GOLD FIELDS LTD
Form 20-F
November 17, 2008
Table of Contents

As filed with the Securities and Exchange Commission on November 17, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F

(Mark One)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**
or

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended 30 June 2008

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

or

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report

For the transition period from to

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

24 St. Andrews Road

Parktown, 2193

South Africa

011-27-11-644-2400

(Address of principal executive offices)

Michael Fleischer

Executive Vice President General Counsel

Tel: 011-27-11-644-2696

Fax : 011-27-11-484-4911

michael.fleischer@goldfields.co.za

24 St. Andrews Road

Parktown, 2193

South Africa

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Ordinary shares of par value Rand 0.50 each	New York Stock Exchange*
American Depositary Shares, each representing one ordinary share	New York Stock Exchange

* Not for trading, but only in connection with the registration of the American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the Annual Report:

653,200,682 ordinary shares of par value Rand 0.50 each

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934: Yes ¨ No x

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP x International Financial Reporting Standards as issued by the International Accounting Standards Board ¨ Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ¨ No x

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court: Yes ¨ No ¨

Table of Contents

The Worldwide Locations of Gold Fields Operations

Table of Contents

Presentation of Financial Information

Gold Fields Limited, or Gold Fields or the Company, is a South African company and the majority of its operations, based on gold production, are located there. Accordingly, its books of account are maintained in South African Rand and its annual and interim financial statements are prepared in accordance with International Financial Reporting Standards, or IFRS, as prescribed by law. Gold Fields also prepares annual financial statements in accordance with United States Generally Accepted Accounting Principles, or U.S. GAAP, which are translated into U.S. dollars. Except as otherwise noted, the financial information included in this annual report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars, and descriptions of critical accounting policies refer to accounting policies under U.S. GAAP.

For Gold Fields financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the date that it closed its accounts for fiscal 2008 (Rand 8.00 per $1.00 as of June 24, 2008), except for specific items included within shareholders equity that are translated at the rate prevailing on the date the relevant transaction was entered into, and statement of operations item amounts are translated from Rand to U.S. dollars at the weighted average exchange rate for each period (Rand 7.27 per $1.00 for the year ended June 30, 2008).

In this annual report, Gold Fields presents the financial items total cash costs, total cash costs per ounce , total production costs and total production costs per ounce, which have been determined using industry standards promulgated by the Gold Institute and are not U.S. GAAP measures. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. An investor should not consider these items in isolation or as alternatives to production costs, income before tax, net income, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Key Information Selected Historical Consolidated Financial Data, Information on the Company Glossary of Mining Terms Total cash costs per ounce and Information on the Company Glossary of Mining Terms Total production costs per ounce.

In this annual report Gold Fields also presents the financial items operating costs and notional cash expenditure , or NCE. Operating costs and NCE have been determined by Gold Fields on the basis of internally developed definitions and are not U.S. GAAP measures. Gold Fields defines operating costs as production costs (exclusive of depreciation and amortization) plus corporate expenditure, employment termination costs and accretion expense on provision for environmental rehabilitation and NCE as operating costs plus additions to property plant and equipment. See Operating and Financial Review and Prospects Costs Notional Cash Expenditure. An investor should not consider these items in isolation or as alternatives to production costs, cash flows from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. Operating costs and NCE as presented in this annual report may not be comparable to other similarly titled measures of performance of other companies.

Defined Terms and Conventions

In this annual report, all references to South Africa are to the Republic of South Africa, all references to Ghana are to the Republic of Ghana, all references to Australia are to the Commonwealth of Australia, all references to Venezuela are to the Bolivarian Republic of Venezuela, all references to Finland are to the Republic of Finland and all references to Peru are to the Republic of Peru.

Table of Contents

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. In order to facilitate a better understanding of these descriptions, this annual report contains a glossary defining a number of technical and geological terms. See Information on the Company Glossary of Mining Terms.

In this annual report, R and Rand refer to the South African Rand and Rand cents refers to subunits of the South African Rand, $, U.S.$ and dollars refer to United States dollars, U.S. cents refers to subunits of the U.S. dollar, A$ and Australian dollars refer to Australian dollars, PEN and Nuevos Soles refer to Peruvian Nuevos Soles and VEB and Bolivars refer to Venezuelan bolivars.

In this annual report, gold production figures are provided in troy ounces, which are referred to as ounces or oz, and ore grades are provided in grams per metric ton, which are referred to as grams per ton or g/t. All references to tons or t in this annual report are to metric tons. See Information on the Company Glossary of Mining Terms for further information regarding units of measurement used in this annual report and a table providing rates of conversion between different units of measurement.

In this annual report, except where otherwise noted, all production and operating statistics are based on Gold Fields total operations, which include production from the Tarkwa and Damang mines in Ghana which is attributable to the minority shareholders in those mines.

Certain information in this annual report presented in Rand, Australian dollars, Bolivars and Peruvian Nuevos Soles has been translated into U.S. dollars. Unless otherwise stated, the conversion rates for these translations are Rand 8.00 per $1.00 and A$1.00 per $0.9573, which were the noon buying rates on June 24, 2008. For Bolivars, the conversion rate is VEB 2.1473 per $1.00, which was the rate fixed by the Venezuelan government as of June 30, 2008. By including the U.S. dollar equivalents, Gold Fields is not representing that the Rand, Australian dollar, Peruvian Nuevo Sol or Bolivar amounts actually represent the U.S. dollar amounts shown or that these amounts could be converted into U.S. dollars at the rates indicated.

Information on South Deep, Western Areas and BGSA

This annual report contains certain information relating to Western Areas Limited, or Western Areas (now known as Gold Fields Operations Limited), or Western Areas, Barrick Gold South Africa (Pty) Limited, or BGSA (now known as GFI Joint Ventures Holding (Pty) Limited, or GFI Joint Ventures), and the South Deep gold mine, or South Deep, including information contained in Risk Factors, Information on the Company, Operating and Financial Review and Prospects and Additional Information. This information, as it relates to information regarding South Deep, Western Areas and BGSA in the period before Gold Fields acquisition of these entities, has been compiled from information published by Western Areas, including information filed with the JSE Limited, or JSE, and certain due diligence materials made available to Gold Fields by Western Areas and Barrick Gold Corporation, or Barrick, and has not been commented on by any representative of Western Areas or Barrick. Gold Fields has sought to ensure that the information presented has been accurately reproduced from these sources. However, Gold Fields is otherwise unable to confirm that the information relating to Western Areas, South Deep and BGSA is in accordance with the facts and does not omit anything likely to affect the import of the information. The majority of Gold Fields proven and probable reserves for South Deep are outside the current mining area and are based on the pre-acquisition South Deep operation reserve figures as declared for December 2005 by an independent reserve panel for the Barrick Gold-Western Areas Joint Venture between BGSA (formerly, Placer Dome South Africa Proprietary Limited) and Western Areas. Gold Field has re-modeled, re-evaluated, designed and scheduled the current mining area in accordance with Gold Fields standards and procedures. The proven and probable reserves for South Deep included in this annual report take account of this revised information as well as mining depletion through June 30, 2008. See also Risk Factors Gold Fields has not independently confirmed the reliability of the South Deep, BGSA or Western Areas information for the period prior to their respective acquisitions by Gold Fields included in this annual report.

Table of Contents

Forward-looking Statements

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to Gold Fields financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this annual report that are not historical facts are forward-looking statements.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Gold Fields, wherever they may occur in this annual report and the exhibits to the annual report, are necessarily estimates reflecting the best judgment of the senior management of Gold Fields and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- overall economic and business conditions in South Africa, Ghana, Australia, Peru and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- the success of exploration and development activities;
- decreases in the market price of gold or copper;
- the occurrence of hazards associated with underground and surface gold mining;
- the occurrence of labor disruptions;
- availability, terms and deployment of capital or credit;
- changes in relevant government regulations, particularly environmental regulations and potential new legislation affecting mining and mineral rights;
- fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies; and
- political instability in South Africa, Ghana, Peru or regionally in Africa or South America.

Gold Fields undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

Table of Contents

Table of Contents

Table of Contents

Table of Contents

PART I

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

Selected Historical Consolidated Financial Data

The selected historical consolidated financial data set out below for each of the three years ended June 30, 2008, and as of June 30, 2008 and 2007 have been extracted from the more detailed information, including Gold Fields audited consolidated financial statements for those years and as of those dates and the related notes, which appear elsewhere in this annual report. The selected historical consolidated financial data for each of the two years ended June 30, 2005, and as of June 30, 2006, 2005 and 2004 have been derived from Gold Fields audited consolidated financial statements as of that date, which are not included in this annual report, and adjusted where applicable as described below. The selected historical consolidated financial data presented below have been derived from financial statements which have been prepared in accordance with U.S. GAAP.

	Year ended June 30,(1)(2)				
	2004	2005	2006	2007	2008
	(in $ millions, except where otherwise noted)				
Statements of Operations Data					
Revenues	1,706.2	1,893.1	2,282.0	2,735.2	3,206.2
Production costs (exclusive of depreciation and amortization)	1,255.2	1,372.4	1,499.9	1,707.7	1,996.1
Depreciation and amortization	230.5	366.4	353.3	388.2	400.5
Corporate expenditure	20.3	22.5	21.9	38.4	41.0
Employment termination costs	10.5	13.7	9.1	4.9	16.2
Exploration expenditure	39.9	46.0	39.3	47.4	39.8
Impairment of assets	72.7	233.1			11.4
Shaft closure costs					3.3
Impairment of critical spares		2.8			
(Decrease)/increase in post-retirement healthcare provision	(5.1)	(4.2)	(0.5)	1.3	(0.7)
Accretion expense on environmental rehabilitation	8.4	11.5	8.6	6.4	12.0
Share-based compensation		2.1	11.5	12.5	20.7
Harmony hostile bid costs		50.8			
IAMGold transaction costs		9.3			
Interest and dividends	19.4	29.2	26.8	26.8	31.2
Finance income/(expense)	(12.2)	(54.9)	(55.6)	(95.2)	(100.4)
Unrealized gain on financial instruments	39.2	4.9	14.6	15.4	
Realized gain/(loss) on financial instruments	(8.7)	2.1	(9.1)	(10.7)	19.8
Realized loss on foreign exchange				(15.1)	1.7
Profit on sale of property, plant and equipment	0.3	0.8	3.7	7.4	4.6
Profit on disposal of subsidiaries					208.4
Profit on disposal of listed investments	13.9	8.1	6.3	26.8	3.7
Profit on disposal of exploration rights		7.5			
Profit on disposal of mineral rights	27.1				
Write-down of investments		(7.7)			
Write-down of mineral rights	(3.6)				
Other income/(expenses)	1.8	(4.3)	(16.5)	(2.2)	5.9

	Year ended June 30,(1)(2)				
	2004	2005	2006	2007	2008
	(in $ millions, except where otherwise noted)				
Income/(loss) before tax, impairment of investment in equity investee, share of equity investees (losses)/income and minority interests	180.7	(247.6)	309.1	481.6	840.8
Income and mining tax (expense)/benefit	(50.9)	85.8	(110.6)	(209.3)	(271.2)
Income/(loss) before impairment of investment in equity investee, share of equity investees (losses)/income and minority interests	129.8	(161.8)	198.5	272.3	569.6
Impairment of investment in equity investee					(61.3)
Share of equity investees (losses)/income	(13.3)	(0.8)	(7.0)	0.3	(16.0)
Minority interests	(21.8)	(20.6)	(29.8)	(26.5)	(39.8)
Net income/(loss)	94.7	(183.2)	161.7	246.1	452.5
Basic earnings/(loss) per share ($)	0.10	(0.37)	0.33	0.44	0.69
Diluted earnings/(loss) per share ($)	0.10	(0.37)	0.33	0.44	0.69
Other Financial and Operating Data					
Dividend per share (Rand)	1.40	0.70	0.80	2.00	1.60
Dividend per share ($)	0.19	0.11	0.13	0.28	0.22
Total cash costs per ounce of gold produced ($)(3)	273	302	338	394	505
Total production costs per ounce of gold produced ($)(4)	329	385	419	482	610
Notional cash expenditure per ounce of gold produced ($)(5)	402	416	441	596	822

Notes:

(1) The data for each of the three years ended June 30, 2006 and as of June 30, 2004, 2005 and 2006 has been adjusted due to a change in accounting policy in fiscal 2007 regarding ore reserve development costs, which were previously expensed and are now capitalized. Under this revised accounting policy, all costs associated with the development of a specific underground block or area are capitalized until saleable minerals are extracted from that specific block or area. At Gold Fields underground mines, these costs include the cost of shaft sinking and access, the costs of building access ways, lateral development, drift development, ramps, box cuts and other infrastructure development. Previously, at Gold Fields underground mines, costs incurred to develop the property were capitalized only until the reef horizons were intersected. Subsequent mine development costs to access other specific ore blocks or areas of the mine were treated as variable production costs and expensed as incurred.

(2) As a result of the acquisition of Western Areas, Western Areas was fully consolidated with Gold Fields as from December 1, 2006. See Note 3(c) to Gold Fields audited consolidated financial statements included elsewhere in this annual report. During the period between December 1, 2006 and March 31, 2007, Gold Fields did not own 100% of Western Areas and therefore did not own 100% of South Deep. The percentages of the results of Western Areas and South Deep that did not accrue to Gold Fields have been accounted for as minority interests. U.S. GAAP requires that where a company is acquired through a series of transactions, an investment in that company that was previously accounted for as available for sale be retrospectively accounted for on an equity basis. Since Gold Fields had previously held interests in Western Areas which were accounted for as available for sale, its results for prior years and the period July 1, 2006 to November 30, 2006 have been adjusted accordingly to account for the investment in Western Areas using the equity method.

(3) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using guidance provided by the Gold Institute, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry guidance, are production costs as recorded in the statement of operations, less offsite (i.e. central) general and administrative expenses (including head office costs performance, as well as changes in the currency exchange rate between the Rand, Australian dollar and the

8

Table of Contents

Bolivar, compared with the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs and total cash costs per ounce are not U.S. GAAP measures. An investor should not consider total cash costs and total cash costs per ounce in isolation or as an alternative to total production costs or net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. In particular, depreciation and amortization is included in a measure of production costs under U.S. GAAP, but is not included in total cash costs under the guidance provided by the Gold Institute. Furthermore, while the Gold Institute has provided a definition for the calculation of total cash costs, the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total cash costs per ounce. For a reconciliation of Gold Fields production costs to its total cash costs for fiscal 2008, 2007 and 2006, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2007 and 2006.

(4) Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. Total production costs, as defined by the Gold Institute industry guidance, are total cash costs, as calculated using the Gold Institute guidance, plus amortization, depreciation and rehabilitation costs. Changes in total production costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand, and the Australian dollar compared with the U.S. dollar. Changes in the currency exchange rate between the Bolivar and the U.S. dollar affected changes in total production costs per ounce until the sale of the Choco 10 mine on November 30, 2007. Management, however, believes that total production costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total production costs per ounce is not a U.S. GAAP measure. An investor should not consider total production costs per ounce in isolation or as an alternative to total production costs or net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total production costs, the calculation of total production costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total production costs per ounce. For a reconciliation of Gold Fields production costs to its total production costs for fiscal 2008, 2007, and 2006, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2007 and 2006.

(5) Gold Fields defines notional cash expenditure, or NCE, as operating costs plus additions to property, plant and equipment, and defines operating costs as production costs (exclusive of depreciation and amortization) plus corporate expenditure, employment termination costs and accretion expense on provision for environmental rehabilitation. Gold Fields reports NCE on a per ounce basis. Management considers NCE per ounce to be an important measure as it believes NCE per ounce provides more information than other commonly used measures, such as total cash costs per ounce, the real cost to Gold Fields of producing an ounce of gold, reflecting not only the ongoing costs of production but also the investment cost of bringing mines into production. Management also believes that NCE per ounce is a useful indication of the cash Gold Fields has available to do things other than produce gold, such as paying taxes, repaying debt, funding exploration and paying dividends.

Notional cash expenditure per ounce is not a U.S. GAAP measure. An investor should not consider NCE or operating costs in isolation or as alternatives to production costs, cash flows from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. NCE and operating costs as presented in this annual report may not be comparable to other similarly titled measures of performance of other companies. For a reconciliation of Gold Fields notional cash expenditure to its production costs for

Table of Contents

fiscal 2008, 2007 and 2006, see Operating and Financial Review and Prospects Costs Notional Cash Expenditure.

	Year ended June 30,(1)(2)				
	2004	2005	2006	2007	2008
	(in $ millions, except where otherwise noted)				
Balance Sheet Data					
Cash and cash equivalents	656.3	503.7	217.7	326.4	253.7
Current portion of financial instruments	37.0	46.8	30.4		6.9
Receivables	116.4	119.9	148.7	297.7	280.1
Inventories	63.9	77.4	111.3	144.9	152.8
Material contained in heap leach pads	42.5	55.1	47.7	58.1	74.5
Total current assets	916.1	802.9	555.8	827.1	768.0
Property, plant and equipment, net	2,912.7	2,688.6	3,172.1	5,576.8	5,423.7
Goodwill				1,222.7	1,092.8
Non-current portion of financial instruments	70.3	32.4			
Non-current investments	161.5	192.0	371.8	401.8	737.4
Total assets	4,060.6	3,715.9	4,099.7	8,028.4	8,021.9
Accounts payable and provisions	273.4	241.9	299.8	463.6	610.3
Current portion of financial instruments				10.8	
Interest payable	17.2	32.6	29.8	34.7	29.2
Income and mining taxes payable	14.2	18.0	46.8	72.2	123.1
Current portion of long-term loans			0.3	227.5	772.9
Bank overdraft				3.3	2.7
Total current liabilities	304.8	292.5	376.7	812.1	1,538.2
Long-term loans	643.2	653.1	737.9	1,211.8	564.2
Deferred income and mining taxes	811.8	650.0	781.8	879.5	719.9
Provision for environmental rehabilitation	116.0	134.6	146.4	197.2	216.2
Provision for post-retirement healthcare costs	18.9	9.0	7.4	9.5	7.9
Minority interests	102.7	118.4	125.1	127.1	151.4
Share capital	43.6	43.7	43.9	54.8	54.9
Additional paid-in capital	1,792.3	1,797.9	1,827.6	4,459.8	4,490.4
Retained earnings	261.7	24.0	123.9	211.8	521.8
Accumulated other comprehensive (loss)/income	(34.4)	(7.3)	(71.0)	64.8	(243.0)
Total shareholders equity	2,063.2	1,858.3	1,924.4	4,791.2	4,824.1
Total liabilities and shareholders equity	4,060.6	3,715.9	4,099.7	8,028.4	8,021.9

	Year ended June 30,(1)(2)				
	2004	2005	2006	2007	2008
	(in $ millions, except where otherwise noted)				
Other Data					
Number of ordinary shares as adjusted to reflect changes in capital structure	491,492,520	492,294,226	494,824,723	652,158,066	653,200,682
Net assets	2,063.2	1,858.3	1,924.4	4,791.2	4,824.1

Notes:

(1) The data for each of the three years ended June 30, 2006 and as of June 30, 2004, 2005 and 2006 has been adjusted due to a change in accounting policy in fiscal 2007 regarding ore reserve development costs, which were previously expensed and are now capitalized. Under this revised accounting principle, all costs associated with the development of a specific underground block or area are capitalized until saleable minerals are extracted from that specific block or area. At Gold Fields underground mines, these costs include the cost of shaft sinking and access, the costs of building access ways, lateral development, drift development, ramps, box cuts and other infrastructure development. Previously, at Gold Fields underground mines, costs incurred to develop the property were capitalized only until the reef horizons were intersected. Subsequent mine development costs to access other specific ore blocks or areas of the mine were treated as variable production costs and expensed as incurred.

Table of Contents

(2) As a result of the acquisition of Western Areas, Western Areas was fully consolidated with Gold Fields as from December 1, 2006. See Note 3(c) to Gold Fields audited consolidated financial statements included elsewhere in this annual report. During the period between December 1, 2006 and March 31, 2007, Gold Fields did not own 100% of Western Areas and therefore did not own 100% of South Deep. The percentages of the results of Western Areas and South Deep that did not accrue to Gold Fields have been accounted for as minority interests. U.S. GAAP requires that where a company is acquired through a series of transactions, an investment in that company that was previously accounted for as available for sale be retrospectively accounted for on an equity basis. Since Gold Fields had previously held interests in Western Areas which were accounted for as available for sale, its results for prior years and the period July 1, 2006 to November 30, 2006 have been adjusted accordingly to account for the investment in Western Areas using the equity method.

Exchange Rates

The following tables set forth, for the periods indicated, the average, high, low and period-end noon buying rates in New York City for cable transfers in Rand as certified for customs purposes by the Federal Reserve Bank of New York, expressed in Rand per $1.00:

Year ended June 30,	Average(1)
2004	6.78
2005	6.20
2006	6.42
2007	7.20
2008	7.30
2009 (through October 31, 2008)	8.30

Note:

(1) The average of the noon buying rates on the last day of each full month during the relevant period.

Month ended	High	Low
May 31, 2008	7.76	7.47
June 30, 2008	8.12	7.70
July 31, 2008	7.92	7.31
August 31, 2008	7.90	7.24
September 30, 2008	8.32	7.77
October 31, 2008	11.27	8.27

The noon buying rate for the Rand on October 31, 2008 was Rand 9.87 per $1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on the JSE Limited, or JSE, which may affect the market price of the American Depositary Shares, or ADSs, on the New York Stock Exchange. These fluctuations will also affect the U.S. dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.

Table of Contents

RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on Gold Fields business, financial condition or results of operations, resulting in a decline in the trading price of Gold Fields ordinary shares or ADSs. The risks set forth below comprise all material risks currently known to Gold Fields. However, there may be additional risks that Gold Fields does not currently know of or that Gold Fields currently deems immaterial based on the information available to it. These factors should be considered carefully, together with the information and financial data set forth in this document.

Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields operations and the cash flows generated by those operations.

Substantially all of Gold Fields revenues are derived from the sale of gold. Historically, the market price for gold has fluctuated widely and has been affected by numerous factors over which Gold Fields has no control, including:

- the demand for gold for industrial uses and for use in jewelry;
- actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;
- speculative trading activities in gold;
- the overall level of forward sales by other gold producers;
- the overall level and cost of production by other gold producers;
- international or regional political and economic events or trends;
- the strength of the U.S. dollar (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation; and
- interest rates.

In addition, the current demand for and supply of gold affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or the gold price. Central banks, financial institutions and individuals historically have held large amounts of gold as a store of value, and production in any given year historically has constituted a small portion of the total potential supply of gold. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis. Pursuant to a gold sales agreement entered into by 15 European central banks, individual banks may sell up to 500 tons of gold per year, the effect on the market in terms of total gold sales is unclear. This agreement is scheduled to be reviewed in 2009.

While the aggregate effect of these factors is impossible for Gold Fields to predict, if gold prices should fall below the amount it costs Gold Fields to produce gold and remain at such levels for any sustained period, Gold Fields may experience losses and may be forced to curtail or suspend some or all of its operations and/or reduce capital expenditures. In addition, Gold Fields might not be able to recover any losses it may incur during that period.

Copper will account for a significant proportion of the revenues at Gold Fields Cerro Corona Project, although Gold Fields does not expect copper to be a major element of its overall revenues. A decline in copper prices, which have also fluctuated widely, could adversely affect the revenues and cashflows from the Cerro Corona Project.

Table of Contents

Because Gold Fields does not use commodity or derivative instruments to protect against low gold prices with respect to its production, Gold Fields is exposed to the impact of any significant decline in the gold price.

As a general rule Gold Fields sells its gold production at market prices. Gold Fields generally does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of its future gold production. In general, hedging reduces the risk of exposure to volatility in the gold price. Hedging also enables a gold producer to fix a future price for hedged gold that generally is higher than the then current spot price. To the extent that it does not generally use commodity or derivative instruments, Gold Fields will not be protected against decreases in the gold price, and if the gold price decreases significantly, Gold Fields runs the risk of reduced revenues in respect of gold production that is not hedged. See Quantitative and Qualitative Disclosures About Market Risk.

Gold Fields reserves are estimates based on a number of assumptions, any changes to which may require Gold Fields to lower its estimated reserves.

The ore reserves stated in this annual report represent the amount of gold and copper that Gold Fields estimated, as of June 30, 2008, could be mined, processed and sold at prices sufficient to recover Gold Fields estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Ore reserves are estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, prices and exchange rates, many of which are beyond Gold Fields control. In the event that Gold Fields revises any of these assumptions in an adverse manner, Gold Fields may need to revise its ore reserves downwards. In particular, if Gold Fields production costs or capital expenditures increase, if gold or copper prices decrease or if the Rand or Australian dollar strengthens against the U.S. dollar, a portion of Gold Fields ore reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves. See Information on the Company Reserves of Gold Fields as of June 30, 2008.

To the extent that Gold Fields seeks to expand through acquisitions, it may experience problems in executing acquisitions or managing and integrating the acquisitions with its existing operations.

In order to expand its operations and reserve base, Gold Fields may seek to make acquisitions of selected precious metal producing companies or assets. Gold Fields success at making any acquisitions will depend on a number of factors, including, but not limited to:

- negotiating acceptable terms with the seller of the business to be acquired;
- obtaining approval from regulatory authorities;
- assimilating the operations of an acquired business in a timely and efficient manner;
- maintaining Gold Fields financial and strategic focus while integrating the acquired business;
- implementing uniform standards, controls, procedures and policies at the acquired business; and
- operating in a new environment to the extent that Gold Fields makes an acquisition outside of markets in which it has previously operated.

There can be no assurance that any acquisition will achieve the results intended. Any problems experienced by Gold Fields in connection with an acquisition as a result of one or more of these factors could have a material adverse effect on Gold Fields business, operating results and financial condition.

To the extent that Gold Fields seeks to expand through its exploration program, it may experience problems associated with mineral exploration or developing mining projects.

In order to expand its operations and reserve base, Gold Fields may rely on its exploration program for gold and other metals associated with gold and its ability to develop mining projects. Exploration for gold and other metals associated with gold is speculative in nature, involves many risks and frequently is unsuccessful. Any exploration program entails risks relating to the location of economic orebodies, the development of appropriate

Table of Contents

metallurgical processes, the receipt of necessary governmental permits and regulatory approvals and the construction of mining and processing facilities at the mining site. Gold Fields exploration efforts may not result in the discovery of gold or other metals associated with gold and any mineralization discovered may not result in an increase of Gold Fields reserves. If orebodies are developed, it can take a number of years and substantial expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. Gold Fields exploration program may not result in the replacement of current production with new reserves or result in any new commercial mining operations. Also, to the extent Gold Fields participates in the development of a project through a joint venture, there could be disagreements or divergent interests or goals among the joint venture parties which could jeopardize the success of the project.

In addition, significant capital investment is required to achieve commercial production from exploration efforts. There is no assurance that Gold Fields will have, or be able to raise, the required funds to engage in these activities or to meet its obligations with respect to the exploration properties in which it has or may acquire an interest.

Due to the nature of mining and the type of gold mines it operates, Gold Fields faces a material risk of liability, delays and increased production costs from environmental and industrial accidents and pollution.

The business of gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial accidents. In particular, hazards associated with Gold Fields underground mining operations include:

- rock bursts;
- seismic events, particularly at the Driefontein, Kloof and South Deep operations;
- underground fires and explosions, including those caused by flammable gas;
- cave-ins or gravity falls of ground;
- discharges of gases and toxic substances;
- releases of radioactivity;
- flooding;
- accidents related to the presence of mobile machinery
- ground and surface water pollution, including as a result of potential spillage or seepage from tailings dams;
- sinkhole formation and ground subsidence; and
- other accidents and conditions resulting from drilling, blasting and removing and processing material from an underground mine.

Gold Fields South African operations may be more susceptible to certain of these risks because significant amounts of mining occur at deep levels of up to 3,500 meters below the surface.

Hazards associated with Gold Fields   open pit mining operations include:

- flooding of the open pit;
- collapses of the open pit walls;
- accidents associated with the operation of large open pit mining and rock transportation equipment;
- accidents associated with the preparation and ignition of large-scale open pit blasting operations;
- ground and surface water pollution, including as a result of potential spillage or seepage from tailings dams;

production disruptions due to weather; and

hazards associated with heap leach processing, such as groundwater and waterway contamination.

Hazards associated with Gold Fields rock dump and production stockpile mining and tailings disposal include:

accidents associated with operating a rock dump and production stockpile and rock transportation equipment;

production disruptions due to weather;

collapses of tailings dams; and

ground and surface water pollution, on and off site.

Gold Fields is at risk of experiencing any and all of these environmental or other industrial hazards. The occurrence of any of these hazards could delay or halt production, increase production costs and result in liability for Gold Fields.

Gold Fields may also be subject to actions by labor groups or other interested parties who object to perceived conditions at the mines or to the perceived environmental impact of the mines. These actions may delay or halt production or may create negative publicity related to Gold Fields.

If Gold Fields experiences further losses of senior management or is unable to hire and retain sufficient technically skilled employees, its business may be materially and adversely affected.

Gold Fields ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team. There can be no certainty that the services of its senior management will continue to be available to Gold Fields. During fiscal 2008, Gold Fields Chief Executive Officer resigned and his position was filled by the Chief Financial Officer. As of the date of this Annual Report a new Chief Financial Officer has not yet been appointed. In addition, Gold Fields Head of Corporate Development resigned as of May 2008 and its Chief Operating Officer resigned as of October 2008. Any further senior management departures could adversely affect Gold Fields efficiency, control over operations and results of operations.

One of Gold Fields medium-term priorities is to restructure its operations into four regions that will operate with more autonomy than under Gold Fields current structure. See Information on the Company Strategy Medium-term Priorities . An important element of this plan is bolstering the technical skills base of each of the South African and International management teams to provide additional resources and to provide for succession planning. Due to the global resources boom combined with a reduction in training, the mining industry, including Gold Fields, is experiencing a global shortage of technically skilled employees. Gold Fields may be unable to hire or retain appropriate technically skilled employees or other management personnel, or may have to pay higher levels of compensation than it currently intends in order to do so. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel, it may not achieve the intended benefits of its regional restructuring, which could have an adverse effect on its results of operations and financial position.

Because gold is generally sold in U.S. dollars, while most of Gold Fields production costs are in Rand and other non-U.S. dollar currencies, Gold Fields operating results or financial condition could be materially harmed by an appreciation in the value of these other currencies.

Gold is sold throughout the world principally in U.S. dollars, but Gold Fields costs of production are incurred principally in Rand and other non-U.S. dollar currencies. As a result, any significant and sustained appreciation of any of these currencies against the U.S. dollar may materially increase Gold Fields costs in U.S. dollar terms, which could adversely affect Gold Fields operating results or financial condition.

Table of Contents

Economic or political instability in the countries or regions where Gold Fields operates may have an adverse effect on Gold Fields operations and profits.

Gold Fields has significant operations in South Africa, Ghana, Australia and Peru. As a result, changes or instability to the economic or political environment in any of these countries or in neighboring countries could affect an investment in Gold Fields.

Several of these countries have, or have had in the recent past, high levels of inflation. Continued or increased inflation in any of the countries where it operates could increase the prices Gold Fields pays for products and services, including wages for its employees and power costs, which if not offset by increased gold prices or currency devaluations could have a material adverse effect on Gold Fields financial condition and results of operations.

The South African government has implemented laws aimed at alleviating and redressing the disadvantages suffered by citizens under previous governments. In the future the South African government may implement new laws and policies, which in turn may have an adverse impact on Gold Fields operations and profits. In recent years, South Africa has experienced high levels of crime and unemployment. These problems may have impacted fixed inward investment into South Africa and have prompted emigration of skilled workers. As a result, Gold Fields may have difficulties attracting and retaining qualified employees.

National elections are scheduled to take place in South Africa in the spring of 2009, which may result in the election of