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Sibanye GOLD
We are One

Company Financial Statements 2014

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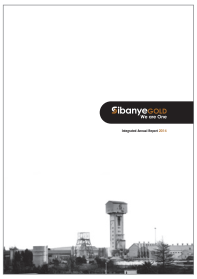
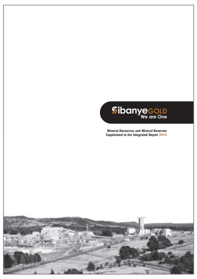
This report should be read in conjunction with the Integrated Annual Report 2014 and the Mineral Resources and Mineral Reserves Statement (posted on the Company's website www.sibanyegold.co.za).





FORWARD LOOKING STATEMENTS

Certain statements in this document constitute "forward looking statements" within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934. These forward looking statements, including, among others, those relating to Sibanye's future business prospects, revenues and income, wherever they may occur in this document and the exhibits to this document, are necessarily estimates reflecting the best judgment of the senior management of Sibanye, and involve a number of known and unknown risks and uncertainties that could cause actual results, performance or achievements of the Company to differ materially from those suggested by the forward looking statements. As a consequence, these forward looking statements should be considered in light of various important factors, including those set forth in this document. Important factors that could cause the actual results to differ materially from estimates or projections contained in the forward looking statements include, without limitation, economic, business, political and social conditions in South Africa and elsewhere; changes in assumptions underlying Sibanye's estimation of its current mineral reserves and resources; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as existing operations; the success of exploration and development activities; changes in the market price of gold and/or uranium; the occurrence of hazards associated with underground and surface gold and uranium mining; the occurrence of labour disruptions and industrial action; the availability, terms and deployment of capital or credit; changes in government regulations, particularly environmental regulations and new legislation affecting water, mining and mineral rights; the outcome and consequence of any potential or pending litigation or regulatory proceedings or other environmental, health and safety issues; power disruptions and cost increases; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic factors; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance reasons; Sibanye's ability to hire and retain senior management or sufficient technically skilled employees, as well as its ability to attract sufficient historically disadvantaged South Africans' representation in its management positions; failure of Sibanye's information technology and communications systems; the adequacy of Sibanye's insurance coverage; any social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye's operations; and the impact of HIV, tuberculosis and other contagious diseases. These forward looking statements speak only as of the date of this document. The Company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation and fair presentation Sibanye Gold Limited's (Sibanye or the Company) annual financial statements, comprising the Company's statement of financial position at 31 December 2014, and the income statement, statements of changes in equity and cash flows for the year then ended, and the notes to the Company financial statements, which include a summary of significant accounting policies, and other explanatory notes, in accordance with IFRS, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listing Requirements.

In addition, the directors are responsible for preparing the directors' report.

The directors consider that, in preparing the Company financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been complied with for the financial year ended 31 December 2014. The directors are satisfied that the information contained in the Company financial statements fairly presents the results of operations for the year and the financial position of the Company at year end.

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

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

The directors have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern in the year ahead.

Sibanye has adopted a Code of Ethics which is available on the Sibanye website and which is adhered to by the Company. The Company's external auditors, KPMG Inc audited the Company financial statements, and their report is presented on page 09.

The Company's annual financial statements were approved by the Board of Directors on 23 March 2015 and are signed on its behalf by:

Neal Froneman
Chief Executive Officer

Charl Keyter
Chief Financial Officer
23 March 2015

CORPORATE SECRETARY'S CONFIRMATION

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public Company in terms of the Companies Act, and that all such returns are true, correct and up to date.

Cain Farrel
Corporate Secretary
23 March 2015

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2014

The Audit Committee has formal terms of reference which are updated on an annual basis. The Board is satisfied that the Audit Committee has complied with these terms, and with its legal and regulatory responsibilities as set out in the Companies Act, King III and the JSE Listings Requirements.

The Audit Committee consisted of four independent non-executive directors throughout the financial year.

The Board believes that the members collectively possess the knowledge and experience to supervise Sibanye's financial management, internal and external auditors, the quality of Sibanye's financial controls, the preparation and evaluation of Sibanye's Company financial statements and Sibanye's financial reporting.

The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures. However, this is not a guarantee that such risks are eliminated.

It is the duty of the Audit Committee, *inter alia*, to monitor and review:

- the effectiveness of the internal audit function;
- findings and the appointment of external auditors;
- reports of both internal and external auditors;
- evaluation of the performance of the Chief Financial Officer (CFO);
- the governance of information technology (IT) and the effectiveness of the Company's information systems;
- interim and annual financial and operating reports, the Company annual financial statements and all other widely distributed financial documents;
- the Form 20-F filing with the US Securities and Exchange Commission (SEC);
- accounting policies of the Company and proposed revisions;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and the Group's Code of Ethics; and
- policies and procedures for preventing and detecting fraud.

Internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee Chairman and the Chairman of the Board, ensuring that auditors are able to maintain their independence. Both the internal and external auditors report at Audit Committee meetings. The Audit Committee also meets with both internal and external auditors separately without other invitees being present.

The Audit Committee is responsible for recommending the appointment of an independent firm of external auditors to the Board who will in turn recommend the appointment to the shareholders.

The Audit Committee is also responsible for determining that the designated appointee has the necessary independence, experience, qualifications and skills, and that audit and other fees are reviewed and approved.

The Audit Committee has reviewed and assessed the independence of the external auditor, and has confirmed in writing that the criteria for independence, as set out in the rules of the Independent Regulatory Board for Auditors and international bodies, have been followed. The Audit Committee is satisfied that KPMG Inc is independent of the Company. An audit fee for the year of R11.9 million was approved, as well as R5.4 million in assurance services on sustainability reporting and other agreed upon services. The Audit Committee determines the nature and extent of non-audit services that the firm can provide and pre-approves all permitted non-audit assignments by the Company's independent auditor.

The Audit Committee approves the annual audit plan presented by the external auditors and monitors progress against the plan. The audit plan provides the Audit Committee with the necessary assurance on risk management, internal control environments and IT governance. The Audit Committee recommends that KPMG Inc is reappointed for the 2015 financial year with Jacques Erasmus as the Group audit engagement partner.

The Audit Committee has satisfied itself that both KPMG and Jacques Erasmus are accredited in terms of the JSE Listings Requirements.

The internal control systems of the Company are monitored by internal auditors who report their findings and recommendations to the Audit Committee and to senior management. The Audit Committee determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter. The internal audit function is headed by the Vice President: Internal Audit, who may be appointed or dismissed by the Audit Committee. The Audit Committee is satisfied that the incumbent Vice President: Internal Audit has the requisite skills and experience and that she is supported by a sufficient staff complement with appropriate skills and training.

Sibanye Gold's Internal Audit (SGIA) operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors. The internal audit activities carried out during the year were identified through a combination of the Sibanye Gold Risk Management framework and the risk-based methodologies adopted by SGIA. The Audit Committee approves the annual Internal Audit assurance plan presented by SGIA and monitors progress against the plan.

SGIA reports deficiencies to the Audit Committee every quarter together with recommended remedial actions, which are then followed up. SGIA provided the Audit Committee with a written report, which assessed as adequate the internal financial controls (SOX controls), IT governance and the risk management process during 2014.

The Audit Committee is responsible for IT governance on behalf of the Board and reviews the report of the IT Senior Manager at each meeting.

The Audit Committee evaluated the expertise and performance of the CFO during 2014. It is satisfied that he has the appropriate expertise and experience to carry out his duties as the CFO of the Company, and is supported by qualified and competent senior staff.

AUDIT COMMITTEE STATEMENT

Based on information from, and discussions with, management and external auditors, the Audit Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records may be relied upon as the basis for preparation of the Company financial statements.

The Audit Committee has considered and discussed these company financial statements with both management and the external auditors.

During this process, the Audit Committee:

- evaluated significant judgments and reporting decisions;
- determined that the going-concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the Company financial statements;
- evaluated the completeness of the financial and sustainability discussion and disclosures; and
- discussed the treatment of significant and unusual transactions with management and the external auditors.

The Audit Committee considers that the Company's financial statements complies in all material respects with the statutory requirements of the various regulations governing disclosure and reporting of the Company annual financial statements and that the Company financial statements comply in all material respects with IFRS, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act, 2008 (Act No 71 of 2008) and the JSE Listing Requirements. The Audit Committee has recommended to the Board that the Company's annual financial statements be adopted and approved by the Board.

Keith Rayner CA(SA)
Chairman: Audit Committee
23 March 2015

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors have pleasure in submitting their third report and the Company's annual financial statements for the year ended 31 December 2014.

PROFILE
BUSINESS OF THE COMPANY
Sibanye is a producer of gold and a major holder of gold resources and reserves in South Africa. The Company is primarily involved in underground and surface gold-mining and related activities, including extraction, and processing. All of the Company's operations are located in South Africa. The Company has gold reserves of 21.9Moz and resources of 66.1Moz as at 31 December 2014.

FINANCIAL RESULTS
The information on the financial position of the Company for the year ended 31 December 2014 is set out in the financial statements on pages 16 to 62 of this report. The income statement for the Company shows a profit of R2,112 million for the year ended 31 December 2014 compared with R1,524 million in 2013.

DIRECTORATE
COMPOSITION OF THE BOARD
On 16 May 2014, Messrs Chris Chadwick and Robert Chan were appointed as non-executive directors. They are eligible and available for election.

DIRECTORS' AND OFFICERS' DISCLOSURE OF INTERESTS IN CONTRACTS
During the year under review, no contracts were entered into in which directors and officers of Sibanye had an interest and which significantly affected the business of the Company.

Related party information is disclosed in note 39 of the Company financial statements.

ROTATION OF DIRECTORS
Directors retiring in terms of the Company's Memorandum of Incorporation (MOI) are Chris Chadwick, Robert Chan, Timothy Cumming, Richard Menell and Jerry Vilakazi.

All the Directors are eligible and offer themselves for re-election.

The Boards of Directors of various subsidiaries of the Company comprise some of the executive officers and one of the executive directors, where appropriate.

FINANCIAL AFFAIRS
DIVIDEND POLICY
Sibanye adopted a dividend policy to pay between 25% and 35% of normalised earnings as dividends. Normalised earnings are defined as profit for the year excluding gains and losses on foreign exchange, financial instruments, non-recurring items and share of associates after royalties and taxation.

For the year under review, the Company paid a total dividend of R1,005 million compared with R272 million in 2013.

On 19 February 2015 a final dividend in respect of the financial period ended 31 December 2014 of 62 cents per share was approved by the Board, payable on 23 March 2015.

BORROWING POWERS
In terms of Clause 4 of the Company's MOI, the borrowing powers of the Company are unlimited. As at 31 December 2014, the Company borrowings totalled R1,980 million compared to total borrowings of R1,991 million at 31 December 2013.

Sibanye is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on Sibanye incurring additional financial indebtedness and obligations to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities.

SIGNIFICANT ANNOUNCEMENTS
20 February 2014: Sibanye declares maiden final dividend of 75 cents per share for six months ended 31 December 2013, resulting in a total dividend of 112 cents per share in 2013.

23 April 2014: Sibanye reports operating results for the quarter ended 31 March 2014.

19 May 2014: Sibanye's Board resolved to establish, with immediate effect, a Risk Committee as a Board sub-committee.

29 May 2014: Sibanye produces and ships its first consignment of uranium from its Cooke operations.

4 June 2014: Sibanye releases a trading statement and updated production forecast for the six months ending June 2014 and year ending 31 December 2014.

25 July 2014: Sibanye releases a trading statement for the six months ended 30 June 2014.

12 September 2014: Sibanye advises shareholders that the Company will enter into a consultation process, in terms of Section 189A of the Labour Relations Act, 1995 (Act No 66 of 1995), with organised labour and other relevant stakeholders in order to initiate formal consultations aimed at identifying and implementing sustainable solutions to ensure delivery of the required productivity and profitability levels at the Cooke 4 operation.

15 September 2014: Sibanye advises shareholders that it has published a new investor presentation, to be presented at the Denver Gold Forum, on the Group website: www.sibanyegold.co.za.

22 October 2014: Sibanye advises shareholders that it will report an operating update for the September 2014 quarter on Tuesday, 28 October 2014, rather than on Thursday, 23 October 2014.

28 October 2014: Sibanye releases an operating update for the quarter ended 30 September 2014.

GOING CONCERN

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

Refer to note 41 of the financial statements for further details on the Company's liquidity position at 31 December 2014.

OCCUPATIONAL HEALTHCARE SERVICES

Occupational healthcare services are made available by Sibanye to employees from its existing facilities. There is a risk that the cost of providing such services could increase in the future, depending upon changes in the nature of underlying legislation such as the ruling by the Constitutional Court in February 2011 against Anglo American Limited in favour of a claimant, who suffered from silicosis. Increased costs, should they transpire, are currently indeterminate. The Company is monitoring developments in this regard. Further information is provided below under the Litigation paragraph and in note 35 to the Company financial statements.

SPECIAL RESOLUTIONS ADOPTED BY SUBSIDIARY COMPANIES

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2014.

1. K2013164354 PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of K2013164354 Proprietary Limited approving that the board of directors of the company be and is hereby authorised, subject to compliance with the provisions of section 45 of the Companies Act, 2008 and the Company's MOI, to approve the provision of direct or indirect financial assistance by the company to Southgold Exploration Proprietary Limited, which authority shall endure for a period of two years from the date of this resolution unless earlier revoked by the shareholder(s) of the company.

2. SIBANYE GOLD EASTERN OPERATIONS PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of Sibanye Gold Eastern Operations Proprietary Limited in terms of sections 16(1) and 16(5)(a), of the Companies Act that the board of directors of the Company propose to the shareholder of the company that the existing MOI of the company, that is, the memorandum and articles of association of the company, be replaced in its entirety by a new MOI.

3. WITWATERSRAND CONSOLIDATED GOLD RESOURCES LIMITED

Special resolution passed by the sole shareholder of Witwatersrand Consolidated Gold Resources Limited approving that the board of directors of the company be and is hereby authorised, subject to compliance with the provisions of Section 45 of the Companies Act and the Company's MOI, to approve the provision of direct or indirect financial assistance by the company to Southgold Exploration Proprietary Limited, which authority shall endure for a period of two years from the date of this resolution unless earlier revoked by the shareholder(s) of the company.

4. NEWSHELF 1114 PROPRIETARY LIMITED

Special resolution passed by the majority shareholder of Newshelf 1114 Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company, in terms of and subject to the provisions of section 45(3) (b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors maydetermine.

5. SPECIAL RESOLUTION PASSED BY SUBSIDIARY COMPANIES

Special resolution passed by the sole shareholder of the subsidiary companies listed below, approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

- Agrihold Proprietary Limited
- Bushbuck Venture Proprietary Limited
- Golden Hytec Farming Proprietary Limited
- Golden Oils Proprietary Limited
- Living Gold Proprietary Limited
- M Janse van Rensburg Proprietary Limited
- Milen Mining Proprietary Limited
- Oryx Ventures Proprietary Limited
- Sibanye Gold Academy Proprietary Limited
- Sibanye Gold Nursing College Proprietary Limited
- Sibanye Gold Protection Services Limited Proprietary Limited
- Sibanye Gold Shared Services Proprietary Limited
- West Driefontein Gold Mining Company Limited
- Witwatersrand Deep Investments Limited
- Ezulwini Mining Company Proprietary Limited
- Rand Uranium Proprietary Limited
- St Helena Hospital Proprietary Limited
- Sibanye Gold Eastern Operations Proprietary Limited
- Puma Gold Proprietary Limited

LITIGATION

The Company provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in future, depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost cannot be quantified. The Company is monitoring developments in this regard.

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

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye (the December Respondents) and, together with the August Respondents, the Respondents, on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, among others, Sibanye, and who allegedly contracted silicosis and/or other occupational lung diseases (the Classes). The court application of 21 August 2012 and the court application of 21 December 2012 are together referred to below as the Applications.

These Applications request that the court certify a class action to be instituted by the applicants on behalf of the Classes. The Applications are the first and preliminary steps in a process where, if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold the Respondents liable for silicosis, and other occupational lung diseases and resultant consequences. In the second stage, the Applications contemplate addressing what the applicants describe as common legal and factual issues regarding the claim arising from the allegations of the entire Classes. If the applicants are successful in the second stage, they envisage that individual members of the Classes could later submit individual claims for damages against the respective Respondents. The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages the applicants may seek.

With respect to the Applications, Sibanye filed a notice of its intention to oppose the application and instructed its attorneys to defend the claims. The two class actions were consolidated into one action during 2013. Sibanye and its attorneys further engaged with the applicants' attorneys and the court in both Applications to try to establish a court-sanctioned process to agree the timelines. Such a process was agreed upon and timelines imposed by means of a timetable. Sibanye has thus far filed all its papers opposing the Applications. The date for the hearing of the Applications is currently the weeks of 12 and 19 October 2015.

Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and Sibanye announced in November 2014 that they had formed an industry working group to address issues relating to compensation and medical care for OLD in the gold mining industry of South Africa.

The companies have begun to engage all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended.

Essentially, the companies are seeking a comprehensive solution, which deals both with the legacy compensation issues and future legal frameworks and which, while being fair to employees, also ensures the future sustainability of companies in the industry.

At this stage, Sibanye cannot quantify the potential liability from the action as the Application is currently for certification of a class nor the timing of possible outflow.

ADMINISTRATION

Cain Farrel was appointed Corporate Secretary of Sibanye with effect from 1 January 2013.

With effect from 11 February 2013, Computershare Investor Services Proprietary Limited became the Company's South African transfer secretaries and Capita Asset Services became the United Kingdom registrars of the Company.

AUDITORS

The Audit Committee has recommended to the Board that KPMG Inc continues in office in accordance with Section 90(1) of the Companies Act. Jacques Erasmus is Sibanye's lead partner at KPMG Inc, accredited by the JSE.

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest are set out in note 13 of the Company financial statements.

SHARE CAPITAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

SHARE CAPITAL

AUTHORISED AND ISSUED

At the shareholder's meeting held on 21 November 2012 (Gold Fields being the sole shareholder) the Company's authorised and issued share capital each consisting of 1,000 par value shares of R1.00 each was converted into 1,000 ordinary shares with no par value. The authorised share capital was increased by the creation of a further 999,999,000 ordinary no par value shares, each ranking pari passu in all respects with the existing no par value shares in the Company's share capital so as to result in the Company's authorised share capital being 1,000,000,000 ordinary no par value shares. As at 31 December 2012 the authorised share capital was 1,000,000,000 ordinary no par value shares and the issued share capital was 1,000 ordinary no par value shares.

On 1 February 2013, prior to the unbundling of Sibanye from Gold Fields on 18 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye for R17,246 million.

As of 31 December 2013 the authorised share capital was 1,000,000,000 ordinary no par value shares and issued share capital was 735,079,031 ordinary no par value shares.

During 2014 the Company issued and listed 156,894,754 shares to Gold One for the acquisition of Cooke and issued 21,088,559 shares as part of the SGL Share Plan.

As at 31 December 2014 the authorised share capital was 1,000,000,000 ordinary no par value shares and the issued and listed share capital was 898,840,196 ordinary no par value shares.

In terms of the general authority granted at the shareholder's meeting on 17 June 2014, the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company as at 31 December 2013, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive scheme, was placed under the control of the directors.

This authority expires at the next annual general meeting where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time. (The shareholders will also be asked to increase the Company's authorised ordinary share capital of 1,000,000,000 ordinary shares of no par value to 2,000,000,000 ordinary shares of no par value by the creation of an additional 1,000,000,000 ordinary shares of no par value. More information on the reason for the increase is available in the Notice of the AGM.)

REPURCHASE OF SHARES

The Company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the shareholders' meeting held on 17 June 2014.

At the next annual general meeting, shareholders will be asked to approve the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SIBANYE GOLD LIMITED

We have audited the company financial statements of Sibanye Gold Limited, which comprise the company statement of financial position at 31 December 2014, and the company income statement and the company statements of changes in equity and cash flows for the year then ended, and the notes to the company financial statements which include a summary of significant accounting policies and other explanatory notes and the information in the remuneration report, as set out on pages 10 to 62.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

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

KPMG Inc.
Per Jacques Erasmus
Chartered Accountant (SA)
Registered Auditor
Director
23 March 2015

85 Empire Road
Parktown
2193
Gauteng
South Africa

REMUNERATION REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

It is the Remuneration Committee's role and responsibility to ensure that the remuneration arrangements for executive directors and senior executives offer an incentive to enhance the Group's performance and deliver responsibly on the Group's strategy. The Remuneration Committee also needs to ensure that the actual rewards received by the executive directors are proportionate to levels of performance achieved and the returns received by shareholders. The Remuneration Committee gives full consideration to the Group's priorities, its performance and shareholder interests.

Sibanye believes it is important that the structure and level of remuneration and reward are consistent across the Group and competitive within the operating market. Our remuneration structures are benchmarked against our peers and we operate comprehensive performance-based reward systems to retain and also attract the best people.

All information disclosed in this Remuneration Report for the year ended 31 December 2014 was in compliance with remuneration policies set by the Remuneration Committee. The Remuneration Committee reviewed the performance measures for the Group's incentive plans during 2014 to reposition alignment with the Group strategy.

2014 REMUNERATION POLICY

The key principles of Sibanye's remuneration policy are to:

- support the execution of the Group's business strategy;
- provide competitive rewards to attract, motivate and retain highly skilled executives;
- motivate and reinforce individual, team and business performance; and
- ensure Sibanye's remuneration arrangements are equitable and facilitate the deployment of people across the Group's operations.

At Sibanye, one of the critical drivers of performance is the Total Reward strategy. The Total Reward strategy is an integral part of the people strategy and promotes a holistic approach which combines all elements of cash remuneration (guaranteed and performance based) with other elements of reward (shares as well as non-financial motivators) to attract, retain and motivate employees. The principle of performance-based reward is one of the cornerstones of the reward strategy. The reward strategy is also underpinned by sound remuneration management and governance principles which are promoted across Sibanye in order to ensure the consistent application of the strategy and its policies.

The Group's reward strategy includes the following elements:

- guaranteed remuneration;
- benefits;
- cash bonus;
- bonus shares; and
- performance shares.

REMUNERATION MIX

Sibanye's remuneration philosophy is aimed at attracting and retaining motivated, high-calibre employees and to align their interests with the shareholders. Such alignment is achieved through an appropriate mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the employee within the Group. Typically, more senior employees' remuneration will consist of a higher portion of variable pay as a percentage of their total package.

The following remuneration mix for the period under review was approved by the Remuneration Committee for 2014.

Role	Total	Guaranteed pay	Cash bonus	Bonus shares	Performance shares
CEO	100%	36%	24%	16%	24%
CFO	100%	39%	23%	15%	23%
SVP	100%	43%	21.5%	14%	21.5%

GUARANTEED REMUNERATION

Sibanye endeavours to reward its people fairly and consistently according to their role and individual contribution to the Group. To achieve external equity and a competitive total remuneration position, Sibanye surveys the relevant markets regularly.

The benchmark for guaranteed remuneration is the market median levels within the relevant gold mining companies and other comparable mining companies.

Guaranteed remuneration levels are reviewed annually by the Remuneration Committee, taking into account the Group's performance, change in responsibility, levels of increase based on market trends and inflation. The Remuneration Committee also considers the impact of any guaranteed remuneration increase on the total remuneration package.

ANNUAL BONUS

Executive directors are able to earn bonuses of 60% (for the CFO) and 65% (for the CEO) of their salaries for on-target performance, which is a combination of Group and individual performance. The annual bonus could increase above 60% and 65% if stretch targets are achieved whereby the maximum variable pay potential is capped at two times the on-target bonus percentage.

The targets for annual bonus are set by the Remuneration Committee. In the case of the CEO and CFO, 90% of the annual bonus is based on Group objectives and the remaining 10% on individual objectives.

In 2014 annual bonuses were based on targets approved in advance by the Remuneration Committee, comprising a combination of Group and Operational objectives taking account of the Group's business plans. For the year ended 31 December 2014, the Group performance measures for the senior executives were set by the Remuneration Committee and the weightings were as follows:

- Safety 10%;
- Production (Volume) 20%;
- Cost 30%; and
- Quality (Grade) 40%.

Aside from these four key drivers, the CEO and CFO were also assessed on personal objectives. Personal objectives are set every year for each executive based on key performance areas and are approved at the beginning of each year by the Remuneration Committee. The personal objectives are centered on three themes: Operational Excellence, Growing Sibanye and Securing Our Future.

For the year ended 31 December 2014, the Group performance measures for executive directors and senior executives were:

Corporate performance 2014

	Weight	Actual	Target	Achieved
	%		+100%	%
Reduce fatalities	5.0	11	11.10	108
Reduce LTIFR rate	2.5	5.86	5.55	50
Reduce SIFR rate	2.5	3.87	3.13	0
Primary on-reef development (m)	10.0	19,778	27,466	0
Primary off-reef development (m)	10.0	48,975	48,466	107
Cost of ore milled – R/ton (underground)	30.0	1,651	1,699	119
Grade and quality – gold produced (kg)	40.0	49,432	50,467	111
	100.0			98

In turn, the CEO develops specific individual objectives with his own direct reports at the beginning of each year. These objectives are then reviewed with the Remuneration Committee and form the basis upon which the other executives' performance will be reviewed at the end of the year.

REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

Based on the bonus accrued for the year ended 31 December 2014, the annual bonus as a percentage of guaranteed pay paid to directors and prescribed officers of Sibanye in February 2015 was:

Name	Actual 2014 Annual Incentive
Executive directors	
Neal Froneman	67.7%
Charl Keyter	61.9%
Prescribed officers	
Shadwick Bessit	50.6%
Hartley Dikgale	50.6%
Cain Farrel	40.3%
Nash Lutchman	50.4%
Dawie Mostert	51.6%
Adam Mutshinya	50.1%
Dick Plaistowe	49.9%
Wayne Robinson	50.1%
Marius Saaiman	50.6%
Richard Stewart	50.9%
Peter Turner	55.4%
Robert van Niekerk	51.6%
James Wellsted	51.1%

REVIEW OF RULES AND TARGETS:

All scheme rules and targets are regularly reviewed by the Remuneration Committee to ensure they remain relevant and effective in enabling Sibanye business objectives by driving appropriate behaviours and providing retention incentives.

DIRECTORS' FEES

In terms of the MOI, the fees for services as non-executive directors are determined by the Company's shareholders at a general meeting.

	Per annum
The Chair of the Board	R1,500,000
The Chair of the Audit Committee	R287,000
The Chairs of the Nominating and Governance Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R177,000
Members of the Board (excluding the Chairman of the Board)	R793,000
Members of the Audit Committee (excluding the Chairman of the Board)	R149,000
Members of the Nominating and Governance Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R112,000

NON-EXECUTIVE DIRECTORS' FEES, EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS' REMUNERATION

The directors and prescribed officers of Sibanye were paid the following remuneration during the year ended 31 December 2014:

	Directors' fees (R'000)	Committee fees (R'000)	Salary (R'000)	Annual bonus accrued for the period ended 31 December 2014 paid in 2015 (R'000)	Shares proceeds and Dividends on Bonus Shares (R'000)	Pension scheme total contributions (R'000)	Expense allowance (R'000)	For the period ended 31 December 2014 (R'000)	For the period ended 31 December 2013 (R'000)
Executive directors									
Neal Froneman	–	–	6,746	5,132	138	748	104	12,868	14,625
Charl Keyter	–	–	3,297	2,331	1,293	465	41	7,427	6,900
Prescribed officers									
Shadwick Bessit	–	–	3,134	1,850	503	542	–	6,029	6,070
Hartley Dikgale	–	–	2,449	1,295	24	158	–	3,926	2,852
Cain Farrel	–	–	1,727	859	910	384	–	3,880	3,293
Nash Lutchman[1]	–	–	1,620	904	489	224	–	3,237	–
Dawie Mostert	–	–	2,292	1,445	34	399	–	4,170	3,850
Adam Mutshinya	–	–	2,171	1,282	737	380	–	4,570	4,010
Dick Plaistowe[2]	–	–	1,679	1,163	–	–	–	2,842	–
Wayne Robinson[2]	–	–	1,994	1,486	–	156	–	3,636	–
Marius Saaiman[3]	–	–	2,504	1,373	–	253	–	4,130	–
Richard Stewart[2]	–	–	1,576	1,254	–	173	–	3,003	–
Peter Turner	–	–	4,959	3,222	4,498	862	–	13,541	10,913
Robert van Niekerk	–	–	3,431	1,956	3,364	375	–	9,126	6,214
James Wellsted	–	–	2,412	1,420	38	412	–	4,282	4,672
Non-executive directors									
Robert Chan[4]	431	122	–	–	–	–	–	553	–
Chris Chadwick[5]	497	136	–	–	–	–	–	633	–
Timothy Cumming	793	350	–	–	–	–	47	1,190	978
Barry Davison	793	462	–	–	–	–	–	1,255	1,018
Richard Menell	793	530	–	–	–	–	28	1,351	1,145
Sello Moloko	1,500	–	–	–	–	–	39	1,539	1,539
Nkosemntu Nika	793	322	–	–	–	–	–	1,115	899
Keith Rayner	793	460	–	–	–	–	–	1,253	1,201
Zola Skweyiya	793	126	–	–	–	–	12	931	202
Susan van der Merwe	793	261	–	–	–	–	–	1,054	899
Jerry Vilakazi	793	289	–	–	–	–	–	1,082	1,092
Total	**8,772**	**3,058**	**41,991**	**26,972**	**12,028**	**5,531**	**271**	**98,623**	**72,372**

[1] *Appointed as a prescribed officer on 1 March 2014*

[2] *Appointed as a prescribed officer on 1 June 2014*

[3] *Appointed as a prescribed officer on 1 February 2014*

[4] *Appointed as a non-executive director on 16 May 2014*

[5] *Appointed as a non-executive director on 16 May 2014 (Gold One Nominated)*

REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

DIRECTORS AND PRESCRIBED OFFICERS' EQUITY-SETTLED INSTRUMENTS

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

	Equity-settled instruments at 31 December 2013	Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year			Equity-settled instruments at 31 December 2014
	Number	Number	Number	Number	Average price	Share proceeds in Rands	Number
Executive Directors							
Neal Froneman	1,722,255	669,800	–	–	–	–	2,392,055
Charl Keyter	568,421	254,561	10,896	52,346	22.82	1,194,277	759,740
Prescribed Officers							
Shadwick Bessit	365,855	205,525	–	19,176	22.32	428,081	552,204
Hartley Dikgale	124,223	125,544	–	–	–	–	249,767
Cain Farrel	296,013	95,877	7,694	37,117	23.21	861,607	347,079
Nash Lutchman [1]	204,275	74,437	6,658	20,630	22.26	459,238	251,424
Dawie Mostert	130,840	142,610	–	–	–	–	273,450
Adam Mutshinya	321,120	141,124	–	24,372	27.60	672,667	437,872
Dick Plaistowe [2]	–	37,207	–	–	–	–	37,207
Wayne Robinson [2]	–	47,296	–	–	–	–	47,296
Marius Saaiman [3]	–	73,457	–	–	–	–	73,457
Richard Stewart [2]	–	39,339	–	–	–	–	39,339
Peter Turner	1,109,235	361,123	17,300	173,646	24.68	4,285,687	1,279,412
Robert van Niekerk	821,464	213,924	18,474	143,735	22.42	3,222,323	873,179
James Wellsted	177,180	156,247	–	–	–	–	333,427

1 *Appointed as a prescribed officer on 1 March 2014 (Opening balance of 204,275 equity-settled instruments at 28 February 2014)*
2 *Appointed as a prescribed officer on 1 June 2014*
3 *Appointed as a prescribed officer on 1 February 2014*

SHARE OWNERSHIP OF DIRECTORS AND PRESCRIBED OFFICERS

The following sets forth, to the knowledge of Sibanye's management, the total amount of ordinary shares of Sibanye directly or indirectly owned by the directors, prescribed officers, and their associates as at 31 December 2014:

	2014 Ordinary shares	2013
Executive Directors		
Charl Keyter	**78,404**	48,040
Prescribed Officers		
Cain Farrel	**37,772**	26,436
Peter Turner	**448,135**	347,419
James Wellsted	**33,016**	33,016
Non-executive Directors		
Chris Chadwick	**88**	–
Timothy Cumming	**100**	100
Richard Menell	**44,800**	44,800
Keith Rayner	**60,000**	70,000

This holding is unchanged at the date of this report.

THE SIBANYE GOLD LIMITED 2013 SHARE PLAN

Sibanye has in place a share plan for certain of its employees, the Sibanye Gold Limited 2013 Share Plan (the SGL Share Plan). The SGL Share Plan comprises of two parts:

(i) bonus shares (which serve as medium-term incentives); and

(ii) performance shares (which serve as long-term incentives).

(I) BONUS SHARES

The Committee makes an annual conditional award of shares to each Executive Director, Senior Executive and Vice President. The size of the award depends on the individual's annual cash bonus, which is determined by actual performance against predetermined targets.

The value of the award is equal to two-thirds of the actual annual bonus and is allocated in the form of restricted shares. The Bonus Shares vest in two equal parts at 9 months and 18 months after the award date. Dividends are payable on the Bonus Shares during the holding period.

(II) PERFORMANCE SHARES

The Remuneration Committee makes an annual conditional award of shares to the CEO, CFO, SVPs and Vice Presidents (VPs). The number of performance shares awarded to an employee is based on the employee's annual guaranteed pay, grade and performance. The actual number of performance shares which can further vest at 100%, 150% or 200%; is determined by Sibanye's share price performance measured against the performance of a peer group, being Harmony Gold Mining Company and Pan African Resources plc over a performance period of three years. This peer group is determined and approved by the Remuneration Committee. The amount of performance shares, which finally vest, is based on the relative change in the Sibanye share price compared to the respective share prices of the individual companies within the peer group and with discretion allowed due to the small sample size. For any performance share award to be settled to executives, an internal company performance target is required to be met before the external relative measure is applied.

This threshold performance criterion is set at 85% of Sibanye's expected gold production over the three-year measurement period as set out in the business plans of Sibanye as approved by the Board. Only once the internal measure has been achieved, will the external measure (Sibanye's share price performance measured against the abovementioned peer group) be applied to determine the scale of the vesting of awards of performance shares.

THE SIBANYE GOLD LIMITED PHANTOM SHARE SCHEME

The Remuneration Committee approved a revised Annual Incentive Scheme for management level employees that were eligible for participation in the Phantom Scheme, which was subsequently discontinued post final allocations made in March 2014.

EXECUTIVE DIRECTORS' CONTRACTS OF EMPLOYMENT

The employment of an executive director will continue until terminated upon (i) 24 or 12 months' notice by either party for the CEO and CFO, respectively, or (ii) retirement of the relevant executive director (currently provided for at age 60 in the contract). Sibanye can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

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

(i) payment of an amount equal to twice his Gross Remuneration Package (GRP), or two and a half times in the case of the CEO;

(ii) payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years;

(iii) any other payments and/or benefits due under the contracts;

(iv) payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete;

(v) an entitlement to awards, in terms of the Sibanye Gold Limited Incentive Scheme, shall accelerate on the date of termination of employment and settle with the full number of shares previously awarded.

The employment contracts further provide that these payments cover any compensation or damages the executive director may have under any applicable employment legislation.

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

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

The two executives who are currently entitled to the change of control compensation benefits will be grandfathered. Except for the two executives, none of the prescribed officers have entered into employment contracts that should compensate for severance because of change of control.
The two executives who are currently entitled to the change of control compensation benefits will be grandfathered.

DIRECTORS' AND OFFICERS' DISCLOSURE OF INTERESTS IN CONTRACTS

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

COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

Figures in million – SA rand	Notes	2014	2013	2012
Revenue	3	**19,898.5**	19,331.2	16,553.5
Cost of sales	4	**(15,540.4)**	(15,056.7)	(13,169.0)
Net operating profit		**4,358.1**	4,274.5	3,384.5
Investment income	5	**172.6**	149.6	98.1
Finance expense	6	**(328.8)**	(419.4)	(176.2)
Share-based payments	7	**(368.8)**	(258.8)	(209.8)
(Loss)/gain on financial instruments		**(82.1)**	0.8	13.8
Gain on foreign exchange differences		**8.8**	4.2	1.2
Exploration and feasibility costs		**(9.4)**	–	–
Other income	8	**19.9**	63.6	58.4
Other costs		**(160.2)**	(249.1)	(249.7)
Impairments	9	**(504.4)**	(821.0)	–
Reversal of impairment	12	**474.1**	–	–
Profit on disposal of property, plant and equipment		**4.7**	5.5	2.1
Loss on loss of control of subsidiary	13	**–**	(113.6)	–
Impairment of investments in subsidiaries		**–**	–	(17.9)
Transaction costs		**(81.9)**	(9.3)	–
Restructuring costs		**(120.7)**	(404.6)	(124.1)
Profit before royalties and taxation		**3,381.9**	2,222.4	2,780.4
Royalties	10.1	**(422.1)**	(414.6)	(282.1)
Profit before taxation		**2,959.8**	1,807.8	2,498.3
Mining and income taxation	10.2	**(848.3)**	(284.1)	381.8
Profit for the year		**2,111.5**	1,523.7	2,880.1

The company does not have other comprehensive income therefore the statement of comprehensive income is not presented.

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

The audited company financial statements for the year ended 31 December 2014 have been prepared by the corporate accounting staff of Sibanye, headed by Pieter Henning, Vice President Corporate Finance. This process was supervised by Charl Keyter, Sibanye's CFO.

COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2014

Figures in million – SA rand	Notes	2014	2013	2012
ASSETS				
Non-current assets		**23,807.8**	17,142.9	17,794.1
Property, plant and equipment	12	**15,395.1**	15,089.5	16,290.3
Investment in subsidiaries	13	**1,196.9**	56.9	152.1
Related-party loans	14	**5,029.7**	–	–
Investment in associates	15	**5.0**	24.4	19.4
Investments	16	**145.5**	145.5	1.2
Environmental rehabilitation obligation funds	17	**1,810.1**	1,588.1	1,331.1
Financial guarantee asset	18.1	**225.5**	238.5	–
Current assets		**2,146.5**	2,247.6	1,677.6
Inventories	19	**19.8**	4.0	4.1
Trade and other receivables	20	**779.9**	918.7	517.1
Current portion of financial guarantee asset	18.1	**57.1**	51.7	–
Related-party receivables	21	**1,206.3**	140.5	1,013.8
Cash and cash equivalents	22	**83.4**	1,132.7	142.6
Total assets		**25,954.3**	19,390.5	19,471.7
EQUITY AND LIABILITIES				
Stated share capital [1]		**21,734.6**	17,245.8	–
Other reserves		**2,389.9**	2,214.1	2,008.9
Accumulated loss		**(9,452.6)**	(10,558.9)	(12,020.3)
Total equity		**14,671.9**	8,901.0	(10,011.4)
Non-current liabilities		**7,289.8**	6,964.4	7,924.5
Deferred taxation	24	**3,708.2**	3,732.6	4,168.1
Borrowings	25	**1,481.4**	1,491.4	2,000.0
Environmental rehabilitation obligation	26	**1,759.6**	1,660.7	1,739.1
Post-retirement healthcare obligation	27	**14.9**	16.0	17.3
Share-based payment obligations	7	**325.7**	63.7	–
Current liabilities		**3,992.6**	3,525.1	21,558.6
Trade and other payables	28	**1,932.3**	1,688.1	1,413.3
Financial guarantee liability	18.2	**197.0**	206.6	196.4
Taxation and royalties payable		**80.6**	771.1	86.8
Current portion of borrowings	25	**498.1**	499.5	2,220.0
Current portion of share-based payment obligations	7	**18.0**	37.6	–
Related-party payables	29	**1,266.6**	322.2	17,642.1
Total equity and liabilities		**25,954.3**	19,390.5	19,471.7

[1] *Stated share capital as at 31 December 2012 was a nominal amount of 1,000 shares of R1,000 and shown as zero due to rounding.*

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

Figures in million – SA rand	Stated share capital [1] (note 23)	Share-based payment reserve (note 7)	Accumulated loss	Total equity
Balance at 31 December 2011	–	1,799.1	(13,958.9)	**(12,159.8)**
Total comprehensive income for the year	–	–	2,880.1	**2,880.1**
Profit for the year	–	–	2,880.1	**2,880.1**
Other comprehensive income	–	–	–	**–**
Share-based payments	–	209.8	–	**209.8**
Dividends paid	–	–	(731.3)	**(731.3)**
Transaction with shareholder	–	–	(210.2)	**(210.2)**
Balance at 31 December 2012	**–**	**2,008.9**	**(12,020.3)**	**(10,011.4)**
Total comprehensive income for the year	–	–	1,523.7	**1,523.7**
Profit for the year	–	–	1,523.7	**1,523.7**
Other comprehensive income	–	–	–	**–**
Share-based payments	–	205.2	–	**205.2**
Share subscription	17,245.8	–	–	**17,245.8**
Dividends paid	–	–	(271.9)	**(271.9)**
Transaction with shareholder	–	–	209.6	**209.6**
Balance at 31 December 2013	**17,245.8**	**2,214.1**	**(10,558.9)**	**8,901.0**
Total comprehensive income for the year	–	–	2,111.5	**2,111.5**
Profit for the year	–	–	2,111.5	**2,111.5**
Other comprehensive income	–	–	–	**–**
Share-based payments	–	175.8	–	**175.8**
Share issued	4,488.8	–	–	**4,488.8**
Dividends paid	–	–	(1,005.2)	**(1,005.2)**
Balance at 31 December 2014	**21,734.6**	**2,389.9**	**(9,452.6)**	**14,671.9**

[1] *Stated share capital as at 31 December 2012 was a nominal amount of 1,000 shares of R1,000 and shown as zero due to rounding.*

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

Figures in million – SA rand	Notes	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated by operations	30	**6,927.5**	6,758.6	5,415.5
Post-retirement health care payments		**(2.3)**	(2.6)	(1.2)
Cash-settled share-based payments paid	7	**(142.7)**	(3.1)	–
Change in working capital	31	**(205.6)**	754.0	(762.1)
Cash generated from operating activities		**6,576.9**	7,506.9	4,652.2
Interest received		**65.6**	52.6	27.9
Interest paid		**(192.2)**	(325.4)	(116.4)
Guarantee fees received	18.1	**53.6**	47.0	–
Royalties paid	32	**(649.4)**	(249.0)	(413.7)
Taxation paid	33	**(1,335.9)**	(280.0)	(952.2)
Dividends paid	12	**(1,005.2)**	(271.9)	(731.3)
Net cash from operating activities		**3,513.4**	6,480.2	2,466.5
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	12	**(2,939.8)**	(2,865.7)	(3,085.6)
Proceeds on disposal of property, plant and equipment		**14.2**	6.9	5.0
Contributions to environmental rehabilitation obligation funds	18	**(67.3)**	(172.3)	(24.3)
Payment of environmental rehabilitation obligation	27	**(10.9)**	(10.5)	–
Investment in subsidiary		**(415.3)**	(137.9)	–
Loan advanced to equity-accounted investee	15	**(384.6)**	–	–
Net cash used in investing activities		**(3,803.7)**	(3,179.5)	(3,104.9)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares issued on unbundling		**–**	17,245.8	–
Loans repaid	25	**(1,639)**	(9,840.0)	–
Loans raised	25	**1,623.6**	7,620.0	4,220.0
Related-party loans repaid		**(1,168.1)**	(17,339.0)	(4,181.2)
Related-party loans raised		**424.4**	11.7	539.7
Financing costs capitalised		**–**	(9.1)	–
Net cash (used in)/flows from financing activities		**(759.1)**	(2,310.6)	578.5
Net (decrease)/increase in cash and cash equivalents		**(1,049.3)**	990.1	(59.9)
Cash and cash equivalents at beginning of the year		**1,132.7**	142.6	202.5
Cash and cash equivalents at end of the year	22	**83.4**	1,132.7	142.6

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these separate (company) financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have been consistently applied to all the periods presented, except for the adoption of new and revised standards and interpretations. The consolidated financial statements of the group can be found on their website (www.sibanyegold.co.za).

1.1 REPORTING ENTITY

Sibanye Gold Limited (Sibanye or the Company) is a South African focused gold producer, listed on the Main Board of the JSE Limited (JSE) and New York Stock Exchange (NYSE), following the unbundling by Gold Fields Limited (Gold Fields), of its wholly owned subsidiary, Sibanye on 18 February 2013 (the Unbundling date). Sibanye's principal operations are Driefontein, Kloof and Beatrix.

On 1 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye at a subscription price of R17,246 million. Sibanye used R17,108 million of the proceeds to repay the GFL Mining Services Limited (GFLMS) loan.

Sibanye began trading on 11 February 2013 on the JSE and the NYSE. The entire issued share capital of Sibanye was unbundled to existing Gold Fields shareholders on 18 February 2013, by way of a distribution in specie in accordance with section 46 of the Companies Act, section 46 of the Income Tax Act and the JSE Listings Requirements. The Sibanye shares were unbundled in a ratio of 1:1 with Gold Fields shares and resulted in Gold Fields' shareholders holding two separate shares; a Sibanye share as well as their original Gold Fields share. Subsequent to the unbundling Sibanye is an independent, publicly traded company with a new board of directors and management.

1.2 BASIS OF PREPARATION

The financial statements of the Company have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and JSE Listing requirements. The company financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments), which are measured at fair value through profit or loss or through the fair value adjustment reserve in equity.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2014

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had no impact on the Company's financial statements:

Pronouncement	Title	Effective date:
IAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had an impact on the Company's financial statements:

Pronouncement	Title	Effective date:
IAS 32 (Amendment)	*Offsetting Financial Assets and Financial Liabilities* The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is: • Not contingent on a future event; and • Enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. *The impacts have been incorporated in the notes to the financial statements.*	1 January 2014
IAS 36 (Amendment)	*Recoverable Amount Disclosures for Non-Financial Assets* The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed. The impacts have been incorporated in the notes to the financial statements.	1 January 2014

Standards, interpretations and amendments to published standards which are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Company's accounting periods beginning on or after 1 January 2014 but have not yet been adopted by the Company. Other than disclosure, the impact of these standards is not expected to be significant. The standards, amendments and interpretations that are applicable to the company are:

Pronouncement	Title	Effective date:*
IFRS 9 (New standard)	*Financial Instruments* IFRS 9 arises from a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.	1 January 2018
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* The amendments address a conflict between the requirements of IAS 28 Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements, and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.	1 January 2016
IFRS 11 (Amendment)	*Accounting for Acquisitions of Interests in Joint Operations* The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions."	1 January 2016
IFRS 15 (New standard)	*Revenue from Contracts with Customers* IFRS 15 replaces IAS 11 Construction contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2017
IAS 1 (Amendment)	*Disclosure Initiative* The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.	1 January 2016
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* The amendments clarify the basis for the calculation of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of the asset.	1 January 2016
IAS 19 (Amendment)	*Defined Benefit Plans: Employee Contributions* The amendments introduce relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. Such contributions are eligible for practical expediency if they are: • set out in the formal terms of the plan; • linked to service; and • independent of the number of years of service.	1 July 2014
Amendments to 6 standards	Improvements to IFRSs 2010-2012 Cycle	1 July 2014
Amendments to 4 standards	Improvements to IFRSs 2011-2013 Cycle	1 July 2014
Amendments to 4 standards	Improvements to IFRSs 2012-2014 Cycle	1 January 2016

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

1. ACCOUNTING POLICIES (continued)

1.2 BASIS OF PREPARATION (continued)

Significant accounting judgements and estimates

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

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

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

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

Transactions with shareholders of Sibanye

Transactions with owners in the capacity as equity participants are not recognised in profit or loss, but instead are recognised in equity with a corresponding change in assets or liabilities.

1.3 FOREIGN CURRENCIES

Functional and presentation currency

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

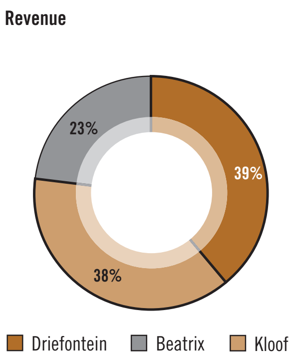
Transactions and balances

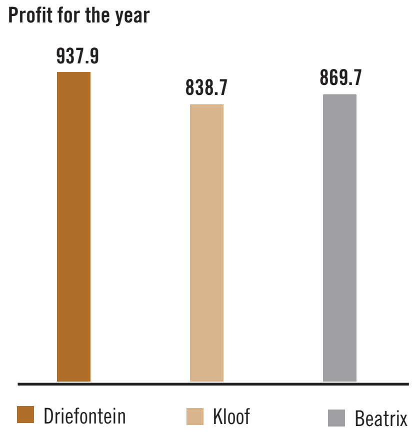
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated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

2. SEGMENT REPORTING

Accounting policy

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





Figures in million – SA rand	Company	Driefontein	Kloof	Beatrix	Corporate [1]
31 December 2014					
Revenue	19,898.5	7,829.4	7,502.8	4,566.3	–
Underground revenue	18,316.3	7,200.2	6,887.3	4,228.8	–
Surface revenue	1,582.2	629.2	615.5	337.5	–
Operating costs [2]	(12,618.7)	(4,912.3)	(4,502.3)	(3,204.0)	–
Underground operating costs	(11,566.7)	(4,427.6)	(4,087.0)	(3,052.1)	–
Surface operating costs	(1,051.9)	(484.7)	(415.3)	(151.9)	–
Operating profit [2]	7,279.8	2,917.1	3,000.5	1,362.3	–
Amortisation and depreciation	(2,921.7)	(1,129.3)	(1,322.3)	(468.4)	(1.7)
Net operating profit	4,358.1	1,787.8	1,678.2	893.9	(1.7)
Investment income	172.6	48.3	42.7	24.5	57.1
Finance expense	(328.8)	(152.8)	(132.6)	(41.8)	(1.6)
Share-based payments	(368.8)	(69.1)	(58.2)	(45.9)	(195.6)
Exploration and feasibility costs	(9.4)	–	–	(9.4)	–
Net other costs [3]	(213.6)	(86.3)	(56.6)	(56.5)	(14.2)
Non-recurring items [4]	(228.2)	(95.1)	(152.0)	469.4	(450.5)
Royalties	(422.1)	(165.5)	(174.5)	(82.1)	–
Current taxation	(872.7)	(339.2)	(379.6)	(153.9)	–
Deferred taxation	24.4	9.8	71.3	(128.5)	71.8
Profit for the year	2,111.5	937.9	838.7	869.7	(534.7)
Sustaining capital expenditure	922.9	465.3	355.7	101.9	–
Ore reserve development	2,009.5	683.6	879.8	446.1	–
Other	7.4	–	–	–	7.4
Total capital expenditure	2,939.8	1,148.9	1,235.5	548.0	7.4

Figures may not add as they are rounded independently.

1. *Corporate represents the items to reconcile segment data to company financial statement totals. This does not represent a separate segment as it does not generate mining revenue.*
2. *Operating costs is defined as cost of sales excluding amortisation and depreciation. Operating profit is defined as revenue minus operating costs.*
3. *Net other costs consists of (loss)/gain on financial instruments; gain on foreign exchange differences; other income and other costs as detailed in the income statement.*
4. *Non-recurring items consists of impairment; reversal of impairment; profit on disposal of property, plant and equipment; loss on loss of control of subsidiary; transaction costs and restructuring costs as detailed in the income statement.*

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

2. SEGMENT REPORTING (continued)

Figures in million – SA rand	Company	Driefontein	Kloof	Beatrix	Corporate [1]
31 December 2013					
Revenue	19,331.2	8,162.7	6,954.4	4,214.1	–
Underground revenue	17,663.6	7,354.6	6,323.4	3,985.6	-
Surface revenue	1,667.6	808.1	631.0	228.5	–
Operating costs [2]	(11,973.3)	(4,881.2)	(4,100.7)	(2,991.4)	–
Underground operating costs	(11,030.5)	(4,421.9)	(3,762.1)	(2,846.5)	–
Surface operating costs	(942.8)	(459.3)	(338.6)	(144.9)	–
Operating profit [2]	7,357.9	3,281.5	2,853.7	1,222.7	–
Amortisation and depreciation	(3,083.4)	(1,458.0)	(1,096.5)	(528.1)	(0.8)
Net operating profit	4,274.5	1,823.5	1,757.2	694.6	(0.8)
Investment income	149.6	55.0	47.4	27.5	19.7
Finance expense	(419.4)	(193.6)	(152.3)	(72.8)	(0.7)
Share-based payments	(258.8)	(61.1)	(47.2)	(41.8)	(108.7)
Net other costs [3]	(180.5)	(67.0)	(70.5)	(40.4)	(2.6)
Non-recurring items [4]	(1,343.0)	(159.5)	(125.6)	(900.1)	(157.8)
Royalties	(414.6)	(198.3)	(147.1)	(69.2)	–
Current taxation	(798.7)	(427.7)	(273.5)	(97.5)	–
Deferred taxation	514.6	174.0	18.3	336.3	(14.0)
Profit for the year	1,523.7	945.3	1,006.7	(163.4)	(264.9)
Sustaining capital expenditure	982.7	320.2	459.8	200.6	2.1
Ore reserve development	1,883.0	702.8	843.8	336.4	–
Total capital expenditure	2,865.7	1,023.0	1,303.6	537.0	2.1
31 December 2012					
Revenue	16,553.5	5,946.6	6,693.9	3,913.0	–
Underground revenue	14,661.1	4,842.9	6,046.8	3,771.4	–
Surface revenue	1,892.4	1,103.7	647.1	141.6	–
Operating costs [2]	(10,823.8)	(4,302.4)	(3,899.0)	(2,622.4)	–
Underground operating costs	(9,999.4)	(3,891.1)	(3,567.2)	(2,541.1)	–
Surface operating costs	(824.4)	(411.3)	(331.8)	(81.3)	–
Operating profit [2]	5,729.7	1,644.2	2,794.9	1,290.6	–
Amortisation and depreciation	(2,345.2)	(986.5)	(726.4)	(631.8)	(0.5)
Net operating profit	3,384.5	657.7	2,068.5	658.8	(0.5)
Investment income	98.1	38.2	36.8	19.3	3.8
Finance expense	(176.2)	(63.0)	(78.5)	(29.9)	(4.8)
Share-based payments	(209.8)	(72.1)	(43.5)	(42.3)	(51.9)
Net other costs [3]	(147.6)	(53.6)	(65.1)	(30.3)	1.4
Non-recurring items [4]	(168.6)	(84.3)	(58.4)	(8.0)	(17.9)
Royalties	(282.1)	(66.2)	(145.3)	(70.5)	–
Current taxation	(450.4)	(22.6)	(306.3)	(121.5)	–
Deferred taxation	832.2	377.3	207.4	238.2	9.3
Profit for the year	2,880.1	711.4	1,615.6	613.8	(60.6)
Sustaining capital expenditure	957.7	241.3	504.5	210.7	1.2
Ore reserve development	2,127.9	849.6	830.8	447.5	–
Total capital expenditure	3,085.6	1,090.9	1,335.3	658.2	1.2

Figures may not add as they are rounded independently.

1 *Corporate represents the items to reconcile segment data to company financial statement totals. This does not represent a separate segment as it does not generate mining revenue.*
2 *Operating costs is defined as cost of sales excluding amortisation and depreciation. Operating profit is defined as revenue minus operating costs.*
3 *Net other costs consists of (loss)/gain on financial instruments; gain on foreign exchange differences; other income and other costs as detailed in the income statement.*
4 *Non-recurring items consists of impairment; reversal of impairment; profit on disposal of property, plant and equipment; loss on loss of control of subsidiary; transaction costs and restructuring costs as detailed in the income statement.*

3. REVENUE

Accounting policy

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be reliably measured.

Revenue arising from gold sales is recognised at the fair value of the consideration received or receivable, once the significant risks and rewards of ownership have passed to the buyer. These criteria are typically met when the gold is delivered to the refinery. The price of gold is determined by market forces.

Figures in million – SA rand	2014	2013	2012
Revenue from mining activities	**19,898.5**	19,331.2	16,553.5
Total revenue	**19,898.5**	19,331.2	16,553.5

4. COST OF SALES

Accounting policy

The following accounting policies relates to costs that are included in cost of sales:

Short-term employee benefits

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

Pension and provident funds

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

Contributions to defined contribution funds are expensed as incurred.

Figures in million – SA rand	2014	2013	2012
Salaries and wages	**(5,870.5)**	(6,155.9)	(5,790.8)
Consumable stores	**(2,954.4)**	(2,720.7)	(2,576.2)
Utilities	**(2,438.9)**	(2,315.4)	(2,115.2)
Mine contracts	**(949.8)**	(928.2)	(936.5)
Other	**(2,414.6)**	(1,736.1)	(1,533.0)
Ore reserve development costs capitalised [1]	**2,009.5**	1,883.0	2,127.9
Operating costs	**(12,618.7)**	(11,973.3)	(10,823.8)
Amortisation and depreciation	**(2,921.7)**	(3,083.4)	(2,345.2)
Total cost of sales	**(15,540.4)**	(15,056.7)	(13,169.0)

[1] *Ore Reserve Development (ORD) costs are capitalised and amortised over the period that the Company expects to consume the economic benefits relating to the ORD. ORD is all off-reef development that allows access to reserves that are economically recoverable in the future. ORD includes, but is not limited to, crosscuts, footwalls, return airways and box holes.*

All employees are members of various defined contribution retirement plans. The cost of providing retirement benefits for the year amounted to R512.4 million (2013: R509.4 million and 2012: R475.7 million).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

5. INVESTMENT INCOME

Accounting policy
Investment income comprises interest income on funds invested; unwinding of the financial guarantee asset and dividend income from listed and unlisted investments.

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

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

Figures in million – SA rand	2014	2013	2012
Interest income on:			
Environmental rehabilitation obligation funds	**92.0**	84.7	70.2
Cash balances	**38.6**	52.6	27.9
Financial guarantee asset	**15.0**	12.3	–
Other interest income	**27.0**	–	–
Total investment income	**172.6**	149.6	98.1

6. FINANCE EXPENSE

Accounting policy
Finance expense comprises interest on borrowings; post-retirement healthcare obligation and environmental rehabilitation obligation offset by borrowing costs capitalised on qualifying assets.

Interest payable on borrowings is recognised in the income statement over the term of the borrowings using the effective interest method.

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

Figures in million – SA rand	2014	2013	2012
Interest charge on:			
Borrowings – interest paid	**(186.5)**	(319.4)	(113.7)
Borrowings – unwinding of amortised cost	**(4.0)**	–	–
Environmental rehabilitation obligation	**(131.4)**	(92.7)	(57.7)
Post-retirement healthcare obligation	**(1.2)**	(1.3)	(2.1)
Other	**(5.7)**	(6.0)	(2.7)
Total finance expense	**(328.8)**	(419.4)	(176.2)

7. SHARE-BASED PAYMENTS

Significant accounting judgements and estimates

Equity-settled share-based payments

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

Cash-settled share-based payments

The Company also issues cash-settled share-based payments to certain employees which are valued on the same assumptions as those used for the equity-settled instruments mentioned above. In addition to the expense of these cash-settled instruments, the share-based payment obligation of these instruments is valued at the fair value of the instruments at year end. This fair value adjustment also takes into account the potential vesting percentage of the cash-settled instruments, based on the actual ranking of the Company versus the peer group at the reporting date and management's assessment of the possibility to maintain that ranking at the vesting date.

Accounting policy

The Company operates an equity-settled compensation plan in which certain employees of the Company participate. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted.

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

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

The Company also operates a cash-settled compensation plan in which certain employees of the Company participate. The grant date fair value of the cash-settled instruments is equal to the value of the equity-settled instrument granted on the same grant date.

The grant date fair value of the cash-settled instruments is recognised as an employee benefit expense over the vesting period based on the Company's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment obligation. At each reporting date the obligation is remeasured to the fair value of the instrument, to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment to gain or loss on financial instrument in profit and loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

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

In terms of the previously existing Gold Fields Share Plans, all Gold Fields shares vested pro rata (no fault termination rules applied) to Sibanye Gold employees following the unbundling of Sibanye. The proportionate unvested options under the Gold Fields Share Plans on date of unbundling were replaced with Sibanye instruments to the equivalent value, under the Sibanye Gold 2013 Share Plan (SGL Share Plan).

Figures in million – SA rand	2014	2013	2012
(a) Sibanye Gold Limited 2013 Share Plan			
Performance shares	**(132.9)**	(132.5)	–
Bonus shares	**(27.4)**	(16.2)	–
(b) Sibanye Gold Limited Phantom Share Scheme			
Performance shares	**(83.3)**	(35.5)	–
Bonus shares	**(118.5)**	(40.0)	–
Phantom share dividends	**(6.7)**	(1.5)	–
(c) Gold Fields Limited 2012 Share Plan			
Performance shares	**–**	(11.1)	(53.0)
Bonus shares	**–**	(2.3)	(33.0)
(d) Gold Fields Limited 2005 Share Plan			
Performance vesting restricted shares	**–**	(17.8)	(111.9)
Performance allocated share appreciation rights	**–**	(1.9)	(11.9)
Total share-based payments	**(368.8)**	(258.8)	(209.8)

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

7. SHARE-BASED PAYMENTS (continued)

(a) Sibanye Gold Limited 2013 Share Plan

On 21 November 2012 the shareholder of Sibanye approved the adoption of the SGL Share Plan with effect from the date of listing. The SGL Share Plan provides for two methods of participation, namely the Performance Share (PS) Method and the Bonus Share (BS) Method. This plan seeks to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the shareholders.

The Remuneration Committee makes an annual conditional award of shares to the CEO, CFO, COO, SVPs and Vice Presidents (VPs). The number of PS awarded to an employee is based on the employee's annual guaranteed pay, grade and performance. The actual number of PS which vest is determined by Sibanye's share price performance measured against the performance of a peer group, being Harmony Gold Mining Company Limited (Harmony), Pan African Resources PLC and Gold One International Limited (Gold One) (subsequently delisted), over a performance period of three years. This peer group is determined and approved by the Remuneration Committee. The PS, which vest, are based on the relative change in the Sibanye share price compared to the respective share prices of the individual companies within the peer group and with discretion allowed due to the small sample size. For any PS award to be settled to executives, an internal company performance target is required to be met before the external relative measure is applied. The target performance criterion is set at 85% of Sibanye's expected gold production over the three-year measurement period as set out in the business plans of Sibanye as approved by the Board. Only once the internal measure has been achieved, will the external measure (Sibanye's share price performance measured against the abovementioned peer group) be applied to determine the scale of the vesting of awards of PS.

The Committee makes an annual conditional award of shares to each executive director and senior executive. The size of the award depends on the individual's annual cash bonus, which is determined by actual performance against predetermined targets. Two-thirds of the annual bonus is allocated in the form of restricted BS and the balance is paid out in cash. The BS vest in two equal parts at nine months and 18 months after the award date. Dividends are payable on the BS during the holding period.

Details of the options granted under this plan to employees are detailed below:

Performance shares (PS)				Bonus Shares (BS)		
2012	2013	2014	Number of instruments	2014	2013	2012
	–	**28,083,703**	Outstanding at beginning of the year	**1,135,455**	–	
			Movement during the year:			
–	28,568,317	**–**	Granted to replace Gold Fields Share Plans	**–**	702,915	–
–	4,118,870	**2,953,057**	Granted during the year	**1,275,979**	1,135,455	–
–	(1,523,111)	**(5,567,771)**	Exercised and released	**(1,672,579)**	(638,086)	–
–	(3,080,373)	**(2,179,727)**	Forfeited	**(143,843)**	(64,829)	–
–	28,083,703	**23,289,262**	**Outstanding at end of the year**	**595,012**	1,135,455	–

The fair value of the above PS equity instruments granted during the year were valued using the Monte Carlo Simulation model. For the BS equity instruments, a future trading model is used to estimate the loss in value to the holders of bonus shares due to trading restrictions. The actual valuation is developed using a Monte Carlo analysis of the future share price of Sibanye.

The inputs to the models for options granted during the year were as follows:

Performance shares (PS)			MONTE CARLO SIMULATION	Bonus Shares (BS)		
2012	2013	2014		2014	2013	2012
–	64.6%	**56.4%**	• weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**56.4%**	64.6%	–
–	3	**3**	• expected term (years)	**n/a**	n/a	–
–	n/a	**n/a**	• expected term (months)	**9 – 18**	9 – 18	–
–	2.5%	**4.7%**	• expected dividend yield	**4.7%**	2.5%	–
	6.0%	**5.7%**	• weighted average three-year risk-free interest rate (based on SA interest rates)	**5.7%**	6.0%	–
–	n/a	**n/a**	• marketability discount	**2.2%**	3.0%	–
–	12.55	**38.61**	• weighted average fair value	**24.94**	12.57	–

The compensation cost of awards that were issued to replace the historical instruments issued by Gold Fields will mirror the costs that would have been expensed in future periods under the Gold Fields Limited Share Plans had they still been in place.

The compensation cost related to awards not yet recognised under the plan at 31 December 2014 amounts to R125.1 million and is to be spread over three years.

At the Annual General Meeting (AGM) the directors of Sibanye were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 70,619,126 (10%) of the total issued ordinary shares capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 7,061,913 (1%) of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 24,479,286 (2.7%) of the total issued ordinary share capital of Sibanye at 31 December 2014.

(b) Sibanye Gold Limited Phantom Share Scheme

On 14 May 2013 Sibanye's Remuneration Committee limited the issuance of share options for the 2013 allocation under the SGL Share Plan to senior management only. Middle and certain senior management, who previously participated in the equity-settled share option scheme, now participate in a cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (the SGL Phantom Scheme). Notwithstanding that the SGL Phantom Scheme is not subject to compliance with the JSE Listings Requirements as it is a purely cash-settled remuneration scheme, the SGL Share Plan rules apply, in all material aspects, to the SGL Phantom Scheme, other than the issue of new shares to participants.

Details of the phantom shares granted under this scheme to employees are detailed below:

Performance shares (PS)				Bonus Shares (BS)		
2012	2013	2014	Number of instruments	2014	2013	2012
–	–	**13,727,945**	Outstanding at beginning of the year	**5,417,623**	–	–
			Movement during the year:			
–	14,733,310	**6,106,128**	Granted during the year	**3,056,590**	5,853,894	–
–	(42,881)	**(58,160)**	Vested and paid	**(6,762,108)**	(56,933)	–
–	(962,484)	**(809,705)**	Forfeited	**(229,420)**	(379,338)	–
–	13,727,945	**18,966,208**	**Outstanding at end of the year**	**1,482,685**	5,417,623	–

The grant date fair value of the above PS and BS cash-settled instruments granted during the year were valued using the Monte Carlo Simulation model and a future trading model, respectively, as with the equity settled instruments above. As the cash and equity instruments are issued on the same day the grant date fair value assumptions of the cash-settled instruments is the same as for the equity-settled instruments as tabled in (a).

The fair value of the cash-settled instruments at reporting date, used to value the share-based payment obligation, is determined using the same assumptions as for the grant date valuation. However, the respective models take into account the actual share data of the peer group for the period from the grant date to the reporting date.

The compensation cost related to awards not yet recognised under the scheme at 31 December 2014 amounts to R256.1 million and is to be spread over 26 months.

Reconciliation of the share-based payment obligation:

Figures in million – SA rand	2014	2013	2012
Balance at beginning of the year	**101.3**	–	–
Share-based payments expensed	**208.5**	77.0	–
Fair value adjustment of obligation [1]	**176.6**	27.4	–
Payments made [2]	**(142.7)**	(3.1)	–
Balance at end of the year	**343.7**	101.3	–
Reconciliation of the non-current and current portion of the share-based payments obligation:			
Share-based payment obligations	**325.7**	63.7	–
Current portion of share-based payment obligations	**18.0**	37.6	–
Total share-based payments obligation	**343.7**	101.3	–

[1] *The fair value adjustment at reporting date is included in (loss)/gain on financial instruments in the income statement and not as part of share-based payments expense.*

[2] *Payments made during the year relates to the proportionate vesting of shares to employees that have left the Company in good faith. BS options under the SGL Share Plan are issued on grant date and thus get paid dividends when the Company declares a dividend. Similarly the BS holders under the SGL Phantom Scheme received share-based payments to the equivalent of dividends paid, which were also paid during the year.*

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FOR THE YEAR ENDED 31 DECEMBER 2014
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7. SHARE-BASED PAYMENTS (continued)

(c) Gold Fields Limited 2012 Share Plan

At the Gold Fields annual general meeting on 14 May 2012 Gold Fields shareholders approved the adoption of the Gold Fields Limited 2012 Share Plan (the 2012 Plan) to replace the Gold Fields Limited 2005 Share Plan. The 2012 Plan provided for two methods of participation, namely the PS Method and the BS Method. This plan sought to attract, retain, motivate and reward participating employees on a basis which aims to align the interests of such employees with those of the Gold Fields share owners.

As a result of the unbundling all unvested options on the date of the unbundling were converted to instruments under the SGL Share Plan as described in (a). Sibanye employees had to exercise all options that vested proportionately up to the date of unbundling.

Details of the options granted under this scheme to Sibanye employees are detailed below:

Performance shares (PS)				Bonus Shares (BS)		
2012	**2013**	**2014**	Number of instruments	**2014**	**2013**	**2012**
–	1,330,007	–	Outstanding at beginning of the year	–	201,213	–
			Movement during the year:			
1,397,932	285,994	–	Granted during the year	–	–	400,107
–	(436,326)	–	Exercised and released	–	(111,574)	(183,416)
(67,896)	–	–	Forfeited	–	–	(15,478)
(29)	(44,792)	–	Transferred within the Gold Fields group	–	(18,222)	–
–	(1,134,883)	–	Converted to Sibanye options	–	(71,417)	–
1,330,007	–	–	**Outstanding at end of the year**	–	–	201,213

The shares that were granted during 2013 were as a result of the unbundling and took into account the current share prices and vesting percentage at the date of unbundling. The valuation was not done according to the Monte Carlo Simulation as in 2012 for options granted in the ordinary course of business.

The fair value of the above PS equity instruments granted during the year ended 31 December 2012 were valued using the Monte Carlo Simulation model. For the BS equity instruments a future trading model was used to estimate the loss in value to the holders of BS due to trading restrictions. The actual valuation was developed using a Monte Carlo analysis of the future share price of Gold Fields at that time.

The inputs to the models for options granted during the year were as follows:

Performance shares (PS)			MONTE CARLO SIMULATION	Bonus Shares (BS)		
2012	**2013**	**2014**		**2014**	**2013**	**2012**
36.5%	–	–	• weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	–	–	29.4%
3.0	–	–	• expected term (years)	–	–	n/a
n/a	–	–	• expected term (months)	–	–	9 – 18
1.6%	–	–	• historical dividend yield	–	–	2.7%
			• weighted average three-year risk-free interest rate (based on US interest rates)			
0.7%	–	–		–	–	n/a
			• weighted average three-year risk-free interest rate (based on SA interest rates)			
n/a	–	–		–	–	5.5%
n/a	–	–	• marketability discount	–	–	1.5%
162.41	–	–	• weighted average fair value	–	–	115.74

(d) Gold Fields Limited 2005 Share Plan

At the Gold Fields annual general meeting on 17 November 2005 shareholders approved the adoption of the Gold Fields Limited 2005 Share Plan (the 2005 Plan) to replace the GF Management Incentive Scheme approved in 1999. The 2005 plan provided for two methods of participation, namely the Performance Allocated Share Appreciation Rights (SARS) Method and the Performance Vesting Restricted Share (PVRS) Method. This plan sought to attract, retain, motivate and reward participating employees on a basis which aimed to align the interests of such employees with those of the Gold Fields share owners. No further allocations of options under this plan were made due to the introduction of the 2012 Plan.

As a result of the unbundling all unvested options on the date of the unbundling were converted to instruments under the SGL Share Plan as described in (a). Sibanye employees had to exercise all options that vested proportionately up to the date of unbundling.

The following information details the options granted under this scheme to Sibanye employees:

31 December 2012				31 December 2013		
Number of instruments		Average instrument price (rps)		Number of instruments		Average instrument price (rps)
PVRS	SARS			PVRS	SARS	
2,483,330	**919,510**	**107.65**	**Outstanding at the beginning of the year**	**1,809,535**	**737,211**	**106.96**
			Movement during the year:			
–	–	–	Granted during the year	393,978	146,822	106.96
(656,673)	(60,669)	105.81	Exercised and released	(1,746,214)	(413,032)	106.96
(177,919)	(116,668)	115.82	Forfeited	–	–	–
160,797	(4,962)	107.83	Transferred within the Gold Fields group	(2,605)	(57,969)	106.96
–	–	–	Converted to Sibanye options	(454,694)	(413,032)	106.96
1,809,535	**737,211**	**106.96**	**Outstanding at end of the year**	**–**	**–**	**–**

8. OTHER INCOME

Accounting policy

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

The service divisions that form part of Corporate in the segment report (refer to note 2) mainly provide services to the mines. These service costs to the mines are included in the cost of sales of the Company.

Leslie Williams Private Hospital (WW Hospital), a division of Sibanye, provides health services to the mines, certain members of the public and historically to certain entities of the Gold Fields Group (refer to note 39 for further details on the related party transactions).

Figures in million – SA rand	2014	2013	2012
Medical services	**19.9**	63.6	58.4
Total service revenue [1]	**19.9**	63.6	58.4

[1] *The cost of sales related to the services revenue is included in other costs as disclosed in the income statement.*

9. IMPAIRMENTS

Figures in million – SA rand	2014	2013	2012
Impairment of Investment in Rand Refinery (Refer to note 15)	**(19.4)**	–	–
Impairment of Loan to Rand Refinery (Refer to note 14)	**(329.5)**	–	–
Impairment of property, plant and equipment [1]	**(155.5)**	(821.0)	–
Total impairment	**(504.4)**	(821.0)	–

[1] *Refer to note 13 for details relating to the impairment of the Python Plant at Kloof.*

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10. ROYALTIES, AND MINING AND INCOME TAXATION

Significant accounting judgements and estimates

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

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

The mining operations are taxed on a variable rate that increases as the profitability of the operation increases. The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when the temporary differences will reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year. Calculating the future profitability of the operations is inherently uncertain and could materially change over time.

Additionally, future changes in tax laws in South Africa could limit the ability of the Company to obtain tax deductions in future periods.

Accounting policy

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

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

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

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

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

10.1 ROYALTIES

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Royalty Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Royalty Act) minerals payable to the State. The royalty in respect of refined minerals (which include gold refined to 99.5% and above and platinum) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% of mining revenue has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2014 was approximately 2.1% of mining revenue (2013: 2.1% and 2012: 1.7%).

Figures in million – SA rand	2014	2013	2012
Current year charge	**(422.1)**	(414.6)	(282.1)
Total royalties	**(422.1)**	(414.6)	(282.1)

10.2 MINING AND INCOME TAXATION

The components of mining and income taxation are the following:

Figures in million – SA rand	2014	2013	2012
Mining tax	**(847.9)**	(771.0)	(428.3)
Non-mining tax	**(24.8)**	(27.7)	(7.4)
Prior year adjustment current tax	**–**	–	(14.7)
Total current taxation	**(872.7)**	(798.7)	(450.4)
Deferred tax	**24.4**	514.6	832.2
Total mining and income tax	**(848.3)**	(284.1)	381.8

Reconciliation of the Company's income tax to the maximum South African statutory mining tax rate of 34.0% (2013: 34% and 2012: 34%):

Figures in million – SA rand	2014	2013	2012
South African statutory tax rates			
Mining tax [1]	**Y=34-170/X**	Y=34-170/X	Y=34-170/X
Non-mining tax [2]	**28.0%**	28.0%	28.0%
Company tax rate	**28.0%**	28.0%	28.0%
Tax on profit before taxation at maximum South African statutory mining tax rate	**(1,006.3)**	(614.7)	(849.4)
South African mining tax formula rate adjustment	**340.2**	329.6	282.4
Rate adjustment to reflect the company tax rate of 28%	**(4.8)**	(61.3)	13.1
Non-deductible share-based payments	**(54.5)**	(61.8)	(71.3)
Net non-taxable income and non-deductible expenditure	**(122.9)**	(89.5)	3.5
Deferred tax release on reduction of rate [3,4]	**–**	213.6	1,003.5
Income and mining tax expense	**(848.3)**	(284.1)	381.8

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

[2] *Non-mining income consists primarily of interest income and guarantee fee received (refer to note 18.1)*

[3] *The change in the estimated long term deferred tax rate during 2013, as a result of applying the mining tax formula as described in footnote 1, at which the temporary differences will reverse amounted to a tax credit of R213.6 million during the year ended 31 December 2013.*

[4] *During the budget speech in February 2012, the minister of finance announced that Secondary Tax on Companies (STC) will be abolished resulting in the abolishment of the STC inclusive mining tax formula. The result was that there is now only one mining tax formula, which resulted in a deferred tax credit of R1,003.5 million during the year ended 31 December 2012.*

11. DIVIDENDS

Accounting policy

Dividends are recognised only when such dividends are declared.

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

On 19 February 2015 a final dividend in respect of the financial period ended 31 December 2014 of 62 cents per share was approved by the Board and payable on 23 March 2015. This dividend is not reflected in these financial statements. The final dividend will be subject to Dividend Withholding Tax.

Figures in million – SA rand	2014	2013	2012
Pre-unbundling dividend paid to Sibanye's then only shareholder, Gold Fields	**–**	–	731.3
Dividend declared and paid	**1,005.2**	271.9	–
Dividend per share – cents	**125**	37	73,130,000

The dividend declared and paid relates to the final dividend of 75 SA cents per share or R555.2 million in respect of the year end 31 December 2013 declared 19 February 2014, and the interim dividend of 50 SA cents per share or R448.8 million in respect of the six months ended 30 June 2014 declared on 30 August 2014.

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12. PROPERTY, PLANT AND EQUIPMENT

Significant accounting judgements and estimates

Carrying value of property, plant and equipment

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

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

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

These factors could include:

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

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

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

Mineral Reserves estimates

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

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

The Company is required to determine and report, *inter alia*, on the Mineral Reserves in accordance with the South African Mineral Resource Committee (SAMREC) code.

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

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to the income statement may change as these are calculated on the units-of production method, or where the useful lives of assets change;
- Decommissioning site restoration and environmental provisions may change where changes in ore Reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Pre-production

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

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

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

Accounting policy

Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the carrying amount has exceeded its recoverable amount, impairment is recognised in the income statement in the year that such determination is made.

Mine development and infrastructure

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

These costs include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity, is capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of ore bodies includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met. Access to individual orebodies exploited by the Company is limited to the time span of the respective mining leases.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of assets requiring a substantial period of time to prepare for their intended future use are capitalised to the date that the assets are substantially completed.

Land

Land is shown at cost and is not depreciated.

Other assets

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

Amortisation and depreciation of mining assets

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

- Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units-of-production method, based on estimated proved and probable Mineral Reserves above infrastructure.
- Proved and probable Mineral Reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.
- Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over their estimated useful lives.

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12. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy (continued)

Depreciation of non-mining assets

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

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

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

Impairment

Recoverability of the carrying values of long-term assets or cash-generating units (CGU) of the Company are reviewed whenever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset or CGU may be impaired, the higher of value in use (defined as: the present value of future cash flows expected to be derived from an asset or CGU) or fair value less costs to sell (defined as: the price that would be received to sell an asset in an orderly transaction between market participants at the measured rate, less the costs of disposal) is compared to the carrying value of the asset/unit.

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

Impairment losses are recognised in profit and loss. Impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.

When any infrastructure is closed down or placed on care and maintenance during the year, any carrying value attributable to that infrastructure is impaired. Expenditure incurred on care and maintenance is recognised in profit and loss.

When the review of the events or changes in circumstances of an asset or CGU that was previously impaired indicate that such historical carrying value is recoverable, the impairment is reversed. The impairment is only reversed to such an amount that the new carrying amount does not exceed the historical carrying amount. Reversal of impairment losses are recognised in profit and loss. Reversal of impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.

Gain or loss on disposal

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

Mining exploration

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

Figures in million – SA rand	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation
31 December 2014			
Cost			
Balance at beginning of the year	43,776.4	42,437.3	1,339.1
Additions	2,939.8	2,939.0	0.8
Change in estimates of rehabilitation assets	(21.6)	–	(21.6)
Disposals	(33.3)	(31.9)	(1.4)
Balance at end of the year	46,661.3	45,344.4	1,316.9
Accumulated depreciation and impairment losses			
Balance at beginning of the year	28,686.9	27,816.7	870.2
Amortisation and depreciation	2,921.7	2,873.7	48.0
Impairment	155.5	155.5	–
Reversal of impairment	(474.1)	(448.1)	(26.0)
Disposals	(23.8)	(22.2)	(1.6)
Balance at end of the year	31,266.2	30,375.6	890.6
Carrying value at end of the year	15,395.1	14,968.8	426.3

Impairment
The Python processing plant was decommissioned in July 2014 due to process design flaws. As a result a decision was taken to impair the Python Plant by R155.5 million.

Reversal of impairment at Beatrix West
During the six months ended 30 June 2013 the mining assets of Beatrix West Section was impaired by R821.0 million due to a fire during February 2013 which affected approximately 38% of the planned production area, impacting on the commercial viability of the Beatrix West Section. In addition management entered into a section 189 consultation with affected stakeholders, agreeing that ore reserve development would largely be suspended and that the remaining ore reserves would be mined to completion.

Due to the positive results of the restructured Beatrix West Section it returned to profitability and as a result a decision was taken to reverse the impairment recorded during the six months ended 30 June 2013. This resulted in a R474.1 million reversal of impairment to the historical carrying value less depreciation subsequent to 30 June 2013.

The reversal was based on the estimated fair value less cost to sell over the life of mine. The fair value was calculated based on expected discounted cash flows from the expected gold reserves and costs to extract the gold.

Security
Refer to note 25(a) for further details relating to assets pledged as security under the R4.5 billion Facilities.

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12. PROPERTY, PLANT AND EQUIPMENT (continued)

Figures in million – SA rand	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation
31 December 2013			
Cost			
Balance at beginning of the year	**41,086.0**	39,586.3	1,499.7
Additions	**2,865.7**	2,865.7	–
Change in estimates of rehabilitation assets	**(160.6)**	–	(160.6)
Disposals	**(14.7)**	(14.7)	–
Balance at end of the year	**43,776.4**	**42,437.3**	**1,339.1**
Accumulated depreciation and impairment losses			
Balance at beginning of the year	**24,795.7**	24,054.0	741.7
Amortisation and depreciation	**3,083.4**	2,999.3	84.1
Impairment	**821.0**	776.6	44.4
Disposals	**(13.2)**	(13.2)	–
Balance at end of the year	**28,686.9**	**27,816.7**	**870.2**
Carrying value at end of the year	**15,089.5**	**14,620.6**	**468.9**

Impairment

An underground fire during February 2013 at Beatrix West section affected approximately 38% of the planned production area, impacting on the commercial viability of the Beatrix West Section. As a result a decision was taken during the six months ended 30 June 2013 to impair Beatrix West section's mining assets by R821.0 million. This impairment was based on cash flow projections for the remainder of the life of mine.

Management's decision to impair all of the assets of Beatrix West Section, excluding plant, was taken based on the fact that negative cash flows were projected using an average gold price of R425,000/kg.

Figures in million – SA rand	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation
31 December 2012			
Cost			
Balance at beginning of the year	**37,742.3**	36,506.9	1,235.4
Additions	**3,085.6**	3,085.6	–
Change in estimates of rehabilitation assets	**264.3**	–	264.3
Disposals	**(6.2)**	(6.2)	–
Balance at end of the year	**41,086.0**	**39,586.3**	**1,499.7**
Accumulated depreciation and impairment losses			
Balance at beginning of the year	**22,453.8**	21,744.6	709.2
Amortisation and depreciation	**2,345.2**	2,312.7	32.5
Disposals	**(3.3)**	(3.3)	–
Balance at end of the year	**24,795.7**	**24,054.0**	**741.7**
Carrying value at end of the year	**16,290.3**	**15,532.3**	**758.0**

13. INVESTMENT IN SUBSIDIARIES

Accounting policy

The carrying value of a subsidiary is stated at cost less accumulated impairment losses.

Loss of control

When the Company loses its power over the relevant activities of a subsidiary, it derecognises the investment in subsidiary and any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

All subsidiaries are incorporated in the Republic of South Africa and consist of:

Figures in million – SA rand	2014	2013	2012
The Company has a 100% beneficial holding in:			
Agrihold Proprietary Limited	**16.4**	16.4	16.4
St Helena Hospital Proprietary Limited [5]	**12.1**	11.2	9.1
Sibanye Gold Protection Services Proprietary Limited [5]	**18.9**	13.8	8.0
Sibanye Gold Shared Services Proprietary Limited [1, 5]	**18.6**	12.4	–
Sibanye Gold Academy Proprietary Limited [1, 5]	**6.4**	3.1	–
Golden Hytec Farming Proprietary Limited [2]	**–**	–	9.2
Golden Oils Proprietary Limited [2]	**–**	–	8.7
M Janse van Rensburg Proprietary Limited [1]	**–**	–	–
Milen Mining Proprietary Limited [1]	**–**	–	–
West Driefontein Gold Mining Company [1]	**–**	–	–
Witwatersrand Deep Investments Limited [1]	**–**	–	–
The Company has a less than 100% beneficial holding in:			
Bushbuck Ventures Proprietary Limited [1, 3]	**–**	–	–
Oryx Ventures Proprietary Limited [1, 3]	**–**	–	–
Newshelf 1114 Proprietary Limited [6]	**709.2**	–	–
Witwatersrand Consolidated Gold Resources Limited [7]	**415.3**	–	–
Living Gold Proprietary Limited [4]	**–**	118.6	118.6
Sub-total	**1,196.9**	175.5	170.0
Less impairment of Golden Hytec Farming and Golden Oils [2]	**–**	–	(17.9)
Loss on loss of control of Living Gold [4]	**–**	(113.6)	–
Fair value of Living Gold transferred to equity-accounted investments [3]	**–**	(5.0)	–
Total investment in subsidiaries	**1,196.9**	56.9	152.1

1 *This is a nominal amount shown as zero due to rounding.*
2 *The investments in Golden Hytec Farming Proprietary Limited (Golden Hytec) and Golden Oils Proprietary Limited (Golden Oils) were fully impaired during 2012.*
3 *The company has a 95% beneficial holding in Bushbuck Ventures Proprietary Limited and Oryx Ventures Proprietary Limited (2012: 95%).*
4 *Living Gold Proprietary Limited, was a subsidiary of Sibanye until 31 December 2013. Refer to note 15(b) for more details on the loss of control over Living Gold.*
5 *The increase of these investments relates to equity-settled share-based payments, relating to Sibanye shares, issued to employees of these subsidiaries.*
6 *The company has a 76% holding in Newshelf 1114 Proprietary Limited (Newshelf 1114), which consists of a 100% shareholding in Rand Uranium Proprietary Limited (Rand Uranium) and Ezulwini Proprietary Limited (Ezulwini), collectively referred to as Cooke.*
7 *The company has a 100% holding in Witwatersrand Consolidated Gold Resources Limited (Wits Gold)*

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14. RELATED-PARTY LOANS

Figures in million – SA rand	2014	2013	2012
Newshelf 1114	**2,728.5**	–	–
Rand Uranium	**2,021.6**	–	–
Rand Refinery Proprietary Limited [1]	**384.6**	–	–
Other	**224.5**	–	–
Total related-party loans before impairment	**5,359.2**	–	–
Impairment of Rand Refinery Loan [2]	**(329.5)**	–	–
Total related-party loans	**5,029.7**	–	–

[1] *The company has a 33.1% investment in Rand Refinery Proprietary Limited (Rand Refinery)*
[2] *Refer to note 15(a) Investment in associates for detail about the Rand Refinery loan and its impairment*

Gold Fields Limited and its subsidiaries were related parties until the unbundling date of 18 February 2013. Refer to note 39 for further details of the Company's related parties.

15. INVESTMENT IN ASSOCIATES

Significant accounting judgements and estimates
Following the adoption of a new Enterprise Resource Planning (ERP) system in April 2013, Rand Refinery has been unable to reconcile its actual gold inventory against its accounting records. Despite various internal projects undertaken by Rand Refinery and external reviews by experts, the root cause of the imbalance has not yet been identified. The interim conclusion that Rand Refinery's management has reached is that the imbalance is a processing inefficiency. The carrying value of Rand Refinery is an area of estimation and uncertainty, until the root cause of the imbalance is determined. Accordingly it is reasonably possible, on the basis of the knowledge available at the date the annual financial statements were approved for issue, that the outcomes of further initiatives by Rand Refinery's management could require a material adjustment, positive or negative, to the carrying value of the investment in Rand Refinery.

Accounting policy
An associate is an investment over which the Company exercises significant influence, but not control. Associates are accounted for from the date that significant influence is obtained to the date that the Company ceases to have significant influence control.

Associates are initially accounted for at fair value when significant influence is obtained and subsequently at cost (initial fair value) less accumulated impairment losses.

The Company holds the following equity-accounted investments:

Figures in million – SA rand	2014	2013	2012
Rand Refinery	**19.4**	19.4	19.4
Living Gold	**5.0**	5.0	–
Balance before impairment	**24.4**	24.4	19.4
Impairment of Rand Refinery	**(19.4)**	–	–
Balance at end of the year	**5.0**	24.4	19.4

(a) Rand Refinery

Sibanye has a 33.1% interest in Rand Refinery Proprietary Limited (Rand Refinery), a company incorporated in the Republic of South Africa, which is involved in the refining of bullion and by-products sourced from, *inter alia*, South African and foreign gold producing mining companies.

In April 2013, Rand Refinery implemented a new ERP system. The customisation of this software was problematic with the result that Rand Refinery was not able to fully reconcile certain accounts at 30 September 2013. More specifically an imbalance was detected between physical gold and silver on hand (physical inventory) and what Rand Refinery owed its depositors and bullion bankers (ownership) per the metallurgical trial balance. The uncertainty around the true inventory position prevented Rand Refinery from finalising its annual financial statements for the year ended 30 September 2013 by the time that Sibanye finalised its financial results for the year ended 31 December 2013. Accordingly, Sibanye's estimated share of results of Rand Refinery for the year ended 31 December 2013 was based on Rand Refinery's unaudited management accounts. At 31 December 2013 any share of the potential adjustment from the unaudited management accounts was limited to the carrying value of the investment of R270.1 million.

Rand Refinery's investigations to determine the root cause of the imbalance continued throughout the 2014 calendar year and are still ongoing.

Based on information available at 30 June 2014, the gold imbalance was estimated at 87,000oz. Based on its detailed discussions and due diligence Sibanye estimated a 50% probability that the gold imbalance was not recoverable. Sibanye's share of this loss adjustment was R196.4 million. This amount was partly offset by Sibanye's R45.9 million share of Rand Refinery's profits for the six month period, resulting in an estimated net loss share of R150.5 million which was recognised in Sibanye's profit and loss for the six months ended 30 June 2014. At 30 June 2014, the continued uncertainty relating to the imbalance and discussions regarding the establishment of an irrevocable subordinated shareholder loan were indicators of impairment. As Sibanye's proportional share of the proposed shareholder loan exceeded the carrying value of the investment at 30 June 2014, the remaining carrying value of the investment in Rand Refinery was fully impaired and accordingly an impairment loss of R19.4 million relating to the cost of the investment was recognised.

On 23 July 2014 following discussion with the bullion bankers, AngloGold Ashanti Limited (42.4% shareholding), Sibanye, Harmony (11.3% shareholding) and Gold Fields Operations Limited (GFO) (2.8% shareholding) (together, the Financing Shareholders) collectively agreed to offer financial support to Rand Refinery in the form of an irrevocable subordinated loan of up to R1.2 billion (the Facility). Under the terms of this agreement Rand Refinery could only draw on the Facility when there was confirmation that an actual imbalance exists. Sibanye's proportional share of the Facility amounted to R448.8 million.

On 18 December 2014, Rand Refinery drew down R1.029 billion under the Facility, with Sibanye's proportional share of the Facility being R384.6 million. Any amounts drawn under the Facility are repayable within two years from the first draw down date. If the loan is not repaid within the two years, it will automatically convert into equity in Rand Refinery. Interest under the Facility will be at Johannesburg Interbank Agreed Rate (JIBAR) plus a margin of 3.5%. Sibanye has subordinated all claims it might have against Rand Refinery as part of the Facility agreement. At 31 December 2014, there was still ongoing discussions regarding the imbalance, this was an indicator that the loan could not be fully recoverable. Accordingly an impairment of R329.5 million was recognised in relation to the loan to Rand Refinery.

On 19 December 2014, Rand Refinery issued its audited financial statements for the years ended 30 September 2013 and 30 September 2014 which indicated a total loss of 71,000oz relating to the imbalance. The financial statements stated that despite various internal projects undertaken and external reviews by experts, the root cause of the imbalance has not yet been identified. The interim conclusion that Rand Refinery's management has reached, is that the imbalance is a processing efficiency. Further initiatives are being introduced to continue to try to identify the root cause of the imbalance. Based on the latest information available, Sibanye prospectively reduced the carrying value of its investment in Rand Refinery with R19.4 million and also reduced the balance of the loan receivable with R329.5 million for the six months ending 31 December 2014.

(b) Living Gold

Sibanye has a 50% interest in Living Gold Proprietary Limited (Living Gold), a company incorporated in the Republic of South Africa, involved in growing and processing agricultural products. Living Gold was a subsidiary until 31 December 2013. Living Gold's management acquired a 30% interest from Sibanye in 2013 (2012: 10%) and exercised its option to acquire a further 10% during March 2014. This allows the management of Living Gold to appoint 50% of the directors and manage the entity. Sibanye has assessed that the management of Living Gold controlled the entity in terms of IFRS 10 Consolidated Financial Statements, before the additional 10% was acquired. As a result Living Gold was de-recognised as a subsidiary, and accounted for as an associate.

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16. INVESTMENTS

Accounting policy

Investments comprise investments in unlisted companies and structured entities. Investments in unlisted entities are accounted for at directors' valuation adjusted for impairments where appropriate. Investments in structured entities are accounted for at cost adjusted for impairments, where appropriate.

Figures in million – SA rand	2014	2013	2012
Unlisted			
Carrying value and directors' valuation	**1.2**	1.2	1.2
Investment in cell captives at cost	**144.3**	144.3	–
Total investments	**145.5**	145.5	1.2

17. ENVIRONMENTAL REHABILITATION OBLIGATION FUNDS

Significant accounting judgments and estimates

The Company's rehabilitation obligation funds consist of equity-linked investments that are fair valued at each reporting date. The fair value is calculated with reference to underlying equity instruments using industry valuation techniques and appropriate models. While Sibanye's management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the investments.

Accounting policy

Annual contributions are made to dedicated environmental rehabilitation obligation funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The amounts contributed to these funds are included under non-current assets and are measured at fair value through profit and loss. Interest earned on monies paid to rehabilitation funds is accrued on a time proportion basis and is recorded as interest income.

In addition, guarantees are provided for funding shortfalls of the environmental rehabilitation obligations.

Figures in million – SA rand	2014	2013	2012
Environmental rehabilitation obligation funds			
Balance at beginning of the year	**1,588.1**	1,331.1	1,236.6
Contributions	**67.3**	172.3	24.3
Interest earned	**92.0**	84.7	70.2
Fair value adjustment [1]	**62.7**	–	–
Balance at end of the year	**1,810.1**	1,588.1	1,331.1
Environmental rehabilitation obligation funds comprise of the following:			
Restricted cash [2]	**100.8**	73.5	49.2
Funds	**1,709.3**	1,514.6	1,281.9

[1] *The environmental rehabilitation trust fund includes equity-linked investments that are valued at each reporting date.*
[2] *The funds are set aside to serve as collateral against the guarantees made to the Department of Mineral Resources (DMR) for environmental rehabilitation obligations.*

The proceeds from this fund are intended to fund environmental rehabilitation obligations of the Company's mines and they are not available for general purposes of the Company. All income from this asset is reinvested or spent to meet these obligations, refer to note 26.

18. FINANCIAL GUARANTEE

Accounting policy

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

As of 18 February 2013, the Gold Fields Group is no longer guaranteeing any debt of Sibanye, similarly Sibanye has been released from all of its obligations as guarantor under Gold Fields Group debt, except, Sibanye remains a joint guarantor of the US$1 billion 4.875% guaranteed notes (the Notes) issued by Gold Fields Orogen Holding (BVI) Limited (Orogen), a subsidiary of Gold Fields, on 30 September 2010 maturing on 7 October 2020. Interest on these notes is due and payable semi-annually on 7 April and 7 October in arrears. The payment of all amounts due in respect of the Notes is unconditionally and irrevocably guaranteed by Gold Fields, Sibanye, GFO and Gold Fields Holdings Company (BVI) Limited (GF Holdings) (collectively the Guarantors), on a joint and several basis.

The Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively.

An indemnity agreement (the Indemnity Agreement) has been entered into between the Guarantors, pursuant to which the Guarantors (other than Sibanye) hold Sibanye harmless from and against any and all liabilities and expenses which may be incurred by Sibanye under or in connection with the Notes, including any payment obligations by Sibanye to the note holders or the trustee of the Notes pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in place for as long as Sibanye's guarantee obligations under the Notes remain in place.

The Company initially recognised the financial guarantee liability at fair value of the guarantee in connection with the Notes. The liability is amortised over the remaining period of the Notes and should facts and circumstances change on the ability of the Gold Fields Group's ability to meet its obligation under the Notes, the liability will be re-valued accordingly.

As of 18 February 2013, the Company raised a receivable under the financial guarantee asset for the future guarantee fee income that Orogen is obliged to pay bi-annually to Sibanye until it has been released as a guarantor under the Notes (Guarantee Fee Agreement). Sibanye has ceded all of its rights, title and interest in and to the Indemnity Agreement and Guarantee Fee Agreement in favour of the lenders of the R4.5 billion Facilities, jointly and severally, as security for its obligations under the facilities.

18.1 FINANCIAL GUARANTEE ASSET

Figures in million – SA rand	2014	2013	2012
Balance at beginning of the year	**290.2**	–	–
Initial recognition at fair value	**–**	282.3	–
Guarantee fee received	**(53.6)**	(47.0)	–
Interest earned	**15.0**	12.3	–
Foreign exchange gain	**31.0**	42.6	–
Balance at end of the year	**282.6**	290.2	–
Reconciliation of the non-current and current portion of the guarantee asset:			
Financial guarantee asset	**282.6**	290.2	–
Current portion of financial guarantee asset	**(57.1)**	(51.7)	–
Long-term potion of financial guarantee asset	**225.5**	238.5	–

The financial guarantee asset was discounted to a present value at 5.38%, which is a reflection of the interest rate of the Notes adjusted for risk factors.

18.2 FINANCIAL GUARANTEE LIABILITY

Figures in million – SA rand	2014	2013	2012
Balance at beginning of the year	**206.6**	196.4	–
Initial recognition at fair value	**–**	–	210.2
Amortisation of guarantee liability [1]	**(31.8)**	(28.2)	(24.1)
Foreign exchange loss	**22.2**	38.4	10.3
Balance at end of the year	**197.0**	206.6	196.4

[1] *The amortisation charge of the guarantee liability is disclosed as part of the (loss)/gain on financial instruments on the face of the income statement.*

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19. INVENTORIES

Significant accounting judgments and estimates

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

Accounting policy

The Company's inventories comprise consumable stores. Inventories are valued at the lower of cost and net realisable value. Consumable stores are valued at weighted average cost, after appropriate provision for surplus and slow-moving items. The Company values gold-in-process when it can be reliably measured.

Figures in million – SA rand	2014	2013	2012
Consumable stores	**19.8**	4.0	4.1
Total inventories	**19.8**	4.0	4.1

20. TRADE AND OTHER RECEIVABLES

Accounting policy

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of all outstanding amounts at period end. Irrecoverable amounts are written off during the period in which they are identified.

Figures in million – SA rand	2014	2013	2012
Trade receivables – gold sales	**309.5**	473.3	212.6
Other trade receivables	**87.3**	44.1	32.3
Prepayments	**61.5**	115.0	76.5
Value added tax	**226.2**	192.9	97.8
Payroll debtors	**83.8**	52.2	50.2
Other	**11.6**	41.2	47.7
Total trade and other receivables	**779.9**	918.7	517.1

Sibanye has ceded its accounts receivables in favour of the lenders of the R4.5 billion Facilities as security, refer to note 25(a).

21. RELATED-PARTY RECEIVABLES

Figures in million – SA rand	2014	2013	2012
Other trade receivables			
Related-party receivables	**1,206.3**	140.5	1,013.8
Total related-party receivables	**1,206.3**	140.5	1,013.8

Gold Fields and its subsidiaries were related parties until the unbundling date of 18 February 2013. Refer to note 39 for further details of the Company's related parties.

22. CASH AND CASH EQUIVALENTS

Accounting policy

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

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

Figures in million – SA rand	2014	2013	2012
Cash at the bank and on hand	**83.4**	722.7	142.6
Restricted cash [1]	**–**	410.0	–
Total cash and cash equivalents	**83.4**	1,132.7	142.6

[1] *At 31 December 2013 R410.0 million was in an escrow account, being the consideration for the Wits Gold acquisition.*

Sibanye has ceded certain of its bank accounts in favour of the lenders of the R4.5 billion Facilities as security, refer to note 25(a).

23. STATED SHARE CAPITAL

Accounting policy

Ordinary share capital

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

Figures in million – SA rand	2014	2013	2012
Authorised number of shares ('000)	**1,000,000**	1,000,000	1,000,000
Reconciliation of issued number of shares ('000)			
Number of shares in issue at beginning of the year	**735,079**	1	1
Shares issued on unbundling	**–**	731,648	–
Shares issued as consideration for the acquisition of Cooke	**156,895**	–	–
Shares issued under SGL Share Plan	**6,866**	3,430	–
Number of shares in issue at end of the year ('000)	**898,840**	735,079	1

There was no change to the authorised share capital during the year. The authorised and issued shared capital of the Company was converted from par value to no par value shares and the authorised share capital was increased during 2012 by the creation of an additional 999,999,000 no par value ordinary shares.

In terms of the general authority granted by the shareholders of the Company on 17 June 2014, the Board may issue authorised but unissued ordinary share capital representing not more than 5% of the issued share capital of the Company at 31 December 2013 in accordance with the memorandum of incorporation and the Companies Act.

On 15 May 2014, the Company issued 156,894,754 shares for the acquisition of Cooke in terms of the shareholders approval on 5 November 2013 that the Company may issue of 150 million ordinary shares, or such number of shares that represent 17% of the issued share capital, on a fully diluted basis for the acquisition.

All the Sibanye ordinary shares rank pari passu in all respects, there being no conversion or exchange rights attached thereto, and all of the ordinary shares will have equal rights to participate in capital, dividend and profit distributions by the Company.

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24. DEFERRED TAXATION

Accounting policy
Refer to note 10 for details of the accounting policy on deferred taxation.

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

Figures in million – SA rand	2014	2013	2012
Deferred taxation liabilities			
Mining assets	**3,928.4**	3,845.7	4,406.0
Environmental rehabilitation obligation funds	**452.1**	414.9	364.4
Other	**93.3**	108.8	0.6
Gross deferred taxation liabilities	**4,473.8**	4,369.4	4,771.0
Deferred taxation assets			
Environmental rehabilitation obligation	**(464.0)**	(437.8)	(487.0)
Other provisions	**(216.0)**	(199.0)	(115.9)
Share-based payment obligation	**(85.6)**	–	–
Gross deferred taxation assets	**(765.6)**	(636.8)	(602.9)
Net deferred taxation liabilities	**3,708.2**	3,732.6	4,168.1

Figures in million – SA rand	2014	2013	2012
Reconciliation of the deferred taxation balance:			
Balance at beginning of the year	**3,732.6**	4,168.1	5,000.3
Recognised in profit or loss	**(24.4)**	(514.6)	(832.2)
Recognised in equity	**–**	79.1	–
Balance at end of the year	**3,708.2**	3,732.6	4,168.1

These deductions are available to be utilised against income generated by the relevant tax entity and do not expire unless the tax entity concerned ceases to operate for a period longer than one year. Under South African Mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilised by the tax entities in which the deductions have been generated.

25. BORROWINGS

Significant accounting judgments and estimates
Borrowings are recognised initially at fair value. Expected future cash flows used to determine the fair value of borrowings are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, estimates of production costs, future capital expenditure and discount rates.

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

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

(a) R4.5 billion Facilities

On 13 December 2013, Sibanye cancelled and replaced the Bridge Loan Facilities by drawing R2 billion under the R4.5 billion Facilities (the R4.5 billion Facilities), the balance may be applied to ongoing capital expenditure, working capital and general corporate expenditure requirements, where required.

Terms of the R4.5 billion Facilities

Facility:	– R2.5 billion revolving credit facility (RCF)
	– R2.0 billion term loan facility (Term Loan)
Interest rate:	JIBAR (Quoted at 6.13% at year-end)
Interest rate margin:	– RCF: 2.85% (Repricing possible if Sibanye is released as guarantor under the Notes, refer to note 18)
	– Term Loan: 2.75% (Repricing possible if Sibanye is released as guarantor under the Notes, refer to note 18)
Term of loan:	Three years
Repayment period:	The Term Loan will repaid in equal six-monthly instalments of R250 million, with the R750 million balance due for settlement on final maturity, being 13 December 2016
Security:	Sibanye have lodged and registered a security package for its obligation under the R4.5 billion Facilities. The security package includes a cession over certain bank accounts, accounts receivables, certain insurance policies proceeds, material contracts, shares in material subsidiaries and a general notarial bond over movable assets on the mine properties. Sibanye will also have to register mortgage bonds over substantially all of the properties (excluding mining rights) covering the Driefontein mining operation and special notarial bonds over the gold plants and main infrastructure of the Driefontein mining operation. Subsequent to the acquisition of Cooke, Sibanye has also pledged its shares in Newshelf 1114 as security.
Guarantors:	Rand Uranium and Ezulwini

Figures in million – SA rand	2014	2013	2012
Balance at beginning of the year	**1,990.9**	–	–
Loans advanced	**884.6**	2,000.0	–
Loans repaid	**(900.0)**	–	–
Unwinding of interest/(financing costs capitalised)	**4.0**	(9.1)	–
Balance at end of the year	**1,979.5**	1,990.9	–
Reconciliation of facilities:			
Term loan	**1,494.9**	1,990.9	–
RCF	**484.6**	–	–
Total facilities utilised	**1,979.5**	1,990.9	–

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25. BORROWINGS (continued)

(b) Bridge Loan Facilities

On 28 November 2012, Sibanye entered into a R6.0 billion term loan and RCF (the Bridge Loan Facilities) reducing to R5.0 billion as detailed below.

Terms of the Bridge Loan Facilities

Facility:	– R2.0 billion RCF (Facility A) increased to R3.0 billion after it was amended in July 2013 – R4.0 billion term loan facility (Facility B) reduced to R3.0 billion after it was amended in July 2013 – Facility A and B would have reduced to R2.5 billion on the earliest of the Company declaring a final dividend in respect of 2013 or 12 months after the unbundling date
Interest rate:	JIBAR
Interest rate margin:	– 3.0% for 12 months after unbundling – 3.5% for last six months of the facilities – If Sibanye was not released as guarantor under the Notes within six months of unbundling, being 18 August 2013, the margin would have increased to 3.25% and 3.75% for the seven to 12 month and 13 to 18 month periods after unbundling, respectively
Repayment period:	Full payment of the outstanding amount on maturity of the loan, being 18 August 2014
Cancellation:	These facilities were cancelled and repaid on 13 December 2013.

Figures in million – SA rand	2014	2013	2012
Loans advanced	–	4,570.0	–
Loans repaid	–	(4,570.0)	–
Balance at end of the year	–	–	–

(c) Long-term credit facilities

Sibanye and GFO (collectively the Borrowers) entered into various RCFs with some of the major banks in South Africa with tenors between three and five years. The purpose of these facilities was to finance capital expenditure, general corporate and working capital requirements and to refinance existing borrowings.

Terms of the Revolving credit facilities

Facility:	– R1.0 billion RCF entered into on 9 December 2009 – R500.0 million RCF entered into on 8 March 2010 – R2.0 billion RCF entered into on 15 December 2011
Interest rate:	JIBAR
Interest rate margin:	– R1.0 billion RCF: 3.00% – R500.0 million RCF: 2.85% – R2.0 billion RCF: 1.95%
Term of loan:	– R1.0 billion RCF matures on 30 June 2013, being 3.5 years – R500.0 million RCF maturing on 10 March 2013, being three years – R2.0 billion RCF maturing on 19 December 2016, being five years
Repayment period:	Full payment of outstanding amounts were due on maturity
Guarantors:	Gold Fields and certain of its subsidiaries: GF Holdings, GFO, Orogen, Newshelf 899 Proprietary Limited and Sibanye.
Cancellation:	These facilities were cancelled and repaid on 18 February 2013

Figures in million – SA rand	2014	2013	2012
Balance at beginning of the year	–	3,000.0	–
Loans advanced	–	500.0	3,000.0
Loans repaid	–	(3,500.0)	–
Balance at end of the year	–	–	3,000.0

(d) Short-term credit facilities

Sibanye utilised uncommitted loan facilities with various banks to fund the capital expenditure and working capital requirements at its operations.

These facilities had no fixed terms, were short-term in nature and interest rates were market related.

Figures in million – SA rand	2014	2013[1]	2012[1]
Balance at beginning of the year	–	1,220.0	–
Loans advanced	739.0	550.0	1,220.0
Loans repaid	(739.0)	(1,770.0)	–
Balance at end of the year	–	–	1,220.0

[1] *Borrowings under these facilities were guaranteed by Gold Fields. On the date of unbundling, these facilities were refinanced by drawing down under the Bridge Loan Facilities as detailed in (b).*

Summary

Figures in million – SA rand	2014	2013	2012
(a) R4.5 billion Facilities	1,979.5	1,990.9	–
(c) Long-term credit facilities	–	–	3,000.0
(d) Short-term credit facilities	–	–	1,220.0
Gross borrowings	1,979.5	1,990.9	4,220.0
Current portion of borrowings	(498.1)	(499.5)	(2,220.0)
Non-current borrowings	1,481.4	1,491.4	2,000.0

Figures in million – SA rand	2014	2013	2012
The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:			
Six months or less	–	–	1,220.0
Floating rate with exposure to change in JIBAR	1,979.5	1,990.9	3,000.0
Non-current borrowings exposed to interest rate changes	1,979.5	1,990.9	4,220.0
The Company has the following undrawn borrowing facilities:			
Committed [1]	1,494.9	2,500.0	6,756.1
Uncommitted	484.6	499.7	–
Total undrawn facilities	1,979.5	2,999.7	6,756.1
All of the above facilities have floating rates. The uncommitted facilities have no expiry dates. The undrawn committed facilities have the following expiry dates:			
– within one year	–	–	500.0
– later than one year and not later than two years	1,494.9	–	–
– later than two years and not later than three years	–	2,500.0	–
– later than three years and not later than five years	–	–	6,256.1
Total undrawn committed facilities	1,494.9	2,500.0	6,756.1

[1] *During 2012, Sibanye was also a borrower under two Gold Fields group RCFs totalling US$1.5 billion. Sibanye never utilised these facilities and they were cancelled on 15 February 2013.*

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26. ENVIRONMENTAL REHABILITATION OBLIGATION

Significant accounting judgments and estimates

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

Accounting policy

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

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

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

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a pre-tax risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. Changes in estimates are capitalised or reversed against the relevant asset. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the income statement. The present value of environmental disturbances created is capitalised to mining assets against an increase in the environmental rehabilitation obligation.

Accounting policy (continued)

Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is charged against income as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is amortised over the remaining lives of the mines.

Figures in million – SA rand	2014	2013	2012
Balance at beginning of the year	**1,660.7**	1,739.1	1,417.1
Change in estimates [1]	**(21.6)**	(160.6)	264.3
Interest charge [2]	**131.4**	92.7	57.7
Payments made	**(10.9)**	(10.5)	–
Balance at end of the year	**1,759.6**	1,660.7	1,739.1

[1] *Changes in estimates are defined as changes in reserves and corresponding changes in life of mine as well as changes in laws and regulations governing environmental matters.*
[2] *The provision is calculated based on the discount rates of 7.2% - 8.0% (2013: 7.2% – 8.2% and 2012: 5.2% – 7.0%).*

The Company's mining operations are required by law to undertake rehabilitation works as part of their on-going operations. The Company makes contributions into environmental rehabilitation obligation funds (refer to note 17) and holds guarantees to partly secure the estimated costs.

27. POST-RETIREMENT HEALTHCARE OBLIGATION

Accounting policy

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

Actuarial gains/losses and service costs are recognised in other comprehensive income and profit and loss, respectively, when they are incurred.

The Company has certain liabilities to subsidise the contributions payable by certain pensioners and dependants of ex-employees on a pay-as-you-go basis in terms of a defined benefit plan. The remaining obligation was actuarially valued at 31 December 2013 and the outstanding contributions will be funded over the lifetime of these pensioners and dependants.

The following table sets forth the funded status and amounts recognised for post-retirement healthcare obligation:

Figures in million – SA rand	2014	2013	2012
Actuarial present value	**14.9**	16.0	17.3
Plan assets at fair value	**–**	–	–
Accumulated benefit obligation in excess of plan assets	**14.9**	16.0	17.3
Unrecognised prior service costs	**–**	–	–
Unrecognised actuarial (gains)/losses	**–**	–	–
Post-retirement healthcare obligation	**14.9**	16.0	17.3
Benefit obligation reconciliation:			
Balance at beginning of the year	**16.0**	17.3	16.4
Interest charge	**1.2**	1.3	2.1
Payments during the year	**(2.3)**	(2.6)	(1.2)
Balance at end of the year	**14.9**	16.0	17.3

The obligation has been valued using the projected unit credit funding method on past service liabilities. The valuation assumes a healthcare cost inflation rate of 7.5% per annum (2013 and 2012: 7.5%) and a discount rate of 8.0% per annum (2013 and 2012: 8.0%). Assumed healthcare cost trend rates have a significant impact on the amounts reported for the healthcare plans.

A one percentage point increase in assumed healthcare trend rates would have increased the interest charge for the period to December 2014 by R0.1 million (10.1%) (2013: R0.1 million (10.1%) and 2012: R0.2 million (11.0%)). The effect of the change on the accumulated post-retirement healthcare benefit obligation at 31 December 2014 would have been an increase of R1.7 million (10.1%) (2013: R1.7 million (10.1%) and 2012: R1.8 million (10.6%)).

A one percentage point decrease in assumed healthcare trend rates would have decreased interest cost for the period to 31 December 2014 by R0.1 million (8.6%) (2013: R0.1 million (8.6%) and 2012: R0.1 million (9.3%)). The effect of this change on the accumulated post-retirement healthcare benefit obligation at 31 December 2014 would have been a decrease of R1.4 million (9.5%) (2013: R1.4 million (9.5%) and 2012: R1.6 million (9.0%)).

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28. TRADE AND OTHER PAYABLES

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

Figures in million – SA rand	2014	2013	2012
Trade creditors	**251.9**	295.7	208.0
Accruals and other creditors	**643.0**	644.8	661.1
Payroll creditors	**628.3**	369.1	164.6
Leave pay accrual	**401.7**	375.4	375.5
Other	**7.4**	3.1	4.1
Total trade and other payables	**1,932.3**	1,688.1	1,413.3

29. RELATED-PARTY PAYABLES

Figures in million – SA rand	2014	2013	2012
Other trade payables			
Related-party payables	**514.6**	21.6	14.2
Loans			
GFL Mining Services Limited	**–**	–	17,108.0
Ezulwini	**389.1**	–	–
Other	**362.9**	300.6	519.9
Total related-party payables	**1,266.6**	322.2	17,642.1

Gold Fields and its subsidiaries were related parties until the unbundling date of 18 February 2013. Refer to note 39 for further details relating to related-party balances.

30. CASH GENERATED BY OPERATIONS

Figures in million – SA rand	2014	2013	2012
Profit for the year	**2,111.5**	1,523.7	2,880.1
Royalties	**422.1**	414.6	282.1
Mining and income taxation	**848.3**	284.1	(381.8)
Investment income	**(172.6)**	(149.6)	(98.1)
Finance expense	**328.8**	419.4	176.2
Profit before interest and taxation	**3,538.1**	2,492.2	2,858.5
Non-cash and other adjusting items:			
Amortisation and depreciation	**2,921.7**	3,083.4	2,345.2
Gain on foreign exchange differences	**(8.8)**	(4.2)	(1.2)
Loss/(gain) on financial instruments	**82.1**	4.6	(13.8)
Share-based payments	**368.8**	258.8	209.8
Impairment	**504.4**	821.0	–
Impairment of investment of subsidiary	**–**	–	17.9
Reversal of impairment	**(474.1)**	–	–
Loss on loss of control of subsidiary	**–**	113.6	–
Other	**(4.7)**	(10.8)	(0.9)
Total cash generated by operations	**6,927.5**	6,758.6	5,415.5

31. CHANGE IN WORKING CAPITAL

Figures in million – SA rand	2014	2013	2012
Inventories	**(15.8)**	0.1	–
Trade, related and other receivables	**(927.0)**	471.7	(823.6)
Trade, related and other payables	**737.2**	282.2	61.5
Total change in working capital	**(205.6)**	754.0	(762.1)

32. ROYALTIES PAID

Figures in million – SA rand	2014	2013	2012
Amount owing at beginning of the year	**(240.0)**	(74.4)	(206.0)
Royalties	**(422.1)**	(414.6)	(282.1)
Amount owing at end of the year	**12.7**	240.0	74.4
Total royalties paid	**(649.4)**	(249.0)	(413.7)

33. TAXATION PAID

Figures in million – SA rand	2014	2013	2012
Amount owing at beginning of the year	**(531.1)**	(12.4)	(514.2)
Current taxation	**(872.7)**	(798.7)	(450.4)
Amount owing at end of the year	**67.9**	531.1	12.4
Total taxation paid	**(1,335.9)**	(280.0)	(952.2)

34. COMMITMENTS

Figures in million – SA rand	2014	2013	2012
Capital expenditure			
– authorised	**3,298.9**	4,206.3	4,340.7
Kloof	**1,851.0**	1,847.6	1,966.1
Driefontein	**1,177.1**	1,387.1	1,470.1
Beatrix	**270.8**	965.0	897.9
Other	**–**	6.6	6.6
– contracted for	**316.4**	286.9	511.4
Other guarantees	**55.5**	4.1	4.1

Commitments will be funded from internal sources and to the extent necessary from borrowings. This expenditure primarily relates to hostel upgrades, mining activities and infrastructure. Also refer to note 18 for debt guarantees provided by the Company.

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35. CONTINGENT LIABILITIES

Significant accounting judgments and estimates

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the control of the Company occur or fail to occur or for contingent liabilities a present obligation arising from a past event but is not recognised because either it is not probable that an out-flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be determined with sufficient reliability. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Occupational healthcare services

The Company provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost has not yet been quantified. The Company is monitoring developments in this regard.

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

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye (the December Respondents and, together with the August Respondents, the Respondents), on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, amongst others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (the Classes). The court application of 21 August 2012 and the court application of 21 December 2012 are together referred to below as the Applications.

These Applications request that the court certify a class action to be instituted by the applicants on behalf of the Classes. The Applications are the first and preliminary steps in a process where, if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold the Respondents liable for silicosis and other occupational lung diseases and resultant consequences. In the second stage, the Applications contemplate addressing what the applicants describe as common legal and factual issues regarding the claim arising from the allegations of the entire Classes. If the applicants are successful in the second stage, they envisage that individual members of the Classes could later submit individual claims for damages against the respective Respondents. The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages the applicants may seek.

With respect to the Applications, Sibanye filed a notice of its intention to oppose the application and instructed its attorneys to defend the claims. The two class actions were consolidated into one action during 2013. Sibanye and its attorneys further engaged with the applicants' attorneys and the court in both Applications to try to establish a court-sanctioned process to agree the timelines. Such a process was agreed upon and timelines imposed by means of a timetable. Sibanye has thus far filed all its papers opposing the Applications. The date for the hearing of the Applications is currently the weeks of 12 and 19 October 2015.

At this stage, Sibanye cannot quantify the potential liability from the action as the Application is currently for certification of a class nor the timing of possible outflow.

Financial guarantee

Refer to note 18.

Post closure water management liability

The Company has identified a minor risk of potential long-term Acid Mine Drainage (AMD), on certain of its operations. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. The Company has not been able to reliably determine the financial impact that AMD might have on the Company, however, the Company has adopted a proactive approach by initiating projects such as Sibanye Amanzi (long-term water management strategy), the acquisition and development of innovative treatment technologies; and the development of regional mine closure models to predict water quality impacts. The Company operates a comprehensive water quality monitoring program, including bio-monitoring, as an early detection of potential AMD.

36. EVENTS AFTER THE REPORTING DATE

There were no events that could have a material impact on the financial results of the Company after 31 December 2014, other than those disclosed below.

Final dividend declared

On 19 February 2015 a final dividend in respect of the six months ended 31 December 2014 of 62 SA cents per share was approved by the Board and payable on 23 March 2015. This dividend is not reflected in these financial statements. The final dividend will be subject to Dividend Withholding Tax.

37. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Significant accounting judgments and estimates

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

Accounting policy

Financial instruments recognised in the statement of financial position include cash and cash equivalents, investments, trade and other receivables, related party receivables, borrowings, trade and other payables, related party payables and derivative financial instruments.

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

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and those event(s) had an impact on the estimated future cash flows of that asset, that can be estimated reliably. Impairment losses are recognised through profit and loss.

On derecognition of a financial asset or liability, the difference between the carrying amount of the asset or liability and the sum of the consideration received and cumulative gains recognised in equity is recognised in profit and loss.

Refer to the relevant notes for the accounting policies of the following financial assets and financial liabilities:

- Investments
- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables
- Financial guarantees
- Borrowings
- Environmental rehabilitation obligation funds

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

- **Trade and other receivables/payables, related-party receivables/payables, cash and cash equivalents, and financial guarantee asset and liability**

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

- **Investments and environmental rehabilitation obligation funds**

  The fair value of publicly traded instruments is based on quoted market values. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the funds' investments.

- **Borrowings**

  The fair value of borrowings approximates its carrying amounts as the impact of credit risk is included in the measurement of carrying amounts.

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

- **Financial instruments**

The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates at 31 December 2014. All derivatives are carried on the statement of financial position at fair value.

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

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

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

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

	Carrying value					Fair Value			
Figures in million – SA rand	Fair value through profit and loss	Loans and other receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2014									
Financial assets									
Not measured at fair value:									
– Cash and cash equivalents	–	83.4	–	–	**83.4**				
– Trade and other receivables	–	492.2	–	–	**492.2**				
– Financial guarantee asset	–	282.6	–	–	**282.6**				
– Investment in cell captives	–	144.3	–	–	**144.3**				
Measured at fair value:									
– Environmental rehabilitation obligation funds	1,810.1	–	–	–	**1,810.1**	1,810.1	–	–	**1,810.1**
– Investments	–	–	1.2	–	**1.2**	–	–	1.2	**1.2**
Financial liabilities									
Not measured at fair value:									
– Trade and other payables	–	–	–	1,530.6	**1,530.6**				
– Financial guarantee liability	–	–	–	197.0	**197.0**				
– Borrowings	–	–	–	1,979.5	**1,979.5**				
31 December 2013									
Financial assets									
Not measured at fair value:									
– Cash and cash equivalents	–	1,132.7	–	–	1,132.7				
– Trade and other receivables	–	610.8	–	–	610.8				
– Related-party receivables	–	140.5	–	–	140.5				
– Financial guarantee asset	–	290.2	–	–	290.2				
– Investment in cell captives	–	144.3	–	–	144.3				
Measured at fair value:									
– Environmental rehabilitation obligation funds	1,588.1	–	–	–	1,588.1	1,588.1	–	–	1,588.1
– Investments	–	–	1.2	–	1.2	–	–	1.2	1.2
Financial liabilities									
Not measured at fair value:									
– Trade and other payables	–	–	–	1,312.7	1,312.7				
– Financial guarantee liability	–	–	–	206.6	206.6				
– Borrowings	–	–	–	1,990.9	1,990.9				
– Related Party Payables	–	–	–	322.2	322.2				

	Carrying value					Fair Value			
Figures in million – SA rand	Fair value through profit and loss	Loans and other receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2012									
Financial assets									
Not measured at fair value:									
– Cash and cash equivalents	–	142.6	–	–	142.6				
– Trade and other receivables	–	342.8	–	–	342.8				
– Related-party receivables	–	1,013.8	–	–	1,013.8				
Measured at fair value:									
– Environmental rehabilitation obligation funds	1,331.1	–	–	–	1,331.1	1,331.1	–	–	1,331.1
– Investments	–	–	1.2	–	1.2	–	–	1.5	1.5
Financial liabilities									
Not measured at fair value:	–								
– Trade and other payables	–	–	–	1,037.8	1,037.8				
– Financial guarantee liability	–	–	–	196.4	196.4				
– Borrowings	–	–	–	4,220.0	4,220.0				
– Related-party payables	–	–	–	17,642.1	17,642.1				

Environmental rehabilitation obligation funds
Comprises interest-bearing short-term investments valued using quoted market prices.

Unlisted investments
Comprise investments in unlisted companies and structured entities. Investments in unlisted entities are accounted for at directors' valuation adjusted for impairments where appropriate. Investments in structured entities are accounted for at cost adjusted for impairments where appropriate.

38. RISK MANAGEMENT ACTIVITIES

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

Controlling and managing risk in the Company
Sibanye has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Sibanye's Board of Directors (the Board). Management of financial risk is centralised at Sibanye's treasury department (Treasury), which acts as the interface between Sibanye's Operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Board and Executive Committee.

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

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

38. RISK MANAGEMENT ACTIVITIES (continued)

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

- **Liquidity risk management:** the objective is to ensure that the Company is able to meet its short-term commitments through the effective and efficient management of cash and usage of credit facilities.
- **Currency risk management:** the objective is to maximise the Company's profits by minimising currency fluctuations.
- **Funding risk management:** the objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
- **Investment risk management:** the objective is to achieve optimal returns on surplus funds.
- **Interest rate risk management:** the objective is to identify opportunities to prudently manage interest rate exposures.
- **Counterparty exposure:** the objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Company is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions' credit rating. The credit rating used is Fitch Ratings' short-term credit rating for financial institutions.
- **Commodity price risk management:** commodity risk management takes place within limits and with counterparts as approved in the treasury framework.
- **Operational risk management:** the objective is to implement controls to adequately mitigate the risk of error and/or fraud.
- **Banking relations management:** the objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are co-ordinated and consistent throughout the Company and that they comply where necessary with all relevant regulatory and statutory requirements.

Credit risk

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

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

Trade receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable.

The combined maximum credit risk exposure is as follows:

Figures in million – SA rand	2014	2013	2012
Environmental rehabilitation obligation funds	**1,810.1**	1,588.1	1,331.1
Trade and other receivables	**492.2**	610.8	342.8
Related-party receivables	**1,206.3**	140.5	1,013.8
Cash and cash equivalents	**83.4**	1,132.7	142.6
Financial guarantee asset	**282.6**	290.2	–

Trade receivables comprise banking institutions purchasing gold bullion. These receivables are in a sound financial position and no impairment has been recognised.

Trade and other receivables above exclude VAT and pre-payments.

Receivables that are past due but not impaired total R16.6 million (2013: R7.5 million and 2012: R5.3 million). At 31 December 2014, receivables of R0.2 million (2013: R7.4 million and 2012: R8 million) are considered impaired and are provided for.

Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies.

Liquidity risk

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

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

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

Figures in million – SA rand	Total	Within one year	Between one and five years	After five years
31 December 2014				
Trade and other payables	**1,530.6**	**1,530.6**	**–**	**–**
Financial guarantee [1]	**11,560.0**	**11,560.0**	**–**	**–**
Borrowings [2]				
– Capital	**1,984.6**	**500.0**	**1,484.6**	**–**
– Interest	**202.3**	**124.3**	**78.0**	**–**
Total	**15,277.5**	**13,714.9**	**1,562.6**	**–**
31 December 2013				
Trade and other payables	**1,312.7**	1,312.7	–	–
Financial guarantee [1]	**10,340.0**	10,340.0	–	–
Related-party payables	**322.2**	322.2	–	–
Borrowings [2]				
– Capital	**2,000.0**	500.0	1,500.0	–
– Interest	**334.8**	153.6	181.2	–
Total	**14,309.7**	12,628.5	1,681.2	–
31 December 2012				
Trade and other payables	**1,037.8**	1,037.8	–	–
Financial guarantee [1]	**15,168.9**	15,168.9	–	–
Related-party payables	**17,642.1**	17,642.1	–	–
Borrowings [2]				
– Capital	**4,220.0**	2,220.0	2,000.0	–
– Interest	**590.0**	176.1	413.9	–
Total	**38,658.8**	36,244.9	2,413.9	–

[1] *Financial guarantee relates to Sibanye's gross exposure in respect of the Gold Fields group's borrowings at 31 December 2014, 2013 and 2012.*
[2] *Borrowings – JIBAR at 31 December 2014 adjusted by specific facility agreement between 4.94% and 5.22%.*

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

Sensitivity analysis
The sensitivity analysis shows the effects of reasonable possible changes of relevant risk variables on profit and loss or shareholders' equity. The Company is exposed to commodity price, currency and interest rate risks. The effects are determined by relating the hypothetical change in the risk variable to the balance of financial instruments at period end date.

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

Foreign currency sensitivity
General and policy
In the ordinary course of business, the Company enters into transactions, such as gold sales, denominated in foreign currencies, primarily US dollar. Although this exposes the Company to transaction and translation exposure from fluctuations in foreign currency exchange rates, the Company does not generally hedge this exposure, although it could be considered for significant expenditures based in foreign currency or those items which have long lead times to produce or deliver. Also, the Company on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. This includes but is not limited to the financial guarantee (refer to note 18).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014
CONTINUED

38. RISK MANAGEMENT ACTIVITIES (continued)

Foreign currency hedging experience

As at 31 December 2014, 2013 and 2012 there were no material foreign currency contract positions.

Commodity price sensitivity

Gold

The market price of gold has a significant effect on the results of operations of the Company and the ability of the Company to pay dividends and undertake capital expenditures. The gold price has historically fluctuated widely and is affected by numerous industry factors over which the Company does not have any control. The aggregate effect of these factors on the gold price, all of which are beyond the control of the Company, is impossible for the Company to predict.

Commodity price hedging policy

Gold

As a general rule, the Company does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. Gold hedging could, however, be considered in future under one or more of the following circumstances: to protect cash flows at times of significant capital expenditure; financing projects or to safeguard the viability of higher cost operations.

To the extent that it enters into commodity hedging arrangements, the Company seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related to parties of, the Company.

Commodity price hedging experience

As at 31 December 2014, 2013 and 2012 there were no commodity price contracts.

Interest rate sensitivity

General

As the Company has no significant interest-bearing assets, the Company's interest rate risk arises from long-term borrowings.

As of 31 December 2014, the Company's total borrowings amounted to R1,979.5 million (2013: R1,990.9 million and 2012: R4,220.0 million). The Company generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances. Refer to note 25 for all the borrowings and the relevant interest rates per facility.

The portion of Sibanye's interest-bearing debt at period end that is exposed to interest rate fluctuations is R1,979.5 million (2013: R1,990.9 million and 2012: R4,220.0 million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

R1,979.5 million (2013: R1,990.9 million and 2012: R4,220.0 million), the total debt at the end of the period is exposed to changes in the JIBAR rate. The relevant interest rates for each facility are described in note 25.

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

Interest rate sensitivity analysis

Figures in million – SA rand	2014	2013	2012
Sensitivity to JIBAR interest rates			
Change in interest for a:			
1.5% Increase in JIBAR	**31.5**	54.6	20.9
1.0% Increase in JIBAR	**21.0**	36.4	13.9
0.5% Increase in JIBAR	**10.5**	18.2	7.0
0.5% Decrease in JIBAR	**(10.5)**	(18.2)	(7.0)
1.0% Decrease in JIBAR	**(21.0)**	(36.4)	(13.9)
1.5% Decrease in JIBAR	**(31.5)**	(54.6)	(20.9)

39. RELATED-PARTY TRANSACTIONS

Sibanye entered into related-party transactions with Rand Refinery, Gold Fields and Gold Fields' subsidiaries during the year as detailed below. The transactions with these related parties are generally conducted with terms comparable to transactions with third parties, however in certain circumstances such as related-party loans, the transactions were not at arm's length.

After the unbundling Gold Fields and its subsidiaries are no longer considered to be related parties of the Company, notwithstanding a transitional services agreement entered into before the unbundling.

Refer to the Remuneration Report on pages 10 to 15 for key management remuneration.

Rand Refinery

Rand Refinery, in which Sibanye holds a 33.1% interest, has an agreement with the Company whereby it refines all the company's gold production. No dividends were received during the years ended 31 December 2014, 2013 and 2012. Refer to note 14 for the loan granted to Rand Refinery.

Gold Fields group

As indicated in the accounting policies, Sibanye was a wholly owned subsidiary of Gold Fields up to the unbundling date, thus transactions with the Gold Fields group prior to the unbundling, as well as transactions per the transitional services agreement that was entered into with the Gold Fields group prior to the unbundling to continue providing services up to a certain date after the unbundling are considered to be related party transactions.

Transactions that were related-party transactions up to the unbundling and per the transitional services agreement have stopped, been cancelled and settled. These services by the Company to Gold Fields and by Gold Fields Group Services Proprietary Limited (GFGS) to the Company included corporate functions and infrastructure support, purchasing, administration, security, training, medical, corporate communications, human resources and benefit management, treasury and finance, investor relations, corporate controller, internal audit, legal and tax advice, compliance regarding internal controls and information technology functions, on a transitional basis up to November 2013.

During 2012 and up to unbundling GFGS charged a management fee (corporate expenditure) relating to the provision of corporate services such as financial reporting, treasury, tax and legal services, secretarial, technical services and human resources. Corporate expenditure costs were determined based on the time spent by the Gold Fields corporate staff on providing the above mentioned services to the Company.

Refer to note 18 for details relating to the Gold Fields guarantee and fees received for the guarantee.

Sibanye Subsidiaries

The Company entered into various related-party transactions with various of its subsidiaries for services received. These services received by the Company from its subsidiaries include purchasing, administration, medical, human resources and benefit management and training.

The table below details the transactions and balances between the Company and it's related-parties:

Figures in million – SA rand	2014	2013	2012
Income from services rendered to Gold Fields group companies (refer to note 8)			
Medical services	–	19.0	16.5
Expenditure			
Management fees paid to Gold Fields Group Services	–	(12.5)	(66.7)
Refining fees paid to Rand Refinery	**(30.6)**	(12.1)	(12.9)
Administration fees paid to Sibanye Gold Shared Services	**(176.5)**	(169.3)	(162.8)
Security fees paid to Sibanye Gold Protection Services	**(265.8)**	(251.7)	(168.3)
Training fees paid to Sibanye Gold Academy	**(258.6)**	(56.0)	(59.0)
Medical fees paid to St Helena Hospital	**(245.7)**	(95.4)	(81.7)
Loan receivable from associate			
Rand Refinery	**384.6**	–	–
Accounts receivable from Gold Fields group companies			
Gold Fields Group Services	–	–	135.3
Other Gold Fields Group Services	–	–	14.0
Accounts receivable from Sibanye Gold Subsidiaries			
Sibanye Gold Shared Services	**1,120.6**	137.0	864.5
Other Sibanye Gold Subsidiaries	**57.2**	3.5	–
Accounts payable to Sibanye Gold subsidiaries			
Sibanye Gold Shared Services	**(438.1)**	–	–
Other Sibanye Gold Subsidiaries	**(37.6)**	(21.6)	(14.2)
Loans payable to Gold Fields group companies			
GFLMS Loan1	–	–	(17,108.0)
Loans payable to Sibanye Gold subsidiaries			
Sibanye Gold Shared Services [2]	–	(300.6)	(519.9)

[1] *This loan was unsecured, interest-free and had no fixed terms of repayment. Refer to note 1 where this loan was repaid as part of the unbundling.*
[2] *This loan is unsecured, interest-free and had no fixed terms of repayment.*

40. CAPITAL MANAGEMENT

The Company's primary objective with regards to managing its capital is to ensure that there is sufficient capital available to support the funding requirements of the Company, including capital expenditure, in a way that: optimises the cost of capital; maximises shareholders' returns; and ensures that the Company remains in a sound financial position.

There were no changes to the Company's overall capital management approach during the current year.

The Company manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Company monitors capital using the ratio of net external debt to earnings (operating profit) before interest, taxes, depreciation and amortisation (EBITDA), but does not set absolute limits for this ratio. The Company is comfortable with a ratio of net debt to EBITDA of one times or lower.

Figures in million – SA rand	2014	2013	2012
Borrowings excluding related-party loans	**1,979.5**	1,990.9	4,220.0
Cash and cash equivalents	**83.4**	1,132.7	142.6
Net debt [1]	**1,896.1**	858.2	4,077.4
EBITDA [2]	**7,279.8**	7,357.9	5,729.7
Net debt [1] to EBITDA (ratio)	**0.26**	0.12	0.71

[1] *Net debt excludes related party loans.*
[2] *EBITDA is net operating profit before depreciation and amortisation.*

41. LIQUIDITY

The Company's current liabilities exceeded its current assets by R1,846 million as at 31 December 2014. Current liabilities at 31 December 2014 include the financial guarantee liability of R197.0 million which does not reflect the true liquidity of Sibanye per se, as Sibanye believes that Gold Fields is currently in the position to meet its obligations under its US$1 billion 4.875% guaranteed notes (as defined under note 18).

The current portion of borrowings of R498.1 million includes the two semi-annual repayments due and payable in June and December 2015, respectively.

Sibanye generated cash from operating activities of R6.9 billion for the year ended 31 December 2014. The Company has committed unutilised debt facilities of R2.0 billion at 31 December 2014.

The Directors believe that the cash-generated by its operations and the remaining balance of the Company's revolving credit facility will enable the Company to continue to meet its obligations as they fall due.

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