2013: unrecognised profit of US$5.3 million). The (losses)/profit were not recognised because Rusoro’s carrying value was written down to US$nil at 31 December 2010 and remains below US$nil at 31 December 2014.

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	UNITED STATES DOLLAR	
	2014	2013
16. EQUITY-ACCOUNTED INVESTEES (continued)		
16.1 INVESTMENTS IN ASSOCIATES (continued)		
(b) Rusoro Mining Limited		
Gold Fields' interest in Rusoro Mining Limited ("Rusoro") at 31 December 2014 was 26.4% (2013: 26.4%). Rusoro, a company listed on the Toronto Stock Exchange (TSX), is a junior gold producer, with a large land position in the prolific Bolivar State gold region in southern Venezuela. The investment has been equity accounted since 30 November 2007.		
Rusoro has a 31 December year-end and equity accounting is based on the latest available published results to 30 September 2014.		
Total (loss)/profit of associate	**(10.3)**	20.2
Investment in associate consists of:		
Listed shares at fair value at acquisition	**236.9**	236.9
Share of accumulated losses brought forward	**(257.0)**	(262.3)
Other – brought forward[1]	**(186.3)**	(186.3)
Share of unrecognised (losses)/profits after taxation	**(2.7)**	5.3
Write-back of investment to nil	**209.1**	206.4
Total investment in associate[2]	**–**	–
The Group's interest in the summarised financial statements of Rusoro:		
Current assets	**1.8**	1.7
Total assets	**1.8**	1.7
Current liabilities	**143.3**	132.9
Total liabilities	**143.3**	132.9
Non-controlling interest	**(19.7)**	(19.7)
Net liabilities	**(121.8)**	(111.5)
Group's interest in the net liabilities of Rusoro	**(32.2)**	(29.4)
Reconciliation of the total investment in associate with attributable net liabilities:		
Net assets	**(32.2)**	(29.4)
Write-back of investment to nil	**209.1**	206.4
Impairment of investment in associate	**(158.1)**	(158.1)
Translation adjustments	**(18.8)**	(18.9)
Total investment in associate[2]	**–**	–
(c) Other		
Bezant Resources PLC[3]	**1.3**	7.5
Hummingbird Resources PLC[4]	**21.1**	–
Total investment in associates	**22.4**	7.5

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

[2] The carrying value of Rusoro was written down to US$nil at 31 December 2010 due to losses incurred by the entity. The fair value, based on the quoted market price of the investment was US$1.8 million and US$3.3 million at 31 December 2014 and 31 December 2013, respectively. The unrecognised share of losses of Rusoro for the year amounted to US$2.7 million (2013: unrecognised profit of US$5.3 million). The cumulative unrecognised share of losses of Rusoro amounted to US$209.1 million (2013: US$206.4 million).

[3] Represents a holding of 21.6% in Bezant Resources PLC. The fair value, based on the quoted market price of the investment, at 31 December 2014 was US$1.3 million (2013: US$5.1 million).

[4] Represents a holding of 25.1% in Hummingbird Resources PLC (refer to note 10.2 for further information). The fair value, based on the quoted market price of the investment, at 31 December 2014 was US$10.9 million.

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
16. EQUITY ACCOUNTED INVESTEES (continued)		
16.2 JOINT VENTURE		
(a) Far Southeast Gold Resources Incorporated ("FSE")		
Gold Fields' interest in FSE, an unlisted entity, was 40% (2013: 40%) at 31 December 2014.		
Gold Fields paid US$10.0 million in option fees to Lepanto Consolidated Mining Company ("Lepanto") during the six months ended 31 December 2010. In addition, Gold Fields paid non-refundable down payments of US$66.0 million during the year ended 31 December 2011 and US$44.0 million during the six months ended 31 December 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. On 31 March 2012, Gold Fields acquired 40% of the issued share capital and voting rights of FSE by contributing an additional non-refundable down payment of US$110.0 million. Lepanto owns the remaining 60% shareholding in FSE.		
The remaining 20% option is not likely to be exercised until such time as FSE obtains a Foreign Technical Assistance Agreement ("FTAA") which allows for direct majority foreign ownership and control.		
FSE has a 31 December year-end and has been equity accounted since 1 April 2012.		
Investment in joint venture consists of:		
Unlisted shares at cost	**230.0**	230.0
Equity contribution	**72.1**	68.5
Share of accumulated losses brought forward	**(68.5)**	(50.1)
Share of loss after taxation[1]	**(3.6)**	(18.4)
Total investment in joint venture[2]	**230.0**	230.0

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

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

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Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
17. FINANCIAL INSTRUMENTS		
Financial instruments are split per categories below and the accounting policies for financial instruments have been applied to these line items:		
(a) Financial assets		
Loans and receivables		
– Environmental trust funds	**30.4**	23.9
– Trade and other receivables	**89.3**	87.5
– Cash and cash equivalents	**458.0**	325.0
Fair value through profit or loss		
– Trade receivables from provisional copper concentrate sales	**29.5**	58.2
Available-for-sale		
– Investments	**5.5**	7.5
(b) Financial liabilities		
Other financial liabilities		
– Borrowings	**1,910.9**	2,060.1
– Trade and other payables	**471.8**	419.3
– South Deep dividend	**9.1**	10.9
18. INVESTMENTS		
Listed[1]		
Cost	**42.3**	40.8
Less: Other than temporary impairments	**(38.4)**	(37.1)
Net unrealised gain/(loss) on revaluation	**0.5**	(0.5)
Carrying value	**4.4**	3.2
Market value	**4.4**	3.2
Unlisted[2]		
Carrying value at cost	**1.1**	4.3
Total listed and unlisted investments	**5.5**	7.5
Loans advanced	**–**	–
Total investments	**5.5**	7.5

[1] All listed investments are classified as available-for-sale. Details of major investments are given on pages 130 and 131.

[2] Includes an investment in Rand Refinery. On 25 July 2014, Rand Refinery announced that its shareholders had approved and certain shareholders have extended to Rand Refinery, a R1.2 billion (US$103.8 million) irrevocable, subordinated loan facility ("the Facility"). The Facility, if drawn down, is convertible to equity after a period of two years. The Facility has been secured as a precautionary measure following challenges encountered in the implementation of Rand Refinery's new resources planning ("ERP") software system. Following the adoption of the ERP system, Rand Refinery experienced implementation difficulties which have led to a difference between the gold and silver actual inventory and the accounting records of approximately 87,000 ounces of gold. The maximum commitment of Gold Fields Operations Limited ("GFO"), a subsidiary of Gold Fields Limited, is R37.3 million (US$3.2 million).

In December 2014, GFO advanced R32.0 million (US$3.0 million) to Rand Refinery in terms of the above Facility. The investment in Rand Refinery, as well as the above loan, was written down to Rnil, resulting in a total impairment of R44.9 million (US$4.1 million).

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
19. ENVIRONMENTAL TRUST FUNDS		
Balance at beginning of the year	**23.9**	10.0
Contributions	**7.1**	15.4
Interest earned	**0.5**	0.5
Translation adjustment	**(1.1)**	(2.0)
Balance at end of the year[1]	**30.4**	23.9
20. INVENTORIES		
Gold-in-process	**227.9**	226.7
Consumable stores	**273.2**	271.6
Total inventories[2]	**501.1**	498.3
Heap leach and stockpiles inventories included in non-current assets[3]	**(132.8)**	(93.8)
Total current inventories[4]	**368.3**	404.5
21. TRADE AND OTHER RECEIVABLES		
Trade receivables – gold sales and copper concentrate	**86.4**	110.9
Trade receivables – other	**14.0**	16.7
Deposits	**0.3**	5.1
Payroll receivables	**8.2**	3.7
Prepayments	**64.2**	68.2
Value added tax	**39.9**	57.7
Diesel rebate	**3.6**	1.0
Other	**9.9**	9.4
Total trade and other receivables	**226.5**	272.7
22. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	**458.0**	325.0
Total cash and cash equivalents	**458.0**	325.0

[1] The trust fund consists of term deposits amounting to US$9.2 million (2013: US$9.4 million) in South Africa, as well as secured cash deposits amounting to US$21.2 million (2013: US$14.5 million) in Ghana.

These funds are intended to fund environmental rehabilitation obligations of the Group's South African and Ghanaian mines and are not available for general purposes of the Group. All income earned in these funds is re-invested or spent to meet these obligations. The funds are invested in money market and fixed deposits. The obligations which these funds are intended to fund are included in environmental rehabilitation costs under long-term provisions (Refer note 26.1).

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

[3] Heap leach and stockpiles inventories will only be processed at the end of life-of-mine.

[4] The cost of consumable stores consumed during the year and included in working cost amounted to US$441.2 million (2013: US$528.0 million).

Notes to the consolidated financial statements
(continued)

for the year ended 31 December 2014

23. SHARE CAPITAL

Authorised and issued

The authorised share capital of the Company is R500.0 million divided into 1,000,000,000 ordinary par value shares of 50 cents each. The issued share capital of the Company at 31 December 2014 is US$57.9 million (2013: US$57.8 million) divided into 771,416,491 (2013: 767,160,263) ordinary par value shares of 50 cents each.

In terms of the general authority granted by shareholders at the annual meeting on 9 May 2014, the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive schemes, was placed under the control of the directors. This authority expires at the next annual general meeting where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time.

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

Repurchase of shares

The Company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the Annual General Meeting ("AGM") held on 9 May 2014. Currently, the number of ordinary shares that may be bought back in any one financial year may not exceed 20% of the issued ordinary share capital as of 9 May 2014. At the next AGM, shareholders will be asked to renew the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

Treasury shares

In 2011, Mvelaphanda Resources Limited unbundled 856,330 shares held in Gold Fields Limited back to Gold Fields Limited. The Group reclassified these shares as treasury shares, resulting in a decrease in share capital and premium.

Figures in millions unless otherwise stated

24. DEFERRED TAXATION

The detailed components of the net deferred taxation liability which results from the differences between the carrying amounts of assets and liabilities recognised for financial reporting and taxation purposes in different accounting periods are:

	UNITED STATES DOLLAR	
	2014	2013
Liabilities		
– Mining assets	**1,124.9**	1,153.7
– Investment in environmental trust funds	**2.7**	2.7
– Inventories	**15.8**	13.4
– Other	**4.0**	13.3
Liabilities	**1,147.4**	1,183.1
Assets		
– Provisions	**(120.7)**	(104.0)
– Tax losses	**(107.7)**	(95.2)
– Unredeemed capital expenditure	**(594.4)**	(636.4)
Assets	**(822.8)**	(835.6)
Net deferred taxation liabilities	**324.6**	347.5
Included in the statement of financial position as follows:		
Deferred taxation assets	**(62.4)**	(51.9)
Deferred taxation liabilities	**387.0**	399.4
Net deferred taxation liabilities	**324.6**	347.5
Balance at beginning of the year	**347.5**	547.9
Transferred through the income statement	**(16.1)**	(181.4)
Deferred tax on marked-to-market adjustments accounted for in equity	**–**	(1.7)
Translation adjustment	**(6.8)**	(17.3)
Balance at end of the year	**324.6**	347.5

Notes to the consolidated financial statements
(continued)

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
25. BORROWINGS		
(a)(i) US$1 billion notes issue		
Balance at beginning of the year	**959.2**	988.8
Transaction costs capitalised	**–**	(33.9)
Unwinding of transaction costs	**5.4**	4.3
Balance at end of the year	**964.6**	959.2
(a)(ii) Sibanye Gold guarantee fee		
Balance at beginning of the year	**30.8**	–
Initial recognition	**–**	33.9
Payment of Sibanye Gold guarantee fee	**(5.0)**	(5.0)
Unwinding of interest	**0.9**	1.9
Balance at end of the year	**26.7**	30.8
(b) US$1 billion syndicated revolving credit facility		
Balance at beginning of the year	**–**	666.0
Repayments	**–**	(666.0)
Balance at end of the year	**–**	–
(c) US$500 million syndicated revolving credit facility		
Balance at beginning of the year	**–**	104.0
Repayments	**–**	(104.0)
Balance at end of the year	**–**	–
(d) US$200 million non-revolving senior secured term loan		
Balance at beginning of the year	**70.0**	110.0
Repayments	**(70.0)**	(40.0)
Balance at end of the year	**–**	70.0
(e) La Cima revolving senior secured credit facility		
Loans advanced	**42.0**	–
Balance at end of the year	**42.0**	–
(f) US$70 million senior secured revolving credit facility		
Balance at beginning of the year	**35.0**	–
Loans advanced	**35.0**	35.0
Repayments	**(35.0)**	–
Balance at end of the year	**35.0**	35.0
(g) US$1,510 million term loan and revolving credit facilities		
Balance at beginning of the year	**773.5**	–
Loans advanced	**41.5**	893.0
Repayments	**(189.0)**	(119.5)
Balance at end of the year	**626.0**	773.5

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
25. BORROWINGS (continued)		
(h) R1,500 million Nedbank revolving credit facility		
Balance at beginning of the year	**145.1**	–
Loans advanced	**–**	155.5
Translation adjustment	**(15.3)**	(10.4)
Balance at end of the year	**129.8**	145.1
(i) Other loans		
Balance at beginning of the year	**46.5**	–
Loans advanced to continuing operations	**345.4**	2,094.2
Loans advanced to discontinued operations	**–**	542.4
Repayments by continuing operations	**(297.8)**	(2,041.8)
Repayments by discontinued operations	**–**	(503.4)
Unbundling of Sibanye Gold	**–**	(39.0)
Translation adjustment	**(7.3)**	(5.9)
Balance at end of the year	**86.8**	46.5
Gross borrowings	**1,910.9**	2,060.1
Current portion of borrowings	**(145.2)**	(126.5)
Total non-current borrowings	**1,765.7**	1,933.6
The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:		
Variable rate with exposure to repricing (six months or less)	**946.3**	1,100.9
Fixed rate with no exposure to repricing (US$1 billion notes issue)	**964.6**	959.2
	1,910.9	2,060.1
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
US Dollar	**1,694.3**	1,868.5
Rand	**216.6**	191.6
	1,910.9	2,060.1
The Group has the following undrawn borrowing facilities:		
Committed	**1,016.9**	763.2
Uncommitted	**47.0**	79.0
	1,063.9	842.2
All of the above undrawn committed facilities have floating rates. The uncommitted facilities have no expiry dates and are open ended. Undrawn committed facilities have the following expiry dates:		
– later than one year and not later than two years	**64.9**	–
– later than two years and not later than three years	**952.0**	96.7
– later than three years and not later than five years	**–**	666.5
	1,016.9	763.2

Notes to the consolidated financial statements
(continued)

for the year ended 31 December 2014

25. BORROWINGS (continued)

(a)(i) US$ 1 billion notes issue

On 30 September 2010, Gold Fields Orogen Holdings (BVI) Limited ("Orogen") issued US$1,000,000,000 4.875% guaranteed notes due on 7 October 2020 ("the Notes"). The interest is due and payable semi-annually on 7 April and 7 October in arrears. The payment of all amounts due in respect of the Notes is unconditionally and irrevocably guaranteed by Gold Fields Limited ("Gold Fields"), Sibanye Gold, Gold Fields Operations Limited ("GFO") and Gold Fields Holdings Company (BVI) Limited ("GF Holdings") (collectively "the Guarantors"), on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively.

The total transaction costs of US$47.5 million were deducted from the liability. These costs will unwind over the period of the notes as an interest expense.

Gold Fields used a portion of the net proceeds of the offering of the notes to repay certain existing indebtedness of the Group and for general corporate purposes.

(a)(ii) Sibanye Gold guarantee fee

As part of the unbundling of Sibanye Gold in 2013, an indemnity agreement ("the Indemnity Agreement") was entered into between the Guarantors, pursuant to which the Guarantors (other than Sibanye Gold) hold Sibanye Gold harmless from and against any and all liabilities and expenses which may be incurred by Sibanye Gold under or in connection with the Notes, including any payment obligations by Sibanye Gold to the noteholders or the trustee of the Notes pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in place for as long as Sibanye Gold's guarantee obligations under the Notes remain in place.

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

(b) US$1 billion syndicated revolving credit facility

On 15 February 2013, this facility was refinanced by drawing down under the US$1,510 million term loan and revolving credit facility as detailed in 25(g) below. This facility was also cancelled on 15 February 2013.

(c) US$500 million syndicated revolving credit facility

On 15 February 2013, this facility was refinanced by drawing down under the US$1,510 million term loan and revolving credit facility as detailed in 25(g) below. This facility was also cancelled on 15 February 2013.

(d) US$200 million non-revolving senior secured term loan

On 17 September 2010, La Cima entered into a non-revolving senior secured term loan for up to US$200 million. The purpose of this facility was to (i) repay La Cima's outstanding subordinated loans with its affiliates; and (ii) to finance its working capital requirements.

On 22 September 2010, the lenders advanced US$200 million to La Cima under this facility. The facility was to be repaid in 20 equal quarterly instalments of US$10 million each. The final maturity date of this facility was five years from the disbursement date.

The loan bore interest at LIBOR plus a margin of 2.0% per annum. Borrowings under the non-revolving senior secured term loan were secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima were subject to an account control agreement and a first-ranking charge in favour of the lenders. This facility was non-recourse to the rest of the Gold Fields Group.

The outstanding balance under this facility at 31 December 2013 was US$70.0 million.

During the year ended 31 December 2014, La Cima repaid US$30.0 million (2013: US$40.0 million), all in accordance with the agreement terms.

On 19 December 2014, the outstanding balance of US$40.0 million under this facility was refinanced by drawing down under the La Cima revolving senior secured credit facility as detailed in 25(e) below. This facility was also cancelled on 19 December 2014.

25. BORROWINGS (continued)

(e) La Cima revolving senior secured credit facility

On 16 December 2014, La Cima entered into a revolving senior secured credit facility for up to US$200 million. The purpose of this facility was to (i) refinance the outstanding balance of the US$200.0 million non-revolving senior secured term loan; (ii) to finance its working capital requirements; and (iii) for general corporate purposes. The final maturity date of this facility is three years from the agreement date. On the agreement date, the total amount available under this facility amounted to US$75.0 million.

The loan bears interest at LIBOR plus a margin of 1.625% per annum. Borrowings under the revolving senior secured credit facility are secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima are subject to an account control agreement and a first-ranking charge in favour of the lenders. This facility is non-recourse to the rest of the Gold Fields Group.

Where the utilisation under this facility is less than or equal to US$66,666,666, a utilisation fee of 0.075% per annum will be payable on the amount of utilisations. Where the utilisation under this facility is greater than US$66,666,666 and less than or equal to US$133,333,333, a utilisation fee of 0.15% per annum will be payable on the amount of utilisations. Where the utilisation under this facility is greater than US$133,333,333, a utilisation fee of 0.25% per annum will be payable on the amount of utilisations. Such utilisation fee is payable quarterly in arrears.

The borrowers are required to pay a quarterly commitment fee of 0.65% per annum on the undrawn amount.

On 19 December 2014, La Cima drew down US$42.0 million under this facility.

The outstanding balance under this facility at 31 December 2014 was US$42.0 million.

Subsequent to year-end, on 19 January 2015, the total amount available under this facility was increased by US$75.0 million to US$150.0 million.

(f) US$70 million senior secured revolving credit facility

On 22 December 2010, Gold Fields Ghana Limited ("GF Ghana") and Abosso Goldfields Limited ("Abosso") entered into a US$60 million reducing senior secured revolving credit facility, which became available on 21 February 2011. The available facility amount reduced annually on the anniversary date being 21 February, from US$60.0 million to US$43.0 million to US$35.0 million in the last and final year with the final maturity date being 21 February 2014. The final maturity date was subsequently extended to 21 May 2014.

On 6 May 2014, the facility was amended and increased to US$70 million. The final maturity date of the amended facility is three years from the financial close date. The purpose of this facility is for (i) general corporate purposes; (ii) working capital purposes and or (iii) capital expenditure purposes, including the purchase of a yellow vehicle fleet.

The loan bears interest at LIBOR plus a margin of 2.4% per annum. The borrowers are required to pay a quarterly commitment fee of 1.0% per annum on the undrawn amount.

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

The outstanding borrowings of GF Ghana at 31 December 2013 were US$35.0 million.

During 2014, the outstanding balance of US$35.0 million under the initial facility was refinanced by drawing down US$35.0 million under the amended facility.

The outstanding borrowings at 31 December 2014 were US$35.0 million (2013: US$35.0 million).

Notes to the consolidated financial statements
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25. BORROWINGS (continued)

(g) US$1,510 million term loan and revolving credit facility

On 28 November 2012, Orogen, GFO and GFI Joint Venture Holdings (Pty) Limited ("GFIJVH") (collectively "the Borrowers") entered into a US$900 million term loan and revolving credit facility ("the US$900 million facility"). The US$900 million facility comprises a US$450 million three-year term loan tranche ("Facility A") and a US$450 million five-year revolving tranche ("Facility B"). In addition to the US$900 million facility, Orogen, GFO and GFIJVH entered into a US$600 million bridge loan to bond issue facility ("the US$ bridge facility"). The US$ bridge facility had a 21-month maturity.

The purpose of the US$900 million facility is to refinance the existing US$1 billion syndicated revolving credit facility and the US$500 million syndicated revolving credit facility on the unbundling of Sibanye Gold in February 2013 and for general corporate and working capital purposes. The final maturity dates of Facility A and Facility B are 28 November 2015 and 28 November 2017, respectively, with the US$ bridge facility maturing on 28 August 2014.

Subsequent to entering into the US$900 million facility, the facility was syndicated to a wider bank group and received an oversubscription which allowed the Borrowers to increase the facility amount to US$1,440 million on 30 January 2013. Accordingly, the amounts of Facility A and Facility B both increased to US$720 million. As a result of this oversubscription, the Borrowers cancelled the US$ bridge facility on 30 January 2013.

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

On 18 June 2014, the agreement was amended and Facility A was increased to US$120 million while Facility C was increased to US$670 million. US$75 million of Facility A matures on 28 November 2015 and the remaining portion of US$45 million matures on 28 November 2017. Facility C matures on 28 November 2017.

Borrowings under Facility A bear interest at LIBOR plus an initial margin of 2.45% per annum, Facility B bear interest at LIBOR plus an initial margin of 2.25% per annum and borrowings under Facility C bear interest at LIBOR plus an initial margin of 2.00%. The initial margins detailed above are based on the current long-term credit rating assigned to Gold Fields and could either increase or decrease depending on the changes in the long-term credit rating of Gold Fields.

Where the utilisation under Facility B is less than or equal to $33^{1}/_{3}$%, a utilisation fee of 0.20% per annum will be payable on the amount of utilisations. Where the utilisation under Facility B is greater than $33^{1}/_{3}$% and less than or equal to $66^{2}/_{3}$%, a utilisation fee of 0.40% per annum will be payable on the amount of utilisations. Where the utilisation under Facility B is greater than $66^{2}/_{3}$%, a utilisation fee of 0.60% per annum will be payable on the amount of utilisations. Such utilisation fee is payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee of 0.90% per annum under Facility B on the undrawn amount.

Where the utilisation under Facility C is less than or equal to $33^{1}/_{3}$%, a utilisation fee of 0.15% per annum will be payable on the amount of utilisations. Where the utilisation under Facility B is greater than $33^{1}/_{3}$% and less than or equal to $66^{2}/_{3}$%, a utilisation fee of 0.30% per annum will be payable on the amount of utilisations. Where the utilisation under Facility C is greater than $66^{2}/_{3}$%, a utilisation fee of 0.45% per annum will be payable on the amount of utilisations. Such utilisation fee is payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee of 0.80% per annum under Facility C on the undrawn amount.

The facility was undrawn at 31 December 2012.

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

On various dates during 2014, Orogen made drawdowns of US$41.5 million (2013: US$173.0 million) under this facility. Orogen repaid US$189.0 million (2013: US$119.5 million) during 2014 under this facility.

The outstanding balance under this facility at 31 December 2014 was US$626.0 million (2013: US$773.5 million).

Borrowings under the US$1,510 million facility are guaranteed by Gold Fields, GF Holdings, Orogen, GFO and GFIJVH.

25. BORROWINGS (continued)

(h) R1,500 million Nedbank revolving credit facility

On 1 March 2013, Nedbank, GFIJVH and GFO entered into a R1,500 million revolving credit facility. The purpose of the facility is to fund Gold Fields' capital expenditure and general corporate and working capital requirements. The final maturity date of this facility is 7 March 2018.

The facility bears interest at JIBAR plus a margin of 2.50% per annum. The borrowers are required to pay a commitment fee of 0.85% per annum every six months on the undrawn amount.

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

The outstanding balance under this facility at 31 December 2014 was R1,500.0 million (US$129.8 million) and at 31 December 2013 R1,500.0 million (US$145.1 million).

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

(i) Other loans

Rand revolving credit facilities

- ***Sibanye Gold and GFO***

  Sibanye Gold and GFO (collectively "the Borrowers") entered into various revolving credit facilities with some of the major banks with tenures between three and five years. The purpose of the facilities was to finance capital expenditure, general corporate and working capital requirements and to refinance existing borrowings.

  The outstanding borrowings of Sibanye Gold under these facilities at 31 December 2012 were R3.0 billion (US$350.0 million).

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

- ***GFO and GFIJVH***

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

  The Borrowers are required to pay a commitment fee of between 0.85% and 1.05% per annum on the undrawn and uncancelled amounts of the facilities, calculated and payable semi-annually in arrears.

  In summary the facilities are:

  – a R500.0 million (US$43.3 million) Rand Merchant Bank revolving credit facility entered into on 19 June 2013 and maturing on 20 June 2016 at JIBAR plus 2.5%; and

  – a R500.0 million (US$43.3 million) Standard Bank revolving credit facility entered into on 20 December 2013 and maturing on 21 December 2016 at JIBAR plus 2.75%.

  These facilities were unutilised at 31 December 2013.

  During the year ended 31 December 2014, each of GFO and GFIJVH drew down R250.0 million (US$23.1 million) under the R500.0 million Rand Merchant Bank facility. On 12 December 2014, each of GFO and GFIJVH repaid R125.0 million (US$10.8 million), under the R500.0 million Rand Merchant Bank facility.

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

  The outstanding balance under the facilities at 31 December 2014 was R250.0 million (US$21.6 million).

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25. BORROWINGS (continued)

(i) Other loans (continued)

- ***Short-term Rand credit facilities***

  The Group utilised uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operations. The total drawdowns and repayments were R3,257.7 million (US$299.2 million) and R2,985.0 million (US$276.2 million), respectively, during the year ended 31 December 2014. The total drawdowns by continuing operations were R18,591.8 million (US$2,094.2 million) and R230.0 million (US$25.4 million) by discontinued operations during the year ended 31 December 2013. The total repayments by continuing operations were R18,110.5 million (US$2,041.8 million) and R1,450.0 million (US$164.0 million) by discontinued operations during the year ended 31 December 2013. During 2013, these facilities were primarily utilised to recapitalise Sibanye Gold as part of the unbundling.

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

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

  The outstanding borrowings of Gold Fields under these facilities at 31 December 2014 were R754.0 million (US$65.2 million) (2013: R481.3 million (US$46.5 million)).

(j) Rand bridge loan facility

On 28 November 2012, Sibanye Gold entered into a R6.0 billion term loan and revolving credit facilities to refinance Sibanye Gold's debt as detailed above under the other Rand long-term revolving credit facilities and the other Rand short-term credit facilities on unbundling, with the balance of the Rand bridge loan facilities to be used to fund Sibanye Gold's ongoing capital expenditure, working capital and general corporate expenditure requirements.

The facility was undrawn at 31 December 2012.

On 18 February 2013, the date of unbundling, the Rand revolving credit facilities and the short-term Rand credit facilities were refinanced by Sibanye Gold by drawing down R4,570.0 million (US$517.0 million) under this facility.

Following the unbundling of Sibanye Gold in 2013, the Group has no access to this facility.

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR 2014	2013
26. PROVISIONS		
26.1 ENVIRONMENTAL REHABILITATION COSTS	**311.2**	283.5
26.2 SOUTH DEEP DIVIDEND	**9.1**	10.9
Total provisions	**320.3**	294.4
26.1 ENVIRONMENTAL REHABILITATION COSTS		
Balance at beginning of the year	**283.5**	248.8
Barrick Yilgarn asset purchase	**–**	69.7
Changes in estimates for continuing operations[1]	**34.5**	(23.7)
Inflation charge for continuing operations	**–**	12.8
Interest charge for continuing operations	**18.4**	2.3
Payments	**(2.8)**	(2.5)
Translation adjustment	**(22.4)**	(23.9)
Balance at end of the year[2]	**311.2**	283.5
The provision is calculated using the following gross closure cost estimates:		
South Africa	**32.3**	33.3
Ghana	**89.4**	83.3
Australia	**212.7**	196.6
Peru	**56.4**	42.0
Total	**390.8**	355.2

The provision is calculated using the following rates:	**Inflation rate**	**Discount rate**
2014		
South Africa	**6.2%**	**8.6%**
Ghana[3]	**2.2%**	**7.3% – 7.9%**
Australia	**2.5%**	**2.3% – 3.1%**
Peru	**2.2%**	**3.8%**
2013		
South Africa	**7.7%**	8.8%
Ghana[3]	**9.0%**	11.0%
Australia	**2.5%**	3.8% – 4.8%
Peru	**2.3%**	5.1%

[1]Changes in estimates are defined as changes in reserves and corresponding changes in life-of-mine as well as changes in laws and regulations governing environmental matters, closure cost estimates and discount rates.

[2]South African, Ghanaian, Australian and Peruvian mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. These environmental rehabilitation costs are funded as follows:
– Ghana – secured cash deposits (refer note 19),
– South Africa – contributions into environmental trust funds (refer note 19) and guarantees,
– Australia – unconditional bank-guaranteed performance bonds to secure the estimated costs, and
– Peru – guarantees with annual deposits for proper compliance with the mine closure plan.

The expected timing of the cash outflows in respect of the provision is on the closure of the various mining operations. However, certain current rehabilitation costs are charged to this provision as and when incurred.

[3]The significant decrease in inflation and discount rates is due to the change from a Ghanaian Cedi-based inflation and discount rates in 2013 to a United States Dollar-based inflation and discount rates in 2014.

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for the year ended 31 December 2014

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
26. PROVIDIONS (continued)		
26.2 SOUTH DEEP DIVIDEND		
Total provision	**10.8**	12.8
Current portion included in trade and other payables	**(1.7)**	(1.9)
Balance at end of the year	**9.1**	10.9

During the six-month period ended 31 December 2010, a wholly owned subsidiary company of Gold Fields was created to acquire 100% of the South Deep net assets from Sibanye Gold. Sibanye Gold was a wholly owned subsidiary of Gold Fields at the time. The new company then issued 10 million Class B ordinary shares representing 10% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share per annum and can convert the Class B to Class A ordinary shares over a 20-year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one-third after 10 years and a third thereafter on each fifth year anniversary.

This transaction was made up of a preferred BEE dividend (R151.4 million) and an equity component (R673.4 million). The preferred dividend represents a liability of Gold Fields to the Class B ordinary shareholders and was valued at R151.4 million, of which R20.0 million or US$1.9 million was declared on 4 April 2014 (25 April 2013: R20.0 million or US$2.2 million) and R20.0 million or US$1.7 million (2013: R20.0 million or US$1.9 million) is classified as a short-term portion under trade and other payables.

27. LONG-TERM INCENTIVE PLAN		
Cash awards raised during the year	**8.7**	–
Changes in estimates	**0.3**	–
Forfeited awards	**(0.3)**	–
Translation adjustment	**(0.4)**	–
Balance at end of the year	**8.3**	–

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited long-term incentive plan ("LTIP"). The plan provides for executive directors, certain officers and employees to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions are assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made. The fair value of the free cash flow portion of the awards are valued based on the actual and expected achievement of the cash flow targets set out in the plan.

The fair value of the total shareholder return portion of the awards made under this plan is valued using the Monte Carlo simulation model. The inputs to the model were as follows:

	2014	2013
– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**44.4%**	–
– expected term (years)	**3.0**	–
– three-year risk free interest rate (based on US interest rates)	**2.2%**	–

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
28. TRADE AND OTHER PAYABLES		
Trade payables	**170.7**	141.2
Accruals and other payables[1]	**289.9**	265.9
Leave pay accrual	**37.9**	42.9
Interest payable on loans	**11.2**	12.4
Total trade and other payables	**509.7**	462.4
29. CASH GENERATED BY OPERATIONS		
Profit/(loss) for the year	**20.4**	(595.1)
Mining and income taxation	**118.1**	(20.1)
Royalties	**86.1**	90.5
Interest expense	**105.0**	90.8
Interest received	**(3.6)**	(8.0)
Dividends received	**(0.1)**	–
Profit/(loss) before non-cash items	**325.9**	(441.9)
Non-cash and other adjusting items:		
Amortisation and depreciation	**656.7**	610.9
Inflation adjustment to rehabilitation liability	**–**	12.8
Interest adjustment to rehabilitation liability	**18.4**	2.3
Non-cash rehabilitation adjustment	**18.4**	(3.7)
Interest received – environmental trust funds	**(0.5)**	(0.5)
Impairment of investments and assets	**26.7**	809.5
Loss/(profit) on disposal of property, plant and equipment	**1.3**	(1.6)
Profit on disposal of investments	**(0.5)**	(17.8)
Profit on disposal of Chucapaca	**(4.6)**	–
Share-based payments	**26.0**	40.5
Long-term incentive plan	**8.7**	–
Non-cash interest charge	**1.2**	1.4
Finance costs capitalised	**(24.2)**	(23.6)
Share of results of equity-accounted investees after taxation	**(1.2)**	–
Reallocation of Ghana restricted cash	**–**	(13.4)
Other	**9.0**	(4.7)
Total cash generated by operations	**1,061.3**	970.2

[1] Included in other payables is US$10.3 million relating to oil derivative contracts. Refer note 38 for further details.

Notes to the consolidated financial statements
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for the year ended 31 December 2014

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
30. CHANGE IN WORKING CAPITAL		
Inventories	**(15.6)**	(11.3)
Trade and other receivables	**26.6**	142.6
Trade and other payables	**72.7**	(121.3)
Total change in working capital	**83.7**	10.0
31. ROYALTIES PAID		
Amount owing at beginning of the year	**(23.1)**	(32.5)
Royalties	**(86.1)**	(90.5)
Amount owing at end of the year	**20.4**	23.1
Total royalties paid	**(88.8)**	(99.9)
32. TAXATION PAID		
Amount owing at beginning of the year	**(11.5)**	(148.4)
SA and foreign current taxation	**(134.2)**	(161.3)
Amount owing at end of the year	**37.8**	11.5
Translation	**2.6**	–
Total taxation paid	**(105.3)**	(298.2)

33. DISPOSAL OF CHUCAPACA

During 2014, Gold Fields disposed of its 51% interest in Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) to Compañía de Minas Buenaventura S.A.A.

Below is a summary of Chucapaca's assets and liabilities disposed of in 2014:

	2014
Property, plant and equipment	**132.4**
Non-current assets	**10.1**
Trade and other receivables	**5.7**
Cash and cash equivalents	**0.7**
Total assets disposed of	**148.9**
Deferred taxation	**2.1**
Trade and other payables	**0.6**
Total liabilities disposed of	**2.7**
Net assets disposed of	**146.2**
Less: Non-controlling interest	**(69.8)**
Carrying value disposed of	**76.4**
Cash received	**81.0**
Profit on disposal	**4.6**

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
34. RETIREMENT BENEFITS		
All employees are members of various defined contribution retirement schemes.		
Contributions to the various retirement schemes are fully expensed during the period in which they are incurred. The cost of providing retirement benefits for continuing operations for the year amounted to US$35.4 million (2013: US$32.3 million) and US$nil (2013: US$62.8 million) for discontinued operations.		
35. COMMITMENTS		
Capital expenditure		
Contracted for	**120.5**	100.8
Operating leases		
– within one year	**3.1**	2.9
– later than one and not later than five years	**4.3**	4.4
– later than five years	**–**	1.0
Guarantees and other commitments	**0.1**	0.1

Commitments will be funded from internal sources and to the extent necessary from borrowings. This primarily relates to mining activities, development and infrastructure.

The Group also provides environmental obligation guarantees with respect to its South African, Ghanaian and Australian operations. These guarantees, amounting to US$67.0 million at 31 December 2014 (2013: US$121.1 million) have not been included in the amount of guarantees of US$0.1 million (2013: US$0.1 million) because they are fully provided for under the related environmental rehabilitation provision.

Notes to the consolidated financial statements
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for the year ended 31 December 2014

36. CONTINGENT LIABILITIES

RANDGOLD AND EXPLORATION SUMMONS

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

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest value of the Resources and Uranium One share prices between the dates of the alleged thefts and March 2008 (between R 11 billion and R12 billion (approximately US$1 billion)). The quantifiable alternative claims have been computed on the basis of the actual amounts allegedly received by GFO to fund its operations (approximately R521 million or US$45 million).

It should be noted that the claims lie only against GFO, whose only interest is a 50% stake in the South Deep mine. This alleged liability is historic and relates to a period of time prior to the Group purchasing the company.

GFO's assessment remains that it has sustainable defenses to these claims and, accordingly, GFO's attorneys were instructed to vigorously defend the claims.

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

SILICOSIS

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease ("COAD") as well as noise-induced hearing loss ("NIHL"). The Occupational Diseases in Mines and Works Act, 78 of 1973 ("ODMWA") governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. In 2011, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case-by-case basis, it is possible that such ruling could expose Gold Fields to claims related to occupational hazards and diseases (including silicosis), which may be in the form of a class or similar group action. If Gold Fields were to face a significant number of such claims and the claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Gold Fields' results of operations and financial position. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

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

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

36. CONTINGENT LIABILITIES (continued)

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

The two class applications were consolidated into one application on 17 October 2013 and the parties agreed a court-sanctioned process for the delivery of answering and replying affidavits and for the consolidated application to be heard during the weeks of 12 and 19 October 2015. The consolidated application will be preceded by various legal technical applications and court processes.

In addition to the consolidated action, an individual action has been instituted against Gold Fields and one other mining group in terms of which the plaintiff claims R25.0 million (US$2.2 million) in damages (and interest on that amount at 15.5% from May 2013 to date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has defended the action and has pleaded to the claim.

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

ACID MINE DRAINAGE

Acid Mine Drainage ("AMD") or acid rock drainage ("ARD"), collectively called acid drainage ("AD") is formed when certain sulphide minerals in rocks are exposed to oxidising conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

AD generation, and the risk of potential long-term AD issues, specifically at Gold Fields Cerro Corona and South Deep mines is on-going. Immaterial levels of surface AD generation also occur at Gold Fields Tarkwa, Damang and St Ives mines. Any AD, which is currently generated, is contained on Gold Fields property across all operations where it occurs and is well managed as part of each mines operational water management strategy. The relevant regulatory authorities are also kept appraised of our efforts to manage AD through various submissions and other communications.

Gold Fields continues to investigate technical solutions at both its South Deep and Cerro Corona Mines to better inform appropriate mitigation strategies for long term AD management (mainly post-closure) and to work towards a reliable cost estimate of these potential issues. None of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group.

Gold Fields mine closure cost estimate (environmental rehabilitation provisions) for 2014 contains the aspects of AD management (i.e. tailings facilities, waste rock dumps, ore stockpiles and other surface infrastructure), which the Company has been able to reliably estimate.

No adjustment for any effects on the Company that may result from potentially material (mainly post-closure) AD impacts at South Deep and Cerro Corona, has been made in the consolidated financial statements, other than through the Group's normal environmental rehabilitation provisions (refer note 26.1).

NATIVE CLAIM

Gold Fields' subsidiary, St Ives Gold Mining Company Pty Ltd ("St Ives"), which owns the St Ives Gold Mine in Western Australia, had been joined as a respondent, alongside the State of Western Australia (the "State") and another mining company, in proceedings commenced in the Federal Court of Australia by the Ngadju People, seeking determination of its claim for native title over a parcel of land in the Goldfields region of Western Australia.

"Native title" refers to the rights and interests held by Aboriginal people in Australia under traditional laws and customs, in relation to land and water to which those Aboriginal people have a connection, that are recognised under the common law of Australia.

Notes to the consolidated financial statements
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36. CONTINGENT LIABILITIES (continued)

In the course of these proceedings, the Ngadju People alleged that a number of mining tenements held by St Ives (being tenements that were originally granted to WMC Resources by the State under the terms of a State Agreement, and subsequently acquired in 2001 by St Ives) are invalid to the extent that they affect the Ngadju People's native title rights. The process for obtaining the re-grant of those tenements (in 2004) under the provisions of the Mining Act 1978 (WA) was carefully considered and followed by Gold Fields at the time, acting in conjunction with the State.

In a decision handed down by a single judge of the Federal Court of Australia on 3 July 2014, the court accepted the submissions of the Ngadju People that the re-grant of these tenements by the State was not compliant with the correct processes in the Native Title Act 1993 (Cth), and as such, the re-granted tenements are invalid to the extent that they affect native title. This means that to the extent that there is inconsistency between the rights of St Ives as tenement holder and the Ngadju People's native title rights (such as the right to conduct ceremonies or to hunt), the rights of the Ngadju People will prevail. This decision was confirmed by a Determination of native title made by the Federal Court in November 2014.

The practical effect of such a finding has never been tested under Australian law. However, it may mean the Ngadju People could seek to prevent the further exercise of rights by St Ives on the tenements in a manner that is inconsistent with the free exercise of their native title rights and/or seek damages for historical interference with their native title rights. The fact that the Ngadju People have only non-exclusive native title rights (and not the higher category of exclusive possession rights) may reduce the extent to which the two sets of rights are found to be inconsistent.

Importantly, the decision does not affect the grant of mining tenure to St Ives under the Mining Act 1978 (WA). St Ives still validly holds all of the tenements which underpin its mining operations at St Ives, and as these proceedings are not an action against St Ives for failure to take certain steps, the court has no ability to impose any sort of penalty against St Ives.

Gold Fields remains strongly of the view that it has at all times complied with its obligations under the Native Title Act 1993 (Cth) in respect of its dealings with these tenements. Gold Fields, together with another major resources company, filed an appeal in respect of aspects of the Federal Court's decision. The appeal (before the Full Court of the Federal Court of Australia (three Judges)) has been listed to take place in May 2015. Gold Fields retains the ability to seek leave to further appeal to the High Court of Australia, if necessary. Gold Fields will also take all steps necessary to ensure that the St Ives operations are unaffected whilst this matter is resolved through the relevant court processes.

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

REGULATORY INVESTIGATION

Gold Fields was informed in September 2013 that it is the subject of a regulatory investigation in the United States by the US Securities and Exchange Commission relating to the Black Economic Empowerment transaction (BEE transaction) associated with the granting of the mining license for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation (the Hawks) informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed with a formal investigation, following a complaint by the Democratic Alliance. The investigation is still in progress and it is not possible to determine what effect the ultimate outcome of this investigation, any regulatory findings and any related developments may have on the Company or the timing thereof.

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

36. CONTINGENT LIABILITIES (continued)

SOUTH DEEP TAX DISPUTE

The South Deep mine ("South Deep") is jointly owned and operated by GFIJVH (50%) and GFO (50%).

As at 31 December 2014, South Deep's gross deferred tax asset balance amounted to R6,495.1 million (US$561.9 million). This amount is included in the consolidated deferred tax asset of US$62.4 million on Gold Fields' statement of financial position. South Deep's gross deferred tax asset comprises unredeemed capital expenditure balances of R2,475.4 million (US$214.1 million) at GFIJVH and R2,278.2 million (US$197.1 million) at GFO, a capital allowance balance ("Additional Capital Allowance") of R687.6 million (US$59.5 million) at GFIJVH and assessed loss balances of R72.4 million (US$6.3 million) at GFIJVH and R981.5 million (US$84.9 million) at GFO.

During the September 2014 quarter, SARS issued a Finalisation of Audit Letter ("the Audit Letter") stating that SARS has restated GFIJVH's Additional Capital Allowance balance reflected on its 2011 tax return from R2,292.0 million (US$198.3 million) to nil. The tax effect of this amount is R687.6 million (US$59.5 million), that being the amount referred to above as Additional Capital Allowance.

The Additional Capital Allowance was claimed by GFIJVH in terms of section 36(11)(c) of the South African Income Tax Act, 1962 ("the Act"). The Additional Capital Allowance provides an incentive for new mining development and only applies to unredeemed capital expenditure. The Additional Capital Allowance allows a 12% capital allowance over and above actual capital expenditure incurred on developing a deep level gold mine, as well as a further annual 12% allowance on the mine's unredeemed capital expenditure balance brought forward, until the year that the mine starts earning mining taxable income (i.e. when all tax losses and unredeemed capital expenditure have been fully utilised).

In order to qualify for the Additional Capital Allowance, South Deep must qualify as a "post 1990 gold mine" as defined in the Act. A "post 1990 gold mine" according to the Act is defined as "a gold mine which, in the opinion of the Director-General: Mineral and Energy Affairs ("DME"), is an independent workable proposition and in respect of which a mining authorisation for gold mining was issued for the first time after 14 March 1990".

During 1999, the DME and SARS confirmed, in writing, that GFIJVH is a "post 1990 gold mine" as defined, and therefore qualified for the Additional Capital Allowance. GFIJVH subsequently filed its tax returns on this basis, as was confirmed by the DME and SARS.

In the Audit Letter, SARS stated that both the DME and SARS erred in issuing the confirmations as mentioned above and that GFIJVH does not qualify as a "post 1990 gold mine" and therefore does not qualify for the Additional Capital Allowance.

The Group has taken legal advice on the matter and believes that SARS should not be allowed to disallow the Additional Capital Allowance. GFIJVH has in the meantime not only formally lodged an objection to the SARS' disallowance, but also filed an application in the High Court and will vigorously defend its position.

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

37. EVENTS AFTER THE REPORTING DATE

FINAL DIVIDEND

On 11 February 2015, Gold Fields declared a final dividend of 20 SA cents per share.

Notes to the consolidated financial statements
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38. FAIR VALUE OF ASSETS AND LIABILITIES

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

	2014		2013	
	Carrying amount US$ million	**Fair value US$ million**	Carrying amount US$ million	Fair value US$ million
Financial assets				
Cash and cash equivalents	**458.0**	**458.0**	325.0	325.0
Trade and other receivables	**118.8**	**118.8**	145.8	145.8
Environmental trust fund	**30.4**	**30.4**	23.9	23.9
Investments	**5.5**	**5.5**	7.5	7.5
Financial liabilities				
Trade and other payables	**471.8**	**471.8**	419.5	419.5
Borrowings	**1,765.7**	**1,614.4**	1,933.6	1,794.4
Current portion of borrowings	**145.2**	**145.2**	126.5	126.5
South Deep dividend	**9.1**	**9.1**	10.9	10.9

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Trade and other receivables, trade and other payables and cash and cash equivalents

The carrying amounts approximate fair values due to the short maturity of these instruments, except for oil derivatives amounting to US$10.3 million included in other payables which are measured at fair value. The fair values of these contracts are determined by using available market contract values for each trading date's settlement volume.

Investments

The fair value of publicly traded instruments is based on quoted market values. Unlisted investments are accounted for at cost with adjustments for write-downs where appropriate and the fair value approximates their carrying value.

Environmental trust fund

The environmental trust fund is stated at fair value based on the nature of the fund's investments.

Borrowings and current portion of borrowings

The fair value of borrowings and current portion of borrowings, except for the US$1 billion notes issue at a fixed interest rate, approximates their carrying amount as the impact of credit risk is included in the measurement of carrying amounts. The fair value of the US$1 billion notes issue is based on listed market prices.

South Deep dividend

The carrying amount approximates the fair value.

38. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers during the years ended 31 December 2014 and 2013.

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

2013 US$ million					2014 US$ million			
Level 1	Level 2	Level 3	Total		**Total**	**Level 1**	**Level 2**	**Level 3**
				Assets measured at fair value				
–	58.2	–	58.2	Trade receivables from provisional copper concentrate sales	**29.5**	**–**	**29.5**	**–**
3.2	–	–	3.2	Listed investments	**4.4**	**4.4**	**–**	**–**
–	59.2	–	59.2	Assets held for sale	**40.0**	**–**	**40.0**	**–**
				Liabilities measured at fair value				
–	–	–	–	Oil derivative contracts	**10.3**	**–**	**10.3**	**–**

Trade receivables from provisional copper concentrate sales
Valued using quoted market prices based on the forward London Metal Exchange ("LME") and, as such, is classified within Level 2 of the fair value hierarchy.

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

Assets held for sale
Assets held for sale are valued at the lower of fair value less cost to sell or carrying value. Refer note 10.2.

Oil derivative contracts
The fair values of these contracts are determined by using available market contract values for each trading date's settlement volume.

Notes to the consolidated financial statements

(continued)

for the year ended 31 December 2014

39. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Group is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risk. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the Group

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields' Board of Directors. Management of financial risk is centralised at Gold Fields' treasury department ("Treasury"), which acts as the interface between Gold Fields' operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Gold Fields Board of Directors and Executive Committee.

Gold Fields' Board of Directors has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

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

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

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

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

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

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

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

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

Commodity price risk management: Commodity risk management takes place within limits and with counterparts as approved in the Treasury Framework.

Operational risk management: The objective is to implement controls to adequately mitigate the risk of error and/or fraud.

Banking relations management: The objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are co-ordinated and consistent throughout the Group and that they comply where necessary with all relevant regulatory and statutory requirements.

39. RISK MANAGEMENT ACTIVITIES (continued)

CREDIT RISK

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

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

Receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable.

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

	2014 US$ million	2013 US$ million
Environmental trust funds	**30.4**	23.9
Trade and other receivables	**118.8**	145.8
Cash and cash equivalents	**458.0**	325.0

Trade receivables comprise banking institutions purchasing gold bullion and refineries purchasing copper concentrate. These receivables are in a sound financial position and no impairment has been recognised.

Trade and other receivables above exclude VAT and prepayments.

Receivables that are past due but not impaired total US$1.3 million (2013: US$0.3 million). At 31 December 2014, receivables of US$1.6 million (2013: US$1.8 million) are considered impaired and are provided for.

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

Notes to the consolidated financial statements
(continued)

for the year ended 31 December 2014

39. RISK MANAGEMENT ACTIVITIES (continued)

LIQUIDITY RISK

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

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

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

	Within one year US$ million	Between one to five years US$ million	After five years US$ million	Total US$ million
2014				
Trade and other payables	**471.8**	**–**	**–**	**471.8**
Borrowings[1]				
– US$ borrowings[2]				
– Capital	**80.0**	**648.0**	**1,003.9**	**1,731.9**
– Interest	**66.6**	**225.4**	**38.1**	**330.1**
– Rand borrowings[3]				
– Capital	**65.2**	**151.4**	**–**	**216.6**
– Interest	**17.9**	**25.2**	**–**	**43.1**
Environmental rehabilitation costs[4]	**–**	**29.1**	**361.8**	**390.9**
South Deep dividend	**1.7**	**6.9**	**10.4**	**19.0**
Total	**703.2**	**1,086.0**	**1,414.2**	**3,203.4**

	Within one year US$ million	Between one to five years US$ million	After five years US$ million	Total US$ million
2013				
Trade and other payables	419.3	–	–	419.3
Borrowings[1]				
– US$ borrowings[2]				
– Capital	80.0	823.5	1,008.9	1,912.4
– Interest	70.6	216.8	86.8	374.2
– Rand borrowings[3]				
– Capital	46.5	145.1	–	191.6
– Interest	13.9	35.5	–	49.4
Environmental rehabilitation costs[4]	0.3	53.7	301.3	355.3
South Deep dividend	1.9	7.7	13.5	23.1
Total	632.5	1,282.3	1,410.5	3,325.3

[1] Spot rate: R11.56 = US$1.00. (2013: R10.34 = US$1.00).
[2] USD borrowings – Spot LIBOR (one month fix) rate adjusted by specific facility agreement: 0.167%. (2013: 0.164% (one month fix)).
[3] ZAR borrowings – Spot JIBAR (three months fix) rate adjusted by specific facility agreement: 6.092%. (2013: 5.092% (one month fix)).
[4] In South Africa and Ghana, US$30.4 million (2013: US$23.9 million) of the environmental rehabilitation costs is funded through the environmental trust funds.

39. RISK MANAGEMENT ACTIVITIES (continued)

MARKET RISK

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

IFRS 7 sensitivity analysis

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

The amounts generated from the sensitivity analyses below are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

FOREIGN CURRENCY SENSITIVITY

General and policy

In the ordinary course of business, Gold Fields enters into transactions, such as gold sales, denominated in foreign currencies, primarily US Dollars. In addition, Gold Fields has investments and indebtedness in US and Australian Dollars, as well as South African Rands. Although this exposes Gold Fields to transaction and translation exposure from fluctuations in foreign currency exchange rates, Gold Fields does not generally hedge this exposure, although it may do so in specific circumstances, such as financing projects or acquisitions. Also, Gold Fields on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

Gold Fields' revenues and costs are very sensitive to the Australian dollar/US Dollar and South African Rand/US dollar exchange rates because revenues are generated using a gold price denominated in US Dollars, while costs of the Australian and South African operations are incurred principally in Australian Dollar and South African Rand, respectively. Depreciation of the Australian Dollar and/or South African Rand against the US Dollar reduces Gold Fields' average costs when they are translated into US Dollars, thereby increasing the operating margin of the Australian and/or South African operations. Conversely, appreciation of the Australian dollar and/or South African Rand results in Australian and/or South African operating costs increasing when translated into US Dollars, resulting in lower operating margins. The impact on profitability of changes in the value of the Australian dollar and South African Rand against the US Dollar can be substantial.

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

Foreign currency hedging experience

On 1 October 2014, South Deep entered into a US$/Rand zero-cost collar for US$7.5 million per month for a period of six months starting October 2014. A floor of R11.2 and an average cap over the period of R12.0567 was achieved. As at 31 December 2014, the fair value of the collar was nil.

As at 31 December 2013, there was no material foreign currency contract positions.

Gold and copper

The market prices of gold and to a lesser extent copper have a significant effect on the results of operations of Gold Fields, the ability of Gold Fields to pay dividends and undertake capital expenditures, and the market price of Gold Fields' ordinary shares. Gold and copper prices have historically fluctuated widely and are affected by numerous industry factors over which Gold Fields does not have any control. The aggregate effect of these factors on the gold and copper price, all of which are beyond the control of Gold Fields, is impossible for Gold Fields to predict.

Oil

The market price of oil has a significant effect on the results of the offshore operations of Gold Fields. The offshore operations consume large quantities of diesel in the running of their mining fleets. Oil prices have historically fluctuated widely and are affected by numerous factors over which Gold Fields does not have any control.

Notes to the consolidated financial statements
(continued)

for the year ended 31 December 2014

39. RISK MANAGEMENT ACTIVITIES (continued)

COMMODITY PRICE HEDGING POLICY

Gold and copper

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

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

Oil

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

Commodity price hedging experience

On 10 September 2014, Gold Fields Australia (Pty) Limited entered into a Singapore Gasoil 10ppm cash settled swap transaction contract for a total of 136,500 barrels, effective 15 September 2014 until 31 March 2015 at a fixed price of US$115.00 per barrel. The 136,500 barrels are based on 50% of usage for the seven-month period – September 2014 to March 2015. Brent Crude at the time of the transaction was US$99.10 per barrel.

On 26 November 2014, Gold Fields Australia (Pty) Limited entered into further Singapore Gasoil 10ppm cash settled swap transaction contracts. A contract for 63,000 barrels for the period January – March 2015 was committed at a fixed price of US$94.00 per barrel, and a further 283,500 barrels was committed at a price of US$96.00 per barrel for the period April – December 2015. Brent Crude at the time of the transaction was US$78.50 per barrel.

As at 31 December 2014, the fair value of these oil derivative contracts was negative US$10.3 million.

St Ives Gold Mining Company (Pty) Ltd entered into a Singapore Gasoil 10ppm cash settled swap transaction contract for 7,500 barrels per month effective 1 June 2013 until 31 March 2014 at a fixed price of US$115.0 per barrel. 30,000 barrels with a positive mark-to-market value of US$0.3 million were outstanding at the end of December 2013.

EQUITY SECURITIES PRICE RISK

General

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

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

- JSE Limited
- Toronto Stock Exchange
- Australian Stock Exchange

At 31 December 2014 and 2013, the Group had no significant exposure to equity security price risk.

39. RISK MANAGEMENT ACTIVITIES (continued)

INTEREST RATE SENSITIVITY

General

As Gold Fields has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Gold Fields' interest rate risk arises from long-term borrowings.

As of 31 December 2014, Gold Fields' long-term borrowings amounted to US$1,765.7 million (2013: US$1,933.6 million). Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances.

Interest rate sensitivity analysis

The portion of Gold Fields interest-bearing borrowings at year-end that is exposed to interest rate fluctuations is US$946.3 million (2013: US$1,100.9 million). These borrowings are normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period. The remainder of the borrowings bear interest at a fixed rate.

US$703.0 million (2013: US$878.5 million) of the total borrowings at reporting date is exposed to changes in the LIBOR rate and US$216.6 million (2013: US$191.6 million) is exposed to the South African Prime ("Prime") interest rate. The relevant interest rates for each facility are described in note 25.

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

	Change in interest expense for a nominal change in interest rates					
	(1.5%)	(1.0%)	(0.5%)	0.5%	1.0%	1.5%
Sensitivity to interest rates	US$ million	US$ million	US$ million	US$ million	US$ million	US$ million
2014						
Sensitivity to LIBOR interest rates	**(11.8)**	**(7.9)**	**(3.9)**	**3.9**	**7.9**	**11.8**
Sensitivity to JIBAR and Prime interest rates	**(3.4)**	**(2.3)**	**(1.1)**	**1.1**	**2.3**	**3.4**
Change in finance expense	**(15.2)**	**(10.2)**	**(5.0)**	**5.0**	**10.2**	**15.2**
2013						
Sensitivity to LIBOR interest rates	(13.5)	(9.0)	(4.5)	4.5	9.0	13.5
Sensitivity to JIBAR and Prime interest rates	(1.7)	(1.2)	(0.6)	0.6	1.2	1.7
Change in finance expense	(15.2)	(10.2)	(5.1)	5.1	10.2	15.2

[1]Average rate: R10.82 = US$1.00 (2013: R9.60 = US$1.00)

Notes to the consolidated financial statements
(continued)

for the year ended 31 December 2014

40. CAPITAL MANAGEMENT

The primary objective of managing the Group's capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that:

- optimises the cost of capital,
- maximises shareholders' returns, and
- ensures that the Group remains in a sound financial position.

There were no changes to the Group's overall capital management approach during the current year.

The Group manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Group monitors capital using the ratio of net debt to earnings (net operating profit) before interest, royalties, taxes, depreciation and amortisation ("EBITDA"), but does not set absolute limits for this ratio. The Group's long-term target is a ratio of net debt to EBITDA of one times or lower. The bank covenants on external borrowings require a net debt to EBITDA ratio of 2.5 or below and the ratio is measured based on amounts in United States Dollar. The Group complied with all relevant bank covenants during the year.

	2014 US$ million	2013 US$ million
Borrowings	**1,910.9**	2,060.1
Less: Cash and cash equivalents	**458.0**	325.0
Net debt	**1,452.9**	1,735.1
EBITDA	**1,113.4**	1,137.0
Net debt to EBITDA	**1.3**	1.5

41. RELATED PARTY TRANSACTIONS

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

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

	2014 US$ million	2013 US$ million
Key management remuneration (Executive Committee)		
Salaries and other short-term employee benefits	**7.1**	9.0
Bonus	**6.1**	5.3
Share-based payments	**4.1**	7.5
Long-term incentive plan expense	**1.6**	–
	18.9	21.8

42. SEGMENT REPORTING

The segment information is shown on pages 132 and 133.

Separate income statement

for the year ended 31 December 2014

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2014**	2013
Investment income	1	**169.3**	137.9
Loss on distribution	2	**–**	(6,058.9)
Amortisation of financial guarantees		**145.8**	262.1
Foreign exchange loss on revaluation of financial guarantees		**(53.6)**	(102.2)
Fair value adjustment on issue of shares		**–**	78.0
Regulatory legal fees		**(76.3)**	(106.5)
Transaction costs – unbundling of Sibanye Gold		**–**	(124.5)
Other costs		**(63.9)**	(43.1)
Profit/(loss) before taxation		**121.3**	(5,957.2)
Income taxation	3	**(5.9)**	(8.3)
Profit/(loss) for the year		**115.4**	(5,965.5)

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

Separate statement of comprehensive income

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2014	2013
Profit/(loss) for the year	**115.4**	(5,965.5)
Other comprehensive income	**–**	(0.3)
Marked-to-market valuation of listed investments[1]	**–**	(0.3)
Total comprehensive income for the year	**115.4**	(5,965.8)

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

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

Separate statement of financial position

at 31 December 2014

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	2014	2013
ASSETS			
Non-current assets			
Investments	5	**44,200.3**	44,168.3
Current asset			
Trade and other receivables		**4.8**	24.3
Total assets		**44,205.1**	44,192.6
EQUITY AND LIABILITIES			
Total equity		**33,729.8**	33,937.9
Share capital		**385.0**	384.0
Share premium		**21,640.9**	21,640.9
Other reserves		**275.9**	275.9
Retained earnings		**11,428.0**	11,637.1
Current liabilities		**10,475.3**	10,254.7
Related party loans payable	5	**9,928.3**	9,647.4
Trade and other payables		**7.7**	6.0
Financial guarantees	6	**527.8**	588.0
Taxation		**11.5**	13.3
Total equity and liabilities		**44,205.1**	44,192.6

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

Separate statement of changes in equity

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND						
	Number of ordinary shares issued	Ordinary share capital	Share premium	Fair value adjustment reserve	Share-based payment reserve	Retained earnings	Total equity
Balance at 31 December 2012	**730,393,143**	**365.2**	**31,556.6**	**0.2**	**276.0**	**18,154.7**	**50,352.7**
Loss for the year	–	–	–	–	–	(5,965.5)	**(5,965.5)**
Other comprehensive income	–	–	–	(0.3)	–	–	**(0.3)**
Total comprehensive income	–	–	–	(0.3)	–	(5,965.5)	**(5,965.8)**
Dividends paid	–	–	–	–	–	(552.1)	**(552.1)**
Distribution in specie (refer note 10.1)[1]	–	–	(11,186.9)	–	–	–	**(11,186.9)**
Acquisition of Yilgarn South assets (refer note 13)[1]	28,717,660	15.3	1,271.2	–	–	–	**1,286.5**
Exercise of employee share options	8,905,790	3.5	–	–	–	–	**3.5**
Balance at 31 December 2013	**768,016,593**	**384.0**	**21,640.9**	**(0.1)**	**276.0**	**11,637.1**	**33,937.9**
Profit for the year	–	–	–	–	–	115.4	**115.4**
Other comprehensive income	–	–	–	–	–	–	**–**
Total comprehensive income	–	–	–	–	–	115.4	**115.4**
Dividends paid	–	–	–	–	–	(324.5)	**(324.5)**
Exercise of employee share options	4,256,228	1.0	–	–	–	–	**1.0**
Balance at 31 December 2014	**772,272,821**	**385.0**	**21,640.9**	**(0.1)**	**276.0**	**11,428.0**	**33,729.8**

The accompanying notes form an integral part of these financial statements.
[1]Note reference refers to the Gold Fields consolidated financial statements.

Separate statement of cash flows

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	Notes	SOUTH AFRICAN RAND 2014	2013
Cash flows from operating activities		**(280.9)**	(750.5)
Cash utilised in operations	7	**(139.2)**	(278.0)
Interest received		**–**	0.1
Dividends received		**169.3**	137.8
Change in working capital	8	**21.2**	(39.2)
Cash generated by/(utilised in) operating activities		**51.3**	(179.3)
Taxation paid	9	**(7.7)**	(19.1)
Net cash generated by/(utilised in) operations		**43.6**	(198.4)
Dividends paid	4	**(324.5)**	(552.1)
Cash flows from investing activities		**–**	(17,245.8)
Investment in subsidiaries		**–**	(17,245.8)
Cash flows from financing activities		**280.9**	17,996.3
Related party loans receivable repaid by subsidiaries		**–**	9,838.9
Related party loans payable advanced by subsidiaries		**280.9**	8,150.1
Loans raised from third parties		**–**	17,107.9
Loans repaid to third parties		**–**	(17,107.9)
Proceeds from issue of shares		**–**	7.3
Net cash generated/(utilised)		**–**	–
Cash and cash equivalents at beginning of the year		**–**	–
Cash and cash equivalents at end of the year		**–**	–

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

Notes to the separate financial statements

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2014	2013
1. INVESTMENT INCOME		
Dividends received – related parties	**169.3**	137.8
Interest received	**–**	0.1
Total investment income	**169.3**	137.9
2. LOSS ON DISTRIBUTION		
Sibanye Gold Limited	**–**	(6 058.9)
Total loss on distribution	**–**	(6 058.9)
Refer to note 10.1 of the Gold Fields consolidated financial statements for details of the unbundling of Sibanye Gold. On 1 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye Gold at a subscription price of R17,245.8 million as part of the re-capitalisation of Sibanye Gold to the unbundling. The subscription was funded by existing short-term Rand credit facilities (refer to note 25(i) of the Gold Fields consolidated financial statements).		
Investments in Sibanye Gold	**–**	17 245.8
Net asset value distributed	**–**	(11 186.9)
Loss on distribution	**–**	6 058.9
3. INCOME TAXATION		
South African current taxation		
– Company tax	**(5.9)**	(8.3)
Total income taxation	**(5.9)**	(8.3)
The Company's income taxation differs from the maximum South African statutory rate of 28% primarily due to exempt dividend income and non-deductible expenses.		
4. DIVIDENDS PAID		
4.1 ORDINARY DIVIDENDS		
2013 final dividend of 22 cents per share (2012: 75 cents) declared on 12 February 2014.	**169.5**	552.1
An 2014 interim dividend of 20 SA cents was declared during 2014 (2013: nil).	**155.0**	–
A final dividend in respect of financial year ended 31 December 2014 of 20 SA cents per share was approved by the Board of Directors on 11 February 2015. This dividend payable is not reflected in these financial statements.		
Dividends are subject to Dividend Withholding Tax.		
4.2 DISTRIBUTION IN SPECIE		
Net asset value of Sibanye Gold distributed on unbundling (refer note 10.1 in the Gold Fields consolidated financial statements)	**–**	11,186.9
Total dividends	**324.5**	11,739.0
5. INVESTMENTS		
Listed		
Cost	**0.3**	0.3
Net unrealised loss on revaluation	**(0.1)**	(0.1)
Carrying value	**0.2**	0.2
Market value	**0.2**	0.2
Unlisted		
Carrying value and directors' valuation	**44,200.1**	44,168.1
Total listed and unlisted investments	**44,200.3**	44,168.3
Related party loans payable[1]	**(9,928.3)**	(9,647.4)
Total	**34,272.0**	34,520.9

Details of major investments and related party loans payable are included on pages 130 and 131.

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

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2014	2013
6. FINANCIAL GUARANTEES		
Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited and Sibanye Gold Limited related to the US$1 billion notes issue, as well as all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1,510 million term loan and revolving credit facilities. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility (2013: US$1 billion notes issue, the US$1,510 million term loan and revolving credit facilities, the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility). Refer note 25 of the Gold Fields consolidated financial statement for details of the guaranteed borrowings.		
Carrying value of financial guarantees	**527.8**	588.0
Total financial guarantees	**527.8**	588.0
7. CASH UTILISED IN OPERATIONS		
Profit/(loss) for the year	**115.4**	(5,965.5)
Taxation	**5.9**	8.3
Interest received	**–**	(0.1)
Dividends received – cash	**(169.3)**	(137.8)
Loss before non-cash items	**(48.0)**	(6,095.1)
Non-cash items:		
Amortisation of financial guarantees	**(145.8)**	(262.1)
Foreign exchange loss on revaluation of financial guarantees	**53.6**	102.2
Fair value adjustment on issue of shares	**–**	(78.0)
Loss on distribution – Sibanye Gold	**–**	6,058.9
Other	**1.0**	(3.9)
Total cash utilised in operations	**(139.2)**	(278.0)
8. CHANGE IN WORKING CAPITAL		
Trade and other receivables	**19.5**	(15.9)
Trade and other payables	**1.7**	(23.3)
Total change in working capital	**21.2**	(39.2)
9. TAXATION PAID		
Amount owing at beginning of the year	**(13.3)**	(24.1)
SA current taxation	**(5.9)**	(8.3)
Amount owing at end of the year	**11.5**	13.3
Total taxation paid	**(7.7)**	(19.1)

Notes to the separate financial statements
(continued)

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2014	2013
10. RELATED PARTY TRANSACTIONS AND BALANCES		
None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last two fiscal periods or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated below.		
None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past two fiscal periods indebted to Gold Fields.		
Refer to note 1, 2, 5 and 11 for further details relating to related party transactions and balances.		
Compensation to directors		
Executive directors[1]	**7.0**	5.8
Non-executive directors[2]	**11.3**	12.8

[1]Refer to the Remunerations report (pages 43 and 44) for total remuneration paid to executive directors, which include amounts paid by the Company as well as by subsidiary companies.

[2]Refer to the Remuneration report (pages 43 and 44) for further details of remuneration paid to non-executive directors.

11. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Company is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risk. In order to manage these risks, the Company has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the Company

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields' Board of Directors. Management of financial risk is centralised at Gold Fields' treasury department ("Treasury"), which acts as the interface between Gold Fields' operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Gold Fields Board of Directors and Executive Committee.

Gold Fields' Board of Directors has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

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

11. RISK MANAGEMENT ACTIVITIES (continued)

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

Liquidity risk management: The objective is to ensure that the Company is able to meet its short-term commitments through the effective and efficient usage of credit facilities.
Currency risk management: The objective is to maximise the Company's profits by minimising currency fluctuations.
Funding risk management: The objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
Investment risk management: The objective is to achieve optimal returns on surplus funds.
Interest rate risk management: The objective is to identify opportunities to prudently manage interest rate exposures.
Counterparty exposure: The objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Company is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions credit rating. This credit rating is Fitch Ratings' short-term credit rating for financial institutions.
Commodity price risk management: Commodity risk management takes place within limits and with counterparts as approved in the Treasury Framework.
Operational risk management: The objective is to implement controls to adequately mitigate the risk of error and/or fraud.
Banking relations management: The objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are co-ordinated and consistent throughout the Company and that they comply where necessary with all relevant regulatory and statutory requirements.

Credit risk

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

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

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

	SOUTH AFRICAN RAND	
	2014 R million	2013 R million
The combined maximum credit risk exposure of the Company is as follows:		
Trade and other receivables[1]	**4.8**	24.3
Financial guarantees[2]	**25,898.9**	25,033.3

[1]None of the receivables are past due or impaired.

[2]Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited and Sibanye Gold Limited related to the US$1 billion notes issue, as well as all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1,510 million term loan and revolving credit facilities. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility (2013: US$1 billion notes issue, the US$1,510 million term loan and revolving credit facilities, the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility).The maximum possible exposure is the total amount the entity would have to pay if the guarantee is called on and if none of the other subsidiaries that provided guarantees were able to pay the amount called on. At year-end there was no indication that the guarantees will be called upon.

Notes to the separate financial statements
(continued)

for the year ended 31 December 2014

11. RISK MANAGEMENT ACTIVITIES (continued)

Liquidity risk

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

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

The Company's current liabilities exceeded its current assets by R10,470.5 million at 31 December 2014 (2013: R10,230.4 million). Included in current liabilities are related party loans payable to subsidiary companies of R9,928.3 million (2013: R9,647.4 million) (refer note 5), as well as the carrying value of financial guarantees of R527.8 million (2013: R588.0 million) (refer note 6). The individual subsidiary companies have confirmed that they will not demand repayment of the loans owing to them until such time as the Company can repay its other liabilities in the normal course of business. Gold Fields Limited has access to the Group's undrawn loan facilities (refer note 25 of the Gold Fields consolidated financial statements). The directors believe that the subordination of the related party loans payable, in conjunction with the utilisation of the Group's existing undrawn loan facilities, will enable the Company to continue to meet its obligations as they fall due for a period of at least twelve months from 31 December 2014.

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

	Within one year R million	Between one and five years R million	After five years R million	Total R million
2014				
Trade and other payables	**7.7**	**–**	**–**	**7.7**
Financial guarantee[1]	**25,898.9**	**–**	**–**	**25,898.9**
Related party loans payable	**9,928.3**	**–**	**–**	**9,928.3**
Total	**35,834.9**	**–**	**–**	**35,834.9**
2013				
Trade and other payables	6.0	–	–	6.0
Financial guarantee[1]	25,033.3	–	–	25,033.3
Related party loans payable	9,647.4	–	–	9,647.4
Total	34,686.7	–	–	34,686.7

[1]Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited and Sibanye Gold Limited related to the US$1 billion notes issue, as well as all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1,510 million term loan and revolving credit facilities. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility (2013: US$1 billion notes issue, the US$1,510 million term loan and revolving credit facilities, the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility). The maximum possible exposure is the total amount the entity would have to pay if the guarantee is called on and if none of the other subsidiaries that provided guarantees were able to pay the amount called on. At year-end there was no indication that the guarantees will be called upon.

11. RISK MANAGEMENT ACTIVITIES (continued)

MARKET RISK

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

IFRS 7 SENSITIVITY ANALYSIS

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

The amounts generated from the sensitivity analyses below are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

INTEREST PRICE SENSITIVITY

General

As Gold Fields has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Gold Fields' interest rate risk arises from long-term borrowings. Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances.

Interest rate sensitivity analysis

At 31 December 2014 and 31 December 2013, there were no interest-bearing borrowings and thus no sensitivity analysis was performed.

12. CAPITAL MANAGEMENT

Capital is managed on a Group basis only and not on a Company basis. Refer to note 40 in the Gold Fields consolidated financial statements.

13. CONTINGENT LIABILITIES

Refer note 36 of the Gold Fields consolidated financial statements.

Major Group investments – direct and indirect

for the year ended 31 December 2014

		Shares held		Group beneficial interest		Carrying value in holding company: Shares		Loans[6]	
	Notes	2014	2013	2014 %	2013 %	2014 R million	2013 R million	2014 R million	2013 R million
SUBSIDIARIES									
UNLISTED									
Abosso Goldfields Ltd[7]									
– Class "A" shares	1	**49,734,000**	49,734,000	**90.0**	90.0	**–**	–	**–**	–
– Class "B" shares	1	**4,266,000**	4,266,000	**90.0**	90.0	**–**	–	**–**	–
Agnew Gold Mining Company (Pty) Ltd	2	**54,924,757**	54,924,757	**100.0**	100.0	**–**	–	**–**	–
Beatrix Mines Ltd	3	**96,549,020**	96,549,020	**100.0**	100.0	**206.8**	206.8	**–**	–
Beatrix Mining Ventures Ltd	3	**9,625,001**	9,625,001	**100.0**	100.0	**120.4**	120.4	**(136.8)**	(136.8)
Canteras Del Hallazgo S.A.C[8]	4	**–**	15,737,514	**–**	51.0	**–**	–	**–**	–
Darlot Mining Company (Pty) Ltd	2	**1**	1	**100.0**	100.0	**–**	–	**–**	–
Driefontein Consolidated (Pty) Ltd	3	**1,000**	1,000	**100.0**	100.0	**–**	–	**(13.1)**	(13.1)
GFI Joint Venture Holdings (Pty) Ltd	3	**311,668,564**	311,668,564	**100.0**	100.0	**–**	–	**(0.4)**	(0.4)
GFL Mining Services Ltd	3	**235,676,387**	235,676,387	**100.0**	100.0	**18,790.5**	18,790.5	**(7,973.1)**	(7,817.9)
Gold Fields Ghana Ltd[9]	1	**900**	900	**90.0**	90.0	**–**	–	**–**	–
Gold Fields Group Services (Pty) Ltd	3	**1**	1	**100.0**	100.0	**–**	–	**(1,194.3)**	(1,068.6)
Gold Fields Holdings Company (BVI) Ltd	5	**4,084**	4,084	**100.0**	100.0	**–**	–	**–**	–
Gold Fields La Cima S.A.[10]	4	**1,426,050,205**	1,426,050,205	**99.5**	99.5	**–**	–	**–**	–
Gold Fields Operations Ltd	3	**156,279,947**	156,279,947	**100.0**	100.0	**–**	–	**–**	–
Gold Fields Orogen Holdings (BVI) Ltd	5	**258**	231	**100.0**	100.0	**–**	–	**(0.4)**	(0.4)
GSM Mining Company (Pty) Ltd	2	**1**	1	**100.0**	100.0	**–**	–	**–**	–
Kloof Gold Mining Company Ltd	3	**138,600,000**	138,600,000	**100.0**	100.0	**602.8**	602.8	**(610.2)**	(610.2)
Newshelf 899 (Pty) Ltd[11]	3	**90,000,000**	90,000,000	**100.0[12]**	100.0[12]	**23,210.9**	23,210.9	**–**	–
St Ives Gold Mining Company (Pty) Ltd	2	**281,051,329**	281,051,329	**100.0**	100.0	**–**	–	**–**	–
Total						**42,931.4**	42,931.4	**(9,928.3)**	(9,647.4)

[1]Incorporated in Ghana.

[2]Incorporated in Australia.

[3]Incorporated in the Republic of South Africa.

[4]Incorporated in Peru.

[5]Incorporated in the British Virgin Islands.

[6]The loans are unsecured, interest-free and have no fixed repayment terms.

[7]Abosso Goldfields Ltd ("Abosso") owns the Damang operation in Ghana. The accumulated non-controlling interest of Abosso at 31 December 2014 amounts to US$12.9 million (2013: US$12.5 million). No dividends were paid to non-controlling interest during 2014 or 2013. Refer to the segment report on pages 132 and 133 for summarised financial information of Damang.

[8]Canteras Del Hallazgo S.A.C. ("Canteras") owned the Chucapaca Project in Peru. The Chucapaca Project was in the exploration phase and did not have any revenues or significant operating costs. During 2014, Gold Fields sold its 51% interest in Canteras for US$81.0 million to Compañía de Minas Buenaventura S.A.A. The accumulated non-controlling interest of Canteras at 31 December 2013 amounted to US$68.1 million.

[9]Gold Fields Ghana Ltd ("GFG") owns the Tarkwa operation in Ghana. The accumulated non-controlling interest of GFG at 31 December 2014 amounts to US$107.2 million (2013: US$108.7 million). A dividend of US$10.3 million was paid to non-controlling interest during 2014 (2013: US$nil). Refer to the segment report on pages 132 and 133 for summarised financial information of Tarkwa.

[10]Gold Fields La Cima S.A. ("La Cima") owns the Cerro Corona operation in Peru. The accumulated non-controlling interest of La Cima at 31 December 2014 amounts to US$4.1 million (2013: US$4.1 million). A dividend of US$0.3 million) was paid to non-controlling interest during 2014 (2013: US$1.1 million). La Cima was delisted in September 2013. Refer to the segment report on pages 132 and 133 for summarised financial information of Cerro Corona.

[11]Refer note 26.2 of Gold Fields consolidated financial statements.

[12]Newshelf is the holding company of GFIJVH and GFO which own the South Deep mine. In terms of the South Deep BEE agreement, there is an agreed phase-in participation of BEE partners over 20 years. The BEE partners' stake will ultimately be 10%, resulting in a 90% holding by Newshelf. Refer to note 26.2 of Gold Fields consolidated financial statements for further details.

	Shares held		Group beneficial interest	
	2014	2013	**2014 %**	2013 %
OTHER				
Listed associates				
Rusoro Mining Limited	**140,000,001**	140,000,001	**26.4**	26.4
Timpetra Resources Limited	**–**	1,266,880	**–**	1.8
Bezant Resources PLC	**17,945,922**	17,945,922	**21.6**	21.6
Hummingbird Resources PLC	**21,258,503**	–	**25.1**	–
Joint venture				
Far Southeast Gold Resources Incorporated	**1,737,699**	1,737,699	**40.0**	40.0
Listed equity investments				
Cascadero Copper Corporation	**2,025,000**	2,025,000	**1.3**	1.3
Clancy Exploration Limited	**17,764,783**	17,764,783	**8.6**	8.6
CMQ Resources Incorporated	**–**	1,071,000	**–**	2.4
Consolidated Woodjam Copper Corporation	**562,553**	1,125,107	**1.1**	2.2
Fjordland Exploration Incorporated	**1,818,182**	1 818,182	**2.0**	2.2
Orsu Metals Corp	**26,134,919**	26,134,919	**14.3**	14.3
Radius Gold Incorporated	**3,625,124**	3,625,124	**4.2**	4.2
Sibanye Gold Limited	**856,330**	856,330	**–**[2]	–[2]

[1] Only major investments are listed individually.
[2] Percentage interest less than 0.1%.

Segment Report Financial summary – US$ million

	SOUTH AFRICA	GHANA			PERU	AUSTRALIA						
	South Deep[1]	Tarkwa	Damang	Total Ghana	Cerro Corona	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Total Australia	Corporate and other[2]	Group
INCOME STATEMENT for the year ended 31 December 2014												
Revenue	**254.8**	706.7	224.6	**931.3**	**375.5**	458.8	342.5	106.2	399.8	**1,307.3**	–	2,868.8
Operating costs	**(245.5)**	(373.9)	(177.6)	**(551.5)**	**(158.2)**	(292.3)	(173.0)	(81.9)	(182.6)	**(729.8)**	–	(1,684.9)
Gold inventory change	**–**	2.3	(2.1)	**0.2**	**(1.5)**	9.9	0.3	(1.7)	–	**8.4**	–	7.2
Operating profit	**9.3**	**335.1**	**45.0**	**380.1**	**215.8**	**176.4**	**169.8**	**22.5**	**217.2**	**586.0**	**–**	**1,191.1**
Amortisation and depreciation	**(74.5)**	(141.6)	(20.9)	**(162.5)**	**(79.6)**	(140.5)	(96.4)	(16.6)	(84.6)	**(338.1)**	(2.0)	(656.7)
Net operating (loss)/profit	**(65.2)**	**193.5**	**24.1**	**217.6**	**136.1**	**35.9**	**73.4**	**5.9**	**132.6**	**248.0**	**(2.0)**	**534.4**
Other (costs)/income	**(4.7)**	(0.5)	0.5	**–**	**(9.5)**	(13.3)	(13.2)	(1.2)	(8.3)	**(36.0)**	(14.0)[3]	(64.2)
Share-based payments	**(2.8)**	(4.2)	(0.6)	**(4.8)**	**(2.6)**	(2.7)	(1.3)	(0.5)	(1.0)	**(5.5)**	(10.3)	(26.0)
Long-term incentive plan expense	**(0.6)**	(1.5)	(0.2)	**(1.7)**	**(1.2)**	(1.2)	(0.7)	(0.4)	(0.7)	**(3.0)**	(2.2)	(8.7)
Exploration expense	**–**	–	–	**–**	**–**	(8.2)	(3.7)	(1.8)	(1.5)	**(15.2)**	(32.0)	(47.2)
Restructuring costs	**(14.9)**	(16.9)	(4.0)	**(20.9)**	**–**	(3.3)	(0.1)	(1.0)	(0.6)	**(5.0)**	(1.2)	(42.0)
Impairment	**(8.4)**	–	–	**–**	**–**	(1.3)	(4.3)	–	–	**(5.6)**	(12.7)	(26.7)
Investment income	**0.9**	1.7	0.1	**1.8**	**–**	0.3	0.2	–	–	**0.5**	1.0	4.2
Finance expense	**(19.6)**	(7.8)	(3.5)	**(11.3)**	**(3.6)**	(3.9)	(1.6)	(1.0)	(1.8)	**(8.3)**	(56.4)	(99.2)
Royalties	**(1.3)**	(35.3)	(11.2)	**(46.5)**	**(5.8)**	–[4]	–[4]	–[4]	–[4]	**(32.6)**	–	(86.1)
Current taxation	**–**	(31.1)	–	**(31.1)**	**(60.7)**	–[4]	–[4]	–[4]	–[4]	**(74.9)**	32.5	(134.2)
Deferred taxation	**33.6**	(14.2)	(1.8)	**(16.0)**	**13.8**	–[4]	–[4]	–[4]	–[4]	**32.1**	(47.4)	16.1
(Loss)/profit for the year	**(83.0)**	**83.7**	**3.4**	**87.1**	**66.5**	–[4]	–[4]	–[4]	–[4]	**94.5**	(144.7)	**20.4**
(Loss)/profit attributable to :												
– Owners of the parent	**(83.0)**	75.3	3.1	**78.4**	**66.2**	–[4]	–[4]	–[4]	–[4]	**94.5**	(143.3)	12.8
– Non-controlling interest holders	**–**	8.4	0.3	**8.7**	**0.3**	–[4]	–[4]	–[4]	–[4]	**–**	(1.4)	7.6
STATEMENT OF FINANCIAL POSITION at 31 December 2014												
Total assets (excluding deferred taxation)	**13.1**	1,561.5	215.4	**1,776.9**	**1,041.9**	559.1	394.2	24.0	142.1	**1,119.4**	2,844.0	6,795.3
Total liabilities (excluding deferred taxation)	**62.0**	209.0	96.9	**305.9**	**158.4**	145.4	81.0	25.6	70.4	**322.4**	1,958.7	2,807.4
Net deferred taxation (assets)/liabilities	**(22.7)**	280.4	(11.0)	**269.4**	**18.3**	–[4]	–[4]	–[4]	–[4]	**87.9**	(28.3)	324.6
Capital expenditure[5]	**91.9**	**174.1**	**16.0**	**190.1**	**51.0**	**117.5**	**83.4**	**14.7**	**58.9**	**274.4**	**1.4**	**608.9**

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

The Group is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, South Deep Mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith and Darlot mines and in Peru, the Cerro Corona Mine. The Group also has exploration interests which are included in the "Corporate and other" segment. Refer to accounting policies on segment reporting on page 61.

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

[1] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold Mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding companies at a rate of 30%.

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

[3] Other costs "Corporate and other" comprise share of loss of associates after taxation of US$2.4 million, profit on disposal of investments of US$0.5 million, profit on disposal of Chucapaca of US$4.6 million and the balance of US$16.7 million consists mainly of corporate related costs.

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

[5] Capital expenditure for the year ended 31 December 2014.

Segment Report (continued) Financial summary – US$ million

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

The above is a geographical analysis presented by location of assets.
The Group's continuing operations are primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith and Darlot mines and in Peru, the Cerro Corona mine. The Group's continuing operations also have exploration interests which are included in the "Corporate and other" segment. Refer to accounting policies on segment reporting on page 61.
Results for discontinued operations are for the two months ended February 2013, up to the date of unbundling of Sibanye Gold. Refer to note 10.1.
US Dollar figures may not add as they are rounded independently.
Year-end exchange rate of R10.34/US$

Average exchange rate for the year ended 31 December 2012 of R9.60/US$

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

[2] The income statement and statement of financial position of South Deep are that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 30%.

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

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

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

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

Operating and financial information by mine

for the year ended 31 December 2014

SOUTH AFRICA REGION – including the discontinued operations KDC and Beatrix

ALL SOUTH AFRICAN DATA BASED ON ORE RESERVE DEVELOPMENT CAPITALISED AS FROM F2004.

KDC

			GOLD PRODUCED			NET EARNINGS	
	Tonnes milled	Yield* g/ton	Kilograms	000' ounces	Cash cost US$/oz	SA Rand million	US$ million
Year to 30 June							
1939 – 2005	458,323,900	11.6	5,331,856	171,423	n/a	n/a	n/a
2006	10,533,000	6.1	64,184	2,064	341	854.9	133.6
2007	10,481,000	5.8	60,323	1,939	357	1,794.6	249.3
2008	9,934,000	5.5	54,398	1,749	420	2,181.2	299.9
2009	9,536,000	4.8	45,812	1,473	474	2,194.1	243.5
2010	10,383,000	3.8	39,700	1,276	723	1,022.8	135.0
Six months to December 2010	5,152,000	3.8	19,719	634	832	76.1	10.7
Year to 31 December							
2011	10,831,000	3.2	34,218	1,100	946	1,900.0	263.1
2012	8,817,000	3.3	29,078	935	1,076	2,327.0	284.1
2013 (Jan and Feb)	1,409,000	3.3	4,602	148	0	2,110.0	219.8
Total	**535,399,900**	**10.6**	**5,683,890**	**182,741**			

Includes Venterspost from 1939, Libanon from 1949, West Driefontein from 1952, Kloof from 1968, East Driefontein from 1972 and Leeudoorn from 1991.
*Combined surface and underground yield.

BEATRIX MINE (INCLUDES ORYX – ALSO KNOWN AS 4 SHAFT OR WEST SECTION – AS FROM F2000)

			GOLD PRODUCED			NET EARNINGS	
	Tonnes milled	Yield* g/ton	Kilograms	000' ounces	Cash cost US$/oz	SA Rand million	US$ million
Year to 30 June							
1985 – 2005	57,164,000	5.4	311,517	10,016	n/a	n/a	n/a
2006	3,551,000	5.2	18,541	596	354	185.3	29.0
2007	3,590,000	4.7	16,903	543	377	370.8	51.5
2008	3,215,000	4.2	13,625	438	515	332.4	45.7
2009	2,991,000	4.1	12,164	391	552	321.8	35.7
2010	3,051,000	4.0	12,188	392	740	206.9	27.3
Six months to December 2010	1,965,000	3.2	6,282	202	837	(55.9)	(7.8)
Year to 31 December							
2011	3,817,000	2.8	10,787	347	957	657.5	91.1
2012	3,368,000	2.7	8,981	289	1,118	613.8	74.9
2013 (Jan and Feb)	529,000	2.2	1,178	38	0	(22.7)	(2.4)
Total	**83,241,000**	**5.0**	**412,166**	**13,251**			

Beatrix and Oryx became one tax entity as from Financial 2000.
*Combined surface and underground yield.

ORYX MINE – (CHANGED NAME TO 4 SHAFT, KNOWN AS WEST SECTION FROM F2005)

		GOLD PRODUCED				NET EARNINGS	
	Tonnes milled	Yield* g/ton	Kilograms	000' ounces	US$/oz	SA Rand million	US$ million
Year to 30 June							
1985–1999	5,656,000	3.2	18,182	585	n/a	(768.0)	(123.5)

Included in Beatrix since F2000.

SOUTH DEEP

		GOLD PRODUCED				NET EARNINGS	
	Tonnes milled	Yield* g/ton	Kilograms	000' ounces	Cash cost US$/oz	SA Rand million	US$ million
Year to 30 June							
2007#	1,104,000	4.6	5,076	163	595	(46.8)	(6.5)
2008	1,367,000	5.3	7,220	232	727	(143.1)	(19.7)
2009	1,241,000	4.4	5,434	175	717	(10.9)	(1.2)
2010	1,681,000	4.9	8,236	265	811	(81.0)	(10.7)
Six months to December 2010	1,101,000	4.1	4,547	146	939	(96.5)	(13.5)
Year to 31 December							
2011	2,440,000	3.5	8,491	273	1,073	146.4	20.3
2012	2,106,000	4.0	8,411	270	1,105	122.1	14.9
2013	2,347,000	4.0	9,397	302	1,045	(206.9)	(21.6)
2014	1,323,000	4.7	6,237	201	0	(897.7)	(83.0)
Total	**14,710,000**	**4.3**	**63,049**	**2,027**			

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

Operating and financial information by mine (continued)

for the year ended 31 December 2014

WEST AFRICA REGION

GHANA DIVISION

TARKWA MINE – TOTAL MANAGED

			GOLD PRODUCED			NET EARNINGS (Before minorities)	
	Tonnes treated	Yield* g/ton	Kilograms	000' ounces	Cash cost US$/oz	SA Rand million	US$ million
Year to 30 June							
1994–2005	91,612,600	1.2	108,546	3,490	n/a	1,610.5	210.9
2006	21,487,000	1.0	22,060	709	292	626.2	97.8
2007	22,639,000	1.0	21,684	697	333	841.9	116.9
2008	22,035,000	0.9	20,095	646	430	1,074.6	147.8
2009	21,273,000	0.9	19,048	612	521	900.7	100.0
2010	22,716,000	1.0	22,415	721	536	1,424.5	187.9
Six months to December 2010	11,496,000	1.0	11,261	362	562	968.3	135.6
Year to 31 December							
2011	23,138,000	1.0	22,312	717	556	2,898.4	401.4
2012	22,910,000	1.0	22,358	719	673	2,159.7	263.7
2013	19,275,000	1.0	19,664	632	816	(155.8)	(16.2)
2014	13,553,000	1.3	17,364	558	0	905.0	83.7
Total	**292,134,600**	**1.1**	**306,807**	**9,864**			

Surface operation from F1999.

DAMANG MINE – TOTAL MANAGED

			GOLD PRODUCED			NET EARNINGS (Before minorities)	
	Tonnes treated	Yield* g/ton	Kilograms	000' ounces	Cash cost US$/oz	SA Rand million	US$ million
Year to 30 June							
2002# – 2005	17,279,000	1.8	30,994	996	n/a	575.8	76.1
2006	5,328,000	1.4	7,312	235	341	174.2	27.2
2007	5,269,000	1.1	5,843	188	473	115.1	16.0
2008	4,516,000	1.3	6,041	194	551	187.4	25.9
2009	4,991,000	1.2	6,233	200	660	81.4	9.0
2010	5,028,000	1.3	6,451	207	660	347.7	45.9
Six months to December 2010	2,491,000	1.5	3,637	117	636	281.0	39.4
Year to 31 December							
2011	4,942,000	1.4	6,772	218	701	725.3	100.5
2012	4,416,000	1.2	5,174	166	918	297.7	36.3
2013	3,837,000	1.2	4,760	153	1,060	(1,135.8)	(118.3)
2014	4,044,000	1.4	5,527	178	0	37.2	3.4
Total	**62,141,000**	**1.4**	**88,744**	**2,853**			

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

AUSTRALASIA REGION

AUSTRALIA DIVISION

	ST IVES MINE					
			GOLD PRODUCED			
	Tonnes treated	Yield* g/ton	Kilograms	000' ounces	Cash cost U$/oz	Cash cost A$/oz
Year to 30 June						
2002# – 2005	21,960,000	2.7	59,838	1,924	254	379
2006	6,690,000	2.3	15,440	496	339	453
2007	6,759,000	2.2	15,146	487	424	540
2008	7,233,000	1.8	12,992	418	582	649
2009	7,262,000	1.8	13,322	428	596	805
2010	6,819,000	1.9	13,097	421	710	806
Six months to December 2010	3,284,000	2.3	7,557	243	710	757
Year to 31 December						
2011	6,745,000	2.1	14,449	465	901	873
2012	7,038,000	2.0	13,992	450	931	899
2013	4,763,000	2.6	12,525	403	833	861
2014	4,553,000	2.5	11,246	362	0	0
Total	**83,106,000**	**2.3**	**189,604**	**6,096**		

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

	AGNEW MINE					
			GOLD PRODUCED			
	Tonnes treated	Yield* g/ton	Kilograms	000' ounces	Cash cost U$/oz	Cash cost A$/oz
Year to 30 June						
2002# – 2005	4,299,000	4.6	19,911	640	236	357
2006	1,323,000	5.2	6,916	222	266	355
2007	1,323,000	5.0	6,605	212	295	377
2008	1,315,000	4.8	6,336	204	445	496
2009	1,066,000	5.6	5,974	192	401	541
2010	883,000	5.8	5,140	165	539	611
Six months to December 2010	417,000	5.9	2,477	80	621	662
Year to 31 December						
2011	935,000	6.5	6,035	194	696	675
2012	943,000	5.8	5,494	177	827	799
2013	974,000	6.9	6,705	216	625	646
2014	1,246,000	6.8	8,419	271	0	0
Total	**14,724,000**	**5.4**	**80,012**	**2,572**		

For the seven months ended 30 June, since acquisition.

Operating and financial information by mine (continued)

for the year ended 31 December 2014

DARLOT MINE						
			GOLD PRODUCED			
	Tonnes treated	Yield* g/ton	Kilograms	000' ounces	Cash cost U$/oz	Cash cost A$/oz
Year to 31 December						
2013 from October	158,000	3.9	613	20	1,025	1,059
2014	525,000	5.0	2,601	84	0	0
Total	**683,000**	**4.7**	**3,214**	**103**		

GRANNY SMITH MINE						
			GOLD PRODUCED			
	Tonnes treated	Yield* g/ton	Kilograms	000' ounces	Cash cost U$/oz	Cash cost A$/oz
Year to 31 December						
2013 from October	330,000	5.9	1,935	62	786	812
2014	1,472,000	6.7	9,804	315	0	0
Total	**1,802,000**	**6.5**	**11,739**	**377**		

ST IVES/AGNEW/LAWLERS/DARLOT/ GRANNY SMITH			
	NET EARNINGS		
	SA Rand Million	US$ Million	A$ Million
Year to 30 June			
2002# – 2005	1,579.5	181.2	296.2
2006	251.8	39.3	52.6
2007	298.6	41.5	52.8
2008	268.3	36.8	41.2
2009	628.9	69.8	94.3
2010	600.5	81.0	89.9
Six months to December 2010	434.6	60.9	64.9
Year to 31 December			
2011	1,369.0	189.6	183.8
2012	728.0	88.9	85.8
2013	(1,334.5)	(138.9)	(143.6)
2014	1,077.0	94.5	104.7
Total	**5,901.7**	**744.6**	**922.6**

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

SOUTH AMERICA REGION

PERU DIVISION

	CERRO CORONA – TOTAL MANAGED						
			GOLD PRODUCED[1]			NET EARNINGS (Before minorities)	
	Tonnes treated	Yield* g/ton	Kilograms	000' ounces	Cash cost U$/oz	SA Rand million	US$ million
Year to 30 June							
2009#	4,547,000	1.5	6,822	219	369	229.0	25.4
2010	6,141,000	2.0	12,243	394	348	688.7	90.8
Six months to December 2010	3,102,000	2.0	6,206	200	395	666.1	93.3
Year to 31 December							
2011	6,593,000	1.8	11,915	383	437	1,505.1	208.5
2012	6,513,000	1.6	10,641	342	492	1,782.0	217.6
2013	6,571,000	1.5	9,851	317	491	772.8	80.5
2014	6,797,000	1.5	10,156	327	0	718.9	66.5
Total	**40,264,000**	**1.7**	**67,834**	**2,181**			

#Transition from Project to Operation from September 2008.

[1] Cerro Corona is a Gold and Copper mine. As such gold produced is based on gold equivalent ounces.

Shareholders' information

Register date: 24 December 2014

Issued Share Capital: 775,308,626 shares

SHAREHOLDER

SPREAD	Number of shareholders	%	Number of Shares	%
1 – 1 000 shares	13 746	85,61	2 037 310	0,26
1 001 – 10 000 shares	1 573	9,80	4 653 057	0,60
10 001 – 100 000 shares	429	2,67	16 439 274	2,12
100 001 – 1 000 000 shares	244	1,52	85 765 454	11,06
Over 1 0000 000 shares	64	0,40	666 413 531	85,95
Total	16 056	100,00	775 308 626	100,00

DISTRIBUTION OF SHAREHOLDERS	Number of shareholders	%	Number of Shares	%
American Depositary Receipts	3	0,02	333 393 397	43,00
Banks	211	1,31	171 474 672	22,12
Brokers	87	0,54	11 523 800	1,49
Close Corporations	144	0,90	551 947	0,07
Control Account	1	0,01	1 087 088	0,14
Endowment Funds	50	0,31	2 356 584	0,30
Individuals	13 588	84,63	7 575 120	0,98
Insurance Companies	31	0,19	10 219 613	1,32
Investment Companies	13	0,08	2 050 630	0,26
Medical Aid Schemes	15	0,09	1 202 505	0,16
Mutual Funds	203	1,26	84 469 699	10,89
Nominees and Trusts	1 156	7,20	3 659 477	0,47
Other Corporations	101	0,63	284 755	0,04
Own Holdings	3	0,02	4 052 374	0,52
Pension Funds	196	1,22	126 720 997	16,34
Private Companies	219	1,36	752 810	0,10
Public Companies	34	0,21	407 764	0,05
Share Trust	1	0,01	13 525 394	1,74
Total	16 056	100,00	775 308 626	100,00

PUBLIC / NON-PUBLIC SHAREHOLDERS	Number of shareholders	%	Number of Shares	%
Non-Public Shareholders	10	0,06	18 019 450	2,32
Directors of the Company	8	0,05	441 682	0,06
Share Trust	1	0,01	13 525 394	1,74
Own Holdings	1	0,01	4 052 374	0,52
Public Shareholders	16 046	99,94	757 289 176	97,68
Total	16 056	100,00	775 308 626	100,00

Beneficial shareholders holding of 3% or more	Number of Shares	%
Government Employees Pension Fund	75 168 893	9,70[1]

Fund Managers holding of 3% or more	Number of Shares	%
Public Investment Corporation Limited	69 549 913	8,97[1]
First Eagle Investment Management, L.L.C.	63 396 482	8,18
Investec Asset Management (Pty) Ltd	53 094 983	6,85
Van Eck Associates Corporation	48 984 236	6,32
Allan Gray Proprietary Limited	48 181 536	6,21
Black Rock Investment Management (UK) Ltd	36 939 715	4,76
Dimensional Fund Advisors, L.P.	29 535 699	3,81

Foreign Custodian holding of 3% or more	Number of Shares	%
The Bank of New York Mellon DR	333 393 397	43,00
State Street Bank & Trust Company	56 655 065	7,31
JPMorgan Chase	32 307 586	4,17
Brown Brothers Harriman & Co	24 174 285	3,12

[1]The Public Investment Corporation is an asset manager that manages funds on behalf of a number of public sector organisations, including the Government Employees Pension Fund. The Government Employees Pension Fund also uses other fund managers to manage their investment portfolio.

Glossary of terms

ABET	Adult Basic Education and Training
AS/NZ 4801	Australian occupational health and safety management standards
AISC	All-in Sustaining Costs. AIC comprises On-Site Mining Costs (on a sales basis); On-Site General & Administrative costs; Royalties & Production Taxes; Realised Gains/Losses on Hedges due to operating costs; Community Costs related to current operations; Permitting Costs related to current operations; 3rd party smelting, refining and transport costs; Non-Cash Remuneration (Site-Based); Stock-piles/product inventory write down; Operational Stripping Costs; By-Product Credits; Corporate General & Administrative costs (including share-based remuneration); Reclamation & remediation – accretion & amortisation (operating sites); Exploration and study costs (sustaining); and Capital exploration (sustaining)
AIC	All-in Costs. AIC is AISC plus Community Costs not related to current operations; Community Costs not related to current operations; Reclamation and remediation costs not related to current operations; Exploration and study costs (non-sustaining); Capital exploration (non-sustaining); Capitalised stripping & underground mine development (non-sustaining); and Capital expenditure (non-sustaining)
Backfill	Material generally sourced from processing plant mine residues and utilised for the filling of mined voids, to ensure long-term stability of excavations and minimise the effects of seismic activity
BEE	Black Economic Empowerment. BEE seeks to ensure that black persons within South Africa gain a significant degree of control in the economy through the possession of equity stakes and the holding of management positions within an institution
Blasthole	The hole into which a blasting charge is inserted in order to blast loose a quantity of rock
Borehole or drill hole	Hole bored or drilled in the earth usually to obtain representative samples (see diamond drill)
Box-hole	A cross raise, normally from the access cross-cut to the reef horizon, for the purpose of drawing broken rock and ore from the reef horizon into a conveyance in the cross-cut
Bulk mining	Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being blasted or caved and transported to a processing plant
BVQI	Bureau Veritas Qualite International is a leading global and independent certification body that audits and certifies whether company systems meet the requirements of ISO standards
Carbon-in-leach (CIL)	The recovery process in which gold is leached from gold ore pulp by cyanide and simultaneously adsorbed onto activated carbon granules in the same vessel. The loaded carbon is then separated from the pulp for subsequent gold removal by elution. The process is typically employed where there is a naturally occurring gold adsorbent in the ore
Carbon-in-pulp (CIP)	The recovery process in which gold is first leached from gold ore pulp by cyanide and then adsorbed onto activated carbon granules in separate vessels. The loaded carbon is then separated from the pulp for subsequent gold removal by elution
Capital expenditure (or capex)	Specific project or ongoing expenditure for replacement or additional equipment, materials or infrastructure
Channel	Historic water course into which sediments consisting of gravel and sand are/have been deposited
Collective Bargaining Agreement	Collective Bargaining Agreement means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by a trade union(s) and the Company
Co-morbidity	Medical term for diseases that commonly co-exist to increase the risk of morbidity
Comminution	The term used to describe the process by which ore is reduced in size in order to liberate the desired mineral from the gangue material in preparation for further processing

Concentrate	A metal-rich product resulting from a mineral enrichment process such as gravity concentration or flotation, in which most of the desired mineral has been separated from the waste material in the ore
Conglomerate	Sedimentary rocks comprising eroded subangular to rounded pebbles within a finer-grained matrix
Cross-cut	A horizontal underground drive developed perpendicular to the strike direction of the stratigraphy
Cut-off grade	The lowest grade of mineralised ore, which determines whether or not it is economic to mine and send to the processing plant
Decline	An excavation from surface or sub-surface, in the form of a tunnel, which is developed downwards
Depletion	The decrease in quantity of ore, in a deposit or property resulting from extraction or mining
Development	Is any tunnelling operation, which has for its object either exploration, exploitation or both
Diamond drill	A rotary type of rock drill that cuts a core of rock by diamond bits and is recovered in long cylindrical sections
Dilution	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined
Dip	Angle of inclination of a geological feature/rock from the horizontal
Dyke	Tabular, vertical or near vertical body of igneous rock formed by the intrusion of magma generally into planar structural zones of weakness
Elution	The chemical process of desorbing gold from activated carbon
Face	The end of a development end, drift, cross-cut or stope at which work is taking place
Facies	The characteristics of a rock unit defined by its composition, lithology, physical properties and geochemical parameters, usually reflecting the conditions of its origin
Fatality rate	Number of deaths normally expressed as a ratio per million man-hours worked
Fault	The surface or plane of a fracture along which movement has occurred
Feasibility study	A comprehensive design and costing study of the selected option for the development of a mineral project in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other modifying factors, which are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable) and the factors reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The overall confidence of the study should be stated
Filtration	Process of separating usually valuable solid material from a liquid
Flotation	The process by which the surface chemistry of the desired mineral particles is chemically modified such that they preferentially attach themselves to bubbles and float to the pulp surface in specially designed vessels. The gangue or waste minerals are chemically depressed and do not float, thus allowing the valuable minerals to be concentrated and separated from the undesired material
Footwall	The underlying side of an ore body or stope
Free cash flow margin	The free cash flow (FCF) margin is revenue less cash outflow divided by revenue expressed as a percentage
Gold equivalent	A quantity of metal (such as copper) converted to an amount of gold in ounces, based on accepted gold and other metal prices, i.e. the accepted total value of the metal based on its weight and value thereof divided by the accepted value of one troy ounce of gold

Glossary of terms (continued)

Grade	The quantity of gold or other metal contained within a unit weight of one metric tonne, generally expressed in grams per metric tonne (g/t) or percent metal per metric tonne (%)
Hanging wall	The overlying side of an ore body or slope
Haulage	A horizontal underground excavation which is used to transport mined ore
Head grade	The grade of the material delivered to the processing facility (such as heap leach pad, mill, etc). The Mineral Reserve declaration is for material as delivered to the processing facility
Hedging	Taking a buy or sell position in futures market opposite to a position held in the cash/spot market to minimise the risk of financial loss from an adverse price change
Hydrothermal	Process of injection of hot, aqueous, generally mineral-rich solutions into existing rocks or geological features
ICVCT	Informed Consented Voluntary Counselling and Testing
Indicated Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes which may be limited or of uncertain quality and reliability
ISO 14000	International standards for organisations to implement sound environmental management systems
LTIFR	Lost-Time Injury Frequency Rate, expressed in million man-hours worked
Lock-up gold	Gold trapped as a temporary inventory within a processing plant, or sections thereof, typically milling circuits
Measured Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are spaced closely enough to confirm geological and grade continuity
Milling	A general term used to describe the process in which the ore is crushed and ground and subjected to physical or chemical treatment to extract the valuable metals to a concentrate or finished product
Mine Health and Safety Act (MHSA)	The South African Mine Health and Safety Act, No 29 of 1996
Mineralised	Rock in which minerals have been introduced
Mineral Reserve	A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life-of-Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed

Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories
Minerals Act	The South African Minerals Act, No 50 of 1999
Net cash flow	Cash flow from operating activities less net capital expenditure and environmental payments for continuing operations
Normal fault	Fault in which the hanging wall moves downward relative to the footwall, under extensional tectonic conditions
Normalised earnings	Net earnings excluding gains and losses on foreign exchange, financial instruments and non-recurring items after royalties and taxation
Nugget effect	A measure of the randomness of the grade distribution within a mineralised zone
NUM	National Union of Mine Workers
OHSAS	Management system standards, developed in order to facilitate the integration of quality and occupational health and safety management systems by organisations
Payshoot	Linear to sub-linear zone within a reef for which gold grades or accumulations are predominantly above the cut-off grade
Pillar	Rock left behind to help support the excavations in an underground mine
Probable Mineral Reserve	The economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, to a minimum of a pre-feasibility study for a project, have been carried out and including consideration of and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Project capital	Capital expenditure that is associated with specific projects
Proved Mineral Reserve	The economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, to a minimum of a pre-feasibility study for a project, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Reef	A general term for metalliferous mineral deposit (gold) within a geological zone or unit
SADC	Southern African Development Community
SAMREC Code	The South African code for the reporting of exploration results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2007 Edition
Seismic	Earthquake or earth vibration including those artificially induced by mining operations
Shaft	An opening cut downwards from the surface for transporting personnel, equipment, supplies, ore and waste

Glossary of terms (continued)

Shear	A deformation resulting from stresses that cause contiguous parts of a body of rock to slide relative to each other in a direction parallel to their plane of contact
Stope	The working area from which ore is extracted in an underground mine
Stripping	The process of removing overburden or waste rock to expose ore
Stripping ratio	The ratio of waste tonnes to ore tonnes mined, calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined
Stratigraphy	The science of rock strata, including arrangement according to geographical location lithological composition, geophysical and geochemical and chronological order of sequence
Strike	Direction or trend of geological structures such as bedding or fault planes defined by the intersection with the horizontal plane and is always perpendicular to the dip direction
Sub-vertical shaft	An opening cut below the surface downwards from an established surface shaft
Surface sources	Ore sources, usually dumps, tailings dams and stockpiles, located at the surface
TEBA	The Employment Bureau of Africa
Tertiary shaft	An opening cut below the surface downwards from an established sub-vertical shaft
The Base Case	The Base Case is established as part of the financial models
Trade union	An association of employees whose principal purpose is to regulate relations between employees and the Company, which has been registered; whose officials have been elected to represent the interests of employees within the workplace; and which is recognised for collective bargaining by the Company
Vamping	Is the final clean-up of track ballast and/or accumulations in gullies and along transportation routes

ABBREVIATIONS AND UNITS

ABET	Adult Basic Education and Training
ADS	American Depository Shares
AIDS	Acquired Immune Deficiency Syndrome
ARC	Assessment and Rehabilitation Centres
ART	Antiretroviral therapy
CBO	Community-based organisation
CIL	Carbon-in-leach
CIP	Carbon-in-pulp
CIS	Carbon-in-solution
DCF	Discounted Cash Flow
ETF	Exchange traded fund
GFHS	Gold Fields Health Service
GFLC	Gold Fields La Cima
GRI	Global Reporting Initiative
HBC	Home-based care
HDSA	Historically disadvantaged South African
HIV	Human Immunodeficiency Virus
LoM plan	Life-of-Mine Plan

LTIFR	Lost-Time Injury Frequency Rate, quoted in million man-hours
NGO	Non-governmental organisation
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
MCF	Mine Call Factor
OHC	Occupational Health Centre
OT	Occupational therapy
PHC	Primary health clinic
PPI	Producer Price Index
SAMREC	South African code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SEC	United States Securities Exchange Commission
STI	Sexually transmitted infection
TB	Tuberculosis
TEC	Total employees costed
UASA	United Association of South Africa (a labour organisation)
VCT	Voluntary Counselling and Testing (for HIV)
cm	centimetre
cm.g/t	gold accumulation
g	gram
g/t	grams per metric tonne – gold grade
ha	hectare
kg	kilogram
km	kilometre
koz	thousand ounces
kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
ktpm	thousand tonnes per month
m^2	square metre
Moz	million ounces
oz	fine troy ounce equalling 31.10348 grams
t	metric tonne
US$	United States Dollar
US$m	million United States Dollars
US$/oz	United States Dollar per ounce
R	South African Rand
R/kg	South African Rand per kilogram
Rm	million South African Rand
R/t	South African Rand per metric tonne

Glossary of terms – Sustainable development

SUSTAINABLE DEVELOPMENT

- **United Nations Global Compact –** is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society.
- **Global Reporting Initiative (GRI)** – produces one of the world's most prevalent standards for sustainability reporting. Sustainability reporting is a form of value reporting where an organisation publicly communicates their economic, environmental and social performance.
- **ICMM (International Council on Mining and Metals)** – CEO led organisation of mining companies that seeks to continually entrench best practice with regard to sustainable development and to provide a platform for member companies to share experiences.

HEALTH, SAFETY AND WELLBEING

- **TRIFR (Total Recordable Injury Frequency Rate)** – Frequency rate that takes into account the sum of all injuries to employees and contractors (Fatalities + Lost-Time Injuries[1] + Restricted Work Injuries[2] + Medical Treatment Injuries[3])
- *[1]A Lost Time Injury (LTI) is a work-related injury resulting in the employee or contractor being unable to attend work for a period of one or more days after the day of the injury. The employee or contractor is unable to perform any functions.*
- *[2]A Restricted Work Injury (RWI) is a work-related injury sustained by an employee or contractor which results in the employee or contractor being unable to perform one or more of their routine functions for a full working day, from the day after the injury occurred. The employee or contractor can still perform some of his duties.*
- *[3]A Medically Treated Injury (MTI) is a work-related injury sustained by an employee or contractor which does not incapacitate that employee and who, after having received medical treatment, is deemed fit to immediately resume his/her normal duties on the next calendar day, immediately following the re-treatment.*
- **OHSAS 18001** – An international voluntary standard against which organisations are assessed on their Health and Safety performance. As with other standards, it is based around the setting of objectives and targets and the monitoring of the businesses' performance against these.
- **Noise Induced Hearing Loss (NIHL)** – is an increasingly prevalent disorder that results from exposure to high-intensity sound, especially over a long period of time.
- **Silicosis** – is a form of occupational lung disease caused by inhalation of crystalline silica dust, and is marked by inflammation and scarring in the form of nodular lesions in the upper lobes of the lungs.
- **Chronic Obstructive Airway Disease (COAD)** – refers to chronic bronchitis and emphysema, a pair of commonly co-existing diseases of the lungs in which the airways become narrowed.
- **Highly active antiretroviral therapy (HAART)** – Treatment with a very potent drug "cocktail" to suppress the growth of HIV, the retrovirus responsible for AIDS.

ENVIRONMENT

- **ISO 14001** – an international voluntary standard for environmental management systems. This is one standard in the ISO 14000 series of International standards on environmental management.
- **Environmental incidences** – these are incidences that are classified in accordance with a system designed by Gold Fields (based on the GRI definition) that classifies the incident based on its severity. The incidences are classified as follows:
  - Level 1 environmental incident – incident that involves minor non-conformances that result in no or negligible adverse environmental impact and that would not cause damage to the Company's reputation
  - Level 2 environmental incident – incident that involves minor non-conformances that result in short-term, limited and non-ongoing adverse environmental impacts
  - Level 3 environmental incident – incident that results in limited non-conformances or non-compliances. These non-compliances are those that result in ongoing, but limited environmental impact
  - Level 4 environmental incident – incident that results in significant non-conformances or non-compliances with significant short-term or medium-term environmental impact. Such events are likely to be operation threatening in isolation and cumulatively (i.e. if the incidents are repeated) is very likely to threaten a licence to operate or social licence to operate. In addition, such incidents also have the potential to cause reputational damage.
  - Level 5 environmental incident – Incident that results in major non-conformances or non-compliances. These non-compliances or non-conformances are those that result in either catastrophic short-term impact or medium to long-term environmental impact. Company or operation threatening implications and potential major damage to the Company's reputation are almost inevitable.
- **Water withdrawal** – the sum of all water drawn into the boundaries of the reporting organisation for any use over the course of the reporting period.
- **Water discharge** – the sum of water effluents discharged over the course of the reporting period to the receiving environment.
- **mS/m (milliSiemens/metre)** – is the unit used in the measuring of the electrical conductivity of water and provides an indication of overall water quality.
- **Acid Mine Drainage (AMD)** – refers to the outflow of acidic water from (usually abandoned) mines that contain high pyrite levels. It is also known as acid rock drainage (ARD). The acid is formed from the pyrite mineral oxidising and forming sulphuric acid.
- **Basel Convention** – is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries (LDCs).

SUPPLY CHAIN MANAGEMENT AND MATERIAL STEWARDSHIP

ICMC (International Cyanide Management Code) – is a voluntary industry programme for manufacture, transport and use of cyanide in gold production.

SOCIAL RESPONSIBILITIES

SED (Socio Economic Spend) – Payments made to communities and community investments that are not inherent to the functioning of the operation. This may include payments related to infrastructure, health and wellbeing, education and training, local environment, scholarships and donations. This definition is an evolving definition between the World Gold Council (WGC) and its member companies.

Local Economic Development (LED) – refers to initiatives and monies disbursed to uplift socio-economic conditions in the communities in which we operate.

AA1000SES – is a generally applicable, open-source framework for improving the quality of the design, implementation, assessment, communication and assurance of stakeholder engagement.

Glossary of terms – Sustainable development (continued)

OUR PEOPLE

HDSA – Historically disadvantaged South Africans.

ENERGY AND CARBON MANAGEMENT

Greenhouse gas emission (GHG emissions) – Gases which absorb outgoing terrestrial radiation, such as water vapour, methane, CFCs and carbon dioxide.

Scope 1 carbon dioxide (CO_2) emissions – are those directly occurring "from sources that are owned or controlled by the institution, including:

On-campus stationary combustion of fossil fuels; mobile combustion of fossil fuels by institution owned/controlled vehicles; and "fugitive" emissions. Fugitive emissions result from intentional or unintentional releases of GHGs.

Scope 2 CO_2 emissions – are "indirect emissions generated in the production of electricity consumed by the institution."

Scope 3 CO_2 emissions – are all the other indirect emissions that are "a consequence of the activities of the institution, but occur from sources not owned or controlled by the institution" such as commuting, air travel, waste disposal; embodied emissions from extraction, production, and transportation of purchased goods; outsourced activities; contractor-owned vehicles; and line loss from electricity transmission and distribution".

Equivalent carbon dioxide (CO_2-e) – measures for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO_2) as the reference.

Notes:

Notes:

Administration and corporate information

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