GOLD FIELDS LTD
Form 20-F
November 26, 2004

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As filed with the Securities and Exchange Commission on November 26, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 20-F

(Mark One)

[ ] **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
or
[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended June 30, 2004
or
[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa
(Jurisdiction of incorporation or organization)

24 St Andrews Road,
Parktown, 2193
South Africa
011-27-11-644-2400
(Address of principal executive offices)

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

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

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

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

None
(Title of Class)

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

None
(Title of Class)

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

Ordinary shares of par value Rand 0.50 each 491,492,520

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

Indicate by check mark which financial statement item the registrant has elected to follow: Item 17 [ ] Item 18 [X]

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Presentation of Financial Information

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

For Gold Fields financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the date of the balance sheet (Rand 6.30 per $1.00 as of June 30, 2004), except for specific items included within shareholders equity that are translated at the rate prevailing on the date the relevant transaction was entered into, and statement of operations item amounts are translated from Rand to U.S. dollars at the weighted average exchange rate for each period (Rand 6.90 per $1.00 for the year ended June 30, 2004).

In this annual report, Gold Fields presents the financial items total cash costs , total cash costs per ounce , total production costs and total production costs per ounce , which have been determined using industry standards promulgated by the Gold Institute and are not U.S. GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, 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 definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Key Information Selected Historical and Pro Forma Financial Data Selected Historical Consolidated Financial Data , Information on the Company Glossary of Mining Terms Total cash costs per ounce and Information on the Company Glossary of Mining Terms Total production costs per ounce.

Defined Terms and Conventions

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

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

In this annual report, R and Rand refer to the South African Rand, cents and Rand cents refer to subunits of the Sou African Rand, GHC and Cedi refer to Ghanaian Cedi, $ and U.S. dollars refer to United States dollars, U.S. cents refers to subunits of the U.S. dollar, A$ and Australian dollars refer to Australian dollars and C$ refers to Canadian dollars.

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

In this annual report, unless otherwise noted, historical financial information and production statistics for Gold Fields prior to the dates of the acquisitions of the St. Ives, Agnew and Damang gold mining operations do not include activity attributable to the St. Ives and Agnew gold mining operations in Australia, which Gold Fields acquired from WMC Limited and WMC Resources Ltd on November 30, 2001, or the Damang gold mining operation in Ghana, which Gold Fields and Repadre Capital Corporation acquired when they purchased Abosso Goldfields Limited from Ranger Minerals Limited on January 23, 2002. In addition, except where otherwise noted, all production and operating statistics are based on Gold Fields total operations, which include production from the Tarkwa and Damang mines in Ghana which is attributable to the minority shareholders in those mines.

For the convenience of the reader, certain information in this annual report presented in Rand and Australian dollars has been translated into U.S. dollars. Unless otherwise stated, the conversion rates for these translations are Rand 6.10 and A$1.34 per $1.00, respectively, which were the noon buying rates on October 29, 2004. By including convenience currency translations, Gold Fields is not representing that the Rand and Australian dollar amounts actually represent the U.S. dollar amounts shown or that these amounts could be converted into U.S. dollars at the rates indicated.

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Part I

Item 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

Item 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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Item 3: KEY INFORMATION

Selected Historical Consolidated Financial Data

The selected historical financial data set out below for the three years ended June 30, 2004, and as of June 30, 2004, 2003 and 2002 have been extracted from the more detailed information and financial statements, including Gold Fields audited consolidated financial statements for those years and as of those dates and the related notes, which appear elsewhere in this annual report. The summary financial data for the two years ended June 30, 2001, and as of June 30, 2001 and 2000 have been derived from Gold Fields audited consolidated financial statements as of that date, which are not included in this annual report. The selected historical financial data presented below have been prepared in accordance with U.S. GAAP.

	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in $ millions, except where otherwise noted)				
Statement of Operations Data					
Revenues	1,130.4	1,028.4	1,219.4	1,564.2	1,727.3
Production costs	861.8	743.4	710.0	1,015.0	1,355.2
Corporate expenditure	13.9	16.0	12.3	16.6	20.3
Depreciation and amortization	135.5	99.8	113.3	188.1	198.6
Exploration expenditure	11.7	17.7	16.5	29.6	39.9
Franco-Nevada merger costs		2.5			
Settlement costs of Oberholzer irrigation water dispute		1.2	1.0		
Impairment of assets	15.7	112.1		29.6	72.7
Increase/(decrease) in post-retirement healthcare provision	8.4	8.8	6.6	(5.0)	(5.1)
Increase in provision for environmental rehabilitation	5.6	12.2	4.7	5.3	8.4
Finance expense/(income)	3.2	1.9	(8.3)	(4.2)	12.2
Unrealized loss/(gain) on financial instruments	2.0	(0.8)	(45.9)	(35.7)	(39.2)
Realized loss/(gain) on financial instruments	14.4	(7.4)	(4.7)	(15.1)	8.7
Employment termination costs	16.0	5.0	6.4	3.8	10.5
Profit on sale of non-current investments				(57.2)	(13.9)
Write-down of investments		2.0			
Stock compensation			4.8		
New York Stock Exchange listing and associated costs			4.3		
Gain on disposal of St. Helena mine				(13.4)	
Share of equity investees losses	0.8				
Profit on sale of mineral rights					(27.1)
Write-down of mineral rights					3.6
Other expenses	1.4	1.0		0.3	

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	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in $ millions, except where otherwise noted)				
Income before tax	40.0	13.0	398.4	406.5	82.5
Income and mining tax benefit/(expense)	85.2	(21.6)	(147.1)	(133.8)	(11.8)
Income/(loss) before minority interests	125.2	(8.6)	251.3	272.7	70.7
Minority interests	1.7	(8.8)	(12.2)	(14.4)	(21.8)
Income/(loss) before cumulative effect of changes in accounting principles	126.9	(17.4)	239.1	258.3	48.9
Cumulative effect of changes in accounting principles, net of tax		(0.6)		(1.3)	
Net income/(loss)	126.9	(18.0)	239.1	257.0	48.9
Other Financial and Operating Data					
Basic earnings/(loss) per share before cumulative effect of changes in accounting principles ($)	0.28	(0.04)	0.52	0.55	0.10
Diluted earnings/(loss) per share before cumulative effect of changes in accounting principles ($)	0.28	(0.04)	0.51	0.54	0.10
Basic earnings/(loss) per share ($)	0.28	(0.04)	0.52	0.54	0.10
Diluted earnings/(loss) per share ($)	0.28	(0.04)	0.51	0.54	0.10
Dividend per share (Rand)	0.50	1.05	1.30	3.70	1.40
Dividend per share ($)	0.08	0.13	0.13	0.39	0.19
Total cash costs per ounce of gold produced($/oz) (1)	215	194	170	212	302
Total production costs per ounce of gold produced ($/oz) (2)	251	224	198	254	349

Notes:

(1) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the Gold Institute industry standard, 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 standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, 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, refinery charges and social development costs), rehabilitation costs, amortization, reclamation, capital development and exploration costs, plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or

certain exploration 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 the Australian dollar compared to 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 per ounce is not a U.S. GAAP measure. An investor should not consider 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. While the Gold Institute has provided a definition for the calculation of total cash costs, adoption of the standard is voluntary and thus 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 2004, 2003 and 2002, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2003 and 2004 and Years Ended June 30, 2002 and 2003.

(2) Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. Total production costs, as defined by the Gold Institute industry standard, are total cash costs, as calculated using the Gold Institute industry standard, plus amortization, depreciation and rehabilitation costs. Changes in total production costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared to 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, adoption of the standard is voluntary and thus 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 2004, 2003 and 2002, see Operational and Financial Review and Prospects Results of Operations Years Ended June 30, 2003 and 2004 and Years Ended June 30, 2002 and 2003.

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	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in $ millions, except where otherwise noted)				
Balance Sheet Data					
Cash and cash equivalents	75.8	23.6	195.1	133.6	656.3
Financial instruments					37.0
Receivables	36.0	50.5	56.2	74.9	116.4
Inventories	24.5	21.1	68.5	76.8	63.9
Material contained on heap leach pads	17.7	31.3	45.0	41.8	42.5
Total current assets	159.0	126.5	364.8	327.1	916.1
Property, plant and equipment, net[1]	2,178.1	1,798.7	1,726.9	2,231.0	2,805.5
Financial instruments			46.2	67.7	70.3
Non-current investments	38.5	42.2	73.3	101.0	179.8
Total assets	2,375.6	1,967.4	2,211.2	2,726.8	3,971.7
Accounts payable and provisions	148.1	127.4	153.3	184.7	290.6
Income and mining taxes payable	13.9	1.2	44.5	52.0	14.2
Current portion of long-term loans	10.0		37.0	20.5	
Total current liabilities	172.0	128.6	234.8	257.2	304.8
Long term loans	20.0		145.0	21.1	643.2
Deferred income and mining taxes	588.8	506.9	448.2	647.3	769.0
Provision for environmental rehabilitation	42.6	47.5	58.8	99.2	116.0
Provision for post-retirement health care costs	55.9	51.0	44.7	23.9	18.9
Minority interests	29.4	39.0	52.8	58.8	102.7
Share capital	41.1	41.3	42.1	42.2	43.6
Additional paid-in capital	1,493.0	1,498.1	1,560.8	1,565.2	1,792.3
Retained earnings	81.9	2.7	182.6	255.3	211.6
Accumulated other comprehensive loss	(149.1)	(347.7)	(556.8)	(243.4)	(30.4)

Total shareholders equity	1,466.9	1,194.4	1,226.9	1,619.3	2,017.1
Total liabilities and shareholders equity	2,375.6	1,967.4	2,211.2	2,726.8	3,971.7
Other Data					
Number of ordinary shares as adjusted to reflect changes in capital structure	453,250,595	455,836,608	470,522,224	472,364,872	491,492,520
Net assets	1,466.9	1,194.4	1,226.9	1,619.3	2,017.1

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(1) As discussed in Note 2 to the consolidated financial statements which appear elsewhere in this annual report, Gold Fields changed its method of accounting for mineral and surface use rights during the 2004 fiscal year in accordance with FASB Staff Position FAS 141-1, which required the balance of the mineral interests and other intangible assets in 2002 and 2003 to be restated and included as part of Property, plant and equipment, net.

Exchange Rates

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

	Year ended June 30,			
	Average(1)	High	Low	Period end
2000	6.37	7.18	5.98	6.79
2001	7.64	8.16	6.79	8.05
2002	10.20	13.60	8.01	10.39
2003	9.12	10.90	7.18	7.51
2004	6.82	7.80	6.17	6.23
2005 (through October 29, 2004)	6.39	6.73	5.90	6.10

Note:

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

	Month ended		
	High	Low	Period end
May 31, 2004	7.05	6.52	6.52
June 30, 2004	6.64	6.17	6.23
July 31, 2004	6.34	5.91	6.27
August 31, 2004	6.74	6.09	6.65
September 30, 2004	6.67	6.40	6.45
October 29, 2004	6.61	6.10	6.10

The noon buying rate for the Rand on October 29, 2004 was Rand 6.10 per $1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on JSE, which may affect the market price of the ADSs on the New York Stock Exchange. These fluctuations will also affect the dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.

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RISK FACTORS

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

The defense against Harmony s unsolicited offer to purchase all of Gold Fields outstanding ordinary shares could require Gold Fields to incur significant costs and demand significant management time.

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. According to the registration statement on Form F-4, or the Form F-4, filed by Harmony with the SEC, Harmony has structured the tender offer to occur in two steps. The first step consists of an early settlement offer in which Harmony has offered, subject to certain conditions, to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American depositary shares, or ADSs). Subject to satisfaction of the conditions to the early settlement offer, Harmony has stated that the offer will close on November 26, 2004. According to the Form F-4, following completion of the early settlement offer, Harmony has irrevocably committed to make a subsequent offer to acquire, subject to certain conditions, the remaining Gold Fields ordinary shares and ADSs not tendered or accepted for payment in the early settlement offer on same terms as were given in the early settlement offer. As disclosed by Harmony, each of the early settlement offer and the subsequent offer are comprised of two offers a U.S. Offer which is available to holders of Gold Fields ordinary shares located in the United States and holders of Gold Fields ADSs wherever located and an International Offer which is available to holders of Gold Fields ordinary shares outside the United States to the extent such holders may lawfully participate in the International Offer. In the Form F-4, Harmony states that, with respect to the early settlement offer, the U.S. Offer and the International Offer are being made on substantially similar terms and are subject to substantially similar conditions.

In response to Harmony s unsolicited and hostile tender offer, on November 3, 2004, the Board of Gold Fields issued an Offer Response Document to its shareholders and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC recommending that Gold Fields shareholders take no action and reject the Harmony offer. See Information on the Company Recent Developments Harmony Offer.

Gold Fields is pursuing various legal and regulatory actions in South Africa and the United States challenging the basis on which the Harmony offer is being made. These actions could be protracted and could be costly to pursue. Moreover, there can be no assurance that Gold Fields will be successful in any of these actions. In addition, responding to the Harmony offer has required, and may continue to require, a significant amount of management time. It has also required and may continue to require Gold Fields to incur significant costs, which could adversely affect Gold Fields business and results of operations. The Harmony Offer may interfere with Gold Fields ability to successfully complete the proposed transaction with the IAMGold Corporation. See Information on the Company Recent Developments Proposed IAM Gold Transaction.

Harmony s offer to purchase Gold Fields outstanding ordinary shares may result in an event of default under the Mvela Loan Agreement.

Gold Fields, GFI Mining South Africa (Proprietary) Limited, or GFIMSA, Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, First Rand Bank Limited, Gold Fields Australia Pty Limited, or Gold Fields

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Australia, and Gold Fields Guernsey Limited, or Gold Fields Guernsey, entered into a loan agreement dated December 11, 2003, as amended on February 13, 2004 and on November 17, 2004, which is referred to in this discussion as the Mvela Loan Agreement. Pursuant to the Mvela Loan Agreement, Mvela Gold advanced a loan of Rand 4,139 million, or the Mvela Loan, to GFIMSA on March 17, 2004. The events of default under the Mvela Loan Agreement include any change in control of Gold Fields that occurs without the written consent of the agent, or the Senior Agent, of the providers of the commercial bank debt that funded, in part, the Mvela Loan, where the change in control could reasonably be expected to have a material adverse effect on the ability of Gold Fields, Gold Fields Australia and Gold Fields Guernsey, as guarantors of the Mvela Loan, or on GFIMSA, to perform their obligations under the Mvela Loan or on the validity or enforceability of any document relating to the Mvela Loan. If Harmony acquires enough Gold Fields shares in the early settlement offer or the subsequent offer to effect a change of control and Gold Fields does not obtain the consent of the Senior Agent to that change of control, there may be an event of default under the Mvela Loan Agreement. The occurrence of an event of default under the Mvela Loan Agreement would allow the Senior Agent, on behalf of Mvela Gold, to demand immediate repayment of the principal amount of Mvela Loan, the present value of all future interest payments on the Mvela Loan and any tax payable by Mvela Gold as a result of the early payment of the principal and interest. The source of funds for these repayments would be Gold Fields available cash. However, there can be no assurance that Gold Fields will have sufficient cash upon a change of control to satisfy these repayment obligations. If Gold Fields does not have sufficient cash, it may be required, among other things, to seek financing in the debt market, sell selected assets or reduce or delay planned capital expenditures or acquisitions. There can be no assurance that any of these measures would enable Gold Fields to satisfy the repayment obligations or that any such financing or sale of assets would be available on commercially favorable terms. See Information on the Company-Recent Developments-Harmony Offer and Operating and Financial Review and Prospects-Overview-Mvelaphanda Transaction.

Harmony s offer to purchase Gold Fields outstanding ordinary shares may allow it to exercise a substantial degree of control over Gold Fields.

The structure of Harmony s offer to purchase Gold Fields outstanding shares means that Harmony could end up holding a significant portion, but less than all, of Gold Fields outstanding ordinary shares. Under the early settlement offer, Harmony has offered, subject to certain conditions, to acquire up to 34.9% of Gold Fields outstanding ordinary shares, and may therefore acquire any amount of shares up to the 34.9% level. Harmony has stated that under the subsequent offer it will seek to acquire the remaining Gold Fields ordinary shares not tendered in the early settlement offer. Harmony has stated that the subsequent offer will be subject to certain conditions including receiving acceptances in the subsequent offer from Gold Fields shareholders holding in excess of 50% of the entire share capital of Gold Fields, including those Gold Fields ordinary shares settled by Harmony under the early settlement offer and those Gold Fields ordinary shares in respect of which Gold Fields largest shareholder, OJSC MMC Norilsk Nickel, has irrevocably undertaken to accept the subsequent offer. See Information on the Company-Recent Development-Harmony Offer. Depending on the number of Gold Fields ordinary shares Harmony may obtain in one or both of the early settlement offer and the subsequent offer, Harmony could be able to exercise significant influence over Gold Fields operations and business strategy, including the composition of the Board of Directors, declaration of dividends, disposal of assets and changes of control. The interests of Harmony in these matters may not be aligned with, and could conflict with, the interests of other shareholders and could inhibit Gold Fields development. If Harmony obtains a significant number, even if less than 50%, of Gold Fields shares, it could have the effect of delaying, deferring or preventing a change of control, may discourage other bids for Gold Fields ordinary shares and may adversely affect the market price of Gold Fields ordinary shares. If Harmony acquires more than 50%, but less than all, of the Gold Fields ordinary shares, it will have no

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fiduciary obligations under South African common law to minority shareholders. See Additional Information-Rights of Minority Shareholders and Directors Duties.

Changes in the market price for gold, which in the past has fluctuated widely, affect the profitability of Gold Fields operations and the cash flows generated by those operations.

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

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

In addition, the current demand for and supply of gold affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or the gold price. Central banks, financial institutions and individuals historically have held large amounts of gold as a store of value and production in any given year historically has constituted a small portion of the total potential supply of gold. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis.

On March 8, 2004, fifteen European central banks entered into a new gold sales agreement effective September 27, 2004, pursuant to which they restrict their annual sales of gold to specified limits. This agreement will be reviewed in five years. Although the new agreement calls for an increase in the amount of gold that can be sold of 100 tonnes of gold per year to 500 tonnes yearly, the effect on the market in terms of total gold sales is unclear.

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

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

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

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

The ore reserves stated in this annual report represent the amount of gold that Gold Fields believed, as of June 30, 2004, could be mined, processed and sold at prices sufficient to recover Gold Fields estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Ore reserves are only estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, prices and exchange rates, many of which are beyond Gold Fields control. In the event that Gold Fields revises any of these assumptions in an adverse manner, Gold Fields may need to revise its ore reserves downwards. In particular, if Gold Fields production costs or capital expenditures increase or if gold prices decrease or the Rand or Australian dollar strengthens against the U.S. dollar, a portion of Gold Fields ore reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves.

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

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

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

Any problems experienced by Gold Fields in connection with an acquisition as a result of one or more of these factors could have a material adverse effect on Gold Fields business, operating results and financial condition.

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

In order to expand its operations and reserve base, Gold Fields may rely on its exploration program for gold and platinum group metals and its ability to develop mining projects. Exploration for gold and other precious metals is speculative in nature, involves many risks and frequently is unsuccessful. Any exploration program entails risks relating to the location of economic orebodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and regulatory approvals and the construction of mining and processing facilities at the mining site. Gold Fields exploration efforts may not result in the discovery of gold or platinum group metal mineralization and any mineralization discovered may not result in an increase of Gold Fields reserves. If orebodies are developed, it can take a number of years and substantial

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expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. Gold Fields exploration program may not result in the replacement of current production with new reserves or result in any new commercial mining operations. Also, to the extent Gold Fields participates in the development of a project through a joint venture there could be disagreements or divergent interests or goals among the joint venture parties, which could jeopardize the success of the project.

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

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

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

rock bursts;

seismic events, particularly at the Driefontein and Kloof operations;

underground fires and explosions, including those caused by flammable gas;