acquisitions is allocated to the underlying net assets acquired, based on their respective estimated fair values determined by using internal or external valuations. Management uses a number of valuation methods to determine the fair value of assets and liabilities acquired including discounted cash flows, external market values, valuations on recent transactions or a combination thereof and others and believes that it uses the most appropriate measure or a combination of measures to value each asset or liability. In addition, management believes that it uses the most appropriate valuation assumptions underlying each of those valuation methods based on current information available including discounted rates, market risk rates, entity risk rates, cash flow assumptions and others. The accounting policy for valuation of business acquisitions is considered critical because judgments made in determining the estimated fair value and expected useful lives assigned to each class of assets and liabilities acquired can significantly impact the value of the asset or liability, including the impact on deferred taxes, the respective amortization periods and ultimately net profit. Therefore the use of other valuation methods, as well as other assumptions underlying these valuation methods, could significantly impact the determination of financial position and the results of operations.

Amortization of mining assets

Amortization charges are calculated using the units of production method and are based on Gold Fields' current gold production as a percentage of total expected gold production over the lives of Gold Fields' mines. An item is considered to be produced at the time it is removed from the mine. The lives of the mines are estimated by Gold Fields' geology department using interpretations of mineral reserves, as determined in accordance with the SEC's industry guide number 7. The estimate of the total expected future lives of Gold Fields' mines could be materially different from the actual amount of gold mined in the future and the actual lives of the mines due to changes in the factors used in determining Gold Fields' mineral reserves, such as the gold price and foreign currency exchange rates. Any change in management's estimate of the total expected future lives of Gold Fields' mines would impact the amortization charge recorded in Gold Fields' consolidated financial statements.

Impairment of long-lived assets

Gold Fields reviews and tests the carrying amounts of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The lowest level at which such cash flows are generated are generally at an individual operating mine, even if the individual operating mine is included in a larger mine complex.

If there are indications that an impairment may have occurred, Gold Fields prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are based on a probability-weighted approach applied to potential outcomes and reflect:

- Estimated sales proceeds from the production and sale of recoverable ounces of gold contained in proven and probable reserves;
- Expected future commodity prices and currency exchange rates (considering historical and current prices, price trends and related factors). In impairment assessments conducted in fiscal 2005, the Group used an expected future market gold price of $420 per ounce, and expected future market exchange rates of R7.50 to $1.00 and A$1.51 to $1.00;
- Expected future operating costs and capital expenditures to produce proven and probable gold reserves based on mine plans that assume current plant capacity, but exclude the impact of inflation; and
- Expected cash flows associated with value beyond proven and probable reserves, which includes the expected cash outflows required to develop and extract the value beyond proven and probable reserves.

Gold Fields records a reduction of a group of assets to fair value as a charge to earnings if expected future cash flows are less than the carrying amount. Gold Fields estimates fair value by discounting the expected future cash flows using a discount factor that reflects the risk-free rate of interest for a term consistent with the period of expected cash flows.

Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve estimates, together with economic factors such as gold prices, and currency exchange rates, estimates of costs to produce reserves and future sustaining capital.

Because of the significant capital investment that is required at many mines, if an impairment occurs, it could materially impact earnings. Due to the long-life nature of many mines, the difference between total estimated undiscounted net cash flows and fair value can be substantial. An impairment is only recorded when the carrying amount of a long-lived asset exceeds the total estimated undiscounted net cash flows. Therefore, although the value of a mine may decline gradually over multiple reporting periods, the application of impairment accounting rules could lead

to recognition of the full amount of the decline in value in one period. Due to the highly uncertain nature of future cash flows, the determination of when to record an impairment charge can be very subjective. Management makes this determination using available evidence taking into account current expectations for each mining property.

For acquired exploration-stage properties, the purchase price is capitalized, but post-acquisition exploration expenditures are expensed. The future economic viability of exploration stage properties largely depends upon the outcome of exploration activity, which can take a number of years to complete for large properties. Management monitors the results of exploration activity over time to assess whether an impairment may have occurred. The measurement of any impairment is made more difficult because there is not an active market for exploration properties, and because it is not possible to use discounted cash flow techniques due to the very limited information that is available to accurately model future cash flows. In general, if an impairment occurs at an exploration stage property, it would probably have minimal value and most of the acquisition cost may have to be written down.

Gold Fields recorded impairment charges on its long-lived assets amounting to $233.1 million in fiscal 2005, $72.7 million in fiscal 2004 and $29.6 million in fiscal 2003.

Deferred taxation

When determining deferred taxation, management makes estimates as to the future recoverability of deferred tax assets. If management determines that a deferred tax asset will not be realized, a valuation allowance is recorded for that portion of the deferred tax asset which is not considered more likely than not recoverable. These determinations are based on the projected taxable income and realization of tax allowances and tax losses. In the event that these tax assets are not realized, an adjustment to the valuation allowance would be required, which would be charged to income in the period that the determination was made. Likewise, should management determine that Gold Fields would be able to realize tax assets in the future in excess of the recorded amount, an adjustment to reduce the valuation allowance would be recorded generally as a credit to income in the period that the determination is made.

Gold Fields is periodically required to estimate the tax basis of assets and liabilities. Where tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the consolidated financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period of changes. The most significant estimate is the tax basis of certain Australian assets following elections in 2005 under new tax regimes in Australia. These elections resulted in the revaluation of certain assets in Australia for income tax purposes. Part of the revalued tax basis of these assets was estimated based on a valuation completed for tax purposes. This valuation is under review by the Australian Tax Office, or ATO, and the amount finally accepted by the ATO may differ from the assumption used to measure deferred tax balances at the end of fiscal 2005. See note 6 to the audited consolidated financial statements which appear elsewhere in this annual report.

Derivative financial instruments

The determination of the fair value of derivative financial instruments, when marked-to-market, takes into account estimates such as interest rates and foreign currency exchange rates under prevailing market conditions, depending on the nature of the financial derivatives. These estimates may differ materially from actual interest rates and foreign currency exchange rates prevailing at the maturity dates of the financial derivatives and, therefore, may materially influence the values assigned to the financial derivatives, which may result in a charge to or an increase in Gold Fields’ earnings through maturity of the financial derivatives.

Environmental rehabilitation costs

Gold Fields makes provision for environmental rehabilitation costs and related liabilities when incurred based on management’s interpretations of current environmental and regulatory requirements. The provisions are recorded by discounting the expected cash flows associated with the environmental rehabilitation using a discount factor that reflects the risk-free rate of interest. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life of mine plan; changing ore characteristics that ultimately impact the environment; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. In general, as the end of the mine life becomes nearer, the reliability of expected cash flows increases, but earlier in the mine life, the estimation of rehabilitation liabilities is inherently more subjective. Significant judgments and estimates are made when estimating the fair value of rehabilitation liabilities. In addition, expected cash flows relating to rehabilitation liabilities could occur over periods up to the planned life of mine at the time the estimate is made and the assessment of the extent of environmental remediation work is highly subjective. While management believes that the environmental rehabilitation provisions made are adequate and that the interpretations applied are appropriate, the amounts estimated for the future liabilities may, when considering the factors discussed above, differ materially from the costs that will actually be incurred to rehabilitate Gold Fields’ mine sites in the future.

Employee benefits

Management’s determination of Gold Fields’ obligation and expense for pension and provident funds, as well as post-retirement health care

liabilities, depends on the selection of certain assumptions used by actuaries to calculate the amounts. These assumptions are described in notes 16 and 17 to Gold Fields’ consolidated financial statements and include, among others, the discount rate, health care inflation costs and rates of increase in compensation costs. Actual results that differ from management’s assumptions are accumulated and charged over future periods, which will generally affect Gold Fields’ recognized expense and recorded obligation in future periods. While management believes that these assumptions are appropriate, significant changes in the assumptions may materially affect Gold Fields’ pension and other post retirement obligations as well as future expenses, which will result in an impact on earnings in the periods that the changes in the assumptions occur.

Recent Accounting Pronouncements

In March 2005, the FASB ratified Emerging Issues Task Force, or EITF, Issue No. 04-03, “Mining Assets: Impairment and Business Combinations,” or EITF 04-03. The EITF addressed the concern that an acquired mining asset may be subject to a day-two impairment if the value beyond proven and probable reserves, or VBPP, and anticipated future market price increases are considered in the purchase price allocation but subsequently excluded in cash flow analysis used in an impairment test performed under FASB Statement No. 144, “Accounting for the Impairment and Disposal of Long-Lived Assets” (“FAS 144”). The Task Force reached a consensus that an entity should include VBPP and the effects of anticipated fluctuations in the market price of minerals in the value allocated to mining assets in a purchase price allocation, and similarly, include the cash flows associated with VBPP and anticipated fluctuations in the market price of gold in estimates of future cash flows (both discounted and undiscounted) used for determining whether a mining asset is impaired under FAS 144. The Task Force noted in both cases that estimates should be consistent with the estimates of a market participant (i.e. the entity should consider all available information including current prices, historical averages and forward pricing curves). The consensus reached by the Task Force was effective for business combinations and asset impairments performed in periods beginning after March 31, 2004. Accordingly, Gold Fields followed the consensus of the EITF in performing its impairment analyses at June 30, 2005.

In March 2005, the FASB ratified EITF Issue No. 04-06, “Accounting for Stripping Costs Incurred during Production in the Mining Industry,” or EITF 04-06. EITF 04-06 addresses the accounting for stripping costs incurred during the production stage of a mine and refers to these costs as post-production stripping costs. EITF 04-06 requires that post-production stripping costs be considered costs of the extracted minerals and recognized as a component of inventory to be recognized in costs applicable to sales in the same period as the revenue from the sale of inventory. As a result, capitalization of post-production stripping costs is appropriate only to the extent product inventory exists at the end of a reporting period. The guidance in EITF 04-06 is effective for the first reporting period in fiscal years beginning after December 15, 2005, with early adoption permitted. The guidance in the EITF is consistent with Gold Fields’ current accounting for stripping costs. As such, Gold Fields does not expect the adoption of the EITF to have a significant impact on its consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123R, “Share-Based Payment,” which revised SFAS No. 123, “Accounting for Stock-Based Compensation” and superseded APB Opinion 25, “Accounting for Stock Issued to Employees” and its related implementation guidance (“APB No. 25”). SFAS No. 123R requires measurement and recording in the financial statements of the costs of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award, recognized over the period during which an employee is required to provide services in exchange for such award. Gold Fields anticipates adopting the provisions of SFAS No. 123R on July 1, 2005, using the modified prospective method. Accordingly, compensation expense will be recognized for all newly granted awards and awards modified, repurchased, or cancelled after July 1, 2005. Compensation cost for the unvested portion of awards that are outstanding as of July 1, 2005 will be recognized rateably over the remaining vesting period. The compensation cost for the unvested portion of awards will be based on the fair value at date of grant as calculated for our pro forma disclosure under SFAS No. 123. The effect on net (loss) income and (loss) earnings per share in the periods following adoption of SFAS No. 123R are expected to be consistent with Gold Fields’ pro forma disclosure under SFAS No. 123, except that estimated forfeitures will be considered in the calculation of compensation expense under SFAS No. 123R. Additionally, the actual effect on net income and earnings per share will vary depending upon the number and fair value of options granted in future years compared to prior years.

Results of Operations

Years Ended June 30, 2005 and 2004

Revenues

Product sales increased by $186.9 million, or 11.0%, from $1,706.2 million in fiscal 2004 to $1,893.1 million in fiscal 2005. The increase in product sales was due to an increase in the average realized gold price of 9.0% from $387 per ounce in fiscal 2004 to $422 per ounce in fiscal 2005 together with an increase of approximately 0.082 million ounces, or 1.9%, of total gold sold from 4.406 million ounces in fiscal 2004 to 4.488 million ounces in fiscal 2005. The increase in ounces sold resulted from an overall increase in production at both the international and at the South African operations.

The increase in ounces sold from the South African operations from 2.804 million ounces in fiscal 2004 to 2.824 million ounces in fiscal 2005 resulted from an increase in underground yields from 7.1 to 7.4 grams per tonne. This was as a result of the reduction in production from marginal areas and processing of low grade surface material, coupled with some increased production from higher grade areas, in line with the change from a high-volume low-grade production strategy to a lower-volume higher-grade production strategy to increase margins. Gold output from Driefontein increased by 21,000 ounces while production at Kloof and Beatrix was unchanged in fiscal 2005 when compared with fiscal 2004. Production at the international operations increased by 3.7% from 1.603 million ounces in fiscal 2004 to 1.664 million ounces in fiscal 2005. A significant increase in production at Tarkwa resulting from the commissioning of the mill during October 2004 and a smaller increase in production at Agnew more than offset decreases in production at Damang and St. Ives. See “Information on the Company — Gold Fields Mining Operations.”

Differences between total gold sold and total gold produced are due to timing differences between gold production and gold sales.

Costs and Expenses

The following table sets out Gold Fields’ total ounces produced, weighted average total cash costs and total production costs per ounce for fiscal 2004 and fiscal 2005.

	Fiscal 2004			Fiscal 2005				
	Gold Production	Total cash costs (1)	Total production costs (2)	Gold production	Total cash costs (1)	Total production costs (2)	Percentage increase/ (decrease) in unit total cash costs	Percentage increase/(decrease) in unit total production costs
	(’000oz)	($/oz)		(’000oz)	($/oz)		(%)	
South Africa								
Driefontein	1,141	311	355	1,163	330	380	6.1	7.0
Kloof	1,038	341	388	1,037	379	448	11.1	15.5
Beatrix	625	356	393	624	406	452	14.0	15.0
Ghana								
Tarkwa (3)	550	230	258	677	234	290	1.7	12.4
Darnang (4)	308	222	245	248	282	302	27.0	23.3
Australia (5)								
St. Ives	543	300	377	527	336	439	12.0	16.5
Agnew	202	221	303	212	232	325	5.0	7.3
Total (6) (7)	4,406	—	—	4,488	—	—	—	—
Weighted average	—	302	349	—	331	393	9.6	12.6

Notes:

(1) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the 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 charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, plus royalties and employee termination costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and 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 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 2005, 2004 and 2003, see “Operating and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”

(2) 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 Australian dollar and the U.S. dollar. 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 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 2005, 2004 and 2003, see “Operational and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”

(3) In fiscal 2004 and 2005, 0.391 million ounces and 0.481 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation.

(4) In fiscal 2004 and 2005, 0.219 million ounces and 0.176 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.

(5) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.

(6) In fiscal 2004, and 2005, 4.158 million ounces and 4.219 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

(7) The total may not reflect the sum of the line items due to rounding.

The following tables set out a reconciliation of Gold Fields’ production costs to its total cash costs and total production costs for fiscal 2005 and fiscal 2004.

	For the year ended June 30, 2005							
	Driefontein	Kloof	Beatrix	Tarkwa	Damang	St. Ives	Agnew	Corporate	Group
	(in $ millions except as otherwise noted) (1)								
Production Costs	386.4	393.6	252.9	158.2	68.6	184.5	56.4	—	1,500.6
Less:									
G&A other than corporate costs	(6.5)	(5.4)	(3.8)	(8.9)	(1.8)	(4.7)	(1.5)	—	(32.6)
GIP adjustment	—	—	—	0.2	—	2.1	(0.1)	—	2.2
Exploration	—	—	—	(1.2)	—	(10.7)	(7.5)	—	(19.4)
Plus:	—								
Employment termination cost	3.7	5.0	4.3	—	—	—	—	0.7	13.7
Royalty	—	—	—	8.6	3.1	5.7	2.1	—	19.5
Total cash costs	383.6	393.2	253.4	156.9	69.9	176.9	49.4	0.7	1,484.0
Plus:									

Amortization (2)	56.9	67.9	28.0	38.1	4.8	56.5	19.3	3.0	274.5
GIP adjustments(2)	—	—	—	(0.2)	—	(2.1)	0.1	—	(2.2)
Rehabilitation	1.8	3.5	1.0	1.3	0.2	0.3	0.3	—	8.4
Total production costs	442.3	464.6	282.4	196.1	74.9	231.6	69.1	3.7	1,764.7
Gold produced (‘000 oz) (3)	1,162.6	1,037.1	624.3	676.8	247.7	527.0	212.5	—	4,488.0
Gold sold per production cost (‘000 oz)	1,162.6	1,037.1	624.3	676.8	247.7	527.0	212.5	—	4,488.0
Total cash costs ($/oz) (4)	330	379	406	232	282	336	232	—	331
Total production costs ($/oz)(5)	380	448	452	290	302	439	325	—	393

Notes:
(1) Calculated using an exchange rate of R6.21 per $1.00.
(2) Non-cash portion of GIP adjustments shown separately. Gold in process, or GIP, represents gold in the processing circuit, which is expected to be recovered.
(3) In fiscal 2005, 0.481 million ounces of production, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation.
(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. 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 charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, plus royalties and employee termination costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and 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 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 2005, 2004 and 2003, see “Operating and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”
(5) 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 Australian dollar and the U.S. dollar. 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 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 2005, 2004 and 2003, see “Operational and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”

	For the year ended June 30, 2004								
	Driefontein	**Kloof**	**Beatrix**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
	(in $ millions except as otherwise noted) (1)								
Production Costs	356.1	354.7	223.7	126.5	66.7	182.2	45.3	—	1,355.2
Less:									
G&A other than corporate costs	(5.6)	(4.8)	(4.0)	(6.5)	(1.8)	(4.9)	(0.6)	—	(28.2)
GIP adjustment	—	—	—	—	—	—	(1.2)	—	(1.2)
Exploration	—	—	—	—	—	(19.9)	(1.0)	—	(20.9)
Plus:									
Employment termination cost	4.0	3.9	2.5	—	—	0.1	—	—	10.5
Royalty	—	—	—	6.4	3.6	5.1	2.0	—	17.1
Total cash costs	354.5	353.8	222.2	126.4	68.5	162.6	44.5	—	1,332.5
Plus:									
Amortization (2)	49.5	46.0	22.8	15.2	6.8	41.8	15.3	1.2	198.6
GIP adjustments(2)	—	—	—	—	—	—	1.2	—	1.2
Rehabilitation	1.6	3.2	0.5	0.1	0.2	0.3	0.1	—	6.0
Total production costs	405.6	403.0	245.5	141.7	75.5	204.7	61.1	1.2	1,538.3
Gold produced (‘000 oz) (3)	1,141.2	1,037.6	624.9	550.0	308.3	542.6	201.5	—	4,406.1
Gold sold per production cost (‘000 oz)	1,141.2	1,037.6	624.9	550.0	308.3	542.6	201.5	—	4,406.1
Total cash costs ($/oz) (4)	311	341	356	230	222	300	221	—	302
Total production costs ($/oz)(5)	355	388	393	258	245	377	303	—	349

Notes:
(1) Calculated using an exchange rate of R6.90 per $1.00.
(2) Non-cash portion of GIP adjustments shown separately. Gold in process, or GIP, represents gold in the processing circuit, which is expected to be recovered.
(3) In fiscal 2004, 0.610 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.
(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. 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 charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, plus royalties and employee termination costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and 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 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 2005, 2004 and 2003, see “Operating and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”

(5) 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 Australian dollar and the U.S. dollar. 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 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 2005, 2004 and 2003, see “Operational and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”

Gold Fields’ weighted average total cash costs per ounce increased by $29 per ounce, or 9.6%, from $302 per ounce in fiscal 2004 to $331 per ounce in fiscal 2005. The principal reason was the strengthening of the Rand against the U.S. dollar, which had a 10.0% negative impact on the costs converted from the South African operations. In Rand terms, weighted average total cash costs per ounce declined at the South African operations. Cash costs at the South Africa operations were affected by an increase in gold production as a result of the increase in underground yields during fiscal 2005, as compared to fiscal 2004, as well as cost saving initiatives, partially offset by above inflation increases in wages and prices of certain consumable store, including fuel, steel and cyanide and other reagents, and normal inflationary increases in prices of other consumable stores. Total cash costs per ounce in Rand terms at the international operations decreased slightly in fiscal 2005 with lower unit costs at Agnew and Tarkwa more than offsetting increases at St. Ives and Damang as the appreciation of the Rand against the U.S. dollar contributed to the lower total cash costs per ounce in Rand terms.

Production costs

Production costs increased by $145.4 million, or 10.7%, from $1,355.2 million in fiscal 2004 to $1,500.6 million in fiscal 2005. This was primarily due to the increased production from Tarkwa, which was offset in part by slightly decreased production in South Africa and St. Ives, as well as significant increases in input costs, especially fuel, steel and cyanide and other reagents, wage increases in line with/above inflation at the South African operations, and the appreciation of the South African rand and the Australian dollar against the U.S. dollar. The Rand appreciated on average by 10.1% and the Australian dollar appreciated 5.4% against the US dollar during fiscal 2005 compared to fiscal 2004, resulting in increased costs in U.S. dollar terms.

Depreciation and amortization

Depreciation and amortization charges increased $75.9 million, or 38.2%, from $198.6 million in fiscal 2004 to $274.5 million in fiscal 2005. Depreciation and amortization is calculated on the units of production method and is based on current gold production as a percentage of total expected gold production over the lives of the different mines. The principal reason for this increase was the increase in production compounded by the appreciation of the Rand and Australian dollar against the U.S. dollar. In addition, the decrease in reserves at Kloof Shaft No. 7, the additional amortization and depreciation of the new mills at Tarkwa and St. Ives and the owner mining fleet at Tarkwa contributed to the increase.

The table below depicts the changes from June 30, 2003 to June 30, 2004 for proven and probable reserves above current infrastructure and for the life of mine for each operation, and the resulting impact on the amortization charge in fiscal 2004 and 2005, respectively. The life of mine numbers below are taken from the operations’ strategic plans, adjusted for proven and probable reserve balances. In basic terms, amortization is calculated using the life of mine for each operation, which is based on: (1) the proven and probable reserves above infrastructure for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using only above infrastructure reserves) and (2) the amount of gold produced by the operation during the year.

	Proven and probable reserves as of June 30,		Life of mine(6) as of June 30,		Amortization as of June 30,	
	2003	2004	2003	2004	2004	2005
	(‘000 oz)		(years)		($m)	
Driefontein	16,000	15,300	17	16	49.5	56.9
Kloof(1)	15,900	13,000	18	15	46.0	67.9
Beatrix(2)(3)	11,800	9,400	20	20	22.8	28.0
Ghana						
Tarkwa(4)	9,800	14,700	14	11	15.2	38.1
Damang(5)	900	900	3	5	6.8	4.8
Australia(7)						
St. Ives(8)	3,000	3,100	5	5	41.8	56.5
Agnew	500	700	4	3	15.3	19.3
Corporate and other	—	—	—	—	1.2	3.0
Total	57,900	57,100	—	—	198.6	274.5
Reserves below infrastructure(9)	26,600	23,000	—	—	—	—
Total reserves(10)	84,500	80,100	—	—	—	—

Notes:

(1) At Kloof, reserves previously planned to be mined through the shaft decline at Shaft No.7 will now be mined from current infrastructure at

Shaft No. 4. This reclassification of reserves from Shaft No. 7 to Shaft No. 4 reduced the reserves at Shaft No. 7, resulting in the cost base at that shaft being amortized over a shorter life than previously planned.

(2) The Beatrix operation, formerly called the Free State operation, was renamed following the sale of the St. Helena mine to Freegold on October 30, 2002. The increase in amortization at Beatrix in fiscal 2005 is due to a decrease in proven and probable reserves.

(3) Includes the former Oryx mine, designated as Beatrix Shaft No. 4 or the West section.

(4) As of June 30, 2003 and 2004, reserves of 6.970 million ounces and 10.450 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation. The increase in amortization at Tarkwa in fiscal 2005 is due to the depreciation of the new owner mining fleet and the new SAG mill commissioned

during the year.

(5) As of June 30, 2003 and 2004, reserves of 0.640 million ounces and 0.640 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.

(6) The life of mine for each operation shown in the above table differs from that shown in “Information on the Company — Gold Fields Mining Operations.” The information in the above table is based on the above infrastructure proven and probable reserves at June 30, 2004 for fiscal 2004 whereas the life of mine information in Item 4 is based on both above and below infrastructure proven and probable reserves at June 30, 2005.

(7) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.

(8) Amortization increased at St. Ives and Agnew due to an increase in ounces mined.

(9) Below infrastructure reserves relate to mineralization which is located at a level at which an operation currently does not have infrastructure sufficient to allow mining operations to occur, but where the operation has made plans to install additional infrastructure in the future which will allow mining to occur at that level.

(10) As of June 30, 2003 and 2004, reserves of 81.500 million ounces and 75.600 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation.

Corporate expenditure

Corporate expenditure was $22.5 million in fiscal 2005 compared to $20.3 million in fiscal 2004, an increase of 10.8%. Corporate expenditure consists primarily of general corporate overhead and corporate service department costs, primarily in the areas of technical services, human resources and finance, which are used by the operations. Corporate expenditure also includes business development costs. This increase was primarily due to the appreciation of the Rand against the U.S. dollar. Rand costs remained constant at R140.0 million in fiscal 2005.

Employment termination costs

In fiscal 2005, Gold Fields incurred employment termination costs of $13.7 million as compared to $10.5 million in fiscal 2004. The increase in employee terminations costs resulted principally from higher retrenchments during fiscal 2005.

Exploration expenditure

Exploration expenditure was $46.0 million in fiscal 2005, an increase of 15.3% from $39.9 million in fiscal 2004. The increase was as a result of a deliberate effort to step up exploration activities, with $11.5 million spent in Africa in fiscal 2005, compared to $5.7 million in fiscal 2004. Exploration expenditure in fiscal 2005 also included $14.3 million incurred at the Arctic Platinum Project, or APP, compared to $11.4 million in fiscal 2004. See “Information on the Company—Exploration.” In addition, in fiscal 2005 the costs associated with marketing the Biox® process were accounted for as Other (costs)/income, whereas in fiscal 2004 they were included within exploration expenditure. See “Information on the Company — Research and Development.”

Impairment of assets

For fiscal 2005, Gold Fields had asset impairments of $233.1 million, as compared to asset impairments of $72.7 million in fiscal 2004. During fiscal 2005, there was an impairment charge of $211.1 million relating to Beatrix North and South sections (formerly Beatrix Shaft Nos. 1, 2 and 3). Beatrix is a low grade mine and therefore very sensitive to changes in its cost profile. Changes in the cost profile affects the pay limits, which in turn affects the reserves. During fiscal 2005, there were cost increases at Beatrix, which resulted in an increase in the pay limit. Due to the increase in the pay limit, certain reserves at Shaft No. 2 (now part of the South section) and Vlakpan included in fiscal 2004 became uneconomical to mine and were therefore excluded from the 2005 life of mine profile. In addition, due to the restructuring at the South section, certain areas were closed which further impacted the life of mine plan.

During fiscal 2005, closures resulted in the following additional asset impairments:

- at Driefontein, Shaft No. 10 shaft was closed, resulting in an impairment of $2.0 million;
- at Kloof, the No. 3 metallurgical plant was closed, resulting in an impairment of $1.8 million; and
- at St. Ives, the old mill was closed, resulting in an impairment of $9.8 million.

Also during fiscal 2005, an impairment charge was incurred at Living Gold, the rose project at Driefontein. See “Information on the Company — Living Gold.” As Living Gold is not a gold asset, its valuation was based on its business plan using a long term exchange rate of R8.51 to the euro, the currency in the markets where it anticipated making most of its sales, and a discounted cash flow valuation using a real discount

rate of 10 per cent. This resulted in an impairment of $8.4 million. The main reason for the impairment is that the original plan forecast a higher exchange rate of R9.87 to the euro and thus higher earnings.

During fiscal 2004, following a geological study at the Beatrix West Section and an associated revision of the ore reserve, the latest life-of-mine plans indicated that future production of gold should be based on 2.0 million ounces as opposed to 2.8 million ounces as previously estimated. At this level of extraction and at a gold price of $350 per ounce, the life-of-mine plans did not support the carrying value of the shaft on an undiscounted cash flow basis. Accordingly, an asset impairment of $61.8 million was charged against income, which reduced the carrying value of the Beatrix West Section to $11.9 million.

During fiscal 2004, the potential future income arising from existing and possible new contracts for Biox® was reevaluated. See “Information on the Company — Research and Development.” This revised plan did not support the carrying value and accordingly, an impairment write-down of $5.0 million was recorded, to reflect the fair value of the Biox® patent of $15.0 million.

During fiscal 2004, new regulations were enacted in South Africa that will result in mining companies forfeiting those mineral rights not likely to be mined or explored. GFL Mining Services held certain mineral rights to which this new regulation applies. Accordingly, an impairment write-off of $5.9 million was recorded for those minerals that would be forfeited as a result of this new regulation.

Impairment of critical spares

With the closure of the old St. Ives mill during fiscal 2005, $2.8 million worth of critical spares kept for the maintenance of the old plant were impaired as they had become redundant.

Decrease in provision for post-retirement health care costs

In South Africa, Gold Fields provides medical benefits to employees in its operations through the Medisense Medical Scheme.

Under the medical plan which covers certain of its former employees, Gold Fields remains liable for 50% of the employees’ medical contribution to the medical schemes after their retirement. During fiscal 2005 and fiscal 2004, 21% and 6%, respectively, of these former employees and dependants were bought out of the scheme at a 15% premium. At June 30, 2005, approximately 243 (fiscal 2004: 510) former employees were covered under this plan, which is not available to members of the scheme formerly available to employees of the Free State operation who retired after August 31, 1997 and members of the Medisense medical scheme who retired after January 31, 1999. See “Directors, Senior Management and Employees—Employees—Benefits.”

In fiscal 2005 an amount of $4.2 million was credited to earnings, compared to $5.1 million in fiscal 2004, in respect of Gold

Fields' obligations under this medical plan, representing an 18% decrease. The $4.2 million credit was the result of a reversal of $4.5 million relating to the release of the cross subsidization liability as a result of the buyout and a $2.2 million release as a result of benefits forfeited offset in part by the annual interest and service charge of $1.7 million and a $0.8 million charge relating to the 15% premium mentioned above. In fiscal 2004, the credit was the result of a reversal of $6.2 million relating to the release of the cross subsidization liability as a result of the buyout and a $2.6 million release as a result of benefits forfeited, offset in part by the annual interest and service charge of $3.0 million and a $0.7 million charge relating to the 15% premium. The post-retirement health care provision is updated annually based on actuarial calculations, with any increase in the provision reflected in the statement of operations.

Accretion expense on environmental rehabilitation

For its South African operations, Gold Fields contributes to environmental trust funds it has established to provide for any environmental rehabilitation obligations and expected closure costs relating to its mining operations. The amounts invested in the trust funds are classified as non-current assets and any income earned on these assets is accounted for as interest income. For the Ghana and Australia operations Gold Fields does not contribute to a trust fund, but does make provision for estimated environmental rehabilitation costs. 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 balance sheet date. The rehabilitation charge for fiscal 2005 was $11.5 million compared to $8.4 million in fiscal 2004. The increase was due primarily to the strengthening of the Rand against the U.S. dollar and decreases in the life of mines in South Africa

Share-based compensation

Gold Fields has elected to follow APB No. 25 and its related interpretations in accounting for its share option schemes. Under APB No. 25, because the exercise price of Gold Fields and its subsidiaries' employee share options equaled the market price of the underlying share on the date of the grant, no compensation expense has historically been recognized in the consolidated financial statements, other than on occasions where the terms of share option vesting schedules are modified or accelerated. During fiscal 2005 however, as a result of the inability by participants to exercise their share options during the period of the attempted Harmony hostile bid, Gold Fields extended the life of options for certain employees whose options would otherwise have expired by June 25, 2005. The Company accounted for the modification of the intrinsic value with a new measurement date and, since the options were fully vested on the modification date, recorded the incremental compensation cost of $2.1 million as an expense.

Harmony hostile bid costs

On October 18, 2004, Harmony Gold Mining Company Limited, or Harmony, announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. Gold Fields mounted a vigorous defense to the offer, which continued during much of the remainder of fiscal year 2005. The offer came to a conclusion on May 20, 2005 when the High Court of South Africa ruled that the tender offer had, in fact, lapsed on December 18, 2004 and was not capable of being revised or reinstated. Gold Fields incurred costs of $50.8 million in defending against the Harmony offer which has been expensed.

IAMGold transaction costs

On September 30, 2004, Gold Fields, Gold Fields Ghana Holdings Limited, Gold Fields Guernsey and IAMGold Corporation, or IAMGold, signed a definitive agreement which would have resulted in Gold Fields combining its assets situated outside the Southern African Development Community with those of IAMGold by means of a reverse takeover. On December 7, 2004 this proposed transaction did not receive the required majority approval by shareholders and it was therefore not completed. Gold Fields incurred costs of $9.3 million relating to the failed IAMGold deal during fiscal 2005 which has been expensed.

Interest and dividends

Interest and dividends increased by $9.8 million or 50.5%, from $19.4 million in fiscal 2004 to $29.2 million in fiscal 2005. Interest received on cash and cash equivalents was $26.3 million in fiscal 2005 as compared to $17.1 million in fiscal 2004, primarily due to higher average cash balances during fiscal 2005 compared to fiscal 2004. Dividends received were $2.8 million in fiscal 2005 as compared to $2.3 million in fiscal 2004.

Finance (expense)/ income

Gold Fields recognized net finance expense of $54.9 million in fiscal 2005 as compared to $12.2 million in fiscal 2004. The main reason for the increase in fiscal 2005 was due to the Mvelaphanda loan being in place for the entire period of fiscal 2005, whereas in fiscal 2004 it was only in place for three months. Net finance expense in fiscal 2005 consisted of interest payments of $57.6 million, comprising $56.9 million on the Mvelaphanda loan and $0.7 million of miscellaneous interest payments. This was offset in part by a $2.7 million realized exchange gain on funds held in Euros.

Net finance expense in fiscal 2004 consisted of interest payments of $27.2 million, comprising $18.2 million on the Mvelaphanda loan and $9.0 million on the loans used to acquire St. Ives, Agnew and Damang, offset in part by a $3.6 million unrealized exchange gain on certain offshore funds held in Euros and a $11.4 million realized exchange gain on the Australian loan.

Unrealized gain on financial instruments

Gold Fields recognized an unrealized gain of $4.9 million in fiscal 2005 compared to an unrealized gain of $39.2 million in fiscal 2004 relating to financial instruments.

The unrealized gain of $4.9 million in fiscal 2005 comprised a $5.3 million unrealized gain on the Australian dollar/US dollar currency financial instruments Gold Fields holds to allow it to participate in appreciation of the Australian dollar against the U.S. dollar and a $0.3 million unrealized gain on the International Petroleum Exchange Gasoil call options Gold Fields entered into during fiscal 2005, offset in part by a $0.7 million negative mark-to-market valuation as at June 30, 2005 in respect of the $30.0 million US dollar/Rand currency financial instruments Gold Fields holds to cover any U.S. dollar commitments payable from South Africa. See "Quantitative and Qualitative Disclosures About Market Risk — Foreign Currency Sensitivity — Foreign Currency Hedging Experience."

Of the $39.2 million unrealized gain in fiscal 2004, $40.2 million related to an unrealized gain on the Australian dollar/U.S. dollar currency financial instruments, offset by a $1.0 million negative mark-to-market valuation as at June 30, 2004 of the $50.0 million U.S. dollar/Rand currency financial instruments held at that time which were purchased to protect the Group's commitment in respect of the Tarkwa mill project and the shift to owner mining projects of $159.0 million.

Realized gain on financial instruments

Gold Fields recognized a realized gain of $2.1 million in fiscal 2005 compared to a realized loss of $8.7 million in fiscal 2004 relating to financial instruments.

Of the $2.1 million realized gain in fiscal 2005, a $1.3 million gain was realized on the settlement of the $50.0 million US dollar/Rand currency financial instruments and $0.8 million related to an interest rate swap Gold Fields had entered into in connection with the Mvela Loan This swap was closed out on June 3, 2005 realizing a gain of $36.2 million. This gain will be accounted for in the income statement over the remaining period of the underlying loan. $0.8 million was accounted for in the income statement in fiscal 2005, with the balance of $35.4

million to be accounted for in the income statement in fiscal 2006 to fiscal 2009. See “Quantitative and Qualitative Disclosures About Market Risk — Interest Rate Sensitivity — General — Interest Rate Hedging Experience.”

Of the $8.7 million realized loss in fiscal 2004, a loss of $13.0 million was realized on the settlement of the U.S. dollar/Rand forward purchases offset by a $4.3 million gain on the U.S. dollar/Australian dollar financial instruments.

Profit on disposal of listed investments

During fiscal 2005, Gold Fields continued to liquidate certain non-current investments. The profit on the sale of these investments amounted to $8.1 million resulting from the following sales:

- $6.2 million from the sale of 36.0 million shares in Zijin Mining Group Company Limited;
- $1.6 million from the sale of 8.5 million shares in African Eagle Resources Plc; and
- $0.3 million from the sale of 1.3 million shares in Radius Gold Incorporated.

During fiscal 2004, Gold Fields liquidated certain non-current investments in order to fund foreign debt repayments. The profit on the sale of these investments amounted to $13.9 million resulting from the following sales:

- $7.7 million from the sale of 1.2 million shares in Harmony Gold Mining Company Limited/African Rainbow Minerals Limited;
- $2.1 million from the sale of 0.9 million shares in Chesapeake Gold Corporation;
- $1.0 million from the sale of 0.1 million shares in Glamis Gold Limited;
- $1.5 million from the sale of 2.5 million shares in Orozone Resources Inc.; and
- $1.6 million from the sale of 1.3 million shares in Committee Bay.

Profit on disposal of exploration rights

During fiscal 2005 Gold Fields sold its interest in the Angelina Project in Chile to its joint venture partner Meridian for $7.5 million plus a 2% net smelter royalty on the majority of land within the joint venture. As the interest had a nil cost, the proceeds of $7.5 million was also the profit.

Profit on disposal of mineral rights

During fiscal 2004, mineral rights and associated assets relating to Driefontein’s block 1C11 were sold for $45.7 million to AngloGold Ashanti, realizing a profit of $27.1 million.

Write-down of investments.

During fiscal 2005 investments whose market value was lower than their original costs for a period of longer than 12 months were written-down by $7.7 million.

The $7.7 million comprises:

- $5.4 million on Mvelaphanda Resources Limited;
- $0.4 million on Conquest Mining Limited;
- $0.3 million on Oil Quest Resources Plc;
- $0.7 million on Lakota Resources; and
- $0.9 million on Ridge Mining Plc.

Write-down of mineral rights

During fiscal 2004, mineral rights held as trading stock to the value of $3.6 million were written-off. This was in line with new regulations in South Africa that will result in mining companies forfeiting those mineral rights not likely to be mined or explored.

Other (expenses)/income

Other (expenses)/income represents miscellaneous revenue items such as scrap sales and rental income, net of miscellaneous corporate expenditure not allocated to the operations and therefore not included in the corporate expenditure line item. Other (expenses)/income decreased by $7.3 million, from $2.1 million other income in fiscal 2004 to $5.2 million other expenses in fiscal 2005. Other income in fiscal 2005 consisted of $3.7 million in revenues, comprised principally of mineral right sales and rent, which was more than offset by miscellaneous cost items totaling $8.9 million which included:

- auditors fees and other costs relating to Gold Fields becoming compliant with the requirements of the Sarbanes-Oxley Act of 2002;

- costs related to marketing Biox®, which prior to fiscal 2005 were accounted for under exploration expense;
- the cost of cash rewards given to all Gold Fields’ employees for the successful defense of the Harmony hostile bid; and
- additional sundry professional fees incurred.

Other income in fiscal 2004 consisted of $6.8 million in revenues, comprised principally of mineral right sales, rent and a rebate received from JP Morgan net of $4.7 million in other expenses comprised principally of payments to The Business Trust, an initiative involving a large number of companies in South Africa undertaking targeted job creation and capacity building programs, and sundry professional fees.

Income and Mining Tax Benefit/(Expense)

The table below indicates that Gold Fields’ effective tax rate for fiscal 2004 and fiscal 2005, including normal and deferred tax.

	Year ended June 30,	
Income and mining tax	**2004**	**2005**
Effective tax (expense)/benefit rate	(14.3)%	35.1%

In fiscal 2005, the effective tax benefit rate of 35.1% differed from the maximum mining statutory tax rate of 45% for Gold Fields and its subsidiaries as a whole, primarily due to the effect of the mining tax formula of $11.5 million (representing the tax-free status of the first 5% of mining revenue) on the South African mining operations’ taxable income, a $26.8 million credit due to an increase in the tax values of the Australian operations following the consolidation of St. Ives and Agnew for tax purposes and $8.4 million due to the reduction in fiscal 2005 of the Ghanaian tax rates from 32.5% to 28.0%. The Australian tax legislation makes provision for companies that consolidate for tax purposes to recalculate their tax values based on a market value calculation. The effect of these items was offset by an amount of $38.6 million relating to the non-deductibility of certain exceptional items, namely the Harmony hostile bid costs, the IAMGold transaction costs and exploration costs and by an amount of $21.8 million relating to foreign levies and royalties, which is included in the tax charge.

In fiscal 2004, the effective tax expense rate of 14.3% differed from the maximum mining statutory tax rate of 46% for Gold Fields and its subsidiaries as a whole, primarily due to the effect of the mining tax formula of $7.0 million (representing the tax-free status of the first 5% of mining revenue) on the South African mining operations' taxable income and $15.1 million of non-taxable income primarily related to the profit on sale of certain investments. In addition, the tax expense rate is lower due to a credit of $17.6 million relating to income from Australia and Ghana taxed at a lower rate. The effect of these items was partially offset by an amount of $19.8 million relating to foreign levies and royalties, which is included in the tax charge.

Minority Interests

Minority interests represented an expense of $20.6 million in fiscal 2005, compared to an expense of $21.8 million in fiscal 2004. These amounts reflect the portion of the net income of Gold Fields Ghana, Abosso and Living Gold attributable to their minority shareholders. The minority shareholders' interest was 28.9% in Gold Fields Ghana and Abosso in fiscal 2005 and 2004, and 40% in Living Gold in fiscal 2005 and 2004. Higher amounts due to the minority shareholders of Gold Fields Ghana and Abosso were more than offset by the minority shareholders' share of the higher net loss of Living Gold in fiscal 2005 compared to fiscal 2004.

Net (Loss)/Income

As a result of the factors discussed above, Gold Fields' net loss was $206.2 million in fiscal 2005 compared with net income of $48.9 million in fiscal 2004.

Years Ended June 30, 2004 and 2003

Revenues

Product sales increased by $168.0 million, or 10.9%, from $1,538.2 million in fiscal 2003 to $1,706.2 million in fiscal 2004. The increase in product sales was due to an increase in the average realized gold price of 16.2% from $333 per ounce in fiscal 2003 to $387 per ounce in fiscal 2004 partially offset by a net decrease of approximately 0.196 million ounces, or 4.3%, of total gold sold from 4.62 million ounces in fiscal 2003 to 4.41 million ounces in fiscal 2004. The decrease in sales resulted from a reduction at the South African operations from 3.081 million ounces to 2.804 million ounces offset in part by increases at the Ghanaian and Australian operations. The decline at the South African operations was due primarily to lower grades as well as the absence of St. Helena for the entire year, following its sale on October 30, 2002. Gold output from Kloof and Driefontein decreased by 120,000 ounces and 105,000 ounces, respectively. Production at the international operations increased by 8.1% from 1.253 million ounces in fiscal 2003 to 1.354 million ounces in fiscal 2004. Differences between total gold sold and total gold produced are mainly due to timing differences between gold production and gold sales.

Costs and Expenses

The following table sets out Gold Fields' total ounces produced, weighted average total cash costs and total production costs per ounce for fiscal 2003 and fiscal 2004.

	Fiscal 2003			Fiscal 2004				
	Gold Production	Total cash costs (1)	Total production costs (2)	Gold production	Total cash costs (1)	Total production costs (2)	Percentage increase/ (decrease) in unit total cash costs	Percentage increase/(decrease) in unit total production costs
	('000oz)	($/oz)		('000oz)	($/oz)		(%)	
South Africa								
Driefontein	1,238	202	233	1.141	311	355	54.0	52.4
Kloof	1,140	215	246	1,038	341	388	58.6	57.7
Free State								
Beatrix	659	229	260	625	356	393	55.5	51.2
St. Helena	44	289	289	—	—	—	—	—
Ghana								
Tarkwa (3)	540	194	225	550	230	258	18.6	14.7
Darnang (4)	299	243	260	308	222	245	(8.6)	(5.8)
Australia (5)								
St. Ives	513	198	295	543	300	377	51.5	27.8
Agnew	144	219	396	202	221	303	0.9	(23.5)
Total (6) (7)	4,577	—	—	4,406	—	—	—	—
Weighted average	—	212	254	—	302	349	42.5	37.4

Except for gold production, all statistics are based on gold sold.

Notes:

(1) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. 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 charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, plus royalties and employee termination costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and 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 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 2005, 2004 and 2003, see "Operating and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005" and " — Years Ended June 30, 2003 and 2004."

(2) 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 Australian dollar and the U.S. dollar. 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 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 2005, 2004 and 2003, see "Operational and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005"

and “ — Years Ended June 30, 2003 and 2004.”
(3) In fiscal 2003 and 2004, 0.384 million ounces and 0.391 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation.
(4) In fiscal 2003 and 2004, 0.213 million ounces and 0.219 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.
(5) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.

(6) In fiscal 2003, and 2004, 4.334 million ounces and 4.158 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.
(7) The total does not reflect the sum of the line items due to rounding.

The following tables set out a reconciliation of Gold Fields’ production costs to its total cash costs and total production costs for fiscal 2004 and fiscal 2003.

	For the year ended June 30, 2004								
	Driefontein	**Kloof**	**Beatrix**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
	(in $ millions except as otherwise noted) (1)								
Production Costs	356.1	354.7	223.7	126.5	66.7	182.2	45.3	—	1,355.2
Less:									
G&A other than corporate costs	(5.6)	(4.8)	(4.0)	(6.5)	(1.8)	(4.9)	(0.6)	—	(28.2)
GIP adjustment	—	—	—	—	—	—	(1.2)	—	(1.2)
Exploration	—	—	—	—	—	(19.9)	(1.0)	—	(20.9)
Plus:									
Employment termination cost	4.0	3.9	2.5	—	—	0.1	—	—	10.5
Royalty	—	—	—	6.4	3.6	5.1	2.0	—	17.1
Total cash costs	354.5	353.8	222.2	126.4	68.5	162.6	44.5	—	1,332.5
Plus:									
Amortization(2)	49.5	46.0	22.8	15.2	6.8	41.8	15.3	1.2	198.6
GIP adjustments (2)	—	—	—	—	—	—	1.2	—	1.2
Rehabilitation	1.6	3.2	0.5	0.1	0.2	0.3	0.1	—	6.0
Total production costs	405.6	403.0	245.5	141.7	75.5	204.7	61.1	1.2	1,538.3
Gold produced (‘000 oz)(3)	1,141.2	1,037.6	624.9	550.0	308.3	542.6	201.5	—	4,406.1
Gold inventory (‘000 oz)	—	—	—	—	—	—	—	—	—
Gold sales (‘000 oz)	1,141.2	1,037.6	624.9	550.0	308.3	542.6	201.5	—	4,406.1
Gold sold per production cost (‘000 oz)	1,141.2	1,037.6	624.9	550.0	308.3	542.6	201.5	—	4,406.1
Total cash costs ($/oz) (4)	311	341	356	230	222	300	221	—	302
Total production costs ($/oz) (5)	355	388	393	258	245	377	303	—	349

All statistics are based on gold sold.

Notes:
(1) Calculated using an exchange rate of R6.90 per $1.00.
(2) Non-cash portion of GIP adjustments shown separately. Gold in process, or GIP, represents gold in the processing circuit, which is expected to be recovered.
(3) In fiscal 2004, 0.610 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.
(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. 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 charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, plus royalties and employee termination costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and 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 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 2005, 2004 and 2003, see “Operating and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”
(5) 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 Australian dollar and the U.S. dollar. 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 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 2005, 2004 and 2003, see “Operational and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”

The following table sets out a reconciliation of Gold Fields’ production costs to its total cash costs and total production costs for fiscal 2003.

	For the year ended June 30, 2003									
	Driefontein	**Kloof**	**Beatrix**	**St. Helena**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
	(in $millions except as otherwise noted) (1)									
Production costs	260.3	250.5	155.0	12.6	105.1	71.2	118.2	42.1	—	1,015.0
Less:										
G&A other than corporate cost	(7.5)	(6.1)	(3.9)	—	(5.5)	(1.6)	(3.6)	(0.8)	—	(28.2)

GIP adjustments	(0.4)	—	—	—	—	—	(1.1)	(5.1)	—	(6.6)
Exploration	—	—	—	—	—	—	(16.6)	(5.8)	—	(22.42)
Plus:										
Employment termination cost	2.3	1.5	—	—	—	—	—	—	—	3.8
Royalty	—	—	—	—	5.4	3.0	4.6	1.1	—	14.1
Total cash costs	254.7	245.9	151.1	12.6	105.0	72.6	101.5	31.5	—	863.4
Plus:										
Amortization (2)	37.2	34.2	19.5	—	16.0	5.0	49.4	25.3	1.5	188.1
Rehabilitation	1.8	1.3	0.9	—	0.5	0.3	0.4	0.1	—	5.3
Total production costs	293.7	281.4	171.5	12.6	121.5	77.9	151.3	56.9	1.5	1,168.3
Gold produced (‘000 oz) (2)	1,238.3	1,140.1	658.7	43.7	539.9	299.2	513.3	143.6	—	4,576.8
Gold inventory (‘000 oz)	23.2	2.0	—	—	—	—	—	—	—	25.2
Gold sales (‘000 oz)	1,261.5	1,142.1	658.7	43.7	539.9	299.2	513.3	143.6	—	4,602.0
Gold sold per production cost (‘000 oz)	1,261.5	1,142.1	658.7	43.7	539.9	299.2	513.3	143.6	—	4,602.0
Total cash costs (4) ($/oz)	202	215	229	289	195	243	198	219	—	212
Total production costs (5) ($/oz)	233	246	260	289	225	260	295	396	—	254

All statistics are based on gold sold.

Notes:
(1) Calculated using an exchange rate of R9.07 per $1.00.
(2) Includes non-cash portion of GIP adjustments.
(3) In fiscal 2003, 0.597 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.
(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. 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 charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, plus royalties and employee termination costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and 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 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 2005, 2004 and 2003, see “Operating and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”
(5) 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 Australian dollar and the U.S. dollar. 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 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 2005, 2004 and 2003, see “Operational and Financial Review and Prospects — Results of Operations — Years Ended June 30, 2004 and 2005” and “ — Years Ended June 30, 2003 and 2004.”

Gold Fields’ weighted average total cash costs per ounce increased $90 per ounce, or 42.5%, from $212 per ounce in fiscal 2003 to $302 per ounce in fiscal 2004. The principal reason was the strengthening of the Rand against the U.S. dollar, which had a 23.9% negative impact on costs converted from the South African operations. In Rand terms, average total cash costs per ounce at the South African operations were affected by a decrease in mining volumes and a 12% decrease in yields during fiscal 2004 as compared to fiscal 2003, as well as wage increases above inflation. Total cash costs per ounce in Rand terms at the international operations were similar to fiscal 2003 with lower unit costs at Damang, Agnew and Tarkwa offsetting the increase at St. Ives, as the appreciation of the Rand against the U.S. dollar contributed to the lower total cash costs per ounce in Rand terms in fiscal 2004.

Production costs

Production costs increased by $340.2 million, or 33.5%, from $1,015.0 million in fiscal 2003 to $1,355.2 million in fiscal 2004, primarily due to increased production from all the international operations, inflationary increases at the South African operations, and the appreciation of the South African rand and the Australian dollar against the U.S. dollar. Increased operating costs at the South African operations were due to wage increases above inflation and increases in the amount and cost of stoping and development, during fiscal 2004 as compared to fiscal 2003. In addition the Rand appreciated on average by 23.9% and the Australian dollar appreciated 22.3% against the U.S. dollar during fiscal 2004 compared to fiscal 2003, resulting in increased costs in U.S. dollar terms. In Australia, production costs increased primarily due to increased volumes mined and a shift towards underground mining. In Ghana, production costs increased primarily due to increased waste tonnage.

Depreciation and amortization

Depreciation and amortization charges increased $10.5 million, or 5.6%, from $188.1 million in fiscal 2003 to $198.6 million in fiscal 2004. Depreciation and amortization is calculated on the units of production method and is based on current gold production as a percentage of total expected gold production over the lives of the mines. The principal reasons for this increase was the increase in production at the international operations compounded by the appreciation of the Rand against the U.S. dollar.

The table below depicts the changes from June 30, 2002 to June 30, 2003 for proven and probable reserves and for the life of mine for each operation, and the resulting impact on the amortization charge in fiscal 2003 and 2004. The life of mine numbers below are taken from the operations’ strategic plans, adjusted for proven and probable reserve balances. In basic terms, amortization is calculated using the life of mine for each operation, which is based on: (1) the proven and probable reserves above infrastructure for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using only above infrastructure reserves) and (2) the amount of gold produced by the operation during the year.

	Proven and probable reserves as of June 30,		Life of mine as of June 30,		Amortization as of June 30,	
	2002	2003	2002	2003	2003	2004
	(‘000 oz)		(years)		($ millions)	
Driefontein	16,400	16,000	19	17	37.2	49.5
Kloof (1)	15,300	15,900	20	18	34.2	46.0
Free State						

Beatrix (2) (3)	11,800	11,800	20	20	19.5	22.8
St. Helena	370	—	—	—	—	—
Ghana						
Tarkwa (4)	6.500	9,800	13	14	16.0	15.2
Damang (5)	1,190	900	4	3	5.0	6.8
Australia						
St. Ives (6)	2,340	3,000	6	5	49.4	41.8
Agnew (6)	600	500	4	3	25.3	15.3
Corporate and other	—	—	—	—	1.5	1.2
Total	54,500	57,900	—	—	188.1	198.6
Reserves below infrastructure (7)	26,600	26,600	—	—	—	—
Total reserves (8)	81,100	84,500	—	—	—	—

Notes:
(1) A mineral resource study at Kloof during fiscal 2001 resulted in adjustments to grade zones, exclusions of certain mining blocks due to lack of adequate ventilation, a reduction in extraction from shaft pillars amongst other adjustments. The net effect on total reserves was insignificant but resulted in a movement from above infrastructure reserves to below infrastructure reserves at the end of fiscal 2002. As

amortization is calculated using the above infrastructure reserves as its denominator (the numerator being the produced ounces) the amortization charge for fiscal 2003 increased accordingly.
(2) The Beatrix operation, formerly called the Free State operation, was renamed following the sale of the St. Helena mine to Freegold on October 30, 2002.
(3) Includes the former Oryx mine, now designated as Beatrix Shaft No. 4.
(4) As of June 30, 2002 and 2003, reserves of 4.620 million ounces and 6.970 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation.
(5) As of June 30, 2002 and 2003, reserves of 0.850 million ounces and 0.640 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.
(6) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.
(7) Below infrastructure reserves relate to mineralization which is located at a level at which an operation currently does not have infrastructure sufficient to allow mining operations to occur, but where the operation has made plans to install additional infrastructure in the future which will allow mining to occur at that level.
(8) As of June 30, 2002 and 2003, reserves of 78.900 million ounces and 81.500 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation.

Corporate expenditure

Corporate expenditure was $20.3 million in fiscal 2004 compared to $16.6 million in fiscal 2003, an increase of 22.3%. Corporate expenditure consists primarily of general corporate overhead and corporate service department costs, primarily in the areas of technical services, human resources and finance, which are used by the operations. Corporate expenditure also includes business development costs. The increase was due to the appreciation of the Rand against the U.S. dollar as Rand costs decreased from R150.8 million in fiscal 2003 to R140.0 million in fiscal 2004 due to higher profits generated by the Treasury Department which are reflected as a credit against these costs.

Employment termination costs

In fiscal 2004, Gold Fields incurred termination costs of $10.5 million as compared to $3.8 million in fiscal 2003. The increase in employment terminations costs was primarily as a result of higher retrenchments during fiscal 2004.

Exploration expenditure

Exploration expenditure was $39.9 million in fiscal 2004, an increase of 34.8% from $29.6 million in fiscal 2003. The increase was as a result of a deliberate effort to step up exploration activities, with $6.2 million spent in South and Latin America in fiscal 2004, compared to $1.9 million in fiscal 2003. Exploration expenditure in fiscal 2004 also included $11.4 million incurred at APP compared to $6.2 million in fiscal 2003. See “Information on the Company—Exploration.”

Impairment of assets

During fiscal 2004, following a geological study at Beatrix Shaft No. 4 and an associated revision of the ore reserve, the latest life-of-mine plans indicated that future production of gold should be based on 2.0 million ounces as opposed to 2.8 million ounces as previously estimated. At this level of extraction and at a gold price of $350 per ounce, the life-of-mine plans did not support the carrying value of the shaft on an undiscounted cash flow basis. Accordingly, an asset impairment of $61.8 million was charged against income, which reduced the carrying value of the Beatrix Shaft No. 4 to $11.9 million.

During fiscal 2004, the potential future income arising from existing and possible new contracts for Biox® was reevaluated. See “Information on the Company—Research and Development.” This reevaluation did not support the patent carrying value and accordingly, an impairment write-down of $5.0 million was recorded, to reflect the fair value of the Biox patent of $15.0 million.

During fiscal 2004, new regulations were enacted in South Africa that will result in mining companies forfeiting those mineral rights not likely to be mined or explored. GFL Mining Services held certain mineral rights to which this new regulation applies. The carrying value of these mineral rights was $5.9 million. Accordingly, an impairment write-off of $5.9 million was recorded for those minerals that would be forfeited as a result of this new regulation.

The allocation of the purchase price to the Agnew and St. Ives mines was based upon geological and other information available to Gold Fields at the purchase date. During fiscal 2003, Gold Fields revised the Agnew life of mine plan based on the latest reserves and mineralized material. The life of mine plan was revised because the results of the Agnew mine following the acquisition had been below those anticipated due to lower recovered gold content and certain events which rendered certain mineralized material unexploitable. The revised life of mine plan did not support the original allocation of the purchase price to the Agnew mine orebody, mining tenements and undeveloped properties. U.S. GAAP does not permit a company to reallocate the purchase price more than a year beyond the acquisition date, when sufficient data was available to make the initial purchase price allocation. Accordingly, an impairment write down of $29.6 million was recorded to reflect the Agnew mine assets at their fair value.

Decrease in post-retirement health care provision

Under the medical plan which covers certain of its former employees, Gold Fields remains liable for 50% of the employees’ medical contribution to the medical schemes after their retirement. During fiscal 2004 and fiscal 2003, 6% and 61%, respectively, of these former employees and dependants were bought out of the scheme at a 15% premium to the actuarial valuation. At June 30, 2004, approximately 510 (fiscal 2003: 850) former employees were covered under this plan, which is not available to members of the scheme formerly available to employees of the Free State operation who retired after August 31, 1997 and members of the Medisense medical scheme who retired after January 31, 1999. See “Directors, Senior Management and Employees—Employees— Benefits.”

In fiscal 2004 an amount of $5.1 million was credited to earnings, compared to $5.0 million in fiscal 2003, in respect of Gold Fields' obligations under this medical plan, a 2% increase. The $5.1 million credit was the result of a reversal of $6.2 million relating to the release of the cross subsidization liability as a result of the buyout and a $2.6 million release as a result of benefits forfeited offset in part by the annual interest and service charge of $3.0 million, and a $0.7 million charge relating to the 15% premium mentioned above. In fiscal 2003, the credit was the result of a $13.5 million reversal relating to the release of the cross subsidization liability as a result of the buyout, offset in part by the annual interest and service charge of $5.5 million and a $3.0 million charge related to the 15% premium. The post-retirement health care provision is updated annually based on actuarial calculations, with any increase in the provision reflected in the statement of operations.

Increase in provision for environmental rehabilitation

For its South African operations, Gold Fields contributes to environmental trust funds it has established to provide for any environmental rehabilitation obligations and expected closure costs relating to its mining operations. The amounts invested in the trust funds are classified as non-current assets and any income earned on these assets is accounted for as interest income. For the Ghana and Australia operations Gold Fields does not contribute to a trust fund, but does make provision for estimated environmental rehabilitation costs. 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 balance sheet date. The rehabilitation charge for fiscal 2004 was $8.4 million compared to $5.3 million in fiscal 2003 principally because of the appreciation of the Rand against the U.S. dollar.

Interest and dividends

Interest and dividends decreased by $1.9 million or 8.9%, from $21.3 million in fiscal 2003 to $19.4 million in fiscal 2004. Interest received on cash and cash equivalents was $17.1 million in fiscal 2004 as compared to $19.1 million in fiscal 2003, due to lower average cash balances during fiscal 2004 compared to fiscal 2003, including a depletion of cash balances at the South African operation for several months of the year, as well as lower interest rates. Dividends received were $2.3 million in fiscal 2004 as compared to $2.2 million in fiscal 2003.

Finance (expense)/income

Gold Fields recognized a net finance expense of $12.2 million in fiscal 2004 as compared to finance income of $4.2 million in fiscal 2003. Net finance expense in fiscal 2004 consisted of interest payments of $27.2 million, comprising $18.2 million on the Mvelaphanda loan and $9.0 million on the loans used to acquire St. Ives, Agnew and Damang in Australia and Ghana , offset in part by a $3.6 million unrealized exchange gain on certain offshore funds denominated in Euros and a $11.4 million realized exchange gain on the Australian loan.

Net finance income in fiscal 2003 consisted of a $4.0 million unrealized exchange gain on the revaluation of the U.S. dollar loan incurred in connection with the acquisition of the Australian operations and a realized exchange gain of $11.5 million on the repayment of $119.5 million of the Australian loans, offset in part by interest payments of $4.8 million and realized loss of $6.5 million on certain other U.S. dollar denominated accounts in Australia.

Unrealized gain on financial instruments

Gold Fields recognized an unrealized gain of $39.2 million in fiscal 2004 compared to an unrealized gain of $35.7 million in fiscal 2003 relating to financial instruments.

Of the $39.2 million unrealized gain in fiscal 2004, $40.2 million related to an unrealized gain on the Australian dollar/U.S. dollar currency financial instruments purchased at the time of the acquisition of St. Ives and Agnew, offset by a $1.0 million negative mark-to-market valuation as at June 30, 2004 of the $50.0 million U.S. dollar/Rand currency financial instruments purchased to protect the Group's commitment of $159.0 million in respect of the Tarkwa mill project and the conversion to owner mining. See "Quantitative and Qualitative Disclosures About Market Risk— Foreign Currency Hedging Experience."

Of the $35.7 million unrealized gain in fiscal 2003, $36.7 million related to the positive mark-to-market valuation as at June 30, 2003 of the then remaining Australian dollar/U.S. dollar currency instruments offset by $1.0 million negative mark-to-market valuation as at June 30, 2003 of the $36.0 million U.S. dollar/Rand currency financial instruments purchased to protect the Group's commitment in respect of the Tarkwa mill project and the shift to owner mining projects, of $159.0 million.

Realized gain on financial instruments

Gold Fields recognized a realized loss of $8.7 million in fiscal 2004 compared to a realized gain of $15.1 million in fiscal 2003 relating to financial instruments.

Of the $8.7 million realized loss in fiscal 2004, a loss of $13.0 million was realized on the settlement of the U.S. dollar/Rand forward purchases offset in part by a $4.3 million gain on the U.S. dollar/Australian dollar financial instruments purchased at the time of the acquisition of St. Ives and Agnew.

Of the $15.1 million realized gain in fiscal 2003, $10.5 million was realized on the close-out of $175.0 million of the Australian dollar/U.S. dollar currency financial instruments purchased at the time of the acquisition of St. Ives and Agnew during fiscal 2004. The balance of $4.6 million relates to the amortization of deferred hedging gains relating to Abosso Goldfields forward sales contracts that Gold Fields acquired in connection with the purchase of Abosso.

Profit on disposal of listed investments

During fiscal 2004, Gold Fields continued to liquidate certain non-current investments in order to fund foreign debt repayments. The profit on the sale of these investments amounted to $13.9 million resulting from the following sales:

- $7.7 million from the sale of 1.2 million shares in Harmony Gold Mining Company Limited and African Rainbow Minerals Limited;
- $2.1 million from the sale of 0.9 million shares in Chesapeake Gold Corporation;
- $1.0 million from the sale of 0.1 million shares in Glamis Gold Limited;
- $1.5 million from the sale of 2.5 million shares in Orezone Resources Inc; and
- $1.6 million from the sale of 1.3 million shares in Committee Bay.

During fiscal 2003, the profit on the sale of non-current investments amounted to $57.2 million resulting from the following sales:

- $42.4 million from the sale of 30.5 million shares in Eldorado Gold Corporation;
- $13.1 million from the sale of 1.5 million shares in Glamis Gold Limited;
- $1.5 million from the sale of 0.4 million shares in African Rainbow Minerals Limited; and
- $0.2 million from the sale of 73,000 shares in Chesapeake Gold Corporation.

Profit on sale of mineral rights

During fiscal 2004, mineral rights and associated assets relating to a portion of Driefontein were sold for $45.7 million to

AngloGold, resulting in a profit of $27.1 million.

Write-down of mineral rights

During fiscal 2004, mineral rights classified as inventories to the value of $3.6 million were written-off. This is in line with new regulations in South Africa that will result in mining companies forfeiting those mineral rights

not likely to be mined or explored.

Other (expenses)/income

Other income decreased by $1.3 million, from $3.4 million in fiscal 2003 to $2.1 million in fiscal 2004. Other income in fiscal 2004 consisted of $6.8 million in revenues, comprised principally of mineral right sales, rent and a rebate received from J.P. Morgan net of $4.7 million in other expenses comprised principally of payments to The Business Trust and sundry professional fees. Other income in fiscal 2003 consisted of $4.7 million in revenues, comprised principally of rent, proceeds from insurance claims and scrap sales, net of $0.1 million in other expenses.

Income and Mining Tax Expense

The table below indicates Gold Fields' effective tax rate for fiscal 2003 and fiscal 2004, including normal and deferred tax.

	Year ended June 30,	
Income and mining tax	**2003**	**2004**
Effective tax expense rate	32.9%	14.3%

In fiscal 2004, the effective tax expense rate of 14.3% differed from the maximum mining statutory tax rate of 46% for Gold Fields and the subsidiaries as a whole, primarily due to the effect of the mining tax formula of $7.0 million (representing the tax-free status of the first 5% of

mining revenue) on the South African mining operations' taxable income and $15.1 million of non-taxable income primarily related to the profit on sale of certain investments. In addition, the tax expense rate is lower due to a credit of $17.6 million relating to income from Australia and Ghana being taxed at a lower rate. The effect of these items was partially offset by an amount of $19.8 million relating to foreign levies and royalties, which is included in the tax charge.

In fiscal 2003, the effective tax rate expense of 32.9% differed from the maximum mining statutory tax rate of 46% for Gold Fields and its subsidiaries as a whole, primarily due to the effect of the mining tax formula of $18.4 million (representing the tax-free status of the first 5% of mining revenue) on the South African mining operations' taxable income, the utilization of assessed losses of $13.7 million mainly related to the disposal of the St. Helena mine not previously recognized and $30.6 million of non taxable income related primarily to the profit on the sale of certain investments. The effect of these items was offset in part by an amount of $16.1 million relating to foreign levies and royalties, which is included in the tax charge.

Minority Interests

Minority interests represented a cost of $21.8 million in fiscal 2004, compared to a cost of $14.4 million in fiscal 2003. The increase is due to the higher net income of the Ghanaian operations in fiscal 2004 compared to fiscal 2003. These amounts reflect the portion of the net income of Gold Fields Ghana, and Abosso attributable to their minority shareholders. The minority shareholders' interest was 28.9% in Gold Fields Ghana and Abosso in fiscal 2004 and fiscal 2003.

Net (Loss)/Income

As a result of the factors discussed above, Gold Fields net income was $48.9 million in fiscal 2004 compared with net income of $257.0 million in fiscal 2003.

Liquidity and Capital Resources

Cash resources

Operations

Net cash provided by operations in fiscal 2005 was $181.9 million compared to $198.4 million in fiscal 2004. In fiscal 2005, Gold Fields' realized gold price increased to an average of $422 per ounce compared to $387 per ounce in fiscal 2004. In addition, sales in fiscal 2005 increased by 0.082 million ounces, which together with the increase in the realized price, resulted in revenues from product sales increasing by $186.9 million from $1,706.2 million in fiscal 2004 to $1,893.1 million in fiscal 2005.

The increased revenues were offset in part by a $145.4 million increase in production costs, which increased from $1,355.2 million in fiscal 2004 to $1,500.6 million in fiscal 2005. In addition, Gold Fields incurred costs of $50.8 million and $9.3 million on the Harmony hostile bid and the IAMGold transaction, respectively. The net effect of this was a $12.0 million increase in cash flow provided by operations before taxation and working capital changes. The decrease in taxes paid of $37.3 million was largely offset by the $29.6 million increase in working capital changes.

Net cash provided by operations was $198.4 million in fiscal 2004 compared to $411.4 million in fiscal 2003. In fiscal 2004, Gold Fields' realized gold price increased to an average of $387 per ounce compared to $333 per ounce in fiscal 2003. Sales in fiscal 2004 decreased by 0.2 million ounces but the increase in the realized price resulted in revenues from product sales increasing by $168.0 million in fiscal 2004 to $1,706.2 million compared to $1,538.2 million in fiscal 2003. The increased revenues were more than offset by a $340.2 million increase in production costs, which increased from $1,015.0 million in fiscal 2003 to $1,355.2 million in fiscal 2004. The net effect was a decrease in cash flow provided by operations before taxation and working capital changes. The decrease in cash provided by operations was partly offset by an increase in working capital changes of $21.8 million.

Although revenues from Gold Fields' South African operations are denominated in U.S. dollars, Gold Fields receives them in Rand, which are then subject to South African exchange control limitations. See "Information on the Company—Regulatory and Environmental Matters—South Africa—Exchange Controls." As a result, those revenues are generally not available to service Gold Fields' non-Rand debt obligations or to make investments outside South Africa without the approval of the South African Reserve Bank.

Revenues from Gold Fields' Ghanaian and Australian operations are also denominated in U.S. dollars, but unlike in South Africa, Gold Fields receives them in U.S. dollars or is freely able to convert them into U.S. dollars. These U.S. dollar amounts can be used by Gold Fields to service its U.S. dollar-denominated debt and to make investments in its non-South African operations.

Investing

Net cash utilized in investing activities was $318.3 million in fiscal 2005 compared to $400.2 million in fiscal 2004. The decrease in net cash utilized of $81.9 million was primarily due to a decrease in capital expenditure of $60.2 million and a decrease in purchases of investments of

$49.0 million. In addition, proceeds on disposal of property, plant and equipment were lower by $46.6 million in fiscal 2005 and in fiscal 2004 $45.7 million was received from the sale of Driefontein Block 1C11 to AngloGold while $23.0 million was spent on the acquisition of the minority interest in the Arctic Platinum Project.

Net cash utilized in investing activities was $400.2 million in fiscal 2004 compared to $150.6 million in fiscal 2003. The increase in net cash utilized of $249.6 million was primarily due to an increase in capital expenditure of $153.6 million and an increase in investments purchased of $72.4 million. This was partially offset by the $55.0 million increase in the proceeds on the disposal of property, plant and equipment from $1.8 million in fiscal 2003 to $56.8 million in fiscal 2004. This amount included the $45.7 million received from the sale of Driefontein block 1C11 to AngloGold Ashanti with the balance of $11.1 million related mainly to the sale of shares received in exchange for the sale of various nickel mineral rights at the Australian operations in fiscal 2004.

Proceeds from the sale of listed investments decreased from $29.3 million in fiscal 2004 to $18.6 million in fiscal 2005. The investment disposals comprising the $18.6 million in fiscal 2005 were:

- $13.9 million from the sale pf Zijin Mining Group Company Limited shares;
- $3.2 million from the sale of African Eagle Resources Plc shares; and
- $1.5 million from the sale of Radius Gold Incorporated shares.

Proceeds from the sale of listed investments decreased from $72.1 million in fiscal 2003 to $29.3 million in fiscal 2004. The $29.3 million in fiscal 2004 comprised the following sales:

- $19.6 million from the sale of 1.2 million shares in Harmony Gold Mining Company Limited and African Rainbow Minerals Limited;
- $2.1 million from the sale of 0.9 million shares in Chesapeake Gold Corporation;
- $1.1 million from the sale of 0.1 million shares in Glamis Gold Limited;
- $1.9 million from the sale of 2.5 million shares in Orezone Resources Inc.;
- $2.0 million from the sale of 1.3 million shares in Committee Bay; and
- $2.6 million from the sale of various other shares.

During fiscal 2005 Gold Fields received $7.5 million from the disposal of its interest in the Angelina exploration project in Chile to its joint venture partner Meridian Gold Incorporated. The consideration for the sale also includes a 2% net smelter royalty on the majority of land within the joint venture.

Capital expenditure decreased by $60.2 million to $317.7 million in fiscal 2005 compared to $377.9 million in fiscal 2004. Capital expenditure was $224.3 million in fiscal 2003. In Rand terms, capital expenditure decreased to R1,973.6 million in fiscal 2005 from R2,607.6 million in fiscal 2004 and R2,035.5 million in fiscal 2003. The decrease in capital expenditure was mainly due to the lower spending on growth projects at Tarkwa in Ghana and St. Ives in Australia due to most of these costs being incurred in fiscal 2004 and the curtailing of capital expenditure in South Africa due to the lower rand gold price.

Expenditure on Gold Fields' major capital projects in fiscal 2005 included:

- $21.7 million on the Beatrix Shaft No. 3 expansion project, as compared to $24.7 million in fiscal 2004 and $23.9 million in fiscal 2003;
- $19.1 million on the Shaft No. 1 and Shaft No. 5 projects at Driefontein, as compared to $20.1 million in fiscal 2004 and $38.1 million in fiscal 2003;
- $16.9 million on the Shaft No. 4 project at Kloof as compared to $25.0 million in fiscal 2004 and $24.6 million in fiscal 2003;
- $46.6 million on the St. Ives mill, expansion project, compared to $45.7 in fiscal 2004 and $nil in fiscal 2003;
- $25.7 million on the Tarkwa CIL process plant, as compared to $75.9 million in fiscal 2004 and $2.0 in fiscal 2003;
- $16.1 million on the Tarkwa owner mining project, as compared to $55.3 million in fiscal 2004 and $nil in fiscal 2003; and
- $11.8 million on the Songvang open pit at Agnew, as compared to $nil in fiscal 2004 and 2003.

The $30.4 million spent on the purchase of investments in fiscal 2005 was made up of:

- $18.7 million invested in Comaplex Corporation:
- $1.5 million invested in Avoca Resources Limited;
- $1.5 million invested in African Eagle Resources Plc on the exercising of warrants held;
- $6.8 million lent to GBF, the open pit mining contractor at St. Ives, in terms of the alliance agreement between St. Ives and GBF to fund the purchase of mining equipment used on site; and
- $1.9 million on other investments.

The $79.4 million spent on the purchase of investments in fiscal 2004 was made up of:

- $14.5 million of shares in Mvela Resources'
- $29.0 million of redeemable preference shares in Micawber (Proprietary) Limited;
- $12.6 million of shares in Bolivar Gold corporation;
- $7.7 million of shares in Zijin Mining Group Company Limited;
- $2.8 million of shares in CMQ Resources Inc.; and
- $12.8 million of shares on numerous other investments.

Financing

Net cash utilized in financing activities was $11.4 million in fiscal 2005 as compared to net cash provided by financing activities of $682.2 million in fiscal 2004. The main reason for the movement was that fiscal 2004 included the proceeds of the $586.7 million loan ($591.3 million less costs of $4.6 million) raised as a result of the Mvelaphanda transaction. See " — Overview — Mvelaphanda Transaction." In addition, in fiscal 2004 Gold Fields raised $215.9 million from shares issued as a result an international private placement of Gold Fields shares. In fiscal 2005, $3.6 million was received as a result of share options exercised, as compared to $3.8 million in fiscal 2004.

Dividends paid amounted to $54.5 million in fiscal 2005 compared to $92.6 million in fiscal 2004. The amount of dividends paid was lower than in fiscal 2004 principally due to the lower net income on which the dividend is calculated, partly offset by the stronger Rand/US dollar exchange rate. Dividend payments in fiscal 2005 amounted to Rand 344.5 million or 70 SA cents per ordinary share as compared to Rand 669.1 million or 140 SA cents per ordinary share in fiscal 2004. During fiscal 2005, Tarkwa and Damang each paid dividends and the minority shareholders' share of these payments was $17.3 million.

During fiscal 2005, $36.2 million was received on the close out of the interest rate swap entered into in connection with the Mvela loan.

Net cash provided by financing activities was $682.2 million in fiscal 2004 as compared to net cash utilized in financing activities of $335.8 million in fiscal 2003. The increase in cash provided from financing was due primarily to the loan of $586.7 million raised as a result of the Mvelaphanda transaction and $219.7 million received from shares issued mainly as a result of an international private placement. The international private placement raised $215.9 million. In fiscal 2004, $3.8 million was received as a result of share options exercised, as compared to $4.5 million in fiscal 2003.

In addition, during fiscal 2004 Gold Fields repaid the $28.6 million balance owing on the $165.0 million drawdown on the $250.0 million credit facility entered into in connection with the purchase of the St. Ives and Agnew operations. It also repaid the $12.2 million balance owing on $35.0 million remaining on the $50.0 million two-year facility to finance the acquisition of 71.1% of Abosso. In fiscal 2003, the amounts repaid were $119.5 million and $20.9 million, respectively.

Dividends paid amounted to $92.6 million in fiscal 2004 as compared to $184.3 million in fiscal 2003. The amount of dividends paid was lower than in fiscal 2003 principally due to the lower net income on which the dividend is calculated, partially offset by the stronger Rand/U.S. dollar exchange rate. Dividend payments amounted to Rand 669.1 million or 140 SA cents per ordinary share as compared to Rand 1,746.4 million or 370 SA cents per ordinary share in fiscal 2003.

Credit Facilities

As of the date of this annual report, Gold Fields has no committed unutilized banking facilities. Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several banking counterparties to meet Gold Fields' normal contingency funding requirements.

During fiscal 2006, Gold Fields expects to enter into a project finance facility of approximately $150 million to fund capital costs in connection with the Cerro Corona project. In addition, Gold Fields may in the future undertake further acquisitions of mining assets. In the event that Gold Fields does undertake any such acquisition, it may need to incur further debt or arrange other financing to fund any costs of the acquisition, which could have an adverse effect on Gold Fields' liquidity, including increasing its level of debt.

Australia Acquisitions

On November 26, 2001, Gold Fields and several of its subsidiaries, including two newly-established Australian subsidiaries, entered into a $250.0 million syndicated credit facility. Barclays Capital, the investment banking division of Barclays Bank plc, or Barclays, and Citibank, NA., or Citibank, acted as arrangers of the facility. The credit facility was used to fund Gold Fields' acquisition of St. Ives and Agnew from WMC with the balance to be used for general corporate purposes. The facility bore interest at LIBOR plus 1.15% per year and was subject to a commitment fee equal to 0.575% per year payable quarterly on all undrawn amounts under the facility.

The terms of the credit facility also required Gold Fields to maintain a foreign exchange hedging strategy over the life of the loan to reduce the impact of fluctuations in the Australian dollar/U.S. dollar exchange rate on the cash flow from St. Ives and Agnew. See "Quantitative and Qualitative Disclosure About Market Risk—Foreign Currency Sensitivity."

The facility consisted of a $160.0 million term loan facility and a $90.0 million revolving credit facility. The principal of the term loan facility was repayable in ten equal semi-annual installments over five years, with the first repayment of $16.0 million paid in May 2002. During fiscal 2003, Gold Fields repaid $114.5 million of the $160.0 million term loan facility and repaid the full $5.0 million drawn down on the revolving credit facility. The repayments of $114.5 million included prepayments of $82.5 million, which was funded in part from the proceeds on the sale of non-current investments and dividends received from the Ghana operation. In January 2004, Gold Fields repaid the balance owing on the term loan facility. The $90 million revolving credit facility was cancelled with effect from October 20, 2004.

Damang Acquisition

On January 23, 2002, in connection with the purchase of Abosso, Gold Fields utilized the full amount of $35.0 million available under a bilateral two-year term loan and letter of credit facility dated December 31, 2001 between Gold Fields and several of its subsidiaries and Barclays and Barclays Capital. During fiscal 2003, Gold Fields made prepayments of $20.9 million on the $33.0 million bilateral two-year term loan and the balance of $12.1 million was fully repaid by December 31, 2003. The $2.0 million letter of credit facility terminated on June 30, 2003. Also, on January 23, 2002, Gold Fields utilized the full amount of $15.0 million available under a two-year term loan facility dated December 31, 2001 into between Gold Fields and several of its subsidiaries and Barclays Capital and Barclays Bank of Ghana Limited. By June 2002, Gold Fields repaid in full the $15.0 million term loan facility.

Mvela Loan

On March 17, 2004, as part of the transaction involving the acquisition by Mvela Resources of a 15% beneficial interest in the South African gold mining assets of Gold Fields, Mvela Gold advanced Rand 4,139 million, or the Mvela Loan, to GFIMSA. The Mvela Loan has a term of five years, bears interest at a rate of 10.57% per annum and is guaranteed by Gold Fields, Gold Fields Australia and Gold Fields Guernsey. GFIMSA may elect to repay the Mvela Loan (together with the present value of the then outstanding interest payment obligations and the tax payable by Mvela Gold as a result of such repayment) at any time starting 12 months after the Mvela Loan was advanced. While the Mvela Loan is outstanding, Gold Fields and any of its material subsidiaries, which is defined as any subsidiary whose gross turnover in the most recently ended financial year represents more than 5% of the consolidated gross turnover of Gold Fields and its subsidiaries may not, subject to certain exceptions, (i) sell, lease, transfer or otherwise dispose of any assets, (ii) enter into any merger or similar transaction, or (iii) encumber its assets. The Mvela Loan will become immediately due and payable upon the occurrence of an event of default. See "—Overview—Mvelaphanda Transaction."

The Mvela Loan was funded by way of commercial bank debt of approximately Rand 1,300 million and mezzanine finance of approximately Rand 1,100 million, with the balance of approximately Rand 1,700 million being raised by way of an international private placement of shares of Mvela Resources. In connection with the mezzanine finance, Gold Fields subscribed for preference shares in an amount of Rand 200 million in Micawber. Further, Gold Fields subscribed for Rand 100 million of the shares issued by Mvela Resources in the private placement. In addition, pursuant to the PIC Agreement, Gold Fields has effectively guaranteed the PIC Loan. Interest on the PIC loan accrues at the rate of 14.25%, is compounded semi-annually and is payable in one lump sum at the end of the term of the loan. Under the terms of the PIC Agreement, the PIC has the right to require Gold Fields to assume all its rights and obligations under the PIC Loan, together with its underlying security, which consists of the PIC's proportionate share of Mvela Gold's rights under the Subscription and Share Exchange Agreement and a guarantee of Rand 200 million from Mvela Resources, at a price equal to the value of the principal and interest of the PIC Loan, if, at the time the PIC Loan is due for repayment, Micawber does not repay the loan in full. Whether or not the PIC requires Gold Fields to assume its rights and obligations under the PIC loan, the PIC is obligated to pay a guarantee fee to Gold Fields equal to 3.75% per annum of the value of the principal and interest payable under the PIC Loan on the date on which the PIC Loan is repaid to the PIC.

GFIMSA applied the net proceeds of the Mvela Loan of $586.7 million (R4,139 million less R32 million of costs at an exchange rate of R7.00 to $1.00) toward funding its acquisition of Gold Fields' South African mining operations and certain ancillary assets and operations as part of an internal restructuring of Gold Fields. In connection with the Mvela Loan, GFIMSA entered into two interest rate swaps, both of which were designated as fair value hedges and which were accounted for as a single swap. The fixed rate receivable on the interest rate swap was equal to the interest rate payable on the loan from Mvela Gold and the floating rate payable was the three month Johannesburg Inter-Bank Acceptance Rate, or JIBAR, plus a margin of 1.025%. The interest rate swap was closed out on June 3, 2005 with the loan reverting to the fixed interest rate mentioned above. Gold Fields realized mark-to-market gains on the swap of $36.2 million and interest rate credits of $14.8 million, giving a total gain of $51.0 million. Of the $36.2 million realized mark-to-market gain, $0.8 million was accounted for in fiscal 2005 with the balance of $35.4 million to be accounted for in fiscal 2006 to fiscal 2009. Of the $14.8 million interest credits, $12.9 million was accounted for in fiscal 2005 and the balance of $1.9 million was accounted for in fiscal 2004. See “Quantitative and Qualitative Disclosures about Market Risk — Interest Rate Sensitivity — Interest Rate Hedging Experience.”

Living Gold Facility

On May 28, 2004, Living Gold (Pty) Limited, or Living Gold, a subsidiary of GFIMSA, entered into a R16.6 million ($2.5 million at an exchange rate of R6.5150, the noon buying rate on May 28, 2004) loan facility with the Industrial Development Corporation of South Africa, or the IDC, On November 24, 2004, Living Gold drew down the full amount of the facility. The facility bears interest at the prime overdraft rate of First National Bank of Southern Africa Limited. On June 30, 2005, that rate was 10.5%. The loan is repayable in 96 monthly installments

beginning on July 1, 2006.

Bolivar Acquisition

Gold Fields has agreed summary terms of, and expects to enter into, a $200.0 million term loan facility with an interest rate LIBOR plus 0.35% per year and a term of three years to fund in part the acquisition of Bolivar Gold Corp and for general corporate purposes. The facility is subject to negotiation and execution of final documentation which is expected to include customary covenants by Gold Fields, including financial covenants. See “— Recent Developments — Acquisition of Bolivar Gold Corp.”

Capital expenditure

Capital expenditure was $317.7 million in fiscal 2005, compared to $377.9 million in fiscal 2004. See “—Cash resources—Investing.” Gold Fields expects to incur approximately Rand 2.2 billion ($331.2 million) in capital expenditure in fiscal 2006, which it expects to finance from internal sources and, to the extent required, credit facilities. Details regarding the specific capital expenditure for each operation are found in the individual operation sections under “Information on the Company—Gold Fields’ Mining Operations.”

Contractual obligations and commitments as at June 30, 2005

	Payments due by period				
	Total	Less than 12 months	12-36 months	36-60 months	After 60 months
			($ millions)		
Long-term debt (1)					
Mvelaphanda Gold (Proprietary) Limited (5 years) (2)					
Capital	650.6	—	650.6	—	
Interest	274.8	65.3	130.6	78.9	—
Industrial Development Corporation of South Africa Limited (3)					
Capital	2.5	—	0.6	0.6	1.3
Interest	1.3	0.2	0.5	0.3	0.3
Capital lease obligations — building	3.3	0.7	1.4	1.2	—
Other long-term obligations					
Post-retirement healthcare (4)	9.0	0.4	0.8	0.8	7.0
Environmental obligations (5)	134.6	1.6	3.2	3.2	126.6
Total contractual cash obligations	1,076.1	68.2	137.1	735.6	135.2

Notes:

(1) Gold Fields is party to certain long-term credit facilities, entered into in connection with the Mvelaphanda transaction and by Living Gold (Pty) Limited with the Industrial Development Corporation of South Africa Limited. See “ — Liquidity and Capital Resources — Credit Facilities.”

(2) On March 17, 2004, Mvelaphanda Gold advanced an amount of $591.3 million to GFIMSA. The loan amount is repayable five years from the date of advance and interest is payable semi-annually. Pursuant to the Subscription and Share Exchange Agreement, upon repayment of the Mvela Loan, Mvela Gold must subscribe for shares equal to 15% of GFIMSA’s outstanding share capital, including the newly issued shares. In addition, for a period of one year after the subscription by Mvela Gold of the GFIMSA shares, each of Gold Fields and Mvela Gold will be entitled to require the exchange of Mvela Gold’s GFIMSA shares for ordinary shares of Gold Fields of an equivalent value based on an exchange ratio equal to 15% of a discounted cash flow calculation as applied to GFIMSA’s operations divided by the same calculation as applied to Gold Fields’ operations, with certain adjustments. See “— Overview — General — Mvelaphanda Transaction.”

(3) On May 28, 2004 Living Gold (Pty) Limited, a subsidiary of GFI Mining South Africa (Pty) Limited entered into an agreement with the Industrial Development Corporation of South Africa Limited in terms of which it would provide a $2.5 million loan facility to Living Gold (Pty) Limited. The loan is repayable in 96 equal monthly installments commencing on July 1, 2006.

(4) Gold Fields’ provision for post-retirement healthcare obligations increases annually based on the expected increases in the level of individual contributions in order to settle its obligations to its former employees, set off by payments made on behalf of certain pensioners and dependants of former employees on a pay-as-you-go-basis.

(5) Gold Fields makes full provision for all environmental obligations based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. This provision increases annually based on expected inflation. Management believes that the provisions made for environmental obligations are adequate to direct the expected volume of such obligations. See “— Significant Accounting Policies — Environmental rehabilitation costs.”

	Amount of commitments expiring by period				
	Total	Less than 12 months	12-36 months	36-60 months	After 60 months
			($ millions)		
Other commercial commitments					
Lines of credit	—	—	—	—	—
Standby letters of credit	—	—	—	—	—
Guarantees (1)	51.3	—	—	26.8	24.5
Standby repurchase obligations	—	—	—	—	—
Capital expenditure (2)	23.8	23.8	—	—	—
Total commercial commitments	75.1	23.8	—	26.8	24.5

Notes:

(1) Guarantees consist of $23.3 million committed to guarantee Gold Fields’ environmental rehabilitation obligations with