[Annual financial statements]

Growing free cash flow and maintaining a strong balance sheet

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Statement of responsibility by the board of directors

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of the company and of the Group. The financial statements presented on pages 165 to 259 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act in South Africa, and include amounts based on judgements and estimates made by management.

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

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

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

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

Gold Fields has adopted a Code of Ethics which is available on the Gold Fields website and which is adhered to by the Group. The Group's external auditors, PricewaterhouseCoopers Incorporated, audited the financial statements, and their report is presented on page 145.

The financial statements were approved by the Board of Directors on 10 September 2010 and are signed on its behalf by:

NJ Holland
Chief Executive Officer

PA Schmidt
Financial Director

Corporate secretary's confirmation

In terms of section 268G(d) of the Companies Act, 1973, as amended, I certify that the company has lodged with the Companies and Intellectual Property Registration Office all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

C Farrel
Corporate Secretary

10 September 2010

Report of the independent auditors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLD FIELDS LIMITED

We have audited the Group annual financial statements and annual financial statements of Gold Fields Limited, which comprise the consolidated and separate statements of financial position as at 30 June 2010, and the consolidated and separate income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 165 to 259.

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 in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

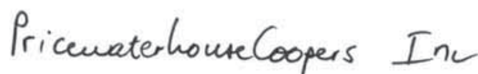
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether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

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

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Gold Fields Limited as at 30 June 2010, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc
Director: PC Hough
Registered Auditor
Johannesburg
10 September 2010

Management's discussion and analysis of the financial statements

Paul Schmidt
Financial Director

(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 appearing with these financial statements.)

The financial results have been prepared in accordance with International Financial Reporting Standards (IFRS) which is consistent with the previous year.

RESULTS FOR THE YEAR

Net earnings attributable to ordinary shareholders for financial 2010 were R3,631 million (or 515 cents per share), compared with R1,536 million (or 229 cents per share) achieved in the previous financial year. The reasons for this increase are discussed below.

Headline earnings excluding the after-tax effect of asset impairments and profits on the sale of investments and fixed assets amounted to R3,164 million or 449 cents per share for financial 2010, compared with R2,890 million or 431 cents per share in financial 2009.

These results are analysed as follows:

REVENUE

Revenue increased 9% from R29,087 million in financial 2009 to R31,565 million in financial 2010. The increase in revenue of R2,478 million was due to the increase in the rand gold price from R253,459 per kilogram to R264,468 per kilogram and an increase in gold sales. The rand gold price increase was due to a 24% increase in the US dollar gold price from an average of US$875 per ounce to US$1,085 per ounce year-on-year, partially offset by a stronger rand, which strengthened 16% from an average of 9.01 to 7.58 to the US dollar.

Gold sales increased 4% from 3,689,600 ounces in financial 2009 to 3,837,300 ounces in financial 2010. Gold sales at the South African operations decreased 5% from 2,038,700 ounces to 1,933,000 ounces while gold sales at the West African operations increased 14% from 812,800 ounces to 928,100 ounces. Gold sales at the South American operation (Cerro Corona) increased from 217,800 equivalent ounces to 389,900 equivalent ounces while at the Australasian operations, gold sales decreased 5% from 620,400 ounces to 586,300 ounces.

At the South African operations, the decrease in gold sales of 105,700 ounces was mainly as a result of safety-related mine stoppages and a slow start after the Christmas break.

At Driefontein, gold sales reduced by 14% from 829,900 ounces to 709,800 ounces as a result of lower underground volumes mined occasioned by safety factors and an 11% decrease in underground yields from 7.5 grams per tonne to 6.7 grams per tonne.

Gold sales at Kloof decreased by 12% from 643,000 ounces to 566,500 ounces as a result of safety-related mine stoppages. At Beatrix, gold output remained relatively flat at 391,900 ounces whilst at South Deep, gold sales increased 52% from 174,700 ounces to 264,800 ounces in line with the production build-up.

At the West African operations, gold sales at Tarkwa increased 18% from 612,400 ounces to 720,700 ounces mainly due to the commissioning of the new CIL plant, which allowed increased throughput. Damang's gold sales increased 3% from 200,400 ounces to 207,400 ounces due to the commissioning of the secondary crusher in the June quarter which allowed more hard high-grade ore to be milled.

Gold sales at Cerro Corona in South America increased by 79% because of full-year's production in financial 2010 compared with only six full months in financial 2009. Cerro Corona commenced commercial levels of production in January 2009.

At the Australasian operations production decreased 5% to 586,300 ounces. Gold sales at St Ives decreased by 2% from 428,300 ounces to 421,100 ounces due to less ore mined at Belleisle. At Agnew, gold sales declined by 14% from 192,100 ounces to 165,200 ounces due to depletion of Songvang surface stockpiles.

COST OF SALES

Cost of sales, which consists of operating costs, changes in gold inventories and amortisation and depreciation, increased from R21,766 million in financial 2009 to R23,829 million in financial 2010.

The table below presents the analysis of cost of sales:

Analysis of cost of sales		2010 R million	2009 R million
Total cash cost		**18,782**	17,145
Add/(deduct):	General and administration	**705**	707
	Rehabilitation	**122**	129
	Gold inventory change – cash portion	**104**	192
	Royalties*	**(543)**	(339)
Operating costs		**19,170**	17,834
(Deduct)/add:	Gold inventory change – total	**(178)**	(210)
	Amortisation and depreciation	**4,837**	4,142
Cost of sales per income statement		**23,829**	21,766

** Royalties are deducted as they are included as part of total cash cost but are reflected as part of taxation in the income statement.*

The analysis that follows provides a more detailed comparison of cost of sales and Notional Cash Expenditure (NCE) per ounce.

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

Operating costs increased by 7% from R17,834 million in financial 2009 to R19,170 million in financial 2010. The increase at the South African operations was 14% from R9,840 million to R11,204 million. At the West African operations, operating costs decreased 8% from R4,240 million in financial 2009 to R3,924 million but increased 10% in local currency from US$471 million to US$518 million. In South America at Cerro Corona, operating costs increased from R779 million to R1,024 million and in local currency terms from US$86 million to US$135 million as a result of the 79% increase in production. At the Australasian operations, operating costs increased from R2,976 million to R3,018 million but in local currency it was marginally higher at A$452 million.

At the South African operations the increase of R1,364 million was mainly due to the above-inflation annual wage increases of around 12% all-in, a 35% increase in electricity costs of R417 million and an increase in commodity costs, partially offset by the lower production levels and benefits achieved through our cost-saving initiatives, such as programmes to reduce surface labour, improved workshop delivery, more effective salvage and reclamation and a focus on core business training, amongst others.

At the West African operations, the increase of US$47 million was mainly due to the increase in production. At Tarkwa, operating costs increased from US$338 million to US$387 million due to the 18% increase in production which resulted in an increase in management fee, increased fuel consumption together with increased plant cost due to higher throughput. At Damang, despite the increase in production, operating costs were relatively unchanged at US$131 million compared with US$132 million in financial 2009.

At the Australasian operation, operating costs increased by A$6 million from A$345 million to A$351 million as a result of an increase in deferred waste charges and an increase in grade control drilling on the additional pit ounces mined, and inflationary increases partially offset by the lower production. At Agnew, costs were flat at A$101 million.

Management's discussion and analysis of the financial statements continued

The following table sets out for each operation and the Group, total gold sales in ounces, total cash cost and total production cost in US$/oz and R/kg for the years ended 30 June 2010 and 2009.

	Year ended 30 June 2010			Year ended 30 June 2009		
	Gold sold ('000 oz)	Total cash cost[5] (US$/oz)	Total cash cost[5] (R/kg)	Gold sold ('000 oz)	Total cash cost[5] (US$/oz)	Total cash cost[5] (R/kg)
• Driefontein	709.8	692	168,568	829.9	448	129,837
• Kloof	566.5	768	187,154	643.0	507	146,930
• Beatrix	391.9	740	180,358	391.1	552	159,799
• South Deep	264.8	811	197,669	174.7	717	207,803
South African operations	1,933.0	740	180,392	2,038.7	510	147,657
• Tarkwa[1]	720.7	536	130,636	612.4	521	150,814
• Damang[2]	207.4	660	160,890	200.4	660	191,179
West African operations	928.1	564	137,397	812.8	556	154,589
Peru – Cerro Corona[3]	389.9	348	84,737	217.8	369	106,777
• St Ives	421.1	710	173,085	428.3	596	172,707
• Agnew	165.2	539	131,323	192.1	401	116,120
Australasian operations[4]	586.3	662	161,315	620.4	536	155,188
Total operations	3,837.3			3,689.6		
Weighted average cost		646	157,360		516	149,398

[1] *In financial 2010 and 2009, 512,400 ounces and 435,400 ounces respectively were attributable to Gold Fields.*

[2] *In financial 2010 and 2009, 147,500 ounces and 142,500 ounces respectively were attributable to Gold Fields.*

[3] *In financial 2010 and 2009, 314,700 equivalent ounces and 175,800 equivalent ounces were respectively attributable to Gold Fields.*

[4] *Total production costs for the Australasian operations are not split between the two operations.*

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

The weighted average total cash cost per kilogram increased by 5% from R149,398 per kilogram (US$516 per ounce) in financial 2009, to R157,360 per kilogram (US$646 per ounce) in financial 2010.

The weighted average total cash cost at the South African operations in rand terms increased 22% from R147,657 per kilogram (US$510 per ounce) in financial 2009 to R180,392 per kilogram (US$740 per ounce) in financial 2010. This increase was as a result of the decline in gold production and the increase in costs described earlier.

At the West African operations total cash cost increased from US$556 per ounce to US$564 per ounce, an increase of 1%.

At Cerro Corona in South America, total cash costs decreased from US$369 per ounce to US$348 per ounce, a decrease of 6%. This was due to an increase in gold equivalent ounces sold.

At the Australasian operations, total cash cost increased from A$724 per ounce (US$536 per ounce) to A$751 per ounce (US$662 per ounce) as a result of the decrease in gold production and the increase in costs described earlier.

General and administration (G&A) costs

Net general and administration costs, which are included in operating costs, at R705 million in financial 2010 compared with R707 million in financial 2009.

Costs falling under the definition of general and administration costs included the following:

- Recovered corporate expenditure for financial 2010 was R306 million compared with R254 million in financial 2009;
- Management fees in Ghana of R151 million, compared with R136 million in financial 2009. In dollar terms they increased from US$15 million to US$20 million and was as a result of the higher revenue generated by the two West African operations;
- The cost of regional offices in Australasia, West Africa and South America increased by R11 million from R102 million financial 2009 to R113 million in financial 2010. This was in line with our regionalisation strategy to increase and strengthen the knowledge base at the offshore regional offices;
- World Gold Council fees amounted to R46 million in financial 2010, charged at an average of US$1.93 per ounce of attributable gold production. The financial 2009 charge was R56 million at an average of US$1.80 per ounce of attributable gold production. The lower fees in financial 2010 was due to the stronger rand;
- Off-site training amounted to R72 million in financial 2010 compared with R149 million in financial 2009 due to a deliberate decision to downscale training and relocate certain training functions back to the mines in order to focus on on-mine training; and
- Other costs relating to Chamber of Mines and special technical projects.

Gold inventory change

Gold inventory change in financial 2010 was a R178 million credit to costs, compared with a credit to costs of R210 million in financial 2009.

At Tarkwa, there was a credit to costs in financial 2010 of US$11 million compared with a credit of US$18 million in financial 2009. The US$11 million credit in fiscal 2010 was due to a slower than expected release from the North heap leach facility. The US$18 million credit in financial 2009 was due to gold lock-up in the new plant, a build-up at the North heap leach and increased stockpiles at year end.

At Damang, there was a charge to costs of US$2 million in financial 2010 compared with a credit of US$2 million in financial 2009. The charge in financial 2010 was due to the utilisation of the crushed ore stockpile created in financial 2009 to create mill feed flexibility, partly as a result of the crusher rebuild and the commissioning of a secondary crusher commissioned late in the fourth quarter of financial 2010. The credit in financial 2009 was mainly due to the deliberate stockpiling of crushed ore to improve mill feed flexibility.

Cerro Corona unsold stock decreased from US$4 million at the end of financial 2009 to US$1 million at the end of financial 2010. In both years, the level of the stock was driven by sales and shipping schedules.

At St Ives, there was a credit to costs of A$15 million in financial 2010 compared with a credit to costs in financial 2009 of A$2 million. The increase in the credit to cost was mainly as a result of stockpiling lower-grade ore and heap leach gold in-process, as more high-grade ore was available from the underground mines. In financial 2009 low-grade Leviathan ore was stockpiled.

At Agnew, there was a charge to costs in financial 2010 of A$1 million compared with a charge of A$3 million in financial 2009. Both amounts were due to the processing of surface stockpiles, including the Songvang stockpile.

Amortisation and depreciation

Amortisation and depreciation increased by R695 million, from R4,142 million in financial 2009 to R4,837 million in financial 2010.

At the South African operations amortisation increased from R2,036 million in financial 2009 to R2,416 million in financial 2010, an increase of R380 million. Driefontein decreased from R625 million to R622 million due to lower production; Kloof increased from R693 million to R800 million and Beatrix from R435 million to R542 million due to a reduction in short-life ore reserve development. South Deep increased from R283 million to R453 million mainly due to the increase in production in line with the build-up.

At the West African operations, amortisation increased from US$74 million in financial 2009 to US$128 million in financial 2010. Tarkwa increased from US$55 million in financial 2009 to US$111 million in financial 2010 due to increased production and the additional amortisation on the CIL expansion and HPGR projects. Damang was similar year-on-year at US$17 million.

In South America, amortisation at Cerro Corona increased from US$39 million in financial 2009 to US$55 million in financial 2010 as a result of the increase in production.

Management's discussion and analysis of the financial statements continued

Amortisation and depreciation (continued)

At the Australasian operations, amortisation decreased from A$142 million in financial 2009 to A$133 million in financial 2010 due to lower production and an increase in reserves at St Ives and Agnew partially offset by amortisation of A$14 million on the buy-back of the Morgan Stanley royalty.

Notional cash expenditure (NCE)

Notional cash expenditure is defined as operating costs (including general and administration costs) plus capital expenditure, which includes brownfields exploration, and is reported on a per ounce basis. The objective is to provide the all-in cost for the Group, and for each operation. The NCE per ounce is an important measure, as it determines how much free cash flow is generated in order to pay taxation, interest, greenfields exploration and dividends.

	Year ended 30 June 2010					Year ended 30 June 2009				
	Gold produced ('000 oz)	Operating costs US$ million	Capital expedture US$ million	NCE US$/oz	NCE R/kg	Gold produced ('000 oz)	Operating costs US$ million	Capital expenditure US$ million	NCE US$/oz	NCE R/kg
• Driefontein	709.8	505.6	150.3	924	225,208	829.9	391.8	114.8	610	176,838
• Kloof	566.5	451.8	145.7	1,054	256,962	643.0	342.3	106.4	698	202,140
• Beatrix	391.9	299.9	85.8	984	239,867	391.1	226.1	69.9	757	219,254
• South Deep	264.8	220.9	212.8	1,638	399,211	174.7	131.9	113.3	1,403	406,423
South African operations	1,933.0	1,478.1	594.7	1,072	261,323	2,038.7	1,092.1	404.3	734	212,629
• Tarkwa	720.7	387.0	148.6	743	181,115	612.4	338.1	201.1	881	255,066
• Damang	207.4	130.7	29.8	774	188,591	200.4	132.4	16.9	745	215,851
West African operations	928.1	517.7	178.4	750	182,786	812.8	470.5	218.0	847	245,398
South American operations – Cerro Corona (Peru)	393.6	135.1	85.6	561	136,650	219.3	86.4	116.8	926	268,382
• St Ives	421.1	308.9	103.0	978	238,345	428.3	255.4	68.8	757	219,299
• Agnew	165.2	89.3	55.2	875	213,132	192.1	74.8	30.8	550	159,240
Australian operations	586.3	398.2	158.2	949	231,239	620.4	330.2	99.6	693	200,705
Group operations/ projects	3,841.0	2,529.1	1,016.9	923	224,979	3,691.2	1,979.3	838.7	763	221,153

The above calculation is based on the average rand to the US dollar exchange rate for the year of 7.58 and 9.01 for financial 2010 and financial 2009 respectively.

The NCE for financial 2010 of US$923 per ounce was higher than the US$763 per ounce achieved in financial 2009 because of the higher operating and capital expenditure together with the stronger rand, partially offset by the higher production.

Net operating profit

Net operating profit increased by 6% from R7,321 million in financial 2009 to R7,736 million in financial 2010. This is due to the increased revenue as a result of the increased gold sales and a higher average gold price received which more than offset the higher cost of sales.

INVESTMENT INCOME

Income from investments increased 36% from R225 million in financial 2009 to R305 million in financial 2010. The increase was mainly due to higher average cash balances in financial 2010 compared with financial 2009.

The interest received in financial 2010 of R305 million comprises R1 million in dividend income, R66 million on monies invested in the South African environmental rehabilitation trust funds and R238 million on other cash and cash equivalent balances.

The interest received in financial 2009 of R225 million comprised R12 million in dividend income, R82 million on monies invested in the South African environmental rehabilitation trust funds and R131 million on other cash and cash equivalent balances.

Interest received on the funds invested in rehabilitation trust funds decreased from R82 million in financial 2009 to R66 million in financial 2010 due to lower interest rates in financial 2010 compared with financial 2009.

Interest on other cash balances increased from R131 million in financial 2009 to R238 million in financial 2010 mainly due to higher average cash and cash equivalent balances held in financial 2010.

FINANCE EXPENSE

Finance expense decreased from R873 million in financial 2009 to R493 million in financial 2010.

The finance expense of R493 million in financial 2010 comprised R45 million interest payable on the preference shares, R38 million relating to the accretion of the environmental rehabilitation liability and R499 million on various Group borrowings, partially offset by interest capitalised of R88 million.

The finance expense of R873 million in financial 2009 comprised R88 million interest charges on the preference shares, R18 million interest paid on the Mvela loan, R38 million relating to the accretion of the environmental rehabilitation liability and R807 million in respect of other interest charges, partially offset by interest capitalised of R78 million.

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

	2010 R million	2009 R million
Interest on Commercial Paper	**208**	14
Interest on borrowings to fund capital expenditure and operating costs at the South African operations	**182**	383
Forward cover costs on the foreign exchange contract taken out on the revolving credit facility	**38**	341
Interest on project finance loan – Gold Fields La Cima	**39**	26
Interest on the revolving credit facility used to partially fund capital expenditure at Cerro Corona and in financial 2009, the purchase of investments in Sino Gold Limited	**27**	41
Other interest charges	**5**	2
	499	807

Other interest charges decreased from R807 million in financial 2009 to R499 million in financial 2010 due to:

- The cancellation of the forward cover contract on the Western Areas loan in September 2009 resulting in the forward cover costs decreasing from R341 million in financial 2009 to R38 million in financial 2010.
- A strategy in South Africa to move away from traditional bank debt and to access the commercial paper market in order to benefit from the lower interest rates offered by the commercial paper.

Interest on the preference shares in financial 2010 is 49% lower than in financial 2009 because in October 2008, R600 million (including R23 million of associated interest) of the initial issue of R1,200 million preference shares to Rand Merchant Bank on 24 December 2007, were redeemed.

During financial 2010, R88 million (financial 2009: R78 million) of interest was capitalised in terms of IAS 21 Borrowing Cost. IAS 21 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The qualifying project during financial 2010 included South Deep (financial 2009: South Deep and Cerro Corona).

Environmental rehabilitation interest charges were flat, year-on-year, at R38 million.

Management's discussion and analysis of the financial statements continued

REALISED GAIN/(LOSS) ON FINANCIAL INSTRUMENTS

Currency forward contracts

During financial 2010 the Group had three different forward contracts. They were:

Western Areas US dollar/rand forward purchases – As a result of the draw-down under the bridge loan facility to settle the close-out of the gold derivative structure, US dollar/rand forward cover was purchased during the March 2007 quarter for the amount of US$551 million for settlement on 6 August 2007, at an average forward rate of R7.3279/US$. Subsequent to this date the cover was extended for periods between one and three months throughout financial 2008, financial 2009 and financial 2010. The forward cover was also reduced with the partial repayments of US$61 million, US$172 million and US$44 million against the loan on 6 December 2007, 31 December 2007 and 15 June 2009 respectively.

The balance of US$274 million forward cover was extended to 15 July 2009, 17 August 2009 and 17 September 2009 at average forward rates of R8.0893/US$, R8.3839/US$ and R8.0387/US$ respectively.

On 17 September 2009 the forward cover of US$274 million was settled. The realised foreign exchange loss on the settlement was exactly offset by R34 million cumulative positive gains on the forward cover purchased at an original rate of R7.3279. The forward cover costs were accounted for as part of interest.

For accounting purposes, this forward cover was designated as a hedging instrument, resulting in the gains and losses on the forward cover being accounted for under gain/(loss) on foreign exchange along with gains and losses on the underlying loan that was hedged. The forward cover points were accounted for as part of interest.

South Africa – During financial 2010, South African rand forward cover contracts were taken out to cover commitments of the South African operations in various currencies:

- An initial US dollar forward contract of US$20 million was entered into during the year. At the end of the financial year, US$3 million was outstanding; and
- An initial Australian dollar forward contract of AS$12 million was entered into during the year. At the end of the financial year, AS$9 million was outstanding.

During financial 2009 the Group had three different currency forward contracts. They were:

Western Areas US dollar/rand forward purchases – As a result of the draw-down under the bridge loan facility to settle the close-out of the gold derivative structure, US dollar/rand forward cover was purchased during the March 2007 quarter for the amount of US$551 million for settlement on 6 August 2007, at an average forward rate of R7.3279/US$. Subsequent to this date the cover was extended for periods between one and three months throughout financial 2008 and financial 2009. The forward cover was also reduced with the partial repayments of US$61 million and US$172 million against the loan on 6 December 2007 and 31 December 2007 respectively.

During financial 2009, a further amount of US$44 million was repaid against the loan and the forward cover was reduced by the same amount. The balance of US$274 million forward cover was extended to 15 July 2009, being the next repayment date on the loan, at an average forward rate of R8.0893/US$. For accounting purposes, this forward cover was designated as a hedging instrument. As a result, the gains and losses on the forward cover was accounted for under gain/(loss) on foreign exchange, along with gains and losses on the underlying loan that has been hedged. The forward cover points was accounted for as part of interest.

South Africa – US dollar/rand forward sales – In October 2008, US$150 million of expected gold revenue for the December quarter was sold forward on behalf of the South African operations. In December 2008, the US$150 million was extended to the March quarter at an average forward rate of R10.3818. During the March quarter US$30 million was settled at a gain for the quarter of R7 million. The outstanding balance of US$120 million was extended into the June quarter at an average forward rate of R10.2595. In the June quarter, the remaining forward cover of US$120 million was partly delivered into and the balance closed out, resulting in a gain of R54 million. This was accounted for in the income statement in the June quarter.

Australia – US dollar/Australian dollars forward sales – In October 2008, US$70 million of expected gold revenue for the December quarter was sold forward on behalf of the Australasian operations. In December 2008, US$56 million was extended to the March quarter at an average forward rate of A$0.6650. During the March quarter an additional US$8 million of the same instruments was taken out. The total of US$64 million was extended into the June quarter at an average forward rate of A$0.6445. In the June quarter the forward cover of US$64 million was partly delivered into and the balance closed out, resulting in a gain of A$2 million (R13 million). This was accounted for in the income statement.

International Petroleum Exchange gasoil call option

In financial 2009, the Ghanaian operations purchased four monthly Asian-style Intercontinental Exchange ("ICE") gasoil call options with strike prices ranging from US$0.90 per litre to US$1.11 per litre, which equated to a Brent crude price of between US$92 and US$142 per barrel, with final expiry on 28 February 2010. The call options resulted in an upfront premium of US$10.4 million.

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

Copper financial instruments

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

The above contracts were delivered into during financial 2010. As at 30 June 2010, there were no outstanding copper financial instruments.

The financial instruments discussed above increased from a loss of R56 million in financial 2009 to a gain of R210 million in financial 2010. The increase is explained below:

	2010 R million	2009 R million
International Petroleum Exchange gasoil call option	**(2)**	(126)
Gain on receipt of four million top-up shares in Eldorado Gold Corporation	**402**	—
Copper financial instruments	**(196)**	—
US dollar/rand currency hedge	**—**	(3)
US dollar/rand forward sales	**—**	61
US dollar/Australian dollar forward sales	**—**	13
Other	**6**	(1)
	210	(56)

(LOSS)/GAIN ON FOREIGN EXCHANGE

The loss on foreign exchange in financial 2010 was R65 million compared with a gain of R92 million in financial 2009.

	2010 R million	2009 R million
(Loss)/gain on repayment of Australian dollar-denominated intercompany loans	**(49)**	125
Gain on US dollar proceeds in respect of the South Deep fire insurance claim	**—**	35
Exchange losses on cash balances held in currencies other than the functional currencies of the Group's various subsidiary companies	**(16)**	(68)
	(65)	92

Management's discussion and analysis of the financial statements continued

OTHER COSTS

Other operating costs of R203 million in financial 2009 compared with R209 million in financial 2010. The charge for financial 2010 is mainly made up of:

- Social contributions and sponsorships;
- Loan facility charges;
- Research and development into mechanised mining; and
- Fair value writedown of the rose cultivars at Living Gold.

The charge for financial 2009 is mainly made up of:

- Restructuring costs at the training academy;
- New loan facility charges;
- Research and development into mechanised mining;
- Fair value writedown of the rose cultivars at Living Gold; and
- Sale agreement adjustment with Orezone Resources Inc. with reference to the sale of Essakane in the previous financial year.

SHARE-BASED PAYMENTS

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

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

Based on these models, R408 million was accounted for in financial 2010 compared with R303 million in financial 2009. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The reasons for the increase in share-based payments was mainly a result of new allocations during financial 2010 and the effect of the additional March grant in financial 2009 which were expensed for a full year in financial 2010 compared with only three months in financial 2009.

EXPLORATION EXPENSE

Gold Fields spent R613 million (US$81 million) on exploration in financial 2010 compared with R508 million (US$56 million) in financial 2009. The bulk of the expenditure was incurred on a diversified pipeline of projects in Africa, Australia, China and North, South and Central America. The increase in financial 2010 is due to spend on advanced stage exploration projects, Chucapaca in Peru (US$11 million) and Yanfolila in Mali (US$13 million). Subject to continued exploration success, expenditure is expected to be US$100 million in financial 2011.

SHARE OF RESULTS OF ASSOCIATES AFTER TAXATION

Gold Fields equity accounts for two associates; Rand Refinery Limited and Rusoro Mining Limited.

The Group's 35% share of after-tax profits in Rand Refinery Limited was R14 million in financial 2009 compared with R64 million in financial 2010.

The Group's 26% share of after-tax profits in Rusoro Mining Limited was a loss of R156 million in financial 2009 compared with a gain of R54 million in financial 2010. The share of Rusoro's financial 2010 profit takes into account R84 million translation gain as a result of applying hyperinflationary accounting to its investments in Venezuela.

RESTRUCTURING COSTS

Restructuring costs decreased from R126 million in financial 2009 to R17 million in financial 2010. The costs in both years relate to the restructuring of the South African operations.

SOUTH DEEP INSURANCE CLAIM

South Deep insurance claim of R131 million received in financial 2009 related to the receipt of the insurance claim proceeds from the incident in financial 2007.

DRIEFONTEIN 9 SHAFT CLOSURE COSTS

During financial 2008, Driefontein suspended its 9 Shaft project due to a lack of power supply. An estimated R24 million was provided for the closure in the same year. In financial 2009, a R2 million overprovision was reversed after finalisation of the total closure costs.

IMPAIRMENT OF INVESTMENTS AND ASSETS

Impairment of investments decreased from R1,210 million in financial 2009 to R258 million in financial 2010.

The impairment charge in financial 2010 of R258 million comprised an impairment charge of R197 million of Rusoro to its market value of R235 million (US$31 million). The balance of the impairment charge related to a writedown of R61 million of sundry offshore listed exploration equity investments.

The impairment charge in financial 2009 of R1,210 million comprised an impairment charge of R1,066 million of Rusoro to its market value of R390 million (US$48 million). The balance of the impairment charge related to a writedown of R144 million of sundry offshore listed exploration equity investments.

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

Various internal and external sources of information were considered and management has concluded that no indicators of impairment of assets existed at 30 June 2010.

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

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

- A gold price of R260,000 per kilogram for financial 2011 and financial 2012 and R290,000 per kilogram thereafter (2009: R245,000 per kilogram for financial 2010 and financial 2011 and R280,000 per kilogram thereafter);
- Discount rate of 6.1% – 6.8% (financial 2009: 6%);
- The extraction of proved and probable reserves as per the most recent life-of-mine plan; and
- Operating costs and capital expenditure estimates as per the most recent life-of-mine plan.

In both financial 2010 and financial 2009, the application of the above estimates and assumptions did not result in any impairment charge to the Group's mining assets.

PROFIT/(LOSS) ON DISPOSAL OF INVESTMENTS

The profit on the sale of investments in financial 2010 amounted to R847 million compared with a loss of R148 million in financial 2009.

The profit on disposal of investments in financial 2010 comprises:

	R million
Gain on exchange of 58 million Sino Gold shares for 28 million shares in Eldorado Gold Corporation	447
Gain on sale of 32 million Eldorado Gold Corporation shares acquired through the Sino Gold Inc. share exchange (28 million) plus a further four million top-up shares	350
Gain from sale of Troy Resources shares	30
Gain from sale of Orezone Resources shares	10
Gain from sale of equity shares held through the New Africa Mining Fund	8
Gain from the sale of Aquarius Platinum Limited	2
	847

PROFIT/(LOSS) ON DISPOSAL OF INVESTMENTS (continued)

The loss on disposal of investments in financial 2009 comprised:

	R million
Loss on exchange of 42 million Orezone Resources Inc. shares for 3 million IAMGold Limited shares as a result of the acquisition of all Orezone shares by IAMGold	(209)
Gain from the subsequent sale of the abovementioned 3 million shares in IAMGold Limited	65
Loss from the sale of 70% holding in IRCA (Pty) Limited Group	(3)
Loss from the sale of shares in Lakota Resources Inc.	(1)
	(148)

PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Profit on disposal of property, plant and equipment decreased from R4 million in financial 2009 to R3 million in financial 2010.

The major disposals in financial 2010 related to the sale of surplus housing at Beatrix whereas in financial 2009, they related to the sale of surplus housing at Driefontein, Kloof and Beatrix.

MINING AND INCOME TAX

The table below indicates Gold Fields' effective tax expense rate for financial 2010 and financial 2009.

	2010 R million	2009 R million
Income and mining tax		
Effective tax expense rate	40.3	55.9

In financial 2010, the effective tax expense rate of 40% was lower than the maximum South African mining statutory tax rate of 43% mainly due to the tax effect of the following:

- R701 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- R126 million reduction relating to the South African mining tax formula rate adjustment;
- R537 million adjustment relating to profit on disposal of investments and a gain on financial instruments on Eldorado top-up shares, which is subject to capital gains tax rather than income tax; and
- R199 million of non-taxable income across the various operations.

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

- R551 million non-deductible charges comprising share-based payments (R176 million), exploration expense (R264 million) and impairment charges (R111 million);
- R668 million of royalties and levies at the South African, West African, Australasian and South American operations; and
- R181 million of capital gains tax on taxable gains on disposal of investments.

In financial 2009, the effective tax expense rate of 56% was higher than the maximum South African mining statutory tax rate of 43% mainly due to the tax effect of the following:

- R507 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- R250 million reduction relating to the South African mining tax formula rate adjustment; and
- R25 million of assessed losses previously unrecognised at GFL Mining Services Limited and Gold Fields protection Services Limited.

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

- R870 million non-deductible charges comprising share-based payments (R131 million), exploration expense (R219 million) and impairment charges (R520 million); and
- R339 million of royalties and levies at the West African and Australasian operations.

Profit attributable to ordinary shareholders of the company

As a result of the factors discussed above, Gold Fields posted earnings attributable to ordinary shareholders of the company of R3,631 million in financial 2010 compared with R1,536 million in financial 2009.

Profit attributable to non-controlling interest

Profits attributable to non-controlling interest were R643 million in financial 2010 compared with R319 million in financial 2009. Profits attributable to non-controlling interest increased as a result of the increase in profits at Tarkwa, Damang and Cerro Corona. The non-controlling interest remained unchanged in Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 28.9%, in Gold Fields La Cima (Cerro Corona) at 19.3% and in Living Gold (Pty) Limited at 35.01%.

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

	Minority interest	2010 R million	2009 R million
Gold Fields Ghana Limited – Tarkwa	28.9%	412	260
Abosso Goldfields – Damang	28.9%	101	24
Gold Fields La Cima – Cerro Corona	19.3%	133	44
Living Gold (Pty) Limited	35.0%	(3)	(9)
		643	319

LIQUIDITY AND CAPITAL RESOURCES

Cash resources

Cash flows from operating activities

Cash inflows from operating activities increased from R6,001 million in financial 2009 to R8,507 million in financial 2010. The increase of R2,506 million was due to:

	R million
Increase in cash generated from operations due to increased revenues arising from higher gold prices and increased gold sales	943
Increase in interest received as a result of higher cash balances	107
Release of working capital investment arising mainly from trade receivables	1,201
Lower interest payments due to lower borrowings and lower interest rates	327
Decrease in taxes paid	49
Lower dividends received	(10)
Increase in dividends paid to ordinary and minority shareholders	(111)
	2,506

Cash flows from investing activities

Cash outflows from investing activities increased from R7,284 million in financial 2009 to R7,432 million in financial 2010. The items comprising these numbers are discussed below.

Additions to property, plant and equipment

Capital expenditure increased from R7,649 million in financial 2009 to R7,742 million in financial 2010.

Management's discussion and analysis of the financial statements continued

Additions to property, plant and equipment (continued)

Capital expenditure at the South African operations increased from R3,643 million in financial 2009 to R4,508 million in financial 2010. The increase in capital expenditure of R865 million was due to:

- Driefontein increasing from R1,034 million in financial 2009 to R1,140 million in financial 2010. This was mainly due to increased expenditure on ORD and the uranium project partially offset by decreased expenditure on high- and low-density accommodation and various other capital projects;
- Kloof increasing from R959 million in financial 2009 to R1,104 million in financial 2010. This was due to accelerated expenditure on the main shaft pump column and increased expenditure on housing projects and hydro power equipment;
- South Deep increasing from R1,021 million in financial 2009 to R1,613 million in financial 2010. This increase was due to expenditure on increased development, the ventilation shaft deepening, the new tailings facility and infrastructure as per the project plan build-up; and
- Beatrix increasing from R629 million in financial 2009 to R651 million in financial 2010. This was mainly due to increased ORD and infrastructure upgrades.

Capital expenditure at the West African operations decreased from US$218 million in financial 2009 to US$178 million in financial 2010.

- Tarkwa decreased from US$201 million in financial 2009 to US$148 million in financial 2010. This was mainly due to the high spend on the CIL expansion project that was completed in financial 2009; and
- Damang increased from US$17 million in financial 2009 to US$30 million in financial 2010. This was due to expenditure on the secondary crusher and additional on-mine exploration.

Capital expenditure at the Australasian operations increased from A$135 million in financial 2009 to A$180 million in financial 2010.

- St Ives increased from A$93 million to A$117 million in financial 2010. The increase was due to accelerated capital development at Athena underground mine of A$31 million, with nothing expensed on this project in financial 2009; and
- Agnew increased from A$42 million in financial 2009 to A$63 million in financial 2010. The increase was due to the acquisition of a mining fleet to commence owner-mining.

Capital expenditure at Cerro Corona in Peru decreased from US$117 million in financial 2009 to US$86 million in financial 2010. This was mainly due to the completion of the project construction in the second quarter of financial 2009.

Proceeds on the disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment decreased from R32 million in financial 2009 to R9 million in financial 2010. In both years, this related to the disposal of various redundant assets at the South African mining operations.

Royalty termination

On 27 August 2009, Gold Fields reached agreement with Morgan Stanley Bank to terminate, for A$308 million (R1,999 million), the royalty agreement between St Ives Gold Mining Company (Pty) Limited and Morgan Stanley Bank's subsidiaries. The terminated royalty agreement required St Ives to pay a 4% net smelter volume royalty on all of its revenues once total gold produced from 30 November 2001 exceeded 3.3 million ounces which was triggered early in financial 2009, and provided that if the gold price exceeded A$600 per ounce, to pay an additional 10% of the revenue difference between the spot gold price, in Australian dollars per ounce, and the price of A$600 per ounce.

Purchase of Glencar asset

During financial 2010, Gold Fields acquired, for cash, 100% of Glencar Mining Plc., a company whose principal asset, and only defined resource, is its Komana project in Southern Mali, West Africa. The cash consideration paid was R340 million (US$43 million).

(Purchase)/sale of subsidiary

In financial 2009, the Group disposed of its entire 70% controlling interest in the IRCA (Pty) Limited Group for R45 million.

Purchase of investments

Investment purchases decreased from R99 million in financial 2009 to R97 million in financial 2010.

The purchase of investments in financial 2010 comprised:	**R million**
Purchase of a shareholding in Atacama Pacific Gold Corporation	**5**
Loans advanced to GBF Underground Mining Company	**91**
Other	**1**
	97

The purchase of investments in financial 2009 comprised:	R million
Rights offer in Sino Gold Limited to maintain the Group's 19.9% shareholding	95
Purchase of a 9.1% holding in Glencar Mining Plc.	17
Purchase of 5.4% holding in Clancy Exploration Limited	2
Purchase of a 0.5% holding in Cascadero Copper Corporation	1
Loans repaid by GBF Underground Mining Company	(16)
	99

Proceeds on the disposal of investments

Proceeds on the disposal of investments increased from R482 million in financial 2009 to R2,831 million in financial 2010.

The proceeds on the disposal of investment in financial 2010 comprised:	**R million**
Sale of shares in:	
Eldorado Gold Corporation	**2,731**
Troy Resources NL	**53**
Orezone Resources Inc.	**29**
Great Basin Gold Limited and Lupa Joint Venture held through New Africa Mining Fund	**12**
Aquarius Platinum Limited	**5**
Cascadero Copper Corporation	**1**
	2,831

The proceeds on disposal of investments in financial 2009 comprised:	R million
Sale of IAMGold Corporation shares	282
Redemption of preference shares held in a wholly owned subsidiary of Mvela Resources Limited	200
	482

Environmental trust funds and rehabilitation payments

During financial 2010 Gold Fields paid R60 million into its South African environmental trust funds and spent R33 million on ongoing rehabilitation, resulting in a total cash outflow of R93 million for the year.

During financial 2009 Gold Fields paid over R58 million to its environmental trust funds and spent R36 million on ongoing rehabilitation resulting in a total cash outflow of R94 million for the year.

Management's discussion and analysis of the financial statements continued

Cash flows from financing activities

Net cash generated by financing activities decreased from R2,087 million in financial 2009 to net cash utilised of R75 million in financial 2010. The items comprising these amounts are discussed below.

Loans (repaid to)/received from minority shareholders

Minority shareholders' loans repaid were R116 million in financial 2010 compared with loans received of R10 million in financial 2009. The R116 million repaid in financial 2010 related to loan repayments of US$15 million by Tarkwa to IAMGold.

The R10 million received in financial 2009 related to an advance and a repayment between Tarkwa and its minority shareholder, IAMGold of US$6 million. The R10 million related to different exchange rates used to convert the advance and repayment to South African rand.

Loans raised

Loans raised increased from R11,704 million in financial 2009 to R12,276 million in financial 2010.

The loans raised in financial 2010 comprised:	**R million**
Notes issued as Commercial Paper loans to refinance existing facilities	**7,902**
US$221 million was raised under the split-tenor revolving credit facility to partially fund the St Ives Royalty and the acquisition of Glencar Mining	**1,642**
US$200 million was raised under syndicated revolving loan facility for purposes of refinancing existing facilities	**1,548**
Borrowings by GFIMSA from various local banks to fund short-term working capital requirements and capital expenditure	**1,040**
Proceeds on the scrip lending of three million Mvelaphanda shares	**144**
	12,276

The R11,704 million received in financial 2009 comprised:	R million
Drawn down on a credit facility in order to repay the Mvela loan. Mvela then used the proceeds from the loan repayment to subscribe for its 15% interest in GFIMSA by paying the R4,139 million to GFIMSA. Immediately upon receipt of the GFIMSA shares, Mvela exercised its right to use the GFIMSA shares to subscribe for 50 million new ordinary shares in Gold Fields	4,139
Borrowings by GFIMSA from various local banks to fund short-term working capital requirements and capital expenditure	3,900
US$138 million drawn down on the US$750 million syndicated facility to fund the capital expenditure on Cerro Corona and the acquisition, in financial 2009, of additional Sino Gold Limited shares	1,325
Notes issued as Commercial Paper loans to refinance existing facilities	1,143
US$116 million was raised under the syndicated revolving loan facility for purposes of refinancing existing facilities	993
US$20 million was drawn down under the short-term syndicated facility to fund capital expenditure	204
	11,704

Loans repaid

Loans repaid increased from R9,724 million in financial 2009 to R12,291 million in financial 2010.

Loans repaid in financial 2010 comprised:	**R million**
Commercial Paper loans	**5,443**
Group committed and uncommitted facilities	**2,140**
Syndicated revolving loan facility – US$272 million	**2,019**
Split-tenor revolving credit facility – US$290 million	**2,155**
Project finance facility at Cerro Corona – US$50 million	**383**
Syndicated facility – short term US$20 million	**151**
	12,291

The loans repaid in financial 2009 comprised:	R million
Mvelaphanda loan	4,623
Group committed and committed facilities	2,802
Syndicated revolving loan facility – US$44 million	377
Split-tenor revolving credit facility – US$150 million	1,299
Preference shares	623
	9,724

Shares issued

Shares issued decreased from R97 million in financial 2009 to R57 million in financial 2010.

The R57 million in financial 2010 related to proceeds received from shares issued in terms of the Group's employee share scheme.

The R97 million in financial 2009 included R25 million received from the issue of 50,000,000 shares as a result of the completion of the Mvelaphanda transaction and R72 million 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 for financial 2010 amounted to R999 million compared with net cash utilised of R804 million in financial 2009, a net increase of R1,803 million.

Total Group cash and cash equivalents amounted to R3,791 million at 30 June 2010, as compared with R2,804 million at the end of financial 2009.

STATEMENT OF FINANCIAL POSITION

Borrowings

Total debt (short and long-term) decreased from R8,896 million in financial 2009 to R8,487 million in financial 2010. Net debt (total debt less cash and cash equivalents) decreased from R6,092 million in financial 2009 to R4,697 million in financial 2010. These decreases are in line with management's intention of decreasing the net debt position in both the short and long term. During financial 2010, the debt maturity profile was further extended by the conclusion of three new facilities:

- US$450 million 3.5-year facility at LIBOR plus 175 basis points, 100 basis points lower than the existing facility it replaced;
- R1 billion 3-year facility at JIBAR plus 300 basis points; and
- R500 million 3-year facility at JIBAR plus 285 basis points.

During financial 2010, Gold Fields extensively accessed the Commercial Paper market in South Africa in order to benefit from the lower interest rates being charged on this paper relative to the traditional bank debt.

Long-term provisions

Long-term provisions at the end of financial 2010 were R2,318 million as compared with R2,320 million at the end of financial 2009 and included a provision for post-retirement health care costs of R22 million (financial 2009: R21 million), a provision for environmental rehabilitation costs of R2,296 million (financial 2009: R2,268 million) and other long term provisions of Rnil (financial 2009: R31 million).

Provision for post-retirement health care costs

The Group medical scheme, Medisense, provides benefits to employees and certain of its former employees. The Group remains liable for 50% of these retired employees' medical contributions to the medical scheme after retirement. This is applicable to employees of the Free State operations who retired on or before 31 August 1997 and members of the West Wits operations who retired on or before 1 January 1999.

Management's discussion and analysis of the financial statements continued

Provision for environmental rehabilitation costs

The amount provided for environmental rehabilitation costs increased from R2,268 million in financial 2009 to R2,296 million in financial 2010. This provision represented the present value of closure, rehabilitation and other environmental obligations incurred up to 30 June 2010. This provision is updated annually to take account of inflation, the time value of money and any new environmental obligations incurred.

The inflation and range of discount rates applied in financial 2010 and financial 2009 for each region are shown in the table below:

	South Africa	Ghana	Australia	Peru
Inflation rates				
Financial 2009	7.0%	3.0%	2.5%	5.4%
Financial 2010	**7.0%**	**2.0%**	**2.5%**	**2.0%**
Discount rates				
Financial 2009	7.0 – 8.7%	4.1 – 4.4%	6.2 – 6.3%	6.7%
Financial 2010	**7.0 – 8.3%**	**6.1 – 6.4%**	**5.7 – 5.9%**	**5.2%**

The inflation adjustment for financial 2010 was R122 million compared with R129 million in financial 2009 and the interest adjustment for both financial 2010 and 2009 was R38 million.

Adjustments for new disturbances and changes in environmental legislation during financial 2010 and 2009, after applying the above inflation and discount rates were:

	2010 R million	2009 R million
South Africa	**(19)**	162
Ghana	**(33)**	70
Australia	**29**	3
Peru	**(50)**	(31)
Total	**(73)**	204

The South African operations contribute to dedicated environmental trust funds to provide financing for final closure and rehabilitation costs. The amount invested in the fund is shown as a non-current asset in the financial statements and increased from R887 million in financial 2009 to R1,013 million in financial 2010. The increase consists of contributions of R60 million and interest income of R66 million. The South African operations are required to contribute annually to the trust fund over the remaining lives of the mines, to ensure that sufficient funds are available to discharge commitments for future rehabilitation costs.

Other long-term provisions

During financial 2009, Gold Fields La Cima, a subsidiary of Gold Fields Limited, formally declared its intention to jointly participate with Minera Yanacocha SRL in financing of the Kunter Wasi Road as an alternative route from the coast to the Cerro Corona Mine. Gold Fields La Cima agreed to pay a maximum of 20% (US$12 million) of the estimated cost of the project. The project commenced during financial 2010 and is expected to be completed by June 2011. The portion of the long-term provision of R31 million included in financial 2009 has now been reclassified as a short-term under accounts payable.

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

ICT at Gold Fields has made great strides in supporting the Gold Fields Group in achieving its business strategy. The purpose of ICT at Gold Fields is to ensure the effective and efficient management of ICT resources to facilitate the achievement of Gold Fields objectives.

During the course of the year, the goals of ICT at Gold Fields were clearly articulated in the ICT Governance Charter as follows:
- Ensure high availability and recoverability of all critical systems and information;
- Ensure continuous alignment of the ICT strategy to the Gold Fields business strategy;
- Ensure compliance with internal policies, selected industry standards, external laws and regulations;
- Maintain high performance of all business systems through service level adherence;
- Ensure that ICT resources are adequately secured;
- Monitor and evaluate ICT investment and expenditure;
- Manage ICT risks; and
- Innovate.

ICT service delivery is being standardised and over the course of the year, numerous strategic initiatives have been concluded. These include the transition of SAP support into a more robust and suitable contract. A capital control system at South Deep was implemented enabling the tracking and monitoring of earned value for our key capital investment projects.

The reliance of many companies on successful ICT delivery has caused the King III Code of Corporate Governance to re-evaluate the role and governance of ICT. This has ensured that ICT governance is an important component of the overall management of ICT at Gold Fields. The governance structure adopted is based on the King III Code of Corporate Governance and is responsible for ICT delivering on its goals. This structure sees the regional ICT leaders reporting into the ICT management committee (Manco) monthly. The ICT Manco reports to the Chief Financial Officer quarterly and to the Executive Committee annually.

The key programmes within ICT remain focused on the following themes:
1. Safety;
2. Information management and communications;
3. Productivity;
4. Cost management; and
5. ICT operational and delivery excellence.

In order to deliver the key ICT strategic focus areas, the ICT operating model is being continuously reviewed for improvement. At this stage the ICT operating model is being reorganised to better align to supporting the Gold Fields business. This model will see ICT at Gold Fields being organised according to the following areas:
- Commercial;
- Mining and MRM;
- Engineering;
- Environmental, health, safety, risk and medical;
- Infrastructure; and
- Projects and vendor management.

The Gold Fields ICT operating model enables ICT to focus on business imperatives and providing business support, while the non-core services are outsourced i.e. infrastructure and applications support. This model allows the ICT team to engage with the business, service providers and vendors to implement new projects through the projects office and transition these projects into business as usual (BAU) through a core ICT team.

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

Management's discussion and analysis of the financial statements continued

Financials

ICT continues to focus on generating cost savings through the careful execution of its strategy. These savings are being used to finance the necessary investments in technology and business projects for the future.

Gold Fields ICT fiscal 2010 highlights

- Transition SAP support into a new global support model;
- The deployment of an IT solution to manage capital projects;
- The introduction of the new ICT operating model and strategy;
- The conclusion of phases 1 and 2 of the records and document management programme; and
- The conclusion of a security review and progress towards ISO certification.

Gold Fields ICT fiscal 2011 highlights

Financial 2011 ICT is expected to continue its focus on global standardisation and improved service delivery through the following strategic projects:

- The renegotiation of the outsource environment to generate savings on outsourced components;
- Development of the ICT global delivery excellence programme;
- The development of a global telepresence platform;
- The restructuring of ICT hardware and the negotiation of a new hardware hosting environment;
- The launch of a records and document management system; and
- Deployment of a consolidated business intelligence platform.

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 as noted.

PA Schmidt
Financial Director
10 September 2010

Directors' report

The directors have pleasure in submitting their report and the annual financial statements of the company and the Group for the year ended 30 June 2010.

PROFILE

Business of the company

Gold Fields Limited is one of the world's largest unhedged producers of gold with steady state production of approximately 3.6 million attributable ounces per annum from nine operating mines in South Africa, Peru, Ghana and Australia. The company has total attributable Mineral Reserves of approximately 78 million ounces and Mineral Resources of 281 million ounces. Gold Fields is listed on JSE Limited (primary listing), New York Stock Exchange (NYSE), NASDAQ Dubai Limited (NASDAQ Dubai), NYSE Euronext in Brussels (NYX) and the SIX Swiss Exchange (SWX).

REVIEW OF OPERATIONS

The activities of the various Gold Fields operations are detailed on pages 34 to 69 of this report.

FINANCIAL RESULTS

The information on the financial position of the Group for the year ended 30 June 2010 is set out in the financial statements on pages 194 to 243 of this annual report. The income statement shows profit attributable to Gold Fields Limited of R3,631 million (US$479 million) in financial 2010 compared to R1,536 million (US$170 million) in financial 2009.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The Gold Fields Group annual financial statements comply with International Financial Reporting Standards, the South African Companies Act and JSE Limited Listings Requirements (JSE Listings Requirements).

REPORTING IN UNITED STATES DOLLARS

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

SHARE CAPITAL

Authorised

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

The following are the movements in the issued and listed ordinary share capital of the company for the year ended 30 June 2010:

	2010		2009	
	No of shares	**Rand**	No of shares	Rand
At the beginning of the year	**704,749,849**	**352,374,924.50**	653,200,682	326,600,341.00
Exercise of options by participants in the Gold Fields incentive schemes	**1,153,662**	**576,831.00**	1,549,167	774,583.50
Shares issued to Mvelaphanda Gold (Pty) Limited	**—**	**—**	50,000,000	25,000,000.00
At 30 June	**705,903,511**	**352,951,755.50**	704,749, 849	352,374,924.50

The following are the movements in the issued non-convertible redeemable preference share capital of the company for the year ended 30 June 2010:

	2010		2009	
	No of shares	**Rand**	No of shares	Rand
At the beginning of the year	**50**	**0.50**	100	1.00
Shares redeemed with FirstRand Bank Limited	**—**	**—**	(50)	(0.50)
At the end of the year	**50**	**0.50**	50	0.50

Directors' report continued

In terms of the authority granted by shareholders at the annual general meeting held on 2 November 2007, 100 of the non-convertible redeemable preference shares were issued to FirstRand Bank on 20 December 2007. The reason for issuing the non-convertible redeemable preference shares was to provide the company with a mechanism to raise cost-effective capital equivalent to debt finance as part of a general capital management programme which, in the opinion of the directors, was deemed appropriate for the activities of the company. On 10 October 2008 the company elected to redeem 50 (fifty) preference shares from FirstRand Bank Limited for a consideration of R623,169,470.

In terms of the authority granted by shareholders at the annual general meeting held on 4 November 2009, all of the authorised but unissued ordinary and preference share capital at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive schemes, was placed under the control of the directors. This authority expires at the next annual general meeting where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the company representing not more than 20% of the issued share capital of the company from time to time.

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

Repurchase of shares

The company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the annual general meeting held on 4 November 2009. At the next annual general meeting, shareholders will be asked to renew the general authority for the acquisition by the company, or a subsidiary of the company, of its own shares.

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 30 June 2010, the company had in issue, through The Bank of New York Mellon on the New York Stock Exchange (NYSE), 283,262,351 (2009: 298,196,921) American Depository Receipts (ADRs). Each ADR is equal to one ordinary share.

The GF Management Incentive Scheme

At the annual general meeting on 10 November 1999, shareholders approved the adoption of the GF Management Incentive Scheme (the Scheme) to substitute the scheme in place prior to the reverse takeover of Driefontein by Gold Fields in 1999. This scheme was introduced to provide an incentive for certain officers and employees to acquire shares in the company. No further allocations of options under this scheme are being made in view of the introduction of the Gold Fields 2005 Share Plan (see below) and the scheme will be closed once all options have been exercised or forfeited. Currently, the last date of expiry is 23 March 2013.

The salient features of the scheme are that:

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

The directors are authorised to issue, allot and grant options to acquire up to a maximum of 22,791, 830 ordinary shares in the unissued share capital of the company in terms of the incentive scheme. At 30 June 2010, this represented 3.23% of shares in issue. The unexercised options under the scheme represented 0.19% of shares in issue as at 30 June 2010.

Further details of the scheme are disclosed in note 5 of the financial statements on pages 200 to 202.

The GF Non-executive Director Share Plan

At the annual general meeting on 31 October 2001, shareholders approved a resolution to proceed with the allocation of options to non-executive directors. As a result, each non-executive director has been allocated the options detailed on page 201.

The salient features of the scheme are as follows:
- Share options vest one year after allocation;
- 10,000 share options will be issued annually to non-executive directors provided the directors in question have attended at least 75% of the Board meetings; and
- A director will forfeit share options 30 days after a director leaves the Board.

No further allocations of options under this plan are being made in view of the introduction of the Gold Fields Limited 2005 Non-executive 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 12 February 2011.

Further details of the scheme are disclosed in note 5 of the financial statements on pages 200 to 202.

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 provides for two methods of participation, namely the Performance Allocated Share Appreciation Rights Method (SARS) and the Performance Vesting Restricted Share Method (PVRS). This plan seeks to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the company's share owners.

The salient features of the Plan are:
- PVRS and SARS are offered to participants annually during March. Quarterly allocations are also made in June, September and December on a pro rata basis to qualifying new employees. PVRS are performance-related shares, granted at zero cost;
- All PVRS allocations made from 1 March 2006 to 1 March 2008 were conditionally awarded to participants. Based on the rules of the Plan, the actual number of PVRS which would be settled to a participant three years after the original award date is determined by the company's performance measured against the performance of five other major gold mining companies (the peer group) based on the relative change in the Gold Fields share price compared to the basket of respective US dollar share prices of the peer group. From 1 June 2008 the rules were modified so that two performance measures apply. The target performance criterion has been set at 85% of the company's expected gold production over the three-year measurement period as set out in the business plans of the company approved by the Board. In the event that the target performance criterion is met the full initial target award shall be settled on the settlement date. 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;
- 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 Corp.
  - Goldcorp Inc.
  - Harmony Gold Mining Co.
  - Newmont Mining Corp.

  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 details of the executive directors' participation in the above scheme are listed on page 170.

Further details of the scheme are disclosed in note 5 of the financial statements on pages 200 to 202.

Directors' report continued

Gold Fields Limited Non-executive Share Plan

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

The salient features of the plan are as follows:

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

Further details of the scheme are disclosed in note 5 of the financial statements on pages 200 to 202.

Consistent with the King III Report on Corporate Governance and the JSE Listings Requirements, the Board has recommended to the shareholders that the practice of awarding of rights under the Gold Fields Limited 2005 Non-executive Share Plan Scheme be immediately discontinued.

The directors are authorised to issue and allot all or any of such shares required for the plan, but in aggregate with the other schemes, may not exceed 5% of the total issued ordinary shares in the capital of the company. An individual participant may not be awarded an aggregate of shares from all or any such schemes, exceeding 0.5% of the company's total issued ordinary share capital. The unexercised options and shares under the schemes and plans represented 2.22% of shares in issue at 30 June 2010.

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

	Number of equity securities
Outstanding at 1 July 2009	13,927,911*
Movement during the year	
Granted during the year	4,789,069
Exercised and released	(1,124,081)
Forfeited	(1,314,002)
Conditions for vesting not met	(609,751)
Outstanding at 30 June 2010	15,669,146**

* *Included in this number are 81,700 options and 101,100 restricted shares available to non-executive directors under the GF Non-executive Share Plan and the Gold Fields Limited 2005 Non-executive Share Plan, respectively.*

** *Included in this number are 81,700 options and 132,578 restricted shares available to non-executive directors under the GF Non-executive Share Plan and the Gold Fields Limited 2005 Non-executive Share Plan, respectively.*

Due to the number of prohibited periods which the company has been subjected to as a result of various transactions, the expiry dates of options under the GF Management Incentive Scheme and the GF Non-executive Director Share Plan have been extended so as to not prejudice the individuals affected.

DIRECTORATE

Composition of the Board

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

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

Director	Nature of change	Date of change
Paul Schmidt[1]	Appointed	6 November 2009
John Hopwood	Passed away	19 March 2010

[1] *Appointed Financial Director*

Gayle Wilson was appointed Chair of the Audit Committee on 25 March 2010 to replace John Hopwood.

Mamphela Ramphele joined the Board on 1 July 2010 as an independent non-executive director and Deputy Chair of the Board. She will take over as Chair of the Board from Alan Wright who will retire at the end of the company's annual general meeting to be held on 2 November 2010.

Rotation of directors

Directors retiring in terms of the company's articles of association are Dr MA Ramphele, Mr PA Schmidt, Mr RL Pennant-Rea, Mr DMJ Ncube and Mr AJ Wright. Mr Wright has indicated that he will not be available for re-election. The remaining directors are eligible and offer themselves for re-election.

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

Interest of directors

As at 30 June 2010, the directors' beneficial and associate interest in the issued and listed share capital of the company was 0.026% (2009: 0.026%) in aggregate. No one director individually exceeds 1% of the issued share capital or voting control of the company.

	Beneficial				Associates Interest	
	Direct		Indirect		Direct	
Director	**2010**	2009	**2010**	2009	**2010**	2009
Alan Wright	**71,582**	71,582	**87,635**	87,635	**5,360**	5,360
Mamphela Ramphele	**–**	–	**–**	–	**–**	–
Nicholas Holland	**–**	–	**–**	–	**–**	–
Paul Schmidt	**–**	–	**–**	–	**–**	–
Kofi Ansah	**–**	–	**–**	–	**–**	–
Cheryl Carolus	**–**	–	**–**	–	**–**	–
Roberto Danino	**–**	–	**–**	–	**–**	–
John Hopwood[1]	**15,000**	15,000	**–**	–	**–**	–
Richard Menell	**–**	–	**–**	–	**–**	–
David Murray	**–**	–	**–**	–	**–**	–
Donald Ncube	**–**	–	**–**	–	**–**	–
Rupert Pennant-Rea	**2,030**	2,030	**–**	–	**–**	–
Chris von Christierson	**3,000**	–	**–**	–	**–**	–
Gayle Wilson	**–**	–	**–**	–	**–**	–
Total	**91,612**	88,612	**87,635**	87,635	**5,360**	5,360

[1] *Deceased 19 March 2010, shares held through his estate.*

Directors' report continued

At the date that this directors' report was prepared, the following directors disposed, on market, some or all of the shares, which settled after 30 June 2010 and before 10 September 2010:

- Paul Schmidt – 452 shares
- Rupert Pennant-Rea – 728 shares

The following directors acquired, off market, additional shares, which settled after 30 June 2010 and before 10 September 2010:

- Nicholas Holland – 2,788 shares
- Rupert Pennant-Rea – 1,172 shares
- Alan Wright – 2,800 shares.

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

Directors' equity-settled instruments

The directors held the following equity-settled instruments at 30 June 2010.

	Equity-settled instruments at 30 June 2009		Equity-settled instruments granted during the year		Equity-settled instruments forfeited during the year		Conditions for vesting not met		Equity-settled instruments exercised during the year			Equity-settled instruments at 30 June 2010	
Director	**Number**	**Average strike price (cents)**	**Number**	**Average strike price (cents)**	**Number**	**Average strike price (cents)**	**Number**	**Average strike price (cents)**	**Number**	**Average strike price (cents)**	**Benefit arising (R million)**	**Number**	**Average strike price (cents)**
Alan Wright	44,500	89.00	6,300	–	–	–	–	–	–	–	–	**50,800**	**89.00**
Nicholas Holland	463,290	89.92	–	–	–	–	–	–	–	–	–	**463,290**	**89.92**
Paul Schmidt[1]	100,309	101.36	–	–	–	–	–	–	–	–	–	**100,309**	**101.36**
Kofi Ansah	16,300	68.59	4,100	–	–	–	–	–	1,900	–	0.2	**20,400**	**68.59**
Cheryl Carolus	–	–	4,100	–	–	–	–	–	–	–	–	**4,100**	**–**
Roberto Danino	–	–	4,100	–	–	–	–	–	–	–	–	**4,100**	**–**
John Hopwood[2]	8,500	–	4,100	–	7,022	–	–	–	–	–	–	**5,578**	**–**
Richard Menell	–	–	4,100	–	–	–	–	–	–	–	–	**4,100**	**–**
David Murray	5,000	–	4,100	–	–	–	–	–	–	–	–	**9,100**	**–**
Donald Ncube	8,500	–	4,100	–	–	–	–	–	800	–	0.1	**11,800**	**–**
Rupert Pennant-Rea	34,600	84.79	4,100	–	–	–	–	–	–	–	–	**38,700**	**84.79**
Chris von Christierson	29,600	99.21	4,100	–	–	–	–	–	1,900	–	0.2	**31,800**	**99.21**
Gayle Wilson	–	–	4,100	–	–	–	–	–	–	–	–	**4,100**	**–**
Alan Hill[3]	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**
Vishnu Pillay[4,5]	108,207	109.82	–	–	–	–	–	–	–	–	–	**108,207**	**109.82**
Michael Fleischer[4,6]	131,130	110.26	–	–	–	–	–	–	–	–	–	**131,130**	**110.26**
Tommy McKeith[4]	190,530	115.40	–	–	–	–	–	–	–	–	–	**190,530**	**115.40**

[1] *Appointed 6 November 2009.*

[2] *Deceased 19 March 2010.*

[3] *Appointed 21 August 2009.*

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

[5] *Acquired, off market, 1,946 additional shares which settled after 30 June 2010 and before 10 September 2010.*

[6] *Sold, on market, 2,986 additional shares which settled after 30 June 2010 and before 10 September 2010.*

After 30 June 2010, the following directors forfeited all of the share options which vested to them in terms of Gold Fields 2005 Share Plan:

- Rupert Pennant-Rea – 5,000 options
- Chris von Christierson – 10,000 options
- Alan Wright – 10,000 options.

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 167 and 200.

Directors' fees

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

Director	Board fees								
	Directors' fees	Committee fees	Travel allowance[3]	Salary	Total bonus[1]	Pension scheme total contributions	Expense allowances	2010[2]	2009
Executive									
Nicholas Holland	—	—	—	6,271,760.18	5,949,425.51	1,038,499.98	1,183,112.28	**14,442,797.95**	11,735,340.00
Paul Schmidt[4]	—	—	—	1,967,012.04	—	235,311.96	211,458.33	**2,413,782.33**	—
Three most highly paid employees who are not directors									
Michael Fleischer[8]	—	—	—	3,816,348.37	2,466,758.26	615,520.02	—	**6,898,626.65**	—
Vishnu Pillay[8]	—	—	—	3,580,213.60	2,141,937.00	806,958.48	95,506.67	**6,624,615.75**	—
Tommy McKeith[8]	—	—	—	3,808,420.59	1,966,770.06	210,075.97	—	**5,985,266.62**	—
Non-executive									
Kofi Ansah	245,000.00	168,200.00	238,600.00	—	—	—	—	**651,800.00**	625,096.00
Cheryl Carolus	255,000.00	84,100.00	40,500.00	—	—	—	—	**379,600.00**	132,631.49
Roberto Danino	255,000.00	84,100.00	159,800.00	—	—	—	184,019.86	**682,919.86**	118,340.88
John Hopwood[5]	175,994.48	197,085.08	—	—	—	—	—	**373,079.56**	537,508.00
Gill Marcus[6]	10,010.87	—	—	—	—	—	—	**10,010.87**	282,950.00
Richard Menell	245,000.00	338,700.00	40,500.00	—	—	—	—	**624,200.00**	303,181.79
David Murray	255,000.00	220,250.00	198,100.00	—	—	—	—	**673,350.00**	596,446.00
Donald Ncube	255,000.00	202,550.00	40,500.00	—	—	—	—	**498,050.00**	371,172.00
Rupert Pennant-Rea	235,000.00	202,550.00	279,100.00	—	—	—	—	**716,650.00**	607,596.00
Chris von Christierson	245,000.00	310,350.00	238,600.00	—	—	—	—	**793,950.00**	778,682.00
Gayle Wilson	255,000.00	312,953.87	40,500.00	—	—	—	86,820.00	**695,273.87**	460,476.32
Alan Wright	1,256,000.00	—	40,500.00	—	—	—	79,515.00	**1,376,015.00**	1,475,949.00
Alan Hill[7]	216,290.76	71,281.52	200,300.00	—	—	—	205,769.75	**693,642.03**	—
	3,903,296.11	2,192,120.47	1,517,000.00	19,443,754.78	12,524,890.83	2,906,366.41	2,046,201.89	**44,533,630.49**	18,025,369.48

[1] *Bonuses are for financial 2009 performance, paid in financial 2010.*

[2] *These amounts reflect the full directors' emoluments in rand for comparative purposes.*
The portion of executive directors' emoluments payable in US dollars is paid in terms of agreements with the offshore subsidiaries for work done by directors offshore for offshore companies.
The total US dollar amounts paid for financial 2010 were as follows:
Nicholas Holland US$501,164.96 and Paul Schmidt US$45,098.86.

[3] *A travel allowance for the non-executive directors was approved at the AGM held on 4 November 2009.*

[4] *Appointed 6 November 2009.*

[5] *Deceased 19 March 2010.*

[6] *Resigned 20 July 2009.*

[7] *Appointed 21 August 2009.*

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

Remuneration policy

The company's remuneration policy is determined by the Remuneration Committee of the Board. Over the past financial year the policy has been aligned to and now complies with the guidelines of the King III Report on Corporate Governance. The remuneration policies and practices are reviewed regularly to align them with Gold Fields' strategic objectives. The aim is to ensure that executives create long-term value for the company in a sustainable manner.

Gold Fields' remuneration philosophy is aimed at attracting and retaining motivated, high-calibre executives aligned with the interests of shareholders. Such alignment is achieved through an appropriate mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers.

Directors' report continued

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

The pay mix of guaranteed and variable remuneration differs according to the level of the individual in the company. Generally, more senior employees' remuneration will consist of a higher portion of variable pay as a percentage of their total package. Executives are paid guaranteed remuneration packages (GRP), which include all fixed elements of remuneration and 24 working days' leave per annum, with the company having no contingent retirement or medical liabilities. A portion of the fixed remuneration of executives with international responsibilities is paid in US dollars. Increases are determined, usually effective January each year, by the Remuneration Committee informed by remuneration surveys, to which the company subscribes, and, where necessary, independent advice.

The Short Term incentive is an annual incentive bonus in terms of which the executive directors are able to earn bonuses of 50% of their GRPs for on-target performance. This incentive bonus could increase above 50% due to stretch target achievement. Incentive bonuses are based on targets approved in advance by the Remuneration Committee, comprising of a combination of safety, corporate, operational and personal objectives. In the case of the Chief Executive Officer 70% of the incentive is based on corporate objectives and the remaining 30% on personal performance. For the other executive positions, corporate and operational objectives (where applicable) comprise 35% to 70% of the incentive with personal objectives making up the balance. Based on the bonus accrued for the financial 2009 financial year, in financial 2010 the weighted average incentive bonus and retention bonus paid to members of the executive team (excluding executive directors, details of which are shown on the previous page) was 49.7% of GRP.

The corporate objectives for the year under review comprise four elements with an equal weighting of 25% each:
- Safety achievements;
- Relative performance of the Gold Fields share price against its peers;
- Notional cash expenditure per ounce produced; and
- Total gold production.

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

The Long Term Incentive share plan consists of a number of share mechanisms that have been established as share incentive arrangements for employees of Gold Fields. Long Term Incentive awards are made annually to senior and key staff to incentivise their continued commitment to the future of Gold Fields. These awards, a form of variable pay, have been designed to:
- Encourage senior and key employees to identify closely with the objectives of Gold Fields;
- Align their interests with the continuing growth of the company and delivery of value to its shareholders; and
- Allow participants of the schemes to participate in the future financial success of Gold Fields.

The fees for non-executive directors are dealt with by a special non-executive Remuneration Committee comprising the CEO and independent external parties. Proposed changes to the fees payable to non-executive directors, are set out in the notice of the annual general meeting, which accompanies this report.

Directors' and officers' disclosure of interests in contracts

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

Related party information is disclosed on pages 242 to 243.

FINANCIAL AFFAIRS

Dividend policy

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

Interim dividend

On Wednesday, 3 February 2010, the company declared an interim cash dividend of 50 SA cents (2009: 30 SA cents) per ordinary share to shareholders reflected in the register of the company on Friday, 19 February 2010. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on Monday, 1 March 2010.

Final dividend

On Wednesday, 4 August 2010, the company declared a final cash dividend of 70 SA cents per ordinary share (2009: 80 SA cents) to shareholders reflected in the register of the company on Friday, 20 August 2010. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on Monday, 30 August 2010.

The dividend resulted in a total dividend of 120 SA cents per share for the year, with the final dividend being accounted for in financial 2011.

Borrowing powers

In terms of the provisions of article 12.1 of the articles of association, the borrowing powers of the company are unlimited. As at 30 June 2010, the company's borrowing totalled R8,487 million (US$1,121 million) (2009: R8,895.5 million (US$1,104 million)).

Fixed assets

Capital expenditure

Capital expenditure for the year amounted to R7,742 million compared to R7,649 million in financial 2009. Estimated capital expenditure for the year ending 30 June 2011 is R8,600 million and is intended to be funded from internal sources and, to the extent necessary, borrowings.

Investments

Acquisitions

Investment purchases decreased marginally from R99 million in financial 2009 to R97 million in financial 2010.

The major investment in financial 2010 were loans of R91 million advanced to GBF Underground Mining Company.

Disposals

Proceeds from the disposal of investments increased from R482 million in financial 2009 to R2,831 million in financial 2010.

The major investment disposal in financial 2010 was the sale of shares in Eldorado Gold Corporation.

During financial 2010, 58 million Sino Gold shares were exchanged for 28 million shares in Eldorado Gold Corporation resulting in a profit of R447 million. Subsequently a further four million top-up shares were received from Eldorado Gold. All the Eldorado shares were liquidated during the year resulting in a profit of R752 million of which R402 million relating to the top-up shares was recognised as gains on financial instruments. The total cash proceeds on disposal of Eldorado shares was R2,731 million.

SIGNIFICANT ANNOUNCEMENTS

21 October 2009

Gold Fields Limited announced that it has become the first mining group, registered as a signatory with the International Cyanide Management Institute (ICMI[1]), to obtain accreditation for all its eligible operations with the International Cyanide Management Code (Cyanide Code). This follows full accreditation being achieved at Kloof Mine and Driefontein Mine, both located in South Africa.

[1] *The ICMI is established under the auspices of the United Nations' Environment Programme and International Council on Metals and the Environment. The ICMI administers the International Cyanide Management Code of Practice to which signatories adhere, to manage cyanide responsibly.*

Directors' report continued

18 November 2009

Gold Fields Limited announced the appointment of Paul Schmidt CA(SA) as Financial Director of the Company with effect from Friday, 6 November 2009.

24 March 2010

Gold Fields Limited announced the appointment of Richard Weston as Executive Vice-President of its Australasian Region with effect from May 1. Mr Weston will be part of the company's Executive Committee reporting to CEO Nick Holland.

26 March 2010

Gold Fields Limited announced that attributable Group gold production for Q3 financial 2010 is expected to be approximately 800 000 ounces, in line with the revised guidance issued on 23 February 2010.

9 April 2010

Gold Fields Limited announced that it has been ranked first in the open-pit mining category of the 13th National Mining Safety Contest of Peru. The yearly contest is organised by the Mining Safety Institute of Peru to instill safe mining practices and ensure that the best occupational health and safety standards are maintained in the industry.

19 April 2010

Gold Fields Limited announced that it is investing R26 million in an effort to address skills shortages in the South African mining industry. The three-year sponsorship deal comprises investments in the mining engineering faculties at the University of Witwatersrand and the University of Johannesburg. The official handover ceremony held at Wits University was attended by the Department of Minerals and Resources Minister Susan Shabangu.

21 April 2010

Gold Fields Limited announced that it has started the depth extension of the South Deep Ventilation Shaft, a crucial milestone in the development of South Deep, the newest mine in Gold Fields' South African portfolio. The Ventilation Shaft is the second of the two shafts which together form the Twin Shaft Complex of South Deep. The first shaft of the Twin Shaft Complex, the Main Shaft, was completed in 2004.

30 April 2010

Gold Fields Limited announced that its Damang Gold Mine in Ghana is set to increase production significantly, following the successful construction and commissioning of a new Secondary Crushing Plant.

10 May 2010

Gold Fields Limited announced that the South African Department of Mineral Resources has approved – in terms of the requirements of the Mineral and Petroleum Resources Development Act 2002 (Act 28 of 2002) (the Act) – the conversion of the South Deep old order mining right into a new-order mining right.

11 May 2010

Chucapaca's joint venture partners, Gold Fields Limited (51%) and Compañía de Minas Buenaventura S.A.A. (49%) announced the discovery of a major gold-copper-silver deposit in their Chucapaca project area in southern Peru.

20 May 2010

Gold Fields Limited announced a substantial increase in the Mineral Resource at Hamlet, an emerging gold deposit in the Argo-Athena camp at its St Ives Gold Mine in Western Australia.

24 May 2010

Gold Fields Limited announced that it has secured a US$450 million revolving credit loan maturing 30 September 2013 to refinance a US$311 million one-year facility that expired in May 2010. Gold Fields was seeking a minimum of US$300 million from the banks approached to support the revolving credit loan.

26 May 2010

Gold Fields Limited is set to become the world's first gold mining company to sell Certified Emissions Reductions (CERs), the financial securities used to trade carbon emissions. Gold Fields will derive the CERs from the capture of methane gas at its Beatrix Gold Mine in South Africa's Free State province. The company will sell 1,700,000 CERs to European energy trading company Mercuria Energy Trading SA under forward contracts which will run until 2016.

31 May 2010

Gold Fields Limited announced that Alan Wright will retire as Chair and director of Gold Fields with effect from the next annual general meeting (AGM) on 2 November 2010. Mr Wright will be replaced as Chair by prominent businesswoman and political and social activist, Mamphela Ramphele. Dr Ramphele will join the Board as Non-Executive Director and Deputy Chair on 1 July 2010 and take over as Chair at the AGM.

5 August 2010

Following on its 10 May 2010 media release, Gold Fields Limited announced that the Department of Mineral Resources (DMR) of South Africa has executed the new-order mining right for its South Deep gold mine. The cumulative effect of this execution, together with the previous conversions for Driefontein, Kloof and Beatrix granted in 2006, is that all of Gold Fields' South African operations have now been granted their new-order mining right.

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 SHARES (STRATE)

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 and the profile of employees. This increased cost, should it transpire, is currently indeterminate. The company is monitoring developments in this regard.

ENVIRONMENTAL OBLIGATIONS

The company has made provision in the financial statements for environmental rehabilitation costs amounting to R2,296 million (2009: R2,268 million). Cash contributions of R60 million (2009: R58 million) have been paid during the year to a dedicated trust fund created to fund these provisions. The total amount invested at year-end amounted to R1,013 million (2009: R887 million).

SPECIAL RESOLUTIONS ADOPTED BY SUBSIDIARY COMPANIES

There were no special resolutions passed by subsidiary companies during the year under review that related to capital structures, borrowing powers, the objects clause contained in the memorandum of association or any other material matter that affects the understanding of the company and its subsidiaries.

LITIGATION

The shareholders were informed about the summons received on 21 August 2008 from Randgold and Exploration Company Limited (R&E) and African Strategic Investment (Holdings) Limited issued to Gold Fields Operations Limited, formerly known as Western Areas Limited (WAL), a subsidiary of Gold Fields.

It is asserted in the summons that during the period that WAL was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited (Resources) and Afrikander Lease Limited, now known as Uranium One. WAL's assessment remains that it has sustainable defences to these claims and it has instructed its attorneys to vigorously defend these claims. The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One between the dates of the alleged unlawful acts and March 2008 (approximately R11 billion). The alternative claims have been computed on the basis of the actual amounts allegedly received by WAL to fund its operations (approximately R519 million). The claims lie only against WAL, which holds a 50% stake in the South Deep Mine. This alleged liability is historic and relates to a period of time prior to Gold Fields purchasing the company.

The update on the matter is that the plaintiffs have failed, to date, to prosecute their claims and the action remains in abeyance.

Directors' report continued

LITIGATION (continued)

On 1 May 2008, an accident occurred at the twin shaft complex of the South Deep Mine. The accident occurred at the mine's ventilation raise hole and nine people were fatally injured. The Mine Health and Safety Inspectorate (MHSI) of the DMR has completed an investigation into the accident pursuant to the Mine Health and Safety Act. The investigation report of the MHSI and an expert report obtained by the DMR, have been forwarded to the Director of Public Prosecution for attention. The Director of Public Prosecution has requested the Chief Magistrate and Senior Public Prosecutor of the Westonaria magisterial district, in which district the accident occurred, to make arrangements for the holding of a joint inquest and inquiry. The South Deep Mine has taken steps to obtain a copy of the investigation and expert reports.

BLACK ECONOMIC EMPOWERMENT

On 5 August 2010 Gold Fields announced a series of empowerment transactions to meet its 2014 Black Economic Empowerment equity ownership requirements. It is the aim of the company to complete the following three transactions before the end of 2010:

Transaction 1

Gold Fields will facilitate the establishment of an Employee Share Option Scheme (ESOP) in respect of an effective 10.75% stake in GFIMSA (the holding company which controls Gold Fields' South African assets). The ESOP will be housed and administered through the Thusano Share Trust. The holding in GFIMSA is equivalent to about 13.5 million unencumbered Gold Fields Limited shares with full voting rights, which will be issued to and held by the trust at par value of R0.50 which represents a 99.5% discount to the 30 days VWAP price at 30 July 2010. This represents approximately 1.91% of the current Gold Fields shares in issue.

Transaction 2

The issue to a broad-based BEE consortium as described below (BEECO) of about 600,000 Gold Fields Limited shares at par value of R0.50 which represents a 99.5% discount to the 30 days VWAP price at 30 July 2010. This represents about 0.08% of the current Gold Fields shares in issue. These shares will carry no restrictions.

Transaction 3

BEECO will also subscribe for a 10% holding with full voting rights directly in South Deep with a phased in participation over 20 years. Transaction 3 is below the JSE transaction threshold of 5% and is not with related parties as defined as per the JSE Limited Listings Requirements and is therefore included for information purposes only.

These deals are central to the company's objective to make every current employee at the company an owner, while at the same time expanding opportunities for historically disadvantaged persons to benefit from the exploitation of the country's mineral resources by promoting broad-based ownership, employment, and the advancement of social and economic welfare generally.

In terms of JSE Listing Requirements a circular giving full details of the transaction will be distributed to shareholders in due course. The transactions are subject to certain suspensive conditions, including shareholder approval for Transactions 1 and 2. The detailed pro-forma effect of Transactions 1 and 2 were outlined in a Stock Exchange News Services statement on 5 August 2010.

Details of the ESOP scheme

- About 47,100 GFIMSA employees in the Paterson Grade A to C categories will be granted approximately 13.5 million unencumbered new Gold Fields Limited shares through the Thusano Trust.
- About 12.6 million of the shares will be allocated to HDSA employees, an effective 10% stake in GFIMSA.
- The approximate 13.5 million Gold Fields Limited shares in the ESOP scheme will be held by the Gold Fields Thusano Share Trust for 15 years.
- The Thusano Trust will have 14 trustees comprising ten trade union representatives, two Gold Fields trustees and two independent trustees, of whom one will be the chairperson.
- The Thusano Trust will exercise full voting rights on behalf of the employees.
- The share allocation to employees will be based on an employee's length of service with Gold Fields, ranging from 100 shares for one year service to 480 shares for 20 years service.
- The shares are allocated free of charge but have to be held for 15 years. The employees will receive dividend payments during those 15 years. Based on historical dividend yields the dividend payments will total about R20 million a year.

BLACK ECONOMIC EMPOWERMENT (continued)

Details of the BEE Consortium (BEECO)

- The newly formed BEECO will comprise:
  - i. a Broad-Based Education Trust, to facilitate and promote education, youth and skills development for the mining industry. The majority of the Trustees will be independent and the Trust will hold a 54% beneficial interest in BEECO;
  - ii. a selected number of black business and community leaders, who will not be related parties as defined by the JSE Listings Requirements and will hold a combined 36% beneficial interest in BEECO; and
  - iii. a Broad-Based Community Trust. The majority of the Trustees will be independent and the Trust will hold a 10% beneficial interest in BEECO;
- The acquisition of the BEECO's 10% stake in South Deep will be facilitated through a unique vendor financed phased participation scheme that will see the shareholding acquired at no cost to the BEECO.
- The BEECO will hold 10% of South Deep in the form of B-class Shares with full ownership and voting rights. As holders of the B-class Shares the BEECO will be entitled to a cumulative preferential dividend of R20 million per annum for the first 10 years, R13.3 million per annum for the next five years and R6.7 million for the next five years (R2.00 per B-class Share) payable out of profits of South Deep. After 20 years the preferential dividend ceases.
- The B-class Shares' right to participate in other distributions over and above the preferred dividend will initially be suspended. The suspension will be lifted on a phased-in basis, resulting in the B-class Shares having the same rights as the A-class Shares, as follows:
  - After 10 years, in respect of one-third of the B-class Shares;
  - After 15 years, in respect of another one-third of the B-class Shares; and
  - After 20 years, in respect of the remaining one-third of the B-class Shares.
- The BEECO must retain ownership of South Deep for 30 years which is the term of the new-order mining right granted to South Deep.

FINANCIAL YEAR-END

At a meeting held on Wednesday, 4 August 2010 the Board resolved to change the financial year-end of the company and its subsidiaries from June to December to align the financial reporting period to its peers in the mining industry. In December 2010 the company will report for the six-month financial period ending 31 December 2010. Subsequently, the financial accounting period will run for a full 12-month cycle from January to December.

ADMINISTRATION

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

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

AUDITORS

At the recommendation of the Audit Committee, the Board at a meeting held on 24 June 2010 resolved, subject to the approval by shareholders, to appoint KPMG as the new auditors of the company in place of PricewaterhouseCoopers Inc, the current auditors. KPMG's appointment is with effect from the new financial period commencing 1 July 2010.

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the company has a direct or indirect interest are set out on pages 255 and 256.

Accounting policies

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

1. BASIS OF PREPARATION

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

Standards, interpretations and amendments to published standards effective in F2010

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 changes	Impact on financial position or performance
IFRS 1 *First-Time Adoption of International Financial Reporting Standards* and **IAS 27** *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*	Amendments	• First-time adopters can use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. • The definition of the cost method from IAS 27 has been removed and replaced with a requirement to present dividends as income in the separate financial statements of the investor.	No impact
IFRS 2 *Amendment to IFRS 2 Share-Based Payments: Vesting Conditions and Cancellations*	Amendments	• Clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. • All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.	No impact
IFRS 3 *Business Combinations*	Revision	• Focuses on recognising different components of a business combination at fair value rather than a cost allocation. • Transaction costs are no longer capitalised as part of the cost of the business combination. • All elements of consideration are recognised at the date of the business combination. Subsequent changes in the value of the consideration do not adjust goodwill, but rather impact income. • Payments that are not consideration affect income. • Acquirer's interest includes previous holdings. • Introduction of a choice on how to recognise goodwill by either measuring the non-controlling interest at fair value or at its share of net assets. • Subsequent changes in deferred taxes recognised as part of the business combination impact income rather than adjust goodwill. • Additional guidance provided on recognition of assets acquired and liabilities assumed.	No impact
IFRS 7 *Financial Instruments: Disclosures, Improving Disclosures about Financial Instruments*	Amendments	• Introduces a three-level hierarchy for fair value measurement disclosures. • Requires entities to provide additional disclosures about the relative reliability of fair value measurements. • Clarifies and enhances existing requirements for disclosure of liquidity risk.	No impact

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of changes	Impact on financial position or performance
IFRS 8 *Operating Segments*	New standard	• An entity must report financial and descriptive information about its reportable segments. • Financial information to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. • Additional disclosure requirements include factors used to identify the entity's operating segments and the types of products and services from which each reportable segment derives its revenue.	No impact
IFRS		• Annual improvements project is a collection of amendments to IFRS and are the result of conclusions reached by the Board on proposals made in its annual improvements project. • All the 2008 annual improvements as well as the 2009 annual improvements to IFRS 2 Share-based Payment, IAS 18 Revenue, IAS 38 Intangible Assets, IFRIC 9 Reassessment of Embedded Derivatives and IFRIC 16 Hedges of a Net Investment in a Foreign Operation were adopted by the group.	No impact
IAS 1 *Presentation of Financial Statements*	Revision	• Affects the presentation of owner changes in equity and of comprehensive income. • Requires presentation, in a statement of changes in equity, of all owner changes in equity. All non-owner changes in equity to be presented in one statement of comprehensive income or in two statements. • Requires disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income. • Requires presentation of dividends recognised as distributions to owners and related amounts per share in the statement of changes in equity or in the notes.	No impact
IAS 27 *Consolidated and Separate Financial Statements*	Revision	• The equity providers of capital to the economic entity include both the parent company's shareholders and the non-controlling interest (previously minority interest). Non-controlling interests continue to be recognised as part of equity. However, losses are allocated to the non-controlling interest even if a deficit balance results.	No impact
IAS 32 *Financial Instruments: Presentation* and **IAS 1** *Presentation of Financial Instruments – Puttable Financial Instruments and Obligations Arising on Liquidation*	Amendments	• IAS 32 requires some financial instruments that meet the definition of a financial liability to be classified as equity. Puttable financial instruments and instruments which put an obligation on the entity to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation are now specifically defined. • IAS 1 has been similarly amended to prescribe the necessary presentation and disclosure for such instruments.	No impact
IAS 39 *Amendments to IAS 39 Financial Instruments: Recognition and Measurement Exposures Qualifying for Hedge Accounting*	Amendments	• Prohibits designating inflation as a hedgeable component of a fixed rate debt. • Prohibits including time value in the one-sided hedged risk when designating options as hedges.	No impact
IFRIC 15 *Agreements for the Construction of Real Estate*	Interpretation	• Addresses diversity in accounting for real estate sales and clarifies how to determine whether an agreement is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from construction should be recognised.	No impact

Accounting policies continued

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of changes	Impact on financial position or performance
IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*	Interpretation	Provides guidance on: • Identifying the foreign currency risks that qualify as a hedged risk (in the hedge of a net investment in a foreign operation). • Where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting. • How an entity should determine the amounts to be reclassified from the statement of comprehensive income to profit or loss for both the hedging instrument and the hedged item.	No impact
IFRIC 17 *Distributions of Non-cash Assets to Owners*	Interpretation	Applies to the accounting for distributions of non-cash assets (commonly referred to as dividends *in specie*) to the owners of the entity. The interpretation clarifies that: • A dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. • A dividend payable should be measured at the fair value of the net assets to be distributed. • An entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss.	No impact
IFRIC 18 *Transfers of Assets from Customers*	Interpretation	• Clarifies the accounting treatment for transfers of property, plant and equipment received from customers. • Applies to agreements with customers in which the entity receives cash from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment and the entity must then use the item of property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services, or to do both.	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 July 2010 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 changes	Effective date*
IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters* (amendment)	Amendment	• Provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7.	1 July 2010
IFRS 2 *Group Cash-Settled Share-Based Payment Transactions* (amendment)	Amendment	• Clarifies the accounting for Group cash-settled share-based payment transactions. • The entity receiving the goods or services shall measure the share-based payment transaction as equity settled only when the awards granted are its own equity instruments, or the entity has no obligation to settle the share-based payment transaction. • The entity settling a share-based payment transaction when another entity in the Group receives the goods or services recognises the transaction as equity settled only if it is settled in its own equity instruments. In all other cases, the transaction is accounted for as cash settled.	1 January 2010

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

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of changes	Effective date*
IFRS 9 *Financial Instruments*	New standard	• This IFRS is part of the IASB's project to replace IAS 39. • 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.	1 January 2013
IFRS		• The remainder of the 2009 annual improvements as well as the 2010 improvements have not been early adopted by the Group.	Various
IAS 24 *Related Party Disclosures* (amendment)	Amendment	• This amendment provides partial relief from the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party.	1 January 2011
IAS 32 *Classification of Rights Issues* (amendment)	Amendment	• Clarifies the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer. • The amendment states that if such rights are issued *pro rata* to an entity's existing shareholders for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.	1 February 2010
Amendments to IFRIC 14	Amendment	• This amendment will have a limited impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan. • It removes an unintended consequence of IFRIC 14 (AC 447) related to voluntary pension prepayments when there is a minimum funding requirement.	1 January 2011
IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*	Interpretation	• Clarifies the accounting when an entity renegotiates in terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor. • A gain or loss is recognised in the profit and loss account based on the fair value of the equity instruments compared to the carrying amount of the debt.	1 January 2011

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

Significant accounting judgements and estimates

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

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

Accounting policies continued

1. BASIS OF PREPARATION (continued)

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

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

Carrying value of property, plant and equipment and goodwill

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

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

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

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

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

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

An individual operating mine is not a typical going-concern business because of the finite life of its reserves. The allocation of goodwill to an individual mine will result in an eventual goodwill impairment due to the wasting nature of the mine. In accordance with the provisions of IAS 36, the Group performs its annual impairment review of goodwill during the fourth quarter of each year.

The carrying amount of property, plant and equipment at 30 June 2010 was R52,813 million (2009: R48,337 million). The carrying value of goodwill at 30 June 2010 was R4,459 million (2009: R4,459 million).

Mineral Reserves estimates

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

Estimating the quantity and grade of the Mineral Reserves requires the size, shape and depth of 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;
- Depreciation and amortisation charges to the income statement may change as these are calculated on the units-of-production method, or where the useful economic lives of assets change;
- Deferred stripping costs recorded in the statement of financial position or charged to the income statement may change due to changes in stripping ratios or the units-of-production method of depreciation;
- Decommissioning site restoration and environmental provisions may change where changes in Ore Reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Preproduction

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

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

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

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of 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.

Carying values at 30 June 2010:
Deferred taxation liability: R7,143 million (2009: R6,129 million)
Taxation liability: R790 million (2009: R792 million)

Accounting policies continued

1. BASIS OF PREPARATION (continued)

Provision for environmental rehabilitation costs

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

The carrying amounts of the rehabilitation obligations at 30 June 2010 were R2,296 million (2009: R2,268 million).

Stockpiles, gold in process and product inventories

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

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

The carrying amount of inventories at 30 June 2010 was R2,344 million (2009: R2,148 million).

Share-based payments

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

The income statement charge for 2010 was R408 million (2009: R303 million).

Financial instruments

The estimated fair value of financial instruments is determined at discrete points in time based on the relevant market information. The fair value is calculated with reference to market rates using industry valuation techniques and appropriate models. The carrying values of derivative financial instruments at 30 June 2010 was a liability of Rnil (2009: a liability of R14 million).

Contingencies

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

2. CONSOLIDATION

2.1 Business combinations

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

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 are recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

2.2 Subsidiaries

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

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

2.3 Transactions and non-controlling interests

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

2.4 Associates

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

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

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

3. FOREIGN CURRENCIES

Functional and presentation currency

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

Transactions and balances

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

Accounting policies continued

3. FOREIGN CURRENCIES (continued)

3.1 Foreign operations

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Mine development and infrastructure

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

Expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies, 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. Access to individual ore bodies exploited by the Group is limited to the timespan of the Group's respective mining leases.

4.2 Borrowing costs

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

4.3 Mineral and surface rights

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

4.4 Land

Land is shown at cost and is not depreciated.

4.5 Other assets

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

4.6 Amortisation and depreciation of mining assets

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

- mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life-of-mine using the units-of-production method, based on estimated proved and probable Ore Reserves above infrastructure.
- where it is anticipated that the life-of-mine will significantly exceed the proved and probable reserves, the life-of-mine 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.
- at the Australian operations, the calculation of amortisation takes into account future costs which will be incurred to develop all the proved and probable Ore Reserves.

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

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

4.7 Depreciation of non-mining assets

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

- Vehicles, 20%
- Computers, 33.3%
- Furniture and equipment, 10%.

The assets' useful lives 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" or "fair value less costs to sell" is compared to the carrying value of the asset/unit.

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

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

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

4.10 Leases

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

Accounting policies continued

5. GOODWILL

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

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

6. WASTE NORMALISATION OR DEFERRED STRIPPING

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

7. DEFERRED TAXATION

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

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

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

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

8. INVENTORIES

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

Cost is determined on the following basis:

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

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

9. FINANCIAL INSTRUMENTS

Financial instruments recognised in the statement of financial position include cash and cash equivalents, investments, trade and other receivables, borrowings, trade and other payables and derivative financial instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

9.1 Investments

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

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

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

Investments in subsidiaries and associates are recognised at cost less accumulated impairment losses.

9.2 Derivative financial instruments

The Group's general policy with regard to its exposure to the dollar gold price is to remain unhedged. However, hedges are sometimes undertaken on a project-specific basis as follows:

- to protect cash flows at times of significant expenditure;
- for specific debt servicing requirements; and
- to safeguard the viability of higher cost operations.

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 forecast transaction or a firm commitment (cash flow hedge), (3) a hedge of a net investment in a foreign entity, or (4) should the derivative not fall into one of the three categories above it is not regarded as a hedge.

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

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

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

Accounting policies continued

9. FINANCIAL INSTRUMENTS (continued)

9.2 Derivative financial instruments (continued)

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

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

9.3 Cash and cash equivalents

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

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

9.4 Trade receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less provision for impairment. 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.

9.5 Trade payables

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

9.6 Embedded derivatives

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

9.7 Financial guarantees

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

9.8 Non-current assets held-for-sale

Non-current assets held-for-sale (or disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. Non-current assets held-for-sale are stated at the lower of carrying amount and fair value less costs to sell.

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

10. PROVISIONS

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

11. 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 rate method.

Interest payable on borrowings is recognised in the income statement over the term of the borrowings 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.

12. ENVIRONMENTAL OBLIGATIONS

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

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

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

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

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

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

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

13. EMPLOYEE BENEFITS

13.1 Pension and provident funds

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

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

13.2 Post-retirement health care costs

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

Accounting policies continued

13. EMPLOYEE BENEFITS (continued)

13.3 Share-based payments

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

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

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

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

13.4 Termination benefits

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

14. SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction therefrom, net of tax. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are included in the cost of acquisition as part of the purchase consideration.

15. REVENUE RECOGNITION

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

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

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

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

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

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

16. DIVIDENDS DECLARED

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

17. EARNINGS/(LOSS) PER SHARE

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

18. SEGMENTAL REPORTING

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

19. COMPARATIVES

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

20. ADDITIONAL US DOLLAR FINANCIAL INFORMATION

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

This information is provided as supplementary information only.

Consolidated income statement

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND	
2009	**2010**		Notes	**2010**	2009
3,228.3	**4,164.3**	Revenue	1	**31,565.3**	29,086.9
(2,415.7)	**(3,143.8)**	Cost of sales	2	**(23,829.4)**	(21,765.9)
812.6	**1 020.5**	Net operating profit		**7,735.9**	7,321.0
24.9	**40.2**	Investment income	3	**304.7**	224.8
(96.9)	**(65.0)**	Finance expense	4	**(492.7)**	(872.8)
(6.2)	**27.6**	Realised gain/(loss) on financial instruments		**209.7**	(55.9)
10.2	**(8.5)**	(Loss)/gain on foreign exchange		**(64.6)**	91.7
(22.7)	**(27.6)**	Other costs		**(209.4)**	(202.8)
(33.7)	**(53.9)**	Share-based payments	5	**(408.2)**	(303.4)
(56.4)	**(80.9)**	Exploration expense		**(612.9)**	(508.3)
(15.7)	**15.6**	Share of results of associates after taxation		**118.3**	(141.3)
(13.9)	**(2.2)**	Restructuring costs		**(16.7)**	(125.5)
14.6	**—**	South Deep insurance claim		**—**	131.4
0.2	**—**	Driefontein 9 Shaft closure costs		**—**	1.9
(134.2)	**(34.0)**	Impairment of investments	6	**(257.8)**	(1,209.5)
(16.4)	**111.8**	Profit/(loss) on disposal of investments		**846.9**	(148.0)
0.5	**0.3**	Profit on disposal of property, plant and equipment		**2.5**	4.3
466.9	**943.9**	Profit before taxation	7	**7,155.7**	4,207.6
(261.2)	**(380.1)**	Mining and income tax	8	**(2,881.2)**	(2,353.5)
205.7	**563.8**	Profit for the year		**4,274.5**	1,854.1
		Profit attributable to:			
170.4	**479.0**	– Owners of the parent		**3,631.4**	1,535.6
35.3	**84.8**	– Non-controlling interest		**643.1**	318.5
205.7	**563.8**			**4,274.5**	1,854.1
		Earnings per share attributable to ordinary shareholders of the company:			
25	**68**	Basic earnings per share – cents	9.1	**515**	229
25	**67**	Diluted earnings per share – cents	9.2	**508**	227

Exchange rate: R7.58/US$ (2009: R9.01/US$).

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

Consolidated statement of comprehensive income

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
205.7	**563.8**	**Profit for the year**	**4,274.5**	1,854.1
(252.7)	**241.3**	**Other comprehensive expenses**	**(751.3)**	(1,912.4)
(111.9)	**15.2**	Mark-to-market valuation of listed investments	**115.3**	(1,007.7)
16.0	**8.1**	Mark-to-market adjustment released on impairment of listed investments	**61.3**	143.8
16.8	**(65.9)**	Realised (gain)/loss on disposal of listed investments	**(499.4)**	151.2
(11.2)	**9.7**	Deferred taxation on marked to market valuation of listed investments	**73.8**	(101.0)
(132.3)	**272.9**	Currency translation adjustments	**(512.2)**	(827.5)
(36.8)	**—**	Dilution loss on associate	**—**	(331.9)
6.7	**1.3**	Share of equity investee's other comprehensive income	**9.9**	60.7
(47.0)	**805.1**	**Total comprehensive income/(expenses) for the year**	**3,523.2**	(58.3)
		Attributable to:		
(72.1)	**701.5**	– Owners of the parent	**2,888.9**	(359.1)
25.1	**103.6**	– Non-controlling interest	**634.3**	300.8

Exchange rate: R7.58/US$ (2009: R9.01/US$).
The accompanying notes form an integral part of these financial statements.

Consolidated statement of financial position

at 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND	
2009	2010		Notes	2010	2009
		ASSETS			
7,029.0	**7,836.3**	**Non-current assets**		**59,320.7**	56,653.8
5,997.2	**6,976.7**	Property, plant and equipment	11	**52,813.4**	48,337.4
553.2	**589.0**	Goodwill	12	**4,458.9**	4,458.9
54.5	**46.0**	Investment in associates	13	**348.2**	439.8
314.1	**90.8**	Investments	15	**687.7**	2,531.0
110.0	**133.8**	Environmental trust funds	16	**1,012.5**	886.7
1,067.2	**1,191.5**	**Current assets**		**9,019.5**	8,600.8
266.5	**309.6**	Inventories	17	**2,343.6**	2,148.4
383.8	**305.6**	Trade and other receivables	18	**2,313.2**	3,092.8
59.3	**75.6**	Deferred stripping costs		**572.2**	477.8
357.6	**500.7**	Cash and cash equivalents	20	**3,790.5**	2,881.8
8,096.2	**9,027.8**	**Total assets**		**68,340.2**	65,254.6
		EQUITY AND LIABILITIES			
54.1	**54.2**	Share capital		**353.0**	352.4
4,535.8	**4,543.1**	Share premium		**31,169.4**	31,113.2
(959.2)	**(682.8)**	Other reserves		**(1,470.0)**	(1,135.7)
1,357.7	**1,718.6**	Retained earnings		**12,590.5**	9,876.2
4,988.4	**5,633.1**	Shareholders' equity attributable to owners of the parent		**42,642.9**	40,206.1
305.6	**370.7**	Non-controlling interest		**2,806.0**	2,463.3
5,294.0	**6,003.8**	**Total shareholders' equity**		**45,448.9**	42,669.4
1,834.1	**1,679.7**	**Non-current liabilities**		**12,715.4**	14,782.7
760.4	**943.6**	Deferred taxation	21	**7,142.7**	6,128.8
785.9	**430.0**	Borrowings	22	**3,255.1**	6,334.3
287.8	**306.1**	Provisions	23	**2,317.6**	2,319.6
968.1	**1,344.3**	**Current liabilities**		**10,175.9**	7,802.5
540.6	**548.9**	Trade and other payables	24	**4,154.0**	4,357.6
9.7	**—**	Bank overdraft	20	**—**	77.9
98.2	**104.3**	Taxation		**789.9**	791.8
1.8	**—**	Financial instruments	19	**—**	14.0
317.8	**691.1**	Current portion of borrowings	22	**5,232.0**	2,561.2
8,096.2	**9,027.8**	**Total equity and liabilities**		**68,340.2**	65,254.6

Exchange rate: R7.57/US$ (2009: R8.06/US$).

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

Consolidated statement of changes in equity

for the year ended 30 June 2010

Figures in millions unless otherwise stated

	Number of ordinary shares in issue	Share capital and share premium	Equity portion of convertible debt (Mvela)	Foreign currency translation adjust-ment	Fair value adjustment reserve	Other reserves[1]	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
SOUTH AFRICAN RAND										
Balance at 30 June 2008	653,200,682	28,238.8	3,130.2	2,596.5	1,095.8	(3,236.7)	9,321.6	**41,146.2**	1,415.0	**42,561.2**
Profit for the year	–	–	–	–	–	–	1,535.6	**1,535.6**	318.5	**1,854.1**
Other comprehensive expenses	–	–	–	(809.8)	(813.7)	(271.2)	–	**(1,894.7)**	(17.7)	**(1,912.4)**
Dividends paid	–	–	–	–	–	–	(981.0)	**(981.0)**	–	**(981.0)**
Share-based payments	–	–	–	–	–	303.4	–	**303.4**		**303.4**
Transactions with minorities	–	–	–	–	–	–	–	**–**	747.5	**747.5**
Mvela share issue on conclusion of transaction	50,000,000	3,155.2	(3,130.2)	–	–	–	–	**25.0**	–	**25.0**
Exercise of employee share options	1,549,167	71.6	–	–	–	–	–	**71.6**	–	**71.6**
Balance at 30 June 2009	704,749,849	31,465.6	–	1,786.7	282.1	(3,204.5)	9,876.2	**40,206.1**	2,463.3	**42,669.4**
Profit for the year	–	–	–	–	–	–	3,631.4	**3,631.4**	643.1	**4 274.5**
Other comprehensive (expenses)/income	–	–	–	(503.4)	(249.0)	9.9	–	**(742.5)**	(8.8)	**(751.3)**
Dividends paid	–	–	–	–	–	–	(917.1)	**(917.1)**	(175.2)	**(1,092.3)**
Share-based payments	–	–	–	–	–	408.2	–	**408.2**		**408.2**
Transactions with minorities	–	–	–	–	–	–	–	**–**	(116.4)	**(116.4)**
Exercise of employee share options	1,153,662	56.8	–	–	–	–	–	**56.8**	–	**56.8**
Balance at 30 June 2010	**705,903,511**	**31,522.4**	**–**	**1,283.3**	**33.1**	**(2,786.4)**	**12,590.5**	**42,642.9**	**2,806.0**	**45,448.9**
UNITED STATES DOLLAR										
Balance at 30 June 2008	653,200,682	4,125.4	453.7	(452.4)	150.0	(448.0)	1,308.5	**5,137.2**	182.9	**5,320.1**
Profit for the year	–	–	–	–	–	–	170.4	**170.4**	35.3	**205.7**
Other comprehensive expenses	–	–	–	(122.1)	(90.3)	(30.1)	–	**(242.5)**	(10.2)	**(252.7)**
Dividends paid	–	–	–	–	–	–	(121.2)	**(121.2)**	–	**(121.2)**
Share-based payments	–	–	–	–	–	33.7	–	**33.7**		**33.7**
Transactions with minorities	–	–	–	–	–	–	–	**–**	97.6	**97.6**
Mvela share issue on conclusion of transaction	50,000,000	456.5	(453.7)	–	–	–	–	**2.8**	–	**2.8**
Exercise of employee share options	1,549,167	8.0	–	–	–	–	–	**8.0**	–	**8.0**
Balance at 30 June 2009	704,749,849	4,589.9	–	(574.5)	59.7	(444.4)	1,357.7	**4,988.4**	305.6	**5,294.0**
Profit for the year	–	–	–	–	–	–	479.0	**479.0**	84.8	**563.8**
Other comprehensive income/ (expenses)	–	–	–	254.1	(32.9)	1.3	–	**222.5**	18.8	**241.3**
Dividends paid	–	–	–	–	–	–	(118.1)	**(118.1)**	(23.1)	**(141.2)**
Share-based payments	–	–	–		–	53.9	–	**53.9**		**53.9**
Transactions with minorities	–	–	–	–	–	–	–	**–**	(15.4)	**(15.4)**
Exercise of employee share options	1,153,662	7.4	–	–	–	–	–	**7.4**	–	**7.4**
Balance at 30 June 2010	**705,903,511**	**4,597.3**	**–**	**(320.4)**	**26.8**	**(389.2)**	**1,718.6**	**5,633.1**	**370.7**	**6,003.8**

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

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

Consolidated statement of cash flows

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND	
2009	**2010**		Notes	**2010**	2009
656.8	**1,129.9**	**Cash flows from operating activities**		**8,506.6**	6,000.8
1,183.4	**1,531.2**	Cash generated by operations	25	**11,607.9**	10,663.5
14.5	**31.5**	Interest received		**238.3**	131.0
1.3	**0.1**	Dividends received		**0.9**	11.5
(0.3)	**(0.3)**	Post-retirement health care payments		**(2.4)**	(2.3)
(131.4)	**2.2**	Change in working capital	26	**17.0**	(1,183.8)
1,067.5	**1,564.7**	Cash generated by operating activities		**11,861.7**	9,619.9
(91.6)	**(65.7)**	Interest paid		**(498.6)**	(825.3)
(197.9)	**(227.9)**	Taxation paid	27	**(1,764.2)**	(1,812.8)
778.0	**1,271.1**	Net cash from operations		**9,598,9**	6,981.8
(121.2)	**(141.2)**	Dividends paid		**(1,092.3)**	(981.0)
(809.3)	**(960.3)**	**Cash flows from investing activities**		**(7,432.0)**	(7,283.5)
(849.0)	**(1,021.4)**	Additions to property, plant and equipment		**(7,742.3)**	(7,649.2)
3.6	**1.2**	Proceeds on disposal of property, plant and equipment		**8.7**	32.0
–	**(257.1)**	Royalty termination		**(1,998.9)**	–
5.0	**–**	Proceeds on disposal of subsidiary		**–**	45.0
–	**(43.0)**	Purchase of Glencar asset		**(340.1)**	–
(12.8)	**(13.5)**	Purchase of investments		**(97.2)**	(99.3)
54.3	**385.8**	Proceeds on disposal of investments		**2,830.8**	482.0
(10.4)	**(12.3)**	Environmental trust funds and rehabilitation payments		**(93.0)**	(94.0)
275.3	**(25.6)**	**Cash flows from financing activities**		**(75.3)**	2,086.8
—	**(15.4)**	Loans (repaid)/received from minority shareholders		**(116.4)**	10.3
1,312.3	**1,619.9**	Loans raised		**12,275.5**	11,703.9
(1,047.7)	**(1,637.5)**	Loans repaid		**(12,291.2)**	(9,724.0)
10.7	**7.4**	Proceeds from the issue of shares		**56.8**	96.6
122.8	**144.0**	Net cash generated		**999.3**	804.1
(25.8)	**8.8**	Effect of exchange rate fluctuation on cash held		**(12.7)**	(7.5)
250.9	**347.9**	Cash and cash equivalents at beginning of the year		**2,803.9**	2,007.3
347.9	**500.7**	**Cash and cash equivalents at end of the year**	20	**3,790.5**	2,803.9

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

Notes to the consolidated financial statements

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND	
2009	**2010**			**2010**	2009
		1.	**REVENUE**		
3,228.3	**4,164.3**		Revenue from mining operations – spot sales	**31,565.3**	29,086.9
		2.	**COST OF SALES**		
(685.4)	**(964.4)**		Salaries and wages	**(7,309.9)**	(6,175.6)
(533.5)	**(676.1)**		Consumable stores	**(5,124.6)**	(4,806.5)
(204.7)	**(275.6)**		Utilities	**(2,088.8)**	(1,844.1)
(411.0)	**(440.3)**		Mine contractors	**(3,337.8)**	(3,703.3)
(144.7)	**(172.7)**		Other	**(1,309.2)**	(1,304.4)
(1 979.3)	**(2 529.1)**		**Operating costs**	**(19 170.3)**	(17 833.9)
23.3	**23.5**		Gold inventory change	**178.2**	210.3
(1 956.0)	**(2 505.6)**		**Operating costs including gold inventory change**	**(18 992.1)**	(17 623.6)
(459.7)	**(638.2)**		Amortisation and depreciation	**(4,837.3)**	(4,142.3)
(2,415.7)	**(3,143.8)**		**Total cost of sales**	**(23,829.4)**	(21,765.9)
		3.	**INVESTMENT INCOME**		
1.3	**0.1**		Dividends received	**0.9**	11.5
9.1	**8.6**		Interest received – environmental trust funds	**65.5**	82.3
14.5	**31.5**		Interest received – other	**238.3**	131.0
24.9	**40.2**		**Total investment income**	**304.7**	224.8
		4.	**FINANCE EXPENSE**		
(9.8)	**(5.9)**		Preference share interest	**(44.7)**	(87.9)
(4.2)	**(5.0)**		Interest charge – environmental rehabilitation	**(37.6)**	(38.1)
(2.0)	**—**		Interest paid – Mvela loan	**—**	(17.9)
(89.6)	**(65.7)**		Interest paid – other	**(498.6)**	(807.4)
8.7	**11.6**		Interest capitalised	**88.2**	78.5
(96.9)	**(65.0)**		**Total finance expense**	**(492.7)**	(872.8)

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

5. SHARE-BASED PAYMENTS

The Group grants equity-settled instruments comprising share options and restricted shares to directors, certain officers and employees. During financial 2010, the following share plans were in place: The GF Management Incentive Scheme, the Gold Fields Limited 2005 Share Plan, the Gold Fields Limited 2005 Non-executive Share Plan and the GF Non-executive Director Share Plan. Details of the salient features of these plans are included in the directors' report.

The following information is available for each plan:

30 June 2009			30 June 2010	
Average instrument price (cps)	Number of instruments	(a) The GF Management Incentive Scheme	Number of instruments	Average instrument price (cps)
78.38	4,212,219	Outstanding at 1 July 2009	2,304,421	77.20
		Movement during the year:		
69.69	(1,367,882)	Exercised and released	(778,172)	74.62
105.39	(539,916)	Forfeited	(173,616)	97.01
77.20	2,304,421	Outstanding at 30 June 2010	1,352,633	76.15
		Included in the above are 1,352,633 (2009: 2,266,799) vested options.		

Average instrument price (cps)	Number of instruments	(b) The GF Non-executive Director Share Plan	Number of instruments	Average instrument price (cps)
83.81	146,700	Outstanding at 1 July 2009	81,700	88.54
		Movement during the year:		
43.70	(25,000)	Exercised and released	–	–
99.21	(40,000)	Forfeited	–	–
88.54	81,700	Outstanding at 30 June 2010	81,700	88.54
		All options above in F2010 and F2009 have vested.		

5. SHARE-BASED PAYMENTS (continued)

No further allocations are being made under these plans in view of the new plans below. However during F2010 some share option expiry dates were extended to enable participants who were disadvantaged due to closed periods to be placed in an equitable position. The incremental fair value of the modification was R0.4 million and was recorded in earnings (2009: R8.1 million).

30 June 2009				30 June 2010		
Number of options	Weighted average price (rand)	Contractual life extended by (years)		**Number of options**	**Weighted average price (rand)**	**Contractual life extended by (years)**
			The following directors were affected by the modification:			
			Executive directors			
172,499	76.59	0.38	NJ Holland	**13,334**	**46.23**	**0.87**
3,167	154.65	0.01	TP Goodlace	**—**	**—**	**—**
			Non-executive directors			
6,700	68.59	0.39	K Ansah	**—**	**—**	**—**
25,000	84.79	0.39	RL Pennant-Rea	**5,000**	**110.03**	**0.71**
20,000	99.21	0.39	CI von Christierson	**10,000**	**110.03**	**0.71**
55,000	68.41	0.39	AJ Wright	**10,000**	**110.03**	**0.71**

Average instrument price (cps)	Share appreciation rights (SARS)	Performance vesting restricted shares (PVRS)	**(c) Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan**	**Performance vesting restricted shares (PVRS)**	**Share appreciation rights (SARS)**	**Average instrument price (cps)**
112.73	3,837,937	5,477,487	Outstanding at 1 July 2009	**6,932,164**	**4,609,626**	**111.50**
			Movement during the year:			
108.90	1,311,271	2,668,771	Granted during the year	**3,224,852**	**1,564,217**	**90.84**
—	—	(106,954)	Exercised and released	**(345,909)**	**—**	**—**
121.07	(539,582)	(880,240)	Forfeited	**(626,815)**	**(513,571)**	**109.40**
—	—	(226,900)	Conditions for vesting not met	**(609,751)**	**—**	**—**
111.50	4,609,626	6,932,164	**Outstanding at 30 June 2010**	**8,574,541**	**5,660,272**	**106.00**
			Included in the above are 904,809 (2009: 558,863) vested restricted shares.			

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

5. SHARE-BASED PAYMENTS (continued)

30 June 2009		30 June 2010
	(c) Gold Fields Limited 2005 Share Plan and Gold Fields Limited 2005 Non-executive Share Plan (continued)	
	The fair value of equity instruments granted during the year was valued using the Black-Scholes and Monte Carlo simulation models.	
	Black-Scholes model	
	This model is used to value the share appreciation rights (SARS) as described in the directors' report. The inputs to the model for options granted during the year were as follows:	
R108.90	– weighted average exercise price	R90.84
51.7%	– exponentially weighted moving average volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	52.0%
3.0 – 4.2	– expected term (years)	3.0 – 4.2
1.8%	– long-term expected dividend yield	1.0%
6.9%	– weighted average risk-free interest rate	7.9%
R45.90	– weighted average fair value	R43.82
	Monte Carlo simulation	
	This model is used to value the performance vesting restricted shares (PVRS) as described in the directors' report. The inputs to the model for options granted during the year were as follows:	
67.8%	– 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)	50.4%
3.0	– expected term (years)	3.0
2.3%	– historical dividend yield	1.4%
0.6%	– weighted average three-year risk-free interest rate (based on US interest rates)	0.2%
R209.40	– weighted average fair value	R155.78
	Vesting of PVRS is based on Gold Fields' performance on the Philadelphia XAU Index relative to its five representative peers in the gold mining industry rather than all members of the index, because some members are either not purely gold mining companies or are small producers.	

The following table summarises information relating to the options and equity-settled instruments outstanding at 30 June 2010:

30 June 2009				30 June 2010		
Weighted average				Weighted average		
Contractual life (years)	Price	Number of instruments	Range of exercise prices for outstanding equity instruments (South African rands)	Number of instruments	Price	Contractual life (years)
1.98	—	6,932,164	n/a*	8,574,541	—	1.73
1.00	46.23	93,200	35.00 – 59.99	63,866	46.23	0.01
2.27	72.25	1,826,009	60.00 – 84.99	1,057,134	70.67	1.50
4.84	105.73	3,690,976	85.00 – 109.99	4,748,811	101.01	3.52
3.11	123.79	1,335,164	110.00 – 134.99	1,197,294	123.95	2.16
1.65	146.02	50,398	135.00 – 159.99	27,500	146.71	1.04
		13,927,911	Total outstanding at 30 June 2010	15,669,146		
			** Restricted shares (PVRS) are awarded for no consideration.*			
		89.20	Weighted average share price during the year	103.69		

Figures in millions unless otherwise stated

UNITED STATES DOLLARS 2009	2010			SOUTH AFRICAN RAND 2010	2009
		6.	**IMPAIRMENT OF INVESTMENTS**		
(118.2)	**(25.9)**		Investment in associate – Rusoro Mining Limited	**(196.5)**	(1 065.7)
(16.0)	**(8.1)**		Listed investments	**(61.3)**	(143.8)
(134.2)	**(34.0)**			**(257.8)**	(1 209.5)
		7.	**INCLUDED IN PROFIT BEFORE TAXATION ARE THE FOLLOWING:**		
			Expenses		
			Auditors' remuneration		
2.9	**3.4**		– audit fee	**26.1**	25.7
0.5	**0.1**		– non-audit services	**1.0**	4.3
14.4	**16.0**		Environmental rehabilitation inflation adjustment	**121.6**	129.4
0.8	**1.2**		Operating lease charges	**8.8**	7.2
		8.	**MINING AND INCOME TAX**		
			The components of mining and income tax are the following:		
			South African taxation		
(93.1)	**(22.4)**		– mining tax	**(169.8)**	(839.0)
(2.4)	**(7.4)**		– non-mining tax	**(55.9)**	(21.4)
(6.2)	**(34.6)**		– company and capital gains tax	**(262.6)**	(56.1)
—	**4.8**		– prior year adjustment – current tax	**36.4**	—
—	**(8.1)**		– royalties	**(61.3)**	—
(35.1)	**(50.5)**		– deferred tax	**(382.9)**	(316.2)
2.5	**—**		– prior year adjustment – deferred tax	**—**	22.8
			Foreign taxation		
(33.6)	**(86.3)**		– current	**(654.5)**	(302.5)
(37.6)	**(80.0)**		– foreign levies and royalties	**(606.4)**	(339.4)
(55.7)	**(95.6)**		– deferred tax	**(724.2)**	(501.7)
(261.2)	**(380.1)**		**Total mining and income tax**	**(2,881.2)**	(2,353.5)
			Major items causing the Group's income tax to differ from the maximum South African statutory mining tax rate of 43.0% (2009: 43.0%) were:		
			Tax on profit before taxation at maximum South African statutory mining tax rate	**(3,077.0)**	(1,809.4)
			Rate adjustment to reflect the actual realised company tax rates in South Africa and offshore	**701.4**	507.4
			South African mining tax formula rate adjustment	**125.6**	249.7
			Use of assessed loss not previously recognised	**0.8**	24.5
			Non-deductible share-based payments	**(175.5)**	(130.5)
			Non-deductible exploration expense	**(263.5)**	(218.6)
			Non-deductible impairment of investments and assets	**(110.9)**	(520.1)
			Non-deductible/non-taxable profit/(loss) on disposal of investments	**537.1**	(63.6)
			Deductible royalties	**287.1**	146.0
			Net non-deductible expenditure and non-taxable income	**(87.7)**	(201.6)
			Levies and royalties	**(667.7)**	(339.4)
			Deferred tax asset not recognised	**(5.9)**	(20.7)
			Profits subject to capital gains tax	**(181.4)**	—
			Other	**36.4**	22.8
			Mining and income tax expense	**(2,881.2)**	(2,353.5)

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

8. MINING AND INCOME TAX (continued)

	2010	2009
South Africa – tax rates		
Mining tax[1]	**Y = 43 – 215/X**	Y = 43 – 215/X
Non-mining tax[2]	**35.0%**	35.0%
Company tax rate	**28.0%**	28.0%
Royalties[3]	**1.2%**	—

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

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

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

[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 and unrefined minerals. The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue, on a percentage basis, plus an additional 5%. EBIT refers to taxable mining income 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 four months to 30 June 2010 was approximately 1.2% of mining revenue.*

	2010	2009
International operations		
Company tax rate		
Australia	**30.0%**	30.0%
Ghana	**25.0%**	25.0%
Peru[4]	**35.6%**	35.6%
Royalties		
Australia	**2.5%**	2.5%
Ghana	**3.0%**	3.0%
Peru	**3.0%**	3.0%

[4] *The tax rate applicable to Peru is 30% excluding an effective 5.6% workers' participation tax payable on taxable profits.*

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.

8. MINING AND INCOME TAX (continued)

At 30 June 2010 the Group had the following estimated amounts available for set-off against future income:

	2010			2009		
	Unredeemed capital expenditure R million	**Tax losses R million**	**Deferred tax asset not recognised on tax losses R million**	Unredeemed capital expenditure R million	Tax losses R million	Deferred tax asset not recognised on tax losses R million
South Africa[5]						
GFI Mining South Africa (Pty) Limited – Beatrix division	**1,061.6**	**–**	**–**	1,348.9	–	–
Gold Fields Operations Limited	**3,498.3**	**4,544.8**	**–**	2,702.2	4,666.7	–
GFI Joint Venture Holdings (Pty) Limited	**7,087.0**	**616.7**	**–**	6,291.1	766.9	–
Living Gold (Pty) Limited	**–**	**152.2**	**42.6**	–	142.2	39.8
Golden Oils (Pty) Limited	**–**	**7.3**	**2.0**	–	5.7	1.6
Agrihold (Pty) Limited	**–**	**15.8**	**4.4**	–	17.8	5.0
Golden Hytec Farming (Pty) Limited	**–**	**9.3**	**2.6**	–	9.3	2.6
	11,646.9	**5,346.1**	**51.6**	10,342.2	5,608.6	49.0

[5] *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 commercially mine for a period of longer than one year. Under South African mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilised by the tax entities in which the deductions have been generated. South African tax losses have no expiration date.*

	2010			2009		
	Capital allowances US$ million	**Tax losses US$ million**	**Deferred tax asset not recognised on tax losses US$ million**	Capital allowances US$ million	Tax losses US$ million	Deferred tax asset not recognised on tax losses US$ million
International operations						
Orogen Investments SA (Luxembourg)[6]	**–**	**145.3**	**42.8**	–	188.9	54.0
Gold Fields Arctic Platinum Oy	**–**	**98.5**	**25.6**	–	96.1	25.0
Gold Fields Ghana Limited	**–**	**–**	**–**	96.7	–	–
Abosso Goldfields Limited	**15.5**	**–**	**–**	6.7	–	–
Gold Fields La Cima	**710.1**	**–**	**–**	615.4	–	–
	725.6	**243.8**	**68.4**	718.8	285.0	79.0

[6] *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.*

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND	
2009	2010			2010	2009
		9.	**EARNINGS PER SHARE**		
25	68	9.1	**Basic earnings per share – cents**	515	229
			Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of R3,631.4 million (2009: R1,535.6 million) by the weighted average number of ordinary shares in issue during the year of 705,364,200 (2009: 670,328,262).		
25	67	9.2	**Diluted earnings per share – cents**	508	227
			Diluted basic earnings per share is calculated on the basis of profit attributable to ordinary shareholders of R3,631.4 million (2009: R1,535.6 million) and 714,549,842 (2009: 677,790,732) 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	705,364,200	670,328,262
			Share options in issue	9,185,642	7,462,470
			Diluted number of ordinary shares	714,549,842	677,790,732
48	59	9.3	**Headline earnings per share – cents**	449	431
			Headline earnings per share is calculated on the basis of adjusted net earnings attributable to ordinary shareholders of R3,164.1 million (2009: R2,890.0 million) and 705,364,200 (2009: 670,328,262) shares being the weighted average number of ordinary shares in issue during the year.		
			Net profit attributable to ordinary shareholders is reconciled to headline earnings as follows:		
170.4	479.0		Net profit attributable to ordinary shareholders	3,631.4	1,535.6
16.4	(111.8)		Profit/(loss) on disposal of investments	(846.9)	148.0
—	16.5		Taxation effect of profit on disposal of investments	124.0	—
(0.5)	(0.3)		Profit on disposal of property, plant and equipment	(2.5)	(4.3)
0.1	—		Taxation effect of profit on property, plant and equipment	0.3	1.2
134.2	34.0		Impairment of assets	257.8	1 209.5
320.6	417.4		**Headline earnings**	3,164.1	2,890.0
47	58	9.4	**Diluted headline earnings per share – cents**	443	426
			Diluted headline earnings per share is calculated on the basis of headline earnings attributable to ordinary shareholders of R3,164.1 million (2009: R2,890.0 million) and 714,549,842 (2009: 677,790,732) shares being the diluted number of ordinary shares in issue during the year.		
		10.	**DIVIDENDS**		
101.9	72.6		2009 final dividend of 80 cents per share (2008: 120 cents) declared on 5 August 2009.	564.1	784.6
19.3	45.5		2010 interim dividend of 50 cents per share (2009: 30 cents) declared on 1 March 2010.	353.0	196.4
			A final dividend in respect of financial 2010 of 70 cents per share was approved by the Board of Directors on 4 August 2010. This dividend payable is not reflected in these financial statements.		
			No secondary tax on companies is payable on the dividend declared after year end due to sufficient STC credits available in Gold Fields Limited.		
121.2	118.1		**Total dividends**	917.1	981.0
17	17		**Dividends per share – cents**	130	150

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND		
Land, mineral rights and rehabilitation assets	Mine development, infrastructure and other assets	Total		Total	Mine development, infrastructure and other assets	Land, mineral rights and rehabilitation assets
			11. PROPERTY, PLANT AND EQUIPMENT			
			30 June 2010			
			Cost			
983.3	8,736.1	9,719.4	Balance at beginning of the year	78,338.5	70,412.6	7,925.9
(38.0)	(10.6)	(48.6)	Reclassifications	(368.5)	(80.5)	(288.0)
25.4	996.0	1 021.4	Additions	7,742.3	7,550.1	192.2
—	257.1	257.1	Additions – St Ives royalty termination[1]	1,998.9	1,998.9	—
(9.6)	—	(9.6)	Adjustments to rehabilitation assets	(72.4)	—	(72.4)
43.0	—	43.0	Purchase of Glencar asset	340.1	—	340.1
—	11.6	11.6	Finance charges capitalised[2]	88.2	88.2	—
(5.0)	(1.0)	(6.0)	Disposals	(45.7)	(7.7)	(38.0)
(16.6)	14.8	(1.8)	Other	(13.3)	112.2	(125.5)
67.8	455.2	523.0	Translation adjustment	(881.1)	(897.3)	16.2
1,050.3	10,459.2	11,509.5	**Balance at end of the year**	87,127.0	79,176.5	7,950.5
			Accumulated depreciation and impairment			
282.8	3,439.4	3,722.2	Balance at beginning of the year	30,001.1	27,721.6	2,279.5
(32.5)	(16.9)	(49.4)	Reclassifications	(368.5)	(121.8)	(246.7)
27.4	610.8	638.2	Charge for the year	4,837.3	4,630.1	207.2
–	(0.2)	(0.2)	Disposals	(1.5)	(1.5)	—
21.5	200.5	222.0	Translation adjustment	(154.8)	(179.6)	24.8
299.2	4,233.6	4,532.8	**Balance at end of the year**	34,313.6	32,048.8	2,264.8
751.1	6,225.6	6,976.7	**Carrying value at end of the year**	52,813.4	47,127.7	5,685.7
			30 June 2009			
983.3	8,736.1	9,719.4	Cost	78,338.5	70,412.6	7,925.9
282.8	3,439.4	3,722.2	Accumulated depreciation and impairment	30,001.1	27,721.6	2,279.5
700.5	5,296.7	5,997.2	**Carrying value at end of the year**	48,337.4	42,691.0	5,646.4

[1] *In F2010, Gold Fields reached agreement with Morgan Stanley Bank to terminate, for R1,998.9 million, the royalty agreement between St Ives Gold Mining Company (Pty) Limited and Morgan Stanley Bank's subsidiary. The terminated royalty agreement required St Ives to pay 4% net smelter volume royalty on all its revenues once total gold produced from 30 November 2001 exceeded 3.3 million ounces which was triggered early in F2009, and provided that if the gold price exceeded A$600 per ounce, to pay an additional 10% of the revenue difference between the spot gold price, in Australian dollars per ounce, and the price of A$600 per ounce.*

[2] *Borrowing costs of R88.2 million were capitalised based on Group general borrowings which are related to the qualifying projects at South Deep. An average interest capitalisation rate of 5.5% was applied.*

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	2010		2010	2009
		12. GOODWILL		
557.4	**553.2**	Balance at beginning of the year	**4,458.9**	4,458.9
(4.2)	**35.8**	Translation	**—**	—
553.2	**589.0**	**Balance at end of the year**	**4,458.9**	4,458.9

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

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

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

- Long-term gold price of R260,000 per kilogram for 2011 and 2012 and R290,000 per kilogram thereafter (2009: R245,000 for 2011 and 2012 and R280,000 per kilogram thereafter), and;
- a discount rate of 6.1% – 6.8% (2009: 6.0%)

- The annual life-of-mine plan takes into account the following:
  - proved and probable Ore Reserves of South Deep;
  - value beyond proved and probable reserves determined using appropriate price assumptions;
  - cash flows based on the life-of-mine plan which exceeds a period of five years; and
  - capital expenditure estimates over the life-of-mine plan.

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

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

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

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		13. INVESTMENT IN ASSOCIATES		
6.1	**14.9**	Rand Refinery Limited	**113.0**	49.5
48.4	**31.1**	Rusoro Mining Limited	**235.2**	390.3
54.5	**46.0**	**Total investment in associates**	**348.2**	439.8
		(a) Rand Refinery Limited		
		The Group has a 34.9% interest in Rand Refinery Limited, a company incorporated in the Republic of South Africa, which is involved in the refining of bullion and by-products which are sourced from, *inter alia*, South African and foreign gold-producing mining companies. The investment has been equity accounted since 1 July 2002.		
		Rand Refinery Limited has a 30 September year end and equity accounting is based on results to 31 May 2010.		
52.1	**76.6**	Total revenue of associate	**580.3**	469.8
4.6	**24.0**	Total profit of associate	**182.1**	41.2
		Investment in associate consists of:		
3.3	**3.3**	Unlisted shares at cost	**22.3**	22.3
5.5	**2.8**	Share of accumulated profits brought forward	**27.2**	47.7
(5.6)	**—**	Dividends received	**—**	(34.9)
1.6	**8.4**	Share of profit after taxation	**63.5**	14.4
1.3	**0.4**	Translation adjustments	**—**	—
6.1	**14.9**	**Total investment in associate**	**113.0**	49.5
		The Group's interest in the summarised financial statements of Rand Refinery Limited are:		
10.1	**12.3**	Non-current assets	**92.9**	81.5
14.0	**15.3**	Current assets	**116.1**	112.9
24.1	**27.6**	**Total assets**	**209.0**	194.4
2.1	**2.3**	Non-current liabilities	**17.8**	16.6
10.2	**4.3**	Current liabilities	**32.5**	82.6
12.3	**6.6**	**Total liabilities**	**50.3**	99.2
11.8	**21.0**	**Net assets**	**158.7**	95.2
		Reconciliation of the total investment in associate with attributable net assets:		
11.8	**21.0**	Net assets	**158.7**	95.2
(1.4)	**(1.4)**	Dividends received	**(8.4)**	(8.4)
(4.3)	**(4.7)**	Fair value adjustment[1]	**(37.3)**	(37.3)
6.1	**14.9**	**Carrying value**	**113.0**	49.5

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

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		13. INVESTMENT IN ASSOCIATES (continued)		
		(b) Rusoro Mining Limited		
		Gold Fields interest in Rusoro Mining Limited at 30 June 2010 was 26.4% (2009: 26.4%).		
		Rusoro Mining Limited, a company listed on the Toronto Stock Exchange (TSX), is a junior gold producer, with a large land position in the prolific Bolivar State gold region in southern Venezuela. The investment has been equity accounted since 30 November 2007.		
		Rusoro Mining Limited has a 31 December year end and equity accounting is based on published results to 31 March 2010.		
88.8	**58.6**	Total revenue of associate	**444.2**	800.1
(54.4)	**25.8**	Total profit/(loss) of associate	**195.6**	(490.1)
		Investment in associate consists of:		
236.9	**236.9**	Listed shares at fair value at acquisition	**1,604.7**	1,604.7
(5.7)	**(25.8)**	Share of accumulated losses brought forward	**(224.3)**	(42.7)
—	**(162.6)**	Brought forward – other[1]	**(1,311.0)**	—
(41.2)	**—**	Dilution loss	**—**	(331.9)
(20.1)	**7.2**	Share of loss after taxation	**54.8**	(181.6)
(132.2)	**(25.9)**	Impairment of investments	**(196.5)**	(1,065.7)
10.7	**1.3**	Other equity movements	**9.9**	86.6
—	**—**	Translation adjustments	**297.6**	320.9
48.4	**31.1**	**Total investment in associate**	**235.2**	390.3
		The Group's interest in the summarised financial statements of Rusoro Mining Limited:		
242.6	**252.3**	Non-current assets	**1,909.9**	1,955.0
25.1	**21.4**	Current assets	**161.8**	202.6
267.7	**273.7**	**Total assets**	**2,071.7**	2,157.6
86.0	**58.9**	Non-current liabilities	**445.9**	693.4
9.8	**25.0**	Current liabilities	**189.3**	79.0
95.8	**83.9**	**Total liabilities**	**635.2**	772.4
0.2	**0.2**	**Non-controlling interest**	**1.2**	1.3
171.7	**189.6**	**Net assets**	**1,435.3**	1,383.9
		Reconciliation of the total investment in associate with attributable net assets:		
171.7	**189.6**	Net assets	**1,435.3**	1,383.9
(5.0)	**(0.4)**	Translation adjustments	**62.1**	72.1
(118.3)	**(158.1)**	Impairment of investment in associate	**(1,262.2)**	(1,065.7)
48.4	**31.1**	**Carrying value[2]**	**235.2**	390.3

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

[2] *The carrying value of Rusoro is based on the market price at 30 June 2010. The market price was used to determine the impairment charge of R196.5 million (2009: R1,065.7 million).*

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		14. FINANCIAL INSTRUMENTS PER CATEGORY		
		The accounting policies for financial instruments have been applied to the line items below:		
		(a) Financial assets		
		Loans and receivables		
357.0	**288.5**	– Trade and other receivables	**2,183.5**	2,877.0
294.2	**459.2**	– Cash and cash equivalents	**3,476.0**	2,370.4
		Fair value through profit or loss		
110.0	**133.8**	– Environmental trust fund	**1,012.5**	886.7
63.4	**41.5**	– Cash and cash equivalents	**314.5**	511.4
		Available for sale		
314.1	**90.8**	– Investments	**687.7**	2,531.0
		(b) Financial liabilities		
		Other financial liabilities		
1,103.7	**1,121.1**	– Borrowings	**8,487.1**	8,895.5
489.9	**487.1**	– Trade and other payables	**3,686.3**	3,949.1
287.8	**306.1**	– Provisions	**2,317.6**	2,319.6
9.7	**—**	– Bank overdraft	**—**	77.9
		Derivatives used for hedging		
1.8	**—**	– Financial instruments	**—**	14.0

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		15. INVESTMENTS		
		Listed		
268.7	**90.6**	Cost	**672.2**	2,269.4
(16.0)	**(18.4)**	*Less*: Other than temporary impairments	**(155.1)**	(143.8)
59.7	**4.6**	Net unrealised gain on revaluation	**64.2**	392.7
312.4	**76.8**	Carrying value	**581.3**	2,518.3
312.4	**76.8**	Market value	**581.3**	2,518.3
		Unlisted		
0.8	**1.2**	Carrying value and directors' valuation	**9.7**	6.2
313.2	**78.0**	Total listed and unlisted investments	**591.0**	2,524.5
0.9	**12.8**	Loans advanced	**96.7**	6.5
314.1	**90.8**	**Total investments**	**687.7**	2,531.0
		All investments are classified as available-for-sale. Details of major investments are given on pages 255 and 256.		

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	2010		2010	2009
		16. ENVIRONMENTAL TRUST FUNDS		
93.3	110.0	Balance at beginning of the year	886.7	746.7
6.4	8.0	Contributions	60.3	57.7
9.1	8.6	Interest earned	65.5	82.3
1.2	7.2	Translation adjustment	—	—
110.0	133.8	**Balance at end of the year**	1,012.5	886.7
		The proceeds from these funds are intended to fund environmental rehabilitation obligations of the Group's South African mines and they are not available for general purposes of the Group. All income earned on these funds is reinvested or spent to meet these obligations. The funds are invested in money market, fixed deposits, government and other corporate bonds. The obligations which these funds are intended to fund are included in environmental rehabilitation costs under long-term provisions (note 23.2)		
		17. INVENTORIES		
143.5	169.5	Gold-in-process	1,283.0	1,156.7
121.0	134.3	Consumable stores	1,017.0	975.3
2.0	5.8	Other	43.6	16.4
266.5	309.6	**Total inventories**	2,343.6	2,148.4
		The cost of consumable stores consumed during the year and included in working cost amounted to R5,125 million/US$676 million (2009: R4,807 million/US$534 million).		
		18. TRADE AND OTHER RECEIVABLES		
137.1	130.9	Trade receivables – gold sales	991.0	1,104.8
19.1	21.1	Trade receivables – other	159.9	154.0
38.6	5.4	Deposits	41.0	311.4
1.1	—	Interest receivable	0.2	8.7
4.6	8.4	Payroll receivables	63.8	37.2
26.8	17.1	Prepayments	129.7	215.8
144.0	106.4	Value added tax	805.8	1,160.3
0.8	0.9	Diesel rebate	7.1	6.2
11.7	15.4	Other	114.7	94.4
383.8	305.6	**Total trade and other receivables**	2,313.2	3,092.8

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	2010		2010	2009
		19. FINANCIAL INSTRUMENTS		
(0.1)	–	Western Areas US dollars/rand purchases	–	(0.4)
(1.7)	–	Peru copper financial instruments	–	(13.6)
(1.8)	–	**Total financial instruments**	–	(14.0)

Western Areas US dollars/rand forward purchases

As a result of the US$551 million drawn down under the original bridge loan facility to settle mainly the close-out of the Western Areas gold derivative structure on 30 January 2007, US dollar/rand forward cover purchased during the March 2007 quarter to cover this amount. During F2008, US$233 million of this loan was repaid and the forward cover was reduced to US$318 million to correspond with the loan amount outstanding.

In June 2009, a further amount of US$44 million was repaid against the loan, and the forward cover was reduced by US$44 million. The balance of US$274 million was extended to 15 July 2009, being the next interest repayment date on the loan, at an average forward rate of R8.0893.

At 30 June 2009 the unrealised foreign exchange loss on the revaluation of the US$274 million loan was R210 million. This loss was offset by R210 million cumulative positive gains on the forward cover purchased at an original rate of R7.3279. During F2009 R278 million of forward cover costs were accounted for as part of interest, as this forward cover has been designated as a hedging instrument.

The forward cover was further extended to 17 August 2009 at a rate of R8.3839 and then to 17 September 2009 at a rate of R8.0387. On 17 September 2009 the forward cover of US$274 million was settled as a result of the decision to repay the outstanding loan amount. At 17 September 2009 the realised foreign exchange loss on the settlement of the US$274 million loan was R34 million. This loss was offset by R34 million cumulative positive gains on the forward cover purchased at an original rate of R7.3279. During F2010 R38 million of forward cover costs was accounted for as part of interest, as this forward cover has been designated as a hedging instrument.

Peru copper financial instruments

During June 2009, 8,705 tonnes of Cerro Corona's expected copper production for F2010 was sold forward for monthly deliveries, starting on 24 June 2009 to 23 June 2010. The average forward price for the monthly deliveries was US$5,001 per tonne.

An additional 8,705 tonnes of Cerro Corona's expected copper production for F2010 was hedged by means of a zero cost collar, guaranteeing a minimum price of US$4,600 per tonne with full participation up to a maximum price of US$5,400 per tonne.
Both the above instruments were delivered into during F2010. There were no outstanding copper financial instruments at 30 June 2010 (2009: R14 million).

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	2010		2010	2009
		20. CASH AND CASH EQUIVALENTS		
357.6	500.7	Cash at bank and on hand	3,790.5	2,881.8
(9.7)	—	Bank overdraft	—	(77.9)
347.9	500.7	**Total cash and cash equivalents**	3,790.5	2,803.9
		21. 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:		
		Deferred taxation liabilities		
1,698.8	1,930.3	– Mining assets	14,612.5	13,692.1
41.9	51.0	– Investment in environmental trust funds	386.0	338.0
1.0	—	– Financial instruments	—	8.3
12.5	3.7	– Investments	28.2	101.0
3.3	4.3	– Inventories	32.5	26.4
17.4	22.7	– Deferred stripping costs	171.5	140.1
8.2	22.7	– Other	171.7	66.3
1,783.1	2,034.7	**Gross deferred taxation liabilities**	15 402.4	14,372.2
		Deferred taxation assets		
(115.7)	(125.6)	– Provisions	(951.1)	(932.3)
—	(1.2)	– Financial instruments	(9.1)	—
(281.3)	(339.2)	– Tax losses	(2,567.8)	(2,267.3)
(625.8)	(625.1)	– Unredeemed capital expenditure	(4,731.7)	(5,043.8)
760.3	943.6	**Net deferred taxation liabilities**	7,142.7	6,128.8
677.7	760.4	Balance at beginning of the year	6,128.8	5,421.9
88.2	146.1	Transferred through the income statement	1,107.1	795.1
11.2	(9.7)	Deferred tax on mark-to-market adjustments accounted for in equity	(73.8)	101.0
(16.7)	46.8	Translation adjustment	(19.4)	(189.2)
760.4	943.6	**Balance at end of the year**	7,142.7	6,128.8

22. BORROWINGS

The notes below should be read with the detail as disclosed as part of this note on pages 218 and 219.

(a) Debt component of Mvela loan

On 17 March 2004, Mvelaphanda Gold (Pty) Limited ("Mvela"), a wholly owned subsidiary of Mvelaphanda Resources Limited ("Mvela Resources"), advanced an amount of R4,139 million to GFI Mining South Africa (Pty) Limited ("GFIMSA") at a fixed rate of 10.57% nominal annual compounded semi-annually. Interest was payable semi-annually. The loan amount was repaid on 17 March 2009.

Prior to the repayment of the loan, the Mvela loan had been accounted for as a convertible debt with two components, debt and equity. The former was a long-term liability determined by discounting future interest payments at a market-related cost of debt. The residual amount, net of deferred tax, the equity component, was included in shareholders' equity.

(b) Split-tenor revolving credit facility

On 16 May 2007, GFIMSA, Orogen Holdings (BVI) Limited ("Orogen") and Gold Fields Operations Limited ("GF Operations") entered into a US$750 million split-tenor revolving credit facility consisting of a US$250 million 364-day revolving tranche with a 12-month term out option ("Facility A") and a US$500 million five-year revolving tranche ("Facility B").

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

On 30 June 2008, Orogen had borrowed US$73 million and US$121 million under Facility A and Facility B respectively. GF Operations had US$177 million and US$141 million outstanding under Facility A and Facility B respectively on the same date.

On various dates during F2009, Orogen drew down a further US$120 million under Facility B. On 15 May 2009, GF Operations drew down US$118 million under Facility B to partly refinance its maturing loan under Facility A. The balance of the GF Operations loan outstanding under Facility A of US$59 million was refinanced with the US$311 million syndicated revolving loan facility, which is detailed below in (c). Also on 15 May 2009, Orogen repaid US$16 million of its portion of the maturing Facility A and refinanced the remaining US$57 million with the US$311 million syndicated revolving loan facility.

On 17 September 2009, Gold Fields utilised US$259 million of the proceeds from the sale of the shares in Eldorado Gold Corporation to fully settle GF Operations borrowings under Facility B. Subsequently, on various dates, Orogen drew down US$221 million to refinance more expensive debt under the US$311 million syndicated revolving loan facility. Orogen also repaid US$32 million during the year.

The outstanding borrowings, all under Facility B, at 30 June 2010 were US$430 million (F2009: US$500 million). The difference of US$1.5 million between the outstanding borrowings at 30 June 2009 and the borrowings disclosed on note 22 (b) related to the transaction costs, which were deducted from the liability on initial measurement.

The loan under Facility B bears interest at LIBOR plus a margin of 0.30% per annum. Borrowings under the revolving credit facility are guaranteed by Gold Fields, GFIMSA, GF Holdings, Orogen and GF Operations.

(c) US$311 million syndicated revolving loan facility

On 7 May 2009, GFIMSA, Orogen and GF Operations entered into a 364-day US$311 million syndicated revolving loan facility with an option to extend the term on the same terms for an additional 364 days from the date of the original final maturity ("Extension Option"). At any time prior to the date of final maturity, Gold Fields had the option to convert all advances outstanding under this facility into a term loan with a final maturity date being no more than 24 months after the signing date of the facility ("the Term-Out Option"). The Extension Option was not exercisable if the Term-Out Option had been exercised. The purpose of the facilities was to refinance existing facilities and for general corporate purposes.

On 15 May 2009, GF Operations and Orogen drew down US$59 million and US$57 million respectively under this facility to refinance their respective portion of the loans maturing under Facility A of the split-tenor revolving credit facility. On 15 June 2009, GF Operations repaid US$44 million of its loan.

On various dates during July 2009, Orogen drew down a total of US$50 million for the funding of the Glencar Mining acquisition. During August 2009, Orogen drew down US$150 million to partly fund the termination of the Morgan Stanley Royalty Agreement at St Ives.

On 17 September 2009, Gold Fields utilised US$15 million of the proceeds from the sale of the shares in Eldorado Gold Corporation to fully settle GF Operations borrowings under this facility. On 22 September 2009, Orogen repaid US$36 million of its loan.

Subsequently, Orogen refinanced the outstanding balance under the facility of US$221 million with the split-tenor revolving credit facility.

The facility bore interest at LIBOR plus a margin of 2.75% per annum. The borrowers were required to pay a quarterly commitment fee of 1.10% per annum, payable on the undrawn portion of the facility. Neither the Extension Option or the Term-Out Option had been exercised and the facility expired on 7 May 2010.

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

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

22. BORROWINGS (continued)

(d) Project finance facility

On 14 November 2006, Gold Fields La Cima entered into a US$150 million project finance facility with a number of lenders. The purpose of the facility was to finance the project costs related to the development of the Cerro Corona copper-gold porphyry deposit located in the Hualgayoc province in the Cajamarca region in northern Peru.

The loan bears interest at a margin over LIBOR of:

- 0.45% during the pre-completion phase (i.e. prior to the financial completion date); and
- between 1.25% and 1.75% thereafter.

Scheduled principal payments are in 16 semi-annual instalments of various amounts ranging from 4.75% to 6.75% of the principal amount. The final instalment is due on the tenth anniversary of the signing date. Principal and voluntary repayment during F2010 totalled US$50 million. The outstanding loan balance at 30 June 2010 was US$100 million (F2009: US$150 million).

During the pre-completion phase the loan is guaranteed by Gold Fields and Gold Fields Corona (BVI) Limited (a wholly owned subsidiary of Gold Fields) ("the Guarantees"). The facility is secured by, among other things, pledges of and mortgages over the assets and properties of Gold Fields La Cima.

In accordance with the Facility Agreement, the financial completion date (i.e. the date on which the Guarantees fall away and the facility goes non-recourse) must occur before 14 November 2010. Gold Fields La Cima however intends to refinance this facility with a new US$200 million term loan before this date.

(e) Preference shares

On 24 December 2007, Gold Fields Limited issued R1.2 billion of non-convertible redeemable preference shares. The dividend rate payable is a floating rate that increases from 22% up to 61% of the prime lending rate quoted by FirstRand Bank Limited (the "Prime Rate") over the life of the preference shares. Dividends accrue quarterly and are rolled up until the redemption date. The purpose of the preference shares was to refinance existing credit facilities.

On 10 October 2008, R600 million of the R1,200 million preference shares was redeemed with an attributable dividend of R23.2 million. The balance of the preference shares are redeemable at the option of Gold Fields.

The preference shares mature on 24 January 2011 and have been guaranteed by GFIMSA, Orogen, GF Operations and GF Holdings.

(f) Commercial paper loan

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

Under the Programme Gold Fields issued listed notes totalling R7,902 million (F2009: R1,143 million) and settled listed maturing notes totalling R5,443 million (F2009: nil). The different notes issued mature 3, 6 or 12 months from date of issue and bear interest at JIBAR plus a margin ranging from 0.51% to 1.00% per annum, except for notes with a carrying value of R300 million which are at a fixed rate of 8.48%.

The outstanding issued notes under the Programme at 30 June 2010 were R3,602 million (F2009: R1,143 million).

Notes under the Programme are guaranteed by GFIMSA, GF Holdings, Orogen and GF Operations.

(g) Industrial Development Corporation loan

On 28 May 2004, Living Gold (Pty) Limited ("Living Gold"), a subsidiary of GFIMSA, entered into an agreement with the Industrial Development Corporation of South Africa Limited ("IDC") in terms of which the IDC agreed to provide a loan facility of R16.6 million. On 24 November 2004, Living Gold drew down the full amount of the facility and on 1 July 2006 the IDC converted R8.1 million of the outstanding loan to equity. On 1 July 2008 the remaining R8.8 million was converted to equity.

(h) Short-term syndicated facility

During F2009, Gold Fields Ghana Limited, entered into a US$20 million syndicated facility for 12 months. The facility was used for working capital requirements associated with the expansion of the carbon-in-leach ("CIL") plant at the Tarkwa Mine and related capital expenditure. The loan bore interest at LIBOR plus a margin of 3.0% per annum.

During December 2008, Tarkwa drew down US$20 million under the loan. Scheduled principal payments were made in monthly instalments of US$2 million for the first four months and US$4 million for the last three months beginning 30 June 2009. The final instalment was due and paid on 31 December 2009.

22. BORROWINGS (continued)

(i) Scrip loan

On 26 March 2010, GFL Mining Services (Pty) Ltd ("GFLMS") entered into a Scrip Lending agreement with a South African bank in terms of which GFLMS agreed to lend 3 million of its securities in Mvelaphanda Resources Limited for an initial cash collateral of R144 million. The market value of the collateral delivered by the bank to GFLMS on each settlement date shall represent not less than the market value of the loaned securities on that date together with a margin of 5% per annum.

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

Interest on the cash collateral held is calculated based on a one-month JIBAR rate and accrues daily and is compounded monthly in arrears. The first interest settlement was on 24 June 2010. The next interest payment date will be on settlement.

At 30 June 2010, the value of the loaned securities was R140 million. The outstanding liability against these securities was R144 million.

(j) Other loans

Other short-term credit facilities

On 21 August 2007, GFIMSA entered into a R500 million 364-day revolving credit facility for general corporate purposes. Borrowings under this facility were guaranteed by Gold Fields.

On 22 September 2008, this facility was reinstated as a short-term facility expiring on 21 October 2008. With effect from 11 November 2008, this facility was again reinstated as a 364-day facility expiring on 10 November 2009. This facility bore interest at JIBAR plus a margin of 1.20% per annum.

On 31 January 2008, GFIMSA, GF Operations, Orogen and GFL Mining Services Limited entered into a R1 billion 364-day revolving credit facility effective 15 May 2008. The facility was to be used for capital expenditure in respect of gold mining projects, general corporate and working capital requirements. Borrowings under the facility were guaranteed by Gold Fields, GF Holdings, GF Operations, Orogen and GFIMSA and bore interest at JIBAR plus 0.70% per annum. Gold Fields paid a quarterly commitment fee of 0.15% per annum on any undrawn amounts under the facility. This facility expired on 14 May 2009.

The Group utilised the above-mentioned ABSA facilities with other uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operations. The total draw-downs were R1,040 million in F2010 (2009: R8,039 million). Total repayments were R2,140 million (F2009: R6,941 million). The repayments were made from cash generated by operations and from the proceeds of issuing notes under the Programme.

US$450 million syndicated revolving loan facility

On 12 May 2010, GFIMSA, Orogen and GF Operations entered into a US$450 million syndicated revolving loan facility with an option to increase the facility to US$550 million within six months from signing date. The purpose of the facilities was to refinance existing facilities, for general corporate purposes and working capital. This facility was unutilised at year-end. The final maturity date of this facility is 30 September 2018.

The facility bears interest at LIBOR plus a margin of 1.75% per annum. Where the utilisation under the facility is equal to or greater than 50%, 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 0.70% per annum.

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

R3.0 billion long-term revolving credit facilities

GFIMSA and GF Operations entered into three separate revolving credit facilities totalling R3 billion with tenors between three and five years. The purpose of the facilities is to finance capital expenditure, general corporate and working capital requirements and to refinance existing debt. These facilities were unutilised at year end.

These facilities bear interest at JIBAR plus a margin of between 2.85% and 3.00% per annum. The borrowers are required to pay a commitment fee of between 0.75% and 0.90% per annum on the undrawn and uncancelled amounts of the facilities, calculated and payable either quarterly or semi-annually in arrears.

In summary the facilities are:

- a R1.0 billion revolving credit facility maturing 17 December 2012;
- a R500 million revolving credit facility maturing 10 March 2013; and
- a R1.5 billion revolving credit facility maturing 10 June 2014.

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

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	2010		2010	2009
		22. BORROWINGS (continued)		
		(a) Debt component of Mvela loan		
595.2	—	Loan advanced	—	4,107.0
(355.6)	—	Equity component	—	(2,453.6)
239.6	—	Debt component on initial recognition	—	1,653.4
60.5	—	Balance at the beginning of year	—	484.2
(54.2)	—	Repayments	—	(484.2)
(6.3)	—	Translation adjustment	—	—
—	—	Balance at end of year	—	—
		(b) Split-tenor revolving credit facility		
510.5	498.5	Balance at the beginning of year	4,018.0	4,084.0
138.0	221.0	Loan advanced	1,642.0	1,325.2
(150.0)	(289.5)	Repayments	(2,154.7)	(1,299.2)
—	—	Translation adjustment	(250.2)	(92.0)
498.5	430.0	Balance at end of year	3,255.1	4 018.0
		(c) Syndicated revolving loan facility		
—	72.0	Balance at the beginning of year	580.3	—
116.0	200.0	Loan advanced	1,547.2	993.0
(44.0)	(272.0)	Repayments	(2,018.8)	(376.6)
—	—	Translation adjustment	(108.7)	(36.1)
72.0	—	Balance at end of year	—	580.3
		(d) Project finance facility		
150.0	150.0	Balance at the beginning of year	1,209.0	1,200.0
—	(50.0)	Repayments	(383.0)	—
—	—	Translation adjustment	(69.0)	9.0
150.0	100.0	Balance at end of year	757.0	1 209.0
		(e) Preference shares		
152.4	84.9	Balance at the beginning of year	684.2	1 219.5
9.8	5.9	Interest payable	44.7	87.9
(63.5)	—	Repayments	—	(623.2)
(13.8)	5.5	Translation adjustment	—	—
84.9	96.3	Balance at end of year	728.9	684.2
		(f) Commercial paper loan		
—	141.8	Balance at the beginning of year	1,143.0	—
133.5	1 044.9	Notes issued	7,902.0	1,143.0
	(721.9)	Settlements	(5,443.0)	—
8.3	11.0	Translation adjustment	—	—
141.8	475.8	Balance at end of year	3,602.0	1,143.0
		(g) Industrial Development Corporation loan		
1.1	—	Balance at the beginning of year	—	8.8
(1.1)	—	Capitalisation of loan to minority interests	—	(8.8)
—	—	Balance at end of year	—	—

Figures in millions unless otherwise stated

UNITED STATES DOLLARS				SOUTH AFRICAN RAND	
2009	**2010**			**2010**	2009
		22.	**BORROWINGS** (continued)		
		(h)	**Short-term syndicated facility**		
—	**20.0**		Balance at the beginning of year	**161.2**	—
20.0	**—**		Loan advanced	**—**	203.6
	(20.0)		Repayments	**(151.7)**	—
—	**—**		Translation adjustment	**(9.5)**	(42.4)
20.0	**—**		Balance at end of year	**—**	161.2
		(i)	**Scrip loan**		
—	**19.5**		Loans advanced	**144.1**	—
—	**(0.5)**		Translation adjustment	**—**	—
—	**19.0**		Balance at end of year	**144.1**	—
		(j)	**Other loans**		
0.2	**136.5**		Balance at the beginning of year	**1,099.8**	1.6
904.8	**134.5**		Loans advanced	**1,040.2**	8,039.0
(736.0)	**(284.1)**		Repayments	**(2,140.0)**	(6,940.8)
(32.5)	**13.1**		Translation adjustment	**—**	—
136.5	**—**		Balance at end of year	**—**	1,099.8
1,103.7	**1,121.1**		**Gross borrowings**	**8,487.1**	8,895.5
(317.8)	**(691.1)**		Current portion included in borrowings	**(5,232.0)**	(2,561.2)
785.9	**430.0**		**Total non-current borrowings**	**3,255.1**	6,334.3
			The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates is as follows:		
1,103.7	**1,081.5**		Six months or less	**8,187.1**	8,895.5
—	**39.6**		Fixed rate with no exposure to repricing	**300.0**	—
1,103.7	**1,121.1**			**8,487.1**	8,895.5
			The carrying amounts of the Group's borrowings are denominated in the following currencies:		
740.5	**530.0**		US dollar	**4,012.1**	5,968.5
363.2	**591.1**		Rand	**4,475.0**	2,927.0
1,103.7	**1,121.1**			**8,487.1**	8,895.5
			The Group has the following undrawn borrowing facilities:		
425.1	**916.3**		Committed	**6,936.4**	3,426.0
207.5	**257.4**		Uncommitted	**1,948.8**	1,672.4
632.6	**1,173.7**			**8,885.2**	5,098.4
			All of the above facilities have floating rates. The uncommitted facilities have no expiry dates and are open ended. Committed facilities have the following expiry dates:		
239.0	**—**		– within one year	**—**	1,926.0
—	**70.0**		– later than one year and not later than two years	**529.9**	—
—	**198.2**		– later than two years and not later than three years	**1,500.0**	—
186.1	**648.1**		– later than three years and not later than five years	**4,906.5**	1,500.0
425.1	**916.3**			**6,936.4**	3,426.0

Notes to the consolidated financial statements continued

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Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		23. PROVISIONS		
		23.1 Post-retirement health care costs		
2.3	**2.7**	Gold Fields Group (excluding South Deep) post-retirement health care costs	**20.8**	18.3
0.3	**0.2**	South Deep post-retirement health care costs	**1.3**	2.2
2.6	**2.9**	Gold Fields Group post-retirement health care costs	**22.1**	20.5
		Gold Fields Group (excluding South Deep) post-retirement health care costs		
		The Group has certain liabilities to subsidise the contributions payable by certain pensioners and dependants of ex-employees on a pay-as-you-go basis. The remaining obligation was actuarially valued at 30 June 2010 and the outstanding contributions will be funded over the lifetime of these pensioners and dependants.		
		The following table sets forth the funded status and amounts recognised by the Group for post-retirement health care costs:		
2.4	**2.4**	Actuarial present value	**17.8**	19.2
—	**—**	Plan assets at fair value	**—**	—
2.4	**2.4**	Accumulated benefit obligation in excess of plan assets	**17.8**	19.2
—	**—**	Unrecognised prior service costs	**—**	—
—	**—**	Unrecognised actuarial (gains)/losses	**—**	—
2.4	**2.4**	Post-retirement health care liability	**17.8**	19.2
		Benefit obligation reconciliation		
2.2	**2.3**	Balance at beginning of the year	**18.3**	17.6
0.2	**0.5**	Interest charge	**3.9**	1.6
(0.1)	**(0.2)**	Payments during the year	**(1.4)**	(0.9)
—	**0.1**	Translation adjustments	**—**	—
2.3	**2.7**	Balance at end of the year	**20.8**	18.3

The obligation has been valued using the projected unit credit funding method on past service liabilities. The valuation assumes a health care cost inflation rate of 8.0% per annum (2009: 7.0%) and a discount rate of 9.0% per annum (2009: 8.4%). Assumed health care cost trend rates have a significant impact on the amounts reported for the health care plans.

A one percentage point increase in assumed health care trend rates would have increased interest cost for 2010 by R0.5 million (10.6%) (2009: R0.2 million (9.8%)). The effect of this change on the accumulated post-retirement health care benefit obligation at 30 June 2010 would have been an increase of R1.8 million (10.2%) (2009: R2.0 million (10.2%)).

A one percentage point decrease in assumed health care trend rates would have decreased interest cost for 2010 by R0.1 million (8.5%) (2009: R0.1 million (8.5%)). The effect of this change on the accumulated post-retirement health care benefit obligation at 30 June 2010 would have been a decrease of R1.5 million (8.7%) (2009: R1.7 million (8.7%)).

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		23. PROVISIONS (continued)		
		23.1 Post-retirement health care costs (continued)		
		South Deep post-retirement health care costs		
		As part of the acquisition of South Deep, the post-retirement health care cost liability was assumed. The Group has certain liabilities to provide fixed monthly post-retirement medical benefits to certain pensioners and dependants of ex-employees. The obligation was actuarially valued at 30 June 2010 and the outstanding contributions will be funded until 31 December 2011.		
		The following table sets forth the funded status and amounts recognised by the Group for post-retirement health care costs:		
0.2	**0.3**	Actuarial present value	**2.0**	2.0
—	**—**	Plan assets at fair value	**—**	—
0.2	**0.3**	Accumulated benefit obligation in excess of plan assets	**2.0**	2.0
—	**—**	Unrecognised prior service costs	**—**	—
—	**—**	Unrecognised actuarial (gains)/losses	**—**	—
0.2	**0.3**	Post-retirement health care liability	**2.0**	2.0
		Benefit obligation reconciliation		
0.5	**0.3**	Balance at beginning of the year	**2.2**	3.4
—	**—**	Interest charge	**0.1**	0.2
(0.2)	**(0.1)**	Payments during the year	**(1.0)**	(1.4)
—	**—**	Translation adjustments	**—**	—
0.3	**0.2**	Balance at end of the year	**1.3**	2.2

The obligation has been valued using the projected unit credit funding method on past service liabilities. The valuation assumes a health care cost inflation rate of 8.0% per annum (2009: 7.0%) and a discount rate of 9.0% per annum (2009: 8.4%).

An increase or decrease in assumed health care trend rates would not have affected the interest cost for 2010 or 2009 as the monthly contributions are fixed.

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

Notes to the consolidated financial statements continued

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Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		23. PROVISIONS (continued)		
		23.2 Environmental rehabilitation costs		
251.9	**281.3**	Balance at beginning of the year	**2,267.9**	2,015.5
22.7	**(9.6)**	Adjustments	**(72.4)**	204.4
14.4	**16.0**	Inflation charge	**121.6**	129.4
4.2	**5.0**	Interest charge	**37.6**	38.1
(4.0)	**(4.3)**	Payments against provision	**(32.7)**	(36.3)
(7.9)	**14.8**	Translation adjustments	**(26.5)**	(83.2)
281.3	**303.2**	Balance at end of the year	**2,295.5**	2,267.9

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

- Ghana – reclamation bonds underwritten by banks to secure estimated costs of rehabilitation;
- South Africa — contributions into environmental trust funds (note 16);
- 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.

2009			**2010**	
Inflation rate %	Discount rate %	The provision is calculated using the following rates:	**Discount rate %**	**Inflation rate %**
7.0	7.0 – 8.7	South Africa	**7.0 – 8.3**	**7.0**
3.0	4.1 – 4.4	Ghana	**6.1 – 6.4**	**2.0**
2.5	6.2 – 6.3	Australia	**5.7 – 5.9**	**2.5**
5.4	6.7	Peru	**5.2**	**2.0**

Figures in millions unless otherwise stated

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		23. PROVISIONS (continued)		
		23.3 Other long-term provisions		
3.9	**3.9**	Kunter Wasi Road	**31.2**	31.2
—	**(3.9)**	Current portion included in trade and other payable	**(29.3)**	—
—	**—**	Translation	**(1.9)**	—
3.9	**—**	Balance at end of the year	**—**	31.2
		Gold Fields La Cima jointly participates with Minera Yanacocha SRL in financing of the Kunter Wasi Road as an alternative route from the coast to the Cerro Corona Mine. Gold Fields La Cima agreed to pay a maximum of 20% (US$11.5 million) of the estimated cost of the project, which commenced July 2009 and is scheduled to be completed by June 2011.		
287.8	**306.1**	**Total provisions**	**2,317.6**	2,319.6
		24. TRADE AND OTHER PAYABLES		
191.6	**158.3**	Trade payables	**1,198.1**	1,544.5
283.9	**324.3**	Accruals and other payables	**2,454.2**	2,288.6
50.7	**61.8**	Leave pay accrual	**467.7**	408.5
14.4	**4.5**	Interest payable on loans	**34.0**	116.0
540.6	**548.9**	Total accounts payable	**4,154.0**	4,357.6
		25. CASH GENERATED BY OPERATIONS		
205.7	**563.8**	Profit for the year	**4,274.5**	1,854.1
261.2	**380.1**	Taxation	**2,881.2**	2,353.5
91.6	**65.7**	Interest paid	**498.6**	825.3
(14.5)	**(31.5)**	Interest received	**(238.3)**	(131.0)
(1.3)	**(0.1)**	Dividends received	**(0.9)**	(11.5)
542.7	**978.0**	**Earnings before non-cash items**	**7,415.1**	4,890.4
		Non-cash and other adjusting items:		
459.7	**638.2**	Amortisation and depreciation	**4,837.3**	4,142.3
14.4	**16.0**	Inflation adjustment to rehabilitation liability	**121.6**	129.4
4.2	**5.0**	Interest adjustment to rehabilitation liability	**37.6**	38.1
(9.1)	**(8.6)**	Interest received – environmental trust funds	**(65.5)**	(82.3)
134.2	**34.0**	Impairment of investments	**257.8**	1,209.5
(0.5)	**(0.3)**	Profit on disposal of property, plant and equipment	**(2.5)**	(4.3)
16.1	**(111.8)**	(Profit)/loss on disposal of investments	**(846.9)**	145.1
33.7	**53.9**	Share-based payments	**408.2**	303.4
—	**(53.0)**	Realised gain on financial instrument – Eldorado top-up shares	**(402.1)**	—
11.3	**5.9**	Preference share and other non-cash interest	**44.7**	102.0
(8.7)	**(11.6)**	Finance costs capitalised	**(88.2)**	(78.5)
(14.6)	**(14.5)**	Other	**(109.2)**	(131.5)
1,183.4	**1,531.2**	**Total cash generated by operations**	**11,607.9**	10,663.6

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Figures in millions unless otherwise stated

UNITED STATES DOLLARS 2009	2010		SOUTH AFRICAN RAND 2010	2009
		26. CHANGE IN WORKING CAPITAL		
(48.9)	**(38.2)**	Inventories	**(289.3)**	(441.0)
(127.0)	**82.1**	Accounts receivable	**622.6**	(1,144.3)
44.5	**(41.7)**	Accounts payable	**(316.3)**	401.5
(131.4)	**2.2**	Total change in working capital	**17.0**	(1,183.8)
		27. TAXATION PAID		
(123.1)	**(98.2)**	Amount owing at beginning of the year	**(791.8)**	(984.6)
(173.0)	**(234.0)**	SA and foreign current taxation	**(1,774.1)**	(1,558.4)
98.2	**104.3**	Amount owing at end of the year	**789.9**	791.8
—		Translation	**11.8**	(61.6)
(197.9)	**(227.9)**	Total taxation paid	**(1,764.2)**	(1,812.8)

28. RETIREMENT BENEFITS

All employees are members of various defined contribution retirement schemes.

Contributions to the various retirement schemes are fully expensed during the year in which they are incurred. The cost of providing retirement benefits for the year amounted to R575.6 million (2009: R515.6 million).

UNITED STATES DOLLARS 2009	2010		SOUTH AFRICAN RAND 2010	2009
		29. COMMITMENTS		
		Capital expenditure		
958.7	**1,252.8**	– authorised	**9,483.0**	7,727.1
141.6	**143.5**	Driefontein	**1,086.0**	1,141.6
194.3	**198.9**	Kloof	**1,505.5**	1,565.7
82.3	**87.2**	Beatrix	**659.9**	663.2
435.7	**568.9**	South Deep	**4,306.3**	3,512.0
35.8	**148.9**	Ghana – Tarkwa	**1,127.2**	288.5
8.2	**7.5**	Ghana – Damang	**56.8**	66.1
44.2	**29.4**	Peru	**222.6**	356.3
14.9	**58.1**	Australia – St Ives	**440.1**	120.3
1.4	**10.2**	Australia – Agnew	**76.9**	10.9
0.3	**0.2**	Other	**1.7**	2.5
		The capital expenditure for the South Deep capital development project is estimated at R8.4 billion for the 5-year period 2010 – 2014. During F2010 R1.6 billion was spent. Of the balance of R6.8 billion, R4.3 billion has been authorised and is included in the table above.		
131.4	**236.9**	– contracted for	**1,793.7**	1,058.9
		Operating leases		
1.7	**3.3**	– within one year	**25.2**	13.8
3.8	**0.8**	– later than one and not later than five years	**6.3**	30.3
—	**—**	– later than five years	**—**	—
3.1	**2.6**	**Guarantees and other commitments**	**19.8**	25.1

30. CONTINGENT LIABILITIES

Randgold and Exploration summons

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

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

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One between the dates of the alleged thefts and March 2008 (approximately R11 billion). The alternative claims have been computed on the basis of the actual amounts allegedly received by Gold Fields Operations to fund its operations (approximately R519 million).

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

World Gold Council

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

31. EVENTS AFTER THE REPORTING DATE

South Deep new-order mining right

On 5 August 2010, Gold Fields Limited announced that the Department of Mineral Resources ("DMR") of South Africa had executed the new-order mining rights for the South Deep Gold Mine, a contiguous property called Uncle Harry's.

Black Economic Empowerment transactions

Further to the award of the new-order mining rights to South Deep, Gold Fields also announced that the DMR had approved the following Black Economic Empowerment deals. These deals will ensure that the Gold Fields South African operations comply with the 2014 Black Economic Empowerment (BEE) ownership requirements.

(a) **Employee Share Ownership Plan (ESOP)** – under the ESOP, Gold Fields will, through its subsidiary GFI Mining South Africa (Pty) Limited ("GFIMSA"), a company that controls the South African assets, issue an estimated 13.5 million unencumbered Gold Fields shares to approximately 47,100 GFIMSA employees. The issue of shares will represent an effective 10.75% in GFIMSA. The shares will be issued to a trust, "Thusano", which will house and administer the shares on behalf of the employees for 15 years. The shares will carry full voting rights.

(b) **Broad-based BEE consortium (BEECO)** – an estimated 600,000 Gold Fields Limited shares representing 1% of GFIMSA's legacy assets in Beatrix, Driefontein and Kloof operating mines will be issued to BEECO.

(c) Through a **vendor financed deal**, BEECO will acquire 10% of South Deep in a phased approach but at no cost to the empowerment consortium. The consortium will hold 10% of South Deep in the form of B-class shares with full ownership and voting rights. B-class shareholders will be entitled to a cumulative preference dividend of R20 million per annum for the first 10 years. Thereafter, the dividend will reduce in equal proportion as the B-class shares are converted to ordinary shares. One-third of the B-class shares will convert to ordinary shares after 10 years and every five years thereafter, one-third will convert until all the B-class shares fully convert to ordinary shares.

The empowerment company will retain ownership of South Deep for 30 years which is the term of the new-order mining right granted to South Deep.

Final dividend

On 4 August 2010, Gold Fields declared a dividend of 70 cents per share.

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32. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

	30 June 2010 R million		30 June 2009 R million	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	3,790.5	3,790.5	2,881.8	2,881.8
Trade and other receivables	2,183.5	2,183.5	2,877.0	2,877.0
Environmental trust fund	1,012.5	1,012.5	886.7	886.7
Investments	687.7	687.7	2,531.0	2,531.0
Financial liabilities				
Trade and other payables	3,686.3	3,686.3	3,949.1	3,949.1
Current portion of borrowings	5,232.0	5,217.5	2,561.2	2,561.2
Financial instruments	—	—	14.0	14.0
Borrowings	3,255.1	3,255.1	6,334.3	6,334.3
Bank overdraft	—	—	77.9	77.9
	US$ million		US$ million	
Financial assets				
Cash and cash equivalents	500.7	500.7	357.6	357.6
Financial instruments	—	—	—	—
Trade and other receivables	288.5	288.5	357.0	357.0
Environmental trust fund	133.8	133.8	110.0	110.0
Investments	90.8	90.8	314.1	314.1
Financial liabilities				
Trade and other payables	487.1	487.1	489.9	489.9
Current portion of borrowings	691.1	689.2	317.8	317.8
Financial instruments	—	—	1.8	1.8
Borrowings	430.0	430.0	785.9	785.9
Bank overdraft	—	—	9.7	9.7

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Trade and other receivables, payables and cash and cash equivalents

The carrying amounts approximate fair values due to the short maturity of these instruments.

Investments, environmental trust fund and long and short-term liabilities

The fair value of publicly traded instruments is based on quoted market values. The environmental trust fund is stated at fair value based on the nature of the fund's investments. The fair value of short-term and long-term borrowings, except for notes with a carrying value of R300 million which are at a fixed interest rate, approximates their carrying amount as the impact of credit risk is included in the measurement of carrying amounts.

Financial instruments

The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates at 30 June 2010. All derivatives are carried on the statement of financial position at fair value.

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

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

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

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

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

The following table set out the Group's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at 30 June 2010:

30 June 2009 R million					30 June 2010 R million			
Total	Level 3	Level 2	Level 1		Level 1	Level 2	Level 3	Total
				Financial assets				
511.4	—	—	511.4	Cash equivalents	314.5	—	—	314.5
435.2	—	—	435.2	Trade receivables from provisional copper concentrate sales	—	—	—	—
886.7	—	185.9	700.8	Environmental trust fund	607.9	404.6	—	1,012.5
2,518.3	—	—	2,518.3	Listed investments	581.3	—	—	581.3
6.2	6.2	—	—	Unlisted investments	—	—	9.7	9.7
				Financial liabilities				
14.0	—	14.0	—	Financial instruments	—	—	—	—
US$ million					US$ million			
				Financial assets				
63.4	—	—	63.4	Cash equivalents	41.5	—	—	41.5
54.0	—	—	54.0	Trade receivables from provisional copper concentrate sales	—	—	—	—
110.0	—	23.1	86.9	Environmental trust fund	80.3	53.5	—	133.8
312.4	—	—	312.4	Listed investments	76.8	—	—	76.8
0.8	0.8	—	—	Unlisted investments	—	—	1.2	1.2
				Financial liabilities				
1.8	—	1.8	—	Financial instruments	—	—	—	—

Cash equivalents

Classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The cash instruments that are valued based on quoted market prices in active markets are primarily money market securities.

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 1 of the fair value hierarchy.

Environmental trust fund

Comprise interest-bearing short-term investments of which investments amounting to R607.9 million (2009: R700.8 million) are valued using quoted market prices and investments of R404.6 million (2009: R185.9 million) are valued using inputs other than quoted prices than are observable for the assets.

Listed investments

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

Financial instruments

Valued using pricing models. Where possible the valuation models are verified to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures volatility and correlations of such inputs.

Notes to the consolidated financial statements continued

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33. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Group is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risk. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the Group

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields' Board of Directors. Management of financial risk is centralised at Gold Fields' Treasury department, which acts as the interface between Gold Fields' operations and counterparty banks. The Treasury department manages financial risk in accordance with the policies and procedures established by the Gold Fields Board of Directors and Executive Committee.

Gold Fields' Audit Committee has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' Treasury department is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

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

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

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

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

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

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

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

Counterparty exposure: The objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Group is limited to a maximum investment of between 4% and 5% of the financial institution's equity, which is dependent on the institution's 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.

33. RISK MANAGEMENT ACTIVITIES (continued)

Credit risk

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

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

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

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

	SOUTH AFRICAN RAND		UNITED STATES DOLLARS	
	2010	2009	**2010**	2009
On-balance sheet				
Investments	**96.7**	6.5	**12.8**	0.9
Non-current assets	**1,012.5**	886.7	**133.8**	110.0
Trade and other receivables	**1,377.7**	1,716.7	**182.1**	213.0
Cash and cash equivalents	**3,790.5**	2,881.8	**500.7**	357.6

Trade debtors mainly comprise banking institutions purchasing gold bullion. Normal terms are two working days. These debtors are in a sound financial position and no impairment has been recognised.

Other receivables that are past due but not impaired total R16.8 million (2009: R19.9 million). As of 30 June 2010, other receivables of R54.2 million (2009: R52.0 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.

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.

Notes to the consolidated financial statements continued

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33. RISK MANAGEMENT ACTIVITIES (continued)

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
2010				
Trade payables	**3,686.3**	**—**	**—**	**3,686.3**
Borrowings				
– US$ borrowings				
– Capital	**757.0**	**3,255.1**	**—**	**4,012.1**
– Interest	**24.4**	**19.2**	**—**	**43.6**
– ZAR borrowings				
– Capital	**4,346.1**	**—**	**—**	**4,346.1**
– Interest	**227.8**	**—**	**—**	**227.8**
Environmental rehabilitation costs[4]	**—**	**—**	**2,982.0**	**2,982.0**
Post-retirement health care costs	**—**	**—**	**22.1**	**22.1**
Total	**9,041.6**	**3,274.3**	**3,004.1**	**15,320.0**
2009				
Trade payables	3,949.1	—	—	3,949.1
Borrowings				
– USD borrowings				
– Capital	318.4	5,181.6	480.6	5,980.6
– Interest	48.7	111.3	16.2	176.2
– ZAR borrowings				
– Capital	2,242.9	600.0	—	2,842.9
– Interest	34.4	231.4	—	265.8
Environmental rehabilitation costs[4]	—	—	2,754.4	2,754.4
Post-retirement health care costs	—	—	20.5	20.5
Financial instruments[5]				
– Contractual outflow	2,216.4	—	—	2,216.4
– Inflow if US$ were to be sold	(2,208.4)	—	—	(2,208.4)
Bank overdraft	77.9	—	—	77.9
Total	6,679.4	6,124.3	3,271.7	16,075.4

[1] *Spot rate: R7.57 = US$1.00 (2009: R8.06 = US$1.00).*

[2] *US$ borrowings – spot LIBOR (1 month fix) rate adjusted by specific facility agreement: 0.34719%. (2009: 0.31125%).*

[3] *ZAR borrowings – spot prime rate adjusted by specific facility agreement: 10.0% (2009: 11.0%).*

[4] *In South Africa R1,012.5 million (2009: R886.7 million) of the environmental rehabilitation costs is funded through the environmental trust funds.*

[5] *Financial instruments relate to the US$/rand forward cover purchased. On 17 September 2009 the forward cover of US$274 million was settled as a result of the decision to repay the loan amount (note 19).*

33. RISK MANAGEMENT ACTIVITIES (continued)

	Within one year US$ million	Between one and five years US$ million	After five years US$ million	Total US$ million
2010				
Trade payables	**487.1**	**—**	**—**	**487.1**
Borrowings				
– USD borrowings				
– Capital	**100.0**	**430.0**	**—**	**530.0**
– Interest	**3.2**	**2.5**	**—**	**5.7**
– ZAR borrowings				
– Capital	**574.1**	**—**	**—**	**574.1**
– Interest	**30.1**	**—**	**—**	**30.1**
Environmental rehabilitation costs[4]	**—**	**—**	**393.9**	**393.9**
Post-retirement health care costs	**—**	**—**	**2.9**	**2.9**
Total	**1,194.5**	**432.5**	**396.8**	**2,023.8**
2009				
Trade payables	489.9	—	—	489.9
Borrowings				
– USD borrowings				
– Capital	39.5	642.9	59.6	742.0
– Interest	6.0	13.8	2.0	21.8
– ZAR borrowings				
– Capital	278.3	74.4	—	352.7
– Interest	4.3	28.7	—	33.0
Environmental rehabilitation costs[4]	—	—	341.7	341.7
Post-retirement health care costs	—	—	2.6	2.6
Financial instruments[5]				
– Contractual outflow	275.0	—	—	275.0
– Inflow if USD were to be sold	(274.0)	—	—	(274.0)
Bank overdraft	9.7	—	—	9.7
Total	828.7	759.8	405.9	1,994.4

[1] *Spot rate: R7.57 = US$1.00 (2009: R8.06 = US$1.00).*

[2] *US$ borrowings – spot LIBOR (1 month fix) rate adjusted by specific facility agreement: 0.34719%. (2009: 0.31125%).*

[3] *ZAR borrowings – spot prime rate adjusted by specific facility agreement: 10.0% (2009: 11.0%).*

[4] *In South Africa US$133.8 million (2009: US$110.0 million) of the environmental rehabilitation costs is funded through the environmental trust funds.*

[5] *Financial instruments relate to the US$/rand forward cover purchased. On 17 September 2009 the forward cover of US$274 million was settled as a result of the decision to repay the loan amount (note 19).*

33. RISK MANAGEMENT ACTIVITIES (continued)

Market risk

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

IFRS 7 Sensitivity analysis

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

The amounts generated from the sensitivity analyses below are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

Foreign currency sensitivity

General and policy

In the ordinary course of business, Gold Fields enters into transactions, such as gold sales, denominated in foreign currencies, primarily US dollars. In addition, Gold Fields has investments and indebtedness in US and Australian dollars. Although this exposes Gold Fields to transaction and translation exposure from fluctuations in foreign currency exchange rates, Gold Fields does not generally hedge this exposure, although it may do so in specific circumstances, such as financing projects or acquisitions. Also, Gold Fields on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

Gold Fields' revenues and costs are very sensitive to the rand/US dollar exchange rate because revenues are generated using a gold price denominated in US dollars, while costs of the South African operations are incurred principally in rand. Depreciation of the rand against the US dollar reduces Gold Fields' average costs when they are translated into US dollars, thereby increasing the operating margin of the South African operations. Conversely, appreciation of the rand results in South African operating costs increasing when translated into US dollars, resulting in lower operating margins. The impact on profitability of changes in the value of the rand against the US dollar can be substantial.

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

Foreign currency hedging experience

2010

Western Areas US dollars/rand forward purchases

As a result of the US$551 million drawn down under the original bridge loan facility to settle mainly the close-out of the Western Areas gold derivative structure on 30 January 2007, US dollar/rand forward cover was purchased during the March 2007 quarter to cover this amount. During F2008, US$233 million of this loan was repaid and the forward cover was reduced to US$318 million to correspond with the loan amount outstanding.

In June 2009, a further amount of US$44 million was repaid against the loan, and the forward cover was reduced by US$44 million. The balance of US$274 million was extended to 15 July 2009, being the next interest repayment date on the loan, at an average forward rate of R8.0893.

At 30 June 2009 the unrealised foreign exchange loss on the revaluation of the US$274 million loan was R210 million. This loss was offset by R210 million cumulative positive gains on the forward cover purchased at an original rate of R7.3279. During F2009 R278 million of forward cover costs was accounted for as part of interest, as this forward cover has been designated as a hedging instrument.

The forward cover was further extended to 17 August 2009 at a rate of R8.3839 and then to 17 September 2009 at a rate of R8.0387. On 17 September 2009 the forward cover of US$274 million was settled as a result of the decision to repay the outstanding loan amount. At 17 September 2009 the realised foreign exchange loss on the settlement of the US$274 million loan was R34 million. This loss was offset by R34 million cumulative positive gains on the forward cover purchased at an original rate of R7.3279. During F2010 R38 million of forward cover costs was accounted for as part of interest, as this forward cover has been designated as a hedging instrument.

33. RISK MANAGEMENT ACTIVITIES (continued)

Foreign currency hedging experience (continued)

2009

South Africa US dollars/rand forward sales

South Africa: US dollars/rand forward sales – In October 2008, US$150 million of expected gold revenue for the December quarter was sold forward on behalf of the South African operations. In December 2008, the US$150 million was extended to the March quarter at an average forward rate of R10.3818. During the March quarter US$30 million was settled at a gain for the quarter of R7 million. The outstanding balance of US$120 million was extended into the June quarter at an average forward rate of R10.2595. Subsequent to the March quarter end, the remaining forward cover of US$120 million was partly delivered into and the balance closed out, resulting in a gain of R54 million. This was accounted for in the income statement in the June quarter.

Australia US dollars/Australian dollars forward sales

Australia: US dollars/Australian dollars forward sales – In October 2008, US$70 million of expected gold revenue for the December quarter was sold forward on behalf of the Australian operations. In December 2008, US$56 million was extended to the March quarter at an average forward rate of A$0.6650. During the March quarter an additional US$8 million of instruments were taken out. The total of US$64 million was extended into the June quarter at an average forward rate of A$0.6445. Subsequent to the March quarter end the forward cover of US$64 million was partly delivered into and the balance closed out, resulting in a gain of A$2 million (R13 million). This was accounted for in the income statement.

Foreign currency contract position

As of 30 June 2010, Gold Fields had no material foreign currency contracts, the 30 June 2009 position was as follows:

	Year ended 30 June	
US dollar/rand	**2010**	2009
Forward exchange contracts		
Amount (US dollars) – '000	–	274,000
Average forward rate (R/US$)	–	8.0892

Foreign currency sensitivity analysis

A sensitivity analysis of Gold Fields' foreign currency exposure as of 30 June 2009 is set forth below. Major non-derivative monetary financial instruments, except for ones disclosed in the table below, are denominated in the applicable functional currency. Exchange rate fluctuations therefore do not have an effect on profit and loss or shareholders' equity. Non-interest-bearing securities or equity instruments held are of a non-monetary nature and therefore are not exposed to currency risk as defined in IFRS 7.

	R/US$[1] exchange rate as of 30 June					
Sensitivity to R/US$[2] exchange rates	**-10.0% R million**	**-7.5% R million**	**-5.0% R million**	**5.0% R million**	**7.5% R million**	**10.0% R million**
2010						
Borrowings under the split-tenor revolving credit facility by GF Operations	–	–	–	–	–	–
Forward cover	–	–	–	–	–	–
Change in finance expense[3]	–	–	–	–	–	–
2009						
Borrowings under the split-tenor revolving credit facility by GF Operations	(220.8)	(165.6)	(110.4)	110.4	165.6	220.8
Forward cover	220.8	165.6	110.4	(110.4)	(165.6)	(220.8)
Change in finance expense[3]	–	–	–	–	–	–

[1] *"+" and "–" designate the strengthening and weakening of the rand against the US dollar.*

[2] *Spot rate for 2009: R8.06 = US$1.00.*

[3] *For accounting purposes, this forward cover has been designated as a hedging instrument. As a result the gains and losses on the forward cover have been accounted for under gain/(loss) on foreign exchange along with gains and losses on the underlying loan that has been hedged.*

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33. RISK MANAGEMENT ACTIVITIES (continued)

	R/US$[1] exchange rate as of 30 June					
Sensitivity to R/US$[2] exchange rates	**-10.0% US$ million**	**-7.5% US$ million**	**-5.0% US$ million**	**5.0% US$ million**	**7.5% US$ million**	**10.0% US$ million**
2010						
Borrowings under the split-tenor revolving credit facility by GF Operations	–	–	–	–	–	–
Forward cover	–	–	–	–	–	–
Change in finance expense[3]	–	–	–	–	–	–
2009						
Borrowings under the split-tenor revolving credit facility by GF Operations	(24.5)	(18.4)	(12.3)	12.3	18.4	24.5
Forward cover	24.5	18.4	12.3	(12.3)	(18.4)	(24.5)
Change in finance expense[3]	–	–	–	–	–	–

[1] *"+" and "—" designate the strengthening and weakening of the rand against the US dollar.*
[2] *Spot rate for 2009: R8.06 = US$1.00.*
[3] *For accounting purposes, this forward cover has been designated as a hedging instrument. As a result the gains and losses on the forward cover have been accounted for under gain/(loss) on foreign exchange along with gains and losses on the underlying loan that has been hedged.*

A sensitivity analysis of the mark-to-market valuations of Gold Fields' foreign currency contracts is set forth below:

	R/US$[1] exchange rate as of 30 June						
Sensitivity to R/US$ exchange rates	**-10.0% R million**	**-7.5% R million**	**-5.0% R million**	**Spot[2] R million**	**5.0% R million**	**7.5% R million**	**10.0% R million**
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	220.5	165.3	110.1	(0.4)	(110.8)	(166.0)	(221.2)

[1] *"+" and "—" designate the strengthening and weakening of the rand against the US dollar.*
[2] *Spot rate for 2009: R8.06 = US$1.00.*

	R/US$[1] exchange rate as of 30 June						
Sensitivity to R/US$ exchange rates	**-10.0% US$ million**	**-7.5% US$ million**	**-5.0% US$ million**	**Spot[2] US$ million**	**5.0% US$ million**	**7.5% US$ million**	**10.0% US$ million**
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	27.4	20.5	13.7	(0.1)	(13.7)	(20.6)	(27.4)

[1] *"+" and "—" designate the strengthening and weakening of the rand against the US dollar.*
[2] *Spot rate for 2009: R8.06 = US$1.00.*

33. RISK MANAGEMENT ACTIVITIES (continued)

Sensitivity to rand interest rates	Weighted average rand interest rate[1] as of 30 June						
	-1.5% R million	-1.0% R million	-0.5% R million	Spot[2] R million	0.5% R million	1.0% R million	1.5% R million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	(2.3)	(1.6)	(1.0)	(0.4)	0.3	0.9	1.5

[1] *"+" and "—" designate the strengthening and weakening of the rand interest rate against the spot interest rate.*

[2] *Spot rand interest rate for 2009: 7.69%.*

Sensitivity to rand interest rates	Weighted average rand interest rate[1] as of 30 June						
	-1.5% US$ million	-1.0% US$ million	-0.5% US$ million	Spot[2] US$ million	0.5% US$ million	1.0% US$ million	1.5% US$ million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	(0.3)	(0.2)	(0.1)	(0.1)	0.0	0.1	0.2

[1] *"+" and "—" designate the strengthening and weakening of the rand interest rate against the spot interest rate.*

[2] *Spot rand interest rate for 2009: 7.69%.*

Sensitivity to US dollar interest rates	Weighted average US dollar interest rate[1] as of 30 June						
	-1.5% R million	-1.0% R million	-0.5% R million	Spot[2] R million	0.5% R million	1.0% R million	1.5% R million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	1.5	0.9	0.3	(0.4)	(1.0)	(1.6)	(2.3)

[1] *"+" and "—" designate the strengthening and weakening of the US dollar interest rate against the spot interest rate.*

[2] *Spot US dollar interest rate for 2009: 0.31%.*

Sensitivity to US dollar interest rates	Weighted average US dollar interest rate[1] as of 30 June						
	-1.5% US$ million	-1.0% US$ million	-0.5% US$ million	Spot[2] US$ million	0.5% US$ million	1.0% US$ million	1.5% US$ million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	0.2	0.1	0.0	(0.1)	(0.1)	(0.2)	(0.3)

[1] *"+" and "—" designate the strengthening and weakening of the US dollar interest rate against the spot interest rate.*

[2] *Spot US dollar interest rate for 2009: 0.31%.*

Notes to the consolidated financial statements continued

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33. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price sensitivity

General

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 prices, all of which are beyond the control of Gold Fields, is impossible for Gold Fields to predict.

Oil

The market price of oil has a significant effect on the results of the offshore operations of Gold Fields. The offshore operations consume large quantities of diesel in the running of their mining fleets. Oil prices have historically fluctuated widely and are affected by numerous factors over which Gold Fields does not have any control.

Commodity price hedging policy

Gold and copper

Generally, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. On an exceptional basis, Gold Fields may consider gold hedging arrangements in one or more of the following circumstances:

- To protect cash flows at times of significant expenditure;
- For specific debt-servicing requirements; and
- To safeguard the viability of higher cost operations.

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

Generally Gold Fields does not enter into derivatives or other hedging arrangements to establish a price in advance for future oil consumption. However, where oil prices are expected to increase in the short to medium term, Gold Fields may consider hedging the oil price in order to protect itself against the adverse cost effects of a material increase in the oil price.

Commodity price hedging experience

Gold and copper

2009

During June 2009 8,705 tonnes of Cerro Corona's expected copper production for F2010 was sold forward for monthly deliveries, starting on 24 June 2009 to 23 June 2010. The average forward price for the monthly deliveries is US$5,001 per tonne. An additional 8,705 tonnes of Cerro Corona's expected copper production for F2010 was hedged by means of a zero cost collar, guaranteeing a minimum price of US$4,600 per tonne with full participation up to a maximum price of US$5,400 per tonne. The mark-to-market value of both instruments at the end of June 2009 was negative by R13.6 million (US$1.7 million).

Oil

2009

In F2009, the Ghanaian operations purchased four monthly Asian-style ICE gasoil call options with strike prices ranging from US$0.90 per litre to US$1.11 per litre, which equates to a Brent crude price of between US$92 and US$142 per barrel, with final expiry on 28 February 2010.

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

33. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price contract position

As of the end of financial 2010, there was no commodity price hedging contracts outstanding (2009: copper instruments described above). A sensitivity analysis of the mark-to-market valuations of Gold Fields' foreign currency contracts is set forth below.

	Copper spot price[1] as of 30 June						
Sensitivity to copper spot price	**-15.0% R million**	**-10.0% R million**	**-5.0% R million**	**Spot[2] R million**	**5.0% R million**	**10.0% R million**	**15.0% R million**
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	48.6	31.0	13.4	(4.2)	(21.9)	(39.6)	(57.2)
Financial instruments (Mark-to-market zero cost collar)	32.5	18.4	4.8	(9.4)	(22.2)	(36.3)	(50.9)

[1] *"+" and "—" designate the strengthening and weakening of the copper price against spot.*

[2] *Spot rate for 2009: copper US$5,040 per tonne and R8.06 = US$1.00.*

	Copper spot price[1] as of 30 June						
Sensitivity to copper spot price	**-15.0% US$ million**	**-10.0% US$ million**	**-5.0% US$ million**	**Spot[2] US$ million**	**5.0% US$ million**	**10.0% US$ million**	**15.0% US$ million**
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	6.0	3.8	1.7	(0.5)	(2.7)	(4.9)	(7.1)
Financial instruments (Mark-to-market zero cost collar)	4.0	2.3	0.6	(1.2)	(2.8)	(4.5)	(6.3)

[1] *"+" and "—" designate the strengthening and weakening of the copper price against spot.*

[2] *Spot rate for 2009: copper US$5,040 per tonne and R8.06 = US$1.00.*

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33. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price contract position (continued)

Sensitivity to R/US$ exchange rates	R/US$[1] exchange rate as of 30 June						
	-10.0% R million	-7.5% R million	-5.0% R million	Spot[2] R million	5.0% R million	7.5% R million	10.0% R million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	(4.0)	(4.1)	(4.2)	(4.2)	(4.6)	(4.7)	(4.9)
Financial instruments (Mark-to-market zero cost collar)	(8.0)	(8.3)	(8.5)	(9.4)	(9.4)	(9.6)	(9.8)

[1] *"+" and "—" designate the strengthening and weakening of the rand against the US dollar.*

[2] *Spot rate for 2009: R8.06 = US$1.00.*

Sensitivity to R/US$ exchange rates	R/US$[1] exchange rate as of 30 June						
	-10.0% US$ million	-7.5% US$ million	-5.0% US$ million	Spot[2] US$ million	5.0% US$ million	7.5% US$ million	10.0% US$ million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)
Financial instruments (Mark-to-market zero cost collar)	(1.0)	(1.0)	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)

[1] *"+" and "—" designate the strengthening and weakening of the rand against the US dollar.*

[2] *Spot rate for 2009: R8.06 = US$1.00*

Sensitivity to US$ interest rates	Weighted average US dollar interest rate[1] as of 30 June						
	-1.5% R million	-1.0% R million	-0.5% R million	Spot[2] R million	0.5% R million	1.0% R million	1.5% R million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	(4.3)	(4.3)	(4.3)	(4.2)	(4.3)	(4.3)	(4.2)
Financial instruments (Mark-to-market zero cost collar)	(6.9)	(7.3)	(7.9)	(9.4)	(9.3)	(10.0)	(10.7)

[1] *"+" and "—" designate the strengthening and weakening of the US dollar interest rate against the spot interest rate.*

[2] *Spot US dollar interest rate for 2009: 0.31%.*

33. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price contract position (continued)

Sensitivity to US$ interest rates	Weighted average US dollar interest rate[1] as of 30 June						
	-1.5% US$ million	-1.0% US$ million	-0.5% US$ million	Spot[2] US$ million	0.5% US$ million	1.0% US$ million	1.5% US$ million
2010							
Financial instruments (Mark-to-market forwards)	–	–	–	–	–	–	–
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market forwards)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Financial instruments (Mark-to-market zero cost collar)	(0.9)	(0.9)	(1.0)	(1.2)	(1.2)	(1.2)	(1.3)

[1] *"+" and "—" designate the strengthening and weakening of the US dollar interest rate against the spot interest rate.*

[2] *Spot US dollar interest rate for 2009: 0.31%.*

Sensitivity to copper volatility	Copper volatility as of 30 June						
	-10.0% R million	-7.5% R million	-5.0% R million	Spot[1] R million	5.0% R million	7.5% R million	10.0% R million
2010							
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market zero cost collar)	(7.9)	(8.1)	(8.4)	(9.4)	(8.8)	(9.1)	(9.3)

[1] *Spot copper volatility for 2009: 44.7%.*

Sensitivity to copper volatility	Copper volatility as of 30 June						
	-10.0% US$ million	-7.5% US$ million	-5.0% US$ million	Spot[1] US$ million	5.0% US$ million	7.5% US$ million	10.0% US$ million
2010							
Financial instruments (Mark-to-market zero cost collar)	–	–	–	–	–	–	–
2009							
Financial instruments (Mark-to-market zero cost collar)	(1.0)	(1.0)	(1.0)	(1.2)	(1.1)	(1.1)	(1.2)

[1] *Spot copper volatility for 2009: 44.7%.*

33. RISK MANAGEMENT ACTIVITIES (continued)

Equity securities price risk

General

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

The Group's equity investments are publicly traded and are listed on one of the following exchanges:
- JSE Limited
- Toronto Stock Exchange
- Australian Stock Exchange
- London Stock Exchange.

The table below summarises the impact of increases/decreases of the exchanges on the Group's shareholders' equity in case of shares and the Group's profit and loss in case of options and warrants. The analysis is based on the assumption that the share prices quoted on the exchange have increased/decreased with all other variables held constant and the Group's investments moved according to the historical correlation with the index.

Equity investments – shares	Increase/(decrease) in equity price at 30 June			
Sensitivity to equity security price	**-10.0% R million**	**-5.0% R million**	**5.0% R million**	**10.0% R million**
2010				
Increase/(decrease) in shareholders' equity	**(58.1)**	**(29.1)**	**29.1**	**58.1**
2009				
Increase/(decrease) in shareholders' equity	(251.8)	(125.9)	125.9	251.8

Equity investments – shares	Increase/(decrease) in equity price at 30 June			
Sensitivity to equity security price	**-10.0% US$ million**	**-5.0% US$ million**	**5.0% US$ million**	**10.0% US$ million**
2010				
Increase/(decrease) in shareholders' equity	**(7.7)**	**(3.8)**	**3.8**	**7.7**
2009				
Increase/(decrease) in shareholders' equity	(31.2)	(15.6)	15.6	31.2

Spot rate: R7.57 = US$1.00 (2009: R8.06 = US$1.00).

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 30 June 2010, Gold Fields' long-term indebtedness amounted to R3,255.1 million (2009: R6,334.3 million). Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances as in the case of the Mvelaphanda transaction. Under the Mvela loan, GFIMSA paid Mvela interest, semi-annually and at a fixed rate of 10.57% per annum. Refer to note 22 for all the borrowings and the relevant interest rates per facility.

Interest rate sensitivity analysis

The portion of Gold Fields' interest-bearing debt at year end that is exposed to interest rate fluctuations is R8,187.1 million (2009: R8,895.5 million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period. The remainder of the debt is either short term (less than three month's total tenor) or bears interest at a fixed rate.

R4,012.1 million (2009: R5,968.5 million) of the total debt at year end is exposed to changes in the LIBOR rate and R4,175.0 million (2009: R2,927.0 million) is exposed to the South African prime (Prime) interest rate. The relevant interest rates for each facility are described in note 22.

33. RISK MANAGEMENT ACTIVITIES (continued)

Interest rate sensitivity analysis (continued)

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

	Change in interest expense for interest rate changes as of 30 June					
Sensitivity to interest rates	**-1.5% R million**	**-1.0% R million**	**-0.5% R million**	**0.5% R million**	**1.0% R million**	**1.5% R million**
2010						
Sensitivity to LIBOR interest rates	**(63.7)**	**(42.4)**	**(21.2)**	**21.2**	**42.4**	**63.7**
Sensitivity to prime interest rates	**(41.1)**	**(27.4)**	**(13.7)**	**13.7**	**27.4**	**41.1**
Change in finance expense	**(104.8)**	**(69.8)**	**(34.9)**	**34.9**	**69.8**	**104.8**
2009						
Sensitivity to LIBOR interest rates	(75.8)	(50.5)	(25.3)	25.3	50.5	75.8
Sensitivity to prime interest rates	(34.7)	(23.1)	(11.6)	11.6	23.1	34.7
Change in finance expense	(110.5)	(73.6)	(36.9)	36.9	73.6	110.5

Spot rate: R7.57 = US$1.00 (2009: R8.06 = US$1.00).

	Change in interest expense for interest rate changes as of 30 June					
Sensitivity to interest rates	**-1.5% US$ million**	**-1.0% US$ million**	**-0.5% US$ million**	**0.5% US$ million**	**1.0% US$ million**	**1.5% US$ million**
2010						
Sensitivity to LIBOR interest rates	**(7.1)**	**(4.7)**	**(2.4)**	**2.4**	**4.7**	**7.1**
Sensitivity to prime interest rates	**(4.6)**	**(3.0)**	**(1.5)**	**1.5**	**3.0**	**4.6**
Change in finance expense	**(11.7)**	**(7.7)**	**(3.9)**	**3.9**	**7.7**	**11.7**
2009						
Sensitivity to LIBOR interest rates	(8.4)	(5.6)	(2.8)	2.8	5.6	8.4
Sensitivity to prime interest rates	(3.8)	(2.6)	(1.3)	1.3	2.6	3.8
Change in finance expense	(12.2)	(8.2)	(4.1)	4.1	8.2	12.2

Spot rate: R7.57 = US$1.00 (2009: R8.06 = US$1.00).

Notes to the consolidated financial statements continued

for the year ended 30 June 2010

34. 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 EBITDA, but does not set absolute limits for this ratio. The Group is comfortable with a ratio of net debt to EBITDA of one times or lower.

Figures in millions	2010	2009
SA rand		
Borrowings	**8,487.1**	8,895.5
Cash and cash equivalents	**3,790.5**	2,803.9
Net debt	**4,696.6**	6,091.6
EBITDA	**12,573.2**	11,463.3
Net debt to EBITDA	**0.37**	0.53
US dollars		
Borrowings	**1,121.1**	1,103.7
Cash and cash equivalents	**500.7**	347.9
Net debt	**620.4**	755.8
EBITDA	**1,658.7**	1,272.3
Net debt to EBITDA	**0.37**	0.59

35. 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 years 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.

Mvelaphanda transaction

On 8 March 2004, shareholders of both Gold Fields and Mvelaphanda Resources Limited ("Mvela Resources") voted decisively in favour of all shareholder resolutions necessary to implement the transaction in terms of which Mvelaphanda Gold (Pty) Limited ("Mvela"), a wholly owned subsidiary of Mvela Resources, would acquire a 15% beneficial interest in the South African gold mining assets of Gold Fields, including the world-class Beatrix, Driefontein and Kloof Mines for a cash consideration of R4,139 million. All conditions precedent to the transaction were fulfilled following the completion by Mvela Resources of a domestic and international private placement on 15 March 2004.

In terms of the Right of Exchange, Mvela and Gold Fields had the right to require the exchange of the GFIMSA shares in return for the issue to Mvela of new ordinary shares in Gold Fields. The minimum and maximum number of Gold Fields shares that would have been issued by Gold Fields following the exercise of the Right of Exchange was 45 million and 55 million respectively.

Following completion of the private placement Mvela Gold advanced a loan of R4,139 million to GFI Mining South Africa (Pty) Limited, a wholly owned subsidiary of Gold Fields, on 17 March 2004. This loan was financed by way of commercial bank debt of approximately R1,349 million, mezzanine finance of R1,100 million (which includes R200 million of redeemable preference shares in Micawber 325 (Pty) Limited subscribed for by Gold Fields) and the balance of approximately R1 690 million raised by the Mvela Resources private placement, (which includes R100 million of equity in Mvela Resources subscribed for by Gold Fields as part of the above private placement). At the end of five years, the GFIMSA loan would be repaid and Mvela would subscribe for 15% of the share capital of GFIMSA.

The proceeds of the GFIMSA loan were applied towards settling R4.1 billion of the R4.7 billion payable by GFIMSA to Beatrix Mining Ventures Limited, Driefontein Consolidated (Pty) Limited and Kloof Gold Mining Company Limited following implementation of the internal reorganisation pursuant to which GFIMSA has acquired the gold mining assets of these companies as well as ancillary assets.

35. RELATED PARTY TRANSACTIONS (continued)

Mvelaphanda transaction

In terms of the transaction, and in furthering its empowerment objectives, Mvela had appointed two nominees out of a maximum of seven to the GFIMSA board, and had appointed two members to each of GFIMSA's Operations Committee and Transformation Committee, which latter committee was established to monitor compliance with the Mining Charter and other transformation objectives.

On 17 March 2008, Gold Fields and Mvela decided that Mvela would receive a fixed 50 million Gold Fields shares if and when Mvela's future stake of 15% in GFIMSA is exchanged at the instance of either Gold Fields or Mvela, for shares in Gold Fields.

On 17 March 2009, in terms of the R4.1 billion Black Economic Empowerment transaction approved by shareholders of Gold Fields on 8 March 2004, Mvela Resources took receipt, through its wholly owned subsidiary Mvela Gold, of its 15% shareholding in GFIMSA.

Immediately upon receipt of the GFIMSA shares, Mvela Gold exercised its right to use the GFIMSA shares to subscribe for 50 million new ordinary shares in Gold Fields. Gold Fields issued 50 million new ordinary Gold Fields shares, to Mvela Gold for the GFIMSA shares. Pursuant to the above transactions, Mvela Gold owned approximately 7% of the listed shares of Gold Fields, and Gold Fields again owns 100% of GFIMSA.

Since 17 March 2009, Mvela sold 18 million of these Gold Fields shares and currently holds 32 million Gold Fields shares.

New Africa Mining Fund

John G Hopwood was a trustee of New Africa Mining Fund and Chair of the New Africa Mining Fund Investment Committee until his death on 19 March 2010. Gold Fields has been instrumental in the formation of the New Africa Mining Fund and is a significant investor in the fund. The fund has as its objectives the promotion of Black Economic Empowerment and the transformation of the South African mining industry by facilitating junior mining projects. As at 30 June 2010 Gold Fields Limited has contributed R31.6 million (2009: net R31.4 million). The original commitment period of six years, under which Gold Fields has provided a commitment to fund R50.0 million in total, expired on 28 February 2009. No new investments are permitted but follow-on investments of up to R56 million are allowed, the Gold Fields portion of which is estimated at approximately R5 million. The New Africa Mining Fund has however indicated that it has no intention to make follow-on investments.

Rand Refinery Limited

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

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

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

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 years indebted to Gold Fields.

UNITED STATES DOLLARS			SOUTH AFRICAN RAND	
2009	**2010**		**2010**	2009
		Compensation to key management (Executive Committee)		
5.1	**6.3**	Salaries and other short-term employee benefits	**47.5**	46.1
2.0	**2.9**	Bonus	**22.2**	18.2
2.7	**4.0**	Share-based payments	**30.2**	24.5
9.8	**13.2**		**99.9**	88.8

36. SEGMENT REPORTING

The segment information is shown on pages 257 and 258.

Company income statement

for the year ended 30 June 2010

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2010**	2009
Dividend received		**917.1**	1,595.2
Net interest paid		**(26.4)**	(87.9)
Share-based payments		**(5.1)**	(7.0)
Amortisation of financial guarantees		**95.3**	87.1
Foreign exchange gain/(loss) on revaluation of financial guarantees		**12.1**	(4.5)
Mark-to-market of Mvela Right of Exchange	1	**–**	529.0
Other (expenses)/income		**(77.0)**	3.4
Profit before taxation		**916.0**	2,115.3
Taxation	2	**(8.3)**	(29.8)
Profit for the year		**907.7**	2,085.5

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

Company statement of comprehensive income

for the year ended 30 June 2010

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2010	2009
Profit for the year	**907.7**	2,085.5
Other comprehensive income	**0.1**	0.1
Mark-to-market valuation of listed investments	**0.1**	0.1
Total comprehensive income for the year	**907.8**	2,085.6

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

Company statement of financial position

at 30 June 2010

Figures in millions unless otherwise stated

	Notes	SOUTH AFRICAN RAND 2010	2009
ASSETS			
Non-current assets			
Investments	4	**34,773.4**	32,258.9
Current asset			
Trade and other receivables		**11.5**	3.2
Total assets		**34,784.9**	32,262.1
EQUITY AND LIABILITIES			
Shareholders' equity per statement		**30,283.1**	30,230.5
Share capital		**353.0**	352.4
Share premium		**31,467.5**	31,411.3
Reserves		**264.5**	259.3
Retained earnings		**(1,801.9)**	(1,792.5)
Non-current liabilities			
Borrowings	5	**—**	684.2
Current liabilities		**4,501.8**	1,347.4
Trade and other payables		**43.5**	16.1
Financial guarantees	6	**117.2**	149.9
Current portion of borrowings	5	**4,330.9**	1,143.0
Taxation		**10.2**	38.4
Total equity and liabilities		**34,784.9**	32,262.1

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

Company statement of changes in equity

for the year ended 30 June 2010

Figures in millions unless otherwise stated

	Number of ordinary shares issued	Ordinary share capital	Share premium	Fair value adjustment reserve	Share-based payment reserve	Retained earnings	Total shareholders' equity
SOUTH AFRICAN RAND							
Balance at 30 June 2008	653,200,682	326.6	28,210.3	0.2	252.0	(2,897.2)	25,891.9
Net profit	—	—	—	—	—	2,085.5	2,085.5
Other comprehensive income	—	—	—	0.1	—	—	0.1
Share-based payments	—	—	—	—	7.0	—	7.0
Dividends	—	—	—	—	—	(980.8)	(980.8)
Mvela share issue on conclusion of transaction	50,000,000	25.0	3,130.2	—	—	—	3,155.2
Exercise of employee share options	1,549,167	0.8	70.8	—	—	—	71.6
Balance at 30 June 2009	704,749,849	352.4	31,411.3	0.3	259.0	(1,792.5)	30,230.5
Net profit	—	—	—	—	—	907.7	907.7
Other comprehensive income	—	—	—	0.1	—	—	0.1
Share-based payments	—	—	—	—	5.1	—	5.1
Dividends	—	—	—	—	—	(917.1)	(917.1)
Exercise of employee share options	1,153,662	0.6	56.2	—	—	—	56.8
Balance at 30 June 2010	705,903,511	353.0	31,467.5	0.4	264.1	(1,801.9)	30,283.1

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

Company statement of cash flows

for the year ended 30 June 2010

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2010**	2009
Cash flows from operating activities		**(76.1)**	633.1
Cash (utilised)/generated by operations	7	**(32.3)**	91.7
Interest paid		**(252.9)**	(102.0)
Interest received		**226.5**	14.1
Dividends received		**917.1**	1,595.2
Change in working capital	8	**19.1**	14.9
Cash generated by operating activities		**877.5**	1,613.9
Taxation paid	9	**(36.5)**	—
Net cash generated by operations		**841.0**	1,613.9
Dividends paid	3	**(917.1)**	(980.8)
Cash flows from investing activities		**—**	—
Purchase of investments		**—**	—
Cash flows from financing activities		**76.1**	(633.1)
Advance of long-term loan to subsidiaries		**(2,439.7)**	(1,249.5)
Preference share liability repaid		**—**	(623.2)
Borrowings raised		**7,902.0**	1,143.0
Borrowings repaid		**(5,443.0)**	—
Proceeds from issue of shares		**56.8**	96.6
Net cash generated/(utilised)		**—**	—
Cash and cash equivalents at beginning of the year		**—**	—
Cash and cash equivalents at end of the year		**—**	—

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

Notes to the company financial statements

for the year ended 30 June 2010

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2010	2009
1. MARK-TO-MARKET OF MVELA RIGHT OF EXCHANGE		
In terms of the Right of Exchange, Mvelaphanda Gold (Pty) Limited (Mvela) and Gold Fields have the right to require the exchange of the GFIMSA shares in return for the issue to Mvela of new ordinary shares in Gold Fields. The minimum and maximum number of Gold Fields shares that would be issued by Gold Fields following the exercise of the Right of Exchange was 45 million and 55 million respectively. On 17 March 2008, Gold Fields and Mvela decided that Mvela will receive a fixed 50 million Gold Fields shares if and when Mvela's future stake of 15% in GFIMSA is exchanged at the instance of either Gold Fields or Mvela, for shares in Gold Fields.		
The fixed contract, prior to its conclusion on 17 March 2009, represented an option to exchange a fixed amount of Gold Fields equity for a fixed amount of a financial asset. The fixed contract met the definition of a derivative under IAS 39 and had to be mark-to-market at year end.		
Mark-to-market of Mvela Right of Exchange	**–**	529.0
Total mark-to-market of Mvela Right of Exchange	**–**	529.0
2. TAXATION		
South African current taxation		
– normal tax	**(8.3)**	(26.5)
– deferred tax	**–**	(3.3)
Total tax	**(8.3)**	(29.8)
3. DIVIDENDS		
2009 final dividend of 80 cents per share (2008: 120 cents) declared on 5 August 2009.	**564.1**	784.5
2010 interim dividend of 50 cents per share (2009: 30 cents) declared on 1 March 2010.	**353.0**	196.4
A final dividend in respect of F2010 of 70 cents per share was approved by the Board of Directors on 4 August 2010. This dividend payable is not reflected in these financial statements.		
No secondary tax on companies is payable on the dividend declared after year end due to sufficient STC credits available in Gold Fields Limited.		
Total dividends	**917.1**	980.9
4. INVESTMENTS		
Listed		
Cost	**0.3**	0.3
Net unrealised gain on revaluation	**0.4**	0.3
Carrying value	**0.7**	0.6
Market value	**0.7**	0.6
Unlisted		
Carrying value	**21,973.7**	21,899.0
Total listed and unlisted investments	**21,974.4**	21,899.6
Loans advanced	**12,799.0**	10,359.3
Total investments	**34,773.4**	32,258.9

Details of major investments are given on pages 255 and 256.

Notes to the company financial statements continued

for the year ended 30 June 2010

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2010	2009
5. BORROWINGS		
(a) Preference shares		
On 24 December 2007 Gold Fields Limited issued R1.2 billion three years and one month non-convertible redeemable preference shares. The dividend rate payable is a floating rate of up to 61% of Prime. Dividends are rolled up until redemption date. The purpose of the preference shares was to refinance existing facilities.		
On 10 October 2008, R600.0 million of the R1,200.0 million preference shares was repaid with an attributable dividend of R23.2 million. The balance are redeemable at the option of Gold Fields.		
The remaining preference shares mature on 24 January 2011 and have been guaranteed by GFIMSA, Orogen, GF Operations and Gold Fields Holdings Company (BVI) Limited.		
Balance at the beginning of year	**684.2**	1,219.5
Preference shares repaid	**—**	(623.2)
Preference share interest	**44.7**	87.9
Balance at the end of year	**728.9**	684.2
(b) Commercial Paper loan		
Gold Fields established its R10 billion Domestic Medium-Term Note Programme (the Programme) on 6 April 2009 and amended the Programme on 6 October 2009 to provide a guarantee to noteholders as noted below. Under the Programme Gold Fields may from time to time issue notes denominated in any currency. The notes are subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all notes from time to time outstanding may not exceed R10 billion. The Programme has been registered with the bond market of the JSE Limited (JSE) and the notes issued can be listed on the JSE or not.		
Under the Programme Gold Fields issued listed notes totalling R7,902 million (2009: R1,143 million) and settled listed maturing notes totalling R5,443 million (2009: Rnil). The different notes issued mature 3, 6 or 12 months from date of issue and bear interest at JIBAR plus a margin ranging from 0.51% to 1.00% per annum, except for notes with a carrying value of R300 million which are at a fixed rate of 8.48%.		
The outstanding issued notes under the Programme at 30 June 2010 were R3,602 million (2009: R1,143 million).		
Notes under the Programme are guaranteed by GFIMSA, GF Holdings, Orogen and GF Operations.		
Balance at the beginning of year	**1,143.0**	—
Notes issued	**7,902.0**	1,143.0
Settlements	**(5,443.0)**	—
Balance at the end of year	**3,602.0**	1,143.0
Gross borrowings	**4,330.9**	1,827.2
Current portion included in borrowings	**(4,330.9)**	(1,143.0)
Total non-current borrowings	**—**	684.2

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
		2010	2009
6.	**FINANCIAL GUARANTEES**		
	Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of GFIMSA, GF La Cima, Orogen and GF Operations related to the Mvela loan, the Project Finance facility and the split-tenor revolving credit facility.		
	Value of unamortised portion of financial guarantees	**117.2**	149.9
	Total financial guarantees	**117.2**	149.9
7.	**CASH GENERATED BY OPERATIONS**		
	Profit for the year	**907.7**	2,085.5
	Taxation	**8.3**	29.8
	Interest paid	**252.9**	102.0
	Interest received	**(226.5)**	(14.1)
	Dividends received	**(917.1)**	(1,595.2)
	Profit before non-cash items	**25.3**	608.0
	Non-cash items:		
	Share-based payments	**5.1**	7.0
	Amortisation of financial guarantees	**(95.3)**	(87.1)
	Mark-to-market of Mvela Right of Exchange	**—**	(529.0)
	Foreign exchange (gain)/loss on revaluation of financial guarantees	**(12.1)**	4.5
	Preference share interest	**44.7**	87.9
	Other	**—**	0.4
	Total cash (utilised)/generated by operations	**(32.3)**	91.7
8.	**CHANGE IN WORKING CAPITAL**		
	Trade and other receivables	**(8.3)**	(0.6)
	Trade and other payables	**27.4**	15.5
	Total change in working capital	**19.1**	14.9
9.	**TAX PAID**		
	Amount owing at beginning of the year	**(38.4)**	(11.9)
	SA current taxation	**(8.3)**	(26.5)
	Amount owing at end of the year	**10.2**	38.4
	Total tax paid	**(36.5)**	—

Notes to the company financial statements continued

for the year ended 30 June 2010

10. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the company is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risk. In order to manage these risks, the company has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the company

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields' Board of Directors. Management of financial risk is centralised at Gold Fields' Treasury department, which acts as the interface between Gold Fields' operations and counterparty banks. The Treasury department manages financial risk in accordance with the policies and procedures established by the Gold Fields Board of Directors and Executive Committee.

Gold Fields' Audit Committee has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' Treasury department is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

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

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

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

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

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

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

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

Counterparty exposure: The objective is to only deal with approved counterparties that are of a sound financial standing and who have an official credit rating. The company is limited to a maximum investment of between 4% and 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 counterparties 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.

10. RISK MANAGEMENT ACTIVITIES (continued)

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

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

	SOUTH AFRICAN RAND	
	2010	2009
On-balance sheet		
Investments	**12,799.0**	10,539.3
Trade and other receivables[1]	**11.5**	3.2
Financial guarantees[2]	**4,055.4**	6,156.8

[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 GFIMSA, GF La Cima, Orogen and GF Operations relating to the borrowings of the Group. 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 with the company were able to pay the amount called on. At year-end there were no indications that the guarantees will be called on.*

Liquidity risk

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

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

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

	Within one year R million	Between one and five years R million	After five years R million	Total R million
2010				
Trade payables	**43.5**	**—**	**—**	**43.5**
Borrowings		**—**	**—**	
– Capital	**4,202.0**	**—**	**—**	**4,202.0**
– Interest	**222.9**	**—**	**—**	**222.9**
Financial guarantee[1]	**781.1**	**3,274.3**	**—**	**4,055,4**
Total	**5,249.5**	**3,274.3**	**—**	**8,523.8**
2009				
Trade payables	16.1	—	—	16.1
Borrowings				
– Capital	1,143.0	600.0	—	1,743.0
– Interest	29.6	231.4	—	261.0
Financial guarantee[1]	367.1	5,292.9	496.8	6,156.8
Total	1,555.8	6,124.3	496.8	8,176.9

[1] *Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of GFIMSA, GF La Cima, Orogen and GF Operations relating to the borrowings of the Group. 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 with the company were able to pay the amount called on. At year-end there were no indications that the guarantees will be called on.*

ZAR borrowings – spot prime rate adjusted by specific facility agreement: 10.0% (2009: 11.0%).

Notes to the company financial statements continued

for the year ended 30 June 2010

10. 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 rate 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.

As of 30 June 2010, Gold Fields' long-term indebtedness amounted to Rnil (2009: R684.2 million) and its short-term indebtedness amounted to R4,330.9 million (2008: R1,143.0 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 debt at year end that is exposed to interest rate fluctuations in prime interest rate is R4,030.9 million (2008: R1,827.2 million).

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

	Change in interest expense for interest rate changes as of 30 June					
Sensitivity to interest rates	**-1.5% R million**	**-1.0% R million**	**-0.5% R million**	**0.5% R million**	**1.0% R million**	**1.5% R million**
2010						
Sensitivity to prime interest rates	**(40.6)**	**(27.0)**	**(13.5)**	**13.5**	**27.0**	**40.6**
Change in finance expense	**(40.6)**	**(27.0)**	**(13.5)**	**13.5**	**27.0**	**40.6**
2009						
Sensitivity to prime interest rates	(11.5)	(7.7)	(3.8)	3.8	7.7	11.5
Change in finance expense	(11.5)	(7.7)	(3.8)	3.8	7.7	11.5

11. CAPITAL MANAGEMENT

Capital is managed on a Group basis only and not on a company basis. Refer to note 34 in the Group financial statements.

Major group investments – direct and indirect

	Notes	Shares held 2010	Shares held 2009	Group beneficial interest 2010 %	Group beneficial interest 2009 %	Book value in holding company Shares 2010 Rm	Book value in holding company Shares 2009 Rm	Book value in holding company Loans[6] 2010 Rm	Book value in holding company Loans[6] 2009 Rm
SUBSIDIARIES									
Listed									
Gold Fields La Cima S.A.	5	**1,256,864,979**	1,256,864,979	80.7	80.7	**–**	–	**–**	–
Unlisted									
Abosso Goldfields Limited – Class A shares	2	**38,394,000**	38,394,000	71.1	71.1	**–**	–	**–**	–
– Class B shares	2	**4,266,000**	4,266,000	71.1	71.1	**–**	–	**–**	–
Agnew Gold Mining Company (Pty) Limited	4	**54,924,757**	54,924,757	100.0	100.0	**–**	–	**–**	–
Beatrix Mines Limited	1	**96,549,020**	96,549,020	100.0	100.0	**206.8**	206.8	**–**	–
Beatrix Mining Ventures Limited	1	**9,625,001**	9,625,001	100.0	100.0	**120.4**	120.4	**(136.8)**	(136.8)
Driefontein Consolidated (Pty) Limited	1	**1,000**	1,000	100.0	100.0	**–**	–	**(13.1)**	(13.1)
GFI Joint Venture Holdings (Pty) Limited	1	**311,668,564**	311,668,564	100.0	100.0	**–**	–	**987.0**	–
GFI Mining South Africa (Pty) Limited	1	**1,000**	1,000	100.0	100.0	**3,138.2**	3,138.2	**1,648.6**	1,157.1
GFL Mining Services Limited	1	**235,676,387**	235,676,387	100.0	100.0	**17,425.9**	17,425.9	**9,653.6**	9,648.4
Gold Fields Ghana Limited	2	**711**	711	71.1	71.1	**–**	–	**–**	–
Gold Fields Group Services (Pty) Limited	1	**1**	1	100.0	100.0	**–**	–	**282.9**	313.9
Gold Fields Holdings Company (BVI) Limited	3	**4,077**	4,068	100.0	100.0	**–**	–	**–**	–
Gold Fields Operations Limited	1	**161,753,619**	161,753,619	100.0	100.0	**–**	–	**987.0**	–
Kloof Gold Mining Company Limited	1	**138,600,000**	138,600,000	100.0	100.0	**602.8**	602.8	**(610.2)**	(610.2)
Minera Gold Fields South Africa	5	**3,750**	3,750	100.0	100.0	**–**	–	**–**	–
Orogen Holdings (BVI) Limited	3	**230**	218	100.0	100.0	**–**	–	**–**	–
St Ives Gold Mining Company (Pty) Limited	4	**281,051,329**	281,051,329	100.0	100.0	**–**	–	**–**	–
Total						**21,494.1**	21,494.1	**12,799.0**	10,359.3

Notes

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

Major group investments – direct and indirect continued

	Shares held		Group beneficial interest	
	2010	2009	**2010 %**	2009 %
OTHER				
Listed associates				
Rusoro Mining Limited	**140,000,000**	140,000,000	**26.4**	26.4
Listed equity investments				
Gold One International Limited (previously Aflease Gold Limited)	**12,500,000**	12,500,000	**1.6**	1.8
Buffalo Gold (previously Sargold Resources Corporation)	**2,226,891**	2,226,891	**2.1**	2.0
CMQ Resources Inc.	**1,071,000**	1,071,000	**16.4**	16.4
Conquest Mining Limited	**51,783,388**	51,783,388	**14.7**	19.1
Gold Quest Mining Corporation	**13,962,500**	5,362,500	**15.2**	8.1
Medoro Resources	**3,963,186**	3,963,186	**2.9**	4.5
Mvelaphanda Resources Limited	**8,397,858**	8,397,858	**3.9**	3.9
Orsu Metals Corp (formerly Lero Gold Corp)	**1,134,919**	11,349,195	**0.7**	2.5
Radius Gold Inc.	**3,625,124**	3,625,124	**6.8**	6.8
Sino Gold Limited	**–**	57,968,029	**–**	19.9
Troy Resources NL	**–**	3,130,400	**–**	4.5

Note: Only major investments are listed individually.

Segment report

Financial summary – Rand million

INCOME STATEMENT for the year ended 30 June 2010	South Africa				Ghana		Peru	Australia		Group
	Driefontein	Kloof	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives/ Agnew	Corporate and other[2]	consoli- dation
Revenue	5,843.6	4,648.1	3,218.7	2,188.5	5,988.9	1,719.6	3,118.6	4,839.3	–	31,565.3
Operating costs	(3,832.1)	(3,424.3)	(2,272.9)	(1,674.6)	(2,933.4)	(990.5)	(1,024.2)	(3,018.3)	–	(19,170.3)
Gold inventory change	–	–	–	–	86.6	(15.9)	10.2	97.3	–	178.2
Operating profit	2,011.5	1,223.8	945.8	513.9	3,142.1	713.2	2,104.6	1,918.3	–	12,573.2
Amortisation and depreciation	(621.7)	(800.3)	(541.6)	(452.5)	(841.7)	(130.0)	(419.1)	(885.4)	(145.0)	(4,837.3)
Net operating profit	1,389.8	423.5	404.2	61.4	2,300.4	583.2	1,685.5	1,032.9	(145.0)	7,735.9
Other (expenditure)/ income	(194.1)	(180.1)	(61.4)	(148.4)	(81.4)	(28.8)	(361.9)	(51.8)	715.7[3]	(392.2)
Investment income	119.5	80.7	15.9	4.9	2.4	4.1	–	24.8	52.4	304.7
Finance expense	(16.8)	(6.8)	(3.2)	(44.2)	(3.5)	(0.4)	(41.9)	(17.1)	(358.8)	(492.7)
Current taxation	(247.0)	(28.3)	(7.5)	(4.0)	(532.7)	(214.5)	(388.4)	(125.3)	(226.4)	(1,774.1)
Deferred taxation	(200.9)	(116.5)	(141.1)	49.3	(260.7)	4.1	(204.6)	(263.0)	26.3	(1,107.1)
Profit/(loss) for the year	850.5	172.5	206.9	(81.0)	1,424.5	347.7	688.7	600.5	64.2	4,274.5
Profit attributable to:										
– Owners of the parent	850.5	172.5	206.9	(81.0)	1,012.8	247.2	555.8	600.5	66.2	3,631.4
– Non-controlling interest	–	–	–	–	411.7	100.5	132.9	–	(2.0)	643.1

STATEMENT OF FINANCIAL POSITION as at 30 June 2010	Driefontein	Kloof	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives/ Agnew	Corporate and other[2]	Group consolidation
Total assets	8,148.8	5,005.9	1,063.3	998.9	8,016.7	1,343.0	6,706.7	8,195.2	28,861.7	68,340.2
Total liabilities (excluding deferred taxation)	2,325.6	1,081.3	(870.0)	596.9	1,094.6	278.0	1,650.2	1,195.5	8,396.5	15,748.6
Deferred taxation	1,995.1	1,793.3	813.9	–	1,362.4	129.3	252.3	1,046.2	(249.8)	7,142.7
Capital expenditure	1,139.6	1,104.4	650.6	1,613.3	1,126.3	226.1	648.8	1,198.8	34.4	7,742.3

INCOME STATEMENT for the year ended 30 June 2009	South Africa				Ghana		Peru	Australia		Group
	Driefontein	Kloof	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives/ Agnew	Corporate and other[2]	consoli- dation
Revenue	6,545.9	5,066.3	3,055.2	1,398.1	4,840.3	1,582.7	1,656.4	4,942.0	–	29,086.9
Operating costs	(3,530.5)	(3,083.8)	(2,037.6)	(1,188.0)	(3,046.5)	(1,193.3)	(778.7)	(2,975.5)	–	(17,833.9)
Gold inventory change	–	–	–	–	162.5	20.8	37.0	(10.0)	–	210.3
Operating profit	3,015.4	1,982.5	1,017.6	210.1	1,956.3	410.2	914.7	1,956.5	–	11,463.3
Amortisation and depreciation	(624.9)	(692.7)	(435.2)	(283.2)	(495.3)	(169.4)	(350.7)	(945.3)	(145.6)	(4,142.3)
Net operating profit	2,390.5	1,289.8	582.4	(73.1)	1,461.0	240.8	564.0	1,011.2	(145.6)	7,321.0
Other income/(expenditure)	(89.8)	(43.4)	(73.6)	51.8	(118.4)	(87.6)	(134.1)	2.9	(1,973.2)[3]	(2,465.4)
Investment income	73.7	71.6	20.1	4.3	–	0.6	0.8	17.9	35.8	224.8
Finance expense	(173.5)	(181.5)	(10.0)	(1.1)	(10.2)	(0.2)	(26.8)	(17.3)	(452.2)	(872.8)
Current taxation	(603.2)	(254.0)	(0.9)	–	(145.2)	(74.7)	(145.4)	(189.3)	(145.7)	(1,558.4)
Deferred taxation	(176.4)	(109.7)	(196.2)	7.2	(286.5)	2.5	(29.5)	(196.5)	190.0	(795.1)
Profit/(loss) for the year	1,421.3	772.8	321.8	(10.9)	900.7	81.4	229.0	628.9	(2,490.9)	1,854.1
Profit attributable to:										
– Owners of the parent	1,421.3	772.8	321.8	(10.9)	640.4	57.9	184.8	628.9	(2,481.4)	1,535.6
– Non-controlling interest	–	–	–	–	260.3	23.5	44.2	–	(9.5)	318.5

STATEMENT OF FINANCIAL POSITION as at 30 June 2009	Driefontein	Kloof	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives/ Agnew	Corporate and other[2]	Group consolidation
Total assets	7,801.8	5,847.1	2,113.4	1,183.0	7,570.6	1,230.0	6,616.7	7,034.1	25,857.9	65,254.6
Total liabilities (excluding deferred taxation)	2,614.6	1,812.9	559.0	674.8	1,329.6	232.1	2,213.7	1,027.0	5,992.7	16,456.4
Deferred taxation	1,794.2	1,676.7	672.9	–	1,173.5	142.1	51.0	770.1	(151.7)	6,128.8
Capital expenditure	1,034.4	958.6	629.4	1,020.5	1,812.0	152.1	1,052.2	897.3	92.7	7,649.2

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

The Group is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. The Group's gold mining operations are management and internally reported based on the following geographical areas: in South Africa the Driefontein division, the Kloof division, the Beatrix division and the South Deep Mine, in Ghana the Tarkwa and Damang Mines, Australia and Peru. The Group also has exploration interests which are included in the "Corporate and other" segment. (Refer to accounting policy on segment reporting on page 193.)

[1] *The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold Mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 40%.*

[2] *"Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. Included in "Corporate and other" is goodwill relating to the acquisition of South Deep.*

[3] *Other expenditure "Corporate and other" comprises share-based payments of R184.1m (2009: R150.8m), exploration expenses of R577.0m (2009: R508.3m), share of gains of associate after taxation of R118.3m (2009: R141.3m loss), impairment of investments of R257.8m (2009: R1,209.5m), profit on disposal of investments of R846.9m (2009: R148.0m loss), realised gain on financial instruments (Eldorado top-up shares) of R402.1m and the balance of R367.3m (2009: R184.7m) income consists mainly of corporate-related cost recoveries.*

Segment report continued

Financial summary – US$ million

INCOME STATEMENT for the year ended 30 June 2010	South Africa				Ghana		Peru	Australia		
	Driefontein	Kloof	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives/ Agnew	Corporate and other[2]	Group consoli-dation
Revenue	770.9	613.2	424.7	288.7	790.1	226.9	411.4	638.4	–	4,164.3
Operating costs	(505.6)	(451.8)	(299.9)	(220.9)	(387.0)	(130.7)	(135.0)	(398.2)	–	(2,529.1)
Gold inventory change	–	–	–	–	11.4	(2.1)	1.3	12.9	–	23.5
Operating profit	265.3	161.4	124.8	67.8	414.5	94.1	277.7	253.1	–	1,658.7
Amortisation and depreciation	(82.0)	(105.6)	(71.5)	(59.7)	(111.0)	(17.2)	(55.3)	(116.8)	(19.1)	(638.2)
Net operating profit	183.3	55.8	53.3	8.1	303.5	76.9	222.4	136.3	(19.1)	1,020.5
Other income/(expenditure)	(25.6)	(23.8)	(8.1)	(19.6)	(10.7)	(3.8)	(47.7)	(6.8)	94.3[3]	(51.8)
Investment income	15.8	10.6	2.1	0.6	0.3	0.6	–	3.3	6.9	40.2
Finance expense	(2.2)	(0.9)	(0.4)	(5.8)	(0.5)	(0.1)	(5.5)	(2.3)	(47.3)	(65.0)
Current taxation	(32.6)	(3.7)	(1.0)	(0.5)	(70.3)	(28.3)	(51.2)	(16.5)	(29.9)	(234.0)
Deferred taxation	(26.5)	(15.4)	(18.6)	6.5	(34.4)	0.5	(27.0)	(34.7)	3.5	(146.1)
Profit/(loss) for the year	112.2	22.6	27.3	(10.7)	187.9	45.8	91.0	79.3	8.4	563.8
Profit attributable to:										
– Owners of the parent	112.2	22.6	27.3	(10.7)	133.6	32.5	73.5	79.3	8.7	479.0
– Non-controlling interest	–	–	–	–	54.3	13.3	17.5	–	(0.3)	84.8
STATEMENT OF FINANCIAL POSITION as at 30 June 2010										
Total assets	1,076.5	661.3	140.5	132.0	1,059.0	177.4	886.0	1,082.6	3,812.6	9,027.8
Total liabilities (excluding deferred taxation)	307.2	142.8	(114.9)	78.9	144.6	36.7	218.0	157.9	1,109.2	2,080.4
Deferred taxation	263.6	236.9	107.5	–	180.0	17.1	33.3	138.2	(33.0)	943.6
Capital expenditure	150.3	145.7	85.8	212.8	148.6	29.8	85.6	158.2	4.5	1,021.3

INCOME STATEMENT for the year ended 30 June 2009	South Africa				Ghana		Peru	Australia		
	Driefontein	Kloof	Beatrix	South Deep[1]	Tarkwa	Damang	Cerro Corona	St Ives/ Agnew	Corporate and other[2]	Group consoli-dation
Revenue	726.5	562.3	339.1	155.2	537.2	175.7	183.8	548.5	–	3,228.3
Operating costs	(391.8)	(342.3)	(226.2)	(131.9)	(338.1)	(132.4)	(86.4)	(330.2)	–	(1,979.3)
Gold inventory change	–	–	–	–	18.0	2.3	4.1	(1.1)	–	23.3
Operating profit	334.7	220.0	112.9	23.3	217.1	45.6	101.5	217.2	–	1,272.3
Amortisation and depreciation	(69.4)	(76.9)	(48.3)	(31.4)	(55.0)	(18.8)	(38.9)	(104.9)	(16.1)	(459.7)
Net operating profit	265.3	143.1	64.6	(8.1)	162.1	26.8	62.6	112.3	(16.1)	812.6
Other income/(expenditure)	(10.0)	(4.8)	(8.2)	5.7	(13.1)	(9.7)	(14.9)	0.3	(219.0)[3]	(273.7)
Investment income	8.2	7.9	2.2	0.5	–	0.2	0.1	2.0	3.8	24.9
Finance expense	(19.3)	(20.1)	(1.1)	(0.1)	(1.1)	–	(3.0)	(1.9)	(50.3)	(96.9)
Current taxation	(66.9)	(28.2)	(0.1)	–	(16.1)	(8.3)	(16.1)	(21.0)	(16.2)	(172.9)
Deferred taxation	(19.6)	(12.2)	(21.8)	0.8	(31.8)	0.3	(3.3)	(21.8)	21.1	(88.3)
Profit/(loss) for the year	157.7	85.7	35.6	(1.2)	100.0	9.3	25.4	69.9	(276.7)	205.7
Profit attributable to:										
– Owners of the parent	157.7	85.7	35.6	(1.2)	71.1	6.7	20.5	69.9	(275.6)	170.4
– Non-controlling interest	–	–	–	–	28.9	2.6	4.9	–	(1.1)	35.3
STATEMENT OF FINANCIAL POSITION as at 30 June 2009										
Total assets	968.0	725.4	262.2	146.9	939.3	152.6	820.9	872.7	3,208.2	8,096.2
Total liabilities (excluding deferred taxation)	324.4	224.9	69.4	83.7	165.0	28.8	274.7	127.4	743.5	2,041.8
Deferred taxation	222.6	208.0	83.5	–	145.6	17.6	6.3	95.5	(18.8)	760.3
Capital expenditure	114.8	106.4	69.9	113.3	201.1	16.9	116.8	99.6	10.3	849.0

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

The Group is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. The Group's gold mining operations are management and internally reported based on the following geographical areas: in South Africa the Driefontein division, the Kloof division, the Beatrix division and the South Deep Mine, in Ghana the Tarkwa and Damang Mines, Australia and Peru. The Group also has exploration interests which are included in the "Corporate and other" segment. (Refer to accounting policy on segment reporting on page 193.)

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

Year-end exchange rates ZAR/US$7.57 and ZAR/US$8.06 for F2010 and F2009 respectively.

Average exchange rates ZAR/US$7.58 and ZAR/US$9.01 for F2010 and F2009 respectively.

[1] *The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation. South Deep Gold Mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding company at a rate of 40%.*

[2] *"Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals. Included in "Corporate and other" is goodwill relating to the acquisition of South Deep.*

[3] *Other expenditure "Corporate and other" comprises share-based payments of US$24.3m (2009: US$16.7m), exploration expenses of US$76.1m (2009: US$56.4m), share of gains of associate after taxation of US$15.6m (2009: US$15.7m loss), impairment of investments of US$34.0m (2009: US$134.2m), profit on disposal of investments of US$111.8m (2009: US$16.4m loss), realised gain on financial instrument (Eldorado top-up shares) of US$53.0m and the balance of US$48.4m (2009: US$20.4m) income consists mainly of corporate-related cost recoveries.*

Shareholders' information

Analysis of shareholders' information at 30 June 2010

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	18,748	84.75	3,158,216	0.45
1 001 – 10 000 shares	2,439	11.03	6,418,659	0.91
10 001 – 100 000 shares	608	2.75	21,767,478	3.08
100 001 – 1 000 000 shares	265	1.19	73,985,612	10.48
1 000 001 and above	62	0.28	600,573,546	85.08
	22,122	**100.00**	**705,903,511**	**100.00**
Distribution of shareholders				
American Depository Receipts[1]	84	0.38	283,262,351	40.13
Unit Trusts	245	1.12	174,758,525	24.76
Pension Funds	243	1.10	105,640,405	14.97
Custodians	78	0.35	28,320,549	4.01
Black Economic Empowerment	1	0.00	22,036,222	3.12
Foreign Governments	18	0.08	18,075,233	2.56
Other Managed Funds	21	0.09	14,760,809	2.09
Private Investors	40	0.18	11,988,488	1.70
Insurance Companies	16	0.07	9,028,210	1.28
Mutual Funds	13	0.06	4,291,567	0.61
Investment Trusts	4	0.02	3,909,498	0.55
Universities	6	0.03	1,005,608	0.14
Hedge Funds	3	0.01	599,235	0.08
Local Authorities	4	0.02	501,813	0.07
Charities	4	0.02	425,615	0.06
Corporate Holdings	1	0.00	177,097	0.03
Remainder	21,341	96.47	27,122,286	3.84
	22,122	**100.00**	**705,903,511**	**100.00**
Non-public/public shareholders				
Non-public shareholders				
Directors and associates	4	0.02	184,607	0.03
Public shareholders	22,118	99.98	705,718,904	99.97
	22,122	**100.00**	**705,903,511**	**100.00**
Beneficial shareholders holding of 3% or more				
Tradewinds Global Investors LLC			46,213,362	6.54
Investec Asset Management (Pty) Limited			41,706,819	5.91
First Eagle Investment Management LLC			41,078,330	5.82
Mvelaphanda Gold (Pty) Limited			32,218,653	4.56
Public Investment Corporation of South Africa			31,716,182	4.49
BlackRock Investment Management (UK) Limited			27,829,512	3.94
Capital World Investors			27,500,000	3.89
Van Eck Global			25,863,398	3.66
Paulson & Co Inc.			23,550,000	3.33
Foreign custodian shareholders holding of 3% or more				
Bank of New York Depository Receipts			283,262,351	40.13
Strate Street Bank and Trust (Custodian)			54,480,080	7.71
Bank of New York, Brussels (Custodian)			46,961,208	6.65
JP Morgan Chase (Custodian)			38,180,615	5.41
The Northern Trust Company (Custodian)			21,547,939	3.05

[1] *Includes 10,182,431 American Depository Receipts held by Mvelaphanda Gold (Pty) Limited.*

Operating and financial information by mine

for the year ended 30 June 2010

(All companies wholly owned except for Tarkwa and Damang in Ghana (71.1) and Cerro Corona in Peru (80.7)).

South Africa Region

Driefontein Mine

Year to 30 June	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced '000 ounces	Cash cost US$/oz	Net earnings R million	Net earnings US$ million
1952 – 2004	208,703,000	14.9	3,114,792	100,143	n/a	n/a	n/a
2005	6,694,000	5.4	36,162	1,163	292	332.1	53.5
2006	6,867,000	5.2	35,755	1,150	315	645.0	100.8
2007	6,652,000	4.8	31,618	1,017	348	1,004.3	139.5
2008	5,981,000	4.8	28,865	928	412	1,233.3	169.5
2009	6,217,000	4.2	25,814	830	448	1,421.3	157.7
2010	6,084,000	3.6	22,076	710	692	850.5	112.2
Total	**247,198,000**	**13.3**	**3,295,082**	**105,939**			

Includes West Driefontein from 1952 and East Driefontein from 1972.

** Combined surface and underground yield.*

Kloof Mine

Year to 30 June	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced '000 ounces	Cash cost US$/oz	Net earnings R million	Net earnings US$ million
1939 – 2004	238,271,900	9.0	2,148,644	69,080	n/a	n/a	n/a
2005	4,655,000	6.9	32,258	1,037	330	(39.2)	(6.3)
2006	3,666,000	7.8	28,429	914	374	209.9	32.8
2007	3,829,000	7.5	28,705	923	366	790.3	109.8
2008	3,953,000	6.5	25,533	821	430	947.9	130.4
2009	3,319,000	6.0	19,998	643	507	772.8	85.8
2010	4,299,000	4.1	17,624	567	768	172.5	22.8
Total	**261,992,900**	**8.8**	**2,301,191**	**73,985**			

Includes Venterspost from 1939, Libanon from 1949, Kloof from 1968 and Leeudoorn from 1991.

** Combined surface and underground yield.*

Beatrix Mine (includes Oryx as from F2000)

Year to 30 June	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced '000 ounces	Cash cost US$/oz	Net earnings R million	Net earnings US$ million
1985 – 2004	52,983,000	5.5	292,099	9,391	n/a	n/a	n/a
2005	4,181,000	4.6	19,418	624	352	(112.3)#	(18.1)#
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
Total	**73,562,000**	**5.2**	**384,938**	**12,376**			

Beatrix and Oryx became one tax entity as from F2000.

** Combined surface and underground yield.*

 # Includes impairment write-down of R60 million (US$10 million).

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

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

Included in Beatrix since F2000.

South Deep Mine

Year to 30 June	Tonnes milled	Yield* g/tonne	Gold produced Kilograms	Gold produced '000 ounces	Cash cost US$/oz	Net earnings R million	Net earnings US$ million
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)
Total	**5,393,000**	**4.8**	**25,966**	**835**			

For the 7 months ended 30 June 2007, since acquisition control.

** Combined surface and underground yield.*

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

West Africa Region

Ghana division

Tarkwa Mine – total managed

Year to 30 June	Tonnes treated	Yield g/tonne	Gold produced Kilograms	Gold produced '000 ounces	Cash cost US$/oz	Net earnings (before minorities) R million	Net earnings (before minorities) US$ million
1994 – 2004	71,979,559	1.2	87,495	2,813	n/a	1,183.0	142.0
2005	19,633,000	1.1	21,051	677	234	427.5	68.8
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
Total	**201,762,559**	**1.1**	**213,848**	**6,876**			

Surface operation from F1999.

Damang Mine – total managed

Year to 30 June	Tonnes milled	Yield g/tonne	Gold produced Kilograms	Gold produced '000 ounces	Cash cost US$/oz	Net earnings (before minorities) R million	Net earnings (before minorities) US$ million
2002# – 2004	12,064,000	1.9	23,291	749	226	459.1	57.3
2005	5,215,000	1.5	7,703	248	282	116.7	18.8
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
Total	**42,411,000**	**1.5**	**62,874**	**2,021**			

F2002 – for the 5 months ended 30 June, since acquisition.

Operating and financial information by mine continued

for the year ended 30 June 2010

Australasia Region

Australia division

St Ives Mine

Year to 30 June	Tonnes treated	Gold produced Yield g/tonne	Kilograms	'000 ounces	Cash cost US$/oz	Cash cost A$/oz
2002# – 2004	15,628,000	2.8	43,445	1,397	224	354
2005	6,332,000	2.6	16,393	527	336	447
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
Total	**56,723,000**	**2.3**	**129,835**	**4,174**		

F2002 – for the 7 months ended 30 June, since acquisition.

Agnew Mine

Year to 30 June	Tonnes milled	Yield g/tonne	Gold produced Kilograms	'000 ounces	Cash cost US$/oz	Cash cost A$/oz
2002# – 2004	3,129,000	4.3	13,302	428	237	380
2005	1,170,000	5.6	6,609	212	233	310
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
Total	**10,209,000**	**5.0**	**50,882**	**1,636**		

For the 7 months ended 30 June, since acquisition.

St Ives/Agnew

Year to 30 June	R million	Net earnings US$ million	A$ million
2002# – 2004	1,428.4	156.9	263.8
2005	151.1	24.3	32.4
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
Total	**3,627.6**	**449.6**	**627.0**

F2002 – for the 7 months ended 30 June 2002, since acquisition.

South America Region

Peru division

Cerro Corona – total managed production

Year to 30 June	Tonnes treated	Yield g/tonne	Gold produced[1] Kilograms	'000 ounces	Cash cost US$/oz	Net earnings (before minorities) R million	US$ million
2009[#]	4,547,000	1.5	6,822	219	369	229.0	25.4
2010	6,141,000	2.0	12,243	394	348	347.7	90.8
Total	**10,688,000**	**1.8**	**19,065**	**613**			

[#] *Transition from project to operation from September 2008.*

[1] *Cerro Corona is a gold and copper mine. As such gold produced is based on gold equivalent ounces.*

Glossary of terms

Term	Definition
ABET	Adult Basic Education and Training
AS/NZ 4801	Australian occupational health and safety management standards
Backfill	Material generally sourced from mine residues and utilised for the filling of mined voids, to ensure long-term stability of excavations and minimise the effects of seismic activity
BEE	Black Economic Empowerment. BEE seeks to ensure that black persons within South Africa gain a significant degree of control in the economy through the possession of equity stakes and the holding of management positions within an institution
Blasthole	A drill hole in a mine that is filled with explosives in order to blast loose a quantity of rock
Bore-hole or drill-hole	Method of sampling rock that has not been exposed by means of obtaining a core of rock (see diamond drill)
Box-hole	A cross raise, normally from the access cross-cut to the reef horizon, for the purpose of drawing broken rock and ore from the reef horizon into a conveyance in the crosscut
Breast mining	A mining method whereby mining advances in the direction of the strike
Bulk mining	Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being brought to surface each day
BVQI	Bureau Veritas Qualite International is a leading global and independent certification body that audits and certifies whether company systems meet the requirements of ISO standards
Carbon-in-Leach	The recovery process in which gold is leached from gold ore pulp by cyanide and simultaneously adsorbed onto activated carbon granules in the same vessel. The loaded carbon is then separated from the pulp for subsequent gold removal by elution. The process is typically employed where there is a naturally occurring gold adsorbent in the ore
Carbon-in-Pulp	The recovery process in which gold is first leached from gold ore pulp by cyanide and then adsorbed onto activated carbon granules in separate vessels. The loaded carbon is then separated from the pulp for subsequent gold removal by elution
Capital expenditure (or capex)	Specific project or ongoing expenditure for replacement or additional equipment, materials or infrastructure
Channel	Water course, also in this sense sedimentary material course
Collective Bargaining Agreement	Collective Bargaining Agreement means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by a trade union(s) and the company
Co-morbidity	Medical term for diseases that commonly co-exist to increase the risk of morbidity
Comminution	The term used to describe the process by which ore is reduced in size in order to liberate the desired mineral from the gangue material in preparation for further processing
Concentrate	A metal-rich product resulting from a mineral enrichment process such as gravity concentration or flotation, in which most of the desired mineral has been separated from the waste material in the ore
Conglomerate	Sedimentary rock comprising eroded, rounded pebbles
Cross-cut	A horizontal underground drive developed perpendicular to the strike direction of the stratigraphy
Cut-off grade	The lowest grade of mineralised rock cut-off grade which determines as to whether or not it is economic to recover its gold content by further concentration
Decline	A surface or sub-surface excavation in the form of a tunnel which is developed from the uppermost point downward
Depletion	The decrease in quantity of ore in a deposit or property resulting from extraction or mining
Development	Is any tunnelling operation, which has for its object either exploration, exploitation or both
Diamond drill	A rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections

Dilution	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined
Dip	Angle of inclination of a geological feature/rock from the horizontal
Dyke	Thin, tabular, vertical or near vertical body of igneous rock formed by the injection of magma into planar zones of weakness
Elution	The chemical process of desorbing gold from activated carbon
Face	The end of a drift, cross-cut or stope at which work is taking place
Facies	A rock unit defined by its composition, internal geometry and formation environment, usually reflecting the conditions of its origin
Fatality rate	Number of deaths per million man-hours worked
Fault	The surface of a fracture along which movement has occurred
Feasibility study	A comprehensive design and costing study of the selected option for the development of a mineral project in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other modifying factors, which are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable) and the factors reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The overall confidence of the study should be stated
Filtration	Process of separating usually valuable solid material from a liquid
Flotation	The process by which the surface chemistry of the desired mineral particles is chemically modified such that they preferentially attach themselves to bubbles and float to the pulp surface in specially designed machines. The gangue or waste minerals are chemically depressed and do not float, thus allowing the valuable minerals to be concentrated and separated from the undesired material
Footwall	The underlying side of an ore body or stope
Gold equivalent	A quantity of metal (such as copper) converted to an amount of gold in ounces, based on accepted gold and other metal prices. i.e. The accepted total value of the metal based on its weight and value thereof divided by the accepted value of one troy ounce of gold
Grade	The quantity of gold contained within a unit weight of goldbearing material generally expressed in grams per metric tonne (g/t)
Hanging wall	The overlying side of an ore body or slope
Haulage	A horizontal underground excavation which is used to transport mined ore
Head grade	The grade of the material delivered to the processing facility (such as heap leach pad, Mill etc.). The Mineral Reserve declaration is for material as delivered to the processing facility
Hedging	Taking a buy or sell position in futures market. Opposite to a position held in the cash/spot market to minimise the risk of financial loss from an adverse price change
Hydrothermal	Process of injection of hot, aqueous, generally mineral-rich solutions into existing rocks or features
ICVCT	Informed Consented Voluntary Counselling and Testing
Indicated Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed

Glossary of terms continued

Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes which may be limited or of uncertain quality and reliability
ISO 14000	International standards for organisations to implement sound environmental management systems
LTIFR	Lost-Time Injury Frequency Rate. Number of lost day injuries expressed in million man hours worked
Lock-up gold	Gold locked as a temporary inventory within a processing plant, or sections thereof, typically milling circuits
Measured Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are spaced closely enough to confirm geological and grade continuity
Milling	A general term used to describe the process in which the ore is crushed and ground and subjected to physical or chemical treatment to extract the valuable metals to a concentrate or finished product
Mine Health and Safety Act (MHSA)	The South African Mine Health and Safety Act, No 29 of 1996
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories
Mineral Reserve	A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life-of-Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed
Mineralised	Rock in which minerals have been introduced to the point of a potential ore deposit
Minerals Act	The South African Minerals Act, No 50 of 1999
Normal fault	Fault in which the hanging wall moves downward relative to the footwall, under extensional tectonic conditions
Notional cash expenditure (NCE)	NCE is defined as operating costs plus capital expenditure and is reported on a per kilogram and per ounce basis.
Nugget effect	A measure of the randomness of the grade distribution within a mineralised zone
NUM	National Union of Mine Workers
OHSAS	Management system standards, developed in order to facilitate the integration of quality and occupational health and safety management systems by organisations
Payshoot	Linear to sub-linear zone within a reef for which gold grades or accumulations are predominantly above the cut-off grade
Pillar	Rock left behind to help support the excavations in an underground mine

Probable Mineral Reserve	The economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and including consideration of and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Project capital	Capital expenditure which is associated with specific projects of a non-routine nature
Proved Mineral Reserve	The economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Reef	Gold bearing sedimentary horizon in the Witwatersrand Basin
SADC	Southern African Development Community
SAMREC Code	The South African code for the reporting of exploration results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2007 Edition
Seismic	Earthquake or earth vibration including those artificially induced by mining operations
Sequential Grid Mining	Mining method incorporating dip pillars and mined on a grid system
Shaft	An opening cut downwards from the surface for transporting personnel, equipment, supplies, ore and waste
Shear	A deformation resulting from stresses that cause contiguous parts of a body of rock to slide relative to each other in a direction parallel to their plane of contact
Stope	The working area from which ore is extracted in an underground mine
Stripping	The process of removing overburden or waste rock to expose ore
Stripping ratio	The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined
Stratigraphy	The science of rock strata, including arrangement according to geographical positioning and chronological order of sequence
Strike	Direction of line formed by the intersection of strata surfaces with the horizontal plane, always perpendicular to the dip direction
Sub-vertical shaft	An opening cut below the surface downwards from an established surface shaft
Surface sources	Ore sources, usually dumps, tailings dams and stockpiles, located at the surface
TEBA	The Employment Bureau of Africa
Tertiary shaft	An opening cut below the surface downwards from an established sub-vertical shaft
The Base Case	The Base Case is established as part of the financial models
Trade union	An association of employees: whose principal purpose is to regulate relations between employees and the company, which has been registered; whose officials have been elected to represent the interests of employees within the workplace; and which is recognised for collective bargaining by the company
Total cash costs	Total cash costs include cost of sales – excluding amortisation and depreciation, rehabilitation costs, general and administration costs, and exploration costs in accordance with the Gold Institute Industry Standard
Vamping	Is the final clean-up of track ballast and/or accumulations in gullies and along transportation routes

Glossary of terms continued

Abbreviations and units

ABET	Adult Basic Education and Training
ADS	American Depository Shares
AIDS	Acquired Immune Deficiency Syndrome
ARC	Assessment and Rehabilitation Centres
ART	Antiretroviral therapy
CBO	Community based organisation
CIL	Carbon-in-leach
CIP	Carbon-in-pulp
CIS	Carbon-in solution
DCF	Discounted Cash Flow
ETF	Exchange traded fund
GFHS	Gold Fields Health Service
GFLC	Gold Fields La Cima
GRI	Global Reporting Initiative
HBC	Home-Based Care
HDSA	Historically disadvantaged South African
HIV	Human Immunodeficiency Virus
LoM plan	Life-of-Mine plan
LTIFR	Lost Time Injury Frequency Rate, quoted in million man hours
NGO	Non-governmental organisation
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
MCF	Mine Call Factor
OHC	Occupational Health Centre
OT	Occupational Therapy
PHC	Primary Health Clinic
PPI	Producer Price Index
SAMREC	South African code for Reporting of Mineral Resources and Mineral Reserves
SEC	United States Securities Exchange Commission
STI	Sexually Transmitted Infection
TB	Tuberculosis
TEC	Total Employees Costed
UASA	United Association of South Africa (a labour organisation)
VCT	Voluntary Counselling and Testing (for HIV)
cm	centimetre
cm.g/t	gold accumulation
g	gram
g/t	grams per metric tonne – gold grade

ha	hectare
kg	kilogram
km	kilometer
koz	thousand ounces
kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
ktpm	thousand tonnes per month
m^2	square meter
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 rands
R/t	South African rand per metric tonne

Glossary of terms – Sustainable Development

SUSTAINABLE DEVELOPMENT

- United Nations Global Compact – is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society.
- Global Reporting Initiative (GRI) – produces one of the world's most prevalent standards for sustainability reporting. Sustainability reporting is a form of value reporting where an organisation publicly communicates their economic, environmental, and social performance.
- ICMM (International Council on Mining and Metals) – CEO led organisation of mining companies that seeks to continually entrench best practice with regard to sustainable development and to provide a platform for member companies to share experiences.

HEALTH, SAFETY AND WELL-BEING

- LTIFR (Lost Day Injury Frequency Rate) – Frequency rate that takes into account, any injury occurring in the workplace where a person is unable to attend a full shift due to this injury at any time following the injury. i.e. It is not only relevant to the shift immediately following.
- SIFR (Serious Injury Frequency Rate) – Frequency rate that takes into account, any injury where a person is defined as an LTI but will be unable to return to work within 14 days of their injury occurring.
- MTIFR (Medically Treated Injury Frequency Rate) – Frequency rate that takes into account, any work related injury where a person is sent to a medical practitioner and is given treatment that cannot be provided on site by a First Aider. e.g. The prescription of a medication that is unavailable over the counter medication from any drug store or Pharmacy, Sutures, X – rays resulting in identifying an injury whether it be a fracture, tendon damage or otherwise. (X – rays are not treated as medical treatment where no injury is found). If the medical practitioner prescribes further treatment such as physiotherapy or chiropractics this would be considered a medically treated injury.
- OHSAS 18001 – An international voluntary standard against which organisations are assessed on their Health and Safety performance. As with other standards, it is based around the setting of objectives and targets and the monitoring of the businesses performance against these.
- AS 4801 – An Australian Standard for occupational health and safety and is currently one of the main system requirements for national, state and local government projects.
- Noise Induced Hearing Loss (NIHL) – is an increasingly prevalent disorder that results from exposure to high-intensity sound, especially over a long period of time.
- Silicosis – is a form of occupational lung disease caused by inhalation of crystalline silica dust, and is marked by inflammation and scarring in forms of nodular lesions in the upper lobes of the lungs.
- Chronic Obstructive Airway Disease (COAD) – refers to chronic bronchitis and emphysema, a pair of commonly co-existing diseases of the lungs in which the airways become narrowed.
- Highly active antiretroviral therapy (HAART) – Treatment with a very potent drug "cocktail" to suppress the growth of HIV, the retrovirus responsible for AIDS.

ENVIRONMENT

- 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 that classifies the incident based on its severity. The incidences are classified as follows:
  - Level 1 – incidences of minor non-conformance that result in no negligible adverse environmental impact
  - Level 2 – incidences that result in short-term, limited and non ongoing adverse environmental impacts
  - Level 3 – incidences that result in ongoing, but limited environmental impact
  - Level 4 – incidences that result in medium-term environmental impact
  - Level 5 – incidences that result in long-term environmental impact

- Water withdrawal – The sum of all water drawn into the boundaries of the reporting organisation for any use over the course of the reporting period.
- Water discharge – The sum of water effluents discharged over the course of the reporting period to the receiving environment
- mS/m (milliSiemens/metre) – is the unit used in the measuring of the electrical conductivity of water and provides an indication of overall water quality
- Acid Mine Drainage (AMD) – refers to the outflow of acidic water from (usually abandoned) mines that contain high pyrite levels. It is also known as acid rock drainage (ARD). The acid is formed from the pyrite mineral oxidising and forming sulphuric acid
- Basel Convention – is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries (LDCs).

SUPPLY CHAIN MANAGEMENT AND MATERIAL STEWARDSHIP

- ICMC (International Cyanide Management Code) – is a voluntary industry programme for manufacture, transport and use of cyanide in gold production.

SOCIAL RESPONSIBILITY AND STAKEHOLDER ENGAGEMENT

- Corporate Social Investment (CSI spend) – total monies disbursed through our foundations to achieve commitments set out in our socio-economic development programmes. In some regions, additional projects may be captured under the CSI spend such as the Black Stars sponsorship in Ghana or potential projects for exploration and project development such as at Chucapaca – should be replaced throughout the report with Local Economic Development
- Local Economic Development (LED) – refers to initiatives and monies disbursed to uplift socio-economic conditions in the communities in which we operate
- AA 1000 SES – is a generally applicable, open-source framework for improving the quality of the design, implementation, assessment, communication and assurance of stakeholder engagement.

OUR PEOPLE

- HDSA – Historically disadvantaged South Africans.

ENERGY AND CARBON MANAGEMENT

- Greenhouse gas emission (GHG emissions) – Gases which absorb outgoing terrestrial radiation, such as water vapour, methane, CFCs, and carbon dioxide.
- Scope 1 carbon dioxide (CO_2) emissions – are those directly occurring “from sources that are owned or controlled by the institution, including: on-campus stationary combustion of fossil fuels; mobile combustion of fossil fuels by institution owned/controlled vehicles; and “fugitive” emissions. Fugitive emissions result from intentional or unintentional releases of GHGs.
- Scope 2 CO_2 emissions – are “indirect emissions generated in the production of electricity consumed by the institution.”
- Scope 3 CO_2 emissions – are all the other indirect emissions that are “a consequence of the activities of the institution, but occur from sources not owned or controlled by the institution” such as commuting, air travel, waste disposal; embodied emissions from extraction, production, and transportation of purchased goods; outsourced activities; contractor-owned-vehicles; and line loss from electricity transmission and distribution”.
- Equivalent carbon dioxide (CO_2e) – measures for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO_2) as the reference.

Administration and corporate information

Corporate Secretary
Cain Farrel
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Fax: +2711 562 9829
E-mail: cain.farrel@goldfields.co.za

Registered Offices
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American Depository Receipts Transfer Agent
Bank of New York Mellon
BNY Mellon Shareowner Services
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E-mail: shrrelations@bnymellon.com

Gold Fields Limited
Incorporated in the Republic of South Africa
Registration number 1968/004880/06
Share code: GFI
Issuer code: GOGOF
ISIN – ZAE 000018123

Sustainable Development
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Fax: +4420 8658 3430
E-mail: ssd@capitaregistrars.com

Website
http://www.goldfields.co.za

Listings
JSE / NYSE / NASDAQ Dubai: GFI
NYX: GFLB
SWX: GOLI

Notice of annual general meeting

Gold Fields Limited (Registration number 1968/004880/06)
Share code: GFI
Issuer code: GOGOF
ISIN: ZAE000018123

Notice is hereby given that the annual general meeting of shareholders of Gold Fields Limited will be held at 150 Helen Road, Sandown, Sandton on Tuesday, 2 November 2010 at 10:00, to consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions in the manner required by the Companies Act, 61 of 1973, as amended, (Companies Act) and subject to the Listings Requirements of the JSE Limited and other stock exchanges on which the company's ordinary shares are listed.

ORDINARY RESOLUTION NUMBER 1

Adoption of financial statements

"Resolved that the consolidated audited annual financial statements of the company and its subsidiaries, incorporating the auditors' and directors' reports for the year ended 30 June 2010, be received and adopted."

ORDINARY RESOLUTION NUMBER 2

Appointment of auditors

"Resolved that KPMG Inc. was appointed, in place of PricewaterhouseCoopers Inc., with effect from 1 July 2010, by the Board of Directors to fill a casual vacancy in terms of section 273 of the Companies Act, subject to the approval by the shareholders.

Resolved further that KPMG Inc. be hereby appointed to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the company."

ORDINARY RESOLUTION NUMBER 3

Re-election of director

"Resolved that Dr MA Ramphele who was appointed to the Board on 1 July 2010 and who retires in terms of the articles of association, and who is eligible and available for re-election, is hereby re-elected as a director of the company." A brief CV is set out on page 30 of the annual report.

ORDINARY RESOLUTION NUMBER 4

Re-election of director

"Resolved that Mr PA Schmidt who was appointed to the Board on 6 November 2009 and who retires in terms of the articles of association, and is eligible and available for re-election, is hereby re-elected as a director of the company." A brief CV is set out on page 30 of the annual report.

ORDINARY RESOLUTION NUMBER 5

Re-election of director

"Resolved that Mr RL Pennant-Rea who was appointed to the Board on 1 July 2002 and who retires in terms of the articles of association, and is eligible and available for re-election, is hereby re-elected as a director of the company." A brief CV is set out on page 31 of the annual report.

ORDINARY RESOLUTION NUMBER 6

Re-election of director

"Resolved that Mr DMJ Ncube who was appointed to the Board on 15 February 2006 and who retires in terms of the articles of association, and is eligible and available for re-election, is hereby re-elected as a director of the company." A brief CV is set out on page 31 of the annual report.

Notice of annual general meeting continued

ORDINARY RESOLUTION NUMBER 7

Placement of ordinary shares under the control of the directors

"Resolved that the authorised but unissued ordinary share capital of the company, representing not more than 20% of the issued share capital of the company from time to time, after setting aside so many shares as may be required to be allotted and issued by the company in terms of any share plan or scheme for the benefit of employees, be and is hereby placed under the control of the directors of the company until the forthcoming annual general meeting of the company (whereupon this authority shall lapse unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 (fifteen) months of the date of this meeting), on the basis that such directors be and are hereby authorised in terms of section 221(2) of the Companies Act, to allot and issue all or part thereof in their discretion, subject to the provisions of the Companies Act and the Listings Requirements of the JSE Limited."

ORDINARY RESOLUTION NUMBER 8

Placement of non-convertible redeemable preference shares under the control of the directors

"Resolved that the non-convertible redeemable preference shares in the authorised but unissued share capital of the company be and are hereby placed under the control of the directors for allotment and issue at the discretion of the directors of the company until the forthcoming annual general meeting of the company (whereupon this authority shall lapse unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 (fifteen) months of the date of this meeting), subject to all applicable legislation, the requirements of any recognised stock exchange on which the shares in the capital of the company may from time to time be listed and with such rights and privileges attached thereto as the directors may determine."

ORDINARY RESOLUTION NUMBER 9

Issuing equity securities for cash

"Resolved that, pursuant to the articles of association of the company, and subject to the passing of ordinary resolution number 8, the directors of the company be and are hereby authorised until the forthcoming annual general meeting of the company (whereupon this authority shall lapse unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 (fifteen) months of the date of this meeting), to allot and issue equity securities for cash subject to the Listings Requirements of the JSE Limited (JSE) and subject to the Companies Act on the following basis:

(a) the allotment and issue of equity securities for cash shall be made only to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE and not to related parties;

(b) equity securities which are the subject of issues for cash:

  (i) in the aggregate in any one financial year may not exceed 10% of the company's relevant number of equity securities in issue of that class;

  (ii) of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible; and

  (iii) as regards the number of securities which may be issued (the 10% limit referred to in (i)), same shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities), at the date of such application, less any securities of the class issued, or to be issued in future arising from options/convertible securities issued, during the current financial year, plus any securities of that class to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten or acquisition (which had final terms announced) may be included as though they were securities in issue at the date of application;

(c) the maximum discount at which equity securities may be issued is 10% of the weighted average traded price on the JSE of such equity securities over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the company;

(d) after the company has issued equity securities for cash which represent, on a cumulative basis within a financial year, 5 (five) or more of the number of equity securities of that class in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per share of the company; and

(e) the equity securities which are the subject of the issue for cash are of a class already in issue or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue."

In terms of the Listings Requirements of the JSE, a 75% majority is required of votes cast in favour of such resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve the above resolution regarding the waiver of the pre-emptive rights.

ORDINARY RESOLUTION NUMBER 10

Termination of the awarding of rights to non-executive directors under The Gold Fields Limited 2005 Non-executive Share Plan

"Resolved that, consistent with the King III Report on Governance for South Africa and the JSE Listings Requirements, the awarding of restricted shares to non-executive directors under The Gold Fields Limited 2005 Non-executive Share Plan be discontinued with immediate effect."

EXPLANATORY NOTE ON RESOLUTION NUMBER 10

At the annual general meeting on 17 November 2005, shareholders approved the adoption of The Gold Fields Limited 2005 Non-executive Share Plan to replace the GF Non-executive Director Share Plan approved in 2001. The 2005 Non-executive Plan provides for the award, to non-executive directors, of restricted shares that ordinarily vest after a period of three years from the award thereof. Although permitted by the Companies Act, both the King III Report on Governance for South Africa and the JSE Listings Requirements, as amended, do not regard directors participating in share incentive/option schemes or who receive remuneration contingent upon the performance of the company as independent.

The JSE has ruled that section 3.84(f)(iii) of the Listings Requirements, as amended, will not be applied retrospectively. The restricted shares awarded to the non-executive directors before the amended JSE Listings Requirements became effective on 1 April 2010 will thus remain valid and the non-executive directors will be considered independent until the restricted shares have vested. The last restricted shares awarded to the non-executive directors under The Gold Fields Limited 2005 Non-executive Share Plan were approved at the AGM held on 4 November 2009 and they will vest on 4 November 2012. Due to the number of special prohibited periods which the company may be subject to, the vesting period of the restricted shares awarded under The Gold Fields Limited 2005 Non-executive Share Plan may be extended beyond 4 November 2012 so as not to prejudice the individuals affected. The Gold Fields Limited 2005 Non-executive Share Plan will be terminated after all restricted shares awarded before 1 April 2010 to non-executive directors have been settled and traded.

Subject to the approval of the shareholders of this resolution, the directors will therefore not be authorised to set aside, issue and or allot all or any of the company's unissued shares for purposes of The Gold Fields Limited 2005 Non-executive Share Plan.

Notice of annual general meeting continued

ORDINARY RESOLUTION NUMBER 11

Increase of non-executive directors' fees

"Resolved that the following remuneration shall be payable to non-executive directors of the company with effect from 1 January 2011:

	Annual fee
Retainer for	
The Chair of the Board	R2,100,000
The Chair of the Audit Committee	R205,000
The Chair of the Capital Projects Control and Review Committee, Nominating and Governance Committee, Remuneration Committee and Safety, Health and Sustainable Development Committee (excluding the Chair of the Board)	R158,000
Retainer fee for	
Members of the Board (excluding the Chair of the Board)	R708,000
Members of the Audit Committee (excluding the Chair of the Board)	R126,000
Members of the Capital Projects Control and Review Committee, Nominating and Governance Committee, Remuneration Committee and Safety, Health and Sustainable Development Committee (excluding the Chair of the Board)	R100,000

EXPLANATORY NOTE ON RESOLUTION NUMBER 11

Gold Fields being a global company seeks to attract and retain non-executive directors of international stature who would steer the vision of the company and increase value for its shareholders. Accordingly, the proposed non-executive directors' fees take into account the increasing demands on the role of the directors and potential risks attached to the position in terms of personal liability. The non-executive directors' remuneration structure/package was revised to comply with the requirements of the amended JSE Listings Requirements and the recommendations in the King III Report on Governance for South Africa. The international and local norms were also considered in determining the appropriate remuneration structure for non-executive directors.

After considering the report from the Non-Executive Director Remuneration Committee based on the survey by LMO Executive Services, it is proposed that an increase of 9% be granted to the Chair of the Board and 5% to the members of the Board.

Subject to the approval of resolution number 10 above recommending that consistent with the King III Report on Governance for South Africa and the JSE Listings Requirements, the practice of share allocations to the non-executive directors be discontinued, it is proposed that the shortfall arising from the ensuing loss in value be paid in cash to ensure competitiveness with the total fees paid by the market. This will form part of the annual remuneration of the directors.

It is also recommended that the international travel allowance be discontinued as all travel costs are paid by the company.

SPECIAL RESOLUTION NUMBER 1

Acquisition of company's own shares

"Resolved that, pursuant to the articles of association of the company, the company or any subsidiary of the company is hereby authorised by way of general approval, from time to time, to acquire ordinary shares in the share capital of the company in accordance with the Companies Act, 61 of 1973 and the JSE Listings Requirements, provided that:

(i) the number of ordinary shares acquired in any one financial year shall not exceed 20% of the ordinary shares in issue at the date on which this resolution is passed;

(ii) this authority shall lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date on which this resolution is passed;

(iii) the repurchase must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;

(iv) the company only appoints one agent to effect any repurchase(s) on its behalf;

(v) the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which a purchase is made;

(vi) the number of shares purchased by subsidiaries of the company shall not exceed 10% in the aggregate of the number of issued shares in the company at the relevant times;

(vii) the repurchase of shares by the company or its subsidiaries may not be effected during a prohibited period, as defined in the JSE Listings Requirements;

(viii) after a repurchase, the company will continue to comply with all the JSE Listings Requirements concerning shareholder spread requirements; and

(ix) an announcement containing full details of such acquisitions of shares will be published as soon as the company and/or its subsidiaries have acquired shares constituting, on a cumulative basis 3% of the number of shares in issue at the date of the general meeting at which this special resolution is considered and if approved, passed, and for each 3% in aggregate of the initial number acquired thereafter."

EXPLANATORY NOTE ON SPECIAL RESOLUTION NUMBER 1

The reason for and effect of this special resolution is to allow the company and/or its subsidiaries by way of a general authority to acquire its own issued shares, thereby reducing the total number of ordinary shares of the company in issue. At the present time, the directors have no specific intention with regard to the utilisation of this authority which will only be used if the circumstances are appropriate. Any decision by the directors, after considering the effect of a repurchase of up to 20% of the company's issued ordinary shares, to use the general authority to repurchase shares of the company or Group will be taken with regard to the prevailing market conditions and other factors and provided that, after such acquisition, the directors are of the opinion that:

(i) the company and its subsidiaries will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of this notice;

(ii) recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements, the assets of the company and its subsidiaries will exceed the liabilities of the company and its subsidiaries for a period of 12 months after the date of this notice;

(iii) the ordinary capital and reserves of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for the period of 12 months after the date of this notice; and

(iv) the working capital of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for the period of 12 months after the date of this notice.

The company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any purchase of the company's shares on the open market.

The JSE Listings Requirements require, in terms of section 11.26, the following disclosures, which appear in this annual report:

- Directors and management – refer to pages 30 to 33 of the annual report
- Major beneficial shareholders – refer to page 259 of the annual financial report
- Directors' interests in ordinary shares – refer to page 169 of the annual financial report
- Share capital of the company – refer to page 165 of the annual financial report.

Notice of annual general meeting continued

The directors of the company are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position, save for the summons received on 21 August 2008, by Gold Fields Operations Limited (formerly known as Western Areas Limited (WAL)), a subsidiary of the company, of which the shareholders were informed.

It is asserted in the summons that during the period that WAL was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of shares owned by Randgold and Exploration Company Limited in Randgold Resources Limited (Randgold) and Afrikander Lease Limited, now known as Uranium One. WAL's assessment remains that it has sustainable defences to these claims and it has instructed its attorneys to vigorously defend these claims. The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Randgold and Uranium One between the dates of the alleged unlawful acts and March 2008 (approximately R12 billion). The alternative claims have been computed on the basis of the actual amounts allegedly received by WAL to fund its operations (approximately R519 million). The claims lie only against WAL, which holds a 50% stake in the South Deep Mine. This alleged liability is historic and relates to a period of time prior to Gold Fields purchasing the company.

The update on the matter is that the plaintiffs have failed, to date, to prosecute their claims and the action remains in abeyance.

The directors jointly and severally accept full responsibility for the accuracy of information pertaining to the special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolution contains all information required by the Companies Act, 61 of 1973 and the JSE Listings Requirements.

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries between the date of signature of the audit report and the date of this notice.

A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company. Proxy forms must reach the registered office, or the London secretaries, or the Johannesburg or London transfer office of the company at least 24 hours before the time of the meeting.

By order of the directors

C Farrel
Corporate Secretary

Johannesburg
10 September 2010

Form of proxy

Gold Fields Limited (Registration number 1968/004880/06)
Share code: GFI
Issuer code: GOGOF
ISIN: ZAE000018123

I/we (name in block letters)

of (address in block letters)

being a shareholder(s) of Gold Fields Limited

hereby appoint of

or, failing him/her of

or, failing him/her, the Chair of the meeting as my/our proxy to attend, speak and, on a poll vote on my/our behalf at the annual general meeting of shareholders of Gold Fields Limited to be held on Tuesday, 2 November 2010 at 10:00, and at any adjournment thereof, and to vote or abstain from voting as follows on the resolutions to be proposed at such meeting:

	For	Against	Abstain
Ordinary resolution number 1 Adoption of financial statements			
Ordinary resolution number 2 Appointment of auditors			
Ordinary resolution number 3 Re-election of director			
Ordinary resolution number 4 Re-election of director			
Ordinary resolution number 5 Re-election of director			
Ordinary resolution number 6 Re-election of director			
Ordinary resolution number 7 Placement of ordinary shares under the control of the directors			
Ordinary resolution number 8 Placement of non-convertible redeemable preference shares under the control of the directors			
Ordinary resolution number 9 Issuing equity securities for cash			
Ordinary resolution number 10 Termination of the awarding of rights to non-executive directors under The Gold Fields Limited 2005 Non-executive Share Plan			
Ordinary resolution number 11 Increase of non-executive directors' fees			
Special resolution number 1 Acquisition of company's own shares			

A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and on a poll, vote in his/her stead. A proxy need not be a shareholder of the company.

Every person present and entitled to vote at the annual general meeting as a shareholder or as a representative of a body corporate shall on a show of hands have one vote only, irrespective of the number of shares such person holds or represents, but in the event of a poll, every share shall have one vote.

Please indicate with an "X" in the appropriate spaces above how you wish your votes to be cast.

If you return this form duly signed without any specific directions, the proxy will vote or abstain at his/her discretion.

Signed at on 2010

Name in block letters

Signature

Assisted by me (where applicable)

This proxy form is not for use by holders of American Depository Receipts issued by the Bank of New York Mellon.

Notes to the form of proxy

1. A form of proxy is only to be completed by those shareholders:
   - holding shares in certified form; or
   - recorded on sub-register electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker and wish to attend the annual general meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A signatory/ies to the proxy form may insert the name of a proxy or the name of an alternative proxy in the blank spaces provided with or without deleting "the Chair of the meeting", but any such deletion must be initialled by the signatory/ies. Any insertion or deletion not complying with the aforegoing will be deemed not to have been validly effected. The person at the meeting whose name appears first on the list of names above, shall be the validly appointed proxy for the shareholder at the meeting.
4. A shareholder's instructions to the proxy must be indicated in the appropriate blocks provided. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy or to cast all those votes in the same way, but the total of that shareholder's votes cast and in respect whereof abstention is directed, may not exceed the total of the votes exercisable by the shareholder or the proxy. Failure to comply with the above or to provide voting instructions or the giving of contradictory instructions will be deemed to authorise the proxy to vote or abstain from voting at the meeting as such proxy deems fit in respect of all that shareholder's votes exercisable at that meeting.
5. Any alteration or correction made to this proxy form must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this proxy form in a responsible capacity must be attached to this proxy form unless previously recorded by the company.
7. When there are joint holders of shares, any one holder may sign the proxy form.
8. Where applicable the spouse's consent must be obtained.
9. The completion and lodging of this proxy form will not preclude the shareholder who grants this proxy from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
10. Completed proxy forms should be returned to the registered offices in Johannesburg or one of the transfer offices of the company at either of the addresses given below at least 24 hours before the time of the meeting.

TRANSFER OFFICES

South Africa

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GOLD FIELDS

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