GOLD FIELDS

ANNUAL

FINANCIAL REPORT

2016

INCLUDING GOVERNANCE REPORT

Contents

Gold pour at South Deep, South Africa

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The audited financial statements for the year ended 31 December 2016 have been prepared by the corporate accounting staff of Gold Fields Limited headed by Tzvet Ilarionova, the Group Financial Controller. This process was supervised by Paul Schmidt, the Group's Chief Financial Officer.

Statement of Responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Gold Fields Ltd and its subsidiaries (together referred to as the Group), comprising the separate and consolidated statements of financial position at 31 December 2016, and the separate and consolidated income statements and separate and consolidated statements of comprehensive income, changes in equity and cash-flows for the year then ended, and the accounting policies and the notes to the separate and consolidated financial statements, as well as the Directors' Report. These financial statements presented on p99 – 179 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa, and include amounts based on judgements and estimates made by management.

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

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

The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The auditors are responsible for reporting on whether the consolidated and separate financial statement are fairly represented in according with the applicable financial reporting framework.

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

Gold Fields has adopted a Code of Ethics which is available on the Gold Fields website and which is adhered to by the Group.

The Group's external auditors, KPMG Inc. audited the financial statements, and their report is presented on p73 – 79.

Approval of consolidated and separate Annual Financial Report
The separate and consolidated financial statements of Gold Fields Limited, as identified in the first paragraph, were approved by the Board of Directors on 20 March 2017 and are signed on its behalf by:

NJ Holland
Chief Executive Officer
Authorised Director

PA Schmidt
Financial Director
Authorised Director

Company Secretary's certificate

In terms of section 88(2)(e) of the Companies Act No 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.

MML Mokoka
Company Secretary
20 March 2017

Audit Committee Report

for the year ended 31 December 2016

The Audit Committee (the Committee) was appointed by the shareholders at the AGM in May 2016. Since then, an additional three directors have been appointed to the Committee. The members are all independent non-executive directors. Details and attendance at meetings are included on p10 of this report. The Directors of Gold Fields (the Board) continue to believe that the Committee members collectively have the necessary skills to carry out its duties.

The Committee has reporting responsibilities to both the shareholders and the Board and is accountable to them. Its duties are set out in the Board Charter which is reviewed annually and incorporates its statutory obligations as set out in the South African Companies Act, 71 of 2008 (SA Companies Act), as amended, and the King III Report on Governance Principles for South Africa (King III). A work plan is drawn up annually incorporating all these obligations and progress is monitored to ensure all these are fulfilled. This is currently in the process of being updated for King IV.

It is the duty of the Committee, among other things, to monitor and review:

» The annual financial statements ensuring fair presentation and compliance with IFRS and the SA Companies Act and recommending same to the Board for approval
» The integrity of the Integrated Annual Report by ensuring that its content is reliable, includes all relevant operational, financial and other non-financial information, risk and other relevant factors
» Quarterly, interim and operational reports and all other widely distributed documents
» The Form 20-F filing with the US Securities Exchange Commission (SEC)
» Accounting policies of the group and proposed revisions, and significant and unusual transactions, estimates and accounting judgements
» The effectiveness of the internal control environment
» The effectiveness of the internal audit function
» The effectiveness of the external audit function
» Recommending the appointment and remuneration of external auditors and reviewing the scope of their audit, their reports and findings and pre-approving all non-audit services in terms of policy
» Reports of both internal and external auditors
» Evaluation of the performance of the Chief Financial Officer
» The adequacy and effectiveness of the Group's enterprise wide risk management policies, processes and mitigating strategies
» The governance of information technology (IT) and the effectiveness of the group's information systems
» The cash/debt position of the Group to determine that the going concern basis of reporting is appropriate
» Compliance with applicable legislation, requirements of appropriate regulatory authorities and the Company's Code of Conduct
» Policies and procedures for preventing fraud

EXTERNAL AUDIT

» The Committee is responsible for recommending the appointment or reappointment of a firm of external auditors to the Board that, in turn, will recommend the appointment to the shareholders. The Committee is responsible for determining that the designated appointee firm and signing partner have the necessary independence, experience, qualifications and skills and that the audit fee is adequate.
» The Committee evaluated the performance of KPMG during the year, including a detailed interrogation of its quality control procedures, its experience and technical expertise in the mining industry, its staff complement in terms of both numbers and skills in our different geographical areas and succession planning. During this evaluation, the Committee reviewed KPMG's responses to a questionnaire as well as their own responses and also considered input by management and other appropriate persons. The Committee is satisfied that KPMG has extensive experience in the mining sector and that Mr CH Basson has had significant exposure to the sector.
» The Committee reviewed the documentation KPMG provided describing the firm's quality control procedures and in particular their process around the coordination of the global audit and the interaction between the corporate and regional teams. The Committee reviewed and assessed the independence of KPMG, including the firm's independence policies and their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and other international bodies have been followed.
» The Committee is satisfied that KPMG is independent of the Group.
» An audit fee for the period of R35.9m (US$2.4m) was approved, as well as R4.1m (US$0.3m) for audit-related fees, R0.9m (US$0.1m) for tax services and Rnil (US$nil) for other non-audit services. The Committee has a documented policy on the nature and extent of non-audit services that the external auditor can provide and pre-approves all audit and permitted non-audit assignments by the company's independent auditor. The Committee believes the fees paid are adequate.
» The Committee reviewed the annual audit plan presented at its meeting in August 2016 including the scope, materiality levels and significant risk areas establishing that the approach was revised to be responsive to commodity price risk, foreign exchange movements and other financial statement risks. The audit plan forms the basis of providing the Committee with the necessary assurances on risk management, the internal control environment and IT governance. The plan was approved.
» The Committee monitors progress against the plan and KPMG presented its first progress report at the November 2016 committee meeting. The auditors report on all issues identified during its audit and particularly on the results of its work carried out on high-risk areas, significant estimates and judgements as well as significant and unusual transactions.

- KPMG has direct access to the Committee and meets with the Committee Chair (the Chair) before each meeting and on an ad hoc basis when required. KPMG reports to the Committee at each quarterly meeting and in addition, the Committee regularly meets with KPMG separately without other invitees being present.
- The Committee has recommended that KPMG is reappointed for the 2017 financial year. However, in terms of rotation rules set out in the Companies Act 2008 Section 92 (1) the same individual auditor may not serve for more than five consecutive years. Therefore the Committee recommends that Ms M Watson be appointed as the designated group audit engagement partner as Mr CH Basson has now served five years. Ms Watson has more than 20 years of auditing experience.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas requiring the use of management estimates and assumptions are detailed in Note 1 to the accounting policies. Work papers presented to the Committee by management detailed the estimates and assumptions used, the external sources and experts consulted and the basis on which they were applied in the calculations. These were challenged by the Committee and included, but were not limited to, the following areas:

Impairment of Assets and Goodwill

- No impairment was necessary in respect of goodwill and non-current inventory stock piles which will only be processed at the end of the life of mine. (Refer Notes 14 and 19 to the Financial Statements).
- An impairment of US$66m before tax was identified at Cerro Corona, as there is currently no intention to extend the life beyond 2023, and an impairment of mining fleet and related spares at Damang of US$10m was calculated resulting in a total impairment of US$76m before tax. (Refer Note 6).

Taxation

- The Committee is satisfied that a detailed review has been carried out by management, including the internal tax team, to provide a best estimate of the tax liability for the year. (Refer Note 9).
- The Committee discussed the detailed paper on deferred tax presented at year end. Deferred tax assets amounting to US$34.9m were not recognised at Cerro Corona and Damang to the extent that it is estimated that there will not be sufficient future taxable income available. (Refer Notes 9 and 23).

Contingent Liabilities

- A number of contingent liabilities are disclosed in detail in Note 35 to the Financial Statements. The contingent liabilities cover the Silicosis matter, the Randgold and Exploration summons, acid mine drainage and the South Deep tax dispute with SARS. No new contingent liabilities were identified in 2016. The matter of the Ngadju People's claim was resolved during the year in favour of Gold Fields.
- All these matters are receiving ongoing attention from management, together with outside specialists and industry committees. The Committee was updated as to the current status and based on the evidence presented, the Committee concurred that it was not possible at this time to provide a reliable estimate of any possible liability. This position is unchanged from the prior year.

Business Combinations

- Gold Fields announced on 13 December 2016 that it had entered into a 50:50 unincorporated joint venture with Gold Road Resources Limited, an Australian company for the development and operation of the Gruyere Gold Project in Western Australia. The paper presented on the transaction was reviewed and, in compliance with IFRS accounting statements, it was accounted for as the acquisition of an asset. (Refer Note 15.2).

INTERNAL AUDIT

Gold Fields Internal Audit (GFIA) is an independent department within Gold Fields which is headed by a Vice President: Internal Audit (VP:IA) who is appointed and can be dismissed by the Committee. The VP:IA reports directly to the Committee and the Committee assesses the performance of Internal Audit annually. The VP:IA has direct access to the Chair, members of the Committee and the Chair of the Board. The Chair meets with the VP:IA once a quarter and on an ad hoc basis as required. The VP:IA also meets with the Committee without management at least annually and whenever deemed necessary by either the VP or the Committee.

The Committee is satisfied with the resources of the function and is confident that the skills and experience of the team will fulfil its mandate. The internal team ensures that the necessary professional education credits are met on an annual basis and the focus for 2017 will be to supplement their skills where possible with certifications in ISO and Safety.

The Committee determines the purpose, authority and responsibility of GFIA in an Internal Audit Charter which is reviewed annually. GFIA operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (IIA). The internal audit activities carried out during the year were identified through a combination of the Gold Fields Risk Management framework, which includes the Combined Assurance Framework, and the risk-based methodologies adopted by GFIA. The Committee approves the annual internal audit assurance plan presented by GFIA and monitors progress against the plan reported to the Committee each quarter. GFIA has ensured its framework is aligned with COSO 2013.

Audit Committee report (continued)

for the year ended 31 December 2016

During 2016 the internal function embarked on the use of a computer assisted auditing techniques programme to provide specific data analytics for assisting the operational auditors to meet their internal audit and fraud objectives. The programme is co-sourced with an external supplier. A pilot for procure to pay was completed mid 2016 while a pilot for payroll is scheduled to be completed in the first quarter of 2017. It is envisaged over time this process will be refined to be able to carry out data analytics within a very short period of time which will lead to identifying anomalies within these processes on a quarterly, monthly or weekly basis depending on the need of the Group.

The internal control systems of the Group are designed to provide reasonable assurance on the maintenance of proper accounting records and the reliability of financial information. It also covers operational areas, compliance with the Gold Fields Code of Conduct and the sustainability records. These systems are monitored by GFIA and its findings and recommendations are reported to the Committee and to senior management.

GFIA reports deficiencies to the Committee every quarter together with recommended remedial actions which are then followed up to ensure the necessary action has been taken. GFIA provided the Committee with a written report which assessed the internal financial controls, IT governance and the risk management process as adequate during the year.

IT GOVERNANCE

IT governance remains a key focus for the Information, Communication and Technology (ICT) group and the Committee is responsible for ICT governance on behalf of the Board.

The Vice President and Group Head of ICT is responsible for executing on ICT Governance and the Committee reviews his report, which includes the results of all review and testing conducted by management and internal audit, at each meeting. The Gold Fields ICT Charter defines the overall direction and governance for ICT across the group.

Gold Fields have adopted the Control Objectives for Information Technology (COBIT) as a governance framework, and regular assessments are conducted that determine the maturity of ICT Governance processes. Across the group, Gold Fields ICT is operating at an overall maturity level of between 3 and 4 which indicates that the group's governance framework and processes are formally defined and monitored. Further, considering the nature of cyber security and the rising global cyber risk, Gold Fields has embarked on a journey to further enhance its security posture. Areas of ICT Risks across the Group have been defined as part of the Group's overall Risk Management Framework, and formal policies and procedures are documented and updated regularly for these areas.

Cyber Security has now become a key component of IT Governance and forms part of the Group's ICT Governance and Risk agenda.

The committee responsible for ensuring compliance/adherence to group ICT policies and procedures is ICT GRASSC (Governance, Risk, Architecture, Standards, Security Compliance) Committee. The GRASSC committee reviews compliance to the governance framework quarterly, and recommends improvements as appropriate.

CHIEF FINANCIAL OFFICER

The Committee evaluated the expertise and performance of the Chief Financial Officer (CFO), Paul Schmidt. The Committee continues to be satisfied that Mr Paul Schmidt has the appropriate expertise and experience to carry out his duties as CFO of the Company and the Group, and is supported by highly qualified and competent senior staff. This conclusion is supported by input from both internal and external auditors.

GOVERNANCE

The Committee is also responsible for monitoring governance and compliance with the Gold Fields Code of Ethics (the Code). All breaches identified are followed up with a disciplinary hearing which rules on the appropriate action to be taken. This can range from a warning to immediate dismissal.

At the end of 2016, the Code of Ethics was replaced by a detailed Code of Conduct (available on the Gold Fields website at www.goldfields.com) and this has been rolled out to all employees and continuous training will remain a focus during the 2017 year. Gold Fields has reaffirmed its commitment to fighting bribery and corruption by rolling out its dedicated Anti Bribery and Corruption policy during quarter 4 of 2016.

The Committee is also responsible for ensuring that all calls to the Gold Fields Hot Line – administered by an independent external party - are followed up whenever the information provided is sufficient to initiate an investigation. Many of the calls do not contain enough information to enable a follow up while others are simply based on incorrect perceptions or information. The number and nature of these calls is reported at the quarterly Committee meetings. The details, including the detail of the action taken, are also reported by the Chair to the Social and Ethics Committee members.

The Group Compliance Officer has a detailed and systemic framework in place to identify all legislation applicable to Gold Fields in all the jurisdictions in which the Group operates. Updates on regulatory changes are sourced from external legal sources and internally assessed for application/impact. Changes are recorded and monitored on a quarterly basis. The assessment of potential and/or actual risk exposure of non-compliance re the identified applicable legislation per jurisdiction includes potential exposure to financial loss as well as operational and reputational risks. Also, under the ambit of risk exposure assessment, all active suppliers are screened on a monthly basis. A screening risk calculator is applied to those assessed as posing a risk to Gold Fields. Mitigating controls designed to pro-actively manage the risks are identified, documented and maintained. GFIA carries out a review of the effectiveness (in terms of design and operating effectiveness) of the control procedures and reports on the level of compliance. The results are reported to the Committee in detailed schedules and an annual Compliance Index is calculated for the Group.

RISK MANAGEMENT

As reported in the prior year, the Committee proposed that a separate risk committee be formed. This committee met for the first time in May 2016 and includes members and attendees with appropriate mining technical skills, who can address the operational risks as well as those with financial skills, including members of the Committee.

There is ongoing interaction between the risk and audit committees and the management of financial risk remains a key focus of the Committee, management and internal audit. Gold Fields' Group and regional risk disclosures are on p42-45 of the Integrated Annual Report.

INTERNAL CONTROL STATEMENT

Management is accountable to the Board for the design, implementation, monitoring and integrating of internal financial controls for the day-to-day running of the Group, focusing on the efficiency and effectiveness of operations, safeguarding the Company's assets, legal and regulatory compliance, business sustainability and reliable reporting, including financial reporting.

The Committee has discussed and documented the basis for its conclusion which includes discussions with internal and external auditors as well as management. Based on these discussions and reports tabled during the year, the 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. The Committee is of the opinion that the financial records can be relied upon as a reasonable basis for the preparation of the annual financial statements.

AUDIT COMMITTEE STATEMENT

The Committee considered and discussed the Annual Financial Report, the Governance Report and the Integrated Annual Report with both management and the external auditors.

During this process, the Committee:

- Reviewed the annual financial statements included in the Annual Financial Report for consistency, fair presentation and compliance with IFRS;
- Evaluated significant estimates and judgements and reporting decisions;
- Reviewed the documentation supporting the going concern basis of accounting and concluded that it is appropriate;
- Evaluated the material factors and risks that could impact the Annual Financial Report and Integrated Annual Report;
- Evaluated the completeness of the financial and sustainability disclosures;
- Discussed the treatment of significant and unusual transactions with management and the external auditors; and
- Reviewed and discussed the sustainability information disclosed in the IAR and is satisfied, based on discussions, that the information is reliable.

The Committee considers that the Annual Financial Report and the Integrated Annual Review comply in all material respects with the statutory requirements of the various regulations governing disclosure and reporting, and the annual financial statements comply in all material respects with the Companies Act No 71 of 2008, as amended, and with International Financial Reporting Standards.

The Committee has recommended to the Board that the annual financial statements included in the Annual Financial Report be adopted and approved by the Board.

Gayle Wilson
Chair: Audit Committee

20 March 2017

Corporate Governance Report

OVERVIEW

Our vision of global leadership in sustainable gold mining, and our ability to fulfil our stakeholder promises (p13 of the IAR) requires the highest levels of corporate governance. This means a governance framework that supports the proactive and effective management of those strategic dynamics that will ultimately determine our long-term sustainability, whether operational, economic, social, environmental or otherwise.

This approach is essential given the long-term, capital-intensive nature of our mining projects, as well as the sometimes challenging social and political contexts in which we operate. It requires us not only to ensure that our business remains profitable but also to deliver clear economic, social and environmental benefits to our stakeholders.

Our management approach is underpinned by our commitment to sound and robust corporate governance standards, which is essential to our ultimate operational and strategic success. A key element of the approach is to ensure that the Company complies with all laws and regulations as well as the highest levels of corporate governance. As such, corporate governance systems and processes at Gold Fields need to be in line with the ever-changing and more stringent standards that are being rolled out by regulators across the globe. During the year, the Gold Fields Board approved an updated Code of Conduct for the Group that includes a stringent Anti-Bribery and Corruption policy. (See p40 of the IAR.)

In November 2016, the King IV Code of Corporate Governance (the Code) was launched, updating the guidelines set by the King III Code. The Board is committed to upholding the principles of the King IV Code and is taking the necessary steps to review all relevant guidelines, systems and processes to ensure full compliance with the Code by the end of 2017.

Underground mine operators at the South Deep mine, South Africa

STANDARDS, PRINCIPLES AND SYSTEMS

Internal and External Standards and Principles

Internal Standards and Principles	Listings Requirements	Sustainability Standards	Business Ethics Standards
Gold Fields has developed a comprehensive set of internal standards and principles that underpin how we do business. These include: **Our Vision and Values:** Everything that we do to achieve our Vision of becoming the global leader in sustainable gold mining is informed by our Values. These are applied by our directors, as well as employees at every level of the Group **Board of Directors' Charter:** The Charter articulates the objectives and responsibilities of the Board. Likewise, each of the Board committees operates in accordance with written terms of reference that are regularly reviewed **Sustainable Development Framework:** Gold Fields' Sustainable Development Framework is based on best practice, as well as our operational requirements. The framework is governed by an overall Sustainable Development Policy The Group has developed a range of Policy Guidelines that direct business conduct. These are available online at www.goldfields.co.za/au_standards.php **Code of Conduct:** Gold Fields' Code of Conduct commits and binds every employee, officer and director within Gold Fields to conducting business in an ethical and fair manner. The Board's Audit and Social, Ethics and Transformation Committees are tasked with ensuring the consistent application of, and adherence to, the Code. The Code can be found at https://www.goldfields.co.za/cod-of-conduct/index.php	Our **primary listing** is on the **JSE Limited (JSE)**, and we are subject to the JSE Listings Requirements Gold Fields has a **secondary listing** on the **New York Stock Exchange (NYSE)** and therefore, as a foreign issuer, is subject to the NYSE Listings Requirements, the provisions of the US Securities and Exchange Commission, as well as the terms of the Sarbanes-Oxley Act (2002) Gold Fields is also listed on the **Swiss Exchange (SWX)** We have implemented South Africa's **King III Code** on Corporate Governance (King III), principles and recommendations across Gold Fields. The Board is also committed to upholding the principles and recommendations of King IV and is currently taking steps to ensure full compliance with the Code by end-2017	Our **Sustainable Development Framework** is guided by the **International Council on Mining and Metals' (ICMM) 10 principles on sustainable development**, their supporting position statements and external assurance thereof We are guided by the **10 principles of the United Nations Global compact** (in which we are a participant); we have incorporated the compact's management model into our business activities, and make annual communication on progress report submissions All of our eligible operations conform with the **World Gold Council Conflict-Free Gold Standard**. A copy of our Conflict-Free Gold Report, our Statement of Conformance, together with the independent limited assurance report can be viewed online at www.goldfields.co.za/sus_reporting.php Our reporting is guided by the internationally recognised **Global Reporting Initiative (GRI) G4-Core Sustainability Reporting Guidelines**, including the Mining and Metals Sector Supplement and is supported by Gold Fields' internal definition, available on request. Our 2016 GRI submission can be viewed online at www.goldfields.com>investors.	Our **Code of Conduct** is aligned with national and international business ethics and anti-corruption standards, including the **UN Convention against Corruption (2003)** and the **OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)** We support the principles and processes of the **Extractive Industry Transparency Initiative (EITI)**, through our membership of the ICMM. Ghana and Peru are the EITI-compliant countries in which we operate **We comply with the following legislation and governance requirements:** South Africa's King III Code, and the Prevention and Combating of Corrupt Activities Act (2004) The United States' Sarbanes-Oxley Act (2002), Dodd-Frank Act (2010) and the Foreign Corrupt Practices Act (1977) All other relevant regulations and legislations in jurisdictions in which Gold Fields operates

Corporate Governance Report (continued)

BOARD OF DIRECTORS

Board Overview

The Board of Directors is the highest governing authority of the Group, and the Board's Charter articulates its objectives and responsibilities. Likewise, each of the Board sub-committees operates in accordance with its written terms of reference, which are reviewed on an annual basis by various Board committees.

The Board takes ultimate responsibility for the Company's adherence to sound corporate governance standards and sees to it that all business decisions and judgements are made with reasonable care, skill and diligence.

In terms of Gold Fields' Memorandum of Incorporation (MOI, available online at www.goldfields.co.za/au_standards.php), the number of directors shall not be less than four and not more than 15. The Board currently comprises 11 directors, two of whom are executive directors and nine are independent non-executive directors. A further non-executive director has been appointed with effect from 1 May 2017. Advised by the Nominating and Governance Committee, the Board ensures that the election of independent directors falls on reputable persons of well-known competence and experience, who are willing to devote a sufficient part of their time to the Company. Each Board member offers a range of relevant knowledge, expertise and technical experience and business acumen, which enables them to exercise independent judgement in Board deliberations and decision-making. Furthermore, the Nominating and Governance Committee also ensures that the Board has adequate diversity in respect of race, gender, business, geographic and academic backgrounds.

The role of non-executive directors, who are independent of management, is to protect shareholders' interests, including those of minority shareholders. Furthermore, they ensure that individual directors or groups of directors are subject to appropriate scrutiny in their decision-making.

The roles of the Chairperson of the Board and the Chief Executive Officer (CEO) are kept separate. Non-executive directors Cheryl Carolus was the Chairperson of the Board and Rick Menell was the Deputy Chairperson, while Nick Holland was the CEO of Gold Fields for the entire period under review.

The Board is kept informed of all developments relating to the Group, primarily through the executive directors, the Group Executive Committee and the Company Secretary. Furthermore, the Board stays up-to-date through a number of other mechanisms, including management briefings, employee climate surveys, newsletters and internal staff communication, among others.

The non-executive directors are also entitled to seek independent professional advice, at the Group's expense, on any matters pertaining to Gold Fields. They also have unrestricted access to the Group's management and access to the external auditors, when necessary. A brief curriculum vitae for each Board member is set out on p11 – 14 of this report.

Chief Financial Officer

Paul Schmidt was appointed Chief Financial Officer (CFO) from 1 January 2009. In accordance with the JSE Limited Listings Requirements, the Audit Committee evaluated his expertise and performance. The Committee continues to be satisfied that Mr Schmidt has the appropriate expertise and experience to carry out his duties as CFO of the Company and the Group, and is supported by highly qualified and competent senior staff.

The Committee was of the opinion that Mr Schmidt, together with other members of his financial management team, had managed the Group's financial affairs effectively during the 2016 financial year.

Board Appointments and Rotation

Directors are appointed through a formal process, and the Nominating and Governance Committee assists in identifying suitable candidates and evaluating candidates from time to time. The Chair is appointed on an annual basis by the Board after a review of the Chair's performance and independence. In line with recommendations by the King III Code, the Board carries out a thorough evaluation of the independence of directors annually and specifically where Board members have served on the Board for nine years or more.

The Nominating and Governance Committee also develops and facilitates an induction programme with management for new members of the Board to ensure their understanding of Gold Fields and the business environment in which it operates.

In accordance with Gold Fields' MOI, one-third of all directors (including executive directors) shall retire from office at each Annual General Meeting. The first to retire are those directors appointed as additional members of the Board during the year, followed by the longest serving members. Retiring directors can be re-elected immediately by the shareholders at the Annual General Meeting.

The Board of Directors changed significantly during 2016. Steven Reid was appointed to the Board on 1 February 2016, Terence Goodlace on 1 July 2016, Alhassan Andani on 1 August 2016 and Peter Bacchus and Yunus Suleman on 1 September 2016. David Murray resigned on 1 June 2016, and Alan Hill and Kofi Ansah retired on 31 December 2016.

The Board, assisted by the Nominating and Governance Committee, recommends the eligibility of retiring directors (subject to availability and their contribution to the business) for reappointment.

Careful succession planning is critical to the Board's effective functioning. Gold Fields understands and appreciates the importance of diverse perspectives on the Board. As such, we aim to achieve greater representation of women on the Board. Our succession plans take these needs into account and we will strive to make appointments in line with this commitment.

Directors' Dealings in Shares of Gold Fields
Gold Fields' Board members and employees are informed of closed and prohibited periods for share dealings by the Company Secretary in terms of the Gold Fields Share Dealing Policy. Closed and prohibited periods remain in force until final annual and bi-annual results are published. Similar special closed periods will be in place should the directors be aware of confidential price sensitive information. Any directors' dealings (including executive directors) require the pre-approval of the Chairperson, and the Company Secretary keeps a register of such dealings.

Board Remuneration
Non-executive Board members are remunerated for their services as non-executive Board members, the separate committees they sit on annually, and where applicable, travel expenses to attend Board meetings. Shareholders approve these fees on an annual basis at the Company's Annual General Meeting as prescribed in the South African Companies Act. Further details on non-executive directors' and executive directors' remuneration can be found in the Remuneration Report.

Board of Directors' Charter
During 2016, the Board reviewed the Board of Directors' Charter to align it to the recommendation of King III. The Board Charter will also be reviewed and aligned to the recommendations of the King IV Code, which becomes effective in April 2017. The application of the King III principles at Gold Fields can be found on our website at *www.goldfields.com>investors*.

The Charter compels directors to promote the Vision of the Company while upholding sound principles of corporate governance. Other directors' responsibilities under the Charter include:
» Determining the Company's Code of Ethics and conducting its affairs in a professional manner, upholding the core values of integrity, transparency and enterprise
» Evaluating, determining and ensuring the implementation of corporate strategy and policy
» Determining compensation, development, and other relevant policies for employees
» Developing and setting best-practice disclosure and reporting procedures that meet the needs of all stakeholders
» Authorising and controlling capital expenditure and reviewing investment capital and funding proposals
» Constantly updating risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines
» Reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies. In this, the Board is guided by the Remuneration Committee as well as the Nominating and Governance Committee

Company Secretary
The Company Secretary provides company secretarial services, oversees Board governance processes in relation to the Board (in accordance with JSE Listings Requirements and the Companies Act of 2008, as amended) and attends all Board and most Board committee meetings. The Board has access to the Company Secretary, who guides the directors on their duties and responsibilities. During the year under review, the Company Secretary oversaw the ongoing training of directors and assisted the Board and its committees with annual plans, agendas, minutes and terms of reference.

The Company Secretary for the year under review was Lucy Mokoka, and the Board is satisfied that Ms Mokoka is competent, qualified and has the necessary expertise and experience to fulfil the role. The Company Secretary is not a director of the Group and has an arm's length relationship with the Board.

Board Attendance
The Board is required to meet at least four times a year. It convened eight times during 2016 as four special Board meetings were held to deliberate on urgent substantive matters.

Corporate Governance Report (continued)

Meetings of the Board may be conducted by electronic communication in terms of the Board Charter. All directors are provided with the necessary information through comprehensive Board packs prepared by management in advance of each Board or committee meeting to enable them to discharge their responsibilities effectively. The Board agenda and meeting structure focuses on strategy, sustainable development, finance, performance monitoring, governance and other related matters. During the period under review, the Board meetings and some committee meetings were preceded by closed session meetings of non-executive directors.

With the appointment of five new non-executive directors during 2016, the composition of the committees was reviewed and approved at the August 2016 Board meeting.

Number of Board Meetings, Board committee Meetings and Directors' Attendance during the Year

Directors	Board meetings	Special Board meetings	Audit Committee	Safety, Health and Sustainability Committee	Capital Projects Committee	Remune-ration Committee	Social, Ethics and Transformation Committee	Nominating and Governance Committee	Risk Committee
No. of meetings per year	4	4	7[1]	4	4	4	4	4	2
CA Carolus[2]	4	4	–	4	4	4	4	4	–
A Andani[4]	2	2	3	2	2	1	–	–	1
K Ansah[2]	4	4	–	4	1	–	3	4	–
PJ Bacchus[5]	1	2	2	–	2	1	1	–	1
TP Goodlace[3]	2	2	–	2	2	–	1	–	1
AR Hill	4	4	–	4	4	4	4	–	1
NJ Holland	4	4	7	4	4	4	4	4	2
RP Menell[2]	4	4	6	3	4	–	4	4	–
DN Murray[7]	2	2	–	2	2	–	1	–	–
DMJ Ncube[2]	4	4	6	3	1	4	4	4	–
SP Reid[2]	4	3	2	4	4	4	3	1	2
PA Schmidt	4	4	7	–	2	–	–	–	2
YGH Suleman[2]	1	1	2	1	1	–	1	–	1
GM Wilson	4	4	7	–	4	4	4	–	2

1. This included an unscheduled special meeting of the Audit Committee
2. During 2016, certain Board members attended the following Committees by invitation:
   a. CA Carolus - Capital Projects Committee;
   b. K Ansah - Social, Ethics and Transformation Committee; Capital Projects Control and Review Committee
   c. DMJ Ncube - Safety, Health and Sustainability Committee (SHSD)
   d. RP Menell - Nominating and Governance Committee
   e. SP Reid - Audit Committee; Capital Projects and Review Committee
   f. YGH Suleman - Capital Projects and Review Committee
3. TP Goodlace was appointed to the Board with effect from 1 July 2016. He was appointed as Chair of the SHSD Committee on 15 August 2016. He attended the following meetings by invitation in August 2016: Audit Committee, Capital Projects Control and Review Committee, Risk Committee and Social, Ethics and Transformation Committee
4. A Andani was appointed to the Board with effect from 1 August 2016. He attended the following Committee meetings by invitation in August 2016: Audit Committee, Capital Projects and Review Committee, Risk Committee, SHSD Committee and Social, Ethics and Transformation Committee
5. P Bacchus was appointed to the Board with effect from 1 September 2016. He was appointed as Chair of the Risk Committee from 1 January 2017 onwards. SP Reid chaired the Risk Committee until 31 December 2016.
6. YGH Suleman was appointed to the Board with effect from 1 September 2016.
7. D Murray resigned from the Board on 1 June 2016

The full Directors' Report is contained in the Annual Financial Report on p19 – 26.

DIRECTORS

NON-EXECUTIVE DIRECTORS

Cheryl Carolus (58)
Non-executive Chairperson
BA Law; Bachelor of Education, University of the Western Cape; Honorary Doctorate in Law, University of Cape Town

Appointed to the Board: Director 2009, Chairperson 2013
Experience and expertise: Governance and compliance, social development, training and development, people management

Ms Carolus has served on the boards of numerous listed companies, including De Beers and Investec. She is a Board member for many not-for-profit organisations, including the International Crisis Group, Soul City, World Wildlife Fund (South Africa and internationally), The British Museum (appointed by HM Queen Elizabeth), and is Chairperson of the SA Constitution Hill Education Trust.

In the past, Ms Carolus was Chairperson for South African Airways, the South African National Parks Board and has served on the boards of numerous public and private partnerships that address socio-economic challenges. Additionally, she served as South Africa's High Commissioner to the United Kingdom from 2001 to 2004.

Ms Carolus played a role in the liberation struggle of South Africa and the constitution-making process. She was awarded an honorary doctorate in law from the University of Cape Town for her contribution to freedom and human rights. In 2014, she was awarded the French National Order of Merit by the Government of France.

Richard Menell (61)
Deputy Chair
BA (Hons), MA (Natural Sciences Geology), Cambridge; MSc (Mineral Exploration and Management), Stanford University, California

Appointed to the Board: Director 2008, Deputy Chair 2015
Experience and expertise: Executive management, geology

Mr Menell became a non-executive director of Sibanye Gold in 2013. He has over 37 years' experience in the mining industry, including service as the President of the Chamber of Mines of South Africa, President and CEO of Teal Exploration & Mining, as well as Executive Chair of Anglovaal Mining and Avgold. He is a director of Weir Group Plc and Rockwell Diamonds Inc, as well as a Senior Adviser to Credit Suisse. He also serves as a director for a number of unlisted companies and not-for-profit organisations.

Gayle Wilson (72)
Non-executive Director
BCom, BCompt (Hons), University of South Africa; CA(SA)

Appointed to the Board: 2008
Experience and expertise: Auditing, finance, governance and compliance, risk management

Ms Wilson was an audit partner at Ernst & Young for 16 years, where her focus was on listed gold and platinum mining clients. She was lead partner on the global audit of AngloGold Ashanti and other mining clients which included Northam Platinum, Aquarius Platinum, Avmin (now African Rainbow Minerals) and various Anglo Platinum operations.

Corporate Governance Report (continued)

Peter Bacchus (47)
Non-executive Director
MA (Economics), Cambridge University

Appointed to the Board: 2016
Experience and expertise: Investment banking, financing, mergers and acquisitions

Mr Bacchus is Chairman of the independent merchant banking boutique, Bacchus Capital Advisers. He has acted as the Global Head of Mining and Metals, and is Joint Head of European Investment Banking at Investment Bank Jefferies, a position he held until 2016. Before this he served as Global Head of Mining and Metals at Morgan Stanley, and prior to that, he was Head of Investment Banking, Industrials and Natural Resources at Citigroup.

Mr Bacchus has spent 25 years in investment and corporate banking with a focus on the global natural resources sector and is a member of the Institute of Chartered Accountants, England and Wales. He is also a non-executive director of UK-listed mining group NordGold and a trustee of Space for Giants, an African-focused conservation charity.

Alhassan Andani (55)
Non-executive Director
BSc (Agriculture), University of Ghana; MA (Banking and Finance), Finafrica Institute in Italy

Appointed to the Board: 2016
Experience and expertise: Investment banking, financing

Mr Andani was appointed a non-executive director of Gold Fields with effect from 1 August 2016. He is currently Chief Executive and Executive Director of Stanbic Bank Ghana; the Board Chairman of the Ghana CSIR (Council for Scientific & Industrial Research) and a director of SOS Villages Ghana and has held other corporate directorships in the past.

Yunus Suleman (59)
Non-executive Director
BCom, University of KwaZulu-Natal; BCompt (Hons), University of South Africa; CA(SA)

Appointed to the Board: 2016
Experience and expertise: Auditing, financial accounting

Mr Suleman serves as an independent non-executive director of Liberty Holdings, Tiger Brands, and Albaraka Bank, and is the Global Treasurer of the World Memon Organisation as well as the Chairman of Enactus SA. He was previously Chair of KPMG South Africa.

Terence Goodlace (57)
Non-executive Director
MBA, University of Wales; BCom, University of South Africa; NHDip (Metalliferous Mining), Witwatersrand Technikon

Appointed to the Board: 2016
Experience: Corporate development, operations management, mining, strategy

Mr Goodlace's mining career commenced in 1977, spanning nearly 40 years of working with different organisations. He has previously served as both an Executive Vice-President and the Chief Operating Officer for Gold Fields, returning now to the Company to serve as an independent non-executive director. He has experience serving as Chief Executive Officer at Impala Platinum Holdings Limited and Metorex Limited. He served on the Impala Platinum Holdings Limited board for two years as an independent non-executive director and four and a half years as an executive director. He spent three years as an executive director of Metorex Limited.

Donald Ncube (69)
Non-executive Director
BA (Economics and Political Science), Fort Hare University; Postgraduate Diploma in Labour Relations, Strathclyde University; Graduate MSc (Manpower Studies), University of Manchester; Diploma in Financial Management; Honorary Doctorate in Commerce, University of the Transkei

Appointed to the Board: 2006
Experience and expertise: Finance, governance, social development, labour relations, people management

Mr Ncube was appointed a director of Gold Fields on 15 February 2006. Previously, he was an alternate director of Anglo American Industrial Corporation and Anglo American Corporation, a director of AngloGold Ashanti as well as non-executive chairperson of South African Airways. He is currently Executive Chairperson for both Badimo Gas and Afro Energy.

Steven Reid (61)
Non-executive Director
BSc (Mineral Engineering), South Australian Institute of Technology; MBA, Trium Global Executive

Appointed to the Board: 2016
Experience and expertise: Mining engineering, risk management, compensation management

Mr Reid has 40 years of international mining experience and has held senior leadership roles in numerous countries. He has served as a director of Silver Standard Resources since January 2013 and a director of Eldorado Gold since May 2013. He served as Chief Operating Officer of Goldcorp from January 2007 until his retirement in September 2012, and prior to that was the company's Executive Vice President in Canada and the USA. Before joining Goldcorp, Mr Reid spent 13 years at Placer Dome in numerous corporate, mine management and operating roles. He also held leadership positions at Kingsgate Consolidated and Newcrest Mining, where he was responsible for the Asian and Australian operations.

EXECUTIVE DIRECTORS

Nick Holland (58)
Chief Executive Officer (CEO)
BCom, BAcc, University of the Witwatersrand; CA(SA)

Appointed to the Board: Executive Director, 1998; CEO, 2008
Experience and expertise: Finance, mining, management

Mr Holland was appointed an executive director of Gold Fields in 1998 and became CEO on 1 May 2008. Prior to that, he was the Company's CFO. Mr Holland has more than 37 years' experience in financial management, of which 27 years were in the mining industry. Prior to joining Gold Fields, he was Financial Director and Senior Manager of Corporate Finance at Gencor.

Paul Schmidt (49)
Chief Financial Officer (CFO)
BCom, University of the Witwatersrand; BCompt (Hons), University of South Africa; CA(SA)

Appointed to the Board: 2009
Experience and expertise: Finance, mining, management

Mr Schmidt was appointed CFO on 1 January 2009 and joined the Board on 6 November 2009. Prior to this, he held the positions of acting CFO from 1 May 2008 and Financial Controller from 1 April 2003. He has more than 21 years' experience in the mining industry.

Corporate Governance Report (continued)

NON-EXECUTIVE DIRECTORS WHO RESIGNED OR RETIRED DURING 2016:

Kofi Ansah (72)
Non-executive Director

BSc (Mechanical Engineering), UST Ghana; MSc (Metallurgy), Georgia Institute of Technology
Appointed to the Board: 2009 – Retired 31 December 2016

Alan Hill (74)
Non-executive Director

BSC (Hons); MPhil (Rock Mechanics), Leeds University
Appointed to the Board: 2005 – Retired 31 December 2016

David Murray (72)
Non-executive Director

BA (Hons) Econ; MBA, University of Cape Town
Appointed to the Board: 2008 – Resigned 1 June 2016

At the processing plant, Agnew, Australia

APPLICATION OF KING III AND IV WITHIN GOLD FIELDS

The King Committee published the King IV Report on Corporate Governance for South Africa 2016 (King IV) on 1 November 2016. King IV, which replaces King III in its entirety, has been endorsed by the JSE. While King IV is effective in respect of financial years commencing on or after 1 April 2017, Gold Fields' Board of Directors has agreed that the Company should implement the recommendations of King IV by the end of 2017.

The Board supported the recommendations on good governance contained in King III, the predecessor of the King IV report. The implementation and adherence to relevant King III principles and recommendations across Gold Fields can be found on the website at *www.goldfields.com/about us*.

Similarly, the Group's reporting in terms of section 3.84 of the JSE Listings Requirements on board governance processes can be found in the table below. Will also be placed on the website at *www.goldfields.com>investors*.

Application of Section 3.84 of the JSE Listings Requirements on Board Governance processes

Requirement	Principle	The Gold Fields Approach and Compliance
3.84(a)	There must be a policy detailing appointment to the Board of Directors. The appointment must be formal and transparent and a matter for the Board as a whole, assisted where appropriate by a Nominating and Governance Committee. The Nominating and Governance Committee must constitute only non-executive directors of whom the majority must be independent.	Gold Fields' directors are appointed using a transparent and formal procedure, governed by the mandate and terms of reference of the Nominating and Governance Committee. Members of the Nominating and Governance Committee are independent non-executive directors. The Chair of the Committee is an independent non-executive director.
3.84(b)	There must be a policy evidencing a clear balance of power and authority at Board of Directors' level to ensure that no one director has unfettered powers of decision-making.	The Board Charter shows that there is clear balance of power and authority at Board level and that no one director has unfettered powers.
3.84(c)	Issuers must have an appointed CEO and a Chairperson, and the same person must not hold these positions. The Chairperson must either be an independent director, or the issuer must appoint a lead director in accordance with the King Code.	Gold Fields' CEO and Chairperson positions are held by different people, and the Chairperson is an independent non-executive director. Refer to p8 of this report.
3.84(d)	All issuers must, in compliance with the King Code, appoint an Audit Committee. Issuers must appoint a Remuneration Committee in compliance with the King Code. Where necessary, depending on the nature of the business, the issuer must appoint a Risk and Nominating Committee. The composition of such Committees, a brief description of their mandate, the number of meetings held and any other relevant information must be disclosed in the annual report.	The Board appointed an Audit Committee that is chaired by an independent non-executive director. Audit Committee members are all independent non-executive directors. Gold Fields' Remuneration Committee comprises independent non-executive directors and is chaired by an independent chairperson. The Risk Committee is mandated with overseeing that the Group's risk management policies, practices, systems and resources are in place and are functioning effectively. The Risk Committee is chaired by an independent non-executive director and members are all independent non-executive directors. Gold Fields has a Nominating and Governance Committee, chaired by an independent non-executive, director and members are all independent non-executive directors (see p17).

Corporate Governance Report (continued)

Requirement	Principle	The Gold Fields Approach and Compliance
3.84(e)	Brief curricula vitae of each director standing for election or re-election must accompany the relevant notice of the meeting.	Brief curricula vitae of our directors are listed on p11 – 14 of this report.
3.84(f)	The capacity of each director must be categorised as executive, non-executive or independent.	The curricula vitae mentioned above (3.84(e)) contain information on whether a director is an independent non-executive director or an executive director. The composition of committees is in accordance with the requirements of the Companies Act and King III.
3.84(g)	Issuers must have a full-time executive financial director.	Gold Fields has a full-time executive financial director.
3.84(h)	The Audit Committee must, on an annual basis, consider and satisfy itself of the appropriateness of the expertise and experience of the financial director and report same in the annual report.	The Audit Committee considers and satisfies itself of the appropriateness of the expertise and experience of Gold Fields' Financial Director on an annual basis and reports the findings to the Board.
3.84(i)	The Board of Directors must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the Company Secretary.	The Board considered the Company Secretary's competence, qualifications and experience at the meeting held on 14 February 2017 and is satisfied that she is competent and has appropriate qualifications and experience to serve as the Company Secretary.
3.84(j)	The provision deals with the arm's length relationship between the Board of Directors and the Company Secretary and the Board of Directors' responsibility in relation thereto.	The Company Secretary has the appropriate skills and qualifications and is not a director. Accordingly, the Board is satisfied that the Company Secretary maintains an arm's length relationship with the executive team, the Board and the individual directors.
	Disclosure in the annual report of the policy on the promotion of gender diversity at board level will be from 1 January 2017 onwards. As such all annual reports issued on or after 1 January 2017 will have to comply with the required disclosure. The intention with the lead time is to afford issuers with sufficient time to comply with the new requirement.	Careful succession planning is critical to the Board's effective functioning. Gold Fields understands and appreciates the importance of diverse perspectives on the Board. As such, we aim to achieve greater representation of women on the Board. Our succession plans take these needs into account and we will strive to make appointments in line with this commitment.

BOARD COMMITTEES

The Board has established a number of standing committees in compliance with the South African Companies Act with delegated authority from the Board. Committee members are all independent non-executive directors, and the CEO and various members of management are permanent invitees to committee meetings. Each Board committee is chaired by an independent non-executive director.

Committees are required to evaluate their effectiveness and performance on an annual basis and to report respective findings to the Board for consideration. In line with the King III recommendations, the Board annually reviews the terms of reference for all committees, and, if necessary, adopts changes which are approved by the Board.

The committees operate in accordance with written terms of reference and have a list of responsibilities, which are set out below:

Nominating and Governance Committee

During 2016, the Nominating and Governance Committee reaffirmed its terms of reference. It is the responsibility of this Committee, which has three independent, non-executive directors (and an additional independent director who attends by invitation), among other things, to:

- Develop the Company's approach towards Board corporate governance, including recommendations to the Board
- Identify successors to the posts of Chair of the Group, CEO and other executive appointments and make appropriate recommendations to the Board
- Consider the mandates of the Board committees, the selection and rotation of committee members and chairs, and the performance of each committee on an ongoing basis
- Evaluate the effectiveness of the Board, its committees and management, and report the findings of this evaluation to the Board itself

The Nominating and Governance Committee assessed its performance and effectiveness during the period under review and was found to be functioning and discharging its duties satisfactorily.

Audit Committee

The Audit Committee has formal terms of reference which are reviewed annually and set out in its Board-approved Charter. The Board is satisfied that the Committee has complied with these terms and with its legal and regulatory responsibilities as set out in the Companies Act No 71 of 2008, as amended, the King Report on Governance Principles for South Africa 2009 (King III) and the JSE Listings Requirements.

The full duties and responsibilities of the Audit Committee and the Audit Committee statement appear on p2 – 5 of this report. The Audit Committee, which has six independent, non-executive directors, of which three were appointed during 2016, assessed its performance and effectiveness during the period under review and was found to be functioning and discharging its duties satisfactorily.

Remuneration Committee

It is the responsibility of this Committee, which consists of six independent, non-executive directors, among other things, to:

- Establish the Company's remuneration philosophy
- Establish the terms and conditions of employment for executive directors and other senior executives (which currently includes a short-term performance-linked bonus scheme and a long-term share incentive scheme)
- Review remuneration policies on a regular basis

The Company's remuneration policies, as well as details of directors' fees and equity-settled instruments, are contained in the Remuneration Report on p80 – 98 of this report.

Safety, Health and Sustainable Development Committee

It is the responsibility of this Committee, among other things, to assist the Board in its oversight of the Company's environmental, health and safety programmes, as well as its socio-economic performance. In particular, this includes the monitoring of the Company's efforts to minimise health, safety and environment-related incidents and accidents, and to ensure its compliance with relevant regulations around health, safety and the environment. All members of the Safety, Health and Sustainable Development Committee have been selected on the basis of their considerable experience in the field of sustainable development.

Corporate Governance Report (continued)

The Committee assessed its performance and effectiveness during the period under review and was found to be functioning and discharging its duties satisfactorily. The Committee consists of six independent directors (and one who attends by invitation) and continues to monitor performance by management in relation to the Group's policies and guidelines, as well as the implementation of any recommendations made by the Committee.

Capital Projects Control and Review Committee

It is the responsibility of this Committee, which consists of five independent, non-executive directors (and an additional two who attend by invitation), among other things, to:

» Satisfy the Board that the Company has used correct, efficient methodologies in evaluating and implementing capital projects in excess of R1.5bn or US$200m

» Ensure that adequate controls are in place to review such projects from inception to completion and make appropriate recommendations to management and the Board

The Committee assessed its performance and effectiveness during the period under review and was found to be functioning and discharging its duties satisfactorily. The Committee continues to review the results attained on completion of each project against the authorised work undertaken.

Social, Ethics and Transformation Committee

It is the responsibility of this Committee to ensure, among other things, that:

» Gold Fields discharges its statutory duties in respect of section 72 of the Companies Act No 71 of 2008, as amended

» Gold Fields adequately embeds the 10 Principles on Sustainable Development of the International Council on Mining and Metals (ICMM) and the 10 Principles of the United Nations Global Compact

» Gold Fields upholds the goals of the Organisation of Economic Cooperation and Development (OECD) recommendations regarding corruption

» Gold Fields complies with the Employment Equity Act, as amended, the Broad-Based Black Economic Empowerment Act, as amended, and the provisions of the 2014 Mining Charter

» Gold Fields' directors and staff comply with the Company's Code of Conduct

» Gold Fields practices labour and employment policies that comply with the terms of the International Labour Organisation (ILO) protocol on decent work and working conditions

» Gold Fields ensures the continued training and skills development of its employees

» Gold Fields performs its responsibilities in respect of social and ethics matters and that these policies are reviewed on an annual basis, or as required

The Committee also has assumed oversight over the South Deep Education Trust, the South Deep Community Trust and the Westonaria Community Trust.

The Social, Ethics and Transformation Committee comprises the chairs of the Audit Committee, Remuneration Committee, the Safety, Health and Sustainable Development Committee, Nominating and Governance Committee and the Capital Projects Committee.

Risk Committee

The Committee assists the Board in ensuring that management identifies and implements appropriate risk management controls. The Committee, which consists of six non-executive, independent directors, acts in terms of delegated authority in respect of the duties and responsibilities assigned to it by the Board.

The Committee assists the Board and the boards of all subsidiary companies of Gold Fields in their oversight of the integrity and effectiveness of the risk management processes. The Committee continues to review the results attained on completion of each project against the authorised work undertaken.

Executive Committee

The Executive Committee (Exco) is not a Committee of the Board. It is primarily responsible for the implementation of Company strategy, day-to-day management of the Company, as well as carrying out the Board's mandates and directives. Exco meets on a regular basis to review Company performance against set objectives and develops Company strategy and policy proposals for consideration by the Board. Exco also assists the Board in the execution of the Company's disclosure obligations. A series of guidelines on disclosure have been disseminated throughout the Company. The Executive Committee consists of the prescribed officers and executive directors of Gold Fields – 12 members in total.

Each of Gold Fields' regional operating subsidiaries has established Regional Board and Regional Executive Committee structures to ensure sound corporate governance practices and standards. At least one of the Company's executive directors serves on the boards of the operating subsidiaries.

Directors' Report

The directors have pleasure in submitting their report and the annual financial statements of Gold Fields Limited (Gold Fields or the Company) and its subsidiaries (together referred to as the Group) for the year ended 31 December 2016.

PROFILE

Business of the Company

Gold Fields is a globally diversified producer of gold with eight operating mines in Australia, Ghana, Peru and South Africa. Gold Fields has attributable gold-equivalent annual production of approximately 2.15Moz, attributable gold Mineral Reserves of approximately 48Moz and attributable gold Mineral Resources of approximately 101Moz. Attributable copper Mineral Reserves total 454 million points and attributable copper Mineral Resources 5,813 million pounds. Gold Fields has a primary listing on the JSE Limited, with secondary listings on the New York Stock Exchange (NYSE) and the Swiss Exchange (SWX).

REVIEW OF OPERATIONS

The activities of the various Gold Fields operations are detailed in the Integrated Annual Report.

FINANCIAL RESULTS

The information on the financial position of the Group for the year ended 31 December 2016 is set out in the financial statements on p99 – 179 of this report. The income statement for the Group shows a profit attributable to Gold Fields shareholders of US$163m for the year ended 31 December 2016 compared with a loss of US$242m for the year ended 31 December 2015.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 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.

LISTING

The abbreviated name under which the Company is listed on the JSE Limited (JSE) is GFIELDS and the short code is GFI. The company also has a secondary listing on the following stock exchanges: New York Stock Exchange (NYSE); and the SIX Swiss Exchange (SWX).

At 31 December 2016, the Company had in issue, through The Bank of New York Mellon on the New York Stock Exchange (NYSE), 347,741,317 (31 December 2015: 330,101,258) American Depository Receipts (ADRs). Each ADR is equal to one ordinary share.

DIRECTORATE

Composition of the Board

The Board consists of two executive directors and 11 non-executive directors.

Changes in directorship during the period under review were made as follows:

- Mr Steven Reid was appointed to the Board on 1 February 2016
- Mr David Murray resigned from the Board on 1 June 2016
- Mr Terence Goodlace was appointed to the Board on 1 July 2016
- Mr Alhassan Andani was appointed to the Board on 1 August 2016
- Messrs Peter Bacchus and Yunus Suleman were appointed to the Board on 1 September 2016
- Messrs Kofi Ansah and Alan Hill retired from the Board on 31 December 2016
- Dr Carmen Letton was appointed to join the Board on 1 May 2017

Rotation of directors

Directors retiring in terms of the Company's Memorandum of Incorporation, all of whom are eligible and offer themselves for re-election, are Mr TP Goodlace, Mr A Andani, Mr PJ Bacchus, Mr YGH Suleman, Mr NJ Holland, Mr PA Schmidt as well as Dr C Letton, who was appointed to the Board effective from 1 May 2017.

The Board of Directors of various subsidiaries of Gold Fields comprise some of the executive officers and one or both of the executive directors, where appropriate, as well as a non-executive director of Gold Fields.

Directors' and officers' disclosure of interests in contracts

During the period 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.

At 31 December 2016, the directors' and prescribed officers' beneficial interest in the issued and listed share capital of the Company was 0.21%. No one director's or prescribed officer's individual interest exceeds 1% of the issued share capital or voting control of the Company.

Directors' Report (continued)

	Beneficial (Number of shares)			
	Direct		Indirect	
	31 December 2016[1]	31 December 2015	31 December 2016	31 December 2015
Director				
Nick J Holland	**610,877**	610,877	**507,473[3]**	–
Paul A Schmidt	**122,549**	122,549	**–**	–
Alan Hill	**–**	–	**–**	–
Kofi Ansah	**–**	–	**–**	–
Cheryl Carolus	**3,129**	3,129	**–**	–
Richard Menell	**5,850**	5,850	**–**	–
Donald MJ Ncube	**–**	2,378	**–**	8,874
David Murray	**–**	–	**–**	–
Gayle Wilson	**2,378**	2,378	**–**	–
Peter Bacchus	**–**	–	**–**	–
Alhassan Andani	**–**	–	**–**	–
Yunus Suleman	**–**	–	**–**	–
Steven Reid	**–**	–	**–**	–
Terence Goodlace	**–**	–	**–**	–
Prescribed officer				
Richard Weston[1]	**204,636**	72,704	**–**	–
Naseem Chohan[1]	**82,023**	74,023	**–**	–
Brett Mattison	**43,103**	24,994	**–**	–
Lee-Ann Samuel[1]	**76,525**	29,964	**–**	–
Taryn Harmse	**7,777**	8,836	**–**	–
Alfred Baku[1]	**40,404**	27,235	**–**	–
Ernesto Balarezo[1,2]	**–**	26,696	**–**	–
Nico Muller	**–**	–	**–**	–
Avishkar Nagaser	**–**	–	**–**	–
Luis Rivera	**–**	–	**–**	–
Total	**1,199,251**	**1,011,613**	**507,473**	**8,874**

[1] Inclusive of shares vested and transferred between 1 January 2016 and 31 December 2016

[2] Resigned from Gold Fields on 30 June 2016

[3] This relates to Restricted Shares as per p98 of the Remuneration Report

Related-party and directors' shareholding information are disclosed on p94 and p98.

FINANCIAL AFFAIRS

Dividend Policy

The Company's dividend policy is to declare an interim and final dividend of between 25% and 35% of its normalised earnings. On 16 February 2017, the Company declared a final cash dividend number 85 of 60 SA cents per ordinary share (2016: 21 SA cents) to shareholders reflected in the register of the Company on 8 March 2017. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 13 March 2017. The dividend resulted in a total dividend of 110 SA cents per share for the year ended 31 December 2016 (2015: 25 SA cents), with the final dividend being accounted for in 2017.

Borrowing Powers

In terms of the provisions of section 19(1) of the Companies Act, No 71 of 2008, read together with Clause 4 of the Company's Memorandum of Incorporation, the borrowing powers of the Company are unlimited. As at 31 December 2016, the Company's borrowings totalled US$1.69bn, compared to total borrowings of US$1.82bn at 31 December 2015. Cash resources at 31 December 2016 amounted to US$527m (2015: US$440m) resulting in net debt of US$1.17bn (2015: US$1.38bn).

Capital Expenditure

Capital expenditure for the year ended 31 December 2016 amounted to US$650m compared with US$634m for 2015. Estimated capital expenditure for 2017 is US$869m and is intended to be funded from internal sources and, to the extent necessary, borrowings.

SIGNIFICANT ANNOUNCEMENTS

Appointment of Director
15 January 2016
Gold Fields announces the appointment of Steven Reid as an independent non-executive director to the Board of Directors of Gold Fields with effect from 1 February 2016.

Gold Fields Strengthens Balance Sheet
18 March 2016
Gold Fields successfully completes a R2.3bn (US$152m) accelerated equity raising by way of a private placement to institutional investors. The offer was significantly oversubscribed and a total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represents a discount of 6.0% to the 30-day volume weighted average traded price (VWAP), for the period ended 17 March 2016 and a 0.7% discount to the 50-day moving average.

Development Agreement Concluded in Ghana
29 March 2016
Gold Fields announces the conclusion of a development agreement with the Government of Ghana for both the Tarkwa and Damang mines. The terms of the agreement, effective from 17 March 2016, will be for a period of 11 years for Tarkwa and nine years for Damang, each renewable for an additional five years. The agreement provides tax concessions as well as royalty payments linked to the prevailing gold price.

Gold Fields Australia Wins Appeal in Native Title Proceedings
29 March 2016
Gold Fields announces that the Full Court of the Federal Court of Australia overturned a July 2014 Federal Court decision that the re-grant of certain tenements to Gold Fields Australia's St Ives mine in 2004 by the State was not compliant with the correct processes in the Native Title Act 1993.

Resignation of Director
1 June 2016
David Murray resigns as a non-executive director of the Gold Fields Board of Directors, with effect from 1 June 2016.

Credit Facilities Successfully Refinanced
7 June 2016
Gold Fields successfully refinances its US$1,510m term loan and revolving credit facilities due in November 2017. The new facilities amount to US$1,290m and comprise three tranches:

A. US$380m – three-year term loan – margin 250 basis points (bps) over Libor
B. US$360m – three-year revolving credit facility (RCF) (with an option to extend to up to five years) – margin 220 bps over Libor
C. US$550m – five-year RCF – margin 245 bps over Libor

Appointment of Terence Goodlace to the Gold Fields Board of Directors
14 June 2016
Gold Fields announces the appointment of Terence Philip Goodlace as an independent non-executive director to the Board of Directors of Gold Fields with effect from 1 July 2016.

Appointment of Yunus Suleman to the Gold Fields Board of Directors
14 July 2016
Gold Fields announces the appointment of Yunus Suleman as independent non-executive director to the Board of Gold Fields. The appointment of Mr Suleman takes effect on 1 September 2016.

Two New Appointments to the Gold Fields Board of Directors
22 July 2016
Gold Fields announces the appointments of Alhassan Andani and Peter Bacchus as independent non-executive directors to the Board of Gold Fields. The appointment of Mr Andani takes effect on 1 August 2016 and that of Mr Bacchus on 1 September 2016.

Fatal Accident at South Deep
12 September 2016
Gold Fields announces that an employee at the South Deep mine in South Africa lost his life in a fall-of-ground accident on Saturday following a 1.5 magnitude seismic event. South Deep management immediately suspended all destress mining activities and notified the Department of Mineral Resources.

Directors' Report (continued)

Gold Fields Rated Top SA Mining Company on the DJSI
21 September 2016
Gold Fields is ranked the top South African mining company on the prestigious Dow Jones Sustainability Index (DJSI) benchmarking database. The 2016 DJSI benchmarking database indicates that Gold Fields' sustainability practices rank with the best of resources companies worldwide. Gold Fields is ranked 5th in terms of all 44 mining companies on the DJSI and the 3rd best global gold company.

Damang Reinvestment Plan
24 October 2016
Gold Fields announces the reinvestment plan for the Damang Gold mine in Ghana which will extend the life of mine (LOM) by eight years from 2017 to 2024. The reinvestment plan, entails Gold Fields investing US$1.4bn (operating and capital expenditure) over the LOM. It will enhance the Group's presence in one of its key operating regions and will result in significant social benefits for Ghana, including the creation and preservation of 1,850 direct jobs.

Acquisition of 50% of Gold Road's Gruyere Gold Project
7 November 2016
Gold Fields announces that it has agreed to acquire a 50% interest in ASX listed Gold Road Resources' Gruyere Gold Project in Western Australia and to form a 50:50 unincorporated joint venture to develop, construct and operate Gruyere. The acquired interest include the Gruyere, Central Bore, Attila/Alaric and other associated deposits.

Gold Fields Ghana and Germany's GIZ Launch Youth Farming Project
23 November 2016
Gold Fields Ghana (GFG), in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, launch the Youth in Organic Horticulture Production (YouHop) Programme. The initiative is aimed at creating employment and improving incomes for about 1,000 community youth. GFG and GIZ are investing €800,000 in the programme, over a three-year period.

Sale of Royalty Portfolio to Maverix
5 December 2016
Maverix agrees to acquire a portfolio of 11 existing producing and non-producing royalties from Gold Fields in return for 42.85 million common shares and 10 million common share purchase warrants of Maverix. Upon completion of the transaction and a concurrent Maverix financing transaction, Gold Fields will own approximately 32% of the issued and outstanding common shares of Maverix.

Resignation of Nico Muller
7 December 2016
Gold Fields announces the resignation of Nico Muller, EVP: South Africa, effective 3 March 2017. Nico will be leaving Gold Fields to take up the position of chief executive officer (CEO) of Impala Platinum.

Retirement of Directors
14 December 2016
Gold Fields announces the retirement of Messrs Kofi Ansah and Alan Hill as non-executive directors of the Gold Fields Board of Directors with effect from 31 December 2016.

GOING CONCERN

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

DEMATERIALISATION OF THE SHARES

Shareholders are reminded that, as a result of the clearing and settlement of trades through STRATE, the Company's share certificates are no longer good for delivery for trading. Dematerialisation of the Company's share certificates is a prerequisite when dealing in the Company's shares.

PROPERTY

The register of property and mineral rights is available for inspection at the registered office of the Company during normal business hours.

OCCUPATIONAL HEALTHCARE SERVICES

Occupational healthcare services are made available by Gold Fields to employees in South Africa from its existing facilities. There is a risk that the cost of providing such services could increase in the future, depending upon changes in the nature of underlying legislation such as the ruling by the Constitutional Court in February 2011 against AngloGold Ashanti in favour of a claimant, who suffered from silicosis. Increased costs, should they transpire, are currently indeterminate. The Company continues to monitor developments in this regard. See Silicosis, p24.

ENVIRONMENTAL OBLIGATIONS

The Company's total gross closure liability for environmental rehabilitation costs amounted to US$381m at 31 December 2016 compared with US$353m at 31 December 2015. The regional gross closure liabilities are as follows:

- Australia: US$182m
- South Africa: US$37m
- Peru: US$57m
- Ghana: US$105m

The funding methods used by each region to make provision for the mine closure cost estimates are:

- Australia – self-funding, using existing cash resources
- South Africa – contributions into environmental trust funds and guarantees
- Peru – bank guarantees
- Ghana – reclamation bonds underwritten by banks and restricted cash

LITIGATION

Randgold & Exploration Summons

On 21 August 2008, Gold Fields Operations Limited, formerly known as Western Areas Limited (WAL), a subsidiary of Gold Fields Limited, received a summons from Randgold and Exploration Company Limited (R&E) and African Strategic Investment (Holdings) Limited. The summons claims that during the period that WAL was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in unlawfully disposing of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now Uranium One.

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One shares between the dates of the alleged thefts and March 2008 (between R11bn and R12bn). The alternative claims have been computed on the basis of the actual amounts allegedly received by Gold Fields Operations Limited to fund its operations (approximately R519m).

Simultaneously with delivering its plea, Gold Fields Operations Limited joined certain third parties to the action (namely JCI Limited, JC Lamprecht, RAR Kebble and the deceased and insolvent estate of BK Kebble), in order to enable it to claim compensation against such third parties in the event that the plaintiffs are successful in one or more of their claims. In addition, notices in terms of section 2(2) (b) of the Apportionment of Damages Act, 1956 were served on various parties by Gold Fields Operations Limited, in order to enable it to make a claim for a contribution against such parties in terms of the Apportionment of Damages Act, should the plaintiffs be successful in one or more of their claims.

A case manager has been appointed to manage the process to ensure that it progresses and that a trial date is allocated in due course.

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

Gold Fields Operations Limited's assessment remains that it has sustainable defences to these claims and, accordingly, Gold Fields Operation Limited's attorneys were instructed to vigorously defend the claims.

Directors' Report (continued)

Silicosis

As previously indicated, the Respondents in the Certification Application, including Gold Fields, all opposed the certification application, which was heard by the Gauteng Local Division of the High Court from 12 to 23 October 2015.

On 13 May 2016, the High Court ordered, amongst other things: (i) the certification of two classes: (a) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependants of mine workers who have died of silicosis; and (b) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependants of deceased mine workers who died of pulmonary tuberculosis; and (ii) that the common law be developed to provide that, where a claimant commences suing for general damages and subsequently dies whether arising from harm caused by a wrongful act or omission of a person or otherwise, before close of pleadings, and who would but for his or her death have been entitled to continue with such action, the claim for general damages will transmit to the estate of the deceased claimant.

The progression of the classes certified will be done in two phases: (i) a determination of common issues, on an opt-out basis, and (ii) the hearing and determination of individualised issues, on an-opt in basis. In addition, costs were awarded in favour of the Claimants. The High Court ruling did not represent a ruling on the merits of the cases brought by the Claimants. The amount of damages has not yet been quantified for any of the claimants in the Consolidated Class Application or for any other members of the classes.

Gold Fields and the other respondents believe that the judgment addressed a number of highly complex and important issues, including a far-reaching amendment of the common law, that have not previously been considered by other courts in South Africa. The High Court itself found that the scope and magnitude of the proposed claims is unprecedented in South Africa and that the class action would address novel and complex issues of fact and law. The companies applied for leave to appeal against the judgment because they believed that the court's ruling on some of these issues is incorrect and that another court may come to a different decision.

On 24 June 2016, the High Court granted the mining companies leave to appeal against the finding amending the common law in respect of the transmissibility of general damages claims. It refused leave to appeal on the certification of silicosis and tuberculosis classes.

On 15 July 2016, Gold Fields and the other respondents each filed petitions to the Supreme Court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis. On 21 September 2016, the Supreme Court of Appeal granted the respondents leave to appeal against all aspects of the class certification judgment of the South Gauteng High Court delivered in May 2016. The appeal record has been filed. It is anticipated that an appeal hearing date may be allocated in the third quarter of 2017.

In addition to the consolidated class action application, an individual action has been instituted against Gold Fields and other mining companies in terms of which the plaintiff claims some R25m (US$2m) in damages plus interest and costs, arising from his alleged contraction of silicosis which he claims was caused by the defendants. The matter is being defended. Gold Fields is proceeding with trial preparation in the normal course. No trial date has yet been allocated.

Gold Working Group

The Occupational Lung Disease Working Group, comprising of African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Gold Fields, Harmony and Sibanye Gold, remains of the view that achieving a comprehensive settlement which is both fair to past, present and future employees, and sustainable for the sector, is preferable to protracted litigation.

The members of the Working Group are among respondent companies in a number of lawsuits related to occupational lung disease. These companies do not believe that they are liable in respect of the claims brought, and they are defending these.

The companies do, however, believe that they should work together to seek a solution to this South African mining industry legacy issue. The Working Group will continue with its efforts – which have been ongoing for more than two years – to find common ground with all stakeholders, including government, labour and the claimants' legal representatives.

South Deep Tax Dispute

The South Deep mine (South Deep) is jointly owned and operated by GFIJVH (50%) and GFO (50%).

As at 31 December 2016, South Deep's gross deductible temporary differences amounted to US$1,585.3m (R22,242.2m), resulting in a deferred tax asset balance of US$475.6m (R6,672.7m). This amount is included in the consolidated deferred tax asset of US$48.7m on Gold Fields' statement of financial position. South Deep's gross deductible temporary differences comprises unredeemed capital expenditure balances of US$633.2m (R8,884.0m) (tax effect: US$190.0m (R2,665.2m)) at GFIJVH and US$606.4m (R8,508.0m) (tax effect: US$181.9m (R2,552.4m)) at GFO, a capital allowance balance (Additional Capital Allowance) of US$163.4m (R2,292.0m) (tax effect: US$49.0m (R687.6m)) at GFIJVH and an assessed loss balance of US$182.3m (R2,558.2m) (tax effect: US$54.7m (R767.5m)) at GFO.

During the September 2014 quarter, the South African Revenue Services (SARS) issued a Finalisation of Audit Letter (the Audit Letter) stating that SARS has restated GFIJVH's Additional Capital Allowance balance rejected on its 2011 tax return from US$163.4m (R2,292.0m) to nil. The tax effect of this amount is US$49.0m (R687.6m) that being the amount referred to above as Additional Capital Allowance.

The Additional Capital Allowance was claimed by GFIJVH in terms of section 36(11)(c) of the South African Income Tax Act, 1962 (the Act). The Additional Capital Allowance provides an incentive for new mining development and only applies to unredeemed capital expenditure. The Additional Capital Allowance allows a 12% capital allowance over and above actual capital expenditure incurred on developing a deep level gold mine, as well as a further annual 12% allowance on the mine's unredeemed capital expenditure balance brought forward, until the year that the mine starts earning mining taxable income (i.e. when all tax losses and unredeemed capital expenditure have been fully utilised).

In order to qualify for the Additional Capital Allowance, South Deep must qualify as a "post-1990 gold mine" as defined in the Act. A "post-1990 gold mine", according to the Act, is defined as "a gold mine which, in the opinion of the Director-General: Mineral and Energy Affairs, is an independent workable proposition and in respect of which a mining authorisation for gold mining was issued for the first time after 14 March 1990".

During 1999, the Director-General: Minerals and Energy Affairs (DME) and SARS confirmed, in writing, that GFIJVH is a "post-1990 gold mine" as defined, and therefore qualified for the Additional Capital Allowance. Relying on these representations, GFIJVH subsequently filed its tax returns on this basis, as was confirmed by the DME and SARS.

In the Audit Letter, SARS stated that both the DME and SARS erred in issuing the confirmations as mentioned above and that GFIJVH does not qualify as a "post-1990 gold mine" and therefore does not qualify for the Additional Capital Allowance.

The Group has taken legal advice on the matter and was advised by external Senior Counsel that SARS should not be allowed to disallow the claiming of the Additional Capital Allowance. GFIJVH has in the meantime not only formally appealed against the position taken by SARS, but also filed an application in the High Court and will vigorously defend its position. A trial date in the Tax Court has been set for October 2017.

Accordingly, no adjustment for any effects on the Company that may result from the proceedings, if any, has been made in the consolidated financial statements.

Native Title Claim

Following the decision of the Full Federal Court in favour of St Ives, the Ngadju group applied for permission to appeal that decision to the High Court of Australia. On 14 October 2016, that request was declined by the High Court, leaving no other opportunity for review or appeal. St Ives continues to engage with the Ngadju group in relation to routine heritage surveys and other matters.

Directors' Report (continued)

Regulatory Investigations

On 22 June 2015, Gold Fields Limited notified shareholders that it had been informed by the Foreign Corrupt Practices Act Unit of the United States Securities Exchange Commission (the Commission) that it had concluded its investigation in connection with the Black Economic Empowerment (BEE) transaction related to South Deep and, based on the information available to them, would not recommend to the Commission that enforcement action be taken against Gold Fields.

The notice was provided under the guidelines set out in the final paragraph of the Securities Act Release No 5310, which states in part that the notice "must in no way be construed as indicating that the party has been exonerated or that no action may ultimately result from the staff's investigation."

In South Africa, in 2013 the Directorate for Priority Crime Investigation (the Hawks) informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed with a formal investigation, following a complaint by the Democratic Alliance. The investigation is still in progress and it is not possible to determine what effect the ultimate outcome of this investigation, any regulatory findings and any related developments on the Company or the timing thereof.

Accordingly, no adjustment for any effects on the Company that may result from the investigation, if any, has been made in the consolidated financial statements.

ADMINISTRATION

The office of Company Secretary of Gold Fields Limited was held by Lucy Mokoka for the period under review. Computershare Investor Services (Pty) Limited are the Company's South African transfer secretaries and Capita Registrars are 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 No 71 of 2008 (as amended).

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest are set out on p166 and 167.

Management's discussions and analysis of the financial statements

The following management's discussion and analysis of the financial statements should be read together with the Gold Fields consolidated financial statements, including the notes accompanying these financial statements.

Overview

Gold Fields is a significant producer of gold and a major holder of gold reserves and resources in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. Gold Fields is primarily involved in underground and surface gold and surface copper mining and related activities, including exploration, extraction, processing and smelting.

In 2016, the South African, Ghanaian, Peruvian and Australian operations produced 13%, 32%, 12% and 43% of its total gold production, respectively.

Gold Fields' South African operation is South Deep. Gold Fields also owns the St Ives, Agnew/Lawlers, Granny Smith and Darlot gold mining operations in Australia and has a 90.0% interest in each of Tarkwa and Damang in Ghana. Gold Fields also owns a 99.5% interest in the Cerro Corona mine in Peru. During February 2017, Gold Fields announced its intention to dispose of the Darlot operation.

On 13 December 2016, Gold Fields purchased 50% of the Gruyere Gold Project and entered into a 50:50 unincorporated joint venture with Gold Road Resources Limited ("Gold Road") for the development and operation of the Gruyere Gold Project in Western Australia, which comprises the Gruyere gold deposit as well as additional resources including Central Bore and Attila/Alaric (Gruyere). Gold Fields acquired 50% interest in the Gruyere Gold Project for a total purchase consideration of A$350 million (US$259 million) payable in cash and a 1.5% royalty on Gold Fields' share of production after total mine production exceeds two million ounces. The cash consideration was split with A$250 million (US$185 million) payable on the effective date and A$100 million (US$74 million) payable according to an agreed construction cash call schedule. Transaction costs of A$19 million (US$13 million) were incurred.

As of 31 December 2016, Gold Fields reported attributable proven and probable gold and copper reserves of 48.0 million ounces of gold and 454 million pounds of copper, as compared to the 46.1 million ounces of gold and 532 million pounds of copper reported as of 31 December 2015.

Total gold production was 2.219 million ounces of gold equivalents in 2016, 2.146 million ounces of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Ghana and Peru. Total gold production was 2.236 million ounces of gold equivalents in 2015, 2.159 million ounces of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Ghana and Peru.

At South Deep in South Africa, production increased by 47% from 6,160 kilograms (198,000 ounces) in 2015 to 9,032 kilograms (290,400 ounces) in 2016 due to increased volumes and grades.

At the Ghanaian operations, gold production decreased by 5% from 753,900 ounces in 2015 to 715,800 ounces in 2016. At Tarkwa, gold production decreased by 3% from 586,100 ounces to 568,100 ounces mainly due to lower yield. At Damang, gold production decreased by 12% from 167,800 ounces to 147,700 ounces mainly due to lower yield.

Gold equivalent production at Cerro Corona decreased by 9% from 295,600 ounces in 2015 to 270,200 ounces in 2016 mainly due to the lower copper to gold price ratio as well as lower gold head grades treated and lower gold recovery.

At the Australian operations, gold production decreased by 5% from 988,000 ounces in 2015 to 942,400 ounces in 2016. At St Ives, gold production decreased by 2% from 371,900 ounces to 362,900 ounces due to lower grade of ore milled following the closure of the Cave Rocks and Athena underground mines and transition to a predominantly open pit operation. At Agnew/Lawlers, gold production decreased by 3% from 236,600 ounces to 229,300 ounces mainly due to a reduction in ore processed. At Darlot, gold production decreased by 15% from 78,400 ounces to 66,400 ounces due to lower grades mined. At Granny Smith, gold production decreased by 6% from 301,100 ounces to 283,800 ounces due to lower grades mined and an increase in stockpiled ore as a consequence of the timing of December milling campaign.

Revenues

Substantially all of Gold Fields' revenues are derived from the sale of gold and copper production. As a result, Gold Fields' revenues are directly related to the prices of gold and copper. Historically, the prices of gold and copper have fluctuated widely. The gold and copper prices are affected by numerous factors over which Gold Fields does not have control. The volatility of gold and copper prices is illustrated in the following tables, which show the annual high, low and average of the London afternoon fixing price of gold and the London Metal Exchange ("LME") cash settlement price for copper in US Dollar for the past 12 calendar years (2005 to 2016):

	Price per ounce[1]		
	High	Low	Average
		(US$/oz)	
Gold			
2005	537	411	445
2006	725	525	604
2007	834	607	687
2008	1,011	713	872
2009	1,213	810	972
2010	1,421	1,058	1,224
2011	1,895	1,319	1,571
2012	1,792	1,540	1,669
2013	1,694	1,192	1,409
2014	1,385	1,142	1,266
2015	1,296	1,060	1,167
2016	**1,355**	**1,077**	**1,250**

Source: I-Net

[1] Rounded to the nearest US Dollar.

On 20 March 2017, the London afternoon fixing price of gold was US$1,232/oz.

	Price per tonne[1]		
	High	Low	Average
		(US$/t)	
Copper			
2005	4,650	3,072	3,687
2006	8,788	4,537	6,728
2007	8,301	5,226	7,128
2008	8,985	2,770	6,952
2009	7,346	3,051	5,164
2010	9,740	6,091	7,539
2011	9,986	7,062	8,836
2012	8,658	7,252	7,951
2013	8,243	6,638	7,324
2014	7,440	6,306	6,861
2015	6,401	4,347	5,376
2016	**5,936**	**4,311**	**4,863**

Source: I-Net

[1] Rounded to the nearest US Dollar.

On 20 March 2017, the LME cash settlement price for copper was US$5,891/t.

As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices and does not enter into hedging arrangements such as forward sales or derivatives which establish a price in advance for the sale of its future gold production. Hedges can be undertaken in one or more of the following circumstances: to protect cash flows at times of significant capital expenditures, for specific debt servicing requirements and to safeguard the viability of higher cost operations. During 2016 and at 31 December 2016, Gold Fields had no commodity hedging arrangements in place. Significant changes in the prices of gold and copper over a sustained period of time may lead Gold Fields to increase or decrease its production in the near term, which could have a material impact on Gold Fields' revenues.

Management's discussions and analysis of the financial statements

(continued)

Sales of copper concentrate are "provisionally priced" – that is, the selling price is subject to final adjustment at the end of a period normally ranging from 30 to 90 days after delivery to the customer, based on market prices at the relevant quotation points stipulated in the contract.

Revenue on provisionally priced copper concentrate sales is recorded on the date of shipment, net of refining and treatment charges, using the forward LME price to the estimated final pricing date, adjusted for the specific terms of the agreements. Variations between the price used to recognise revenue and the actual final price received can be caused by changes in prevailing copper prices and result in an embedded derivative. The host contract is the receivable from the sale of copper concentrate at the forward LME price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked-to-market each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue while the contract itself is recorded in accounts receivable.

Gold Fields' realised gold and copper prices

The following table sets out the average, the high and the low London afternoon fixing price per ounce of gold and Gold Fields' average US Dollar realised gold price during the past three years. Gold Fields' average realised gold price per equivalent ounce is calculated using the actual price per ounce of gold received on gold sold and the actual amount of revenue received on sales of copper, expressed in terms of the price per gold equivalent ounce.

	2016	2015	2014
Realised gold price[1]			
Average	**1,250**	1,167	1,266
High	**1,355**	1,296	1,385
Low	**1,077**	1,060	1,142
Gold Fields' average realised gold price[2]	**1,241**	1,140	1,249

[1] Prices stated per ounce.

[2] Gold Fields' average realised gold price may differ from the average gold price due to the timing of its sales of gold within each year.

The following table sets out the average, the high and the low LME cash settlement price per tonne for copper and Gold Fields' average US Dollar realised copper price for 2014, 2015 and 2016.

	2016	2015	2014
Realised copper price[1]			
Average	**4,863**	5,376	6,861
High	**5,936**	6,401	7,440
Low	**4,311**	4,347	6,306
Gold Fields' average realised copper price[2]	**4,913**	4,787	6,827

[1] Prices stated per tonne.

[2] Gold Fields' average realised copper price may differ from the average copper price due to the timing of its sales of copper within each year and is net of treatment and refining charges.

Production

Gold Fields' revenues are primarily driven by its production levels and the price it realises on the sale of gold. Production levels are affected by a number of factors, some of which are described below. Total managed production decreased from 2.24 million ounces in 2015 to 2.22 million ounces in 2016.

Labour impact

In recent years, Gold Fields has experienced union activity in some of the countries in which it operates, including the entry of rival unions, which has resulted in more frequent industrial disputes, including violent protests, intra-union violence and clashes with police authorities, and has impacted labour relations. South Deep has a relatively well-educated labour force with a component of skilled and semi-skilled employees who receive remuneration packages that are competitive and highly incentivised. There is also no evidence to date that the Association of Mineworkers and Construction Union ("AMCU"), which has been responsible for extensive strike action at South Africa's gold and platinum mines, has established a material presence at the mine. The National Union of Mineworkers ("NUM") is the dominant union, providing relatively stable relations.

There were no work stoppages as a result of strikes during 2016, 2015 and 2014 at all the Gold Fields operations.

Health and safety impact

Gold Fields' operations are also subject to various health and safety laws and regulations that impose various duties on Gold Fields' mines while granting the authorities broad powers to, among other things, close or suspend operations at unsafe mines and order corrective action relating to health and safety matters. Additionally, it is Gold Fields' policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. During 2016, Gold Fields' operations suffered 16 work safety-related stoppages, two related to the fatality in September and 14 related to unsafe conditions. During 2015, Gold Fields' operations suffered three work safety-related stoppages, two related to the fatalities in March and May and the third one related to a serious accident in April. In South Africa, Gold Fields has actively engaged with the Department of Mineral Resources ("DMR") on the protocols applied to safety-related mine closures.

Gold Fields expects that each of these factors will continue to impact production levels in the future.

Costs

Over the last three years, Gold Fields' production costs consisted primarily of labour and contractor costs, power, water and consumable stores, which include explosives, timber, diesel fuel, other petroleum products and other consumables. Gold Fields expects that its total costs, particularly the input costs noted above, are likely to continue to increase in the near future driven by general economic trends, market dynamics and other regulatory changes.

In order to counter the effect of increasing costs in the mining industry, the Group rationalised and prioritised capital expenditure without undermining the sustainability of its operations and continued prioritisation of cash generation over production volumes. The Group also undertook further reductions in labour costs. One of Gold Fields' strategic priorities relates to the proactive management of costs with a view of achieving a 15% free cash flow margin at a US$1,300 per ounce gold price.

The Gold Fields' South African operation is labour intensive due to the use of deep level underground mining methods. As a result, over the last three fiscal years labour has represented on average 34% of all-in costs ("AIC") at the South African operation. In 2016, labour represented 36% of AIC at the South African operation.

At the latest wage talks with organised labour which commenced on 19 March 2015, Gold Fields offered an all-inclusive package which included a scarce skills allowance and a housing allowance. On 10 April 2015, the Group signed a three-year wage and other conditions of employment agreement with NUM and UASA, the registered trade unions at South Deep. The agreement resulted in average annual wage increases of 10% over the three-year period of the deal. The first increase took effect on 1 April 2015.

At the South African operation, power and water made up on average 9% of AIC over the last three years. In 2016, power and water costs made up 8% of AIC at the South African operation. Eskom applied to the National Energy Regulator of South Africa ("NERSA") for a 16% average tariff increase on each of 1 April 2013, 2014, 2015, 2016 and 2017, and NERSA granted Eskom an average increase of 8% for each of the years, except for the actual legislated increase applicable to the mining industry on 1 April 2015 which was 12.69%, being 8% plus 4.69% due to the clawing back by Eskom of prudent costs through the "Regulatory Clearing Account" in respect of the three-year period from April 2010 to March 2013 and an increase of 9.4% effective 1 April 2016. Effective 1 April 2017, NERSA approved a 2.2% electricity increase. It is not clear what increases will be granted in the future.

Both Tarkwa and Damang concluded tariff negotiations for 2014 and 2015 with their respective power suppliers (the state electricity supplier, VRA, supplies power to Tarkwa and the ECG provides power to Damang). The ECG's tariff for the period 1 January 2014 to 31 December 2014 was US$0.22/kWh, from 1 January 2015 to 31 December 2015 was US$0.23/kWh and 1 January 2016 to 31 December 2016 was US$0.23/kWh. Following negotiations with management, ECG agreed to decrease its tariffs to US$0.20/kWh from 1 August 2015 to 31 January 2016. Tarkwa has agreed tariffs with VRA with a base tariff of US$0.17/kWh with effect from 1 January 2015 using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for the current quarter. The average VRA tariff for 2016 was US$0.16/kWh.

In order to reduce their reliance on power supplied by VRA and ECG, Tarkwa and Damang entered into a 15 and eight-year Power Purchase Agreement ("PPA") with independent power producer Genser Energy, or Genser. Under the PPA, Genser agreed to commission a gas power generation facility at Tarkwa and Damang. This power supply is expected to eventually replace all or a significant proportion of Tarkwa and Damang's current supply from VRA and ECG. Genser has installed three 11MW turbines at Tarkwa and five 5.5MW turbines at Damang. These plants were commissioned in December 2016. An additional 11MW is planned to be installed at Tarkwa to meet full demand, with commissioning set for January 2018.

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Contractor costs represented on average 6% of AIC at Tarkwa over the last fiscal years, and 6% of AIC during 2016. Over the last three years, contractor costs represented on average 17% of AIC at Damang with 21% in 2016. Following the restructuring concluded in the first half of 2016 in Damang, the direct labour cost has decreased as all mining and development will be performed by outside contractors. Direct labour costs represent on average a further 14% of AIC at Tarkwa over the last three years and 15% in 2016. Over the last three years, direct labour costs represented on average 15% at Damang and 12% in 2016.

Gold Fields' operations in Ghana consume large quantities of diesel fuel for the running of their mining fleet. The cost of diesel fuel is directly related to the oil price and any movement in the oil price will have an impact on the cost of diesel fuel and therefore the cost of running the mining fleet. Over the last three years, fuel costs have represented 11% of AIC at the Ghana operations. In 2016, fuel costs represented 10% of AIC at the Ghana operations. Fuel use is proportionately higher at the Ghana operations than at other operations because open pit mining in general requires more fuel usage than underground mining and because of the configuration of the Ghana operations, including the scale of certain of the pits and the distances between the pits and the plants.

At Cerro Corona, contractor cost represented on average 25% of AIC over the last three years and 25% of AIC during 2016. Direct labour costs represent on average a further 17% of AIC over the last three years and 20% in 2016. Power and water made up on average a further 5% of AIC over the last three years and 6% in 2016.

At the Australian operations, mining operations were historically conducted by outside contractors. However, at Agnew/Lawlers, owner mining at the underground operations commenced in May 2010, while development is still conducted by outside contractors. At St Ives, owner mining commenced in July 2011 at the underground operations and in July 2012 at the surface operations, but development is still conducted by contractors. Over the last three years, total contractor costs represented on average 22% at St Ives and 35% at Agnew of AIC and direct labour costs represented on average a further 16% at St Ives and 16% at Agnew of AIC. In 2016, contractors and direct labour cost represented 24% and 16% at St Ives and 41% and 18% at Agnew/Lawlers, respectively. Power and water made up, on average, a further 9% and 7% of AIC over the last three years and 9% and 6% of AIC in 2016 at St Ives and Agnew, respectively. At the Granny Smith and Darlot operations, mining operations and development are conducted through owner mining. Over the last three years, contractors and direct labour cost represented, on average, 16% and 25% at Granny Smith and 16% and 35% at Darlot, respectively. In 2016, contractors and direct labour cost represented 16% and 26% at Granny Smith and 16% and 35% at Darlot, respectively. Power and water made up, on average, a further 9% and 8% of AIC over the last three years and 8% and 9% of AIC in 2016 at Granny Smith and Darlot, respectively.

The remainder of Gold Fields' total costs consists primarily of amortisation and depreciation, exploration costs and selling, administration and general and corporate charges.

All-in sustaining and all-in cost

The World Gold Council has worked closely with its member companies to develop definitions for "all-in sustaining costs" ("AISC") and "all-in costs" ("AIC"). The World Gold Council is not a regulatory industry organisation and does not have the authority to develop accounting standards or disclosure requirements. Gold Fields ceased being a member of the World Gold Council in 2014. AISC and AIC are non-IFRS measures. These non-IFRS measures are intended to provide further transparency into the costs associated with producing and selling an ounce of gold. The standard was released by the World Gold Council on 27 June 2013. It is expected that these metrics will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. AISC incorporates costs related to sustaining current production. AIC includes additional costs which relate to the growth of the Group. AISC, as defined by the World Gold Council, is operating costs plus all costs not already included therein relating to sustaining current production, including sustaining capital expenditure. The value of by-product revenues such as silver and copper is deducted from operating costs as it effectively reduces the cost of gold production. AIC starts with AISC and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations.

AISC and AIC are reported on a per ounce of gold basis, net of by-product revenues (as per the World Gold Council definition) as well as on a per ounce of gold equivalent basis, gross of by-product revenues.

An investor should not consider AISC or AIC in isolation or as alternatives to operating costs, cash flows from operating activities or any other measure of financial performance presented in accordance with International Financial Reporting Standards ("IFRS"). AISC and AIC as presented in this Annual Financial Report may not be comparable to other similarly titled measures of performance of other companies.

The following tables set out a reconciliation of Gold Fields' operating costs, as calculated in accordance with IFRS (refer to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for 2016, 2015 and 2014. The following tables also set out AISC and AIC gross of by-product revenue on a gold equivalent ounce basis for 2016, 2015 and 2014.

	AISC and AIC, net of by-product revenue per ounce of gold									
	For the year ended 31 December 2016									
	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate and other	Group[1]
	(in US$ million except as otherwise stated)									
Operating costs	272.3	344.7	136.4	192.8	145.7	57.3	141.1	143.7	(1.1)	1,433.0
Gold inventory change	(0.7)	(17.5)	(0.4)	(11.0)	(5.1)	0.4	(7.4)	(3.8)	–	(45.5)
Royalties	1.8	35.4	9.2	11.5	7.1	2.0	8.8	4.6	–	80.4
Realised gains and losses on commodity cost hedges	–	–	–	0.6	0.2	0.1	0.7	–	–	1.6
Community/social responsibility costs	1.2	5.1	0.3	–	–	–	–	8.7	–	15.3
Non-cash remuneration (share-based payments)	2.3	2.5	0.3	1.5	0.8	0.4	0.9	2.0	3.6	14.4
Cash remuneration (long-term employee benefits)	2.4	3.0	0.8	0.9	0.9	0.6	1.0	1.8	(0.5)	11.0
Other	–	–	–	–	–	–	–	0.9	11.9	12.8
By-product revenue[2]	(0.5)	(1.5)	(0.1)	(0.8)	(0.2)	(0.3)	(0.1)	(130.6)	–	(134.1)
Rehabilitation, amortisation and interest	0.4	4.8	0.7	8.9	3.2	0.2	1.4	3.9	–	23.5
Sustaining capital expenditure[3]	70.1	168.4	37.9	140.0	70.0	21.4	90.3	42.8	–	640.8
AISC[1]	349.3	545.0	185.2	344.3	222.5	82.3	236.7	74.4	13.9	2,053.6
Exploration, feasibility and evaluation costs[4]	–	–	–	–	–	–	–	–	47.1	47.1
Non-sustaining capital expenditure[3]	7.8	–	–	–	–	–	–	–	1.3	9.1
AIC[1]	357.1	545.0	185.2	344.3	222.5	82.3	236.7	74.4	62.0	2,109.4
Gold only ounces sold ('000oz)	289.4	568.1	147.7	362.9	229.3	66.4	283.8	149.1	–	2,096.8
AISC	349.3	545.0	185.2	344.3	222.5	82.3	236.7	74.0	13.9	2,053.6
AISC net of by-product revenue per ounce of gold sold (US$/oz)	1,207	959	1,254	949	971	1,238	834	499	–	980
AIC	357.1	545.0	185.2	344.3	222.5	82.3	236.7	74.0	62.0	2,109.4
AIC net of by-product revenue per ounce of gold sold (US$/oz)	1,234	959	1,254	949	971	1,238	834	499	–	1,006

[1] This total may not reflect the sum of the line items due to rounding.

[2] By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

[3] Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure per note 41 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations.

[4] Includes exploration, feasibility and evaluation and share of equity accounted losses of Far Southeast Gold Resources Incorporated ("FSE").

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	AISC and AIC, gross of by-product revenue per ounce of gold									
	For the year ended 31 December 2016									
	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate and other	Group[1]
	(in US$ million except as otherwise stated)									
AISC (per table above)	349.3	545.0	185.2	344.3	222.5	82.3	236.7	74.4	13.9	2,053.6
Add back by-product revenue[2]	0.5	1.5	0.1	0.8	0.2	0.3	0.1	130.6	–	134.1
AISC gross of by-product revenue	349.8	546.5	185.2	345.1	222.8	82.5	236.8	205.0	13.9	2,187.7
AIC (per table above)	357.1	545.0	185.2	344.3	222.5	82.3	236.7	74.4	61.5	2,109.5
Add back by-product revenue[2]	0.5	1.5	0.1	0.8	0.2	0.3	0.1	130.6	–	134.1
AIC gross of by-product revenue	357.6	546.5	185.2	345.1	222.8	82.5	236.8	205.0	61.5	2,243.6
Gold equivalent ounces sold	289.4	568.1	147.7	362.9	229.3	66.4	283.8	268.9	–	2,216.4
AISC gross of by-product revenue (US$/equivalent oz)	1,209	962	1,254	951	972	1,243	834	762	–	987
AIC gross of by-product revenue (US$/equivalent oz)	1,236	962	1,254	951	972	1,243	834	762	–	1,012

[1] This total may not reflect the sum of the line items due to rounding.

[2] By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

AISC net of by-product revenues decreased by 3% from US$1,007 per ounce of gold in 2015 to US$980 per ounce of gold in 2016, mainly due to lower operating costs (including gold inventory change), lower losses on commodity cost hedges, higher by-product credits, partially offset by higher non-cash and cash remuneration and higher sustaining capital expenditure. AISC in 2015 included US$8 million of inventory written off at Damang. AIC net of by-product revenues decreased by 2% from US$1,026 per ounce of gold in 2015 to US$1,006 per ounce of gold in 2016, for the same reasons as AISC, as well as lower non-sustaining capital expenditure, partially offset by higher exploration, feasibility and evaluation costs.

AISC gross of by-product revenues decreased by 1% from US$1,000 per equivalent ounce of gold in 2015 to US$987 per equivalent ounce of gold in 2016 mainly due to lower operating costs (including gold inventory change) and lower losses on commodity cost hedges, partially offset by higher non-cash and cash remuneration and higher sustaining capital expenditure. AIC gross of by-product revenues decreased by 1% from US$1,018 per equivalent ounce of gold in 2015 to US$1,012 per equivalent ounce of gold in 2016, for the same reasons as AISC gross of by-product revenues, as well as lower non-sustaining capital expenditure, partially offset by higher exploration, feasibility and evaluation costs.

AISC and AIC, net of by-product revenue per ounce of gold										
	For the year ended 31 December 2015									
	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate and other	Group[1]
	(in US$ million except as otherwise stated)									
Operating costs	236.6	334.2	184.3	195.0	142.6	59.8	135.9	143.8	(0.8)	1,431.3
Gold inventory change	—	(7.3)	2.1	25.3	(1.1)	(0.6)	5.4	1.0	—	24.9
Inventory write-off	—	—	8.0	—	—	—	—	—	—	8.0
Royalties	1.2	34.0	9.7	10.7	6.6	2.1	8.7	3.1	—	76.0
Realised gains and losses on commodity cost hedges	—	—	—	5.0	1.5	0.5	5.2	—	—	12.1
Community/social responsibility costs	1.7	2.1	0.2	—	—	—	—	8.3	—	12.2
Non-cash remuneration (share-based payments)	1.0	1.5	0.3	1.2	0.7	0.2	0.4	1.2	4.4	10.9
Cash remuneration (long-term employee benefits)	1.0	1.4	0.4	0.2	0.5	0.2	0.3	0.8	0.6	5.3
Other	—	—	—	—	—	—	—	—	8.5	8.5
By-product revenue[2]	(0.4)	(5.5)	—	(0.5)	(0.3)	(0.2)	(0.1)	(113.8)	—	(120.7)
Rehabilitation, amortisation and interest	0.8	3.7	0.6	8.9	3.4	0.8	1.8	4.9	—	25.0
Sustaining capital expenditure[3]	53.2	204.2	16.9	114.5	73.0	20.0	72.4	64.8	—	619.9
AISC[1]	295.1	568.2	222.5	360.2	226.8	82.9	230.0	114.0	12.7	2,113.3
Exploration, feasibility and evaluation costs[4]	—	—	—	—	—	—	—	—	26.0	26.0
Non-sustaining capital expenditure[3]	13.7	—	—	—	—	—	—	—	0.5	14.2
AIC[1]	308.8	568.2	222.5	360.2	226.8	82.9	230.0	114.0	39.2	2,153.5
Gold only ounces sold ('000oz)	198.0	586.1	167.8	371.9	236.6	78.4	301.1	158.8	—	2,098.8
AISC	295.1	568.2	222.5	360.2	226.8	82.9	230.0	114.0	12.7	2,113.3
AISC net of by-product revenue per ounce of gold sold (US$/oz)	1,490	970	1,326	969	959	1,057	764	718	—	1,007
AIC	308.8	568.2	222.5	360.2	226.8	82.9	230.0	114.0	39.2	2,153.5
AIC net of by-product revenue per ounce of gold sold (US$/oz)	1,559	970	1,326	969	959	1,057	764	718	—	1,026

[1] This total may not reflect the sum of the line items due to rounding.

[2] By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

[3] Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure per note 41 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations.

[4] Includes exploration, feasibility and evaluation and share of equity accounted losses of Far Southeast Gold Resources Incorporated ("FSE").

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AISC and AIC, gross of by-product revenue per ounce of gold										
For the year ended 31 December 2015										
	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate and other	Group[1]
(in US$ million except as otherwise stated)										
AISC (per table above)	295.1	568.2	222.5	360.2	226.8	82.9	230.0	114.0	12.7	2,113.3
Add back by-product revenue[2]	0.4	5.5	—	0.5	0.3	0.2	0.1	113.8	—	120.7
AISC gross of by-product revenue	295.5	573.7	222.5	360.7	227.1	83.1	230.1	227.8	12.7	2,234.0
AIC (per table above)	308.8	568.2	222.5	360.2	226.8	82.9	230.0	114.0	39.2	2,153.5
Add back by-product revenue[2]	0.4	5.5	—	0.5	0.3	0.2	0.1	113.8	—	120.7
AIC gross of by-product revenue	309.2	573.7	222.5	360.7	227.1	83.1	230.1	227.8	39.2	2,274.2
Gold equivalent ounces sold	198.0	586.1	167.8	371.9	236.6	78.4	301.1	293.3	—	2,233.3
AISC gross of by-product revenue (US$/equivalent oz)	1,492	979	1,326	970	960	1,059	764	777	—	1,000
AIC gross of by-product revenue (US$/ equivalent oz)	1,561	979	1,326	970	960	1,059	764	777	—	1,018

[1] This total may not reflect the sum of the line items due to rounding.

[2] By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

AISC net of by-product revenues decreased by 4% from US$1,053 per ounce of gold in 2014 to US$1,007 per ounce of gold in 2015, mainly due to lower operating costs, the weaker average R/US dollar and A$/US dollar gold price, partially offset by lower by-product credits and higher capital expenditure. AIC net of by-product revenues decreased by 6% from US$1,087 per ounce of gold in 2014 to US$1,026 per ounce of gold in 2015, due to the lower exploration, feasibility and evaluation costs and lower non-sustaining capital expenditure.

AISC gross of by-product revenues decreased by 5% from US$1,053 per equivalent ounce of gold in 2014 to US$1,000 per equivalent ounce of gold in 2015, mainly due to lower operating costs, the weaker average R/US dollar and A$/US dollar gold price, partially offset by higher capital expenditure. AIC gross of by-product revenues decreased by 6% from US$1,086 per equivalent ounce of gold in 2014 to US$1,018 per equivalent ounce of gold in 2015, due to lower exploration, feasibility and evaluation costs and lower non-sustaining capital expenditure.

	AISC and AIC, net of by-product revenue per ounce of gold									
	For the year ended 31 December 2014									
	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate and other	Group[1]
	(in US$ million except as otherwise stated)									
Operating costs	245.5	373.9	177.6	292.3	173.0	81.9	182.6	158.2	—	1,684.9
Gold inventory change	—	(2.3)	2.1	(9.9)	(0.3)	1.7	—	1.5	—	(7.2)
Royalties	1.3	35.3	11.2	11.6	8.3	2.7	10.0	5.8	—	86.1
Realised gains and losses on commodity cost hedges	—	—	—	0.1	(0.1)	—	0.3	—	—	0.3
Community/social responsibility costs	3.9	1.2	0.2	—	—	—	—	7.0	—	12.3
Non-cash remuneration (share-based payments)	2.8	4.2	0.6	2.7	1.3	0.5	1.0	2.6	10.2	26.0
Cash remuneration (long-term employee benefits)	0.6	1.5	0.2	1.2	0.7	0.4	0.7	1.2	2.1	8.7
Other	—	—	—	—	—	—	—	—	10.6	10.6
By-product revenue[2]	(0.5)	(0.5)	(0.1)	(0.5)	(0.3)	(0.3)	(0.1)	(182.1)	—	(184.5)
Rehabilitation, amortisation and interest	1.8	9.0	1.1	6.1	2.0	0.5	1.7	3.3	—	25.5
Sustaining capital expenditure[3]	54.9	174.1	16.0	117.5	83.4	14.7	58.9	51.0	—	570.4
AISC[1]	310.3	596.5	208.9	421.0	267.9	102.2	255.1	48.5	22.9	2,232.9
Exploration, feasibility and evaluation costs[4]	—	—	—	—	—	—	—	—	34.6	34.6
Non-sustaining capital expenditure[3]	37.0	—	—	—	—	—	—	—	1.5	38.5
AIC[1]	347.2	596.5	208.9	421.0	267.9	102.2	255.1	48.5	59.0	2,306.0
Gold only ounces sold ('000oz)	200.5	558.3	177.8	361.7	270.7	83.6	315.2	153.6	—	2,121.4
AISC	310.3	596.5	208.9	421.0	267.9	102.2	255.1	48.5	22.9	2,232.9
AISC net of by-product revenue per ounce of gold sold (US$/oz)	1,548	1,068	1,175	1,164	990	1,222	809	316	—	1,053
AIC	347.2	596.5	208.9	421.0	267.9	102.2	255.1	48.5	59.0	2,306.0
AIC net of by-product revenue per ounce of gold sold (US$/oz)	1,732	1,068	1,175	1,164	990	1,222	809	316	—	1,087

[1] This total may not reflect the sum of the line items due to rounding.

[2] By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

[3] Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure per note 41 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations.

[4] Includes exploration, feasibility and evaluation and share of equity accounted losses of FSE.

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(continued)

	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate and other	Group[1]
	AISC and AIC, net of by-product revenue per ounce of gold									
	For the year ended 31 December 2014									
	(in US$ million except as otherwise stated)									
AISC (per table above)	310.3	596.5	208.9	421.0	267.9	102.2	255.1	48.5	22.9	2,232.9
Add back by-product revenue[2]	0.5	0.5	0.1	0.5	0.3	0.3	0.1	182.1	—	184.5
AISC gross of by-product revenue	310.8	597.0	209.0	421.5	268.3	102.5	255.2	230.6	22.9	2,417.4
AIC (per table above)	347.2	596.5	208.9	421.0	267.9	102.2	255.1	48.5	59.0	2,306.0
Add back by-product revenue[2]	0.5	0.5	0.1	0.5	0.3	0.3	0.1	182.1	—	184.5
AIC gross of by-product revenue	347.7	597.0	209.0	421.5	268.3	102.5	255.2	230.6	59.0	2,490.5
Gold equivalent ounces sold	200.5	558.3	177.8	361.7	270.7	83.6	315.2	328.6	—	2,296.2
AISC gross of by-product revenue (US$/equivalent oz)	1,550	1,069	1,175	1,165	991	1,225	810	702	—	1,053
AIC gross of by-product revenue (US$/ equivalent oz)	1,734	1,069	1,175	1,165	991	1,225	810	702	—	1,086

[1] This total may not reflect the sum of the line items due to rounding.

[2] By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

Royalties

South Africa

The Royalty Act was promulgated on 24 November 2008 and came into operation on 1 March 2010. The Royalty Act imposes a royalty on refined and unrefined minerals payable to the South African government.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing 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% is levied on refined minerals.

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5%. A maximum royalty of 7% is levied on unrefined minerals.

Where unrefined mineral resources (such as uranium) constitute less than 10% in value of the total composite mineral resources, the royalty rate in respect of refined mineral resources may be used for all gross sales and a separate calculation of EBIT for each class of mineral resources is not required. For Gold Fields, this means that currently it will pay a royalty based on the refined minerals royalty calculation as applied to its gross revenue. The rate of royalty tax payable for 2016, 2015 and 2014 was 0.5%, 0.5% and 0.5% of revenue, respectively.

Ghana

Minerals are owned by the Republic of Ghana and held in trust by the President. As such, in 2016 the Tarkwa and Damang operations were subject to a gold royalty of 5% of total revenue earned from minerals obtained. In 2017, under the terms of the Development Agreement ("DA") entered into with the Government of Ghana, Tarkwa and Damang will be subject to a sliding scale for royalty rates, linked to the prevailing gold price. The royalty sliding scale is as follows:

Average gold price			
Low value		High value	Royalty rate
US$0.00	–	US$1,299.99	3.0%
US$1,300.00	–	US$1,449.99	3.5%
US$1,450.00	–	US$2,299.99	4.1%
US$2,300.00	–	Unlimited	5.0%

Australia

Royalties are payable to the state based on the amount of gold produced from a mining tenement. Royalties are payable quarterly at a fixed rate of 2.5% of the royalty value of gold sold. The royalty value of gold is the amount of gold produced during the month multiplied by the average gold spot price for the month.

Peru

Royalties are calculated with reference to the operating margin and ranging from 1% (for operating margins less than 10%) to 12% (for operating margins of more than 80%). La Cima's effective royalty rate for 2016, 2015 and 2014 was 6.4%, 4.0% and 3.3% of operating profit, respectively.

Income and mining taxes

South Africa

Generally, South Africa imposes tax on the worldwide income (including capital gains) of all of Gold Fields' South African incorporated and tax resident entities. Certain classes of passive income such as interest and royalties, and certain capital gains, derived by Controlled Foreign Companies ("CFCs") could be subject to South African tax on a notional imputation basis. CFCs generally constitute a foreign company in which Gold Fields owns or controls more than 50% of the shareholding.

Gold Fields pays taxes on its taxable income generated by its mining and non-mining tax entities. Under South African law, gold mining companies and non-gold mining companies are taxed at different rates. Companies in the Group not carrying on the direct gold mining operations are taxed at a statutory rate of 28%.

Gold Fields Operations Limited ("GFO"), and GFI Joint Venture Holdings Proprietary Limited ("GFIJVH"), jointly own the South Deep mine and constitute gold mining companies for South African taxation purposes. These companies are subject to the gold formula on their mining income.

The applicable formula takes the form $Y = 34 - 170/x$

Where:
Y = the tax rate to be determined
x = the ratio of taxable income to the total income (expressed as a percentage)

The effective mining tax rate for GFO and GFIJVH, owners of the South Deep mine, has been calculated at 30% (2015: 30% and 2014: 30%).

Ghana

Ghanaian resident entities are subject to tax on the basis of income derived from, accruing in, received in, or brought into Ghana. The standard corporate income tax rate applicable to mining companies was 35%. Gold Fields signed a development agreement ("DA") with the Government of Ghana for both the Tarkwa and Damang mines during 2016. This agreement resulted in a reduction in the corporate tax rate from 35% to 32.5%, effective 17 March 2016.

Management's discussions and analysis of the financial statements
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Under the previous Project Development Agreement (entered into between the Ghanaian government and Gold Fields Ghana Limited) and the deed of warranty (entered into between the Ghanaian government and Abosso Goldfields Limited), the government agreed that no withholding tax shall be deducted from the payment of any dividend or capital repayment declared by Gold Fields Ghana or Abosso which was due and payable to any shareholder not normally resident in Ghana. The new DA which became effective 17 March 2016, did not cover any withholding tax on dividends and accordingly, future dividends out of Ghana will be subject to 8% withholding tax.

Implementation of Ghana's Income Tax Act 2015, Act 896 continues, while awaiting issuance of supporting practice and guidance notes by the tax authorities. In August 2016, the Income Tax Regulations (LI 2244) were entered into force. While LI 2244 has clarified a number of uncertainties with regards to the implementation of Act 896 (such as unutilised capital allowances and ring-fencing), the industry continues to dialogue with the government and with the tax authorities for even further clarity as gaps still persist.

The Revenue Administration Act 2016, Act 915 was gazetted in August 2016 and enters into force from 1 January 2017. Act 915 consolidates tax administration provisions from the various tax laws (income tax, value added tax, customs) into a single act and introduces a more stringent tax compliance framework. Act 915 now enables taxpayers to offset surpluses and liabilities arising from different tax types. It should be noted that the tax authorities are again expected to release guidance notes to allow taxpayers to fully utilise the offset mechanism.

Australia

Generally, Australia imposes tax on the worldwide income (including capital gains) of all of Gold Fields' Australian incorporated and tax resident entities. The current income tax rate for companies is 30%. Exploration expenditure is deductible in full as incurred and other capital expenditure is generally deductible over the effective lives of the assets acquired. The Australian Uniform Capital Allowance system allows tax deductions for the decline in value of depreciable assets and certain other capital expenditures.

Gold Fields Australia and its eligible related Australian sister companies, together with all wholly owned Australian subsidiaries, have elected to be treated as a tax consolidated group for taxation purposes. As a tax consolidated group, a single tax return is lodged for the Group based on the consolidated results of all companies within the Group.

Withholding tax is payable on dividends, interest and royalties paid by Australian residents to non-residents. In the case of dividend payments to non-residents, withholding tax at a rate of 30% will apply. However, where the recipient of the dividend is a resident of a country with which Australia has concluded a double taxation agreement, the rate of withholding tax is generally limited to between 5% and 15%, depending on the applicable agreement and percentage shareholding. Where dividends are paid out of profits that have been subject to Australian corporate tax there is no withholding tax, regardless of whether a double taxation agreement is in place.

Peru

Peruvian taxes for resident individuals and domiciled corporations are based on their worldwide income, and for non-resident individuals and non-domiciled corporations are based on their Peruvian income source. The general income tax rate applicable to domiciled corporations is 29.5% on taxable income and to non-resident corporations is 30%. The income tax applied to interest paid to non-residents is 4.99%. The dividends tax rate (to residents and non-residents) is 5%. Capital gains are also taxed as ordinary income for domiciled corporations.

Exchange rates

Gold Fields' Australian and South African revenues and costs are very sensitive to the Australian Dollar/US Dollar exchange rate and the Rand/US Dollar exchange rate, because revenues are generated using a gold price denominated in US Dollar, while the costs of the Australian and South African operations are incurred principally in Australian Dollar and Rand, respectively. Depreciation of the Australian Dollar and Rand against the US Dollar reduces Gold Fields' average costs when they are translated into US Dollar, thereby increasing the operating margin of the Australian and South African operations. Conversely, appreciation of the Australian Dollar and Rand results in Australian and South African operating costs being translated into US Dollars at a lower Australian Dollar/US Dollar exchange rate and Rand/US Dollar exchange rate, resulting in lower operating margins. The impact on profitability of any change in the value of the Australian Dollar and Rand against the US Dollar can be substantial. Furthermore, the exchange rates obtained when converting US Dollar to Australian Dollar and Rand are set by foreign exchange markets, over which Gold Fields has no control. In 2016, movements in the US Dollar/Rand exchange rate had a significant impact on Gold Fields' results of operations as the Rand weakened 16% against the US Dollar, from an average of R12.68 per US$1.00 in 2015 to R14.70 per US$1.00 in 2016. The Australian Dollar was similar at an average of A$1.00 per US$0.75.

With respect to its operations in Ghana and Peru, a substantial portion of Gold Fields' operating costs (including wages) are either directly incurred in US Dollar or are translated to US Dollar. Accordingly, fluctuations in the Ghanaian Cedi and Peruvian Nuevos Soles do not materially impact operating results for the Ghana and Peru operations.

During 2016, Gold Fields had the following currency forward contract:
» On 25 February 2016, South Deep entered into US$/Rand forward exchange contracts for a total delivery of US$69.8 million starting at July 2016 to December 2016. The average forward rate achieved over the six-month period was R16.8273. The hedge was delivered into in July and August and the balance closed out in September 2016. The average rate achieved on delivery and close out was R13.8010, resulting in a positive cash flow of US$14 million.

During 2015, Gold Fields had no currency forward contracts.

During 2014, Gold Fields had the following currency forward contract:
» On 1 October 2014, South Deep entered into a US$/Rand zero-cost collar for US$7.5 million per month for a period of six months starting October 2014. A floor of R11.2 and an average cap over the period of R12.0567 was achieved.

Inflation
A period of significant inflation could adversely affect Gold Fields' results and financial condition. For example, in 2016, inflation in South Africa was 6.8% (2015: 4.6% and 2014: 6.2%). Further, over the past several years, production costs, especially wages and electricity costs, have increased considerably. The effect of these increases has adversely affected, and may continue to adversely affect, the profitability of Gold Fields' South Deep operations.

In 2016, the Group continued rationalising and prioritising capital expenditure without undermining the sustainability of its operations and continued prioritisation of cash generation over production volumes. The Ghanaian operations concluded a DA with the Government of Ghana for both the Tarkwa and Damang mines. The highlights of the agreement included reductions in the tax and royalty rates. The Group undertook reductions in labour costs through a retrenchment process in Damang in preparation for rightsizing for the Damang reinvestment plan. In addition, the Australian operations implemented a margin improvement project.

In 2015, the Group undertook reductions in labour costs through completing the retrenchment process in Ghana following the closure of the heap leach facilities at Tarkwa and rightsizing at the Australian operations following the closure of the Cave Rocks underground mine at St Ives. In addition, the Group implemented various business improvement initiatives to reduce costs across all regions.

Further, the majority of Gold Fields' costs at the South African operations are in Rand and revenues from gold sales are in US Dollar. Generally, when inflation is high, the Rand potentially devalues thereby increasing Rand revenues and potentially offsetting the increase in costs. However, there can be no guarantee that any cost-saving measures or the effects of any potential devaluation will offset the effects of increased inflation and production costs.

The same applies to the Australian operations with regard to the link between the Australian Dollar and US Dollar. The Peruvian and Ghanaian operations, on the other hand, are affected by inflation without a potential similar effect on revenue proceeds, thereby increasing the impact of inflation on the operating margins.

Capital expenditures
Gold Fields will continue to be required to make capital investments in both new and existing infrastructure and opportunities and, therefore, management will be required to continue to balance the demands for capital expenditure in the business and allocate Gold Fields' resources in a focused manner to achieve its sustainable growth objectives. Gold Fields expects that its use of available capital resources and allocation of its capital expenditures may shift in future periods as it increases investment in certain of its exploration projects.

Capital expenditure increased by US$16 million, or 3%, from US$634 million in 2015 to US$650 million in 2016. Set out below are the capital expenditures made by Gold Fields during 2016. Also, refer to "Cash flows from investing activities" section.

South African operation
Gold Fields spent R1,145 million (US$78 million) on capital expenditures at South Deep in 2016 and has budgeted R1,309 million (US$92 million) for capital expenditures at South Deep in 2017.

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Ghanaian operations
Gold Fields spent US$168 million on capital expenditures at Tarkwa in 2016 and has budgeted US$180 million for capital expenditures at Tarkwa for 2017.

Gold Fields spent US$38 million on capital expenditures at Damang in 2016 and has budgeted US$140 million of capital expenditures at Damang for 2017.

Peruvian operation
Gold Fields spent US$43 million on capital expenditures at Cerro Corona in 2016 and has budgeted US$53 million for capital expenditures at Cerro Corona for 2017.

Australian operations
Gold Fields spent A$188 million (US$140 million) on capital expenditures at St Ives in 2016 and has budgeted A$185 million (US$135 million) for capital expenditures at St Ives in 2017.

Gold Fields spent A$94 million (US$70 million) on capital expenditures at Agnew/Lawlers in 2016 and has budgeted A$87 million (US$64 million) for capital expenditures at Agnew/Lawlers for 2017.

Gold Fields spent A$29 million (US$21 million) on capital expenditures at Darlot in 2016 and has budgeted A$12 million (US$8 million) for capital expenditures at Darlot for 2017.

Gold Fields spent A$121 million (US$90 million) on capital expenditures at Granny Smith in 2016 and has budgeted A$115 million (US$84 million) for capital expenditures at Granny Smith for 2017.

Gold Fields has budgeted A$153 million (US$112 million) for capital expenditure at the Gruyere Gold project for 2017.

The actual expenditures for the future periods noted above may be different from the amounts set out above and the amount of actual capital expenditure will depend on a number of factors, such as production volumes, the price of gold, copper and other minerals mined by Gold Fields and general economic conditions. Some of the factors are outside of the control of Gold Fields.

Significant accounting judgements and estimates
Gold Fields' significant accounting policies are more fully described in the accounting policies to its consolidated financial statements included in this Annual Financial Report. Some of Gold Fields' accounting policies require the application of significant judgements and estimates by management that can affect the amounts reported in the consolidated financial statements. By their nature, these judgements are subject to a degree of uncertainty and are based on Gold Fields' historical experience, terms of existing contracts, management's view on trends in the gold mining industry, information from outside sources and other assumptions that Gold Fields considers to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. Refer to the accounting policies, pages 99 to 115, to the consolidated financial statements included elsewhere in this Annual Financial Report for the more significant areas requiring the use of management judgements and estimates.

Results for the period – years ended 31 December 2016 and 31 December 2015
Profit/(loss) attributable to owners of the parent was a profit of US$163 million (or US$0.20 per share) for 2016 compared to a loss of US$242 million (or US$0.31 per share) for 2015. The reasons for this increase are discussed below.

Revenue
Revenue increased by 8% from US$2,545 million in 2015 to US$2,750 million in 2016. The increase in revenue of US$205 million was mainly due to an increase of 9% in the average US Dollar gold price for the year from US$1,140 per equivalent ounce in 2015 to US$1,241 per equivalent ounce in 2016. The Rand weakened by 16% to the US Dollar from an average of R12.68 in 2015 to R14.70 in 2016 and the average Australian/US Dollar exchange rate was similar at A$1 = US$0.75.

Gold sales decreased by 1% from 2,233,300 equivalent ounces in 2015 to 2,216,400 equivalent ounces in 2016. Gold sales at the South African operation increased by 46% from 6,160 kilograms (198,000 ounces) to 9,001 kilograms (289,400 ounces). Gold sales at the Ghanaian operations decreased by 5% from 753,900 ounces to 715,800 ounces. Gold equivalent sales at the Peruvian operation (Cerro Corona) decreased by 8% from 293,300 equivalent ounces to 268,900 equivalent ounces. At the Australian operations, gold sales decreased by 5% from 988,000 ounces to 942,400 ounces. As a general rule, Gold Fields sells all the gold it produces in the year of production.

	2016			2015		
	Revenue US$ million	**Gold sold ’000oz**	**Gold produced ’000oz**	Revenue US$ million	Gold sold ’000oz	Gold produced ’000oz
South Deep	**358.2**	**289.4**	**290.4**	232.3	198.0	198.0
Tarkwa	**708.9**	**568.1**	**568.1**	680.7	586.1	586.1
Damang	**183.4**	**147.7**	**147.7**	194.8	167.8	167.8
Cerro Corona	**322.3**	**268.9**	**270.2**	292.2	293.3	295.6
St Ives	**452.3**	**362.9**	**362.9**	431.8	371.9	371.9
Agnew/Lawlers	**285.4**	**229.3**	**229.3**	273.9	236.6	236.6
Darlot	**83.1**	**66.4**	**66.4**	91.3	78.4	78.4
Granny Smith	**355.8**	**283.8**	**283.8**	348.4	301.1	301.1
Total	**2,749.5**	**2,216.4**	**2,218.7**	2,545.4	2,233.3	2,235.6

At South Deep in South Africa, gold sales increased by 46% from 6,160 kilograms (198,000 ounces) to 9,001 kilograms (289,400 ounces) mainly due to increased volumes and grades.

At the Ghanaian operations, gold sales at Tarkwa decreased by 3% from 586,100 ounces to 568,100 ounces due to the lower yield. Damang’s gold sales decreased by 12% from 167,800 ounces to 147,700 ounces mainly due to lower yield.

At Cerro Corona in Peru, copper production increased by 7% from 28,702 tonnes to 30,667 tonnes and gold production decreased by 5% from 158,900 ounces to 150,200 ounces. As a result gold equivalent sales decreased by 8% from 293,300 ounces to 268,900 ounces due to lower copper to gold price ratio as well as lower gold head grades treated and lower gold recovery.

At the Australian operations, production at St Ives decreased by 2% from 371,900 ounces to 362,900 ounces due to lower grade or ore milled following the closure of the Cave Rocks and Athena underground mines and transition to a predominantly open pit operation. At Agnew/Lawlers, gold sales decreased by 3% from 236,600 ounces to 229,300 ounces mainly due to a reduction in ore processed. Gold production at Darlot decreased by 15% from 78,400 ounces to 66,400 ounces due to lower grades mined. At Granny Smith, gold production decreased by 6% from 301,100 ounces to 283,800 ounces due to lower grades mined and an increase in stockpiled ore as a consequence of the timing of the December milling campaign.

Cost of sales
Cost of sales, which comprise operating costs, gold inventory change and amortisation and depreciation, increased marginally from US$2,066 million in 2015 to US$2,067 million in 2016.

Operating costs

Operating costs increased marginally from US$1,431 million in 2015 to US$1,433 million in 2016.

At South Deep in South Africa, operating costs increased by 33% from R3,000 million (US$237 million) to R4,003 million (US$272 million). This increase of R1,003 million was mainly due to the 47% increase in production, annual salary increases, the electricity increase and an increase in employees and contractors in line with the strategy to sustainably improve all aspects of the operation and to position the mine to achieve the targets set out in the rebase plan.

At the Ghanaian operations, operating costs decreased by 7% from US$519 million in 2015 to US$481 million in 2016. This decrease of US$38 million was mainly at Damang due to lower mining and consumable costs in line with the lower production. It was partially offset by increased costs at Tarkwa. At Tarkwa, operating costs increased by 3% from US$334 million to US$345 million and at Damang, operating costs decreased by 26% from US$184 million to US$136 million.

At Cerro Corona in Peru, operating costs of US$144 million in 2016 were similar to 2015.

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At the Australian operations, operating costs increased by 2% from A$709 million (US$533 million) in 2015 to A$720 million (US$537 million) in 2016. At St Ives, operating costs remained similar at A$259 million (US$195 million). At Agnew/Lawlers, operating costs increased by 3% from A$190 million (US$143 million) to A$195 million (US$146 million). Operating costs at Darlot decreased by 4% from A$80 million (US$60 million) to A$77 million (US$57 million) due to cost reduction measures applied to mining activities. At Granny Smith, operating costs increased by 4% from A$181 million (US$136 million) to A$189 million (US$141 million) due to additional volumes.

Gold inventory change

The gold inventory credit to costs of US$46 million in 2016 compared with a charge to costs of US$25 million in 2015.

At South Deep, the gold inventory credit of Rnil (US$nil) in 2015 compared with R11 million (US$1 million) in 2016, due to gold produced not sold at year-end.

At Tarkwa, the gold inventory credit of US$7 million in 2015 compared with US$18 million in 2016, both due to a buildup of stockpiles.

At Damang, the gold inventory charge of US$2 million in 2015 compared with a credit to costs of US$nil in 2016, due to a drawdown of stockpiles and gold in circuit in 2015 compared to a buildup of gold in circuit in 2016.

At Cerro Corona, the gold inventory charge of US$1 million in 2015 compared with a credit to costs of US$4 million in 2016, due to a buildup of concentrate inventory in 2016 compared with a US$1 million drawdown in 2015.

At St Ives, the charge to costs of A$34 million (US$25 million) in 2015 compared with a credit to costs of A$15 million (US$11 million) in 2016, due to a buildup on stockpiles in 2016 compared with a drawdown of stockpiles in 2015.

At Agnew, the credit to costs of A$2 million (US$1 million) in 2015 increased to A$7 million (US$5 million) in 2016, both due to a buildup of stockpiles.

At Darlot, the credit to costs of A$1 million (US$1 million) in 2015 compared with a charge to costs of A$1 million (US$nil) in 2016, due to a drawdown of gold in circuit in 2016 compared to a buildup of gold in circuit in 2015.

At Granny Smith, the charge of A$7 million (US$5 million) in 2015 compared to a credit to costs of A$10 million (US$7 million) in 2016, due to a buildup of stockpiles in 2016 compared to a drawdown of stockpiles in 2015.

Amortisation and depreciation

Amortisation and depreciation is calculated on the units-of-production method and is based on current gold production as a percentage of total expected gold production over the lives of the different mines.

The table below depicts the changes from 31 December 2015 to 31 December 2016 for proven and probable managed gold and equivalent reserves and for the life-of-mine for each operation and the resulting impact on the amortisation charge in 2016. The amortisation in 2016 was based on the reserves as at 31 December 2015. The life-of-mine information is based on the operations' strategic plans, adjusted for proven and probable reserve balances. In basic terms, amortisation is calculated using the life-of-mine for each operation, which is based on: (1) the proven and probable reserves for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year); and (2) the amount of gold produced by the operation during the year. The ore reserve statement as at 31 December 2016 became effective on 1 January 2017.

	Proved and probable mineral reserves as of			Life-of-mine		Amortisation and depreciation for the year ended	
	31 December 2016 ('000oz)	31 December 2015 ('000oz)	31 December 2014 ('000oz)	**31 December 2016 (years)**	31 December 2015 (years)	**31 December 2016 (US$ million)**	31 December 2015 (US$ million)
South African operation							
South Deep	**37,300**	37,300	38,000	**79**	81	**71.5**	67.9
Ghanaian operations							
Tarkwa[1]	**6,100**	6,700	7,500	**15**	16	**184.4**	162.3
Damang[2]	**1,700**	1,000	1,200	**8**	5	**17.8**	26.4
Peruvian operation							
Cerro Corona[3]	**2,400**	2,800	3,000	**7**	8	**115.6**	100.1
Australian operations							
St Ives	**1,700**	1,500	1,800	**5**	5	**144.8**	109.9
Agnew/Lawlers	**500**	700	900	**3**	4	**77.1**	62.0
Darlot	**100**	30	100	**1**	0.5	**14.4**	25.8
Granny Smith	**1,700**	1,300	900	**9**	9	**45.0**	54.1
Corporate and other	**—**	—	—	**—**	—	**8.6**	1.4
Total reserves[4]	**51,500**	51,330	53,400			**679.2**	609.9

[1] As of 31 December 2014, 31 December 2015 and 31 December 2016 mineral reserves of 6.742 million ounces, 6.071 million ounces and 5.473 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Tarkwa operation.

[2] As of 31 December 2014, 31 December 2015 and 31 December 2016 mineral reserves of 1.111 million ounces, 0.876 million ounces and 1.506 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Damang operation.

[3] As of 31 December 2014, 31 December 2015 and 31 December 2016 mineral reserves of 2.988 million ounces, 2.763 million ounces and 2.356 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Cerro Corona operation.

[4] As of 31 December 2014, 31 December 2015 and 31 December 2016 reserves of 48.123 million ounces, 47.292 million ounces and 49.172 million ounces of equivalent gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Ghanaian and Peruvian operations.

Amortisation and depreciation increased by 11% from US$610 million in 2015 to US$679 million in 2016.

At South Deep in South Africa, amortisation and depreciation increased by 22% from R861 million (US$68 million) in 2015 to R1,051 million (US$72 million) mainly due to an increase in production.

At the Ghanaian operations, amortisation and depreciation increased by 7% from US$189 million in 2015 to US$202 million in 2016. Tarkwa increased by 14% from US$162 million to US$184 million mainly due to a reduction in reserves. Damang decreased by 31% from US$26 million to US$18 million mainly due to the asset-specific impairment at Damang at the end of 2015 and a decrease in production in 2016.

At Cerro Corona in Peru, amortisation and depreciation increased by 16% from US$100 million in 2015 to US$116 million in 2016. This increase is due to reduction in gold and copper reserves.

At the Australian operations, amortisation and depreciation increased by 13%, from A$335 million (US$252 million) in 2015 to A$377 million (US$281 million) in 2016. At St Ives, amortisation and depreciation increased by 33% from A$146 million (US$110 million) in 2015 to A$194 million (US$145 million) due to a decrease in reserves. Agnew/Lawlers increased by 26% from A$82 million (US$62 million) in 2015 to A$103 million (US$77 million) mainly due to a decrease in reserves. Amortisation and depreciation at Darlot decreased by 44% from A$34 million (US$26 million) to A$19 million (US$14 million) mainly due to the cash-generating unit impairment at Darlot at the end of 2015 and lower production in 2016. At Granny Smith, amortisation and depreciation decreased by 15% from A$72 million (US$54 million) to A$61 million (US$45 million) due to lower production.

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All-in sustaining and total all-in cost

The following table sets out for each operation and the Group, total gold sales in ounces, all-in sustaining costs ("AISC") and all-in cost ("AIC"), net of by-product revenue, in US$/oz for 2016 and 2015:

	2016			2015		
	Gold only ounces sold	AISC[2] – US$/oz	AIC[2] – US$/oz	Gold only ounces sold	AISC[2] – US$/oz	AIC[2] – US$/oz
South Deep	289.4	1,207	1,234	198.0	1,490	1,559
South African operation	289.4	1,207	1,234	198.0	1,490	1,559
Tarkwa	568.1	959	959	586.1	970	970
Damang	147.7	1,254	1,254	167.8	1,326	1,326
Ghanaian operations	715.8	1,020	1,020	753.9	1,049	1,049
Cerro Corona[1]	149.1	499	499	158.8	718	718
Peruvian operation	149.1	499	499	158.8	718	718
St Ives	362.9	949	949	371.9	969	969
Agnew/Lawlers	229.3	971	971	236.6	959	959
Darlot	66.4	1,238	1,238	78.4	1,057	1,057
Granny Smith	283.8	834	834	301.1	764	764
Australian operations	942.4	940	940	988.0	912	912
GIP and corporate	–	7	30	–	6	19
Total operations	2,096.8	980	1,006	2,098.8	1,007	1,026

[1] Gold sold at Cerro Corona excludes copper equivalents of 119,800 ounces in 2016 and 134,500 ounces in 2015.

[2] Net of by-product revenue.

[3] AIC and AISC are calculated in accordance with the World Gold Council Industry standard. Refer to pages 32 to 38 for detailed calculations and discussion of non-IFRS measures.

[4] Figures above may not add as they are rounded independently.

The Group AISC decreased by 3% from US$1,007 per ounce in 2015 to US$980 per ounce in 2016 mainly due to lower net operating costs, lower losses on commodity cost hedges, higher by-product credits, partially offset by higher non-cash and cash remuneration and higher sustaining capital expenditure. AISC in 2015 included US$8 million of inventory written off at Damang. AIC decreased by 2% from US$1,026 per ounce in 2015 to US$1,006 per ounce in 2016 for the same reasons as AISC, as well as lower non-sustaining capital expenditure, partially offset by higher exploration, feasibility and evaluation costs.

At South Deep in South Africa, AISC decreased by 6% from R607,429 per kilogram (US$1,490 per ounce) in 2015 to R570,303 per kilogram (US$1,207 per ounce) in 2016 mainly due to increased gold sold, partially offset by higher operating costs and higher sustaining capital expenditure. The AIC decreased by 8% from R635,622 per kilogram (US$1,559 per ounce) to R583,059 per kilogram (US$1,234 per ounce) due to the same reasons as for AISC as well as lower non-sustaining capital expenditure.

At the Ghanaian operations, AISC and total AIC decreased by 3% from US$1,049 per ounce in 2015 to US$1,020 per ounce in 2016 mainly due to lower net operating costs and lower capital expenditure, partially offset by lower gold sold. At Tarkwa, AISC and AIC decreased by 1% from US$970 per ounce in 2015 to US$959 per ounce in 2016 due to lower capital expenditure, partially offset by lower gold sold. At Damang, AISC and AIC decreased by 5% from US$1,326 per ounce in 2015 to US$1,254 per ounce in 2016 due to lower net operating costs, partially offset by lower gold sold and higher capital expenditure.

At Cerro Corona in Peru, AISC and AIC decreased by 31% from US$718 per ounce in 2015 to US$499 per ounce in 2016 mainly due to lower net operating costs, lower sustaining capital expenditure and higher by-product credits, partially offset by lower gold sold. AISC and total AIC per equivalent ounce decreased by 2% from US$777 per equivalent ounce to US$762 per equivalent ounce mainly due to the same reasons as above.

At the Australian operations, AISC and AIC increased by 4% from A$1,211 per ounce (US$912 per ounce) in 2015 to A$1,261 per ounce (US$941 per ounce) in 2016 mainly due to higher capital expenditure and lower gold sold, partially offset by lower net operating costs. At St Ives, AISC and AIC decreased by 1% from A$1,287 per ounce (US$969 per ounce) in 2015 to A$1,273 per ounce (US$949 per ounce) in 2016 due to the significant reduction in net operating costs, partially offset by lower gold sold and higher capital expenditure. At Agnew, AISC and AIC increased by 2% from A$1,276 per ounce (US$959 per ounce) in 2015 to A$1,301 per ounce (US$971 per ounce) in 2016 due to lower gold sold, partially offset by lower capital expenditure. At Darlot, AISC and AIC increased by 18% from A$1,403 per ounce (US$1,057 per ounce) in 2015 to A$1,662 per ounce (US$1,238 per ounce) in 2016 due to lower gold sold and higher capital expenditure, partially offset by lower net operating costs. At Granny Smith, AISC and AIC increased by 10% from A$1,017 per ounce (US$764 per ounce) in 2015 to A$1,119 per ounce (US$834 per ounce) in 2016 mainly due to lower gold sold and higher capital expenditure, partially offset by the lower net operating costs.

Net operating profit
Net operating profit increased by 43% from US$479 million in 2015 to US$683 million in 2016.

This is due to reasons discussed earlier.

Investment income
Income from investments increased by 33% from US$6 million in 2015 to US$8 million in 2016. The increase was mainly due to higher cash balances at the international operations in 2016.

The investment income in 2016 of US$8 million comprised US$1 million interest on monies invested in the South African rehabilitation trust fund and US$7 million interest on other cash and cash equivalent balances.

The investment income in 2015 of US$6 million comprised US$nil interest on monies invested in the South African rehabilitation trust fund and US$6 million interest on other cash and cash equivalent balances.

Interest received on the South African rehabilitation trust fund increased marginally from US$nil in 2015 to US$1 million in 2016.

Interest on other cash balances increased by 17% from US$6 million in 2015 to US$7 million in 2016 mainly due to higher cash balances at the international operations in 2016.

Finance expense
Finance expense decreased by 6% from US$83 million in 2015 to US$78 million in 2016.

The finance expense of US$78 million in 2016 comprised US$11 million relating to the accretion of the environmental rehabilitation liability and US$82 million on various Group borrowings, partially offset by borrowing costs capitalised of US$15 million.

The finance expense of US$83 million in 2015 comprised US$12 million relating to the accretion of the environmental rehabilitation liability and US$88 million on various Group borrowings, partially offset by borrowing costs capitalised of US$17 million.

The environmental rehabilitation liability accretion expense decreased from US$12 million in 2015 to US$11 million in 2016 mainly due to lower present values of the rehabilitation liabilities which resulted from the lower discount rates used in the 2015 rehabilitation liabilities calculation.

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

	2016 US$ million	2015 US$ million
Interest on borrowings to fund capital expenditure and operating costs at the South African operation	6	3
Interest on US$1 billion notes issue	44	50
Sibanye Gold guarantee fee	–	1
Interest on US$70 million senior secured revolving credit facility	2	2
Interest on US$150 million revolving senior secured credit facility	3	3
Interest on US$1,510 million term loan and revolving credit facilities	12	28
Interest on US$1,290 million term loan and revolving credit facilities	14	–
Other interest charges	1	1
	82	88

Interest on borrowings to fund capital expenditure and operating costs at the South African operation increased from US$3 million in 2015 to US$6 million in 2016 due to drawdowns of South African borrowings in 2016.

Interest on the US$1 billion notes issue decreased from US$50 million in 2015 to US$44 million in 2016. The decrease is due to the buy-back of notes amounting to US$148 million during 2016.

The yearly guarantee fee of US$5 million became payable to Sibanye Gold in 2013 after the unbundling of Sibanye Gold. On 24 April 2015, Sibanye Gold was released as guarantor, resulting in a pro-rata guarantee fee of US$1 million in 2015.

Interest on the US$70 million senior secured revolving credit facility remained flat at US$2 million.

Interest on the US$150 million revolving senior secured credit facility remained flat at US$3 million.

Interest on the US$1,510 million term loan and revolving credit facilities decreased from US$28 million in 2015 to US$12 million in 2016. The decrease is due to the US$1,510 million term loan and revolving credit facilities being cancelled and refinanced through the US$1,290 million term loan and revolving credit facilities on 6 June 2016. Interest on the US$1,290 million term loan and revolving credit facilities from the date of refinancing was US$14 million.

During 2016, US$15 million (2015: US$17 million) of borrowing costs were capitalised in terms of IAS 23 *Borrowing cost.* IAS 23 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The only qualifying project was South Deep's mine development. An average interest capitalisation rate of 4.7% (2015: 4.8%) was applied.

Gain/(loss) on financial instruments
The gain/(loss) on financial instruments was a gain of US$14 million in 2016 compared to a loss of US$5 million in 2015.

The gain on financial instruments of US$14 million in 2016 comprised the profit on the South Deep currency hedge.

On 25 February 2016, South Deep entered into US$/Rand forward exchange contracts for a total delivery of US$69.8 million starting at July 2016 to December 2016. The average forward rate achieved over the six-month period was R16.8273. The hedge was delivered in July and August and the balance closed out in September 2016. The average rate achieved on delivery and close out was R13.8010, resulting in a positive cash flow and profit of US$14 million.

The loss on financial instruments of US$5 million in 2015 comprised the loss on the Australian diesel hedges.

On 10 September 2014, Gold Fields Australia Proprietary Limited ("GFA") entered into a Singapore Gasoil 10ppm cash-settled swap transaction contract for a total of 136,500 barrels, effective 15 September 2014 until 31 March 2015 at a fixed price of US$115.00 per barrel. The 136,500 barrels are based on 50% of usage for the seven-month period September 2014 to March 2015. Brent Crude at the time of the transaction was US$99.10 per barrel. On 26 November 2014, GFA entered into further contracts. A contract for 63,000 barrels for the period January to March 2015 was committed at a fixed price of US$94.00 per barrel and a further 283,500 barrels were committed at a price of US$96.00 per barrel for the period April to December 2015. Brent Crude at the time of the transaction was US$78.50 per barrel. By entering into the above contracts, the Australian region hedged its full diesel requirements for 2015.

At 31 December 2015, the fair value of these oil derivative contracts was negative US$2 million. At 31 December 2016, there were no derivative contracts outstanding.

Foreign exchange (loss)/gain
The foreign exchange (loss)/gain was a loss of US$6 million in 2016 compared to a gain of US$10 million in 2015.

These gains and losses on foreign exchange related to the conversion of offshore cash holdings into their functional currencies. The exchange loss of US$6 million was mainly due to the weakening of the Ghanaian Cedi, while the gains of US$10 million in 2015 were mainly due to the weakening of the Australian Dollar.

Other costs, net
Other costs, net decreased by 19% from US$21 million in 2015 to US$17 million in 2016.

The costs in 2016 are mainly made up of:
» Social contributions and sponsorships of US$19 million;
» Facility charges of US$8 million on borrowings;
» Offshore structure costs of US$9 million;
» Corporate related costs of US$4 million;
» GFA margin improvement project of US$5 million;
» Profit of US$18 million on the buy-back of notes; and
» Rehabilitation income of US$10 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss.

The costs in 2015 are mainly made up of:
» Social contributions and sponsorships of US$12 million;
» Facility charges of US$2 million on borrowings;
» Offshore structure costs of US$13 million;
» Global compliance costs of US$4 million; and
» Rehabilitation income of US$15 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss.

Share-based payments
Gold Fields recognises the cost of share options granted (share-based payments) in terms of IFRS 2 *Share-based payment.*

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

Share-based payments increased by 27% from US$11 million in 2015 to US$14 million in 2016. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The increase in share-based payments was due to the adoption of the revised Gold Fields Limited 2012 Share Plan during 2016 to replace the Gold Fields Limited long-term incentive plan ("LTIP").

Long-term incentive plan expense
Gold Fields recognises the LTIP expense in terms of IAS 19 *Employee benefits.*

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited LTIP. The plan provides for executive directors, certain officers and employees to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions are assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made.

These awards are measured on the date the award is made and re-measured at each reporting period. The total shareholder return portion of the award is measured using the Monte Carlo simulation valuation model, which requires assumptions regarding the share price volatility and expected dividend yield. The fair value of the free cash flow portion of the award is valued based on the actual and expected achievement of the cash flow targets set out in the plan. The assumptions used in the Monte Carlo model and the expected cash flow targets are reviewed at each reporting date.

No allocations were made under the LTIP in 2016 following the approval of the revised Gold Fields Limited 2012 Share Plan.

The LTIP expense increased by 120% from US$5 million in 2015 to US$11 million in 2016. The increase was due to marked-to-market adjustments, as well as additional vestings under the plan.

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Exploration expense

For 2016, US$124 million was spent on exploration, comprising brownfields exploration of US$79 million (Australia US$76 million and Ghana US$3 million) and greenfields exploration comprising Salares Norte in Chile (US$39 million), APP in Finland (US$1 million) and US$5 million was spent on exploration office costs. Of the US$124 million exploration costs incurred, US$92 million was recognised in the consolidated income statement of which US$48 million related to Australia.

For 2015, US$95 million was spent on exploration, comprising brownfields exploration of US$72 million (Australia US$68 million, Ghana US$3 million and South Africa US$1 million) and greenfields exploration comprising Salares Norte in Chile (US$16 million), APP in Finland (US$1 million) and US$6 million was spent on exploration office costs. Of the US$95 million exploration costs incurred, US$54 million was recognised in the consolidated income statement of which US$31 million related to Australia.

Subject to continued exploration success, US$134 million will be spent on exploration in 2017, comprising brownfields exploration of US$65 million (Australia US$65 million) and greenfields exploration of US$69 million, primarily at Salares Norte.

Share of results of equity-accounted investees after taxation

Share of results of equity-accounted investees after taxation decreased by 67% from a loss of US$6 million in 2015 to a loss of US$2 million in 2016.

The decrease relates mainly to the reclassification of Hummingbird and Bezant to available-for-sale investments during 2015 and 2016, respectively, when they no longer qualified as equity-accounted investees. During 2016, Gold Fields only equity accounted for Far South East Resources Incorporated ("FSE").

Restructuring costs

Restructuring costs increased by 33% from US$9 million in 2015 to US$12 million in 2016. The cost in 2016 relates mainly to separation packages in Damang and Granny Smith and the cost in 2015 relates mainly to separation packages in Tarkwa and St Ives.

Impairment of investments and assets

Impairment of investments and assets decreased by 65% from US$221 million in 2015 to US$77 million in 2016.

The impairment charge of US$77 million in 2016 comprises:
» US$2 million asset-specific impairment at Damang, relating to inoperable mining fleet that is no longer used under the current life-of-mine plan;
» US$8 million write down of assets held for sale. Following the Damang re-investment plan, a decision was taken to sell certain mining fleet assets and related spares. The sale of the assets is expected to be concluded during 2017. As a result, the assets were classified as held for sale and valued at the lower of FVLCOD or carrying value which resulted in an impairment; and
» US$66 million cash-generating unit impairment at Cerro Corona. The impairment is due to reduction in gold and copper reserves due to depletion, a decrease in the gold and copper price assumptions for 2017 and 2018, a lower resource price and an increase in the Peru tax rate from 2017 onwards.

The impairment charge of US$221 million in 2015 comprises:
» US$8 million net realisable write-downs of stockpiles at Damang;
» US$7 million impairment of redundant assets at Cerro Corona;
» US$14 million cash-generating unit impairment at Darlot;
» US$36 million asset-specific impairment at Damang, relating to immovable mining assets that would no longer be used under the current life-of-mine;
» US$39 million at the Arctic Platinum Project ("APP"). This project is valued at the lower of fair value less cost of disposal or carrying value after a decision was made to dispose of APP and it was reclassified as held for sale in 2013. The carrying value at 31 December 2014 was US$40 million based on an offer made as part of the ongoing sale process during 2014. This offer was not realised and during 2015, APP was further impaired by US$39 million to its fair value less cost of disposal;
» US$101 million impairment of the Group's investment in FSE to its recoverable amount;
» US$8 million impairment of Hummingbird was recognised to adjust the carrying value of the investment to its fair value upon derecognition of the investment as an equity-accounted investee; and
» US$8 million related to impairment of listed investments (Hummingbird, Bezant and various junior exploration companies) to their fair values.

Profit on disposal of investments
The profit on the disposal of investments was US$2 million in 2016 compared with US$nil in 2015.

The profit on disposal of investments of US$2 million in 2016 related mainly the profit on disposal of shares in Sibanye Gold Limited.

Profit/(loss) on disposal of assets
Profit on disposal of assets was US$48 million in 2016 compared to US$nil in 2015.

Profit on disposal of assets of US$48 million in 2016 related to the sale of royalties as part of the Maverix transaction.

Royalties
Royalties increased by 5% from US$76 million in 2015 to US$80 million in 2016 and are made up as follows:

	2016 US$ million	2015 US$ million
South Africa	2	1
Ghana	44	44
Peru	5	3
Australia	29	28
	80	76

The royalty in South Africa and Australia increased in line with the increase in gold revenues. The royalty in Peru increased due to the higher operating margin of Cerro Corona.

Mining and income tax
Mining and income tax charge decreased by 22% from US$247 million in 2015 to US$192 million in 2016.

The table below indicates Gold Fields' effective tax rate in 2016 and 2015:

	2016	2015
Income and mining tax charge – US$ million	(192)	(247)
Effective tax rate – %	(52.5)	(5,491.1)

In 2016, the effective tax rate of 52.5% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:
» US$23 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
» US$9 million deferred tax release on the reduction of corporate tax rate at the Ghanaian operations, partially offset by the increase in tax rate at Cerro Corona;
» US$6 million non-taxable profit on the buy-back of notes; and
» US$1 million non-taxable profit on disposal of investments.

The above were offset by the following tax-effected charges:
» US$20 million non-deductible charges comprising share-based payments (US$5 million) and exploration expense (US$15 million);
» US$24 million non-deductible interest paid;
» US$1 million deferred tax charge on Peruvian Nuevo Sol devaluation against US Dollar;
» US$35 million deferred tax assets not recognised at Cerro Corona and Damang;
» US$10 million of net non-deductible expenditure and non-taxable income;
» US$1 million of non-deductible share of results of associates after taxation; and
» US$8 million of various Peruvian non-deductible expenses.

In 2015, the effective tax rate of 5,491% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:
» US$22 million adjustment to reflect the actual realised company tax rates in South Africa and offshore; and
» US$5 million deferred tax release on the change of tax rate at the Peruvian operation.

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The above were offset by the following tax-effected charges:
- US$12 million non-deductible charges comprising share-based payments (US$4 million) and exploration expense (US$8 million);
- US$53 million non-deductible impairment charges of assets relating mainly to listed investment, Hummingbird, APP and FSE;
- US$27 million non-deductible interest paid;
- US$41 million deferred tax charge on Peruvian Nuevo Sol devaluation against US Dollar;
- US$113 million derecognition of deferred tax assets at Cerro Corona and Damang;
- US$9 million of net non-deductible expenditure and non-taxable income;
- US$2 million of non-deductible share of results of associates after taxation; and
- US$8 million of various Peruvian non-deductible expenses.

Profit/(loss) for the year
As a result of the factors discussed above, Gold Fields posted a profit of US$174 million in 2016 compared with a loss of US$243 million in 2015.

Profit/(loss) attributable to owners of the parent
Gold Fields posted a profit attributable to owners of the parent of US$163 million in 2016 compared to a loss of US$242 million in 2015.

Profit/(loss) attributable to non-controlling interest holders
Profit/(loss) attributable to non-controlling interest was a profit of US$11 million in 2016 compared to a loss of US$1 million in 2015.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% each at the end of 2016 and 2015 and Gold Fields La Cima (Cerro Corona) at 0.47% at the end of 2016 and 2015.

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

	2016 Non-controlling interest Effective*	2015 Non-controlling interest Effective*	**2016 US$ million**	2015 US$ million
Gold Fields Ghana Limited – Tarkwa	**10.0%**	10.0%	**12**	9
Abosso Goldfields – Damang	**10.0%**	10.0%	**(1)**	(9)
Gold Fields La Cima – Cerro Corona	**0.47%**	0.47%	**–**	(1)
			11	(1)

*Average for the year.

Earnings/(loss) per share
As a result of the above, Gold Fields earnings of US$0.20 per share in 2016 compared with a loss of US$0.31 per share in 2015.

Results for the year – years ended 31 December 2015 and 31 December 2014
(Loss)/profit attributable to owners of the parent was a loss of US$242 million (or US$0.31 per share) for 2015 compared to a profit of US$13 million (or US$0.02 per share) for 2014. The reasons for this decrease are discussed below.

Revenue
Revenue decreased by 11% from US$2,869 million in 2014 to US$2,545 million in 2015. The decrease in revenue of US$324 million was mainly due to a decrease of 9% in the average US Dollar gold price for the year from US$1,249 per ounce in 2014 to US$1,140 per ounce in 2015, a 30% decrease in the average US Dollar copper price from US$6,827 per tonne in 2014 to US$4,787 per tonne in 2015 and a decrease in gold sales of 3% from 2,296,200 equivalent ounces to 2,233,300 equivalent ounces in 2015. The Rand weakened by 17% to the US dollar from an average of R10.82 in 2014 to R12.68 in 2015 and the average Australian/US Dollar exchange rate weakened by 17% from an average of A$1 = US$0.90 in 2014 to A$1 = US$0.75 in 2015.

Gold sales decreased by 3% from 2,296,200 equivalent ounces in 2014 to 2,233,300 equivalent ounces in 2015. Gold sales at the South African operation decreased by 1% from 6,237 kilograms (200,500 ounces) to 6,160 kilograms (198,000 ounces). Gold sales at the Ghanaian operations increased by 2% from 736,000 ounces to 753,900 ounces. Gold equivalent sales at the Peruvian operation decreased by 11% from 328,600 equivalent ounces to 293,300 equivalent ounces. At the Australian operations, gold sales decreased by 4% from 1,031,100 ounces to 988,000 ounces. As a general rule, Gold Fields sells all the gold it produces in the year of production.

	2015			2014		
	Revenue US$ million	Gold sold '000oz	Gold produced '000oz	Revenue US$ million	Gold sold '000oz	Gold produced '000oz
South Deep	232.3	198.0	198.0	254.8	200.5	200.5
Tarkwa	680.7	586.1	586.1	706.7	558.3	558.3
Damang	194.8	167.8	167.8	224.6	177.8	177.8
Cerro Corona	292.2	293.3	295.6	375.5	328.6	326.6
St Ives	431.8	371.9	371.9	458.8	361.7	361.7
Agnew/Lawlers	273.9	236.6	236.6	342.5	270.7	270.7
Darlot	91.3	78.4	78.4	106.2	83.6	83.6
Granny Smith	348.4	301.1	301.1	399.8	315.2	315.2
Total	2,545.4	2,233.3	2,235.6	2,868.8	2,296.2	2,294.2

At South Deep in South Africa, gold sales were lower, decreasing by 1% from 6,237 kilograms (200,500 ounces) to 6,160 kilograms (198,000 ounces) mainly due to lower grades, partially offset by increased volumes.

At the Ghanaian operations, gold sales at Tarkwa increased by 5% from 558,300 ounces to 586,100 ounces mainly due to higher grade. Damang's gold sales decreased by 6% from 177,800 ounces to 167,800 ounces mainly due to lower grades, partially offset by increased volumes.

At Cerro Corona in Peru, copper production decreased by 11% from 32,300 tonnes to 28,700 tonnes and gold production increased by 5% from 150,800 ounces to 158,800 ounces. As a result gold equivalent sales decreased by 11% from 328,600 ounces to 293,300 ounces due to a decrease in gold and copper grades as well as a lower gold equivalent price ratio.

At the Australian operations, production at St Ives increased by 3% from 361,700 ounces to 371,900 ounces mainly due to higher grades mined and processed. At Agnew/Lawlers, gold sales decreased by 13% from 270,700 ounces to 236,600 ounces mainly due to lower tonnes mined and processed as well as lower grade. Gold production at Darlot decreased by 6% from 83,600 ounces to 78,400 ounces mainly due to lower tonnes mined and processed, partially offset by higher grade. At Granny Smith gold production decreased by 4% from 315,200 ounces to 301,100 ounces mainly due to lower grades and volumes processed.

Cost of sales

Cost of sales, which comprise operating costs, gold inventory change and amortisation and depreciation, decreased by 11% from US$2,334 million in 2014 to US$2,066 million in 2015.

Operating costs

Operating costs decreased by 15% from US$1,685 million in 2014 to US$1,431 million in 2015.

At South Deep in South Africa, operating costs increased by 13% from R2,657 million (US$246 million) to R3,000 million (US$237 million). This increase of R343 million was mainly due to annual wage increases and normal inflationary increases.

At the Ghanaian operations, operating costs decreased by 6% from US$551 million in 2014 to US$519 million in 2015. This decrease of US$32 million was mainly at Tarkwa due to ongoing business improvement initiatives and the lower oil price. It was partially offset by increased costs at Damang mainly due to the increased tonnes mined. At Tarkwa, operating costs decreased by 11% from US$374 million to US$334 million and at Damang, operating costs increased by 3% from US$178 million to US$184 million.

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At Cerro Corona in Peru, operating costs decreased by 9% from US$158 million in 2014 to US$144 million in 2015, mainly due to lower ore tonnes mined.

At the Australian operations, operating costs decreased by 12% from A$808 million (US$730 million) in 2014 to A$709 million (US$533 million) in 2015 mainly due to lower production. At St Ives, operating costs decreased by 20% from A$324 million (US$292 million) to A$259 million (US$195 million). This decrease of A$65 million was mainly due to restructuring after Cave Rocks mine moved into care and maintenance at the beginning of May 2015, reduced tonnage from Athena underground, lower costs at the Lefroy mill since the introduction of campaign milling in March 2015 as well as lower surface cartage costs resulting from shorter tramming distances after the Cave Rocks closure. At Agnew/Lawlers, operating costs decreased by 1% from A$192 million (US$173 million) to A$190 million (US$143 million), this was mainly due to cost-saving initiatives. Operating costs at Darlot decreased by 12% from A$91 million (US$82 million) to A$80 million (US$60 million) due to lower mining and processing costs and continued rationalisation of costs. At Granny Smith, operating costs decreased by 10% from A$202 million (US$183 million) to A$181 million (US$136 million) due to lower mining and processing costs.

Gold inventory change

The gold inventory charge to costs of US$25 million in 2015 compared with a credit to costs of US$7 million in 2014.

At Tarkwa, the gold inventory credit of US$2 million in 2014 compared with US$7 million in 2015, both due to an increase in inventory.

At Damang, the gold inventory charge of US$2 million in 2015 was similar to 2014, both due to a drawdown of stockpiles.

At Cerro Corona, the gold inventory charge of US$2 million in 2014 compared with US$1 million in 2015, both due to a drawdown of sulphide stockpiles.

At St Ives, the credit to costs of A$11 million (US$10 million) in 2014 compared with a charge to costs of A$34 million (US$25 million) in 2015. This was mainly due to a drawdown of Neptune stockpiles of A$34 million (US$25 million) in 2015 compared with a buildup of A$11 million (US$10 million) in 2014.

At Agnew, the gold inventory charge of A$nil (US$nil) in 2014 compared with a credit to costs of A$2 million (US$1 million) in 2015. The credit in 2015 was due to a buildup of inventory.

At Darlot, the charge to costs of A$2 million (US$2 million) in 2014 compared with a credit to costs of A$1 million (US$1 million) in 2015 as a result of a buildup of inventory in 2015 compared with a drawdown in 2014.

At Granny Smith, the charge of A$7 million (US$5 million) in 2015 was due to a drawdown of inventory. This compared with a charge of A$nil (US$nil) in 2014.

Amortisation and depreciation

Amortisation and depreciation is calculated on the units-of-production method and is based on current gold production as a percentage of total expected gold production over the lives of the different mines.

The table on the following page depicts the changes from 31 December 2014 to 31 December 2015 for proven and probable managed gold and equivalent reserves and for the life-of-mine for each operation and the resulting impact on the amortisation charge in 2015. The amortisation in 2015 was based on the reserves as at 31 December 2014. The life-of-mine information is based on the operations' strategic plans, adjusted for proven and probable reserve balances. In basic terms, amortisation is calculated using the life-of-mine for each operation, which is based on: (1) the proven and probable reserves for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year); and (2) the amount of gold produced by the operation during the year. The ore reserve statement as at 31 December 2015 became effective on 1 January 2016.

	Proved and probable mineral reserves as of			Life-of-mine		Amortisation and depreciation for the year ended	
	31 December 2015 ('000oz)	31 December 2014 ('000oz)	31 December 2013 ('000oz)	31 December 2015 (years)	31 December 2014 (years)	31 December 2015 (US$ million)	31 December 2014 (US$ million)
South African operation							
South Deep	37,300	38,000	38,200	81	73	67.9	74.5
Ghanaian operations							
Tarkwa[1]	6,700	7,500	7,300	16	17	162.3	141.6
Damang[2]	1,000	1,200	1,100	5	6	26.4	20.9
Peruvian operation							
Cerro Corona[3]	2,800	3,000	3,700	8	9	100.1	79.6
Australian operations							
St Ives	1,500	1,800	2,000	5	6	109.9	140.5
Agnew/Lawlers	700	900	1,000	4	5	62.0	96.4
Darlot	30	100	200	0.5	2	25.8	16.6
Granny Smith	1,300	900	800	9	5	54.1	84.6
Corporate and other	—	—	—	—	—	1.4	2.0
Total reserves[4]	51,330	53,400	54,300			609.9	656.7

[1] As of 31 December 2013, 31 December 2014 and 31 December 2015 mineral reserves of 6.546 million ounces, 6.742 million ounces and 6.071 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in Tarkwa.

[2] As of 31 December 2013, 31 December 2014 and 31 December 2015 mineral reserves of 0.966 million ounces, 1.111 million ounces and 0.876 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in Damang.

[3] As of 31 December 2013, 31 December 2014 and 31 December 2015 mineral reserves of 3.683 million ounces, 2.988 million ounces and 2.763 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in Cerro Corona.

[4] As of 31 December 2013, 31 December 2014 and 31 December 2015 reserves of 49.363 million ounces, 48.123 million ounces and 47.292 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in Tarkwa, Damang and Cerro Corona.

Amortisation and depreciation decreased by 7% from US$657 million to US$610 million in 2015.

At South Deep in South Africa, amortisation and depreciation at South Deep increased by 7% from R806 million (US$75 million) in 2014 to R861 million (US$68 million) in 2015 mainly due to additions to property, plant and equipment and reassessment of useful lives of certain assets.

At the Ghanaian operations, amortisation and depreciation increased by 16% from US$163 million in 2014 to US$189 million in 2015. Tarkwa increased by 14% from US$142 million to US$162 million due to additions to property, plant and equipment. Damang increased by 24% from US$21 million to US$26 million mainly due to an increase in volume mined.

At Cerro Corona in Peru, amortisation and depreciation at Cerro Corona increased by 25%, from US$80 million in 2014 to US$100 million in 2015. This significant increase from 2014 to 2015 was due to additions to property, plant and equipment and reassessment of useful lives of certain assets.

At the Australian operations, amortisation and depreciation decreased by 10%, from A$374 million (US$338 million) in 2014 to A$335 million (US$252 million) in 2015 mainly due to lower production. At St Ives, amortisation and depreciation decreased by 6% from A$156 million (US$141 million) in 2014 to A$146 million (US$110 million) due to the decrease in production. Agnew/Lawlers decreased by 23% from A$107 million (US$96 million) in 2014 to A$82 million (US$62 million) mainly due to lower production. Amortisation and depreciation at Darlot increased by 89% from A$18 million (US$17 million) to A$34 million (US$26 million) as a result of the change in life of mine reserves. At Granny Smith, amortisation and depreciation decreased by 23% from A$94 million (US$85 million) to A$72 million (US$54 million) due to lower production.

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All-in sustaining and total all-in cost

The following table sets out for each operation and the Group, total gold sales in ounces, all-in sustaining costs ("AISC") and all-in cost ("AIC"), net of by-product revenue, in US$/oz for 2015 and 2014:

	2015			2014		
	Gold only ounces sold	AISC[2] – US$/oz	AIC[2] – US$/oz	Gold only ounces sold	AISC[2] – US$/oz	AIC[2] – US$/oz
South Deep	198.0	1,490	1,559	200.5	1,548	1,732
South African operation	198.0	1,490	1,559	200.5	1,548	1,732
Tarkwa	586.1	970	970	558.3	1,068	1,068
Damang	167.8	1,326	1,326	177.8	1,175	1,175
Ghanaian operations	753.9	1,049	1,049	736.0	1,094	1,094
Cerro Corona[1]	158.8	718	718	153.6	316	316
Peruvian operation	158.8	718	718	153.6	316	316
St Ives	371.9	969	969	361.7	1,164	1,164
Agnew/Lawlers	236.6	959	959	270.7	990	990
Darlot	78.4	1,057	1,057	83.6	1,222	1,222
Granny Smith	301.1	764	764	315.2	809	809
Australian operations	988.0	912	912	1,031.1	1,015	1,015
GIP and corporate	–	6	19	–	11	28
Total operations	2,098.8	1,007	1,026	2,121.4	1,053	1,087

[1] Gold sold at Cerro Corona excludes copper equivalents of 134,500 ounces in 2015 and 175,000 ounces in 2014.

[2] Net of by-product revenue.

[3] AIC and AISC are calculated in accordance with the World Gold Council Industry standard. Refer to pages 32 to 38 for detailed calculations and discussion of non-IFRS measures.

[4] Figures above may not add as they are rounded independently.

AISC decreased by 4% from US$1,053 per ounce in 2014 to US$1,007 per ounce in 2015. AIC decreased by 6% from US$1,087 per ounce in 2014 to US$1,026 per ounce in 2015. The decrease in AISC and AIC was due to lower net operating costs, the weaker R/US Dollar and A$/US$, partially offset by lower by-product credits and higher capital expenditure.

At South Deep in South Africa, AISC of R607,429 per kilogram (US$1,490 per ounce) and AIC of R635,622 per kilogram (US$1,559 per ounce) in 2015 compared with AISC of R538,254 per kilogram (US$1,548 per ounce) and AIC of R602,363 per kilogram (US$1,732 per ounce) in 2014 due to lower gold sold and higher operating costs, partially offset by lower capital expenditure.

At the Ghanaian operations, AISC and total AIC for the region of US$1,049 per ounce in 2015 compared with US$1,094 per ounce in 2014. At Tarkwa, AISC and AIC of US$970 per ounce in 2015 compared with US$1,068 per ounce in 2014 due to increased gold sold and lower operating costs, partially offset by higher capital expenditure. At Damang, AISC and AIC of US$1,326 per ounce in 2015 compared with US$1,175 per ounce in 2014 due to higher net operating costs, lower gold sold and the US$8 million inventory write-off.

At Cerro Corona in Peru, AISC and AIC amounted to US$718 per ounce in 2015 compared with US$316 per ounce in 2014 due to lower gold sold, lower by-product credits and higher capital expenditure, partially offset by lower net operating costs. AISC and AIC, on a gold equivalent basis amounted to US$777 per ounce in 2015 compared with US$702 per ounce in 2014 mainly due to the same reasons as above as well as lower equivalent ounces sold.

At the Australian operations, AISC and AIC for the region of A$1,211 per ounce (US$912 per ounce) in 2015 compared with A$1,124 per ounce (US$1,015 per ounce) in 2014 due to lower gold sold and higher capital expenditure, partially offset by lower net operating costs. At St Ives, AISC and AIC for St Ives of A$1,287 per ounce (US$969 per ounce) in 2015 compared with A$1,289 per ounce (US$1,164 per ounce) in 2014 due to higher gold sold and lower net operating costs, partially offset by higher capital expenditure. At Agnew/Lawlers, AISC and AIC for Agnew/Lawlers of A$1,276 per ounce (US$959 per ounce) in 2015 compared with A$1,096 per ounce (US$990 per ounce) in 2014 due to lower gold sold and higher capital expenditure, partially offset by lower net operating costs. At Darlot, AISC and AIC of A$1,403 per ounce (US$1,057 per ounce) in 2015 compared with A$1,353 per ounce (US$1,222 per ounce) in 2014 due to lower gold sold and higher capital expenditure, partially offset by lower operating costs. At Granny Smith, AISC and AIC of A$1,017 per ounce (US$764 per ounce) in 2015 compared with A$896 per ounce (US$809 per ounce) in 2014 due to lower gold sold and higher capital expenditure, partially offset by lower net operating costs.

Net operating profit

Net operating profit decreased by 10% from US$534 million in 2014 to US$479 million in 2015 due to reasons discussed earlier.

Investment income

Income from investments increased by 50% from US$4 million in 2014 to US$6 million in 2015. The increase was mainly due to higher cash balances at the international operations in 2015.

The investment income in 2015 of US$6 million comprised US$nil interest on monies invested in the South African rehabilitation trust fund and US$6 million interest on other cash and cash equivalent balances.

The investment income in 2014 of US$4 million comprised US$1 million interest on monies invested in the South African and Ghanaian environmental rehabilitation trust funds and US$3 million interest on other cash and cash equivalent balances.

Interest received on the funds decreased from US$1 million in 2014 to US$nil in 2015 mainly due to the weakening of the South African Rand resulting in South Deep's Rand contribution being a nil United States Dollar figure.

Interest on other cash balances increased from US$3 million in 2014 to US$6 million in 2015 mainly due to higher cash balances at the international operations in 2015.

Finance expense

Finance expense decreased by 16% from US$99 million in 2014 to US$83 million in 2015.

The finance expense of US$83 million in 2015 comprised US$12 million relating to the accretion of the environmental rehabilitation liability and US$88 million on various Group borrowings, partially offset by interest capitalised of US$17 million.

The finance expense of US$99 million in 2014 comprised US$18 million relating to the accretion of the environmental rehabilitation liability and US$105 million on various Group borrowings, partially offset by interest capitalised of US$24 million.

The environmental rehabilitation liability accretion expense decreased from US$18 million in 2014 to US$12 million in 2015 mainly due to lower present values of the rehabilitation liabilities which resulted from an increase in discount rates.

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

	2015 US$ million	2014 US$ million
Interest on borrowings to fund capital expenditure and operating costs at the South African operation	3	18
Interest on US$1 billion notes issue	50	50
Sibanye Gold guarantee fee	1	5
Interest on US$70 million senior secured revolving credit facility	2	3
Interest on US$200 million non-revolving senior secured term loan	–	2
Interest on US$150 million revolving senior secured credit facility	3	–
Interest of US$1,510 million term loan and revolving credit facility	28	25
Other interest charges	1	2
	88	105

Interest on borrowings to fund capital expenditure and operating costs at the South African operation decreased from US$18 million in 2014 to US$3 million in 2015 due to repayments of South African borrowings in the March 2015 quarter.

Interest on the US$1 billion notes issue remained flat at US$50 million in 2015.

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The yearly guarantee fee of US$5 million became payable to Sibanye Gold in 2013 after the unbundling of Sibanye Gold. On 24 April 2015, Sibanye Gold was released as guarantor, resulting in a pro-rata guarantee fee of US$1 million in 2015.

Interest on the US$70 million senior secured revolving credit facility decreased marginally from US$3 million in 2014 to US$2 million in 2015.

On 19 December 2014, the outstanding balance under the US$200 million non-revolving senior secured term loan was refinanced by drawing down under the US$150 million revolving senior secured credit facility. Interest on these facilities increased marginally from US$2 million in 2014 to US$3 million in 2015.

Interest on the US$1,510 million term loan and revolving credit facilities increased from US$25 million in 2014 to US$28 million in 2015. The increase is due to additional borrowings during 2015.

During 2015, US$17 million (2014: US$24 million) of interest was capitalised in terms of IAS 23 *Borrowing cost.* IAS 23 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The only qualifying project was South Deep's mine development. An average interest capitalisation rate of 4.8% (2014: 5.3%) was applied.

Loss on financial instruments
The loss on financial instruments decreased by 58% from US$12 million in 2014 to US$5 million in 2015.

The loss on financial instruments of US$5 million in 2015 and US$12 million in 2014 comprised the loss on the Australian diesel hedges.

On 10 September 2014, Gold Fields Australia Proprietary Limited entered into a Singapore Gasoil 10ppm cash-settled swap transaction contract for a total of 136,500 barrels, effective 15 September 2014 until 31 March 2015 at a fixed price of US$115.00 per barrel. The 136,500 barrels are based on 50% of usage for the seven-month period September 2014 to March 2015. Brent Crude at the time of the transaction was US$99.10 per barrel. On 26 November 2014, Gold Fields Australia Proprietary Limited entered into further contracts. A contract for 63,000 barrels for the period January to March 2015 was committed at a fixed price of US$94.00 per barrel and a further 283,500 barrels were committed at a price of US$96.00 per barrel for the period April to December 2015. Brent Crude at the time of the transaction was US$78.50 per barrel. By entering into the above contracts, the Australian region hedged its full diesel requirements for 2015.

As at 31 December 2015, the fair value of these oil derivative contracts was negative US$2 million (2014: negative US$10 million).

Foreign exchange gains
The foreign exchange gains increased by 25% from US$8 million in 2014 to US$10 million in 2015.

The foreign exchange gains comprised exchange gains on cash and working capital balances. The exchange gains of US$10 million in 2015 were mainly due to the weakening of the Australian Dollar, while the US$8 million in 2014 were due to the weakening of the Ghanaian Cedi.

Other costs
Other costs decreased by 67% from US$63 million in 2014 to US$21 million in 2015.

The costs in 2015 are mainly made up of:
- Social contributions and sponsorships of US$12 million;
- Global compliance costs of US$4 million;
- Facility charges of US$2 million on the South African Rand borrowings; and
- Rehabilitation income of US$15 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss.

The costs in 2014 are mainly made up of:
- Social contributions and sponsorships of US$12 million;
- Facility charges of US$1 million on the South African Rand borrowings;
- Legal fees amounting to US$7 million as a result of the Gold Fields Board examination and regulatory investigation relating to the South Deep Black Economic Empowerment transaction;
- Rehabilitation costs of US$18 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss; and
- Information technology conversion costs at the Yilgarn South assets of US$5 million.

Share-based payments
Gold Fields recognises the cost of share options granted (share-based payments) in terms of IFRS 2 *Share-based payment.*

Share-based payments decreased by 58% from US$26 million in 2014 to US$11 million in 2015. The corresponding entry for the above adjustments was share-based payment reserve within shareholders' equity.

The decrease in share-based payments was due to the fact that no allocations of options under existing plans were made during 2014 and 2015 following the introduction of the long-term incentive plan ("LTIP") during 2014.

Long-term incentive plan expense
Gold Fields recognises the LTIP expense in terms of IAS 19 *Employee benefits.*

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited LTIP. The plan provides for executive directors, certain officers and employees to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions are assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made.

These awards are measured on the date the award is made and re-measured at each reporting period. The total shareholder return portion of the award is measured using the Monte Carlo simulation valuation model, which requires assumptions regarding the share price volatility and expected dividend yield. The fair value of the free cash flow portion of the award is valued based on the actual and expected achievement of the cash flow targets set out in the plan. The assumptions used in the Monte Carlo model and the expected cash flow targets are reviewed at each reporting date.

The LTIP expense decreased by 44% from US$9 million in 2014 to US$5 million in 2015. The decrease was due to marked-to-market adjustments, partially offset by two years of grants being valued in 2015 compared to one year of grants in 2014.

Exploration expense
For 2015, US$95 million was spent on exploration, comprising brownfields exploration of US$72 million (Australia US$68 million, Ghana US$3 million and South Africa US$1 million) and greenfields exploration comprising Salares Norte in Chile (US$16 million), APP in Finland (US$1 million) and US$6 million was spent on exploration office costs. Of the US$95 million exploration costs incurred, US$54 million was recognised in the consolidated income statement of which US$31 million related to Australia.

For 2014, US$98 million was spent on exploration, comprising brownfields exploration of US$62 million (Australia US$58 million and Ghana US$4 million) and greenfields exploration comprising Yanfolila in Mali (US$4 million) up to the date of disposal, Salares Norte in Chile (US$11 million), APP in Finland (US$3 million) and Chucapaca in Peru (US$3 million) and US$15 million was spent on exploration office costs. Of the US$98 million exploration costs incurred, US$47 million was recognised in the consolidated income statement of which US$15 million related to Australia.

Subject to continued exploration success, US$118 million will be spent on exploration, comprising brownfields exploration of US$63 million (Australia US$63 million) and greenfields exploration of US$55 million.

Share of results of equity-accounted investees after taxation
Share of results of equity-accounted investees after taxation increased by 200% from a loss of US$2 million in 2014 to a loss of US$6 million in 2015.

The increase relate mainly to ongoing study and evaluation costs at the FSE project in the Philippines and the Group's share of losses of US$2 million at Hummingbird (up to 30 June 2015, the date Hummingbird was reclassified to available-for-sale financial investments).

Restructuring costs
Restructuring costs decreased by 79% from US$42 million in 2014 to US$9 million in 2015. The cost in 2015 relates mainly to separation packages in Tarkwa and St Ives and the cost in 2014 related mainly to separation packages in Tarkwa, South Deep, Damang and St Ives.

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Impairment of investments and assets
Impairment of investments and assets increased from US$27 million in 2014 to US$221 million in 2015.

The impairment charge of US$221 million in 2015 comprises:
- US$8 million net realisable write-downs of stockpiles at Damang;
- US$7 million impairment of redundant assets at Cerro Corona;
- US$14 million cash-generating unit impairment at Darlot;
- US$36 million asset-specific impairment at Damang, relating to immovable assets that would no longer be used under the current life-of-mine;
- US$39 million at the Arctic Platinum Project ("APP"). This project is valued at the lower of fair value less cost of disposal or carrying value after a decision was made to dispose of APP and it was reclassified as held for sale in 2013. The carrying value at 31 December 2014 was US$40 million based on an offer made as part of the ongoing sale process during 2014. This offer was not realised and during 2015, APP was further impaired by US$39 million to its fair value less cost of disposal;
- US$101 million impairment of the Group's investment in FSE to its recoverable amount;
- US$8 million impairment of Hummingbird was recognised to adjust the carrying value of the investment to its fair value upon derecognition of the investment as an equity-accounted investee; and
- US$8 million related to impairment of listed investments (Hummingbird, Bezant and various junior exploration companies) to their fair values.

The impairment charge of US$27 million in 2014 comprises:
- US$1 million net realisable write-downs of consumables at Lawlers;
- US$13 million impairment of redundant assets at South Deep, St Ives and Agnew;
- US$3 million at the APP. This project is valued at the lower of fair value less cost of disposal or carrying value after a decision was made to dispose of APP and it was reclassified as held for sale in 2013. The carrying value at 31 December 2013 was US$43.2 million based on an offer made as part of the ongoing sale process during 2013. This offer was not realised but a second, lower offer was received closer to the end of 2014 which resulted in the further impairment in 2014;
- US$8 million related to impairment of listed investments (Bezant, Orsu Metals Corporation and various junior exploration companies); and
- US$6 million related to impairment of unlisted investments (Rand Refinery and Aurigin Resources Incorporated).

The above impairments were partially offset by the reversal of US$4 million impairment of Yanfolila. Following the Group's decision during 2013 to dispose of non-core projects, Yanfolila was classified as held for sale and, accordingly, valued at the lower of fair value less cost to sell or carrying value which resulted in an impairment of US$30 million during 2013. During 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird Resources PLC ("Hummingbird") for US$21 million, which was settled in the form of 21,258,503 Hummingbird shares. The fair value of Hummingbird shares exceeded the carrying value of Yanfolila, which resulted in a partial reversal of the 2013 impairment in 2014.

Profit on disposal of investments
The profit on the disposal of investments was US$nil in 2015 compared to US$1 million in 2014.

The profit on disposal of investments of US$1 million in 2014 comprises:

	US$ million
Profit on disposal of shares in Robust Resources Limited	2
Additional loss on disposal of the Group's interest in Talas (exploration project in KyrgyzstanKyrgyzstan)	(1)
	1

Profit on disposal of Chucapaca
During 2014, Gold Fields sold its 51% interest in Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) for US$81 million to Compañía de Minas Buenaventura S.A.A. realising a profit of US$5 million.

Loss on disposal of assets
Loss on disposal of assets was US$nil in 2015 compared to US$1 million in 2014.

The major disposals in 2014 related to the sale of redundant assets at St Ives, Darlot, Granny Smith, Tarkwa, Cerro Corona and South Deep.

Royalties

Royalties decreased by 12% from US$86 million in 2014 to US$76 million in 2015 and are made up as follows:

	2015 US$ million	2014 US$ million
South Africa	1	1
Ghana	44	47
Peru	3	6
Australia	28	32
	76	86

The royalty in Ghana decreased in line with the decrease in gold revenue. The royalty in Peru reduced due to the lower operating margin of Cerro Corona. The royalty in Australia remained stable in Australian Dollar terms from 2014 to 2015, however, decreased in United States Dollar terms due to the weakening of the Australian Dollar against the United States Dollar in 2015.

Mining and income tax

Mining and income tax was a charge of US$247 million in 2015 compared to US$118 million in 2014.

The table below indicates Gold Fields' effective tax rate in 2015 and 2014:

	2015	2014
Income and mining tax charge – US$ million	(247)	(118)
Effective tax rate – %	(5,491.1)	(85.3)

In 2015, the effective tax rate of 5,491% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US$22 million adjustment to reflect the actual realised company tax rates in South Africa and offshore; and
- US$5 million deferred tax release on the change of tax rate at the Peruvian operations.

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

- US$12 million non-deductible charges comprising share-based payments (US$4 million) and exploration expense (US$8 million);
- US$53 million non-deductible impairment charges of assets relating mainly to listed investment, Hummingbird, APP and FSE;
- US$27 million non-deductible interest paid;
- US$41 million deferred tax charge on Peruvian Nuevo Sol devaluation against United States Dollar;
- US$113 million derecognition of deferred tax assets at Cerro Corona and Damang;
- US$9 million of net non-deductible expenditure and non-taxable income;
- US$2 million of non-deductible share of results of associates after taxation; and
- US$8 million of various Peruvian non-deductible expenses.

In 2014, the effective tax rate of 85% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US$8 million adjustment to reflect the actual realised company tax rates in South Africa and offshore; and
- US$2 million non-taxable profit on disposal of investments and subsidiaries.

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

- US$18 million non-deductible charges comprising share-based payments (US$7 million) and exploration expense (US$11 million);
- US$4 million non-deductible impairment charges of assets relating mainly to APP, Yanfolila, Bezant and Rand Refinery;
- US$28 million non-deductible interest paid;
- US$2 million non-deductible legal and consulting fees;
- US$3 million deferred tax charge on Peruvian Nuevo Sol devaluation against United States Dollar;
- US$8 million of net non-deductible expenditure and non-taxable income;
- US$1 million of non-deductible share of results of associates after taxation; and
- US$8 million of various Peruvian non-deductible expenses.

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(Loss)/profit for the year
As a result of the factors discussed above, Gold Fields posted a loss of US$243 in 2015 compared with a profit of US$20 million in 2014.

(Loss)/profit attributable to owners of the parent from continuing operations
Gold Fields posted a loss attributable to ordinary shareholders of the company of US$242 million in 2015 compared to a profit of US$13 million in 2014.

(Loss)/profit attributable to non-controlling interest holders
(Loss)/profit attributable to non-controlling interest was a loss of US$1 million in 2015 compared to a profit of US$8 million in 2014.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% each at the end of 2015 and 2014, Gold Fields La Cima (Cerro Corona) at 0.47% at the end of 2015 and 2014 and Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) at nil% at the end of 2015 and 2014.

Gold Fields sold its interest in Canteras del Hallazgo for US$81 million during 2014.

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

	2015 Non-controlling interest Effective*	2014 Non-controlling interest Effective*	2015 US$ million	2014 US$ million
Gold Fields Ghana Limited – Tarkwa	10.0%	10.0%	9	9
Abosso Goldfields – Damang	10.0%	10.0%	(9)	–
Gold Fields La Cima – Cerro Corona	0.47%	0.47%	(1)	–
Canteras del Hallazgo	–	49.0%	–	(1)
			(1)	8

*Average for the year.

(Loss)/earnings per share
As a result of the above, Gold Fields realised a loss of US$0.31 per share in 2015 compared with earnings of US$0.02 per share in 2014.

Liquidity and capital resources – years ended 31 December 2016 and 31 December 2015

Cash resources

Cash flows from operating activities
Cash inflows from operating activities increased by 23% from US$744 million in 2015 to US$918 million in 2016. The increase of US$174 million was due to:

	US$ million
Increase in cash generated from operations due to higher operating profit	**265**
Increase in interest received due to higher cash balances	**1**
Increase in investment in working capital	**(46)**
Decrease in interest paid due to lower borrowings	**5**
Increase in royalties paid due to higher revenue	**(2)**
Increase in taxes paid	**(37)**
Increase in dividends paid due to higher normalised earnings	**(12)**
	174

Dividends paid increased from US$29 million in 2015 to US$41 million in 2016. The dividends paid of US$41 million in 2016 comprised dividends paid to ordinary shareholders of US$39 million, non-controlling interests in Peru of US$1 million and South Deep BEE dividend of US$1 million.

The dividends paid of US$29 million in 2015 comprised dividends paid to ordinary shareholders of US$15 million, non-controlling interests in Ghana and Peru of US$12 million and South Deep BEE dividend of US$2 million.

Cash flows from investing activities

Cash outflows from investing activities increased by 33% from US$652 million in 2015 to US$868 million in 2016. The items comprising these numbers are discussed below.

Additions to property, plant and equipment

Capital expenditure increased by 3% from US$634 million in 2015 to US$650 million in 2016.

Capital expenditure at South Deep in South Africa increased by 35% from R848 million (US$67 million) in 2015 to R1,145 million (US$78 million) in 2016:

- This increase was due to higher spending on fleet, the refurbishment of the man winder at Twin shaft and higher spend on mining employee accommodation.

Capital expenditure at the Ghanaian operations decreased by 7% from US$221 million in 2015 to US$206 million in 2016:

- Tarkwa decreased by 18% from US$204 million to US$168 million mainly due to the purchase of mining fleet for replacement in 2015; and
- Damang increased by 124% from US$17 million to US$38 million with the majority spent on waste stripping at the Amoanda pit.

Capital expenditure at Cerro Corona in Peru decreased by 34% from US$65 million in 2015 to US$43 million in 2016:

- The decrease is due to higher expenditure on construction of the tailings dam, waste storage facilities and once-off capital projects in 2015.

Capital expenditure at the Australian operations increased by 16% from A$373 million (US$281 million) in 2015 to A$431 million (US$322 million) in 2016:

- St Ives increased by 24% from A$152 million (US$115 million) to A$188 million (US$140 million) due to increased expenditure on pre-stripping at the Invincible and Neptune open pits;
- Agnew/Lawlers decreased by 3% from A$97 million (US$73 million) to A$94 million (US$70 million) due to increased development of Fitzroy Bengal Hastings at Waroonga in 2015, partially offset by increased exploration expenditure in 2016;
- Darlot increased by 7% from A$27 million (US$20 million) to A$29 million (US$21 million) due to increased exploration and capital development at the Oval ore body; and
- Granny Smith increased by 26% from A$96 million (US$72 million) to A$121 million (US$90 million). The majority of expenditure related to capital development, exploration and the establishment of new fresh air intake ventilation raises.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment decreased by 33% from US$3 million in 2015 to US$2 million in 2016. In both 2016 and 2015, this related to the sale of various redundant assets.

Purchase of Gruyere Gold Project assets

On 13 December 2016, Gold Fields purchased 50% of the Gruyere Gold Project and entered into a 50:50 unincorporated joint venture with Gold Road Resources Limited ("Gold Road") for the development and operation of the Gruyere Gold Project in Western Australia, which comprises the Gruyere gold deposit as well as additional resources including Central Bore and Attila/Alaric.

Gold Fields acquired 50% interest in the Gruyere Gold Project for a total purchase consideration of A$350.0 million payable in cash and a 1.5% royalty on Gold Fields' share of production after total mine production exceeds two million ounces. The cash consideration is split with A$250.0 million payable on effective date and A$100.0 million payable according to an agreed construction cash call schedule. Transaction costs of A$19 million were incurred.

At 31 December 2016, Gruyere mining assets of US$276 million (A$372 million) were capitalised of which US$197 million (A$266 million) were cash additions and US$79 million (A$106 million) were non-cash additions.

The US$197 million (A$266 million) cash additions comprise the initial cash consideration of A$250 million payable, as well as additional development costs. The US$79 million (A$106 million) non-cash additions comprise of the initial A$100 million payable, as well as stamp duties payable.

Management's discussions and analysis of the financial statements
(continued)

Purchase of investments
Investment purchases increased by 333% from US$3 million in 2015 to US$13 million in 2016.

The purchase of investments of US$13 million in 2016 comprised:

	US$ million
Cardinal Resource Limited[1]	13
	13

The purchase of investments of US$3 million in 2015 comprised:

	US$ million
Mine Vision Systems	3
	3

Proceeds on disposal of investments
Proceeds on the disposal of investments increased from US$nil in 2015 to US$4 million in 2016.

The proceeds on disposal of investments of US$4 million in 2016 comprised:

	US$ million
Sale of shares in Sibanye Gold Limited	2
Sale of shares in Tocqueville Bullion Reserve Limited	2
	4

Environmental trust funds and rehabilitation payments
The environmental trust fund and rehabilitation payments decreased by 17% from US$18 million in 2015 to US$15 million in 2016.

During 2016, Gold Fields paid US$2 million into its South Deep mine environmental trust fund and US$6 million into its Tarkwa mine environmental trust fund and spent US$7 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US$15 million for the year.

During 2015, Gold Fields paid US$1 million into its South Deep mine environmental trust fund and US$7 million into its Tarkwa mine environmental trust fund and spent US$10 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US$18 million for the year.

Cash flows from financing activities
Cash outflows from financing activities was an inflow of US$37 million in 2016 compared to an outflow of US$88 million in 2015.

Share issue
During 2016, Gold Fields completed a US$152 million (R2.3 billion) accelerated equity raising by way of a private placement to institutional investors. A total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represented a 6% discount to the 30-day volume weighted average traded price, for the period 17 March 2016 and a 0.7% discount to the 50-day moving average.

The net proceeds from the placement were used to finance the buy-back of the notes.

Loans raised

Loans raised increased by 157% from US$506 million in 2015 to US$1,299 million in 2016.

The US$1,299 million loans raised in 2016 comprised:

	US$ million
US$150 million revolving senior secured credit facility	**40**
US$1,510 million term loan and revolving credit facilities	**174**
US$1,290 million term loan and revolving credit facilities[1]	**708**
R1,500 million Nedbank revolving credit facility	**21**
Short-term Rand uncommitted credit facilities	**356**
	1,299

[1] **Credit facilities refinancing**

Gold Fields successfully refinanced its US$1,440 million credit facilities due in November 2017. The new facilities amount to US$1,290 million and comprise three tranches:

- US$380 million: three-year term loan maturing in June 2019 – margin 250 basis points (bps) over LIBOR;
- US$360 million: three-year revolving credit facility ("RCF") also maturing in June 2019 (with an option to extend to up to five years) – margin 220bps over LIBOR; and
- US$550 million: five-year RCF maturing in June 2021 – margin 245bps over LIBOR.

The new facilities were concluded with a syndicate of 15 banks. On average, the interest rate on the new facilities is similar to the interest rate on the existing facilities. A total of US$645 million was drawn down from the new facilities on 13 June 2016 to repay the Group's existing US$ facilities, with US$645 million remaining unutilised. The refinancing is a key milestone in Gold Fields' balance sheet management and increases the maturity of its core debt, with the first maturity now only in June 2019 (previously November 2017).

The US$506 million loans raised in 2015 comprised:

	US$ million
US$70 million senior secured revolving credit facility	10
US$1,510 million term loan and revolving credit facilities	400
Short-term Rand uncommitted credit facilities	96
	506

Loans repaid

Loans repaid increased by 138% from US$594 million in 2015 to US$1,413 million in 2016.

The US$1,413 million loans repaid in 2016 comprised:

	US$ million
US$1 billion notes issue[1]	**130**
US$1,510 million term loan and revolving credit facility	**898**
US$1,290 million term loan and revolving credit facility	**49**
R1,500 million Nedbank revolving credit facility	**21**
Short-term Rand uncommitted credit facilities	**315**
	1,413

[1] **Bond buy-back**

On 19 February 2016, Gold Fields announced an offer to purchase US$200 million of the US$1 billion notes outstanding. Gold Fields accepted the purchase of an aggregate principal amount of notes equal to US$148 million at the purchase price of US$880 per US$1,000 in principal amount of notes. A profit of US$18 million was recognised on the buy-back of the notes, resulting in a cash outflow of US$130 million.

The US$594 million loans repaid in 2015 comprised:

	US$ million
US$1,510 million term loan and revolving credit facility	302
R1,500 million Nedbank revolving credit facility	129
R500 million Rand Merchant Bank revolving credit facility	21
Short-term Rand uncommitted credit facilities	142
	594

Management's discussions and analysis of the financial statements
(continued)

Net cash generated

As a result of the above, net cash generated increased by 2,075% from US$4 million in 2015 to US$87 million in 2016.

Cash and cash equivalents increased from US$440 million at 31 December 2015 to US$527 million at 31 December 2016.

Liquidity and capital resources – years ended 31 December 2015 and 31 December 2014

Cash resources

Cash flows from operating activities

Cash inflows from operating activities decreased by 8% from US$809 million in 2014 to US$744 million in 2015. The decrease of US$65 million was due to:

	US$ million
Decrease in cash generated from operations due to lower operating profit	(56)
Increase in interest received due to higher cash balances	2
Decrease in release of working capital	(40)
Decrease in interest paid due to lower borrowings	17
Decrease in royalties paid due to lower revenue	12
Increase in taxes paid	(13)
Decrease in dividends paid due to lower normalised earnings	13
	(65)

Dividends paid decreased from US$42 million in 2014 to US$29 million in 2015. The dividends paid of US$29 million in 2015 comprised dividends paid to ordinary shareholders of US$15 million, non-controlling interests in Ghana and Peru of US$12 million and South Deep BEE dividend of US$2 million.

The dividends paid of US$42 million in 2014 comprised dividends paid to ordinary shareholders of US$30 million, non-controlling interests in Ghana and Peru of US$10 million and South Deep BEE dividend of US$2 million.

Cash flows from investing activities

Cash outflows from investing activities increased by 23% from US$531 million in 2014 to US$652 million in 2015. The items comprising these numbers are discussed below.

Additions to property, plant and equipment

Capital expenditure increased by 4% from US$609 million in 2014 to US$634 million in 2015.

Capital expenditure at South Deep in South Africa decreased from R994 million (US$92 million) in 2014 to R848 million (US$67 million) in 2015:

» This decrease was mainly due to lower expenditure on new mine development.

Capital expenditure at the Ghanaian operations increased from US$190 million in 2014 to US$221 million in 2015:

» Tarkwa increased from US$174 million to US$204 million mainly due to increased expenditure on the purchase of mining fleet and additional capital waste stripping; and
» Damang increased from US$16 million to US$17 million mainly due to increased expenditure on the processing plant upgrade and heavy vehicle equipment components.

Capital expenditure at Cerro Corona in Peru increased from US$51 million in 2014 to US$65 million in 2015:

» The increase in expenditure was on the raising of the tailings management facility and expenditure on the new fuel station and camp.

Capital expenditure at the Australian operations increased from A$304 million (US$274 million) in 2014 to A$373 million (US$281 million) in 2015:

- St Ives increased from A$130 million (US$118 million) to A$152 million (US$115 million) due to increased expenditure on exploration and pre-stripping at the Invincible pit;
- Agnew/Lawlers increased from A$92 million (US$83 million) to A$97 million (US$73 million) due to increased exploration expenditure;
- Darlot increased from A$16 million (US$15 million) to A$27 million (US$20 million) due to increased capital development at Lords South Lower as well as additional exploration expenditure; and
- Granny Smith increased from A$65 million (US$59 million) to A$96 million (US$72 million) due to increased capital development and exploration.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment decreased by 40% from US$5 million in 2014 to US$3 million in 2015. In both 2015 and 2014, this related to the sale of various redundant assets.

Proceeds on disposal of Chucapaca

During 2014, Gold Fields sold its 51% interest in Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) for US$81 million to Compañía de Minas Buenaventura S.A.A.

Purchase of investments

Investment purchases decreased by 25% from US$4 million in 2014 to US$3 million in 2015.

The purchase of investments of US$3 million in 2015 comprised:

	US$ million
Mine Vision Systems	3
	3

The purchase of investments of US$4 million in 2014 comprised:

	US$ million
Rand Refinery Limited	3
Tocqueville Bullion Reserve Limited	1
	4

Proceeds on disposal of investments

Proceeds on the disposal of investments decreased from US$6 million in 2014 to US$nil in 2015.

The proceeds on disposal of investments of US$6 million in 2014 comprised:

	US$ million
Sale of shares in Robust Resources Limited	4
Sale of the Group's interest in Talas (exploration project in KyrgyzstanKyrgyzstan)	2
	6

Environmental trust funds and rehabilitation payments

The environmental trust fund and rehabilitation payments increased from US$10 million in 2014 to US$18 million in 2015.

During 2015, Gold Fields paid US$1 million into its South Deep mine environmental trust fund and US$7 million into its Tarkwa mine environmental trust fund and spent US$10 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US$18 million for the year.

During 2014, Gold Fields paid US$1 million into its South Deep mine environmental trust fund and US$6 million into its Tarkwa mine environmental trust fund and spent US$3 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US$10 million for the year.

Management's discussions and analysis of the financial statements
(continued)

Cash flows from financing activities
Cash outflows from financing activities decreased by 30% from US$126 million in 2014 to US$88 million in 2015.

Equity contributions from non-controlling interest holders
Equity contributions from non-controlling interest holders decreased from US$2 million in 2014 to US$nil in 2015. The US$2 million received in 2014 related to cash advanced by Buenaventura in accordance with their obligations under the Chucapaca agreement. The reason for the decrease in equity contributions from non-controlling interest holders from 2015 to 2014 is the disposal of Chucapaca in August 2014.

Loans raised
Loans raised increased from US$464 million in 2014 to US$506 million in 2015.

The US$506 million loans raised in 2015 comprised:

	US$ million
US$70 million senior secured revolving credit facility	10
US$1,510 million term loan and revolving credit facilities	400
Short-term Rand uncommitted credit facilities	96
	506

The US$464 million loans raised in 2014 comprised:

	US$ million
La Cima revolving senior secured credit facility	42
US$70 million senior secured revolving credit facility	35
US$1,510 million term loan and revolving credit facilities	42
R500 million Rand Merchant Bank revolving credit facility	46
Short-term Rand uncommitted credit facilities	299
	464

Loans repaid
Loans repaid increased from US$592 million in 2014 to US$594 million in 2015.

The US$594 million loans repaid in 2015 comprised:

	US$ million
US$1,510 million term loan and revolving credit facility	302
R1,500 million Nedbank revolving credit facility	129
R500 million Rand Merchant Bank revolving credit facility	21
Short-term Rand uncommitted credit facilities	142
	594

The US$592 million loans repaid in 2014 comprised:

	US$ million
US$200 million non-revolving senior secured term loan	70
US$70 million senior secured revolving credit facility	35
US$1,510 million term loan and revolving credit facility	189
R500 million Rand Merchant Bank revolving credit facility	22
Short-term Rand uncommitted credit facilities	276
	592

Net loans repaid decreased from US$128 million in 2014 to US$88 million in 2015. The decrease in net loans repaid was mainly due to lower operating cash flows and higher investing activities cash flows.

Net cash generated

As a result of the above, net cash generated decreased from US$152 million in 2014 to US$4 million in 2015.

Cash and cash equivalents amounted to US$440 million at 31 December 2015, as compared to US$458 million at 31 December 2014.

Statement of financial position

Borrowings

Total debt (short and long-term borrowings) decreased from US$1,820 million at 31 December 2015 to US$1,693 million at 31 December 2016. Net debt (total debt less cash and cash equivalents) decreased from US$1,380 million at 31 December 2015 to US$1,166 million at 31 December 2016 as a result of lower debt and higher cash balance.

The Group monitors capital using the ratio of net debt to adjusted EBITDA. Adjusted EBITDA is defined as net operating profit before depreciation and amortisation, adjusted for exploration expenses and certain other costs. The definition of adjusted EBITDA is as defined in the US$1,290 million term loan and revolving credit facilities agreement. Net debt is defined as total borrowings less cash and cash equivalents. The Group's long-term target is a ratio of net debt to adjusted EBITDA of one times or lower. The bank covenants on external borrowings require a net debt to adjusted EBITDA ratio of 2.5 or below and the ratio is measured based on amounts in United States Dollar. Net debt to adjusted EBITDA at 31 December 2016 was 0.95 (2015: 1.38), surpassing the Group's target of 1.0 which was set at the start of 2015. Refer note 39 to the consolidated financial statements.

Provisions

Long-term provisions increased by 3% from US$284 million at 31 December 2015 to US$292 million at 31 December 2016 and included a provision for environmental rehabilitation costs of US$283 million (2015: US$275 million) and other long-term provisions of US$9 million (2015: US$9 million).

Provision for environmental rehabilitation costs

The amount provided for environmental rehabilitation costs increased by 3% from US$275 million at 31 December 2015 to US$283 million at 31 December 2016. The increase is largely due to the increase in the gross closure costs at the Ghanaian and Peruvian operations. This provision represents the present value of closure, rehabilitation and other environmental obligations incurred up to 31 December 2016. This provision is updated annually to take account of inflation, the time value of money and any new environmental obligations incurred.

The inflation and range of discount rates applied in 2016 and 2015 for each region are shown in the table below:

	South Africa	Ghana	Australia	Peru
Inflation rates				
2016	**5.5%**	**2.2%**	**2.5%**	**2.2%**
2015	5.4%	2.2%	2.5%	2.2%
Discount rates				
2016	**9.7%**	**9.7 – 9.8%**	**1.9 – 3.0%**	**3.7%**
2015	10.1%	7.8 – 8.8%	2.0 – 2.8%	3.5%

Management's discussions and analysis of the financial statements
(continued)

The interest charge decreased by 8% from US$12 million in 2015 to US$11 million in 2016 mainly due to lower present values of the rehabilitation liabilities which resulted from an increase in discount rates used in the 2015 rehabilitation liabilities calculation.

Adjustments for new disturbances and changes in environmental legislation during 2016 and 2015, after applying the above inflation and discount rates were:

	2016 US$ million	2015 US$ million
South Africa	**(2)**	(6)
Ghana	**8**	5
Australia	**(8)**	(4)
Peru	**7**	(9)
Total	**5**	(14)

The South African and Ghanaian operations contribute to dedicated environmental trust funds to provide financing for final closure and rehabilitation costs. The amount invested in the fund is shown as a non-current asset in the financial statements and increased by 29% from US$35 million at 31 December 2015 to US$45 million at 31 December 2016. The increase is mainly as a result of contributions amounting to US$8 million and interest income of US$1 million in 2016. The South African and Ghanaian operations are required to contribute annually to the trust fund over the remaining lives of the mines, to ensure that sufficient funds are available to discharge commitments for future rehabilitation costs.

Other long-term provisions

Other long-term provisions remained flat at US$9 million and include the South Deep dividend of US$7 million (2015: US$7 million) and other provisions of US$2 million (2015: US$2 million).

Credit facilities

At 31 December 2016, the Group had committed unutilised banking facilities of available under the following facilities, details of which are discussed in note 24 to the consolidated financial statements:

- US$632 million available under the US$1,290 million term loan and revolving credit facilities;
- US$68 million available under the US$150 million revolving senior secured credit facility;
- US$25 million available under the US$70 million senior secured revolving credit facility;
- US$148 million available under the US$1 billion notes as the notes bought back were never cancelled; and
- US$107 million (R1,500 million) available under R1,500 million Nedbank revolving credit facility.

Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal contingency funding requirements.

As of the date of this report, the Group was not in default under the terms of any of its outstanding credit facilities.

Contractual obligations and commitments as at 31 December 2016

	Payments due by period				
	Total	Less than 12 months	12 – 36 months	36 – 60 months	After 60 months
	(US$ million)				
Long-term debt					
Notes issue					
Capital	852.4	–	–	852.4	–
Interest	157.1	41.6	83.1	32.4	–
US$150 million revolving senior secured credit facility					
Capital	82.0	82.0	–	–	–
Interest	1.9	1.9	–	–	–
US$1,290 million term loan and revolving credit facility					
Capital	658.5	–	658.5	–	–
Interest	50.2	20.6	29.6	–	–
US$70 million senior secured revolving credit facility					
Capital	45.0	45.0	–	–	–
Interest	0.5	0.5	–	–	–
Short-term Rand credit facilities					
Capital	61.0	61.0	–	–	–
Interest	5.1	5.1	–	–	–
Operating lease obligations	549.7	42.5	116.2	113.7	277.3
Other long-term obligations					
Environmental obligations[1, 2]	380.8	3.6	7.7	22.1	347.4
Total contractual obligations	2,844.2	303.8	895.1	1,020.6	624.7

[1] Gold Fields makes full provision for all environmental obligations based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. Management believes that the provisions made for environmental obligations are adequate to cover the expected costs of such obligations.

[2] Represents the undiscounted liability.

	Amounts of commitments expiring by period				
	Total	Less than 12 months	12 – 36 months	36 – 60 months	After 60 months
	(US$ million)				
Other commercial commitments					
Guarantees[1]	–	–	–	–	–
Capital expenditure	46.2	46.2	–	–	–
Total commercial commitments	46.2	46.2	–	–	–

[1] The Group provides environmental obligation guarantees with respect to its South African, Peruvian and Ghanaian operations. These guarantees amounted to US$100.1 million at 31 December 2016.

Working capital

Management believes that Gold Fields' working capital resources, by way of internal sources and banking facilities, are sufficient to fund Gold Fields' currently foreseeable future business requirements.

Off-balance sheet items

At 31 December 2016, Gold Fields had no material off-balance sheet items.

Management's discussions and analysis of the financial statements

(continued)

Internal control over financial reporting

Gold Fields management is responsible for establishing and maintaining adequate internal control over financial reporting. The United States Securities Exchange Act of 1934 defines internal control over financial reporting in Rule 13a-15(f) and 15d-15(f) as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

» pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
» provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
» provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Gold Fields management assessed the effectiveness of its internal control over financial reporting as of 31 December 2016. In making this assessment, Gold Fields management used the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon its assessment, Gold Fields management concluded that, as of 31 December 2016, its internal control over financial reporting is effective based upon those criteria.

Trend and outlook

Attributable equivalent gold production for the Group for 2017 is expected to be between 2.10 million ounces and 2.15 million ounces, unchanged from the updated guidance provided in 2016. The Australian operations are expected to produce around 910,000 ounces. Cerro Corona's gold equivalent production of around 290,000 ounces is higher than 2016 with the increase mainly due to the positive impact of the higher copper/gold price ratio. Lower production is expected at Damang given the reinvestment currently underway and South Deep is expected to increase production to around 9,800 kilograms (315,000 ounces).

The all-in-sustaining cost for the Group is expected to be between US$1,010 per ounce and US$1,030 per ounce.

Gold Fields plans to embark on a year of reinvestment in 2017 with the focus on new growth and development projects, and to target both sustaining and growing free cash flow. Apart from the growth invested in South Deep, three other major projects namely the Damang reinvestment project, the Gruyere development project and the Salares Norte project require significant investment. Growth expenditure at South Deep is planned to increase to R287 million (US$20 million) in 2017 (2016: R115 million/US$8 million). In 2017, US$120 million will be invested in future growth at Damang, while A$153 million (US$112 million) is planned to be spent on the development of Gruyere. In Chile, Salares Norte received water rights and the project is on track to complete a pre-feasibility study in the second half of 2017. The plan is to increase expenditure to US$64 million at Salares Norte in 2017 (2016: US$39 million).

As a result of the above, AIC for the Group is planned to increase significantly to between US$1,170 per ounce and US$1,190 per ounce. Group capital expenditure for the year is planned at US$870 million. It includes US$120 million at Damang and A$153 million (US$112 million) for Gruyere, as well as R287 million (US$20 million) at South Deep. These expectations assume exchange rates of R/US$: 14.14 and A$/US$: 0.73.

Paul Schmidt
Chief Financial Officer

20 March 2017

Independent Auditor's Report

To the Shareholders of Gold Fields Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Gold Fields Limited (the Group and Company) set out on pages 99 to 179, which comprise the consolidated and separate statements of financial position at 31 December 2016, and the consolidated and separate income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, the accounting policies and the notes to the consolidated and separate financial statements, and the non-executive directors' fees and executive directors' and prescribed officers' remuneration and directors' and prescribed officers' equity-settled instruments sections of the remuneration report, as set out on pages 97 to 98.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Gold Fields Limited at 31 December 2016, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)*, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (continued)

Key Audit Matters (continued)
We have identified the following key audit matters pertaining to the consolidated financial statements:

1. IMPAIRMENT OF LONG-LIVED ASSETS AND GOODWILL

Property, plant and equipment – US$4,547.8 million; Goodwill – US$317.8 million;
Impairment of investments and assets – US$76.5 million.

Refer to the accounting policies (significant accounting judgements and estimates – carrying value of property, plant and equipment and goodwill, pages 102 to 103) and notes 6, 13 and 14 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
Impairment indicators have been identified at certain of the Group's cash-generating units (CGUs), including the Cerro Corona and South Deep CGUs amongst others, which gave rise to a risk that the Group's property, plant and equipment and goodwill relating to those CGUs may be impaired. Goodwill is also required to be tested annually for impairment. A CGU impairment relating to property, plant and equipment was recognised in respect of Cerro Corona amounting to US$66.4 million during 2016. No impairment was recognised for the other CGUs where impairment indicators were identified. Further, no goodwill impairment relating to the South Deep CGU, to which all the goodwill is allocated, was identified at 31 December 2016. Impairment of long-lived assets and goodwill is a significant area of judgement due to the inherent uncertainty in forecasting and discounting future cash flows, which form the basis of the Group's fair value less cost of disposal (FVLCOD) calculations used in the impairment analysis. Key judgements, assumptions and estimates used by the Group to calculate FVLCOD of its assets are inherently uncertain and could materially change over time. These include reserves and resource estimates, production estimates, economic factors such as commodity prices (gold and copper), discount rates, foreign currency exchange rates, resource valuations, estimates of production costs, future capital expenditure and taxation. Due to the above mentioned factors, impairment of long-lived assets and goodwill is considered a key audit matter.	Our audit procedures included testing internal controls designed and applied by management to ensure that its impairment analysis was appropriately performed and reviewed. Our team included senior audit team members including finance and valuation specialists who understand the Group's business, industry and the economic environment in which it operates. For the CGUs where impairment indicators were identified, we tested the integrity of the cash flow projections and discount rates, as well as challenged the appropriateness of the assumptions used in the preparation thereof. We evaluated this with reference to our knowledge of the industry and assessed the potential risk of management bias. Specifically, for externally derived inputs, we: » assessed the reasonableness of the key assumptions with reference to external forecasts by principally comparing projected commodity prices against external analyst reports, both regionally and globally; and » assessed the reasonableness of the Group's resource price per ounce used to determine the value of the CGUs beyond proved and probable reserves, against a range of acceptable prices for comparable transactions in emerging markets. For internally derived inputs, we: » compared the mineable reserves assumptions used in the cash flow models to the reserves assessed by the various experts employed by the Group to produce the estimates of proven and probable reserves at 31 December 2016; » assessed the objectivity, competence and capabilities of those various experts, obtained an understanding of the work performed by them, and evaluated the appropriateness of their work; » compared operating expense forecasts to the historical operating expenses and assessed the accuracy of production and sales forecasts in relation to historical data and mine plans; » compared the capital expenditure projections to existing planned works and the capital development work necessary to extract the mineable reserves as assessed by the Group's mining experts; and » critically assessed the appropriateness of the discount rate used to calculate the net present value of CGUs, by reference to a range of acceptable discount rates we derived from market data. We performed sensitivity analyses to consider the impact of changes in assumptions and estimates. We considered the adequacy of the Group's disclosures in respect of property, plant and equipment and goodwill carrying values and impairment testing, including those disclosures related to significant accounting judgements and estimates used to determine the FVLCOD amounts.

Key Audit Matters (continued)

2. RECOVERABILITY OF DEFERRED TAX ASSETS

Deferred taxation asset – US$48.7 million; Deferred taxation liability – US$465.5 million;
Mining and income taxation – US$192.1 million.

Refer to the accounting policies (significant accounting judgements and estimates – income taxes, page 104) and notes 9, 23 and 35 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
The net deferred tax asset recognised includes an amount of US$49.0 million which is disputed by the South African Revenue Service (SARS). The tax position taken by management to recognise the related deferred tax asset is based on management's judgement of the most probable outcome of the dispute. Deferred tax assets amounting to US$34.9 million were not recognised at Cerro Corona and Damang during 2016. The Group recognises the net future tax benefit related to deferred 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 tax assets requires the Group to make significant estimates related to the quantum and timing of future taxable income. Estimates of future taxable income are based on the forecast of cash flows from operations, the reversal of temporary differences and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Due to the above mentioned factors, recoverability of deferred tax assets is considered a key audit matter.	Our audit procedures included testing internal controls designed and applied by management to ensure that its deferred tax analysis was appropriately performed and reviewed. Our team included senior audit team members and tax specialists with knowledge of both the international and local operations. Our audit procedures included seeking to understand the tax position taken by the Group relating to the SARS dispute, by reviewing correspondence between the Group and SARS and between the Group and its lawyers as well as enquiries with management to enable us to challenge management's judgement of the most probable outcome of the dispute. We assessed the basis of accounting for recognised deferred tax assets based on our knowledge of the tax environment in which the Group operates and work performed on the cash flow projections used in forecasting future taxable income and the reversal of temporary differences. We considered the adequacy of the Group's disclosures in respect of recognised and unrecognised deferred tax assets and the disclosures related to the South Deep tax dispute.

Independent Auditor's Report (continued)

Key Audit Matters (continued)

3. ACQUISITION OF GRUYERE GOLD PROJECT

Property, plant and equipment – US$4,547.8 million (Gruyere Gold Project asset acquisition – US$275.9 million)

Refer to the accounting policies (significant accounting judgements and estimates – business combinations, page 105) and notes 13 and 15.2 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
On 31 December 2016, the Group purchased 50% of the Gruyere Gold Project and entered into a 50:50 unincorporated joint venture with Gold Road Reserves Limited for the development and operation of the Gruyere Gold Project in Western Australia. A critical step in determining the appropriate accounting approach to be followed for an acquisition in the mining industry is to determine whether the acquisition is that of a business (and therefore within the scope of IFRS 3 *Business Combinations*), or is an acquisition of an asset or group of assets that do not constitute a business and is therefore outside the scope of IFRS 3. The difference in the accounting for the acquisition as a business or an asset is material and could significantly impact the recognition and measurement of amounts reported in the consolidated financial statements and the related disclosures. The Group accounted for this acquisition as an asset acquisition. Due to the judgement applied in determining whether the acquisition was a business or an asset, the acquisition of Gruyere Gold Project is considered a key audit matter.	Our audit procedures included testing internal controls designed and applied by management to ensure that the controls over financial reporting with regards to the Gruyere Gold Project acquisition were appropriately performed and reviewed. We involved senior audit team members including accounting specialists who understand the Group's business, industry and the economic environment in which it operates to assist with the assessment of the accounting for the transaction including judgements applied around whether the acquisition meets the definition of a business under IFRS 3. We researched and corroborated the conclusions reached by management using various interpretations, industry practice and accounting literature. We reviewed the significant contracts applicable to the transaction. We considered the adequacy of the Group's disclosures in respect of this transaction including those disclosures related to significant accounting judgements included in the accounting policies and interest in joint operation.

Key Audit Matters (continued)
We have identified the following key audit matter pertaining to the separate financial statements:

1. FINANCIAL GUARANTEE RECOGNITION AND MEASUREMENT

Financial guarantee liability – R363.1 million

Refer to accounting policies (4.1.1 Financial guarantees) and note 5 to the separate financial statements.

Key audit matter	How the matter was addressed in our audit
Gold Fields Limited acts as guarantor of certain of the Group's borrowings, including the US$1 billion notes issue (the notes), and the US$1,290 million term loan facility and revolving credit facilities. During 2016, the Group repurchased US$148 million of the US$1,000 million notes outstanding and refinanced its US$1,510 million term loan and revolving credit facilities. As a result, management was required to derecognise a portion of its existing financial guarantee liabilities associated with the notes repurchased and credit facilities refinanced. In addition, management had to recognise new financial guarantee liabilities relating to the guarantee of the new US$1,290 million term loan and credit facilities and apply assumptions in order to measure the guarantees associated with such facilities. Due to the above mentioned factors, the recognition and derecognition of the financial guarantees is considered a key audit matter.	Our audit procedures included testing internal controls designed and applied by the Company to ensure that its financial guarantee liabilities were appropriately recognised, valued and reviewed. Our team included valuation specialists that assisted us with challenging the appropriateness of management's assumptions used in the valuation of the new financial guarantee liabilities relating to its refinanced loan and revolving credit facilities. We checked the accuracy of the accounting entries processed and we considered the adequacy of the disclosures in the separate financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Company Secretary's report, Audit Committee report and the Directors' Report as required by the Companies Act of South Africa as well as the Integrated Annual Report, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in *Government Gazette Number 39475* dated 4 December 2015, we report that KPMG Inc. has been the auditor of Gold Fields Limited for seven years.

KPMG Inc.
Registered Auditor

Per CH Basson
Chartered Accountant (SA)
Registered Auditor
Director
20 March 2017

85 Empire Road
Parktown 2193
Gauteng, South Africa

Remuneration Report

DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present the directors' Remuneration Report for the year ended 31 December 2016.

The Remuneration Report is presented in two parts. Part 1 explains the remuneration policy and forward-looking changes, while part 2 reports on the implementation of this policy during the past year. The remuneration policy as contained in part 1 of this report will be put to a non-binding shareholder vote at the Annual General Meeting (AGM) in May 2017.

The Remuneration Committee (the Committee), following the practice of previous years, has engaged broadly during the year with its large institutional shareholders and the voting guidance services on executive pay and has made certain changes to reflect the views expressed. The Committee considered the macro- and micro-economic factors influencing our business in setting the executive pay for 2017. Shareholders, in general, commended Gold Fields on its disclosure and provided high-level guidance as set out below.

SHAREHOLDER FEEDBACK

1. Equity-settled Performance Shares for the Long-Term Incentive Plan (LTIP)

Shareholders have a strong preference for executives to own shares in the Company they manage: this aligns their interests with shareholders by incentivising them to think like owners and focus on value creating actions for the long term. The use of equity-settled long-term incentives provides an appropriate mechanism by which executives can build a shareholding in the company over time without having to take any active steps to acquire shares. In response to this feedback, Gold Fields obtained shareholder approval at the AGM in 2016 to reinstate the revised Gold Fields Limited 2012 Share Plan.

2. Three-Year and above Performance Periods for the LTIP

Companies that operate in cyclical industries often have binary remuneration outcomes: incentives tend to reach maximum payout in some years and lapse entirely in other years. A five-year performance period for long-term incentives better measures performance through the cycle and so reduces the likelihood of binary vesting outcomes. This results in more equitable remuneration outcomes and facilitates improved retention of executives. If a five-year performance period is not feasible, a three-year performance period with a two-year holding period after vesting is suggested. Awards in terms of the Gold Fields Long-term Incentive Plan overlaps from one performance cycle to the next performance cycle. In 2016, Gold Fields implemented a minimum shareholding requirement (MSR) where executives are required to build and to hold a percentage of their salary in Gold Fields shares over a period of five years.

3. Relative Total Shareholder Return (TSR) versus Peers as the Primary Performance Factor for the LTIP

The use of TSR versus peers as the primary performance factor for the LTIP focuses executives on prudent capital allocation and shareholder value creation over the long term. The peer group would be impacted by the same industry pressures as Gold Fields and a relative TSR measure would therefore reward executives better for performance that is under their control.

It is important to ensure that the vesting scale used for TSR versus peers is sensible. Best practice is for 0% vesting for a TSR below the median of the peer group, threshold vesting of 25% for TSR equal to the median and 100% vesting for a TSR exceeding the median by 10% per annum. Shareholders are of the strong view that there should be no vesting for below-median performance, as this would effectively be rewarding executives for underperformance. Gold Fields corporate performance conditions for the three-year performance period in terms of the amended Gold Fields Limited 2012 Share Plan were modified to include "Relative" TSR (peer group).

4. Short-term Incentives (STIs) Should Give Sufficient Weight to Delivery on South Deep

The STIs should be formulated so as to give sufficient weight to delivery on South Deep development and mining plans. Gold Fields has responded by increasing the weighting of the CEO's personal objectives related to South Deep to 40%.

5. Deferral of a Portion of the Short-term Incentives in Gold Fields Shares over a Number of Years

It is becoming increasingly common for listed companies to defer the vesting of a portion of short-term incentives into restricted shares. The deferral of short-term incentives and conversion into shares aims to achieve a number of goals:

- it focuses executives on the long-term consequences of any actions they take to achieve their annual short-term incentive targets;
- it results in the quantum being reduced if it subsequently becomes clear that the actions were value-destructive;
- it facilitates the retention of executives; and
- it affords them the opportunity to increase their shareholding in the Company, thereby improving alignment with shareholders.

A minimum shareholding requirement policy was introduced in 2016 and approved by shareholders on 18 May 2016. Executives are required to build and hold a percentage of their annual salary in Gold Fields shares over a period of five years and will have the option to defer a portion or all of their short-term incentive awards into Restricted Shares prior to the accrual of the annual performance bonus.

6. Introduction of a Clawback Policy
Shareholders support the implementation of Clawback policies in order to ensure that executives do not obtain incentives when the reputational and financial status of the Company is compromised. This provision will allow for the Clawback of incentives in the event that this takes place. This mechanism should be triggered for the actions stipulated below:
» Misstatement of organisation results
» Misconduct or fraud
» Errors made in the calculation of any performance condition used in the variable pay plan which led to an overpayment of variable pay
» Misrepresentation of achievement of non-financial targets used in the variable pay plan
» Behaviours of executives that bring the organisation into disrepute

GOLD FIELDS RESPONSE

The Committee responds to the views of the Company's shareholders and their views are critical in formulating the remuneration principles, the remuneration policy and this Remuneration Report.

1. Introduction of a Minimum Shareholding Requirement (MSR) for members of the Group Executive Committee
In line with best practice and in response to shareholder input, the Company has adopted a MSR policy, which was approved by shareholders on 18 May 2016 and which is mandatory for executives. The policy requires executives to hold a specific percentage of shares in the Company.

The proposed target shareholdings of vested and unencumbered shares for the relevant executives are:
» CEO: 200% of annual Guaranteed Remuneration Package (GRP); and
» CFO and other executives: 100% of annual GRP.

Executives may use the following shares to meet the MSR:
» Personal investments in the Company's shares through the use of after-tax income
» Executives will be given the opportunity to elect, prior to the cash bonus being communicated or the vesting of the LTIP, to receive all or a portion of the cash bonus/LTIP in restricted shares which will be subject to a further time period (holding period) during which executives will be required to hold the restricted shares. In addition, executives will be given the opportunity to elect, prior to the relevant vesting dates, to convert all or a portion of their Retention Shares or Performance Shares awarded under the plan, in restricted shares, which will also be subject to the holding period, towards the fulfilment of the MSR. This holding period will mean that the restricted shares may not be sold or disposed of and that the beneficial interest must be retained therein until the earlier of:
  – Notice given by the executive, provided that such notice may only be given after the five years from the start of the holding period
  – Termination of employment of that employee, ie retirement, retrenchment, ill health, death, resignation or dismissal;
  – Abolishment of the MSR; or
  – In special circumstances such as proven financial hardship or compliance with the MSR, upon application by the employee and approval by the Committee.

The restricted shares will be held in escrow for the holding period, which commenced on 1 June 2016. The restricted shares will, however, not be subject to any further forfeiture provisions post the original restricted period (performance shares and cash LTIP) or communication of the cash bonus.

To facilitate the introduction of the MSR policy and to compensate executives for locking in their vested shares for an additional five years – thus exposing themselves to further market volatility – the Company will grant a matching share award. This is intended to entail a conditional award of shares of one share for every three shares committed towards the MSR (matching shares). The matching shares will vest on a date that corresponds with the end of the holding period of the shares committed towards the MSR provided the executive is still in the employment of the Company, has met the MSR as per the requirements of the MSR policy, including having sustainably accumulated shares to reach the MSR over the five-year holding period, ie the Company aims to guard against a situation where an executive only accumulates the shares in year four of the five-year period. In the event of no-fault termination (retirement, death, disability, retrenchment or corporate action) the Matching Shares will be apportioned based on time.

It is believed that the MSR will encourage executive share ownership within the Company and reinforce the creation of shareholder value over the long term through executives becoming shareholders.

2. The Revised Gold Fields Limited 2012 Share Plan
The revised Gold Fields Limited 2012 Share Plan was approved by shareholders at the AGM in May 2016 which has replaced the Gold Fields Limited 2014 Long-term Cash Incentive Plan.

3. Introduction of a Clawback Policy
The Committee considered and approved at the meeting held in February 2017 that a Clawback Policy be developed for implementation in 2017. The Clawback Policy will be taken to the Committee for approval during 2017 and implemented thereafter.

Remuneration report (continued)

PART 1: REMUNERATION PHILOSOPHY AND POLICY AND ROLE OF THE REMUNERATION COMMITTEE

The responsibility of the Committee is to ensure that executive remuneration is aligned with the execution of the Group's strategy to deliver long-term sustainable growth in shareholder returns.

In a competitive global employment market, the Committee ensures that the total executive remuneration is competitive to allow the Company to attract and retain the critical skills required to deliver sustainable shareholder returns. The Committee therefore regularly reviews local and international best-practice benchmarks to ensure that remuneration is fair and reasonable.

The terms of reference of the Committee, in line with its delegated authority from the Board, can be viewed on the Gold Fields' website at www.goldfields.com/av_standards.php. Its primary functions are to:

- Assist the Board in designing and maintaining a remuneration policy for executive directors and senior executives that will promote the achievement of strategic objectives and encourage individual performance
- Ensure that the mix of fixed and variable pay in cash, shares and other elements, meet the Group's needs and strategic objectives
- Review incentive schemes to ensure continued contribution to shareholder value
- Determine any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities
- Review the outcomes of the implementation of the remuneration policy to determine if objectives were achieved
- Oversee the preparation of the Remuneration Report (as contained in this Annual Financial Report) to ensure that it is clear, concise and transparent
- Ensure that the remuneration policy is put to a non-binding advisory vote by shareholders, and to engage with shareholders and other stakeholders on the Group's remuneration philosophy

Committee activities during 2016:

- The Committee proposed the minimum shareholding requirement for members of the Group Executive Committee at the AGM in 2016
- The Committee approved the annual bonus outcomes for 2015
- The Committee reviewed the performance of the Group Executive Committee for 2015 and approved the key performance indicators for the 2016 year
- The Committee approved the operational bonus parameters for 2016
- The Committee considered amendments to the Gold Fields Limited 2012 Share Plan in light of shareholders views and tabled the revised plan to shareholders for approval at the AGM in 2016

Over the past year, Gold Fields has taken decisive action in response to the weak gold price and has set the following key business goals for 2017:

- Improve on our 2016 Safety performance
- Deliver South Deep and communicate a long-term plan by early 2017
- Meet production and cost guidance
- Generate 15% FCF margin at US$1,300/oz or adjust the margin based on an actual gold price
- Pay 25% to 35% of normalised earnings as dividends

2017 Remuneration Policy

The fundamental principles of our remuneration policy remain unchanged, namely that the policy should:

- Ensure that the Company's executive remuneration policy encourages, reinforces and rewards the delivery of sustainable shareholder value
- Provide competitive rewards to encourage ownership in the business, as well as setting stretch performance targets for the delivery of reward-based variable short-term and long-term incentive plans for its executive directors and senior management
- Motivate and reinforce individual, team and business performance in the short, medium and long term.

Remuneration Strategy

The principle of performance-based remuneration is one of the cornerstones of the remuneration strategy. It is further underpinned by sound remuneration management and governance principles, which are promoted across Gold Fields to ensure the consistent application of the remuneration strategy and the remuneration policy.

The Gold Fields remuneration strategy comprises the following essential elements, and their strategic intent is displayed in the graphic below:

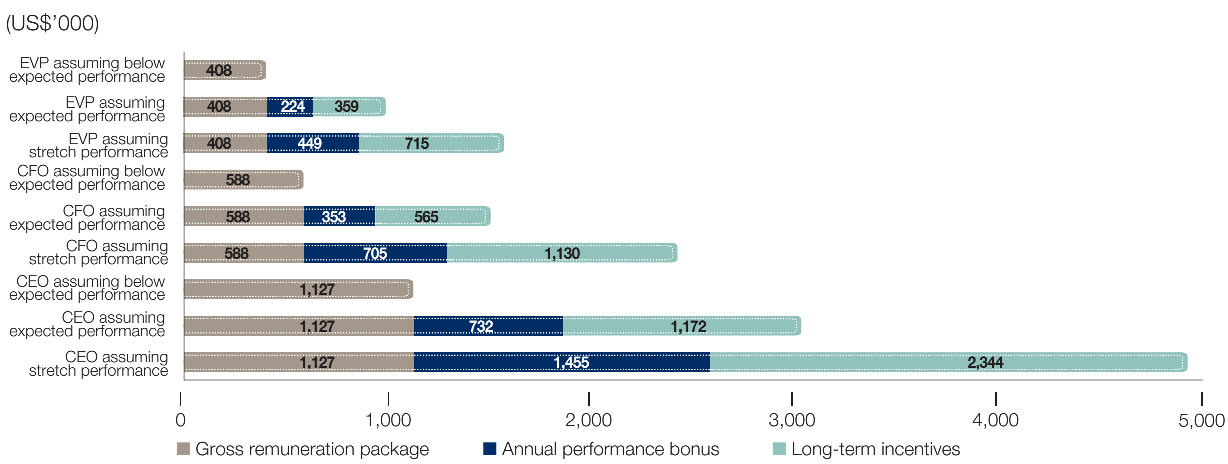
	Reward component	Strategic intent
Total remuneration	**Guaranteed remuneration package (GRP)** - in the form of an all-inclusive total-cost-to-company package for South African employees **Base rate of pay (BRP)** – for international employees	– Competitive base salaries to attract and retain high calibre executives, based on personal performance and experience – Base salaries are reviewed annually by the Committee (effective 1 March each year), taking account of Company performance and affordability, individual performance, changes in responsibility and levels of increase for the broader employee population – Market benchmarking
	Benefits – included in GRP (*list below); only leave is over and above GRP and all benefits are over and above BRP Standard benefits with flexible options: – Medical aid* – Retirement* – Leave – Car and travel allowances*	– Comply with legislation across regions – Competitive benefits – Affordable to both employees and the Company – Fits in with lifestyle needs of employees
	Short-term Incentive (annual performance bonus) – Group Annual Incentive Scheme	– Short-term view (12 months) – Improved performance at corporate, regional, operational and individual level – Significant performance differentiation – Alignment to annual operational business plans
	Long-term Incentive Plan – The revised Gold Fields Limited 2012 Share Plan – The Minimum Shareholding Requirement Policy	– Long-term view (36 months and beyond) – Market performance of the Company – Shareholder alignment - total shareholder return (absolute and relative) – Sustainable free cash-flow

Remuneration mix

Gold Fields' remuneration philosophy aims to attract and retain motivated, high-calibre employees, whose interests are aligned with those of our shareholders. This is achieved through the right 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 in the Company. In line with international practice and the employee's ability to influence the outcome of the corporation's performance, the more senior the employee, the higher the proportion of variable pay in his/her total remuneration package. The graph below shows the parameters of the remuneration mix which are broadly aligned with market best practice:

For 2017, the overall remuneration mix of executives is as follows:

Assuming below expected, expected and stretch performance



Remuneration report (continued)

The nature of the industry is global, and the dynamics of talent mobility at this level of position is a known phenomenon. Hence, there is a requirement to establish a basis for comparing remuneration across currencies and geographies.

Gold Fields contracted Mercer Consulting South Africa to provide a comprehensive analysis of the Group Executive Committee's remuneration. The study confirmed that the compensation of executives is in line with Gold Fields' position in the basket of comparative companies.

Guaranteed Pay

Gold Fields' policy is to reward its people fairly and consistently according to their role and their individual contribution to the Company and its performance. To achieve external equity and competitive remuneration, Gold Fields uses surveys of peer-group mining companies. The benchmark for guaranteed pay is the market median for the relevant market, with a significant proportion of performance-related variable pay comprising short- and long-term incentives. For exceptional performance, the Company positions overall remuneration, including short- and long-term incentives, at the 75th percentile of the market.

The Committee retains the discretion to determine whether and to what extent specific over-performance levels warrant total pay at the 75th percentile.

As a global company, with the majority of our operations located outside South Africa, we expect our senior executives to have global experience. We therefore compete for talent in a global marketplace, and our approach to remuneration takes account of the need to be competitive throughout the various jurisdictions in which the Group operates.

Benefits

Gold Fields' policy is to provide, where appropriate, additional elements of compensation as listed below:

» The executives are eligible for participation in the retirement scheme of their respective regions. The Company and the employee (in most instances) provide contributions towards retirement savings
» Gold Fields provides healthcare assistance through either a percentage contribution, reimbursement or through Company-appointed healthcare providers
» Life insurance is provided as a fixed amount or a multiple of salary
» Disability insurance, which comprises an amount to replace partially lost compensation during a period of medical incapacity or disability, is provided to all executives
» Group personal accident cover is provided

Annual Performance Bonus

The on-target annual bonus parameters for the CEO, CFO and executive vice-presidents (EVPs) are set out below. This represents the annual bonus payment as a percentage of guaranteed remuneration if target performance is reached. The annual bonus is limited to twice the on-target bonus percentage, as detailed below. Executive directors are eligible to earn performance bonuses of 60% of GRP for the CFO and 65% of GRP for the CEO for on-target performance, which comprises individual and strategic performance targets. The annual bonus for the CFO and CEO could increase above 60% and 65% respectively if the stretch target is achieved, up to a maximum bonus cap of twice the on-target bonus percentage.

Role	Target earning potential as % of guaranteed remuneration	Bonus cap (stretch earning potential) as % of guaranteed remuneration
CEO	65	130
CFO	60	120
Executive Vice-Presidents	55	110

Both organisational and personal performance is taken into account in determining bonuses. For the CEO and CFO, the organisational element is based on performance against Group objectives. For the regional EVPs, the organisational element is based on a combination of Group, regional and mine-linked objectives. This is illustrated in the table below:

Employee category	Organisational Objectives			Personal Objectives
	Group	Region	Operation	
CEO	65%			35%
Corporate executives	65%			35%
Regional executives	20%	45%		35%
General managers		20%	45%	35%
Regional offices		65%		35%
Mines			65%	35%

Performance drivers against which performance is assessed are set annually and in advance by the Committee.

Operational objectives for each mine are measured against the operational plans approved by the Board and include safety, production, costs and ore reserve development. The operational objectives form the basis of the regional objectives and subsequently feed into the Group objectives. If individual, operational, regional or Group objectives do not meet threshold targets, no bonus is payable.

Details of the bonus outcomes for 2016 are detailed in part 2 of this report, on p97 – 98.

Group Key Performance Indicators for the 2017 Annual Performance Bonus

The Group scorecard translates the strategy into metrics for 2017 – see p114 of the Integrated Annual Report.

The bonus parameter objectives will be based on the drivers below and support the Group scorecard. Other elements of the Group scorecard, not described below, are captured in the personal scorecards.

Group scorecard parameters

Safety	Ensuring the safety and wellbeing of our workforce	20%
Total gold production	The productive measure of our operations	20%
All-in Cost (AIC) per ounce	The financial measure of our operations	40%
Development or waste mined	Ensuring the future of our operations	20%

The CEO's 2017 annual performance bonus is made up of the bonus parameter objectives (65%) as stated above and personal performance objectives (35%) as stated in the table below:

2017 performance scorecard for the CEO		
Objective	**Weighting**	**Measurement**
South Deep	40%	Deliver year one of the South Deep rebase plan
Damang Reinvestment	15%	Deliver year one of the Damang reinvestment plan
Gruyere	15%	Ensure Gruyere development occurs within schedule
Salares Norte	10%	Commence feasibility study
Life extension at Cerro Corona and Tarkwa	10%	Complete studies to secure life-of-mine extension
Capital allocation and management	10%	Capital spend within budget for 2017 and tracking well against capital projects milestones

Long-term incentives

The Gold Fields Limited 2014 LTIP (replaced by the revised Gold Fields Limited 2012 Share Plan)

Shareholder approval was obtained to reinstate and amend the Gold Fields Limited 2012 Share Plan and as a result no new awards will be made under the 2014 LTIP. The last vesting will take place on 1 March 2018 and the plan will be closed thereafter.

The 2014 LTIP is a cash-settled incentive plan with the following salient features:

» Each performance cycle starts on 1 January of the first year and ends on 31 December of the third year
» Annual conditional awards are made to eligible participants, with such awards settled in cash on the vesting date
» Allocations are based on annual salary x applicable % by grade x personal performance.
» Vesting of awards made in 2014 and 2015 is based on the following two corporate performance conditions equally being met (see table on p86):
  – Free cash-flow margin (FCFM) 50% weighted
  – Absolute total shareholder return (TSR) 50% weighted
» Threshold must be achieved for pay-out of any portion of the award to be triggered

Remuneration report (continued)

Vesting conditions of the 2014 Long-Term Cash Incentive Plan

Performance condition	Weighting	Threshold	Target	Stretch
Absolute TSR	50%	n/a – No vesting below target	Compounded cost of equity in real terms over the three-year performance period	Compounded cost of equity in real terms over the three-year performance period + 6% per annum
Free cash-flow margin (FCFM)	50%	Average FCFM over performance period of 5%	Average FCFM over performance period of 15%	Average FCFM over performance period of 20%

Absolute TSR: Linear vesting will occur between target and stretch (no vesting occurs for performance below target).
FCFM: Linear vesting will occur between threshold, target and stretch.

TSR will be calculated as the compounded annual growth rate (CAGR) of the TSR between the average of the 60 trading days up to the first day of the performance period and the average of the 60 trading days up to the last day of the performance period. TSR will be defined as the return on investing in ordinary shares in the Company at the start of the performance period, holding the shares and reinvesting the dividends received on the portfolio in Gold Fields shares over the performance period. The above performance conditions will be measured over three years, which will coincide with the Company's financial years (i.e. performance period).

The Revised Gold Fields Limited 2012 Share Plan

Nature of Instruments

Retention Shares: For high performance outcomes and on an *ad hoc* basis, selected participants will be awarded conditional rights to receive shares at the end of the vesting period. The award will only be settled after the vesting date and the participant will not have any shareholder or voting rights prior to the vesting date. The vesting of the award will be subject to the vesting condition being met and may not have performance conditions attached.

Performance Shares: Participants will be awarded conditional rights to receive shares at the end of the vesting period. The award will only be settled after the vesting date and the participant will not be entitled to any shareholder rights (including voting rights and distribution rights) prior to the vesting date. The vesting of the award will be subject to the vesting condition and applicable performance conditions being met.

Restricted Shares: As stated above, executives will be given the opportunity, prior to the annual bonus being communicated or the upcoming vesting date of the LTIP award or performance shares, to elect to receive a portion of the annual bonus or cash LTIP in restricted shares or convert a portion of the unvested performance shares into restricted shares towards fulfilment of the MSR. These shares are subject to a five-year holding period, but all shareholder rights will accrue in respect of the Restricted Shares.

Matching Shares: In recognition of compliance with the MSR and the risk associated with holding shares in the Company, executives will receive conditional rights to receive shares and will not be entitled to any shareholder rights prior to settlement. Settlement will take place after the vesting date which will be on the fulfilment of the MSR over the five-year holding period and the vesting condition, provided that they have sustainably accumulated shares to reach the MSR over the holding period. The number of matching shares subject to an award made to an executive will be based on the MSR policy as set out above.

Corporate Performance Conditions relating to annual Performance Share Awards

Performance Shares are intended to be subject to the following performance conditions, which are similar to the existing LTIP's performance condition. However, following the introduction of the Revised 2012 LTIP in 2016, future awards under the plan will incorporate the additional "Relative TSR" performance metric. This will be calculated based on the performance of our Shareholder Return relative to a group of peer companies. The peer group will consist of ten companies: AngloGold Ashanti, Goldcorp, Barrick, Eldorado Gold, Randgold, Yamana, Agnico Eagle, Kinross, Newmont and Newcrest.

Vesting Conditions of the Long-Term Share Incentive Plan

Performance condition	Weighting	Threshold	Target	Stretch
Absolute TSR	33%	n/a – No vesting below target	Compounded cost of equity in real terms over the three-year performance period	Compounded cost of equity in real terms over the three-year performance period + 6% per annum
Relative TSR	33%	Median of the peer group	Linear vesting to apply between above-median and upper quartile performance and capped at upper quartile performance	
Free cash flow margin (FCFM)	34%	Average FCFM over performance period of 5% at a gold price of $1,300/oz – margin to be adjusted relative to the actual gold price for the three-year period	Average FCFM over performance period of 15% at a gold price of $1,300/oz – margin to be adjusted relative to the actual gold price for the three-year period	Average FCFM over performance period of 20% at a gold price of $1,300/oz – margin to be adjusted relative to the actual gold price for the three-year period

The vesting profile is intended to be as follows:

Performance condition	Threshold	Target	Stretch and cap
Absolute TSR	0%	100%	200%
Relative TSR	0%	100%	200%
FCFM	0%	100%	200%

Given the three-year performance period over which the LTIP is calculated, awards under the revised plan will not vest until 2019.

Absolute TSR and relative TSR: Linear vesting will occur between target and stretch (no vesting occurs for performance below target).

FCFM: Linear vesting will occur between threshold, target and stretch.

The FCFM (expressed as a percentage) for each financial year will be calculated as follows:
» Gold Sales Revenue (excluding by-products as this is part of AIC)
» Less: AIC (All in Cost)
» Add back: Share-based payments and accruals as per this Scheme
» Less: Tax paid (excluding royalties as this is part of AIC)
= Free cash-flow

The FCFM is calculated by dividing the Free cash-flow (as per above) by the Gold Sales Revenue, excluding the following costs: *Greenfields exploration, acquisitions, growth projects, dividends, movements in working capital and debt service costs.* The FCFM will be calculated as the average of the FCFM of the three previous financial years.

TSR will be calculated as the Compounded Annual Growth Rate (CAGR) of the TSR index between the average of the 60 trading days up to the first day of the performance period and the average of the 60 trading days up to the last day of the performance period. TSR will be defined as the return on investing in ordinary shares in the Company at the start of the performance period, holding the shares and reinvesting the dividends received on the portfolio in Gold Fields shares over the performance period. The US$ TSR index, provided by external service providers will be used based on the US$ share price. The above performance conditions will be measured over three years which will coincide with the Company's financial years (i.e. performance period).

Executive Directors' Service Contracts
Nick Holland (Executive Director and Chief Executive Officer) and Paul Schmidt (Executive Director and Chief Financial Officer) are party to employment agreements with Gold Fields Ghana Holdings BVI Limited (GF Ghana Holdings), Gold Fields Orogen BVI Limited (Orogen) and Gold Fields Group Services (GFGS).

Remuneration report (continued)

The terms and conditions of employment for each executive director are substantially similar, except where otherwise indicated below.

The annual gross remuneration packages (GRP) payable to Mr Holland and Mr Schmidt for 2017 were determined by the Remuneration Committee and were as follows:

- Nicholas J Holland: R11,006,700 plus US$397,800
- Paul A Schmidt: R6,954,800 plus US$121,400

The split amongst the three companies is determined by the amount of time spent by the executive directors with each company.

South African Contracts

Under the South African contracts, 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 63). The notice period for members of the Group Executive Committee is six months.

Gold Fields can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

Should the Company require the executive director not to work the notice period (albeit Company or employee initiated) or any part thereof, the executive director shall be entitled to his GRP up to the last day of the notice period. In addition, the executive director shall be entitled to the following benefits:

- To receive the annual performance bonus pro rated up to the last day of the notice period based on the average percentage annual performance bonus received over the previous two years
- To exercise all share appreciation rights in terms of the Gold Fields Limited 2005 Share Plan, which have vested prior to or on the last day of the notice period and will have 12 (twelve) months in which to do so
- To exercise all pro rata performance shares and long-term cash incentive awards in terms of the Gold Fields Limited 2012 Share Plan, the Gold Fields Limited 2005 Share Plan and the Gold Fields Limited Cash Incentive Plan, which have vested prior to or on the last day of the notice period and will have 20 (twenty) days in which to do so
- To be compensated for any business travel and cellphone reimbursement up to the last day worked

The value of the GRP payable in terms of the South African contract is to be allocated among the following benefits: (i) salary; (ii) compulsory retirement fund contribution; (iii) voluntary participation in a vehicle scheme; (iv) compulsory medical coverage; and (v) compulsory Group personal accident policy coverage. Furthermore, the executive director will contribute a compulsory 1% of his GRP to the Unemployment Insurance Fund, subject to any legislated contribution maximum at the time.

Offshore Contracts

Under the agreements with GF Ghana Holdings and Orogen, the executive director is paid offshore in the appropriate currency. The portion of the GRP paid relates to the amount of time spent performing duties offshore for the companies.
No benefits accrue to each executive director in terms of the offshore contracts.

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 63).

Other Remuneration

In addition to the gross guaranteed remuneration payable, each executive director is entitled, among other things, to the following benefits under their employment contracts:

- Participation in the Gold Fields Limited 2005, 2012 share plans and the Long-term Cash Incentive Plan
- Consideration of an annual (financial year) incentive bonus based upon the fulfilment of certain targets set by the Board of Directors
- An expense allowance
- Matching Shares in terms of the Minimum Shareholding Requirement policy

The rules of the annual performance bonus for the CEO and CFO remained unchanged for 2017.

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, such termination occurring within 12 months of the change of control, the director is entitled to:

- Payment of an amount equal to two-and-a-half times GRP in the case of the CEO and two times GRP in the case of the CFO
- Payment of an amount equal to the average percentage of the incentive bonuses paid to the executive director during the previous two completed financial years

- Any other payments and benefits due under the contracts
- Payment of any annual incentive bonus he/she has earned during the financial year notwithstanding that the financial year is incomplete
- Full vesting of all long-term incentive awards

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 Gold Fields' 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 and if the executive director's services are terminated, the change of control provisions summarised above also apply.

The Committee resolved to discontinue the remuneration entitlement in the event of a change of control for senior executives appointed from 1 January 2013. The senior executives who are currently entitled to the change of control remuneration benefits will retain their rights under the previous policy.

Non-executive Directors' Fees

An Independent advisor was commissioned in 2016 to benchmark the non-executive directors' (NED) fees to that of South African and international markets. The NED fee increase proposal, effective 1 June 2017, set out below and on p90 is based on the findings presented by an independent advisor and a study conducted by another independent consultancy.

The report provided by the independent advisor stipulated the following:

- Gold Fields has a relatively small Board, and consequently members are active in multiple committees (typically three or four)
- **Board Chairman:** The Board Chairman fee provided is an all-inclusive fee which includes fees payable for sub-committee membership and meeting fees where applicable
- **Member fees:** A total Board member fee is provided which includes a retainer and a committee fee
- The benchmark data provided suggest that NED fees at Gold Fields lag the international market (positioned at the 25th percentile).

Given that NEDs are recruited both nationally and internationally, a particular focus in recent years has been primarily to attract NEDs from the global pool, as most of our operations are based outside South Africa and spread across three continents. The benchmarking on which the remuneration guidelines are based comprises a combination of local mining companies and international gold mining companies. The weighting is, however, skewed towards the international market, which is consistent with the growth strategy of the Company and the geographic spread of Gold Fields.

On reviewing the market data, it was apparent that while our NEDs are fairly well positioned relative to the South African market, they do, however, lag the international market. The fees have been benchmarked to the median of the combined market using the benchmark remuneration information.

The report found that non-resident directors are paid a premium when compared to resident directors, which varies from company to company. This could be attributable to various factors that may include:

- Cost-of-living differences between the countries of residence
- The opportunity cost experienced by a director who is not available to attend a meeting in his/her country of residence due to him/her attending a meeting in South Africa
- A premium paid due to the excessive travel burden upon the non-resident directors and the increased time commitment involved in attending meetings outside the director's home jurisdiction

When analysing the results of the benchmark reports, the above factors should be considered, given the volatility in the South African foreign exchange market and the impact thereof on the disposal income of the non-resident NED.

On this basis approval will be sought for a 7% increase to be applied to the fees of resident NEDs and 3% increase to be applied to the fees of non-resident NEDs effective 1 June 2017 (exclusive of VAT).

Two binding general rulings were issued by the South African Revenue Service (SARS) in early 2017 confirming the South African Value-Added Tax (VAT) law that requires non-executive directors of companies to register for and charge VAT in respect of any directors fees earned for services rendered as a non-executive director, to the extent that directors' fees exceed R1m. These rulings are effective 1 June 2017.

Remuneration report (continued)

NED proposed fees for 2017

It is proposed that the following annual remuneration shall be payable to non-executive directors of the Company with effect from 1 June 2017 for their services as directors, excluding VAT. The fees proposal requires shareholder approval and will be tabled at the AGM in May 2017.

	2016 Fees in Rands for SA resident NEDs	2016 Fees in US$ for non-resident NEDs	Proposed Fees for 2017 in Rands	Proposed Fees for 2017 in US$
The Chair of the Board (all-inclusive fee)	2,765,000	–	2,960,000	–
The Deputy Chair of the Board (all-inclusive fee)	1,800,000	–	1,926,000	–
The Chair of the Audit Committee	329,000		352,000	
The Chairs of the Capital Projects Control and Review Committee, Nominating and Governance Committee, Remuneration Committee, Risk Committee, Social, and Ethics and Transformation Committee and Safety, Health and Sustainable Development Committee (excluding the Chair of the Board and the Deputy Chair of the Board)	203,000	16,700	217,200	17,200
Members of the Board (excluding the Chair and the Deputy Chair of the Board)	907,900	74,900	971,500	77,200
Members of the Audit Committee (excluding the Chair of the Audit Committee and the Deputy Chair of the Board)	170,000	14,100	182,000	14,500
Members of the Capital Projects Control and Review Committee, Nominating and Governance Committee, Remuneration Committee, Risk Committee, Social and Ethics and Transformation Committee and Safety, Health and Sustainable Development Committee (excluding the Chairs of the relevant Committees, Chair of the Board and the Deputy Chair of the Board)	128,000	10,600	137,000	11,000

Non-binding Advisory Vote

Shareholders are requested to cast a non-binding advisory vote on the aforementioned part 1 of this report.

PART 2: DISCLOSURE OF THE IMPLEMENTATION OF THE POLICIES FOR THE FINANCIAL YEAR REMUNERATION PAID TO EXECUTIVE DIRECTORS

The executive team and Board of Directors are the Company's prescribed officers as defined in terms of the Companies Act 71 of 2008 of South Africa, as amended.

Guaranteed Pay Adjustments

The annual remuneration review takes place in March of each year. All eligible employees received a salary increase on 1 March 2016 and the average increase for executives during 2016 was 6.8%. The overall increase in labour costs fell within the approved mandate of the Committee.

Annual Performance Bonus Outcomes for 2016

a. Group Objectives

For the year ended 31 December 2016, the Group performance targets and how senior executives performed against these targets, were as follows:

		2015	2016	2016			
	Weight	Actual	Actual	Threshold	Target	Maximum	Achieved
CORPORATE PERFORMANCE				**+0.0%**	**+100%**	**+200%**	
Safety improvement – TRIFR[1]	20%	3.40	2.27	+0%	+5%	+10%	188%
Gold (equivalent[2]) production – koz	20%	2,245	2,222	2,066	2,141	2,220	200%
All-in Cost[3] – $/oz	40%	1,022	1,001	1,090	1,051	1,015	200%
Development and waste mined[4]	20%	7.6%		0.00%	100%	200%	200%
	100%						198%

1. Safety measure for the Group is based on the 33.2% improvement in the total recordable injury frequency rate (TRIFR) year-on-year Notwithstanding the good safety progress made in 2016, the fatality is of grave concern. The safety measure is TRIFR, which includes the total of fatalities, lost-time injuries, medically treated injuries and restricted work injuries. In the TRIFR formulae, fatalities carry the same weighting as other injuries. To ensure that the severity of fatalities is adequately accounted for, a modifier is applied. The final safety achievement is reduced by 50% at mine level if there is one fatality and by 75% if there is more than one fatality. For this reason, South Deep's safety performance was reduced by 50%. This also had an impact on the final Group safety score, which was reduced by 12% apportioned based on the safety rate for each mine and its contribution on a weighted average basis to the overall Group safety score. This adjustment is included in the table on the previous page
2. Managed equivalent ounces converted from copper production at the planned gold/copper price ratio to eliminate price differences, therefore gold-equivalent production stated in the table above differs from gold-equivalent production in the AFR of 2,219koz (2015: 2,236koz)
3. All-in Costs (US$/oz) of US$1,022/oz for 2015 do not equal the AIC US$/oz used elsewhere in the AFR of US$1,026/oz for 2015. Similarly, the US$1,001/oz used for 2016 is different to the US$1,006/oz used elsewhere in the AFR. The difference is due to the exclusion of statutory workers' participation in profits at the Cerro Corona operation, in line with the bonus policies of the Group.
4. The development and waste mined targets are made up of: International operations – open pit waste 40% and underground metres 40%, South Deep de-stress 10% and reef tonnes 10%.

b. Personal Objectives

Aside from Group objectives listed above, the CEO and CFO were also assessed on individual and strategic objectives. These objectives are set every year based on key performance areas and are approved by the Committee. Performance against these objectives is reviewed by the Committee towards the end of the year.

In May 2014, the Board of Gold Fields approved the Company's five-year strategy. This strategy we believe has fundamentally reshaped Gold Fields as we once knew it. The main feature was a focused strategy to engineer a sustainable and structural shift in the Company's cost base. Underlying the strategy to rebase the Company's cost structure was a fundamental shift away from a primary focus on ounces of production to greater emphasis on generating free cash-flow and improving the financial margin. Following this strategic decision a number of actions had been put in place to ensure the achievement of this goal. 2016 was an important year for Gold Fields as it was the year of consolidation of the Company's strategy based on a journey that commenced post the unbundling of Sibanye Gold in 2013.

Remuneration report (continued)

Reflecting on the objectives set at the beginning of 2016 and the decisions taken by the Company during 2016 to meet these objectives, is a clear indication of the Company's ability to focus its business plans to achieve its strategic objectives. The key strategic objectives identified at the time were to:

1. Deliver South Deep development and operating plans
2. Optimise our portfolio by structuring the Company to generate at least 15% free cash-flow margin at a US$1300/oz gold price
3. Adopt a dividend first policy – paying a dividend of between 25% and 35% of normalised earnings
4. Lower debt levels and have a net debt:adjusted EBITDA ratio of below 1:1

The achievements in 2016 in terms of Company strategic objectives include the following:

» In 2016, Gold Fields declared a total dividend of 110 SA cents per share, in line with our dividend policy
» In H1 2016, we bought back US$148m of our US$1bn 4.875% guaranteed notes due 7 October 2020 and we successfully completed a R2.3bn (US$152m) accelerated equity raising by way of a private placement to institutional investors. The net proceeds were applied to the existing US$ revolving credit facility. The net effect of these transactions is a reduction in the net debt to adjusted EBITDA ratio from 1.38x in 2015 to 0.95x in 2016, below our key strategic objectives of net debt:adjusted EBITDA of below 1x
» Our target for 2016 net debt reduction was achieved by having paid off approximately US$214m of net debt. This has positioned Gold Fields favourably relative to our peers on this metric, and further strengthening our balance sheet
» A significant achievement was the conclusion of a development agreement with the Government of Ghana for both Tarkwa and Damang. This provides the platform for targeting many years of sustainable production by Gold Fields in Ghana. The highlights of the agreement include: (i) a reduction in the corporate tax rate from 35.0% to 32.5%; and (ii) a change in the royalty rate from a flat 5% of revenue to a sliding scale royalty based on the gold price, with effect from 1 January 2017, which would be 3% revenue up to a gold price of US$1,300/oz
» The Damang reinvestment project had been approved by the Board and communicated to the market. The Project requires a cut back of the previously mined Damang pit and will result in an eight year life of mine to 2024, with average annual production of about 225koz and AIC of US$950/oz over the life. At a gold price of US$1,200/oz, the project has double digit return metrics
» Our AIC per ounce was further reduced to US$1,006/oz
» Our operations generated a strong cash-flow resulting in net cash accumulation for the Group of US$294m. Our ability to generate a positive free cash-flow positioned Gold Fields as one of the strongest cash generators within our peer group. It is interesting to note that in spite of a decreasing gold price environment from US$1,656/oz in 2012 to US$1,241/oz in 2016, every region has increased its cash-flows
» During 2016, we made considerable progress in getting the basics right at South Deep with improvements in the three key performance areas that we are focusing on. South Deep was also cash positive during 2016 – for the first time since the acquisition by Gold Fields in 2006
» The Australia region managed to produce close to 1 million ounces of production per annum since the Yilgarn acquisition 3.5 years ago
» Gold Fields entered into a 50:50 joint venture with Gold Road Resources Limited for the development and operation of the Gruyere Gold Project in Western Australia. This addition to our Australian portfolio will ensure that the mine life is preserved for a longer period
» Maverix Metals Inc. acquired a portfolio of 11 existing producing and non-producing royalties from Gold Fields in return for an approximate 32% shareholding in Toronto-listed Maverix
» Five-year energy security plans were developed for the regions and the year one of the implementation plans had been executed in 2016
» Gold Fields has been ranked as the top South African mining company in the 2016 Sustainability Yearbook, one of the most recognised publications highlighting the sustainability performance of listed companies worldwide
» Regrettably, we had a fatality at South Deep following a seismic event. While we have made exceptional progress on safety across the Group, the incident is a tragic reminder that we still have more to do in the area of safety and our efforts to achieve 'zero harm' will continue. The Group achieved a 33% improvement in its TRIFR from 3.40 in 2015 to 2.27 injuries per million hours worked in 2016.

Taking all these factors into account, the CEO received a personal performance score of 4.5[1] out of 5 and the CFO received a personal performance score of 4.5 out of 5. The aggregate bonus paid to members of the executive team in February 2017 was 89% of annual salary. For the CEO it was 127%[2] and the CFO 117%[3] of annual salary.

[1] Gets converted into a percentage with 3 = 100% and 5 = 200%. 4.5 = 190%
[2] CEO bonus = (65% x 198%) + (35% x 190%) x 65% = 127%
[3] CFO bonus = (65% x 198%) + (35% x 190%) x 60% = 117%

Performance Share Awards Made During the Year

Awards made in terms of the amended Gold Fields Limited 2012 Share Plan were subject to the following performance conditions:

1. Absolute and Relative shareholder return (66% weighting) – based on the cost-of-equity formula over the three-year measurement period starting 1 January 2016 to 31 December 2018.

Absolute Total Shareholder Return (Absolute TSR) – 33% of the initial award value will vest on the following basis:

Target	TSR performance	TSR factor
Below target	0%	n/a
Target	4.272% per annum in real terms	100%
Stretch	10.272% per annum in real terms	200%
Above stretch	Capped at 200%	200%

Relative Shareholder Return (Relative TSR) – 33% of the initial award value will vest on the following basis:

Target	TSR performance	TSR factor
Below target	0%	n/a
Target	Median of the peer group	100%
Stretch	Above median of the peer group	200%
Above stretch	Capped at 200%	200%

2. Free cash-flow margin (34% weighting) – an average free cash-flow margin of 15% for target and an average free cash-flow margin of 20% for stretch for the three-year measurement period starting 1 January 2016 to 31 December 2018.

Free Cash-Flow Margin (FCFM) – 34% of the initial award value will vest on the following basis:

Target	FCFM performance	FCFM factor
Threshold	Average FCFM over performance period of 5% at a gold price of US$1,300/oz – margin to be adjusted relative to actual gold price for the performance period	0%
Target	Average FCFM over performance period of 15% at a gold price of US$1,300/oz – margin to be adjusted relative to actual gold price for the performance period	100%
Stretch	Average FCFM over Performance period of 20% at a gold price of US$1,300/oz – margin to be adjusted relative to actual gold price for the Performance Period	200%

LTIP Performance Progress from Date of Award up until 31 December 2016 in terms of the Gold Fields Ltd 2014 Long-Term Cash Incentive Plan

The tracking of corporate performance conditions in terms of the LTIP is depicted below:

» 2014 LTIP award – 1 January 2014 to 31 December 2016 (36 months into the award)
» 2015 LTIP award – 1 January 2015 to 31 December 2016 (24 months into the award)

	TSR – 50%		FCFM – 50%		
Award	Achieved	Vesting	Achieved	Vesting	Total potential vesting % of initial awards
2014 LTIP award performance period – 1 Jan 2014 to 31 Dec 2016	0%	0%	12.7%	77%	38.5%
2015 LTIP award performance period – 1 Jan 2015 to 31 Dec 2017	0%	0%	12.5%	75%	37.5%

Remuneration report (continued)

The table below reflects the actual vesting quantum for the Group Executive Committee for the 2014 LTIP award, which was paid on 28 February 2017 but does not reflect in the remuneration table on p97:

Name	Designation	US$ value of initial LTI award (US$ million)	US$ value of awards vested on 28 February 2017 (US$ million)
NJ Holland[1]	Chief Executive Officer	1.30	–
PA Schmidt	Chief Financial Officer	0.63	0.24
R Weston	EVP: Australasia	0.91	0.35
A Baku	EVP: West Africa	0.79	0.30
LN Samuel	EVP: People and Organisational Effectiveness	0.47	0.18
BJ Mattison	EVP: Strategy Planning and Corporate Development	0.50	0.19
NA Chohan	EVP: Sustainable Development	0.23	0.09
TL Harmse	EVP: General Counsel	0.36	0.14
N Muller	EVP: South Africa	0.06	0.02
Total		**5.25**	**1.52**

[1] Nick Holland elected, prior to the vesting of the 2014 LTIP award and in line with the MSR Policy, to defer 100% (US$500,000) in the form of Restricted Shares.

The table below reflects the indicative vesting quantum for the Group Executive Committee based on the current tracking of the performance conditions based on the 2015 LTIP award:

Surname	Designation	US$ value of initial LTI award (US$ million)	US$ value of awards expected to vest in February 2018 (US$ million)
NJ Holland	Chief Executive Officer	0.93	0.35
PA Schmidt	Chief Financial Officer	0.92	0.34
R Weston	EVP: Australasia	0.70	0.26
A Baku	EVP: West Africa	1.20	0.45
LN Samuel	EVP: People and Organisational Effectiveness	0.52	0.19
BJ Mattison	EVP: Strategy Planning and Corporate Development	0.60	0.22
NA Chohan	EVP: Sustainable Development	0.25	0.09
TL Harmse	EVP: General Counsel	0.51	0.19
N Muller	EVP: South Africa	0.34	0.13
A Nagaser	EVP: Investor Relations and Corporate Affairs	0.18	0.07
		6.15	**2.29**

2012 Share Plan Vesting

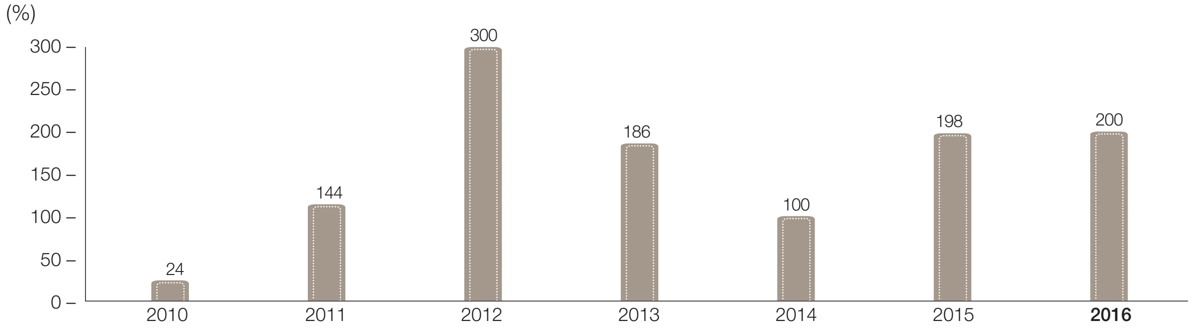
In terms of the provisions of the 2012 Share Plan, eligible employees were awarded performance shares on 1 March 2013 that vested on 1 March 2016.

According to the performance criteria set by the Committee, the number of performance shares awarded is modified according to the Gold Fields share price performance, measured against seven other gold companies, namely AngloGold Ashanti, Goldcorp, Barrick, Harmony, Kinross, Newmont and Newcrest. The share price performance is measured over the 36-month period from 1 March 2013 to 11 February 2016.

Gold Fields has been positioned within the upper quartile of the peer group, resulting in a settlement of 200% of the shares initially awarded.

The graph below depicts the long-term share vesting percentages over the previous seven years in terms of the Gold Fields Limited 2005 and 2012 share plans:

Share vesting based on corporate performance conditions

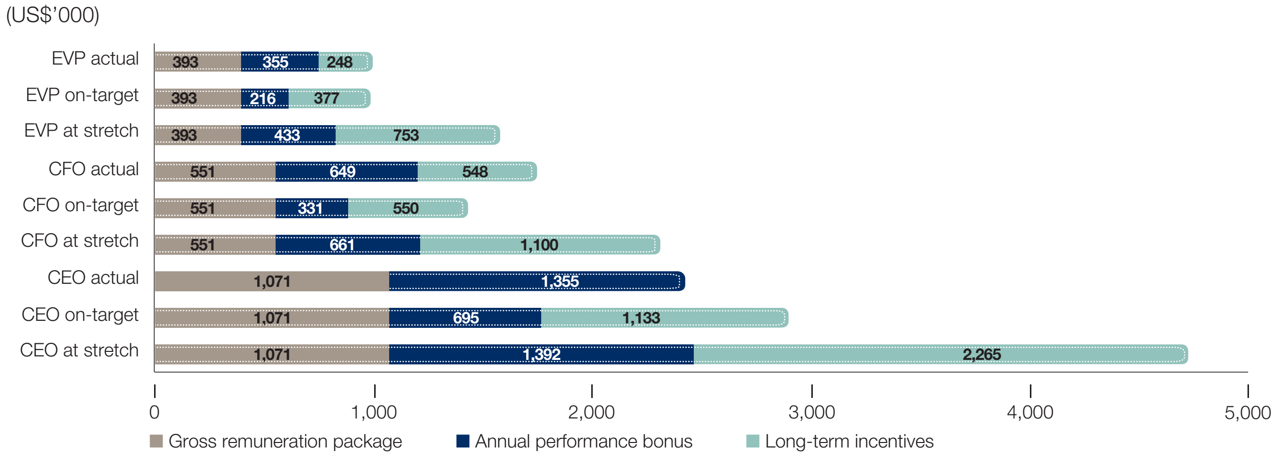


Further details of the LTIP and 2012 Share Plan are disclosed in notes 26 and 5 respectively of the financial statements on p147 and p122 – 127.

Total remuneration outcomes for 2016

For 2016, the actual remuneration paid to the CEO, CFO and EVPs (on average), and the resulting remuneration mix, was as depicted in the graph below.

Total remuneration actual outcomes for 2016 vs on-target and stretch performance



Remuneration report (continued)

Minimum Shareholding Requirement as at 31 December 2016

The policy requires executives to accumulate and hold a specific percentage of shares in the Company in accordance with the Minimum Shareholding Requirement policy.

Nick Holland elected, prior to the accrual or vesting and determination of the respective incentive, to defer:
» 50% of his 2015 short-term incentive;
» 50% of his 2016 short-term incentive; and
» 100% of the 2014 LTIP award which was due to vest on 28 February 2017

towards achieving the Minimum Shareholding Requirement – which will be held in Escrow in the form of Restricted Shares for a five-year restricted period.

In addition, he elected to defer vesting of 100% of the 2013 Performance Share award which was due to vest on 1 March 2016.

Effective 20 March 2017, Nick Holland committed a total of 916,090 shares towards the fulfilment of the MSR comprising:
» 507,473 Restricted Shares held in Escrow as at 31 December 2016; and
» 408,617 Restricted Shares acquired in March 2017 held in Escrow.

The total US$ value of the Restricted Shares held in Escrow – based on the 15 March 2017 Gold Fields share price of R40 ($3.08) – is US$2,821,557. Mr Holland now holds in excess of the 200% of annual GRP in terms of the MSR. No other executive has elected to receive any Restricted Shares and no executive has committed any personal investments to meet the MSR.

Refer to the Share Ownership table on p20 for details of the Directors' and Prescribed Officers' beneficial interest in the issued and listed shares capital of the Company.

Non-Executive Directors' Fees and Executive Directors' and Prescribed Officers' Remuneration

The directors and prescribed officers were paid the following remuneration which excludes the value of deferred remuneration in the form of Restricted Shares for the year ended 31 December 2016. Details of deferred remuneration is included in note 3 to the table below.

The table below provides details of the remuneration of executive directors and prescribed officers in 2016, in terms of US Dollar values. An average exchange rate for the 12-month period ended 31 December 2016 was used: ie US$1 = R14.70 to convert to US Dollar values.

All figures stated in US$'000	Directors' fees	Committee fees	Salary[1]	Pension scheme contribution	Annual bonus[2]	Sundry	Severance	Sub-total	Pre-tax share proceeds for shares awarded in previous years	Total realised earnings as at 31 December 2016[4]	For the 12-month period ended 31 December 2015
Executive directors											
Nick J. Holland[3]	–	–	1,030	40.9	677.6	–	–	1,748.5	18.1	1,766.6	2,832.4
Paul A. Schmidt	–	–	496.7	54.4	648.6	4	–	1,203.7	547.8	1,751.5	1,755.3
Prescribed officers											
Ernesto Balarezo[5]	–	–	332.5	–	–	–	1,644.4	1,976.9	338.8	2,315.7	1,572.4
Luis Rivera[6]	–	–	154.5	–	111.0	246.4	–	511.9	–	511.9	–
Alfred Baku[7]	–	–	746.1	156.4	620.2	314.5	–	1,837.2	96.8	1,934.0	1,938.7
Richard Weston	–	–	576.4	64.2	570.7	7.4	–	1,218.7	562.2	1,780.9	1,796
Richard Butcher[8]	–	–	275.1	27.5	323.2	110.7	–	736.5	–	736.5	–
Naseem A Chohan	–	–	284	27.7	328.6	2.9	–	643.2	198.1	841.3	864.4
Brett Mattison	–	–	362.4	25.5	429.7	0.6	–	818.2	245.3	1,063.5	972.6
Lee-Ann Samuel	–	–	288.4	24.8	339.9	3.7	–	656.8	345.1	1,001.9	839
Taryn Harmse	–	–	282.3	29.5	345.7	4.3	–	661.8	100.1	761.9	759.6
Nico Muller	–	–	450.4	26.4	477	2.4	–	956.2	–	956.2	1,078.5
Avishkar Nagaser	–	–	193.9	21.5	221.1	0.3	–	436.8	–	436.8	442.5
Manuel Diaz[9]	–	–	136.1	–	1.2	–	–	137.3	–	137.3	–
Non-Executive Directors											
Cheryl A. Carolus	183	–	–	–	–	–	–	183	–	183	203.8
Alan R. Hill[10]	64.5	49.9	–	–	–	–	–	114.4	–	114.4	110.2
David N. Murray[11]	24.1	12.2	–	–	–	–	–	36.3	–	36.3	100.8
Richard P. Menell[12]	95.5	16.7	–	–	–	–	–	112.2	–	112.2	113.3
Gayle M. Wilson	60.1	54.6	–	–	–	–	–	114.7	–	114.7	119.5
Donald M. J. Ncube	60.1	41.6	–	–	–	–	–	101.7	–	101.7	113.3
Yunus Suleman[13]	20.6	12.6	–	–	–	–	–	33.2	–	33.2	–
Peter Bacchus[14]	23.1	14.2	–	–	–	–	–	37.3	–	37.3	–
Steven Reid[15]	59.7	29.6	–	–	–	–	–	89.3	–	89.3	–
Terence Goodlace[16]	30.9	15.1	–	–	–	–	–	46	–	46	–
Alhassan Andani[17]	28.9	14.2	–	–	–	–	–	43.1	–	43.1	–
Kofi Ansah[10]	64.5	18.2	–	–	–	–	–	82.7	–	82.7	85.8
Total	715.0	278.9	5,608.8	498.8	5,094.5	697.2	1,644.4	14,537.6	2,452.3	16,989.9	15,698.1

Average exchange rates were US$1=R14.70 for the FY2016 and US$1 = R12.68 for the FY2015, respectively

1 The total US$ amounts paid for 2016, and included in Salary, were as follows: Nick Holland US$390,000, Paul Schmidt US$119,000, Brett Mattison US$84,500

2 The annual bonus accruals for the 12 month period ended 31 December 2016, paid in February 2017

3 Nick Holland elected prior to the determination of the annual performance bonus for 2016 and in line with the Rules of the MSR Policy, to defer 50% of his cash bonus (US$677,600) into Restricted Shares. A similar election was made in 2015 to defer 50% of his annual performance bonus (US$618,900) into Restricted Shares. The aggregate of his total realised earnings of US$1,766,600 (2015: 2,832,400), as reflected in the table above, and the deferred remuneration of US$677,600 (2015: US$618,900) in the form of Restricted Shares amounts to US$2,444,200 (2015: US$3,451,300).

4 These amounts reflect the full directors' emoluments for comparative purposes. The portion of executive directors' emoluments payable in US$ is paid in terms of agreements with the offshore subsidiaries for work done by directors offshore for offshore companies. Refer note 1 above for such amounts paid.

5 Ernesto Balarezo – Resigned 30 June 2016

6 Luis Rivera – Appointed on 1 October 2016, sundry payment relates to sign-on and legislated bonuses

7 Alfred Baku – Sundry payment relates to leave allowance (US$66,500) and the final payment of a retention bonus (US$248,000)

8 Richard Butcher – Appointed on 8 February 2016 – sundry payments relates to sign-on bonus

9 Manuel Diaz – Appointed as Acting EVP: Americas Region for the period July - September 2016

10 Alan Hill and Kofi Ansah – Retired Board membership 31 December 2016

11 David Murray – Retired Board membership 31 May 2016

12 Richard Menell – Appointed Deputy Chairperson 1 June 2016

13 Yunus Suleman – Appointed to Board 1 September 2016

14 Peter Bacchus – Appointed to Board 1 September 2016

15 Steven Reid – Appointed to Board 1 February 2016

16 Terence Goodlace – Appointed to Board 1 July 2016

17 Alhassan Andani – Appointed to Board 1 August 2016

Remuneration report (continued)

Directors' and Prescribed Officers' Equity-Settled Instruments

The directors and prescribed officers held the following equity-settled instruments at 20 March 2017:

	Equity-settled instruments at 31 December 2015		Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments vested during the year			Equity-settled instruments transferred to Restricted Shares	Equity-settled instruments at 31 December 2016	
	Number	Average strike price (US$)	Granted	Number	Number	Average market price of vested shares	Benefit arising (US$)	Number	Number	Weighted average strike price (US$)[1]
Director										
Nick Holland	296,555	7.46	460,233	65,045	–	–	–	374,996[2]	316,747	7.04
Paul Schmidt	123,652	7.38	240,945	24,640	138,652	3.94	545,836	–	201,305	7.04
Prescribed officer										
Richard Weston	95,768	7.38	221,379	12,333	124,932	4.50	562,194	–	179,882	7.04
Ernesto Balarezo	39,182	–	39,182	–	78,364	4.32	338,831	–	–	–
Alfred Baku	35,302	7.44	182,682	9,674	35,118	4.41	154,925	–	173,192	5.16
Taryn Harmse	29,392	7.54	100,710	7,441	25,324	3.94	99,694	–	97,337	6.91
Lee-Ann Samuel	42,948	7.52	105,205	–	78,226	4.41	345,099	–	69,927	6.48
Brett Mattison	56,448	7.46	139,478	14,111	61,202	3.94	240,936	–	120,613	7.04
Naseem Chohan	46,133	8.15	92,487	4,752	52,904	4.41	233,389	–	80,964	7.04
Nico Muller	245,208	–	137,280	–	–	–	–	–	382,488	–
Richard Butcher	–	–	23,964	–	–	–	–	–	23,964	–
Avishkar Nagaser	–	–	33,136	–	–	–	–	–	33,136	–

1 Share Appreciation Rights (SARS) weighted average strike price

2 Nick Holland elected to defer vesting of 100% of the 2013 Performance Share award which was due to vest on 1 March 2016 into Restricted Shares. Mr Holland has 507,473 Restricted Shares held in Escrow as at 31 December 2016, which will vest after the five-year holding period or termination of employment, whichever comes first. The 507,473 Restricted Shares comprises of 132,477 shares relating to the 2015 short-term incentive and 374,996 shares relating to the 2013 Performance Share award. A further 408,617 Restricted Shares were acquired in March 2017 relating to the 2016 short-term incentive and the 2014 LTIP award.

A register of detailed equity-settled instruments outstanding by tranche is available for inspection at the Company's registered office. The equity-settled instrument terms are detailed on p86 – 87.

Steven Reid

Chairman of the Remuneration Committee

On behalf of the Board, which approved the report on 20 March 2017

Accounting policies

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

Gold Fields Limited (the "Company" or "Gold Fields") is a company domiciled in South Africa. The registration number of the Company is 1968/004880/06. The address of the Company is 150 Helen Road, Sandton, Johannesburg. The consolidated financial statements of the Company as at 31 December 2016 and 2015 and for each of the years in the three-year period ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") as well as the Group's share of the assets, liabilities, income and expenses of joint operations and the Group's interest in associates and joint ventures. The Group is primarily involved in gold mining.

1. BASIS OF PREPARATION

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

As required by the United States Securities and Exchange Commission, the financial statements include the consolidated statements of financial position as at 31 December 2016 and 2015, and the consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2016, 2015 and 2014 and the related notes.

The consolidated financial statements were authorised for issue by the Board of Directors on 20 March 2017.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2016

During the financial year, the following new and revised accounting standards, amendments to standards and new interpretations were adopted by the Group:

Standard(s) Amendment(s) Interpretation(s)	Nature of the Change	Salient features of the changes	Impact on financial position or performance
IAS 1 *Presentation of Financial Statements*	Amendment	» The amendments issued clarifies materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.	No impact
IAS 16 *Property, Plant and Equipment* and **IAS 38** *Intangible assets*	Amendment	» The amendments to IAS 38 *Intangible Assets* introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate; and » The amendments to IAS 16 *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.	No impact
IFRS 11 *Joint Operations*	Amendment	» The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business.	No impact
Various **IFRS**	Amendment	» Annual improvements project (2012 to 2014) is a collection of amendments to IFRS and are the result of conclusions reached by the Board on proposals made at its annual improvements project.	No impact

Accounting policies (continued)

Standards, interpretations and amendments to published standards which are not yet effective
Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on 1 January 2017 or later periods but have not been early adopted by the Group.

These standards, amendments and interpretations are:

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective Date*
IAS 7 *Statement of cash flows*	Amendment	» The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Management does not expect the standard to have a material impact on the Group.	1 January 2017
IAS 12 *Income taxes*	Amendment	» The amendments provide additional guidance on the existence of deductible temporary differences; and » The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised. Management does not expect the standard to have a material impact on the Group.	1 January 2017
IFRS 2 *Share-based payments*	Amendment	» The amendments cover three accounting areas: – Measurement of cash-settled share-based payments; – Classification of share-based payments settled net of tax withholdings; and – Accounting for a modification of a share-based payment from cash-settled to equity-settled. Management does not expect the standard to have a material impact on the Group.	1 January 2018
IFRS 9 *Financial Instruments*	New Standard	» This IFRS is part of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*; » Addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through other comprehensive income and fair value through profit or loss; » The classification and measurement of financial liabilities are the same as per IAS 39 barring two aspects; » Adds the requirements related to the classification and measurement of financial liabilities, and derecognition of financial assets and liabilities to the version issued in November 2009; and » Includes those paragraphs of IAS 39 dealing with how to measure fair value and accounting for derivatives embedded in a contract that contains a host that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of Embedded Derivatives*. Management is in the process of reviewing the requirements of the standard in order to assess the impact of the standard on the Group.	1 January 2018

Standard(s) Amendment(s) Interpretation(s)	Nature of the change	Salient features of the changes	Effective Date*
IFRS 15 *Revenue from contracts with customers*	New Standard	» Provides a framework that replaces existing revenue recognition guidance in IFRS; » The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time; and » The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. Management is in the process of reviewing the requirements of the standard in order to assess the impact of the standard on the Group.	1 January 2018
IFRS 16 *Leases*	New Standard	» This IFRS sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'); » IFRS 16 replaces the previous leases standard, IAS 17 *Leases, and related Interpretations*; and » IFRS 16 has one model for lessees which will result in almost all leases being included on the statement of financial position. No significant changes have been included for lessors. Management is in the process of reviewing the requirements of the standard in order to assess the impact of the standard on the Group.	1 January 2019

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

Significant accounting judgements and estimates

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

The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis of future cash flow estimates and unit-of-production depreciation and amortisation calculations, provision for environmental rehabilitation costs, estimates of recoverable gold and other materials in heap leach and stockpiles inventories, asset impairments, write-downs of inventory to net realisable value, income taxes, production start date, contingencies and business combinations.

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

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

Mineral reserves estimates

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, capital expenditure, 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 Group is required to determine and report on the mineral reserves in accordance with the South African Mineral Resource Committee ("SAMREC") code.

Accounting policies (continued)

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

- » Asset carrying values may be affected due to changes in estimated cash flows or timing thereof;
- » Depreciation and amortisation charges to profit or loss may change as these are calculated on the units-of-production method, or where the useful economic lives of assets change;
- » Provision for environmental rehabilitation costs 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.

Carrying value of property, plant and equipment and goodwill

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

Mobile and other equipment 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 Group reviews and tests the carrying value of long-lived assets annually or when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing the recoverable amounts to these carrying values. In addition, goodwill is tested for impairment on an annual basis. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of recoverable amounts of each group of assets. The recoverable amounts of cash-generating units ("CGU") and individual assets have been determined based on the higher of value-in-use and fair value less cost of disposal ("FVLCOD") calculations. Expected future cash flows used to determine the value in use or FVLCOD of property, plant and equipment and goodwill are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the gold and copper prices, discount rates, foreign currency exchange rates, resource valuations (determined based on comparable market transactions), estimates of costs to produce reserves and future capital expenditure.

An individual operating mine does not have an indefinite life because of the finite life of its reserves. The allocation of goodwill to an individual mine will result in an eventual goodwill impairment due to the wasting nature of the mine. In accordance with the provisions of IAS 36 *Impairment of Assets*, the Group performs its annual impairment review of goodwill at each financial year-end.

The Group generally used FVLCOD to determine the recoverable amount of each CGU.

Significant assumptions used in the Group's impairment assessments (FVLCOD calculations) include:

	2016	2015
US$ Gold price per ounce – year 1	**US$1,100**	US$1,100
US$ Gold price per ounce – year 2	**US$1,200**	US$1,200
US$ Gold price per ounce – year 3 onwards	**US$1,300**	US$1,300
Rand Gold price per kilogramme – year 1	**R500,000**	R500,000
Rand Gold price per kilogramme – year 2	**R550,000**	R500,000
Rand Gold price per kilogramme – year 3 onwards	**R600,000**	R500,000
A$ Gold price per ounce – year 1	**A$1,500**	A$1,500
A$ Gold price per ounce – year 2	**A$1,600**	A$1,500
A$ Gold price per ounce – year 3 onwards	**A$1,700**	A$1,550
US$ Copper price per tonne – year 1	**US$5,512**	US$4,410
US$ Copper price per tonne – year 2	**US$5,512**	US$5,950
US$ Copper price per tonne – year 3 onwards	**US$6,171**	US$6,610
Resource value per ounce (used to calculate the value beyond proved and probable mineral reserves)	**US$60**	US$69
Discount rates		
» South Africa – nominal	**13.5%**	14.5%
» Ghana – real	**9.7%**	9.6%
» Peru – real	**4.8%**	5.6%
» Australia – real	**3.8%**	4.1%
» Inflation rate – South Africa	**5.5%**	5.4%
Long-term exchange rates		
» ZAR/US$ – year 1	**14.14**	14.14
» ZAR/US$ – year 2	**14.26**	12.96
» ZAR/US$ – year 3 onwards	**14.36**	11.96
» A$/US$ – year 1	**0.73**	0.73
» A$/US$ – year 2	**0.75**	0.80
» A$/US$ – year 3 onwards	**0.76**	0.84

Following the Group's impairment assessment, an impairment of US$66.4 million was recognised at Cerro Corona (refer note 6). There was no goodwill impairment at 31 December 2016 (refer note 14).

The FVLCOD calculations are very sensitive to the gold price assumptions and an increase or decrease in the gold price could materially change the FVLCOD.

Should there be a significant decrease in the gold price, the Group would take actions to assess the implications on the life-of-mine plans, including the determination of reserves and resources and the appropriate cost structure for the CGU's.

The carrying amount of property, plant and equipment at 31 December 2016 was US$4,547.8 million (2015: US$4,312.4 million). The carrying value of goodwill at 31 December 2016 was US$317.8 million (2015: US$295.3 million).

Production start date

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

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

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

Accounting policies (continued)

Income taxes

The Group is subject to income taxes in numerous jurisdictions. 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 Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Carrying values at 31 December 2016:

- Deferred taxation liability: US$465.5 million (2015: US$487.3 million)
- Deferred taxation asset: US$48.7 million (2015: US$54.1 million)
- Taxation payable: US$107.9 million (2015: US$59.3 million)

Refer note 9 for detail of unrecognised deferred tax assets.

Provision for environmental rehabilitation costs

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for provision of environmental rehabilitation costs 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.

Refer note 25.1 of the consolidated financial statements for details of key assumptions used to estimate the provision.

The carrying amounts of the provision for environmental rehabilitation costs at 31 December 2016 was US$283.1 million (2015: US$275.4 million).

Stockpiles, gold in process and product inventories

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

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

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metals actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor the recoverability levels. As a result, the metallurgical balancing process is constantly monitored and engineering estimates are refined based on actual results over time.

Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write downs to net realisable value are accounted for on a prospective basis.

The carrying amount of total gold-in-process and stockpiles (non-current and current) at 31 December 2016 was US$234.3 million (2015: US$189.7 million).

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. Such contingencies include, but are not limited to environmental obligations, litigation, regulatory proceedings, tax matters and losses resulting from other events and developments.

When a loss is considered probable and reasonably estimable, a liability is recorded in the amount of the best estimate for the ultimate loss. The likelihood of a loss with respect to a contingency can be difficult to predict and determining a meaningful estimate of the loss or a range of losses may not always be practicable based on the information available at the time and the potential effect of future events and decisions by third parties that will determine the ultimate resolution of the contingency. It is not uncommon for such matters to be resolved over many years, during which time relevant developments and new information is continuously evaluated to determine both the likelihood of any potential loss and whether it is possible to reasonably estimate a range of possible losses. When a loss is probable but a reasonable estimate cannot be made, disclosure is provided.

Business combinations

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Group to make certain judgements as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 *Business Combinations*. Based on an assessment of the relevant facts and circumstances, the Group concluded that the acquisition of the Gruyere Gold Project (refer note 15.2 for details of the acquisition) did not meet the criteria for accounting as a business combination and the transaction has been accounted for as an acquisition of an asset.

2. CONSOLIDATION

2.1 Business combinations

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

If a transaction does not meet the definition of a business under IFRS, the transaction is recorded as an asset acquisition. Accordingly, the identifiable assets acquired and liabilities assumed are measured at the fair value of the consideration paid, based on their relative fair values at the acquisition date. Acquisition-related costs are included in the consideration paid and capitalised. Any contingent consideration payable that is dependent on the purchaser's future activity is not included in the consideration paid until the activity requiring the payment is performed. Any resulting future amounts payable are recognised in profit or loss when incurred. No goodwill and no deferred tax asset or liability arising from the assets acquired and liabilities assumed are recognised upon the acquisition of assets.

Accounting policies (continued)

2.2 Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date on which control ceases.

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

2.3 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4 Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and the other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

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

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

2.5 Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the use of assets and obligations for the liabilities of the arrangement. The Group accounts for activities under joint operations by recognising in relation to the joint operation, the assets it controls and the liabilities it incurs, the expenses it incurs and the revenue from the sale or use of its share of the joint operations output.

3. FOREIGN CURRENCIES

3.1 Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in US Dollar.

3.2 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 profit or loss. Translation differences on available-for-sale equities are included in other comprehensive income.

3.3 Foreign operations

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

Assets and liabilities are translated at the exchange rate ruling at the reporting date (ZAR/US$: 14.03; US$/A$: 0.72 (2015: ZAR/US$: 15.10; US$/A$: 0.73)). Equity items are translated at historical rates. The income and expenses are translated at the average exchange rate for the year (ZAR/US$: 14.70; US$/A$: 0.75 (2015: ZAR/US$: 12.68; US$/A$: 0.75 and 2014: ZAR/US$: 10.82; US$/A$: 0.90)), unless this average was not a reasonable approximation of the rates prevailing on the transaction dates, in which case these items were translated at the rate prevailing on the date of the transaction. Exchange differences on translation are accounted for in other comprehensive income. These differences will be recognised in profit or loss upon realisation of the underlying operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (ie the reporting entity's interest in the net assets of that operation), and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recognised in profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Mine development and infrastructure

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

Expenditure incurred to evaluate and develop new orebodies, to define mineralisation in existing orebodies 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 orebodies 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.

Accounting policies (continued)

4.2 Borrowing costs

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

4.3 Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the fair value of mineral rights has diminished below cost, an impairment loss is recognised in profit or loss in the year that such determination is made.

4.4 Land

Land is shown at cost and is not depreciated.

4.5 Other assets

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

4.6 Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge to profit or loss 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 ore reserves;
- stripping activity assets are amortised on a units-of-production method, based on the estimated proved and probable ore reserves of the ore body to which the assets relate; and
- where it is anticipated that the mine life will significantly exceed the proved and probable reserves, the mine life is estimated using a methodology that takes account of current exploration information to assess the likely recoverable gold from a particular area. Such estimates are adjusted for the level of confidence in the assessment and the probability of conversion to reserves. The probability of conversion is based on historical experience of similar mining and geological conditions.

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

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

4.7 Depreciation of non-mining assets

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

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

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

4.8 Mining exploration

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

Exploration activities at certain of the Group's non-South African operations are broken down into defined areas within the mining lease boundaries. These areas are generally defined by structural and geological continuity. Exploration costs in these areas are capitalised to the extent that specific exploration programmes have yielded targets and/or results that warrant further exploration in future years.

4.9 Impairment

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

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

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

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

4.10 Gain or loss on disposal of property, plant and equipment

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

4.11 Leases

At the inception of an arrangement, the Group determines whether the arrangement contains a lease. Leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases and are not recognised in the statement of financial position.

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

4.12 Deferred stripping

Production stripping costs in a surface mine are capitalised to property, plant and equipment if, and only if, all of the following criteria are met:

» It is probable that the future economic benefit associated with the stripping activity will flow to the entity;
» The entity can identify the component of the ore body for which access has been improved; and
» The costs relating to the stripping activity associated with that component can be measured.

If the above criteria are not met, the stripping costs are recognised directly in profit or loss.

The Group initially measures the stripping activity asset at cost, this being the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore.

After initial recognition, the stripping activity asset is carried at cost less accumulated amortisation and accumulated impairment losses.

5. GOODWILL

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

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

Accounting policies (continued)

6. TAXATION

Income tax 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 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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and equity accounted investees except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

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

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.

No provision is made for any potential taxation liability on the distribution of retained earnings by Group companies as it is probable that the related taxable temporary differences will not reverse in the foreseeable future.

7. INVENTORIES

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

Cost is determined on the following basis:

» Gold on hand and gold-in-process is valued using weighted average cost. Cost includes production, amortisation and related administration costs;
» Heap leach and stockpiles inventories are valued using weighted average cost. Cost includes production, amortisation and related administration costs. The cost of materials on the heap leach and stockpiles from which metals are expected to be recovered in a period longer than 12 months is classified as non-current assets; and
» Consumable stores are valued at weighted average cost, after appropriate provision for redundant and slow-moving items.

Net realisable value is determined with reference to relevant market prices or the estimated future sales price of the product if it is expected to be realised in the long term.

8. FINANCIAL INSTRUMENTS

8.1 Non-derivative financial assets and liabilities

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

The Group initially recognises loans and receivables on the date they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group 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 Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Any interest in such transferred financial asset that is created or retained by the Group 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 as 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 the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy, economic conditions that correlate with defaults or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against loans and receivables. When an event occurring after the impairment loss was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. A significant decline in the fair value of an available-for-sale financial asset below its cost is objective evidence of impairment. Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value adjustment reserve in other comprehensive income to profit or loss. Impairment losses charged to the income statement on available-for-sale financial assets are not reversed.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

8.1.1 Investments

Investments comprise (1) investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealised gains and losses subsequent to initial recognition recognised in other comprehensive income and included in other reserves, and released to profit or loss when the investments are sold or impaired; and (2) investments in unlisted companies which are accounted for at cost and adjusted for impairment where appropriate.

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

On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included in determining the profit or loss on disposal, or impairment charge relating to, that financial asset, respectively, which is recognised in profit or loss.

Accounting policies (continued)

8.1.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity (less than 12 months).

Bank overdrafts are included within current liabilities in the statement of financial position and within cash and cash equivalents in the statement of cash flows.

8.1.3 Trade receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment, except for trade receivables from provisional copper and gold concentrate sales. Estimates made for impairment are based on a review of all outstanding amounts at year-end. Irrecoverable amounts are written off during the year in which they are identified.

The trade receivables from provisional copper and gold concentrate sales are marked-to-market at the end of each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

8.1.4 Trade payables

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

8.1.5 Borrowings

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

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

Interest payable on borrowings is recognised in profit or loss over the term of the borrowings using the effective interest method.

Finance expense comprises interest on borrowings and environmental rehabilitation liability offset by interest capitalised on qualifying assets.

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

8.2 Derivative financial instruments

The Group's general policy with regards to its exposure to the dollar gold price is to remain unhedged. The Group may from time to time establish currency and/or interest rate and/or commodity financial instruments to protect underlying cash flows.

On the date a derivative contract is entered into, the Group designates the derivative as (1) a hedge of the fair value of a recognised asset or liability (fair value hedge), (2) a hedge of a forecast transaction or a firm commitment (cash flow hedge), (3) a hedge of a net investment in a foreign entity, or (4) should the derivative not fall into one of the three categories above it is not regarded as a hedge.

Derivative financial instruments are initially recognised in the statement of financial position at fair value and subsequently remeasured at their fair value, unless they meet the criteria for the normal purchases normal sales exemption.

Provided the Group's derivative transactions do not qualify for hedge accounting, changes in the fair value of such derivatives are recognised immediately in profit or loss.

8.3 Embedded derivatives

The Group assesses whether an embedded derivative is required to be separated from a host contract and accounted for as a derivative when the Group first becomes a party to a contract.

Embedded derivatives are separated from the host contract and accounted for separately if:

- » the economic characteristics and risks of the host contract and the embedded derivative are not closely related;
- » a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- » the combined instrument is not measured at fair value through profit or loss.

Subsequent reassessment is not performed unless there is a change in the terms of the contract that significantly modifies the cash flows.

9. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups) comprising assets and liabilities, are classified as held for sale or held for distribution if it is highly probable they will be recovered primarily through sale or distribution rather than through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset.

Non-current assets held for sale or distribution are stated at the lower of carrying amount and fair value less cost of disposal. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Once classified as held for sale or distribution, property, plant and equipment is no longer amortised or depreciated.

10. PROVISIONS

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

11. PROVISION FOR ENVIRONMENTAL REHABILITATION COSTS

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

Rehabilitation work can include facility decommissioning and dismantling, removal or treatment of waste materials, site and land rehabilitation, including compliance with and monitoring of environmental regulations, security and other site-related costs required to perform the rehabilitation work and operations of equipment designed to reduce or eliminate environmental effects.

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

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

Changes in estimates are capitalised or reversed against the relevant asset, except where a reduction in the provision is greater than the remaining net book value of the related asset, in which case the value is reduced to nil and the remaining adjustment is recognised in profit or loss. In the case of closed sites, changes in estimates and assumptions are recognised in profit or loss. Estimates are discounted at the risk-free rate in the jurisdiction of the obligation.

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

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

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

Accounting policies (continued)

12. EMPLOYEE BENEFITS

12.1 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 Group 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 estimated reliably.

12.2 Pension and provident funds

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

Contributions to defined contribution funds are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

12.3 Share-based payments

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

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

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

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

12.4 Long-term incentive plan

The Group operates a long-term incentive plan.

The Group's net obligation in respect of the long-term incentive plan is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is estimated using appropriate assumptions and is discounted to determine its present value at each reporting date. Re-measurements are recognised in profit or loss in the period in which they arise.

12.5 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of the date the Group can no longer withdraw the offer of those benefits or the date the Group recognises costs for a restructuring. Benefits falling due more than 12 months after the reporting date are discounted to present value.

13. SHARE CAPITAL

13.1 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.

13.2 Repurchase and reissue of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are deducted from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

14. REVENUE RECOGNITION

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

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

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

15. INVESTMENT INCOME

Investment income comprises interest income on funds invested and dividend income from listed and unlisted investments.

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

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

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

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

16. DIVIDENDS DECLARED

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

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends paid. The Group withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends paid before 22 February 2017 and 20% on dividends paid after this date. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid recognised directly in equity.

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

17. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share. Basic earnings per share is calculated based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders, if applicable, and the weighted average number of ordinary shares in issue for ordinary shares that may be issued in the future.

18. SEGMENTAL REPORTING

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.

Consolidated income statement

for the year ended 31 December
Figures in millions unless otherwise stated

		UNITED STATES DOLLAR		
	Notes	**2016**	2015	2014
Revenue	1	**2,749.5**	2,545.4	2,868.8
Cost of sales	2	**(2,066.7)**	(2,066.1)	(2,334.4)
Net operating profit		**682.8**	479.3	534.4
Investment income	3	**8.3**	6.3	4.2
Finance expense	4	**(78.3)**	(82.9)	(99.2)
Gain/(loss) on financial instruments		**14.4**	(4.7)	(11.5)
Foreign exchange (loss)/gain		**(6.4)**	9.5	8.4
Other costs, net		**(16.8)**	(21.2)	(62.5)
Share-based payments	5	**(14.4)**	(10.9)	(26.0)
Long-term incentive plan	26	**(11.0)**	(5.3)	(8.7)
Exploration expense		**(92.2)**	(53.5)	(47.2)
Share of results of equity accounted investees after taxation	15	**(2.3)**	(5.7)	(2.4)
Restructuring costs		**(11.7)**	(9.3)	(42.0)
Impairment of investments and assets	6	**(76.5)**	(221.1)	(26.7)
Profit on disposal of investments		**2.3**	0.1	0.5
Profit on disposal of Chucapaca	32	**–**	–	4.6
Profit/(loss) on disposal of assets	15.1(b)	**48.0**	(0.1)	(1.3)
Profit before royalties and taxation	7	**446.2**	80.5	224.6
Royalties	8	**(80.4)**	(76.0)	(86.1)
Profit before taxation		**365.8**	4.5	138.5
Mining and income taxation	9	**(192.1)**	(247.1)	(118.1)
Profit/(loss) for the year		**173.7**	(242.6)	20.4
Profit/(loss) attributable to:				
– Owners of the parent		**162.8**	(242.1)	12.8
– Non-controlling interest holders		**10.9**	(0.5)	7.6
		173.7	(242.6)	20.4
Earnings/(loss) per share attributable to owners of the parent:				
Basic earnings/(loss) per share – cents	10.1	**20**	(31)	2
Diluted basic earnings/(loss) per share – cents	10.2	**20**	(31)	2

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

Consolidated statement of comprehensive income

for the year ended 31 December
Figures in millions unless otherwise stated

	UNITED STATES DOLLAR		
	2016	2015	2014
Profit/(loss) for the year	**173.7**	(242.6)	20.4
Other comprehensive income, net of tax[1, 2]	**121.4**	(636.6)	(320.1)
Marked-to-market valuation of listed investments	**(8.3)**	0.4	2.8
Reclassification of realised gain on disposal of listed investments	**–**	–	(1.8)
Foreign currency translation adjustments	**129.7**	(637.0)	(321.1)
Total comprehensive income for the year	**295.1**	(879.2)	(299.7)
Attributable to:			
– Owners of the parent	**284.2**	(878.7)	(308.9)
– Non-controlling interest holders	**10.9**	(0.5)	9.2
	295.1	(879.2)	(299.7)

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

[1] All items can be subsequently reclassified to the income statement.

[2] Includes deferred tax of US$nil (2015: US$nil and 2014: US$nil).

Consolidated statement of financial position

at 31 December
Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
	Notes	2016	2015
ASSETS			
Non-current assets		**5,282.0**	4,969.6
Property, plant and equipment	13	**4,547.8**	4,312.4
Goodwill	14	**317.8**	295.3
Inventories	19	**132.8**	132.8
Equity-accounted investees	15.1	**170.7**	129.1
Investments	17	**19.7**	10.9
Environmental trust funds	18	**44.5**	35.0
Deferred taxation	23	**48.7**	54.1
Current assets		**1,052.7**	908.1
Inventories	19	**329.4**	298.2
Trade and other receivables	20	**170.2**	168.9
Cash and cash equivalents	21	**526.7**	440.0
Assets held for sale	12	**26.4**	1.0
Total assets		**6,334.7**	5,877.7
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		**3,067.0**	2,656.1
Share capital	22	**59.6**	58.1
Share premium		**3,562.9**	3,412.9
Other reserves		**(2,126.4)**	(2,262.2)
Retained earnings		**1,570.9**	1,447.3
Non-controlling interest		**122.6**	111.9
Total equity		**3,189.6**	2,768.0
Non-current liabilities		**2,285.7**	2,545.6
Deferred taxation	23	**465.5**	487.3
Borrowings	24	**1,504.9**	1,761.6
Provisions	25	**291.7**	284.1
Long-term incentive plan	26	**23.6**	12.6
Current liabilities		**859.4**	564.1
Trade and other payables	27	**543.3**	427.6
Royalties payable	30	**20.2**	18.5
Taxation payable	31	**107.9**	59.3
Current portion of borrowings	24	**188.0**	58.7
Total equity and liabilities		**6,334.7**	5,877.7

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

Consolidated statement of changes in equity

for the year ended 31 December
Figures in millions unless otherwise stated

UNITED STATES DOLLAR

	Number of ordinary shares in issue	Share capital and share premium	Accumulated other comprehensive income[1]	Other reserves[2]	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 31 December 2013	**767,160,263**	**3,470.7**	**(1,445.1)**	**104.3**	**1,721.5**	**3,851.4**	**193.8**	**4,045.2**
Profit for the year	–	–	–	–	12.8	**12.8**	7.6	**20.4**
Other comprehensive income	–	–	(321.7)	–	–	**(321.7)**	1.6	**(320.1)**
Total comprehensive income	–	–	(321.7)	–	12.8	**(308.9)**	9.2	**(299.7)**
Dividends declared	–	–	–	–	(29.8)	**(29.8)**	(10.7)	**(40.5)**
Share-based payments	–	–	–	26.0	–	**26.0**	–	**26.0**
Disposal of subsidiary (refer note 32)	–	–	–	–	–	**–**	(69.8)	**(69.8)**
Equity contributions from non-controlling interest holders	–	–	–	–	–	**–**	2.0	**2.0**
Exercise of employee share options	4,256,228	0.1	–	–	–	**0.1**	–	**0.1**
Balance at 31 December 2014	**771,416,491**	**3,470.8**	**(1,766.8)**	**130.3**	**1,704.5**	**3,538.8**	**124.5**	**3,663.3**
Loss for the year	–	–	–	–	(242.1)	**(242.1)**	(0.5)	**(242.6)**
Other comprehensive income	–	–	(636.6)	–	–	**(636.6)**	–	**(636.6)**
Total comprehensive income	–	–	(636.6)	–	(242.1)	**(878.7)**	(0.5)	**(879.2)**
Dividends declared	–	–	–	–	(15.1)	**(15.1)**	(12.1)	**(27.2)**
Share-based payments	–	–	–	10.9	–	**10.9**	–	**10.9**
Exercise of employee share options	5,177,671	0.2	–	–	–	**0.2**	–	**0.2**
Balance at 31 December 2015	**776,594,162**	**3,471.0**	**(2,403.4)**	**141.2**	**1,447.3**	**2,656.1**	**111.9**	**2,768.0**
Profit for the year	–	–	–	–	162.8	**162.8**	10.9	**173.7**
Other comprehensive income	–	–	121.4	–	–	**121.4**	–	**121.4**
Total comprehensive income	–	–	121.4	–	162.8	**284.2**	10.9	**295.1**
Dividends declared	–	–	–	–	(39.2)	**(39.2)**	(0.2)	**(39.4)**
Share-based payments	–	–	–	14.4	–	**14.4**	–	**14.4**
Shares issued[3]	38,857,913	151.5	–	–	–	**151.5**	–	**151.5**
Exercise of employee share options	5,154,870	–	–	–	–	**–**	–	**–**
Balance at 31 December 2016	**820,606,945**	**3,622.5**	**(2,282.0)**	**155.6**	**1,570.9**	**3,067.0**	**122.6**	**3,189.6**

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

[1] Accumulated other comprehensive income mainly comprises foreign currency translation.

[2] Other reserves include share-based payments and share of equity investee's other comprehensive income. The aggregate of Accumulated other comprehensive income and Other reserves in the consolidated statement of changes in equity is disclosed in the Consolidated statement of financial position as other reserves.

[3] During 2016, Gold Fields completed a US$151.5 million (R2.3 billion) accelerated equity raising by way of a private placement to institutional investors. A total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represented a 6% discount to the 30-day volume weighted average traded price, for the period 17 March 2016 and a 0.7% discount to the 50-day moving average.

The net proceeds from the placement was used to refinance the US$1,510 million term loan and revolving credit facilities. The new facilities amount to US$1,290 million. Refer note 24 for further details.

Consolidated statement of cash flows

for the year ended 31 December
Figures in millions unless otherwise stated

		UNITED STATES DOLLAR		
	Notes	2016	2015	2014
Cash flows from operating activities		**917.5**	743.9	808.5
Cash generated by operations	28	**1,270.1**	1,005.4	1,061.3
Interest received		**7.3**	5.9	3.6
Dividends received		**–**	–	0.1
Change in working capital	29	**(2.7)**	43.6	83.7
Cash generated by operating activities		**1,274.7**	1,054.9	1,148.7
Interest paid		**(81.7)**	(86.8)	(103.8)
Royalties paid	30	**(78.7)**	(76.9)	(88.8)
Taxation paid	31	**(156.1)**	(118.4)	(105.3)
Net cash from operations		**958.2**	772.8	850.8
Dividends paid		**(40.7)**	(28.9)	(42.3)
– Owners of the parent		**(39.2)**	(15.1)	(29.8)
– Non-controlling interest holders		**(0.2)**	(12.1)	(10.6)
– South Deep BEE dividend		**(1.3)**	(1.7)	(1.9)
Cash flows from investing activities		**(867.9)**	(651.5)	(530.9)
Additions to property, plant and equipment		**(649.9)**	(634.1)	(608.9)
Proceeds on disposal of property, plant and equipment		**2.3**	3.1	4.9
Proceeds on disposal of Chucapaca	32	**–**	–	81.0
Purchase of Gruyere Gold project assets	15.2	**(197.1)**	–	–
Purchase of investments		**(12.7)**	(3.0)	(4.4)
Proceeds on disposal of investments		**4.4**	–	6.4
Environmental trust funds and rehabilitation payments		**(14.9)**	(17.5)	(9.9)
Cash flows from financing activities		**37.0**	(88.3)	(125.9)
Equity contributions from non-controlling interest holders		**–**	–	2.0
Shares issued		**151.5**	–	–
Loans raised		**1,298.7**	506.0	463.9
Loans repaid		**(1,413.2)**	(594.3)	(591.8)
Net cash generated		**86.6**	4.1	151.7
Effect of exchange rate fluctuation on cash held		**0.1**	(22.1)	(18.7)
Cash and cash equivalents at beginning of the year		**440.0**	458.0	325.0
Cash and cash equivalents at end of the year	21	**526.7**	440.0	458.0

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

Notes to the consolidated financial statements

for the year ended 31 December
Figures in millions unless otherwise stated

		UNITED STATES DOLLAR		
		2016	2015	2014
1.	**REVENUE**			
	Revenue from mining operations	**2,749.5**	2,545.4	2,868.8
2.	**COST OF SALES**			
	Salaries and wages	**(409.5)**	(389.6)	(448.1)
	Consumable stores	**(353.9)**	(389.2)	(441.2)
	Utilities	**(175.1)**	(167.9)	(199.2)
	Mine contractors	**(318.2)**	(294.9)	(351.0)
	Other	**(176.3)**	(189.7)	(245.4)
	Operating costs	**(1,433.0)**	(1,431.3)	(1,684.9)
	Gold inventory change	**45.5**	(24.9)	7.2
	Operating costs including gold inventory change	**(1,387.5)**	(1,456.2)	(1,677.7)
	Amortisation and depreciation	**(679.2)**	(609.9)	(656.7)
	Total cost of sales	**(2,066.7)**	(2,066.1)	(2,334.4)
3.	**INVESTMENT INCOME**			
	Dividends received	**–**	–	0.1
	Interest received – environmental trust funds	**1.0**	0.4	0.5
	Interest received – cash balances	**7.3**	5.9	3.6
	Total investment income	**8.3**	6.3	4.2
4.	**FINANCE EXPENSE**			
	Interest expense – environmental rehabilitation	**(10.9)**	(11.7)	(18.4)
	Interest expense – borrowings	**(82.5)**	(87.8)	(105.0)
	Borrowing costs capitalised	**15.1**	16.6	24.2
	Total finance expense	**(78.3)**	(82.9)	(99.2)

Notes to the consolidated financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS

The Group granted equity-settled instruments comprising share options and restricted shares to executive directors, certain officers and employees. During the year ended 31 December 2016, the following share plans were in place: The Gold Fields Limited 2005 Share Plan, the Gold Fields Limited 2012 Share Plan and the Gold Fields Limited 2012 Share Plan as amended in 2016. During 2016, the Gold Fields Limited 2012 Share Plan as amended in 2016 was introduced to replace the LTIP. Allocations under this plan were made during 2016.

The following information is available for each plan:

	UNITED STATES DOLLAR		
	2016	2015	2014
(a) Gold Fields Limited 2005 Share Plan	**–**	–	1.7
(b)(i) Gold Fields Limited 2012 Share Plan			
– Performance shares	**1.9**	8.2	12.0
– Bonus shares	**–**	2.7	12.3
(b)(ii) Gold Fields Limited 2012 Share Plan amended			
– Performance shares	**12.5**	–	–
Total included in profit or loss for the year	**14.4**	10.9	26.0

(a) Gold Fields Limited 2005 Share Plan

At the Annual General Meeting on 17 November 2005, shareholders approved the adoption of the Gold Fields Limited 2005 Share Plan to replace the GF Management Incentive Scheme approved in 1999. The plan provided for two methods of participation, namely the Performance Allocated Share Appreciation Rights Method ("SARS") and the Performance Vesting Restricted Share Method ("PVRS"). This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders. No further allocations of options under this plan are being made following the introduction of the Gold Fields Limited 2012 Share Plan (see below) and the plan will be closed once all options have been exercised or forfeited. Currently, the last date of expiry is 1 December 2017.

The following table summarises the movement of share options under the Gold Fields Limited 2005 Share Plan during the years ended 31 December 2016, 2015 and 2014:

	2016			2015			2014		
	Performance vesting restricted shares ("PVRS")	**Share appreciation rights ("SARS")**	**Average instrument price (US$)**	Performance vesting restricted shares ("PVRS")	Share appreciation rights ("SARS")	Average instrument price (US$)	Performance vesting restricted shares ("PVRS")	Share appreciation rights ("SARS")	Average instrument price (US$)
Outstanding at beginning of the year	**–**	**1,025,178**	**6.03**	–	1,818,261	7.89	1,230,971	3,151,728	8.89
Movement during the year:									
Exercised and released	**–**	**–**	**–**	–	–	–	(1,217,700)	–	–
Forfeited	**–**	**(494,567)**	**5.27**	–	(793,083)	7.34	(13,271)	(1,333,467)	8.62
Outstanding at end of the year (vested)	**–**	**530,611**	**7.39**	–	1,025,178	6.03	–	1,818,261	7.89

5. SHARE-BASED PAYMENTS (continued)

(b)(i) Gold Fields Limited 2012 Share Plan – awards prior to 1 March 2016

At the Annual General Meeting on 14 May 2012, shareholders approved the adoption of the Gold Fields Limited 2012 Share Plan to replace the Gold Fields Limited 2005 Share Plan. The plan provided for two methods of participation, namely the Performance Share Method ("PS") and the Bonus Share Method ("BS"). This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders.

The salient features of the plan were:

- PS were offered to participants annually in March. Quarterly allocations of PS were also made in June, September and December on a pro rata basis to qualifying new employees. PS were performance-related shares, granted at zero cost (the shares are granted in exchange for the rendering of service by participants to the Company during the three-year restricted period prior to the share vesting period);
- Based on the rules of the plan, the actual number of PS which would be settled to a participant three years after the original award date was determined by the Company's performance measured against the performance of seven other major gold mining companies ("the peer group") based on the relative change in the Gold Fields share price compared to the basket of respective US Dollar share prices of the peer group. Furthermore, for PS awards to be settled to members of the Executive Committee, an internal Company performance target is required to be met before the external relative measure is applied. The internal target performance criterion has been set at 85% of the Company's planned gold production over the three-year measurement period as set out in the business plans of the Company approved by the Board. In the event that the internal target performance criterion is met the full initial target award shall be settled on the settlement date. In addition, the Remuneration Committee has determined that the number of PS to be settled may be increased by up to 200% of the number of the initial target PS conditionally awarded, depending on the performance of the Company relative to the performance of the peer group, based on the relative change in the Gold Fields share price compared to the basket of respective US Dollar share prices of the peer group;
- The performance of the Company that resulted in the settlement of shares was measured by the Company's share price performance relative to the share price performance of the following peer gold mining companies, collectively referred to as "the peer group", over the three-year period:
  - AngloGold Ashanti;
  - Barrick Gold Corporation;
  - Goldcorp Incorporated;
  - Harmony Gold Mining Company;
  - Newmont Mining Corporation;
  - Newcrest Mining Limited; and
  - Kinross Gold Corporation.
- The performance of the Company's shares against the shares of the peer group was measured for the three-year period running from the relevant award date;
- BS were offered to participants annually in March; and
- Based on the rules of the plan, the actual number of BS which would be settled in equal proportions to a participant over a nine-month and a 18-month period after the original award date was determined by the employee's annual cash bonus calculated with reference to actual performance against predetermined targets for the financial year ended immediately preceding the award date.

Notes to the consolidated financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS (continued)

(b)(i) Gold Fields Limited 2012 Share Plan – awards prior to 1 March 2016 (continued)

The following table summarises the movement of share options under the Gold Fields Limited 2012 Share Plan during the years ended 31 December 2016, 2015 and 2014:

	2016		2015		2014	
	Performance shares ("PS")	**Bonus shares ("BS")**	Performance shares ("PS")	Bonus shares ("BS")	Performance shares ("PS")	Bonus shares ("BS")
Outstanding at beginning of the year	**2,446,922**	**–**	4,316,657	2,161,922	6,029,716	882,072
Movement during the year:						
Granted	**393 178**	**–**	–	–	–	4,000,559
Exercised and released	**(2,428,904)**	**–**	(1,704,704)	(2,094,343)	(834,010)	(2,167,802)
Forfeited	**(18,018)**	**–**	(165,031)	(67,579)	(879,049)	(552,907)
Outstanding at end of the year	**393 178**	**–**	2,446,922	–	4,316,657	2,161,922

	2016	2015	2014
The fair value of equity instruments granted during the year ended 31 December 2014 were valued using the Monte Carlo simulation model:			
Monte Carlo simulation			
Bonus shares			
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 Gold Fields:			
– 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)	**–**	–	43.5%
– expected term (months)	**–**	–	9.0 – 18.0
– dividend yield	**–**	–	0.6%
– weighted average three-year risk free interest rate (based on SA interest rates)	**–**	–	5.5%
– weighted average fair value (South African Rand)	**–**	–	40.28
– marketability discount	**–**	–	2.0%

(b)(ii) Gold Fields Limited 2012 Share Plan amended – awards after 1 March 2016

At the Annual General Meeting on 18 May 2016, shareholders approved the adoption of the revised Gold Fields Limited 2012 Share Plan to replace the LTIP. The plan provides for four methods of participation, namely the Performance Share Method ("PS"), the Retention Share Method ("RS"), the Restricted Share Method ("RSS") and the Matching Share Method ("MS"). This plan is in place to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the Company's shareholders. Allocations of options under this plan were made during 2016. Currently, the last vesting date is 28 February 2019.

5. SHARE-BASED PAYMENTS (continued)

(b)(ii) Gold Fields Limited 2012 Share Plan amended – awards after 1 March 2016 (continued)

The salient features of the plan were:

» PS are offered to participants annually in March. PS are performance-related shares, granted at zero cost (the shares are granted in exchange for the rendering of service by participants to the Company during the three-year restricted period prior to the share vesting period);

» Based on the rules of the plan, the actual number of PS which will be settled to a participant three years after the original award date is determined by the following performance conditions:

Performance condition	Weighting	Threshold	Target	Stretch and cap
Absolute TSR	33%	N/A – No vesting below target	Compounded cost of equity in real terms over three-year performance period	Compounded cost of equity in real terms over three-year performance period +6% per annum
Relative TSR	33%	Median of the peer group	Linear vesting to apply between above-median and upper quartile performance and capped at upper quartile performance	
Free cash flow margin ("FCFM")	34%	Average FCFM over performance period of 5% at a gold price of $1,300/oz – margin to be adjusted relative to the actual gold price for the three-year period	Average FCFM over performance period of 15% at a gold price of $1,300/oz – margin to be adjusted relative to the actual gold price for the three-year period	Average FCFM over performance period of 20% at a gold price of $1,300/oz – margin to be adjusted relative to the actual gold price for the three-year period

The vesting profile will be as follows:

Performance condition	Threshold	Target	Stretch and cap
Absolute TSR[1,4]	0%	100%	200%
Relative TSR[3,4]	0%	100%	200%
FCFM[2]	0%	100%	200%

1 Absolute TSR and relative TSR: Linear vesting will occur between target and stretch (no vesting occurs for performance below target).

2 FCFM: Linear vesting will occur between threshold, target and stretch.

3 The peer group consists of ten companies: Anglogold Ashanti, Goldcorp, Barrick, Eldorado Gold, Randgold, Yamana, Agnico Eagle, Kinross, Newmont and Newcrest.

4 TSR will be calculated as the compounded annual growth rate ("CAGR") of the TSR index between the average of the 60 trading days up to the first day of the performance period and the average of the 60 trading days up to the last day of the performance period. TSR will be defined as the return on investing in ordinary shares in the Company at the start of the performance period, holding the shares and reinvesting the dividends received on the portfolio in Gold Fields shares over the performance period. The USD TSR index, provided by external service providers will be based on the US$ share price.

» RS can be awarded on an ad hoc basis to key employees where a retention risk has been identified. These will be subject to the vesting condition of service over a period of three years only, and will not be subject to any performance conditions.

» RSS: In 2016, Gold Fields implemented a Minimum Shareholding Requirement ("MSR") where executives are required to build and to hold a percentage of their salary in Gold Fields shares over a period of five years. Executives will be given the opportunity (as at the approval date of the MSR), prior to the annual bonus being communicated or the upcoming vesting date of the LTIP award or PS, to elect to receive all or a portion of their annual bonus or cash LTIP in restricted shares or to convert all or a portion of their unvested PS into restricted shares towards fulfilment of the MSR. These shares are subject to the holding period as set out above.

This holding period will mean that the restricted shares may not be sold or disposed of and that the beneficial interest must be retained therein until the earlier of:

- Notice given by the executive, provided that such notice may only be given after five years from the start of the holding period;
- Termination of employment of that employee, i.e. retirement, retrenchment, ill health, death, resignation or dismissal;
- Abolishment of the MSR; or
- In special circumstances such as proven financial hardship or compliance with the MSR, upon application by the employee and approval by the Remuneration Committee.

Notes to the consolidated financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS (continued)

(b)(ii) Gold Fields Limited 2012 Share Plan amended – awards after 1 March 2016 (continued)

Mr Nick Holland, CEO, elected prior to the determination of the annual performance bonus for 2016 and in line with the rules of the MSR policy, to defer 50% of his 2016 cash bonus (US$677,600) into restricted shares. A similar election was made in 2015 to defer 50% of his 2015 annual performance bonus (US$618,900) into restricted shares. Mr Holland also elected to defer vesting 100% of the 2013 Performance Share award which was due to vest on 1 March 2016 into restricted shares. Mr Holland has 507,473 restricted shares held in escrow as at 31 December 2016. The 507,473 restricted shares comprise of 132,477 shares relating to the 2015 short-term incentive and 374,996 shares relating to the 2013 Performance Share award. No other executive has elected to receive any restricted shares.

» MS: To facilitate the introduction of the MSR policy and to compensate executives for locking in their vested shares for an additional five years, thus exposing themselves to further market volatility, the Company intends to make a matching award. This is intended to entail a conditional award of shares of one share for every three shares committed towards the MSR (matching shares). The matching shares will vest on a date that corresponds with the end of the holding period of the shares committed towards the MSR provided the executive is still in the employment of the Company and has met the MSR requirements of the MSR policy, including having sustainably accumulated shares to reach the MSR over the five year holding period.

At 31 December 2016, the maximum number of matching shares that could vest at the end of five years was 169,158 shares.

The following table summarises the movement of share options under the Gold Fields Limited 2012 Share Plan as amended in 2016 during the year ended 31 December 2016:

	2016
	Performance Shares ("PS")
Outstanding at beginning of the year	–
Movement during the year:	
Granted	8,196,037
Forfeited	(57,565)
Outstanding at end of the year[1]	**8,138,472**

[1] None of the outstanding options of 8,138,472 above have vested.

	2016
The fair value of equity instruments granted during the year ended 31 December 2016 were valued using the Monte Carlo simulation model:	
Monte Carlo simulation	
Performance shares	
This model is used to value the performance shares. The inputs to the model for options granted during the year were as follows:	
– 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)	58.1%
– expected term (years)	3 years
– dividend yield[1]	n/a
– weighted average three-year risk free interest rate (based on US interest rates)	0.5%
– weighted average fair value (United States Dollar)	2.6

[1] There is no dividend yield applied to the Monte Carlo simulation model as the performance conditions follow a total shareholder return method.

5. SHARE-BASED PAYMENTS (continued)

(b)(ii) Gold Fields Limited 2012 Share Plan amended – awards after 1 March 2016 (continued)

Summary

The following table summarises information relating to the options and equity-settled instruments under all plans outstanding at 31 December 2016, 2015 and 2014:

	2016			2015			2014		
Range of exercise prices for outstanding equity instruments (US$)	**Number of instruments**	**Price (US$)**	**Contractual life (years)**	Number of instruments	Price (US$)	Contractual life (years)	Number of instruments	Price (US$)	Contractual life (years)
n/a*	**8,531,650**	**–**	**–**	2,446,922	–	–	6,478,579	–	0.80
4.28 – 6.06	**–**	**–**	**–**	448,296	5.03	0.22	580,833	6.56	1.22
6.07 – 7.84	**3,835**	**6.79**	**0.50**	33,641	5.86	0.60	454,131	8.17	0.33
7.85 – 9.62	**515,255**	**7.37**	**0.34**	531,720	6.84	1.35	769,159	8.94	2.33
9.63 – 11.40	**11,521**	**8.44**	**1.00**	11,521	7.84	2.01	14,138	10.25	3.01
Total outstanding at end of the year	**9,062,261**			3,472,100			8,296,840		
* Restricted shares ("PVRS") are awarded for no consideration.									
Weighted average share price during the year on the JSE Limited (US$)	**4.29**			3.55			3.90		

The compensation costs related to awards not yet recognised under the above plans at 31 December 2016, 2015 and 31 December 2014 amount to US$36.6 million, US$1.5 million and US$14.3 million, respectively.

The directors were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 41,076,635 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 4,107,663 of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 1.1% of the total issued ordinary share capital at 31 December 2016.

Notes to the consolidated financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

	UNITED STATES DOLLAR		
	2016	2015	2014
6. IMPAIRMENT OF INVESTMENTS AND ASSETS			
Investments	**(0.1)**	(117.4)	(14.2)
Listed investments	**(0.1)**	(8.5)	(8.3)
Unlisted investments	**–**	–	(5.9)
Equity accounted investees			
– Hummingbird Resources Plc ("Hummingbird")[1]	**–**	(7.5)	–
– Far Southeast Gold Resources Incorporated ("FSE")[2]	**–**	(101.4)	–
Property, plant and equipment	**(76.4)**	(95.7)	(11.2)
Arctic Platinum ("APP")[3]	**–**	(39.0)	(3.2)
Yanfolila[4]	**–**	–	4.7
Property, plant and equipment – other[5]	**(76.4)**	(56.7)	(12.7)
Inventories	**–**	(8.0)	(1.3)
Stockpiles and consumables[6]	**–**	(8.0)	(1.3)
Impairment of investments and assets	**(76.5)**	(221.1)	(26.7)

[1] Following the identification of impairment indicators at 30 June 2015, the investment in Hummingbird was valued at its recoverable amount, which resulted in an impairment of US$7.5 million. The recoverable amount was based on the investment's fair value at the time, being its quoted market price (level 1 of the fair value hierarchy). The impairment is included in the "Corporate and other" segment.

[2] Following the identification of impairment indicators at 31 December 2015, FSE was valued at its recoverable amount which resulted in an impairment of US$101.4 million. The recoverable amount was based on the fair value less cost of disposal ("FVLCOD") of the investment (level 2 of the fair value hierarchy). FVLCOD was indirectly derived from the market value of Lepanto Consolidated Mining Company, being the 60% shareholder of FSE. The impairment is included in the "Corporate and other" segment.

[3] Following the Group's decision during 2013 to dispose of non-core projects, APP was classified as held for sale and, accordingly, valued at the lower of fair value less cost of disposal or carrying value which resulted in impairments of US$89.7 million and US$3.2 million during 2013 and 2014, respectively. APP carrying value at 31 December 2014 after the above impairments was US$40.0 million which was based on an offer received close to the 2014 year-end. During 2015, active marketing activities for the disposal of the project continued after the 2014 offer was not realised. During 2015, APP was further impaired by US$39.0 million, resulting in a carrying value of US$1.0 million at 31 December 2015. The impairment is included in the "Corporate and other" segment. At 31 December 2016, APP no longer met the definition of an asset held for sale and was reclassified to property, plant and equipment at a recoverable amount of US$1.0 million. Refer note 12 for further details.

[4] Following the disposal of Yanfolila in 2014, US$4.7 million of the previously recorded impairment was reversed.

[5] Impairment of property, plant and equipment is made up as follows:

	UNITED STATES DOLLAR		
	2016	2015	2014
– 2015: Redundant assets at Cerro Corona (2014: South Deep, St Ives and Agnew)	**–**	6.7	12.7
– Cash-generating unit impairment at Darlot	**–**	14.2	–
(The recoverable amount was based on its FVLCOD calculated using the income approach (level 3 of the fair value hierarchy). The impairment is mainly due to the life-of-mine plan being reduced to one year forecasting negative cash flows for 2016 (refer to accounting policies on page 103 for assumptions)).			
– Cash-generating unit impairment at Cerro Corona	**66.4**	–	–
(The recoverable amount was based on its FVLCOD calculated using a combination of the market and the income approach (level 3 of the fair value hierarchy). The impairment is due to reduction in gold and copper reserves due to depletion, a decrease in the gold and copper price assumptions for 2017 and 2018, a lower resource price and an increase in the Peru tax rate from 2017 onwards. Refer to accounting policies on page 103 for assumptions).			
– Damang assets held for sale	**7.6**	–	–
Following the Damang re-investment plan, a decision was taken to sell certain mining fleet assets and related spares. The sale of the assets is expected to be concluded during 2017. As a result, the assets were classified as held for sale (refer note 12) and valued at the lower of FVLCOD or carrying value which resulted in an impairment of US$7.6 million.			
– Asset-specific impairment at Damang	**2.4**	35.8	–
(Relating to inoperable mining fleet that is no longer used under the current life-of-mine plan (2015: Immovable mining assets written off to US$nil that would no longer be used under the current life-of-mine plan)).			
Total impairment of property, plant and equipment – other	**76.4**	56.7	12.7

[6] 2015: Net realisable value write-down of stockpiles at Damang (2014: consumables at Lawlers).

		UNITED STATES DOLLAR		
		2016	2015	2014
7.	**INCLUDED IN PROFIT BEFORE ROYALTIES AND TAXATION ARE THE FOLLOWING:**			
	Operating lease charges[1]	**(2.8)**	(2.7)	(3.2)
	Regulatory legal fees[1]	**–**	(0.1)	(7.1)
	Profit on buy-back of notes[1]	**17.7**	–	–
	Social contributions and sponsorships[1]	**(19.3)**	(12.2)	(13.0)
	Global compliance costs[1]	**(0.1)**	(3.6)	–
	Facility charges on borrowings[1]	**(8.1)**	(1.7)	(1.3)
	Rehabilitation income/(charges)[1]	**9.9**	15.1	(18.4)
8.	**ROYALTIES**			
	South Africa	**(1.8)**	(1.2)	(1.3)
	Foreign	**(78.6)**	(74.8)	(84.8)
	Total royalties	**(80.4)**	(76.0)	(86.1)
	Royalty rates			
	South Africa (effective rate)[2]	**0.5%**	0.5%	0.5%
	Australia[3]	**2.5%**	2.5%	2.5%
	Ghana[3]	**5.0%**	5.0%	5.0%
	Peru[4]	**6.4%**	4.0%	3.3%

[1] Included under "Other costs, net" in the consolidated income statement.

[2] The Mineral and Petroleum Resource Royalty Act 2008 ("Royalty Act") was promulgated on 24 November 2008 and became effective from 1 March 2010. The Royalty Act imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the 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% has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2016 was 0.5% of mining revenue (2015: 0.5% and 2014: 0.5%) equalling the minimum charge per the formula.

[3] The Australian and Ghanaian operations are subject to a 2.5% (2015: 2.5% and 2014: 2.5%) and 5.0% (2015: 5.0% and 2014: 5.0%) gold royalty, respectively, on revenue as the mineral rights are owned by the state.

[4] The Peruvian operations are subject to a mining royalty calculated on a sliding scale with rates ranging from 1% to 12% of the value of operating profit.

Notes to the consolidated financial statements (continued)

for the year ended 31 December
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		UNITED STATES DOLLAR		
		2016	2015	2014
9.	**MINING AND INCOME TAXATION**			
	The components of mining and income tax are the following:			
	South African taxation			
	– non-mining tax	**(1.0)**	–	–
	– company and capital gains taxation	**(3.9)**	(3.5)	(1.7)
	– prior year adjustment – current taxation	**0.3**	0.5	(0.3)
	– deferred taxation	**(9.5)**	17.1	24.9
	– prior year adjustment – deferred taxation	**–**	–	(3.9)
	Foreign taxation			
	– current taxation	**(193.8)**	(139.9)	(128.4)
	– prior year adjustment – current taxation	**(6.3)**	–	(3.8)
	– deferred taxation	**22.1**	(116.1)	(4.9)
	– prior year adjustment – deferred taxation	**–**	(5.2)	–
	Total mining and income taxation	**(192.1)**	(247.1)	(118.1)
	Major items causing the Group's income taxation to differ from the maximum South African statutory mining tax rate of 34.0% (2015: 34.0% and 2014: 34.0%) were:			
	Taxation on profit before taxation at maximum South African statutory mining tax rate	**(124.4)**	(1.5)	(47.1)
	Rate adjustment to reflect the actual realised company tax rates in South Africa and offshore	**22.7**	21.8	8.4
	Non-deductible share-based payments	**(4.9)**	(3.7)	(7.2)
	Non-deductible exploration expense	**(15.2)**	(7.7)	(10.9)
	Deferred tax assets not recognised on impairment of investments[1]	**–**	(53.2)	(3.6)
	Non-deductible interest paid	**(24.2)**	(26.9)	(27.7)
	Non-deductible legal and consulting fees	**–**	–	(2.4)
	Non-taxable profit on disposal of investments	**0.8**	–	1.7
	Non-taxable profit on buy-back of notes	**6.0**	–	–
	Share of results of equity accounted investees after taxation	**(0.8)**	(1.9)	(0.8)
	Net non-deductible expenditure and non-taxable income	**(9.7)**	(8.5)	(8.2)
	Deferred taxation charge on Peruvian Nuevo Sol devaluation against US Dollar[2]	**(1.1)**	(41.0)	(3.1)
	Various Peruvian non-deductible expenses	**(8.3)**	(7.8)	(8.0)
	Prior year adjustments	**(6.0)**	(4.4)	(9.1)
	Deferred tax assets not recognised at Cerro Corona and Damang[3]	**(34.9)**	(112.5)	–
	Deferred tax release on change of tax rate at the Peruvian and Ghanaian operations (2015: Peruvian)	**8.6**	4.5	–
	Other	**(0.7)**	(4.3)	(0.1)
	Total mining and income taxation	**(192.1)**	(247.1)	(118.1)

[1] Deferred tax assets not recognised on impairment of investments relate to the impairment of listed investments, FSE, Hummingbird and APP. Refer to note 6 for details of impairments.

[2] The functional currency of Cerro Corona is US Dollar, however, the Peruvian tax base is based on values in Peruvian Nuevo Sol.

[3] Deferred tax assets amounting to US$34.9 million (2015: US$112.5 million) were not recognised at Cerro Corona and Damang to the extent that there is not sufficient future taxable income available. In making this determination, the Group analysed, among others, forecasts of future earnings and the nature and timing of future deductions and benefits represented by deferred tax assets.

9. MINING AND INCOME TAXATION (continued)

	2016	2015	2014
South Africa – current tax rates[4]			
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%
International operations – current tax rates[4]			
Australia	**30.0%**	30.0%	30.0%
Ghana[3]	**32.5%**	35.0%	35.0%
Peru	**30.0%**	30.0%	30.0%

[1] South African mining tax on mining income is determined according to a formula which takes into account the profit and revenue from mining operations. South African mining taxable income is determined after the deduction of all mining capital expenditure, with the proviso that this cannot result in an assessed loss. Capital expenditure amounts not deducted are carried forward as unredeemed capital expenditure to be deducted from future mining income. Accounting depreciation is ignored for the purpose of calculating South African mining taxation. The effective mining tax rate for Gold Fields Operations Limited ("GFO") and GFI Joint Venture Holdings (Proprietary) Limited ("GFIJVH"), owners of the South Deep mine, has been calculated at 30% (2015: 30% and 2014: 30%).

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

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

[3] On 11 March 2016, Gold Fields signed a development agreement with the Government of Ghana for both the Tarkwa and Damang mines. This agreement resulted in a reduction in the corporate tax rate from 35.0% to 32.5%, effective 17 March 2016.

[4] Deferred tax is provided at the expected future rate for mining operations arising from temporary differences between the carrying values and tax values of assets and liabilities.

At 31 December 2016, the Group had the following estimated amounts available for set-off against future income (pre-tax):

UNITED STATES DOLLAR

	2016			2015		
	Gross unredeemed capital expenditure	**Gross tax losses**	**Gross deferred tax asset not recognised**	Gross unredeemed capital expenditure	Gross tax losses	Gross deferred tax asset not recognised
South Africa[1]						
Gold Fields Operations Limited	**606.4**	**182.3**	**–**	528.2	219.2	–
GFI Joint Venture Holdings (Proprietary) Limited[2, 3]	**1,929.2**	**–**	**1,132.6**	1,586.0	22.2	862.4
	2,535.6	**182.3**	**1,132.6**	2,114.2	241.4	862.4
International operations						
Exploration entities[4]	**–**	**388.8**	**388.8**	–	345.2	345.2
Gold Fields Australia Proprietary Limited[5]	**–**	**1.2**	**–**	–	1.2	–
Abosso Goldfields Limited[6]	**88.8**	**68.7**	**157.5**	63.9	65.7	129.6
	88.8	**458.7**	**546.3**	65.1	410.9	474.8

[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 of longer than one year. Under South African mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilised by the tax entities in which the deductions have been generated. South African tax losses and unredeemed capital expenditure have no expiration date.

[2] Comprises US$796.6 million gross recognised capital allowance and US$1,132.6 million gross unrecognised capital allowance (2015: US$723.6 million gross recognised capital allowance and US$862.4 million gross unrecognised capital allowance).

[3] During 2014, the South African Revenue Service ("SARS") issued a Finalisation of Audit Letter ("the Audit Letter") stating that SARS has disallowed US$163.4 million of GFIJVH's gross recognised capital allowance of US$796.6 million. Refer note 35 on Contingent Liabilities for further details.

[4] The total tax losses of US$388.8 million (2015: US$345.2 million) comprise US$10.9 million (2015: US$3.8 million) tax losses that expire between one and two years, US$58.9 million (2015: US$62.9 million) tax losses that expire between two and five years, US$41.2 million (2015: US$49.6 million) tax losses that expire between five and 10 years, US$40.6 million (2015: US$40.7 million) tax losses that expire after 10 years and US$237.2 million (2015: US$188.2 million) tax losses that have no expiry date.

[5] The tax losses are available to be utilised against income generated by the relevant tax entity and do not expire.

[6] Tax losses may be carried forward for five years. These losses expire on a first-in-first-out basis. Tax losses of US$46.3 million expire in two years (2015: three years), tax losses of US$19.4 million expire in four years (2015: five years) and tax losses of US$3.0 million expire in five years.

Notes to the consolidated financial statements (continued)

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		UNITED STATES DOLLAR		
		2016	2015	2014
10.	**EARNINGS PER SHARE**			
10.1	**Basic earnings/(loss) per share – cents**	**20**	(31)	2
	Basic earnings/(loss) per share is calculated by dividing the earnings attributable to owners of the parent of US$162.8 million (2015: loss of US$242.1 million and 2014: profit of US$12.8 million) by the weighted average number of ordinary shares in issue during the year of 809,889,990 (2015: 774,763,151 and 2014: 769,141,871).			
10.2	**Diluted basic earnings/(loss) per share – cents**	**20**	(31)	2
	Diluted basic earnings/(loss) per share is calculated on the basis of earnings attributable to owners of the parent of US$162.8 million (2015: loss of US$242.1 million and 2014: profit of US$12.8 million) and 810,082,191 (2015: 774,763,151 and 2014: 771,814,815) shares being the diluted number of ordinary shares in issue during the year.			
	The weighted average number of shares has been adjusted by the following to arrive at the diluted number of ordinary shares:			
	Weighted average number of shares	**809,889,990**	774,763,151	769,141,871
	Share options in issue	**192,201**	–[1]	2,672,944
	Diluted number of ordinary shares	**810,082,191**	774,763,151	771,814,815
10.3	**Headline earnings/(loss) per share – cents**	**26**	(4)	4
	Headline earnings/(loss) per share is calculated on the basis of adjusted net earnings attributable to owners of the parent of US$208.4 million (2015: loss of US$28.2 million and 2014: earnings of US$27.3 million) and 809,889,990 (2015: 774,763,151 and 2014: 769,141,871) shares being the weighted average number of ordinary shares in issue during the year.			
	Net earnings/(loss) attributable to owners of the parent is reconciled to headline earnings as follows:			
	Long-form headline earnings/(loss) reconciliation			
	Net profit/(loss) attributable to owners of the parent	**162.8**	(242.1)	12.8
	Profit on disposal of investments, net	**(2.3)**	(0.1)	(5.1)
	Gross	**(2.3)**	(0.1)	(5.1)
	Taxation effect	**–**	–	–
	(Profit)/loss on disposal of assets, net	**(41.0)**	0.5	0.9
	Gross	**(48.0)**	0.1	1.3
	Taxation effect	**7.0**	0.2	(0.4)
	Non-controlling interest effect	**–**	0.2	–
	Impairment and write-off of investments and assets and other, net	**88.9**	213.5	18.7
	Gross	**124.0**	243.9	22.4
	Taxation effect	**(33.9)**	(28.1)	(3.7)
	Non-controlling interest effect	**(1.2)**	(2.3)	–
	Headline earnings/(loss)	**208.4**	(28.2)	27.3
10.4	**Diluted headline earnings/(loss) per share – cents**	**26**	(4)	4
	Diluted headline earnings/(loss) per share is calculated on the basis of headline earnings attributable to owners of the parent of US$208.4 million (2015: loss of US$28.2 million and 2014: earnings of US$27.3 million) and 810,082,191 (2015: 774,763,151 and 2014: 771,814,815) shares being the diluted number of ordinary shares in issue during the year.			

[1] Share option adjustments of 1,804,321 were excluded from the dilutive number of ordinary shares as they are anti-dilutive.

	UNITED STATES DOLLAR		
	2016	2015	2014
11. DIVIDENDS			
2015 final dividend of 21 SA cents per share (2014: 20 SA cents and 2013: 22 SA cents) declared on 16 February 2016.	**10.6**	12.8	15.7
2016 interim dividend of 50 SA cents was declared during 2016 (2015: 4 SA cents 2014: 20 SA cents).	**28.6**	2.3	14.1
A final dividend in respect of the financial year ended 31 December 2016 of 60 SA cents per share was approved by the Board of Directors on 15 February 2017. This dividend payable is not reflected in these financial statements.			
Dividends are subject to dividend withholding tax.			
Total dividends	**39.2**	15.1	29.8
Dividends per share – cents	**5**	2	4
12. ASSETS HELD FOR SALE			
APP[1]	**–**	1.0	
Damang mining fleet and related spares[2]	**26.4**	–	
Total assets held for sale	**26.4**	1.0	

[1] Following the Group's decision to dispose of non-core projects, APP was classified as held for sale and valued at the lower of fair value less cost to sell or carrying value.

APP's carrying value at 31 December 2014 was US$40.0 million following impairments of US$89.7 million and US$3.2 million during 2013 and 2014, respectively, which was based on offers received during 2013 and 2014. During 2015, active marketing activities for the disposal continued after the 2014 offer was not realised. During 2015, APP was further impaired by US$39.0 million, resulting in a carrying value of US$1.0 million at 31 December 2015.

At 31 December 2016, APP no longer meets the definition of an asset held for sale as it is no longer highly probable that the sale will occur within 12 months of classification as held for sale and was reclassified to property, plant and equipment at a recoverable amount of US$1.0 million.

Refer to note 6 for details on the impairment of APP.

[2] Following the Damang re-investment plan, a decision was taken to sell certain mining fleet assets and related spares. The sale of the assets is expected to be concluded during 2017. As a result, the assets were classified as held for sale and valued at the lower of FVLCOD or carrying value which resulted in an impairment of US$7.6 million.

Mining fleet and related spares with carrying values of US$18.6 million and US$7.8 million, respectively, were reclassified to assets held for sale. Refer note 13 and 19 for further details.

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2015				2016		
Land, mineral rights and rehabilitation assets	Mine development, infrastructure and other assets[1]	Total		Total	Mine development, infrastructure and other assets[1]	Land, mineral rights and rehabilitation assets
			13. PROPERTY, PLANT AND EQUIPMENT			
			Cost			
855.6	8,050.5	8,906.1	Balance at beginning of the year	8,648.8	7,913.2	735.6
–	0.1	0.1	Reclassifications	1.0	1.0	–
1.6	632.5	634.1	Additions	649.9	648.6	1.3
–	–	–	Gruyere Gold project asset acquisition[2]	275.9	–	275.9
–	–	–	Reclassification from assets held for sale (refer note 12)	43.2	43.2	–
–	–	–	Reclassification to assets held for sale (refer note 12)	(79.1)	(79.1)	–
–	16.6	16.6	Borrowing costs capitalised[3]	15.1	15.1	–
(0.2)	(25.9)	(26.1)	Disposals	(160.4)	(157.3)	(3.1)
0.8	–	0.8	Changes in estimates of rehabilitation assets	14.9	–	14.9
–	13.6	13.6	Other	3.0	3.0	–
(122.2)	(774.2)	(896.4)	Translation adjustment	153.9	146.8	7.1
735.6	7,913.2	8,648.8	**Balance at end of the year**	9,566.2	8,534.5	1,031.7
			Accumulated depreciation and impairment			
303.9	3,706.5	4,010.4	Balance at beginning of the year	4,336.4	4,035.1	301.3
–	0.1	0.1	Reclassifications	1.0	1.0	–
29.4	580.5	609.9	Charge for the year	679.2	650.2	29.0
0.4	87.1	87.5	Impairment[4]	123.9	120.6	3.3
–	–	–	Reclassification from assets held for sale (refer note 12)	42.2	42.2	–
–	–	–	Reclassification to assets held for sale (refer note 12)	(60.5)	(60.5)	–
(0.1)	(18.0)	(18.1)	Disposals	(158.1)	(155.0)	(3.1)
(32.3)	(321.1)	(353.4)	Translation adjustment	54.3	55.1	(0.8)
301.3	4,035.1	4,336.4	**Balance at end of the year**	5,018.4	4,688.7	329.7
434.3	3,878.1	4,312.4	**Carrying value at end of the year[5]**	4,547.8	3,845.8	702.0

[1] Included in the carrying value of mine development, infrastructure and other assets are exploration and evaluation assets amounting to US$9.1 million (2015: US$18.9 million).

[2] The additions of US$275.9 million (A$372.4 million) are made up of US$197.1 million (A$266.0 million) cash additions and US$78.8 million (A$106.4 million) non-cash additions. Refer note 15.2 for further details.

[3] Borrowing costs of US$15.1 million (2015: US$16.6 million) arising on group general borrowings which are related to the qualifying projects at South Deep were capitalised during the period. An average interest capitalisation rate of 4.7% (2015: 4.8%) was applied.

[4] The impairment of US$123.9 million (2015: US$87.5 million) is made up of US$76.4 million (2015: US$56.7 million) impairment of property, plant and equipment (refer note 6 for details) and US$47.5 million (2015: US$30.8 million) write-off of exploration and evaluation assets. The write-off of exploration and evaluation assets is due to specific exploration programmes not yielding results to warrant further exploration at the Group's Australian operations and is included in the US$92.2 million (2015: US$53.5 million) "Exploration expense" in the consolidated income statement.

[5] Fleet assets in Ghana amounting to US$95.5 million (2015: US$176.6 million) have been pledged as security for the US$70 million senior secured revolving credit facility (refer note 24).

	UNITED STATES DOLLAR	
	2016	2015
14. GOODWILL		
Balance at beginning of the year	**295.3**	385.7
Translation adjustment	**22.5**	(90.4)
Balance at end of the year	**317.8**	295.3

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

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

In line with the accounting policy, the recoverable amount was determined by reference to fair value less costs of disposal ("FVLCOD"). Management's estimates and assumptions used in the 31 December 2016 FVLCOD calculation include:

- Long-term gold price of R600,000 per kilogram (US$1,300 per ounce) for the life-of-mine of 79 years (2015: R500,000 per kilogram (US$1,300 per ounce) for the life-of-mine of 81 years);
- A nominal discount rate of 13.5% (2015: 14.5%);
- Fair value of US$60.0 per resource ounce (2015: US$69.0 per resource ounce), used for resource with infrastructure to calculate the FVLCOD associated with value beyond proved and probable reserves; and
- The annual life-of-mine plan takes into account the following:
  - proved and probable ore reserves of South Deep;
  - cash flows are based on the life-of-mine plan which exceeds a period of five years; and
  - capital expenditure estimates over the life-of-mine plan.

Refer accounting policies on pages 102 and 103 for further discussion on the significant judgements and estimates associated with assessing the carrying value of property, plant and equipment and goodwill.

The carrying value of CGUs, including goodwill, is tested on an annual basis for impairment. In addition, the Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount of a CGU may not be recoverable. There is no goodwill impairment at 31 December 2016 (2015: US$nil).

Notes to the consolidated financial statements (continued)

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		UNITED STATES DOLLAR		
		2016	2015	2014
15.1	**EQUITY-ACCOUNTED INVESTEES**			
(a)	Far Southeast Gold Resources Incorporated ("FSE")	**128.6**	128.6	
(b)	Maverix Metals Incorporated ("Maverix")	**42.1**	–	
(c)	Other	**–**	0.5	
	Total equity-accounted investees	**170.7**	129.1	
	Share of results of equity-accounted investees after taxation recognised in the consolidated income statement are made up as follows:			
(a)	FSE	**(2.3)**	(3.3)	(3.6)
(b)	Maverix	**–**	–	–
(c)	Other	**–**	(2.4)	1.2
		(2.3)	(5.7)	(2.4)

(a) FSE

Gold Fields' interest in FSE, an unlisted entity, was 40% (2015: 40%) at 31 December 2016.

Gold Fields paid US$10.0 million in option fees to Lepanto Consolidated Mining Company ("Lepanto") during the six months ended 31 December 2010. In addition, Gold Fields paid non-refundable down payments of US$66.0 million during the year ended 31 December 2011 and US$44.0 million during the six months ended 31 December 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. On 31 March 2012, Gold Fields acquired 40% of the issued share capital and voting rights of FSE by contributing an additional non-refundable down payment of US$110.0 million. Lepanto owns the remaining 60% shareholding in FSE.

The remaining 20% option is not likely to be exercised until such time as FSE obtains a Foreign Technical Assistance Agreement ("FTAA") which allows for direct majority foreign ownership and control.

FSE has a 31 December year-end and has been equity-accounted since 1 April 2012.

	2016	2015
Investment in joint venture consists of:		
Unlisted shares at cost	**230.0**	230.0
Equity contribution	**77.7**	75.4
Cumulative impairment[1]	**(101.4)**	(101.4)
Share of accumulated losses brought forward	**(75.4)**	(72.1)
Share of loss after taxation[2]	**(2.3)**	(3.3)
Total investment in joint venture[3]	**128.6**	128.6

[1] Refer note 6 for details of impairment.

[2] Gold Fields share of loss after taxation represents exploration and other costs, including work completed on a scoping study.

[3] FSE is a company incorporated under the laws of the Philippines and owns the gold-copper Far Southeast exploration project (the "FSE project"). During the exploration phase of the FSE project and as long as the 20% option remains exercisable, the Group has joint control over the FSE project. The Group will only have the power to direct the activities of FSE once it exercises the option to acquire the additional 20% shareholding in FSE, which is only exercisable once an FTAA is obtained. FSE has no revenues or significant assets or liabilities. Assets included in FSE represent the rights to explore and eventually mine the FSE project.

		UNITED STATES DOLLAR 2016	2015
15.1	**EQUITY-ACCOUNTED INVESTEES (continued)**		
(b)	**Maverix**		
	Gold Fields' interest in Maverix, listed on the Toronto Stock Exchange, was 32% (2015: 0%) at 31 December 2016.		
	On 23 December 2016, Gold Fields sold a portfolio of eleven producing and non-producing royalties to Maverix in exchange for 42.85 million common shares and 10.0 million common share purchase warrants of Maverix, realising a profit on disposal of US$48.0 million. The warrants are classified as derivative instruments and are included in investments (refer note 17).		
	Maverix has a 31 December year-end and has been equity-accounted since 23 December 2016.		
	Investment in associate consists of:		
	Listed shares	42.1	–
	Investment in associate – Maverix	**42.1**	–
	The fair value of the investment in Maverix at 31 December 2016 is US$42.1 million.		
(c)	**Other**		
	Bezant Resources PLC ("Bezant")[1]	–	0.5
	Rusoro Mining Limited ("Rusoro")[2]	–	–
	Investment in associates – Other	**–**	0.5
	Total investments in associates	**42.1**	0.5

[1] During 2016, the Group's holding was diluted from 21.6% to 8.8% following the issue of new shares by Bezant. In line with the Group's accounting policy, this resulted in Bezant no longer being accounted for as an equity-accounted investee and was re-classified to available-for-sale financial investments.

[2] Represents a holding of 26.4% in Rusoro.

The carrying value of Rusoro was written down to US$nil at 31 December 2010 due to losses incurred by the entity. The fair value, based on the quoted market price of the investment was US$23.9 million and US$5.0 million at 31 December 2016 and 31 December 2015, respectively. The unrecognised share of profits of Rusoro for the year amounted to US$18.7 million (2015: unrecognised shares of loss of US$3.6 million). The cumulative unrecognised share of losses of Rusoro amounted to US$194.0 million (2015: US$212.7 million).

On 22 August 2016, the Arbitration Tribunal, operating under the Additional Facility Rules of the World Bank's International Centre for the Settlement of Investment Disputes, awarded Rusoro damages of US$967.8 million plus pre and post-award interest which currently equates to in excess of US$1.2 billion in the arbitration brought by Rusoro against the Bolivarian Republic of Venezuela. Management of Rusoro has not recognised this amount due to the uncertainty over its recoverability.

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15.2 INTEREST IN JOINT OPERATION

On 13 December 2016, Gold Fields purchased 50% of the Gruyere Gold Project and entered into a 50:50 unincorporated joint venture with Gold Road Resources Limited ("Gold Road") for the development and operation of the Gruyere Gold Project in Western Australia, which comprises the Gruyere gold deposit as well as additional resources including Central Bore and Attila/Alaric.

Gold Fields acquired 50% interest in the Gruyere Gold Project for a total purchase consideration of A$350.0 million payable in cash and a 1.5% royalty on Gold Fields' share of production after total mine production exceeds 2 million ounces. The cash consideration is split with A$250.0 million payable on the effective date and A$100.0 million payable according to an agreed construction cash call schedule. Transaction costs of A$18.5 million (US$13.3 million) were incurred.

Below is a summary of Gold Fields' share of the joint operation and includes inter-company transactions and balances:

	2016	
	US$	A$
Statement of financial position		
Non-current assets		
Property, plant and equipment[1]	268.6	372.4
Current assets		
Prepayments	3.9	5.4
Total assets	272.5	377.8
Non-current liabilities		
Deferred taxation	0.1	0.2
Current liabilities	272.4	377.6
Related entity loans payable	191.7	265.8
Deferred payment	67.7	93.8
Stamp duty payable	13.0	18.0
Total liabilities	272.5	377.8

[1] The Gruyere Gold project assets of A$372.4 million were capitalised at the exchange rate on the effective date of the transaction resulting in additions to property, plant and equipment of US$275.9 million. The additions of US$275.9 million (A$372.4 million) are made up of US$197.1 million (A$266.0 million) cash additions and US$78.8 million (A$106.4 million) non-cash additions. Refer note 13.

		UNITED STATES DOLLAR 2016	UNITED STATES DOLLAR 2015
16.	**FINANCIAL INSTRUMENTS**		
	Financial instruments are split per categories below and the accounting policies for financial instruments have been applied to these line items:		
(a)	**Financial assets**		
	Loans and receivables		
	– Environmental trust funds	**44.5**	35.0
	– Trade and other receivables	**68.6**	78.8
	– Cash and cash equivalents	**526.7**	440.0
	Fair value through profit or loss		
	– Trade receivables from provisional copper concentrate sales	**10.6**	3.1
	Available for sale		
	– Investments	**13.8**	10.9
	Derivative instruments		
	– Warrants	**5.9**	–
(b)	**Financial liabilities**		
	Other financial liabilities		
	– Borrowings	**1,692.9**	1,820.3
	– Trade and other payables	**505.6**	393.1
	– South Deep dividend	**6.4**	6.5
17.	**INVESTMENTS**		
	Listed		
	Cost	**62.9**	51.8
	Less: Accumulated impairments	**(45.0)**	(44.9)
	Net unrealised (loss)/gain on revaluation	**(7.4)**	0.9
	Carrying value	**10.5**	7.8
	Market value	**10.5**	7.8
	Unlisted		
	Carrying value at cost	**3.3**	3.1
	Derivative instruments		
	Warrants[2]	**5.9**	–
	Total investments[1]	**19.7**	10.9

[1] All listed investments are classified as available for sale. Refer note 42 for details of major investments.

[2] Consists of 10.0 million common share purchase warrants of Maverix. Refer note 15.1 for further details.

Notes to the consolidated financial statements (continued)

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		UNITED STATES DOLLAR	
		2016	2015
18.	**ENVIRONMENTAL TRUST FUNDS**		
	Balance at beginning of the year	**35.0**	30.4
	Contributions	**7.5**	7.7
	Interest earned	**1.0**	0.4
	Translation adjustment	**1.0**	(3.5)
	Balance at end of the year	**44.5**	35.0
	The trust funds consist of term deposits amounting to US$11.3 million (2015: US$7.9 million) in South Africa, as well as secured cash deposits amounting to US$33.2 million (2015: US$27.1 million) in Ghana.		
	These funds are intended to fund environmental rehabilitation obligations of the Group's South African and Ghanaian mines and are not available for general purposes of the Group. All income earned in these funds is re-invested or spent to meet these obligations. The funds are invested in money market and fixed deposits. The obligations which these funds are intended to fund are included in environmental rehabilitation costs under long-term provisions (Refer note 25.1).		
19.	**INVENTORIES**		
	Gold-in-process and stockpiles	**234.3**	189.7
	Consumable stores[1]	**227.9**	241.3
	Total inventories[2]	**462.2**	431.0
	Heap leach and stockpiles inventories included in non-current assets[3]	**(132.8)**	(132.8)
	Total current inventories[4]	**329.4**	298.2
20.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables – gold sales and copper concentrate	**58.2**	68.1
	Trade receivables – other	**4.5**	3.6
	Deposits	**0.3**	0.2
	Payroll receivables	**10.7**	7.2
	Prepayments	**50.1**	40.5
	Value added tax	**39.6**	43.2
	Diesel rebate	**1.3**	3.3
	Other	**5.5**	2.8
	Total trade and other receivables	**170.2**	168.9
21.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank and on hand	**526.7**	440.0
	Total cash and cash equivalents	**526.7**	440.0

[1] Consumable stores with a fair value of US$7.8 million was reclassified to assets held for sale. Refer note 12 for further details.

[2] Refer note 6 for details on the net realisable value write-downs of inventories.

[3] Heap leach and stockpile inventories will only be processed at the end of life-of-mine.

[4] The cost of consumable stores consumed during the year and included in cost of sales amounted to US$353.9 million (2015: US$389.2 million and 2014: US$441.2 million).

22. SHARE CAPITAL

Authorised and issued

The authorised share capital of the Company is R500.0 million divided into 1,000,000,000 ordinary par value shares of 50 cents each. The issued share capital of the Company at 31 December 2016 is US$59.6 million (2015: US$58.1 million) divided into 820,606,945 (2015: 776,594,162) ordinary par value shares of 50 cents each.

During 2016, Gold Fields successfully completed a US$151.5 million (R2.3 billion) accelerated equity raising by way of a private placement to institutional investors.

A total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represented a 6.0% discount to the 30-day volume weighted average traded price, for the period ended 17 March 2016 and a 0.7% discount to the 50-day moving average.

In terms of the general authority granted by shareholders at the Annual General Meeting ("AGM") on 18 May 2016, 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 at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive schemes, was placed under the control of the directors. This authority expires at the next annual general meeting where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time.

In terms of the JSE listing requirements, shareholders may, subject to certain conditions, authorise the directors to issue the shares held under their control for cash, other than by means of a rights offer, to shareholders. In order that the directors of the Company may be placed in a position to take advantage of favourable circumstances which may arise for the issue of such shares for cash, without restriction, for the benefit of the Company, shareholders will be asked to consider a special ordinary resolution to this effect at the forthcoming 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 AGM held on 18 May 2016. Currently, the number of ordinary shares that may be bought back in any one financial year may not exceed 20% of the issued ordinary share capital as of 18 May 2016. At the next AGM, shareholders will be asked to renew the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

Treasury shares

In 2011, Mvelaphanda Resources Limited unbundled 856,330 shares held in Gold Fields Limited back to Gold Fields Limited. The Group reclassified these shares as treasury shares, resulting in a decrease in share capital and premium.

On 1 March 2016, the 856,330 treasury shares were issued to employees under the Gold Fields Limited 2012 Share Plan as part of the options exercised in 2016 (Refer note 5 for further details). The Group no longer holds any treasury shares.

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		UNITED STATES DOLLAR	
		2016	2015
23.	**DEFERRED TAXATION**		
	The detailed components of the net deferred taxation liability which results from the differences between the carrying amounts of assets and liabilities recognised for financial reporting and taxation purposes in different accounting periods are:		
	Liabilities		
	– Mining assets	**973.2**	959.8
	– Investment in environmental trust funds	**2.8**	2.1
	– Inventories	**13.7**	14.5
	– Other	**3.5**	9.8
	Liabilities	**993.2**	986.2
	Assets		
	– Provisions	**(100.8)**	(104.8)
	– Tax losses	**(54.7)**	(72.4)
	– Unredeemed capital expenditure	**(420.9)**	(375.8)
	Assets	**(576.4)**	(553.0)
	Net deferred taxation liabilities	**416.8**	433.2
	Included in the statement of financial position as follows:		
	Deferred taxation assets	**(48.7)**	(54.1)
	Deferred taxation liabilities	**465.5**	487.3
	Net deferred taxation liabilities	**416.8**	433.2
	Balance at beginning of the year	**433.2**	324.6
	Recognised in profit or loss	**(12.6)**	104.2
	Translation adjustment	**(3.8)**	4.4
	Balance at end of the year	**416.8**	433.2

24. BORROWINGS

Facility	Notes	2016	2015	Borrower	Nominal interest rate	Commitment fee	Maturity date
The terms and conditions of outstanding loans are as follows:							
US$1 billion notes issue (the notes)[1]	(a)(i)	**846.4**	992.6	Orogen	4.875%	–	7 October 2020
Sibanye Gold guarantee fee[2]	(a)(ii)	**–**	–	Orogen	–	–	24 April 2015
US$150 million revolving senior secured credit facility[3]	(b)	**82.0**	42.0	La Cima	LIBOR plus 1.63%	0.65%	19 December 2017
US$70 million senior secured revolving credit facility[4]	(c)	**45.0**	45.0	Ghana	LIBOR plus 2.40%	1.00%	6 May 2017
US$1,510 million term loan and revolving credit facilities[5]	(d)	**–**	724.0				
– Facility A (US$75 million)		**–**	–	Orogen	LIBOR plus 2.45%	–	28 November 2015
– Facility A (US$45 million)		**–**	45.0	Orogen	LIBOR plus 2.45%	–	–
– Facility B (US$720 million)		**–**	150.0	Orogen	LIBOR plus 2.25%	0.90%	–
– Facility C (US$670 million)		**–**	529.0	Orogen	LIBOR plus 2.00%	0.80%	–
US$1,290 million term loan and revolving credit facilities[6]	(e)	**658.5**	–				
– Facility A (US$380 million)		**380.0**	–	Orogen	LIBOR plus 2.50%	–	6 June 2019
– Facility B (US$360 million)		**278.5**	–	Orogen	LIBOR plus 2.20%	0.77%	6 June 2019
– Facility C (US$550 million)		**–**	–	Orogen	LIBOR plus 2.45%	0.86%	6 June 2021
R1,500 million Nedbank revolving credit facility[7]	(f)	**–**	–	GFIJVH/GFO	JIBAR plus 2.50%	0.85%	7 March 2018
Rand revolving credit facilities[8]	(g)						
– R500 million Rand Merchant Bank revolving credit facility		**–**	–	GFIJVH/GFO	JIBAR plus 2.50%	1.00%	19 June 2016
– R500 million Standard Bank revolving credit facility		**–**	–	GFIJVH/GFO	JIBAR plus 2.75%	1.05%	20 December 2016
Short-term Rand uncommitted credit facilities[9]	(h)	**61.0**	16.7	–	–	–	–
Total borrowings		**1,692.9**	1,820.3				
Current borrowings		**(188.0)**	(58.7)				
Non-current borrowings		**1,504.9**	1,761.6				

[1] The balance is net of unamortised transaction costs amounting to US$6.0 million (2015: US$7.4 million) which will unwind over the remaining period of the notes as an interest expense.

The payment of all amounts due in respect of the notes is unconditionally and irrevocably guaranteed by Gold Fields Limited ("Gold Fields"), Sibanye Gold (up to 24 April 2015), Gold Fields Operations Limited ("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.

Gold Fields Australasia Proprietary Limited ("GFA") offered and accepted the purchase of an aggregate principal amount of notes equal to US$147.6 million at the purchase price of US$880 per US$1,000 in principal amount of notes. GFA intends to hold the notes acquired until their maturity on 7 October 2020. The purchase of the notes amounting to US$147.6 million was financed by drawing down under the US$1,510 million term loan and revolving credit facilities. The group recognised a profit of US$17.7 million on the buy back of the notes.

[2] As part of the unbundling of Sibanye Gold in 2013, an indemnity agreement ("the Indemnity Agreement") was entered into between the Guarantors, pursuant to which the Guarantors (other than Sibanye Gold) hold Sibanye Gold harmless from and against any and all liabilities and expenses which may be incurred by Sibanye Gold under or in connection with the notes, including any payment obligations by Sibanye Gold to the noteholders 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 original Sibanye Gold guarantee fee liability was recognised as the present value of future cash flows using a risk-free rate, based on 0.25% of the value of the notes, payable semi-annually. The guarantee fee varied, based on the Group's credit rating.

In March 2015, Gold Fields approached the noteholders through a consent solicitation process to release Sibanye Gold of its obligation as a guarantor under the notes. On 22 April 2015 the noteholders approved the various resolutions to release Sibanye Gold as a guarantor. The release became effective on 24 April 2015 when all the conditions to the extraordinary resolution were met. As a result of this release, the Sibanye Gold guarantee fee of US$26.2 million was derecognised.

[3] Borrowings under the revolving senior secured credit facility are secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima are subject to an account control agreement and a first-ranking charge in favour of the lenders. This facility is non-recourse to the rest of the Group. The revolving senior secured credit facility matures in 2017 and as a result is disclosed as a current liability as at 31 December 2016.

At 31 December 2015, La Cima did not meet certain covenants specified in the revolving senior secured credit facility agreement. The lenders subsequently waived their rights and entitlements arising from the failure of La Cima to meet the specific covenants. Notwithstanding the waiver received from the lenders and the fact that there was no legal or constructive obligation to settle the debt within the next 12 months at the time, IAS 1 *Presentation of Financial Statements*, requires that the balance outstanding under the revolving senior secured credit facility be disclosed as a current liability at 31 December 2015. At 31 December 2016, there are no breaches in covenants.

The total amount available under this facility was US$150.0 million (2015: US$150.0 million) at 31 December 2016.

[4] Borrowings under the facility are guaranteed by Gold Fields Ghana Limited and Abosso Goldfields Limited. Borrowings under this facility are also secured by the registration of security over certain fleet vehicles owned by GF Ghana and Abosso ("Secured Assets"). In addition, the lenders are noted as first loss payees under the insurance contracts in respect of the Secured Assets and are assigned the rights under the maintenance contracts between certain suppliers of the Secured Assets. This facility is non-recourse to the rest of the Group. The facility matures in 2017 and as a result is disclosed as a current liability as at 31 December 2016.

Fleet assets in Ghana amounting to US$95.5 million (2015: US$176.6 million) have been pledged as security for this facility.

[5] Borrowings under these facilities are guaranteed by Gold Fields, GF Holdings, Orogen, GFO and GFIJVH.

US$75 million of Facility A matured on 28 November 2015, resulting in the total amount available at 31 December 2015 to be US$1,435 million.

The remaining facilities were cancelled and refinanced through the US$1,290 million term loan and revolving credit facilities on 6 June 2016, resulting in the total amount available to be US$nil at 31 December 2016.

[6] Borrowings under this facility are guaranteed by Gold Fields, GFO, GF Holdings, Orogen, GFIJVH and Gold Fields Ghana Holdings (BVI) Limited.

[7] Borrowings under this facility are guaranteed by Gold Fields, GFO, GF Holdings, Orogen and GFIJVH.

[8] Borrowings under these facilities were guaranteed by Gold Fields, GFO, GF Holdings, Orogen and GFIJVH.

[9] The Group utilised uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operation. These facilities have no fixed terms, are short term in nature and interest rates are market related. Borrowings under these facilities are guaranteed by Gold Fields.

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		UNITED STATES DOLLAR	
		2016	2015
24.	**BORROWINGS (continued)**		
(a)(i)	**US$1 billion notes issue**		
	Balance at beginning of the year	**992.6**	964.6
	Transaction costs derecognised	**–**	26.2
	Buy-back of US$200 million notes	**(129.9)**	–
	Profit on buy-back of notes	**(17.7)**	–
	Unwinding of transaction costs	**1.4**	1.8
	Balance at end of the year	**846.4**	992.6
(a)(ii)	**Sibanye Gold guarantee fee**		
	Balance at beginning of the year	**–**	26.7
	Payment of Sibanye Gold guarantee fee	**–**	(0.9)
	Unwinding of interest	**–**	0.4
	Derecognition	**–**	(26.2)
	Balance at end of the year	**–**	–
(b)	**US$150 million revolving senior secured credit facility**		
	Balance at beginning of the year	**42.0**	42.0
	Loans advanced	**40.0**	–
	Balance at end of the year	**82.0**	42.0
(c)	**US$70 million senior secured revolving credit facility**		
	Balance at beginning of the year	**45.0**	35.0
	Loans advanced	**–**	10.0
	Balance at end of the year	**45.0**	45.0
(d)	**US$1,510 million term loan and revolving credit facilities**		
	Balance at beginning of the year	**724.0**	626.0
	Loans advanced	**174.0**	400.0
	Repayments	**(898.0)**	(302.0)
	Balance at end of the year	**–**	724.0
(e)	**US$1,290 million term loan and revolving credit facilities**		
	Loans advanced	**707.5**	–
	Repayments	**(49.0)**	–
	Balance at end of the year	**658.5**	–
(f)	**R1,500 million Nedbank revolving credit facility**		
	Balance at beginning of the year	**–**	129.8
	Loans advanced	**20.8**	–
	Repayments	**(21.3)**	(129.0)
	Translation adjustment	**0.5**	(0.8)
	Balance at end of the year	**–**	–
(g)	**Rand revolving credit facilities**		
	Balance at beginning of the year	**–**	21.6
	Loans advanced	**–**	–
	Repayments	**–**	(21.5)
	Translation adjustment	**–**	(0.1)
	Balance at end of the year	**–**	–

		UNITED STATES DOLLAR	
		2016	2015
24.	**BORROWINGS (continued)**		
(h)	**Short-term Rand uncommitted credit facilities**		
	Balance at beginning of the year	**16.7**	65.2
	Loans advanced	**356.4**	96.0
	Repayments	**(315.0)**	(141.8)
	Translation adjustment	**2.9**	(2.7)
	Balance at end of the year	**61.0**	16.7
	Total borrowings	**1,692.9**	1,820.3
	The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:		
	Variable rate with exposure to repricing (six months or less)	**846.5**	827.7
	Fixed rate with no exposure to repricing (US$1 billion notes issue)	**846.4**	992.6
		1,692.9	1,820.3
	The carrying amounts of the Group's borrowings are denominated in the following currencies:		
	US Dollar	**1,631.9**	1,803.6
	Rand	**61.0**	16.7
		1,692.9	1,820.3
	The Group has the following undrawn borrowing facilities:		
	Committed	**979.0**	1,009.5
	Uncommitted	**56.6**	79.1
		1,035.6	1,088.6
	All of the above undrawn committed facilities have floating rates. The uncommitted facilities have no expiry dates and are open ended. Undrawn committed facilities have the following expiry dates:		
	– within one year	**93.0**	66.2
	– later than one year and not later than two years	**106.9**	844.0
	– later than two years and not later than three years	**81.5**	99.3
	– later than three years and not later than five years	**697.6**	–
		979.0	1,009.5

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		UNITED STATES DOLLAR	
		2016	2015
25.	**PROVISIONS**		
25.1	**Environmental rehabilitation costs**	**283.1**	275.4
25.2	**South Deep dividend**	**6.4**	6.5
25.3	**Other**	**2.2**	2.2
	Total provisions	**291.7**	284.1
25.1	**Environmental rehabilitation costs**		
	Balance at beginning of the year	**275.4**	311.2
	Changes in estimates[1]	**5.0**	(14.3)
	Interest expense	**10.9**	11.7
	Payments	**(7.4)**	(9.8)
	Translation adjustment	**(0.8)**	(23.4)
	Balance at end of the year[2]	**283.1**	275.4
	The provision is calculated using the following gross closure cost estimates:		
	South Africa	**37.1**	29.0
	Ghana	**105.3**	91.5
	Australia	**181.8**	186.0
	Peru	**56.6**	46.7
	Total gross closure cost estimates	**380.8**	353.2
	The provision is calculated using the following assumptions:	**Inflation rate**	**Discount rate**
	2016		
	South Africa	**5.5%**	**9.7%**
	Ghana	**2.2%**	**9.7% – 9.8%**
	Australia	**2.5%**	**1.9% – 3.0%**
	Peru	**2.2%**	**3.7%**
	2015		
	South Africa	5.4%	10.1%
	Ghana	2.2%	7.8% – 8.8%
	Australia	2.5%	2.0% – 2.8%
	Peru	2.2%	3.5%

[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, closure cost estimates and discount rates.

[2] South African, Ghanaian, Australian and Peruvian mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. These environmental rehabilitation costs are funded as follows:
– Ghana – reclamation bonds underwritten by banks and restricted cash (refer note 18);
– South Africa – contributions into environmental trust funds (refer note 18) and guarantees;
– Australia – unfunded; and
– Peru – bank guarantees.

Refer to note 38 for expected timing of cash outflows in respect of the gross closure cost estimates. Certain current rehabilitation costs are charged to this provision as and when incurred.

	UNITED STATES DOLLAR 2016	2015
25. PROVISIONS (continued)		
25.2 South Deep dividend		
Total provision	**7.8**	7.8
Current portion included in trade and other payables	**(1.4)**	(1.3)
Balance at end of the year	**6.4**	6.5

During the six month period ended 31 December 2010, a wholly owned subsidiary company of Gold Fields, Newshelf 899 (Proprietary) Limited ("Newshelf"), was created to acquire 100% of the South Deep net assets from Sibanye Gold. Sibanye Gold was a wholly owned subsidiary of Gold Fields at the time. The new company then issued 10 million Class B ordinary shares representing 10% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share and can convert the Class B to Class A ordinary shares over a 20 year period from the effective date of the transaction, 6 December 2010. The Class B ordinary shares will convert one-third after 10 years and a third thereafter on each fifth year anniversary.

This transaction was made up of a preferred BEE dividend (R151.4 million) and an equity component (R673.4 million). The preferred dividend represents a liability of Gold Fields to the Class B ordinary shareholders and was valued at R151.4 million, of which R20.0 million or US$1.3 million was declared on 16 March 2016 (20 March 2015: R20.0 million or US$1.7 million) and R20.0 million or US$1.4 million (2015: R20.0 million or US$1.3 million) is classified as a short-term portion under trade and other payables.

	2016	2015
26. LONG-TERM INCENTIVE PLAN		
Balance at beginning of the year	**12.6**	8.3
Charge to income statement	**11.0**	5.3
Translation adjustment	**–**	(1.0)
Balance at end of the year	**23.6**	12.6

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited Long-Term Incentive Plan ("LTIP") to replace the Gold Fields Limited 2012 Share Plan. The plan provides for executive directors, certain officers and employees to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions are assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made. The fair value of the free cash flow portion of the awards are valued based on the actual and expected achievement of the cash flow targets set out in the plan. No allocations were made under the LTIP in 2016 following the introduction of the Gold Fields Limited 2012 share plan as amended (Refer note 5).

The fair value of the total shareholder return portion of the awards granted during the year made under this plan is valued using the Monte Carlo simulation model. The inputs to the model were as follows:

	2016	2015
– 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)	**–**	45.2%
– expected term (years)	**–**	3.0
– three-year risk-free interest rate (based on US interest rates)	**–**	1.5%

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		UNITED STATES DOLLAR		
		2016	2015	2014
27.	**TRADE AND OTHER PAYABLES**			
	Trade payables	**169.3**	155.3	
	Accruals and other payables	**245.9**	226.4	
	Leave pay accrual	**37.7**	34.5	
	Interest payable on loans	**9.7**	11.4	
	Deferred payment – refer note 15.2	**67.7**	–	
	Stamp duty payable – refer note 15.2	**13.0**	–	
	Total trade and other payables	**543.3**	427.6	
28.	**CASH GENERATED BY OPERATIONS**			
	Profit/(loss) for the year	**173.7**	(242.6)	20.4
	Mining and income taxation	**192.1**	247.1	118.1
	Royalties	**80.4**	76.0	86.1
	Interest expense	**82.5**	87.8	105.0
	Interest received	**(7.3)**	(5.9)	(3.6)
	Dividends received	**–**	–	(0.1)
	Profit before non-cash and other adjusting items	**521.4**	162.4	325.9
	Amortisation and depreciation	**679.2**	609.9	656.7
	Interest expense – environmental rehabilitation	**10.9**	11.7	18.4
	Non-cash rehabilitation (income)/charge	**(9.9)**	(15.1)	18.4
	Interest received – environmental trust funds	**(1.0)**	(0.4)	(0.5)
	Impairment and write-off of investments and assets	**124.0**	251.9	26.7
	(Profit)/loss on disposal of assets	**(48.0)**	0.1	1.3
	Profit on disposal of investments	**(2.3)**	(0.1)	(0.5)
	Profit on disposal of Chucapaca	**–**	–	(4.6)
	Share-based payments	**14.4**	10.9	26.0
	Long-term incentive plan	**11.0**	5.3	8.7
	Borrowing costs capitalised	**(15.1)**	(16.6)	(24.2)
	Share of results of equity-accounted investees after taxation	**–**	2.4	(1.2)
	Other	**(14.5)**	(17.0)	10.2
	Total cash generated by operations	**1,270.1**	1,005.4	1,061.3
29.	**CHANGE IN WORKING CAPITAL**			
	Inventories	**(38.6)**	46.9	(15.6)
	Trade and other receivables	**2.8**	37.4	26.6
	Trade and other payables	**33.1**	(40.7)	72.7
	Total change in working capital	**(2.7)**	43.6	83.7
30.	**ROYALTIES PAID**			
	Amount owing at beginning of the year	**(18.5)**	(20.4)	(23.1)
	Royalties	**(80.4)**	(76.0)	(86.1)
	Amount owing at end of the year	**20.2**	18.5	20.4
	Translation	**–**	1.0	–
	Total royalties paid	**(78.7)**	(76.9)	(88.8)
31.	**TAXATION PAID**			
	Amount owing at beginning of the year	**(59.3)**	(37.8)	(11.5)
	SA and foreign current taxation	**(204.7)**	(142.9)	(134.2)
	Amount owing at end of the year	**107.9**	59.3	37.8
	Translation	**–**	3.0	2.6
	Total taxation paid	**(156.1)**	(118.4)	(105.3)

	UNITED STATES DOLLAR		
	2016	2015	2014
32. DISPOSAL OF CHUCAPACA			
During 2014, Gold Fields disposed of its 51% interest in Canteras del Hallazgo (entity that houses the Chucapaca project in Peru) to Compañía de Minas Buenaventura S.A.A.			
Below is a summary of Chucapaca's assets and liabilities disposed of in 2014:			
Property, plant and equipment	**–**	–	132.4
Non-current assets	**–**	–	10.1
Trade and other receivables	**–**	–	5.7
Cash and cash equivalents	**–**	–	0.7
Total assets disposed of	**–**	–	148.9
Deferred taxation	**–**	–	2.1
Trade and other payables	**–**	–	0.6
Total liabilities disposed of	**–**	–	2.7
Net assets disposed of	**–**	–	146.2
Less: Non-controlling interest	**–**	–	(69.8)
Carrying value disposed of	**–**	–	76.4
Cash received	**–**	–	81.0
Profit on disposal	**–**	–	4.6
33. RETIREMENT BENEFITS			
All employees are members of various defined contribution retirement schemes.			
Contributions to the various retirement schemes are fully expensed during the period in which they are incurred. The cost of providing retirement benefits for the year amounted to US$30.0 million (2015: US$32.8 million and 2014: US$35.4 million).			
34. COMMITMENTS			
Capital expenditure			
Contracted for	**46.2**	48.9	
Operating leases[1]			
– within one year	**42.5**	2.6	
– later than one and not later than five years	**229.9**	4.4	
– later than five years	**277.3**	–	
Guarantees			
The Group provides environmental obligation guarantees with respect to its South African, Peruvian and Ghanaian operations. These guarantees amounted to US$100.1 million at 31 December 2016 (2015: US$80.0 million) (refer note 25.1).			

[1] The operating lease commitments consist mainly of power purchase agreements entered into at Tarkwa and Damang in 2016. Included in these amounts are payments for non-lease elements in the arrangement.

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35. CONTINGENT LIABILITIES

Randgold and Exploration summons

On 21 August 2008, Gold Fields Operations Limited ("GFO"), formerly known as Western Areas Limited ("WAL"), a subsidiary of Gold Fields Limited, received a summons from Randgold and Exploration Company Limited ("R&E") and African Strategic Investment (Holdings) Limited. The summons claims that during the period that GFO was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now Uranium One.

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One between the dates of the alleged thefts and March 2008 (between approximately US$700 million and US$800 million (between R11 billion and R12 billion)). The alternative claims have been computed on the basis of the actual amounts allegedly received by GFO to fund its operations (approximately R519 million or US$34 million).

During quarter three of 2015, simultaneously with delivering its plea, GFO joined certain third parties to the action (namely JCI Limited, JC Lamprecht, RAR Kebble and the deceased and insolvent estate of BK Kebble), in order to enable it to claim compensation against such third parties in the event that the plaintiffs are successful in one or more of their claims. In addition, notices in terms of section 2(2)(b) of the Apportionment of Damages Act, 1956 were served on various parties by GFO, in order to enable it to make a claim for a contribution against such parties in terms of the Apportionment of Damages Act, should the plaintiffs be successful in one or more of its claims.

It should be noted that the claims lie only against GFO, whose only interest is a 50% stake in the South Deep mine. This alleged liability is historic and relates to a period of time prior to the Group purchasing the Company.

GFO's assessment remains that it has sustainable defences to these claims and, accordingly, Gold Fields Operation Limited's attorneys were instructed to vigorously defend the claims.

The ultimate outcome of the claims cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these claims, if any, has been made in the consolidated financial statements.

Silicosis

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' 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 ("ODMWA") governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. In 2011 the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent employees from seeking compensation from their 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 Gold Fields to claims related to occupational hazards and diseases (including silicosis), which may be in the form of a class or similar group action. If Gold Fields 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 Gold Fields' results of operations and financial condition. In addition, Gold Fields 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.

During 2012 and 2014, two court applications were served on Gold Fields and its subsidiaries (as well as other mining companies) by various applicants purporting to represent classes of mine workers (and where deceased, their dependants) who were previously employed by or who are employees of, among others, Gold Fields or any of its subsidiaries and who allegedly contracted silicosis and/or tuberculosis.

These were applications in terms of which the court was asked to certify a class action to be instituted by the applicants on behalf of the classes of affected people. According to the applicants, these are the first and preliminary steps in a process, where if the court were to certify the class action, the applicants will in the second stage, bring an action wherein they will attempt to hold Gold Fields and other mining companies liable for silicosis and/or tuberculosis and the resultant consequences. The applicants contemplate dealing in the second stage with what the applicants describe as common legal and factual issues regarding the claims arising for the whole of the 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 Gold Fields and the other mining companies. These applications do not identify the number of claims that could be instituted against Gold Fields and the other mining companies or the quantum of damages the applicants may seek.

35. CONTINGENT LIABILITIES (continued)

Silicosis (continued)

Gold Fields opposed the applications.

The two class actions were consolidated into one application on 17 October 2014. In terms of the consolidated application, the court is asked to allow the class actions to be certified. The consolidated application was heard during the weeks of 12 and 19 October 2015. Judgment was reserved.

On 13 May 2016, the High Court ordered, among other things: (1) the certification of two classes: (a) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependants of mine workers who have died of silicosis; and (b) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependants of deceased mine workers who died of pulmonary tuberculosis; and (2) that the common law be developed to provide that, where a claimant commences suing for general damages and subsequently dies whether arising from harm caused by a wrongful act or omission of a person or otherwise, before close of pleadings, and who would but for his or her death have been entitled to continue with such action, the claim for general damages will transmit to the estate of the deceased claimant.

The progression of the classes certified will be done in two phases: (i) a determination of common issues, on an opt-out basis, and (ii) the hearing and determination of individualised issues, on an opt-in basis. In addition, costs were awarded in favour of the claimants. The High Court ruling did not represent a ruling on the merits of the cases brought by the claimants. The amount of damages has not yet been quantified for any of the claimants in the consolidated class application or for any other members of the classes.

Gold Fields and the other respondents believe that the judgment addressed a number of highly complex and important issues, including a far-reaching amendment of the common law, that have not previously been considered by other courts in South Africa. The High Court itself found that the scope and magnitude of the proposed claims is unprecedented in South Africa and that the class action would address novel and complex issues of fact and law. The companies applied for leave to appeal against the judgment because they believed that the court's ruling on some of these issues is incorrect and that another court may come to a different decision.

On 24 June 2016, the High Court granted the mining companies leave to appeal against the finding amending the common law in respect of the transmissibility of general damages claims. It refused leave to appeal on the certification of silicosis and tuberculosis classes.

On 15 July 2016, Gold Fields and the other respondents each filed petitions to the Supreme Court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis. On 21 September 2016, the Supreme Court of Appeal granted the respondents leave to appeal against all aspects of the class certification judgment of the South Gauteng High Court delivered in May 2016. The appeal record has been filed. It is anticipated that an appeal hearing date may be allocated in the third quarter of 2017.

In addition to the consolidated class action application, an individual action has been instituted against Gold Fields and other mining companies in terms of which the plaintiff claims some US$2 million (R25 million) in damages plus interest and costs, arising from his alleged contraction of silicosis which he claims was caused by the defendants. The matter is being defended. Gold Fields is proceeding with trial preparation in the normal course. No trial date has yet been allocated.

The ultimate outcome of these matters cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these actions, if any, has been made in the consolidated financial statements.

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35. CONTINGENT LIABILITIES (continued)

Acid mine drainage

Acid mine drainage ("AMD") or acid rock drainage ("ARD"), collectively called acid drainage ("AD") is formed when certain sulphide minerals in rocks are exposed to oxidising conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

Gold Fields has identified incidences of AD, and the risk of potential short-term and long-term AD issues, specifically at its Cerro Corona, South Deep and Damang mines and, at currently immaterial levels, its Tarkwa and St Ives mines. The AD issues at Damang mine are confined to the Rex open pit.

Gold Fields commissioned additional technical studies during 2016 to identify the steps required to prevent or mitigate the potentially material AD impacts at its Cerro Corona, Damang and South Deep operations, but none of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Company. Gold Fields mine closure cost estimates for 2016 contain costs for the aspects of AD management which the Company has reliably been able to estimate.

Gold Fields continues to investigate technical solutions at both its South Deep, Cerro Corona and Damang mines to better inform appropriate short- and long-term mitigation strategies for AD management and to work towards a reasonable cost estimate of these potential issues. Further studies are planned for 2017.

No adjustment for any effects on the Company that may result from AD, if any, has been made in the consolidated financial statements other than through the Group's normal rehabilitation provisions (refer note 25.1).

Native claim

On 29 March 2016, the Full Court of the Federal Court of Australia overturned a July 2014 Federal Court decision that the re-grant of certain tenements to Gold Fields Australia's St Ives mine in 2004 by the State was not compliant with the correct processes in the Native Title Act 1993 (Cth).

The Full Federal Court confirmed that St Ives' re-granted tenements are valid for the purpose of the Native Title Act, and that while St Ives' rights as tenement holder and the Ngadju People's native title rights shall coexist, St Ives' rights shall prevail should there be any inconsistencies.

Following the decision of the Full Federal Court in favour of St Ives, the Ngadju group applied for permission to appeal that decision to the High Court of Australia. On 14 October 2016, that request was declined by the High Court, leaving no other opportunity for review or appeal. St Ives continues to engage with the Ngadju group in relation to routine heritage surveys and other matters.

Accordingly, no adjustment for any effects on the Company has been made in the consolidated financial statements.

Regulatory investigation

On 22 June 2015, Gold Fields notified shareholders that it had been informed by the Foreign Corrupt Practices Act Unit of the United States Securities Exchange Commission ("the Commission") that it had concluded its investigation in connection with the Black Economic Empowerment ("BEE") transaction related to South Deep and, based on the information available to them, would not recommend to the Commission that enforcement action be taken against Gold Fields.

The notice was provided under the guidelines set out in the final paragraph of the Securities Act Release No 5310, which states in part that the notice must in no way be construed as indicating that the party has been exonerated or that no action may ultimately result from the staff's investigation.

In South Africa, in 2013 the Directorate for Priority Crime Investigation ("the Hawks") informed the Company that it had started a preliminary investigation into the BEE transaction to determine whether or not to proceed with a formal investigation, following a complaint by the Democratic Alliance, a political party in South Africa. The investigation is still in process and it is not possible to determine what effect the ultimate outcome of this investigation, any regulatory findings and any related developments could have on the Company or the timing thereof.

Accordingly, no adjustment for any effects on the Company that may result from the outcome of these investigations, if any, has been made in the consolidated financial statements.

35. CONTINGENT LIABILITIES (continued)

South Deep tax dispute

The South Deep mine ("South Deep") is jointly owned and operated by GFIJVH (50%) and GFO (50%).

At 31 December 2016, South Deep's gross deductible temporary differences amounted to US$1,585.3 million (R22,242.2 million), resulting in a deferred tax asset balance of US$475.6 million (R6,672.7 million). This amount is included in the consolidated deferred tax asset of US$48.7 million on Gold Fields' statement of financial position. South Deep's gross deductible temporary differences comprises unredeemed capital expenditure balances of US$633.2 million (R8,884.0 million) (tax effect: US$190.0 million (R2,665.2 million)) at GFIJVH and US$606.4 million (R8,508.0 million) (tax effect: US$181.9 million (R2,552.4 million)) at GFO, a capital allowance balance (additional capital allowance) of US$163.4 million (R2,292.0 million) (tax effect: US$49.0 million (R687.6 million)) at GFIJVH and an assessed loss balance of US$182.3 million (R2,558.2 million) (tax effect: US$54.7 million (R767.5 million)) at GFO.

During the September 2014 quarter, the South African Revenue Service ("SARS") issued a Finalisation of Audit Letter ("the Audit Letter") stating that SARS has restated GFIJVH's additional capital allowance balance reflected on its 2011 tax return from R2,292.0 million (US$151.8 million) to nil. The tax effect of this amount is R687.6 million (US$49.0 million), that being referred to above as the "additional capital allowance".

The additional capital allowance was claimed by GFIJVH in terms of section 36(11)(c) of the South African Income Tax Act, 1962 ("the Act"). The additional capital allowance provides an incentive for new mining development and only applies to unredeemed capital expenditure. The additional capital allowance allows a 12% capital allowance over and above actual capital expenditure incurred on developing a deep level gold mine, as well as a further annual 12% allowance on the mine's unredeemed capital expenditure balance brought forward, until the year that the mine starts earning mining taxable income (ie when all tax losses and unredeemed capital expenditure have been fully utilised).

In order to qualify for the additional capital allowance, South Deep must qualify as a "post-1990 gold mine" as defined in the Act. A "post-1990 gold mine", according to the Act, is defined as "a gold mine which, in the opinion of the Director-General: Mineral and Energy Affairs, is an independent workable proposition and in respect of which a mining authorisation for gold mining was issued for the first time after 14 March 1990".

During 1999, the Director-General: Minerals and Energy Affairs ("DME") and SARS confirmed, in writing, that GFIJVH is a "post-1990 gold mine" as defined, and therefore qualified for the additional capital allowance. Relying on these representations, GFIJVH subsequently filed its tax returns on this basis, as was confirmed by the DME and SARS.

In the Audit Letter, SARS stated that both the DME and SARS erred in issuing the confirmations as mentioned above and that GFIJVH does not qualify as a "post-1990 gold mine" and therefore does not qualify for the additional capital allowance.

The Group has taken legal advice on the matter and was advised by external Senior Counsel that SARS should not be allowed to disallow the claiming of the additional capital allowance. GFIJVH has in the meantime not only formally appealed against the position taken by SARS, but also filed an application in the High Court and will vigorously defend its position. A trial date in the Tax Court has been set for October 2017.

Accordingly, no adjustment for any effects on the Company that may result from the proceedings, if any, has been made in the consolidated financial statements.

36. EVENTS AFTER THE REPORTING DATE

Final dividend

On 15 February 2017, Gold Fields declared a final dividend of 60 SA cents per share.

Darlot disposal

On 16 February 2017, Gold Fields announced their intention to dispose of its Darlot operations in Australia.

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37. FAIR VALUE OF ASSETS AND LIABILITIES

The estimated fair values of the Group's financial assets and liabilities are:

	UNITED STATES DOLLAR			
	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	**526.7**	**526.7**	440.0	440.0
Trade and other receivables	**79.2**	**79.2**	81.9	81.9
Environmental trust fund	**44.5**	**44.5**	35.0	35.0
Investments	**19.7**	**19.7**	10.9	10.9
Financial liabilities				
Trade and other payables	**505.6**	**505.6**	393.1	393.1
Borrowings	**1,504.9**	**1,496.7**	1,761.6	1,527.8
Current portion of borrowings	**188.0**	**188.0**	58.7	58.7
South Deep dividend	**6.4**	**6.4**	6.5	6.5

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

Trade and other receivables, trade and other payables and cash and cash equivalents

The carrying amounts approximate fair values due to the short maturity of these instruments, except for oil derivatives amounting to US$nil (2015: US$1.5 million) included in other payables which are measured at fair value. The fair values of these contracts are determined by using available market contract values for each trading date's settlement volume.

Investments

The fair value of publicly traded instruments (listed investments) is based on quoted market values. Unlisted investments are accounted for at cost with adjustments for write-downs where appropriate and the fair value approximates their carrying value. Derivative instruments are accounted for at fair value with adjustments to the fair value being recognised in profit or loss.

Environmental trust fund

The environmental trust fund is stated at fair value based on the nature of the fund's investments.

Borrowings and current portion of borrowings

The fair value of borrowings and current portion of borrowings, except for the US$1 billion notes issue at a fixed interest rate, approximates their carrying amount as the impact of credit risk is included in the measurement of carrying amounts. The fair value of the US$1 billion notes issue is based on listed market prices.

South Deep dividend

The carrying amount approximates the fair value.

37. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The Group uses the following hierarchy for measuring the fair value of assets and liabilities at the reporting date:

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers during the years ended 31 December 2016 and 2015.

The following table sets out the Group's assets and liabilities measured at fair value by level within the fair value hierarchy at the reporting date:

UNITED STATES DOLLAR

2015					**2016**			
Level 1	Level 2	Level 3	Total		**Total**	**Level 1**	**Level 2**	**Level 3**
				Assets measured at fair value				
–	3.1	–	3.1	Trade receivables from provisional copper concentrate sales	**10.6**	**–**	**10.6**	**–**
7.8	–	–	7.8	Listed investments	**10.5**	**10.5**	**–**	**–**
				Derivative instruments	**5.9**		**5.9**	**–**
				Liabilities measured at fair value				
–	1.5	–	1.5	Oil derivative contracts	**–**	**–**	**–**	**–**

Trade receivables from provisional copper concentrate sales

Valued using quoted market prices based on the forward London Metal Exchange ("LME") and, as such, is classified within Level 2 of the fair value hierarchy.

Listed investments

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

Derivative instruments

Derivative instruments are measured at fair value through profit or loss. The fair value is determined using a standard European call option format based on a standard option theory model.

Oil derivative contracts

The fair values of these contracts are determined by using available market contract values for each trading date's settlement volume.

Notes to the consolidated financial statements (continued)

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38. RISK MANAGEMENT ACTIVITIES

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

Controlling and managing risk in the Group

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

Gold Fields' Board of Directors has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' 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 Group's business activities in order to protect profit and cash flows. Treasury activities of Gold Fields Limited 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 of Gold Fields Limited, which are reviewed and approved annually by the Audit Committee.

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

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

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

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

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

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

Counterparty exposure: The objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Group is limited to a maximum investment of 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 Group and that they comply where necessary with all relevant regulatory and statutory requirements.

38. RISK MANAGEMENT ACTIVITIES (continued)

Credit risk

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

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

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 of the Group is as follows:

	UNITED STATES DOLLAR	
	2016	2015
Environmental trust funds	**44.5**	35.0
Trade and other receivables	**79.2**	81.9
Cash and cash equivalents	**526.7**	440.0

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

Trade and other receivables above exclude VAT, prepayments and diesel rebates amounting to US$91.0 million (2015: US$87.0 million).

Receivables that are past due but not impaired total US$nil (2015: US$nil). At 31 December 2016, receivables of US$0.2 million (2015: US$0.1 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 above mentioned investment risk management and counterparty exposure risk management policies.

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38. RISK MANAGEMENT ACTIVITIES (continued)

Liquidity risk

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

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

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

	UNITED STATES DOLLAR			
	Within one year	Between one and five years	After five years	Total
2016				
Trade and other payables	**505.6**	**–**	**–**	**505.6**
Borrowings[1]				
– US$ borrowings[2]				
– Capital	**127.0**	**1,510.9**	**–**	**1,637.9**
– Interest	**64.6**	**145.1**	**–**	**209.7**
– Rand borrowings[3]				
– Capital	**61.0**	**–**	**–**	**61.0**
– Interest	**5.1**	**–**	**–**	**5.1**
Environmental rehabilitation costs[4]	**3.6**	**29.8**	**347.4**	**380.8**
South Deep dividend	**1.4**	**5.2**	**6.2**	**12.8**
Total	**768.3**	**1,691.0**	**353.6**	**2,812.9**
2015				
Trade and other payables	393.1	–	–	393.1
Borrowings[1]				
– US$ borrowings[2]				
– Capital	42.0	1,769.0	–	1,811.0
– Interest	71.6	203.9	–	275.5
– Rand borrowings[3]				
– Capital	16.7	–	–	16.7
– Interest	1.3	–	–	1.3
Environmental rehabilitation costs[4]	–	34.7	318.5	353.2
South Deep dividend	1.3	5.3	6.6	13.2
Total	526.0	2 012.9	325.1	2 864.0

[1] Spot rate: R14.03 = US$1.00. (2015: R15.10 = US$1.00).

[2] US$ borrowings – Spot LIBOR (one month fix) rate adjusted by specific facility agreement: 0.75611% (2015: 0.4175% (one month fix)).

[3] ZAR borrowings – Bank overnight borrowing rate on uncommitted credit facilities: average of 8.3% (2014: 7.5%).

[4] Although environmental rehabilitation costs do not meet the definition of a financial liability, the Group included the gross closure cost estimate in the undiscounted cash flows as it represents a future cash outflow (refer note 25.1). In South Africa and Ghana, US$44.5 million (2015: US$35.0 million) of the environmental rehabilitation costs is funded through the environmental trust funds.

38. RISK MANAGEMENT ACTIVITIES (continued)

Market risk

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

IFRS 7 sensitivity analysis

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

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

Foreign currency sensitivity

General and policy

In the ordinary course of business, Gold Fields enters into transactions, such as gold sales, denominated in foreign currencies, primarily US Dollar. In addition, Gold Fields has investments and indebtedness in US Dollar, as well as South African Rand.

Gold Fields may from time to time establish currency financial instruments to protect underlying cash flows.

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

Although this exposes Gold Fields to transaction and translation exposure from fluctuations in foreign currency exchange rates, Gold Fields does not generally hedge its foreign currency exposure, although it may do so in specific circumstances, such as financing projects or acquisitions. Also, Gold Fields on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainable 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. The Group had no significant exposure to currency risk relating to financial instruments at 31 December 2016 and 2015. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into account.

Foreign currency hedging experience

On 25 February 2016, South Deep entered into US$/Rand forward exchange contracts for a total delivery of US$69.8 million starting at July 2016 to December 2016. The average forward rate achieved over the six-month period was R16.8273. The hedge was delivered in July and August and the balance closed out in September 2016. The average rate achieved on delivery and close out was R13.8010, resulting in a profit of R211.2 million (US$14.4 million). At 31 December 2016 and 2015, there were no material foreign currency contract positions.

Commodity price hedging policy

Gold and copper

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

Oil

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

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38. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price hedging experience

Gold and copper

The Group's policy is to remain unhedged to the gold and copper price. However, hedges are sometimes undertaken as follows:

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

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

Oil

On 26 November 2014, GFA entered into further Singapore Gasoil 10ppm cash settled swap transaction contracts. A contract for 63,000 barrels for the period January to March 2015 was committed at a fixed price of US$94.00 per barrel and a further 283,500 barrels was committed at a price of US$96.00 per barrel for the period April to December 2015. Brent Crude at the time of the transaction was US$78.45 per barrel.

At 31 December 2015, the fair value of these oil derivative contracts was negative US$1.5 million. At 31 December 2016, there were no material oil derivative contracts outstanding.

Equity securities price risk

General

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

The Group's equity investments are publicly traded and are listed on one of the following exchanges:

- JSE Limited
- Toronto Stock Exchange
- Australian Stock Exchange
- London Stock Exchange

At 31 December 2016 and 2015, the Group had no significant exposure to equity security price risk.

38. RISK MANAGEMENT ACTIVITIES (continued)

Interest rate sensitivity

General

As Gold Fields has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Gold Fields' interest rate risk arises from borrowings.

As of 31 December 2016, Gold Fields' borrowings amounted to US$1,692.9 million (2015: US$1,820.3 million). Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances.

Interest rate sensitivity analysis

The portion of Gold Fields' interest-bearing borrowings at year-end that is exposed to interest rate fluctuations is US$846.5 million (2015: US$827.7 million). These borrowings are normally rolled for periods between one and three months and are therefore exposed to the rate changes in this period. The remainder of the borrowings bear interest at a fixed rate.

US$785.5 million (2015: US$811.0 million) of the total borrowings at reporting date is exposed to changes in the LIBOR rate and US$61.0 million (2015: US$16.7 million) is exposed to the South African prime ("prime") interest rate. The relevant interest rates for each facility are described in note 24.

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

UNITED STATES DOLLAR

	Change in interest expense for a nominal change in interest rates					
Sensitivity to interest rates	(1.5%)	(1.0%)	(0.5%)	0.5%	1.0%	1.5%
2016						
Sensitivity to LIBOR interest rates	**(12.0)**	**(8.0)**	**(4.0)**	**4.0**	**8.0**	**12.0**
Sensitivity to JIBAR and prime interest rates[1]	**(0.6)**	**(0.4)**	**(0.2)**	**0.2**	**0.4**	**0.6**
Change in finance expense	**(12.6)**	**(8.4)**	**(4.2)**	**4.2**	**8.4**	**12.6**
2015						
Sensitivity to LIBOR interest rates	(12.8)	(8.5)	(4.3)	4.3	8.5	12.8
Sensitivity to JIBAR and prime interest rates[1]	(0.5)	(0.3)	(0.2)	0.2	0.3	0.5
Change in finance expense	(13.3)	(8.8)	(4.5)	4.5	8.8	13.3

[1] Average rate: R14.70 = US$1.00 (2015: R12.68 = US$1.00).

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39. CAPITAL MANAGEMENT

The primary objective of managing the Group's capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that:

- optimises the cost of capital;
- maximises shareholders' returns; and
- ensures that the Group remains in a sound financial position.

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

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

The Group monitors capital using the ratio of net debt to adjusted EBITDA. Adjusted EBITDA is defined as net operating profit before depreciation and amortisation, adjusted for exploration expenses and certain other costs. The definition of adjusted EBITDA is as defined in the US$1,290 million term loan and revolving credit facilities agreement. Net debt is defined as total borrowings less cash and cash equivalents. The Group's long-term target is a ratio of net debt to adjusted EBITDA of one times or lower. The bank covenants on external borrowings require a net debt to adjusted EBITDA ratio of 2.5 or below and the ratio is measured based on amounts in United States Dollar.

		UNITED STATES DOLLAR		
	Notes	**2016**	2015	2014
Borrowings	24	**1,692.9**	1,820.3	
Less: Cash and cash equivalents	21	**526.7**	440.0	
Net debt		**1,166.2**	1,380.3	
Adjusted EBITDA		**1,232.2**	1,002.3	
Net debt to adjusted EBITDA		**0.95**	1.38	
Reconciliation of net operating profit, per the consolidated income statement, to adjusted EBITDA:				
Net operating profit		**682.8**	479.3	
Adjusted for:				
Amortisation and depreciation	2	**679.2**	609.9	
Exploration expense		**(92.2)**	(53.5)	
Social contributions and sponsorships	7	**(19.3)**	(12.2)	
Global compliance costs	7	**(0.1)**	(3.6)	
Facility charges on borrowings	7	**(8.1)**	(1.7)	
Offshore structure costs		**(8.9)**	(13.0)	
Corporate related costs		**(4.4)**	(0.2)	
Other reconciling items		**3.2**	(2.7)	
		1,232.2	1 002.3	

40. RELATED PARTY TRANSACTIONS

	2016	2015	2014
Key management remuneration (Executive Committee)			
Salary	**5.6**	5.1	5.6
Annual bonus	**5.1**	4.7	5.2
Severance	**1.6**	–	0.9
Pension scheme contribution	**0.5**	0.7	0.7
Proceeds from exercise of equity-settled awards	**2.5**	3.4	2.0
Other	**0.7**	0.9	0.9
	16.0	14.8	15.3

For the year ended 31 December 2016, US$1.0 million (2015: US$0.8 million and 2014: US$1.0 million) was paid in non-executive directors' fees.

None of the directors and officers of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last three fiscal periods or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated above.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past three fiscal periods indebted to Gold Fields.

At 31 December 2016, the Executive Committee and non-executive directors' beneficial interest in the issued and listed share capital of the Company was 0.21% (2015: 0.1557%). No one director's interest individually exceeds 1% of the issued share capital or voting control of the Company.

41. SEGMENT REPORT

UNITED STATES DOLLAR

	South Africa	Ghana			Peru	Australia							
	South Deep[1]	Tarkwa	Damang	Total Ghana	Cerro Corona	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Gruyere	Total Australia	Corporate and other[2]	Group
INCOME STATEMENT													
for the year ended 31 December 2016													
Revenue	358.2	708.9	183.4	892.3	322.3	452.3	285.4	83.1	355.8	–	1,176.7	–	2,749.5
Operating costs	(272.3)	(344.7)	(136.4)	(481.2)	(143.7)	(192.8)	(145.7)	(57.3)	(141.1)	–	(536.9)	1.1	(1,433.0)
Gold inventory change	0.7	17.5	0.4	17.8	3.8	11.0	5.1	(0.4)	7.4	–	23.1	–	45.5
Operating profit	86.6	381.6	47.3	428.9	182.5	270.5	144.9	25.4	222.1	–	662.9	1.1	1,362.0
Amortisation and depreciation	(71.5)	(184.4)	(17.8)	(202.2)	(115.6)	(144.7)	(77.1)	(14.4)	(45.1)	–	(281.3)	(8.6)	(679.2)
Net operating profit/(loss)	15.0	197.2	29.5	226.7	66.9	125.8	67.8	11.0	177.0	–	381.6	(7.5)	682.8
Other income/(costs)	13.5	(7.8)	(0.6)	(8.4)	(13.1)	13.6	6.3	–	2.3	–	22.2	25.0[3]	39.2
Share-based payments	(2.3)	(2.5)	(0.3)	(2.8)	(2.0)	(1.2)	(0.8)	(0.4)	(0.9)	–	(3.3)	(4.0)	(14.4)
Long-term incentive plan	(1.0)	(2.3)	(0.5)	(2.8)	(1.8)	(0.8)	(0.7)	(0.5)	(0.8)	–	(2.8)	(2.6)	(11.0)
Exploration expense	–	–	–	–	–	(21.1)	(9.6)	(6.1)	(10.6)	–	(47.4)	(44.8)	(92.2)
Restructuring costs	–	(0.2)	(9.9)	(10.1)	–	–	–	–	(1.2)	–	(1.2)	(0.4)	(11.7)
Impairment of investments and assets	–	–	(10.0)	(10.0)	(66.4)	–	–	–	–	–	–	(0.1)	(76.5)
Investment income	1.1	1.8	–	1.8	–	–	–	–	–	–	–	5.4	8.3
Finance expense	(5.5)	(3.9)	(3.5)	(7.4)	(4.7)	(2.7)	(1.0)	(0.2)	(1.0)	–	(4.9)	(55.8)	(78.3)
Royalties	(1.8)	(35.4)	(9.2)	(44.6)	(4.6)	–[4]	–[4]	–[4]	–[4]	–[4]	(29.3)	–	(80.4)
Current taxation	–	(52.4)	–	(52.4)	(45.9)	–[4]	–[4]	–[4]	–[4]	–[4]	(95.7)	(10.7)	(204.7)
Deferred taxation	(6.0)	22.6	–	22.6	(1.5)	–[4]	–[4]	–[4]	–[4]	–[4]	0.3	(2.8)	12.6
Profit/(loss) for the year	13.0	116.9	(4.5)	112.5	(73.1)	–[4]	–[4]	–[4]	–[4]	–[4]	219.5	(98.3)	173.7
Profit/(loss) attributable to:													
– Owners of the parent	13.0	105.2	(4.0)	101.3	(72.8)	–[4]	–[4]	–[4]	–[4]	–[4]	219.5	(98.3)	162.8
– Non-controlling interest holders	–	11.7	(0.5)	11.2	(0.3)	–[4]	–[4]	–[4]	–[4]	–[4]	–	–	10.9
STATEMENT OF FINANCIAL POSITION													
at 31 December 2016													
Total assets (excluding deferred taxation)	1,075.0	1,667.0	132.6	1,799.6	822.5	622.3	426.4	10.1	292.7	272.5	1,624.0	964.9	6,286.0
Total liabilities (excluding deferred taxation)	1,162.0	219.0	96.3	315.3	195.4	136.3	66.3	22.5	63.1	272.4	560.6	446.3	2,679.6
Net deferred taxation (assets)/liabilities	(32.4)	282.4	–	282.4	95.6	–[4]	–[4]	–[4]	–[4]	–[4]	87.0	(15.7)	416.8
Capital expenditure[5]	77.9	168.4	37.9	206.3	42.8	140.0	70.0	21.4	90.3	–	321.7	1.3	649.9

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

The Group is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith, Darlot mines and Gruyere Gold Project and in Peru, the Cerro Corona mine. Whilst the Gruyere Gold Project does not meet the quantitative criteria for disclosure as a separate segment, it is expected to become a significant contributor to the Group's performance in future years as the project is being developed. The Group also has exploration interests which are included in the "Corporate and other" segment. Refer to accounting policies on segment reporting on page 115.

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

[1] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation relating to the acquisition of South Deep (refer note 14). South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding companies at a rate of 30%.

[2] "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals, including the elimination of intercompany transactions and balances as well as the Group's exploration interests. This does not represent a separate segment as it does not generate revenue. Included in "Corporate and other" is the adjustment made in respect of the purchase price allocation, including goodwill relating to the acquisition of South Deep.

[3] Other income "Corporate and other" comprise share of loss of associates after taxation of US$2.3 million, profit on disposal of investments of US$2.3 million, profit on disposal of assets of US$48.0 million and the balance of US$23.0 million consists mainly of corporate related costs.

[4] The Australian operations are entitled to transfer and off-set profits and losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.

[5] Capital expenditure for the year ended 31 December 2016.

Notes to the consolidated financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

41. SEGMENT REPORT (continued)

UNITED STATES DOLLAR

	South Africa	Ghana			Peru	Australia						
	South Deep[1]	Tarkwa	Damang	Total Ghana	Cerro Corona	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Total Australia	Corporate and other[2]	Group
INCOME STATEMENT												
for the year ended 31 December 2015												
Revenue	232.3	680.7	194.8	875.5	292.2	431.8	273.9	91.3	348.4	1,145.4	–	2,545.4
Operating costs	(236.6)	(334.2)	(184.3)	(518.5)	(143.8)	(195.0)	(142.6)	(59.8)	(135.9)	(533.2)	0.8	(1,431.3)
Gold inventory change	–	7.3	(2.1)	5.2	(1.0)	(25.3)	1.1	0.6	(5.4)	(29.0)	–	(24.9)
Operating profit	(4.3)	353.8	8.5	362.2	147.4	211.5	132.5	32.1	207.1	583.2	0.8	1,089.2
Amortisation and depreciation	(67.9)	(162.3)	(26.4)	(188.7)	(100.1)	(109.9)	(62.0)	(25.8)	(54.1)	(251.8)	(1.4)	(609.9)
Net operating (loss)/profit	(72.2)	191.5	(18.0)	173.5	47.3	101.6	70.5	6.3	153.0	331.4	(0.6)	479.3
Other income/(costs)	1.7	(0.7)	(2.4)	(2.9)	(14.7)	4.9	2.2	0.6	(1.8)	5.9	(11.9)[3]	(22.1)
Share-based payments	(1.0)	(1.5)	(0.3)	(1.8)	(1.2)	(1.2)	(0.7)	(0.2)	(0.4)	(2.5)	(4.4)	(10.9)
Long-term incentive plan	(0.7)	(1.1)	(0.3)	(1.4)	(0.8)	(0.2)	(0.5)	(0.2)	(0.3)	(1.2)	(1.2)	(5.3)
Exploration expense	–	–	–	–	–	(21.5)	(4.0)	(1.7)	(3.6)	(30.8)	(22.7)	(53.5)
Restructuring costs	(0.7)	(5.3)	(0.3)	(5.6)	–	(3.0)	–	–	(0.1)	(3.1)	–	(9.3)
Impairment of investments and assets	–	–	(43.8)	(43.8)	(6.7)	–	–	(14.2)	–	(14.2)	(156.4)	(221.1)
Investment income	0.9	1.3	0.1	1.4	–	–	–	–	–	–	4.0	6.3
Finance expense	(4.1)	(3.4)	(2.9)	(6.3)	(5.5)	(2.9)	(1.3)	(0.3)	(1.1)	(5.6)	(61.4)	(82.9)
Royalties	(1.2)	(34.0)	(9.7)	(43.8)	(3.1)	–[4]	–[4]	–[4]	–[4]	(28.0)	–	(76.0)
Current taxation	–	(34.6)	(0.7)	(35.4)	(33.0)	–[4]	–[4]	–[4]	–[4]	(66.7)	(7.8)	(142.9)
Deferred taxation	22.1	(24.7)	(11.0)	(35.7)	(75.7)	–[4]	–[4]	–[4]	–[4]	(9.5)	(5.4)	(104.2)
(Loss)/profit for the year	(55.2)	87.5	(89.3)	(1.8)	(93.4)	–[4]	–[4]	–[4]	–[4]	175.7	(267.8)	(242.6)
(Loss)/profit attributable to:												
– Owners of the parent	(55.2)	78.8	(80.5)	(1.7)	(93.0)	–[4]	–[4]	–[4]	–[4]	175.7	(267.8)	(242.1)
– Non-controlling interest holders	–	8.7	(8.8)	(0.1)	(0.4)	–[4]	–[4]	–[4]	–[4]	–	–	(0.5)
STATEMENT OF FINANCIAL POSITION												
at 31 December 2015												
Total assets (excluding deferred taxation)	976.8	1,546.7	139.0	1,685.7	880.5	555.3	393.7	9.1	221.7	1,179.8	1,100.8	5,823.6
Total liabilities (excluding deferred taxation)	1,078.4	195.6	98.5	294.1	133.7	135.2	66.9	23.2	61.5	286.8	829.4	2,622.4
Net deferred taxation (assets)/liabilities	(36.0)	305.0	–	305.0	94.1	–[4]	–[4]	–[4]	–[4]	87.6	(17.5)	433.2
Capital expenditure[5]	66.9	204.2	16.9	221.1	64.8	114.5	73.0	20.0	72.4	279.9	1.4	634.1

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

The Group is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/ Lawlers, Granny Smith and Darlot mines and in Peru, the Cerro Corona mine. The Group also has exploration interests which are included in the "Corporate and other" segment. Refer to accounting policies on segment reporting on page 115.

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

[1] The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation relating to the acquisition of South Deep (refer note 14). South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding companies at a rate of 30%.

[2] "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals, including the elimination of intercompany transactions and balances as well as the Group's exploration interests. This does not represent a separate segment as it does not generate revenue. Included in "Corporate and other" is the adjustment made in respect of the purchase price allocation, including goodwill relating to the acquisition of South Deep.

[3] Other costs "Corporate and other" comprise share of loss of associates after taxation of US$5.7 million, profit on disposal of investments of US$0.1 million and the balance of US$6.3 million consists mainly of corporate related costs.

[4] The Australian operations are entitled to transfer and off-set profits and losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.

[5] Capital expenditure for the year ended 31 December 2015.

41. SEGMENT REPORT (continued)

UNITED STATES DOLLAR

	South Africa	Ghana			Peru	Australia						
	South Deep[1]	Tarkwa	Damang	Total Ghana	Cerro Corona	St Ives	Agnew/ Lawlers	Darlot	Granny Smith	Total Australia	Corporate and other[2]	Group
INCOME STATEMENT												
for the year ended 31 December 2014												
Revenue	254.8	706.7	224.6	931.3	375.5	458.8	342.5	106.2	399.8	1,307.3	–	2,868.8
Operating costs	(245.5)	(373.9)	(177.6)	(551.5)	(158.2)	(292.3)	(173.0)	(81.9)	(182.6)	(729.8)	–	(1,684.9)
Gold inventory change	–	2.3	(2.1)	0.2	(1.5)	9.9	0.3	(1.7)	–	8.4	–	7.2
Operating profit	9.3	335.1	45.0	380.1	215.8	176.4	169.8	22.5	217.2	586.0	–	1,191.1
Amortisation and depreciation	(74.5)	(141.6)	(20.9)	(162.5)	(79.6)	(140.5)	(96.4)	(16.6)	(84.6)	(338.1)	(2.0)	(656.7)
Net operating (loss)/profit	(65.2)	193.5	24.1	217.6	136.1	35.9	73.4	5.9	132.6	248.0	(2.0)	534.4
Other costs	(4.7)	(0.5)	0.5	–	(9.5)	(13.3)	(13.2)	(1.2)	(8.3)	(36.0)	(14.0)[3]	(64.2)
Share-based payments	(2.8)	(4.2)	(0.6)	(4.8)	(2.6)	(2.7)	(1.3)	(0.5)	(1.0)	(5.5)	(10.3)	(26.0)
Long-term incentive plan	(0.6)	(1.5)	(0.2)	(1.7)	(1.2)	(1.2)	(0.7)	(0.4)	(0.7)	(3.0)	(2.2)	(8.7)
Exploration expense	–	–	–	–	–	(8.2)	(3.7)	(1.8)	(1.5)	(15.2)	(32.0)	(47.2)
Restructuring costs	(14.9)	(16.9)	(4.0)	(20.9)	–	(3.3)	(0.1)	(1.0)	(0.6)	(5.0)	(1.2)	(42.0)
Impairment of investments and assets	(8.4)	–	–	–	–	(1.3)	(4.3)	–	–	(5.6)	(12.7)	(26.7)
Investment income	0.9	1.7	0.1	1.8	–	0.3	0.2	–	–	0.5	1.0	4.2
Finance expense	(19.6)	(7.8)	(3.5)	(11.3)	(3.6)	(3.9)	(1.6)	(1.0)	(1.8)	(8.3)	(56.4)	(99.2)
Royalties	(1.3)	(35.3)	(11.2)	(46.5)	(5.8)	–[4]	–[4]	–[4]	–[4]	(32.6)	–	(86.1)
Current taxation	–	(31.1)	–	(31.1)	(60.7)	–[4]	–[4]	–[4]	–[4]	(74.9)	32.5	(134.2)
Deferred taxation	33.6	(14.2)	(1.8)	(16.0)	13.8	–[4]	–[4]	–[4]	–[4]	32.1	(47.4)	16.1
(Loss)/profit for the year	(83.0)	83.7	3.4	87.1	66.5	–[4]	–[4]	–[4]	–[4]	94.5	(144.7)	20.4
(Loss)/profit attributable to:												
– Owners of the parent	(83.0)	75.3	3.1	78.4	66.2	–[4]	–[4]	–[4]	–[4]	94.5	(143.3)	12.8
– Non-controlling interest holders	–	8.4	0.3	8.7	0.3	–[4]	–[4]	–[4]	–[4]	–	(1.4)	7.6
STATEMENT OF FINANCIAL POSITION												
at 31 December 2014												
Total assets (excluding deferred taxation)	1,267.3	1,561.5	215.4	1,776.9	1,041.9	559.1	394.2	24.0	142.1	1,119.4	1,589.8	6,795.3
Total liabilities (excluding deferred taxation)	1,316.3	209.0	96.9	305.9	158.4	145.4	81.0	25.6	70.4	322.4	704.4	2,807.4
Net deferred taxation (assets)/liabilities	(22.7)	280.4	(11.0)	269.4	18.3	–[4]	–[4]	–[4]	–[4]	87.9	(28.3)	324.6
Capital expenditure[5]	91.9	174.1	16.0	190.1	51.0	117.5	83.4	14.7	58.9	274.4	1.4	608.9

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

The Group is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/ Lawlers, Granny Smith and Darlot mines and in Peru, the Cerro Corona mine. The Group also has exploration interests which are included in the "Corporate and other" segment. Refer to accounting policies on segment reporting on page 115.

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

1 The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation relating to the acquisition of South Deep (refer to note 14). South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding companies at a rate of 30%.

2 "Corporate and other" represents the items to reconcile segment data to consolidated financial statement totals, including the elimination of intercompany transactions and balances as well as the Group's exploration interests. This does not represent a separate segment as it does not generate revenue. Included in "Corporate and other" is the adjustments made in respect of the purchase price allocation, including goodwill relating to the acquisition of South Deep.

3 Other costs "Corporate and other" comprise share of loss of associates after taxation of US$2.4 million, profit on disposal of investments of US$0.5 million, profit on disposal of Chucapaca of US$4.6 million and the balance of US$16.7 million consists mainly of corporate related costs.

4 The Australian operations are entitled to transfer and off-set profits and losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.

5 Capital expenditure for the year ended 31 December 2014.

Notes to the consolidated financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

42. MAJOR GROUP INVESTMENTS – DIRECT AND INDIRECT

		Shares held		Group beneficial interest		Carrying value in holding company Shares		Loans[6]	
	Notes	2016	2015	2016 %	2015 %	2016 R million	2015 R million	2016 R million	2015 R million
SUBSIDIARIES									
Unlisted									
Abosso Goldfields Ltd[7]									
– Class "A" shares	1	**49,734,000**	49,734,000	**90.0**	90.0	**–**	–	**–**	–
– Class "B" shares	1	**4,266,000**	4,266,000	**90.0**	90.0	**–**	–	**–**	–
Agnew Gold Mining Company Pty Ltd	2	**54,924,757**	54,924,757	**100.0**	100.0	**–**	–	**–**	–
Beatrix Mines Ltd	3	**96,549,020**	96,549,020	**100.0**	100.0	**206.8**	206.8	**–**	–
Beatrix Mining Ventures Ltd	3	**9,625,001**	9,625,001	**100.0**	100.0	**120.4**	120.4	**(136.8)**	(136.8)
Darlot Mining Company Pty Ltd	2	**1**	1	**100.0**	100.0	**–**	–	**–**	–
Driefontein Consolidated (Pty) Ltd	3	**1,000**	1,000	**100.0**	100.0	**–**	–	**(13.1)**	(13.1)
GFI Joint Venture Holdings (Pty) Ltd	3	**311,668,564**	311,668,564	**100.0**	100.0	**–**	–	**(0.4)**	(0.4)
GFL Mining Services Ltd	3	**235,676,387**	235,676,387	**100.0**	100.0	**18,790.5**	18,790.5	**(8,004.2)**	(8,004.2)
Gold Fields Ghana Ltd[8]	1	**900**	900	**90.0**	90.0	**–**	–	**–**	–
Gold Fields Group Services (Pty) Ltd	3	**1**	1	**100.0**	100.0	**–**	–	**355.5**	(1,282.8)
Gold Fields Holdings Company (BVI) Ltd	5	**4,084**	4,084	**100.0**	100.0	**–**	–	**–**	–
Gold Fields La Cima S.A.[9]	4	**1,426,050,205**	1,426,050,205	**99.5**	99.5	**–**	–	**–**	–
Gold Fields Operations Ltd	3	**156,279,947**	156,279,947	**100.0**	100.0	**–**	–	**(0.4)**	(0.4)
Gold Fields Orogen Holdings (BVI) Ltd	5	**258**	258	**100.0**	100.0	**–**	–	**–**	–
Gruyere Mining Company Pty Ltd	2	**1**	–	**100.0**	–	**–**	–	**–**	–
GSM Mining Company Pty Ltd	2	**1**	1	**100.0**	100.0	**–**	–	**–**	–
Kloof Gold Mining Company Ltd	3	**138,600,000**	138,600,000	**100.0**	100.0	**602.8**	602.8	**(610.2)**	(610.2)
Newshelf 899 (Pty) Ltd[10]	3	**90,000,000**	90,000,000	**100.0**	100.0	**23,210.9**	23,210.9	**–**	–
St Ives Gold Mining Company Pty Ltd	2	**281,051,329**	281,051,329	**100.0**	100.0	**–**	–	**–**	–
Total						**42,931.4**	42,931.4	**(8,409.6)**	(10,047.9)

1 Incorporated in Ghana.

2 Incorporated in Australia.

3 Incorporated in the Republic of South Africa.

4 Incorporated in Peru.

5 Incorporated in the British Virgin Islands.

6 The loans are unsecured, interest free and have no fixed repayment terms. These loans eliminate on consolidation.

7 Abosso Goldfields Ltd ("Abosso") owns the Damang operation in Ghana. The accumulated non-controlling interest of Abosso at 31 December 2016 amounts to US$3.6 million (2015: US$4.1 million). No dividends were paid to non-controlling interest during 2016 or 2015. Refer to the segment report, note 41, for summarised financial information of Damang.

8 Gold Fields Ghana Ltd ("GFG") owns the Tarkwa operation in Ghana. The accumulated non-controlling interest of GFG at 31 December 2016 amounts to US$116.6 million (2015: US$104.6 million). No dividends were paid to non-controlling interest during 2016 (2015: US$11.5 million). Refer to the segment report, note 41, for summarised financial information of Tarkwa.

9 Gold Fields La Cima S.A. ("La Cima") owns the Cerro Corona operation in Peru. The accumulated non-controlling interest of La Cima at 31 December 2016 amounts to US$2.5 million (2015: US$3.1 million). A dividend of US$0.2 million was paid to non-controlling interest during 2016 (2015: US$0.4 million). Refer to the segment report, note 41, for financial information of Cerro Corona.

10 Refer note 25.2. Newshelf is the holding company of GFIJVH and GFO which own the South Deep mine. In terms of the South Deep BEE agreement, there is an agreed phase-in participation of BEE partners over 20 years. The BEE partners' stake will ultimately be 10%, resulting in a 90% holding by Newshelf.

42. MAJOR GROUP INVESTMENTS – DIRECT AND INDIRECT (continued)

	Shares held		Group beneficial interest	
	2016	2015	**2016 %**	2015 %
OTHER[1]				
Listed associates				
Bezant Resources PLC[2]	**–**	17,945,922	**–**	21.6%
Maverix Metals Incorporated ("Maverix")[3]	**42,850,000**	–	**32.3%**	–
Rusoro Mining Limited	**140,000,001**	140,000,001	**25.7%**	26.4%
Joint venture				
Far Southeast Gold Resources Incorporated	**1,737,699**	1,737,699	**40.0%**	40.0%
Listed equity investments				
Bezant Resources PLC[2]	**17,945,922**	–	**8.8%**	–
Cardinal Resources Limited	**13,700,270**	–	**4.5%**	–
Cardinal Resources Limited (Options)	**19,705,790**	–	**17.0%**	–
Cascadero Copper Corporation	**2,025,000**	2,025,000	**1.1%**	1.3%
Clancy Exploration Limited	**17,764,783**	17,764,783	**0.7%**	6.9%
Consolidated Woodjam Copper Corporation	**12,848,016**	12,848,016	**17.8%**	19.1%
Fjordland Exploration Incorporated	**1,818,182**	1,818,182	**1.8%**	1.9%
Hummingbird Resources PLC	**21,258,503**	21,258,503	**6.2%**	19.9%
Orsu Metals Corp	**26,134,919**	26,134,919	**19.7%**	14.3%
Radius Gold Incorporated	**3,625,124**	3,625,124	**4.2%**	4.2%
Sibanye Gold Limited	**–**	856,330	**–**	–[4]

1 Only major investments are listed individually.

2 During 2016, the Group's holding was diluted from 21.6% to 8.8% following the issue of new shares by Bezant. In line with the Group's accounting policy, this resulted in Bezant no longer being accounted for as an equity-accounted investee and was re-classified to available-for-sale financial investments.

3 On 23 December 2016, Gold Fields sold a portfolio of eleven producing and non-producing royalties to Maverix in exchange for 42.85 million common shares and 10.0 million common share purchase warrants of Maverix. The warrants are classified as derivative instruments and are included in investments.

4 Percentage interest less than 0.1%.

Separate accounting policies

for the year ended 31 December
Figures in millions unless otherwise stated

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

Gold Fields Limited (the "Company" or "Gold Fields") is a company domiciled in South Africa. The registration number of the Company is 1968/004880/06. The address of the Company is 150 Helen Road, Sandton, Johannesburg.

1. BASIS OF PREPARATION

The financial statements of the Company have been prepared 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. The separate financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and liabilities (including derivative instruments), which have been brought to account at fair value through profit or loss or through the fair value adjustment reserve in the statement of comprehensive income.

The separate financial statements were authorised for issue by the Board of Directors on 20 March 2017.

The Company applied the accounting policies included on pages 99 to 115, where the reference is made to the "Group" and "consolidated" in those accounting policies, it should be interpreted as also referring to the Company where the context requires. In addition to those accounting policies, the following accounting policies were applied by the Company:

2. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries are stated at cost less accumulated impairment losses.

3. FOREIGN CURRENCIES

3.1 Functional and presentation currency

The Company's functional and presentation currency is South African Rand and the separate financial statements are presented in South African Rand.

4. FINANCIAL INSTRUMENTS

4.1 Non-derivative financial assets and liabilities

4.1.1 Financial guarantees

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

Separate income statement

for the year ended 31 December
Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2016**	2015
Investment income	1	**–**	155.7
Amortisation of financial guarantees		**368.6**	176.6
Foreign exchange gain/(loss) on revaluation of financial guarantees		**32.6**	(111.8)
Regulatory legal fees		**–**	(1.8)
Other costs		**(85.2)**	(79.4)
Profit before taxation		**316.0**	139.3
Income taxation	2	**(19.1)**	(9.3)
Profit for the year		**296.9**	130.0

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

Separate statement of comprehensive income

for the year ended 31 December
Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2016	2015
Profit for the year	**296.9**	130.0
Other comprehensive income, net of tax[1, 2]	**0.1**	0.1
Marked-to-market valuation of listed investments	**0.1**	0.1
Total comprehensive income for the year	**297.0**	130.1

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

[1] All items can be subsequently reclassified to the income statement.

[2] Includes deferred tax of Rnil (2015: Rnil).

Separate statement of financial position

at 31 December

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	2016	2015
ASSETS			
Non-current assets		**44,857.2**	44,200.3
Investments	4	**44,501.7**	44,200.3
Related party loans receivable	4	**355.5**	–
Current asset			
Trade and other receivables		**8.3**	4.3
Total assets		**44,865.5**	44,204.6
EQUITY AND LIABILITIES			
Total equity		**35,709.7**	33,675.8
Share capital		**407.0**	387.6
Share premium		**23,933.5**	21,640.9
Other reserves		**276.1**	276.0
Retained earnings		**11,093.1**	11,371.3
Current liabilities		**9,155.8**	10,528.8
Related party loans payable	4	**8,765.1**	10,047.9
Trade and other payables		**1.5**	1.9
Financial guarantees	5	**363.1**	463.0
Taxation payable		**26.1**	16.0
Total equity and liabilities		**44,865.5**	44,204.6

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

Separate statement of changes in equity

for the year ended 31 December
Figures in millions unless otherwise stated

SOUTH AFRICAN RAND

	Number of ordinary shares issued	Share capital	Share premium	Other reserves[1]	Retained earnings	Total equity
Balance at 31 December 2014	**772,272,821**	**385.0**	**21,640.9**	**275.9**	**11,428.0**	**33,729.8**
Profit for the year	–	–	–	–	130.0	**130.0**
Other comprehensive income	–	–	–	0.1	–	**0.1**
Total comprehensive income	–	–	–	0.1	130.0	**130.1**
Dividends paid	–	–	–	–	(186.7)	**(186.7)**
Exercise of employee share options	5,177,671	2.6	–	–	–	**2.6**
Balance at 31 December 2015	**777,450,492**	**387.6**	**21,640.9**	**276.0**	**11,371.3**	**33,675.8**
Profit for the year	–	–	–	–	296.9	**296.9**
Other comprehensive income	–	–	–	0.1	–	**0.1**
Total comprehensive income	–	–	–	0.1	296.9	**297.0**
Dividends paid	–	–	–	–	(575.1)	**(575.1)**
Share issued[2]	38,857,913	19.4	2,292.6	–	–	**2,312.0**
Exercise of employee share options	4,298,540	–	–	–	–	**–**
Balance at 31 December 2016	**820,606,945**	**407.0**	**23,933.5**	**276.1**	**11,093.1**	**35,709.7**

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

[1] Other reserves include fair value adjustments and share-based payments.

[2] During 2016, Gold Fields completed a R2.3 billion accelerated equity raising by way of a private placement to institutional investors.

A total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represented a 6% discount to the 30-day volume weighted average traded price, for the period 17 March 2016 and a 0.7% discount to the 50-day moving average.

The net proceeds from the placement was used to refinance the US$1,510 million term loan and revolving credit facilities. The new facilities amount to US$1,290 million. Refer note 24 in the Gold Fields consolidated financial statements for further details.

Separate statement of cash flows

for the year ended 31 December
Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	2016	2015
Cash flows from operating activities		**(673.7)**	(119.6)
Cash utilised in operations	6	**(85.2)**	(78.5)
Interest received		**–**	0.1
Dividends received		**–**	155.6
Change in working capital	7	**(4.4)**	(5.3)
Cash (utilised in)/generated by operating activities		**(89.6)**	71.9
Taxation paid	8	**(9.0)**	(4.8)
Net cash generated by operations		**(98.6)**	67.1
Dividends paid	3	**(575.1)**	(186.7)
Cash flows from investing activities		**–**	–
Investment in subsidiaries		**–**	–
Cash flows from financing activities		**673.7**	119.6
Shares issued		**2,312.0**	–
Related party loans advanced to subsidiaries		**(355.5)**	–
Related party loans payable (repaid to)/advanced by subsidiaries		**(1,282.8)**	119.6
Net cash generated/(utilised)		**–**	–
Cash and cash equivalents at beginning of the year		**–**	–
Cash and cash equivalents at end of the year		**–**	–

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

Notes to the separate financial statements

for the year ended 31 December
Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2016	2015
1. INVESTMENT INCOME		
Dividends received	–	155.6
Interest received	–	0.1
Total investment income	–	155.7
All dividends are received from subsidiaries of the Company.		
2. INCOME TAXATION		
South African current taxation		
– company tax	**(19.1)**	(9.3)
Total income taxation	**(19.1)**	(9.3)
The Company's income taxation differs from the maximum South African statutory rate of 28% primarily due to exempt dividend income of Rnil (2015: R43.6 million), non-taxable amortisation of financial guarantees of R103.2 million (2015: R49.4 million), non-deductible foreign exchange losses on revaluation of financial guarantees of R9.1 million (2015: R31.1 million), other non-deductible expenses of R21.4 million (2015: R37.0 million) and other taxable income of R16.7 million (2015: R4.8 million).		
3. DIVIDENDS PAID		
2015 final dividend of 21 SA cents per share (2014: 20 SA cents and 2013: 22 SA cents) declared on 16 February 2016.	**164.4**	155.6
2016 interim dividend of 50 SA cents was declared during 2016 (2015: 4 SA cents 2014: 20 SA cents).	**410.7**	31.1
A final dividend in respect of the financial year ended 31 December 2016 of 60 SA cents per share was approved by the Board of Directors on 15 February 2017. This dividend payable is not reflected in these financial statements.		
Dividends are subject to Dividend Withholding Tax.		
Total dividends	**575.1**	186.7
4. INVESTMENTS		
Listed		
Cost	**0.3**	0.3
Less: Other than temporary impairments	–	(0.1)
Carrying value	**0.3**	0.2
Market value	**0.3**	0.2
Unlisted		
Investments in subsidiaries[1]	**42,931.4**	42,931.4
Financial guarantees relating to subsidiaries	**1,570.0**	1,268.7
Total investments	**44,501.7**	44,200.3
Related party loans payable[2]	**(8,765.1)**	(10,047.9)
Related party loans receivable[2]	**355.5**	–
Total	**36,092.1**	34,152.4

Details of major investments and related party loans payable are included in note 42 to the consolidated financial statements, refer pages 166 and 167.

[1] Investments in subsidiaries are valued at carrying values and directors' valuations.

[2] Related party loans are unsecured, interest-free and with no fixed repayment terms.

	SOUTH AFRICAN RAND	
	2016	2015
5. FINANCIAL GUARANTEES		
Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1 billion notes issue and the US$1,290 million term loan and revolving credit facilities. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility and all payments and obligations of the South African operations related to the Short-term Rand uncommitted credit facilities (2015: US$1 billion notes issue, the US$1,510 million term loan and revolving credit facilities, the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility, the R500 million Standard Bank revolving credit facility and the Short-term Rand uncommitted credit facilities). Refer note 24 of the Gold Fields consolidated financial statements for details of the guaranteed borrowings.		
Carrying value of financial guarantees	**363.1**	463.0
Total financial guarantees	**363.1**	463.0
6. CASH UTILISED IN OPERATIONS		
Profit for the year	**296.9**	130.0
Income taxation	**19.1**	9.3
Interest received	**–**	(0.1)
Dividends received	**–**	(155.6)
Profit/(loss) before non-cash and other adjusting items	**316.0**	(16.4)
Non-cash items:		
Amortisation of financial guarantees	**(368.6)**	(176.6)
Foreign exchange (gain)/loss on revaluation of financial guarantees	**(32.6)**	111.8
Other	**–**	2.7
Total cash utilised in operations	**(85.2)**	(78.5)
7. CHANGE IN WORKING CAPITAL		
Trade and other receivables	**(4.0)**	0.5
Trade and other payables	**(0.4)**	(5.8)
Total change in working capital	**(4.4)**	(5.3)
8. TAXATION PAID		
Amount owing at beginning of the year	**(16.0)**	(11.5)
SA current taxation	**(19.1)**	(9.3)
Amount owing at end of the year	**26.1**	16.0
Total taxation paid	**(9.0)**	(4.8)

Notes to the separate financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2016	2015
9. RELATED PARTY TRANSACTIONS AND BALANCES		
None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last two fiscal periods or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated below.		
None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past two fiscal periods indebted to Gold Fields.		
Refer to notes 1, 4, 5 and 10 for further details relating to related party transactions and balances.		
Compensation to directors		
Executive directors[1]	**12.6**	12.1
Non-executive directors[2]	**14.6**	10.7
	27.2	22.8

[1] Refer to the Remuneration Report (pages 97 and 98) for total remuneration paid to executive directors and prescribed officers, which include amounts paid by the Company as well as by subsidiary companies.
[2] Refer to the Remuneration Report (page 97) for further details of remuneration paid to non-executive directors.

10. RISK MANAGEMENT ACTIVITIES

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

Controlling and managing risk in the Company

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

Gold Fields' Board of Directors has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields' 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 Gold Fields Limited are guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board of Gold Fields Limited, which are reviewed and approved annually by the Audit Committee.

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

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

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

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

10. RISK MANAGEMENT ACTIVITIES (continued)

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

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

Counterparty exposure: The objective is to only deal with approved counterparties that are of a sound financial standing and who have an official credit rating. The Company is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institution's credit rating. This credit rating is Fitch Ratings' short-term credit rating for financial institutions.

Commodity price risk management: Commodity risk management takes place within limits and with 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.

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

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

	SOUTH AFRICAN RAND	
	2016	2015
Trade and other receivables[1]	**8.3**	4.3
Related party loans receivable	**355.5**	–
Financial guarantees[2]	**25,033.0**	30,425.0

[1] None of the receivables are past due or impaired.

[2] Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1 billion notes issue and the US$1,290 million term loan and revolving credit facilities. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility and all payments and obligation of the South African operations related to the Short-term Rand uncommitted credit facilities (2015: US$1 billion notes issue, the US$1,510 million term loan and revolving credit facilities, the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility, the R500 million Standard Bank revolving credit facility and the Short-term Rand uncommitted credit facilities). The maximum possible exposure is the total amount the entity would have to pay if the guarantee is called on and if none of the other subsidiaries that provided guarantees were able to pay the amount called on. At year-end there was no indication that the guarantees will be called upon.

Notes to the separate financial statements (continued)

for the year ended 31 December
Figures in millions unless otherwise stated

10. RISK MANAGEMENT ACTIVITIES (continued)

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 while 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 Company's current liabilities exceeded its current assets by R9,104.9 million at 31 December 2016 (2015: R10,524.5 million). Included in current liabilities are related party loans payable to subsidiary companies of R8,765.1 million (2015: R10,047.9 million) (refer note 4), as well as the carrying value of financial guarantees of R320.5 million (2015: R463.0 million) (refer note 5). The individual subsidiary companies have confirmed that they will not demand repayment of the loans owing to them until such time as the Company can repay its other liabilities in the normal course of business. Gold Fields Limited has access to the Group's undrawn loan facilities (refer note 24 of the Gold Fields consolidated financial statements). The directors believe that the subordination of the related party loans payable, in conjunction with the utilisation of the Group's existing undrawn loan facilities, will enable the Company to continue to meet its obligations as they fall due for a period of at least 12 months from 31 December 2016.

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

	SOUTH AFRICAN RAND			
	Within one year	Between one and five years	After five years	Total
2016				
Trade and other payables	**1.5**	**–**	**–**	**1.5**
Financial guarantees[1]	**25,033.0**	**–**	**–**	**25,033.0**
Related party loans payable	**8,765.1**	**–**	**–**	**8,765.1**
Total	**33,799.6**	**–**	**–**	**33,799.6**
2015				
Trade and other payables	1.9	–	–	1.9
Financial guarantees[1]	30,425.0	–	–	30,425.0
Related party loans payable	10,047.9	–	–	10,047.9
Total	40,474.8	–	–	40,474.8

[1] Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and other obligations of Orogen Holdings (BVI) Limited related to the US$1 billion notes issue and the US$1,290 million term loan and revolving credit facilities. In addition, Gold Fields Limited and certain of its subsidiaries have guaranteed all payments and obligations of Gold Fields Operations Limited and GFI Joint Venture Holdings Limited related to the R1,500 million Nedbank revolving credit facility and all payments and obligation of the South African operations related to the Short-term Rand uncommitted credit facilities (2015: US$1 billion notes issue, the US$1,510 million term loan and revolving credit facilities, the R1,500 million Nedbank revolving credit facility, the R500 million Rand Merchant Bank revolving credit facility, the R500 million Standard Bank revolving credit facility and the Short-term Rand uncommitted credit facilities). The maximum possible exposure is the total amount the entity would have to pay if the guarantee is called on and if none of the other subsidiaries that provided guarantees were able to pay the amount called on. At year-end there was no indication that the guarantees will be called upon.

10. RISK MANAGEMENT ACTIVITIES (continued)

Market risk

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

IFRS 7 sensitivity analysis

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

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

Interest rate sensitivity

General

As Gold Fields has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity analysis

At 31 December 2016 and 31 December 2015, there were no interest-bearing borrowings and thus no sensitivity analysis was performed.

11. CAPITAL MANAGEMENT

Capital is managed on a Group basis only and not on a Company basis. Refer note 39 in the Gold Fields consolidated financial statements.

12. CONTINGENT LIABILITIES

Refer note 35 of the Gold Fields consolidated financial statements.

13. EVENTS AFTER THE REPORTING DATE

Final dividend

On 15 February 2017, Gold Fields declared a final dividend of 60 SA cents per share.

Operating and financial information by mine

for the year ended 31 December 2016

SOUTH AFRICA REGION

	SOUTH DEEP						
	Gold produced					Net earnings	
	Tonnes milled	Yield* g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	SA Rand million	US$ million
Year to 30 June							
2007[#]	1,104,000	4.6	5,076	163	595	(46.8)	(6.5)
2008	1,367,000	5.3	7,220	232	727	(143.1)	(19.7)
2009	1,241,000	4.4	5,434	175	717	(10.9)	(1.2)
2010	1,681,000	4.9	8,236	265	811	(81.0)	(10.7)
Six months to December 2010	1,101,000	4.1	4,547	146	939	(96.5)	(13.5)
Year to 31 December							
2011	2,440,000	3.5	8,491	273	1,073	146.4	20.3
2012	2,106,000	4.0	8,411	270	1,105	122.1	14.9
2013	2,347,000	4.0	9,397	302	1,045	(206.9)	(21.6)
2014	1,323,000	4.7	6,236	200	1,732	(897.7)	(83.0)
2015	1,496,000	4.1	6,160	198	1,559	(700.5)	(55.2)
2016	2,248,000	4.0	9,032	290	1,234	191.1	13.0
Total	**18,454,000**	**4,2**	**78,240**	**2,515**			

[#] For the 7 months ended 30 June 2007, since acquisition control.

* Combined surface and underground yield.

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013.

WEST AFRICA REGION

Ghana division

	TARKWA MINE – TOTAL MANAGED					
			Gold produced			Net earnings (before minorities)
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	US$ million
Year to 30 June						
1994 – 2005	91,612,600	1.2	108,546	3,490	n/a	210.9
2006	21,487,000	1.0	22,060	709	292	97.8
2007	22,639,000	1.0	21,684	697	333	116.9
2008	22,035,000	0.9	20,095	646	430	147.8
2009	21,273,000	0.9	19,048	612	521	100.0
2010	22,716,000	1.0	22,415	721	536	187.9
Six months to December 2010	11,496,000	1.0	11,261	362	562	135.6
Year to 31 December						
2011	23,138,000	1.0	22,312	717	556	401.4
2012	22,910,000	1.0	22,358	719	673	263.7
2013	19,275,000	1.0	19,664	632	816	(16.2)
2014	13,553,000	1.3	17,363	558	1,068	83.7
2015	13,520,000	1.3	18,229	586	970	87.5
2016	13,608,000	1.3	17,669	568	959	116.9
Total	**319,262,600**	**1.1**	**342,704**	**11,018**		

Surface operation from F1999.

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013.

Operating and financial information by mine (continued)

for the year ended 31 December 2016

	DAMANG MINE - TOTAL MANAGED					
			Gold produced			Net earnings (before minorities)
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	US$ million
Year to 30 June						
2002# – 2005	17,279,000	1.8	30,994	996	n/a	76.1
2006	5,328,000	1.4	7,312	235	341	27.2
2007	5,269,000	1.1	5,843	188	473	16.0
2008	4,516,000	1.3	6,041	194	551	25.9
2009	4,991,000	1.2	6,233	200	660	9.0
2010	5,028,000	1.3	6,451	207	660	45.9
Six months to December 2010	2,491,000	1.5	3,637	117	636	39.4
Year to 31 December						
2011	4,942,000	1.4	6,772	218	701	100.5
2012	4,416,000	1.2	5,174	166	918	36.3
2013	3,837,000	1.2	4,760	153	1,060	(118.3)
2014	4,044,000	1.4	5,527	178	1,175	3.4
2015	4,295,000	1.2	5,220	168	1,326	(89.3)
2016	4,268,000	1.1	4,594	148	1,254	(4.5)
Total	**70,704,000**	**1.4**	**98,558**	**3,168**		

F2002 – For the 5 months ended 30 June, since acquisition.

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013.

AUSTRALASIA REGION

Australia division

	ST IVES MINE					
			Gold produced			
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	Cash cost** A$/oz
Year to 30 June						
2002# – 2005	21,960,000	2.7	59,838	1,924	254	379
2006	6,690,000	2.3	15,440	496	339	453
2007	6,759,000	2.2	15,146	487	424	540
2008	7,233,000	1.8	12,992	418	582	649
2009	7,262,000	1.8	13,322	428	596	805
2010	6,819,000	1.9	13,097	421	710	806
Six months to December 2010	3,284,000	2.3	7,557	243	710	757
Year to 31 December						
2011	6,745,000	2.1	14,449	465	901	873
2012	7,038,000	2.0	13,992	450	931	899
2013	4,763,000	2.6	12,525	403	833	861
2014	4,553,000	2.5	11,246	362	1,164	1,289
2015	3,867,000	3.0	11,566	372	969	1,287
2016	4,046,000	2.8	11,290	363	949	1,273
Total	**91,019,000**	**2.3**	**212,460**	**6,831**		

F2002 – For the 7 months ended 30 June, since acquisition.

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013.

	AGNEW MINE Gold produced					
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	Cash cost** A$/oz
Year to 30 June						
2002[#] – 2005	4,299,000	4.6	19,911	640	236	357
2006	1,323,000	5.2	6,916	222	266	355
2007	1,323,000	5.0	6,605	212	295	377
2008	1,315,000	4.8	6,336	204	445	496
2009	1,066,000	5.6	5,974	192	401	541
2010	883,000	5.8	5,140	165	539	611
Six months to December 2010	417,000	5.9	2,477	80	621	662
Year to 31 December						
2011	935,000	6.5	6,035	194	696	675
2012	943,000	5.8	5,494	177	827	799
2013	974,000	6.9	6,705	216	625	646
2014	1,246,000	6.8	8,419	271	990	1,096
2015	1,218,000	6.0	7,360	237	959	1,276
2016	1,176,000	6.1	7,134	229	971	1,301
Total	**17,118,000**	**5.5**	**94,506**	**3,038**		

[#] For the 7 months ended 30 June, since acquisition.

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013.

	DARLOT MINE Gold produced					
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	Cash cost** A$/oz
Year to 31 December						
2013 from Oct	158,000	3.9	613	20	1,025	1,059
2014	525,000	5.0	2,601	84	1,222	1,353
2015	457,000	5.3	2,440	78	1,057	1,403
2016	454,000	4.6	2,066	66	1,238	1,662
Total	**1,594,000**	**4.8**	**7,720**	**248**		

** All- in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013.

Operating and financial information by mine (continued)

	GRANNY SMITH MINE Gold produced					
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	Cash cost** A$/oz
Year to 31 December						
2013 from Oct	330,000	5.9	1,935	62	786	812
2014	1,472,000	6.7	9,804	315	809	896
2015	1,451,000	6.5	9,365	301	764	1,017
2016	1,446,000	6.1	8,827	284	834	1,119
Total	**4,699,000**	**6.4**	**29,931**	**962**		

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013.

	ST IVES/AGNEW/ LAWLERS/DARLOT/ GRANNY SMITH Net earnings	
	US$ million	A$ million
Year to 30 June		
2002[#] – 2005	181.2	296.2
2006	39.3	52.6
2007	41.5	52.8
2008	36.8	41.2
2009	69.8	94.3
2010	81.0	89.9
Six months to December 2010	60.9	64.9
Year to 31 December		
2011	189.6	183.8
2012	88.9	85.8
2013	(138.9)	(143.6)
2014	94.5	104.7
2015	175.5	233.3
2016	219.5	294.4
Total	1,139.6	1,450.3

[#] F2002 – For the 7 months ended 30 June 2002, since acquisition.

SOUTH AMERICA REGION
Peru division

	CERRO CORONA – TOTAL MANAGED					
			Gold produced – note 1			Net earnings (before minorities)
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	US$ million
Year to 30 June						
2009[#]	4,547,000	1.5	6,822	219	369	25.4
2010	6,141,000	2.0	12,243	394	348	90.8
Six months to December 2010	3,102,000	2.0	6,206	200	395	93.3
Year to 31 December						
2011	6,593,000	1.8	11,915	383	437	208.5
2012	6,513,000	1.6	10,641	342	492	217.6
2013	6,571,000	1.5	9,851	317	491	80.5
2014	6,797,000	1.5	10,156	327	702	66.5
2015	6,710,000	1.4	9,196	296	777	(93.4)
2016	6,977,000	1.2	8,405	270	762	(73.1)
Total	**53,951,000**	**1.6**	**85,435**	**2,747**		

[#] Transition from project to operation from September 2008.

Note 1 – Cerro Corona is a gold and copper mine. As such, gold produced is based on gold equivalent ounces.

Shareholders' information

Register date: 30 December 2016
Issued Share Capital: 821,532,707 shares

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1,000 shares	12,080	84.03	1,700,476	0.21
1,001 – 10,000 shares	1,431	9.95	4,597,963	0.56
10,001 – 100,000 shares	539	3.75	20,394,722	2.48
100,001 – 1,000,000 shares	311	2.16	241,423,913	29.39
Over 1,000,000 shares	14	0.10	553,415,633	67.36
Total	14,375	100.00	821,532,707	100.00

DISTRIBUTION OF SHAREHOLDERS	Number of shareholders	%	Number of shares	%
American Depositary Receipts	3	0.02	347,741,317	42.33
Banks	221	1.54	144,912,064	17.64
Brokers	96	0.67	34,119,751	4.15
Close Corporations	90	0.63	77,619	0.01
Control Account	1	0.01	973,445	0.12
Endowment Funds	18	0.13	1,704,969	0.21
Individuals	12,537	87.21	9,655,587	1.18
Insurance Companies	19	0.13	6,609,253	0.80
Investment Companies	18	0.13	6,740,975	0.82
Medical Aid Schemes	25	0.17	705,870	0.09
Mutual Funds	433	3.01	132,216,530	16.09
Nominees and Trusts	485	3.37	35,553,006	4.33
Other Corporations	58	0.40	453,422	0.06
Own Holdings	3	0.02	2,098,565	0.26
Pension Funds	180	1.25	84,120,473	10.24
Private Companies	181	1.26	322,170	0.04
Public Companies	6	0.04	2,297	0.00
Share Trust	1	0.01	13,525,394	1.65
Total	14,375	100.00	821,532,707	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholders	%	Number of shares	%
Non-Public Shareholders	10	0.07	16,380,113	1.99
Directors of the Company	5	0.03	744,783	0.09
Share Trust	1	0.01	13,525,394	1.65
Own Holdings	4	0.03	2,109,936	0.26
Public Shareholders	14,365	99.93	805,152,594	98.01
Total	14,375	100.00	821,532,707	100.00

Beneficial shareholders holding of 3% or more	Number of shares	%
American Depositary Receipts	151,595,910	18.45
Government Employees Pension Fund	64,405,179	7.84
Market Vectors Gold Miners ETF	49,198,930	5.99
Blackrock Global Funds World Gold Fund	27,100,000	3.30
Total	265,200,019	35.58

Fund Managers holding of 3% or more	Number of shares	%
BlackRock Investment Management (UK) Limited	68,205,073	8.30
Public Investment Corporation Limited	60,530,435	7.37
Allan Gray Proprietary Limited	57,631,223	7.02
Van Eck Global	49,795,646	6.06
Dimensional Fund Advisors	40,558,114	4.94
BlackRock Investment Mgt – Index	30,933,126	3.77
Vanguard Group	26,200,884	3.19
Total	333,854,501	40.64

Foreign Custodian holding of 3% or more	Number of shares	%
State Street Bank & Trust Company	70,933,027	8.63
The Bank of New York Mellon	39,171,610	4.77
JPMorgan Chase Bank, National Association	35,021,959	4.26

Glossary of terms

ABET	Adult Basic Education and Training
AISC	All-in Sustaining Costs. AISC comprises On-Site Mining Costs (on a sales basis); On-Site General & Administrative costs; Royalties & Production Taxes; Realised Gains/Losses on Hedges due to operating costs; Community Costs related to current operations; Permitting Costs related to current operations; 3rd party smelting, refining and transport costs; Non-Cash Remuneration (Site-Based); Stock-piles/product inventory write down; Operational Stripping Costs; By-Product Credits; Corporate General & Administrative costs (including share-based remuneration); Reclamation & remediation – accretion & amortisation (operating sites); Exploration and study costs (sustaining); and Capital exploration (sustaining)
AIC	All-in Costs. AIC is AISC plus Community Costs not related to current operations; Community Costs not related to current operations; Reclamation and remediation costs not related to current operations; Exploration and study costs (non-sustaining); Capital exploration (non-sustaining); Capitalised stripping & underground mine development (non-sustaining); and Capital expenditure (non-sustaining)
AS/NZ 4801	Australian occupational health and safety management standards
Backfill	Material generally sourced from processing plant mine residues and utilised for the filling of mined voids, to ensure long-term stability of excavations and minimise the effects of seismic activity
BEE	Black Economic Empowerment. BEE seeks to ensure that black persons within South Africa gain a significant degree of control in the economy through the possession of equity stakes and the holding of management positions within an institution
Blasthole	The hole into which a blasting charge is inserted in order to blast loose a quantity of rock
Borehole or drill hole	Hole bored or drilled in rock, usually to obtain representative samples (see diamond drill)
Box-hole	A cross raise, normally from the access cross-cut to the reef horizon, for the purpose of drawing broken rock and ore from the reef horizon into a conveyance in the cross-cut
Bulk mining	Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being blasted or caved and transported to a processing plant
BVQI	Bureau Veritas Qualite International is a leading global and independent certification body that audits and certifies whether company systems meet the requirements of ISO standards
Carbon-in-leach (“CIL”)	The recovery process in which gold is leached from gold ore pulp by cyanide and simultaneously adsorbed onto activated carbon granules in the same vessel. The loaded carbon is then separated from the pulp for subsequent gold removal by elution. The process is typically employed where there is a naturally occurring gold adsorbent in the ore
Capital expenditure (or capex)	Specific project or ongoing expenditure for replacement or additional equipment, materials or infrastructure
Carbon-in-pulp (“CIP”)	The recovery process in which gold is first leached from gold ore pulp by cyanide and then adsorbed onto activated carbon granules in separate vessels. The loaded carbon is then separated from the pulp for subsequent gold removal by elution
Channel	Historic water course into which sediments consisting of gravel and sand are/have been deposited
Collective Bargaining Agreement	Collective Bargaining Agreement means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by a trade union(s) and the Company
Comminution	The term used to describe the process by which ore is reduced in size in order to liberate the desired mineral from the gangue material in preparation for further processing
Co-morbidity	Medical term for diseases that commonly co-exist, which increase the risk of morbidity
Concentrate	A metal-rich product resulting from a mineral enrichment process such as gravity concentration or flotation, in which most of the desired mineral has been separated from the waste material in the ore

Conglomerate	Sedimentary rocks comprising eroded subangular to rounded pebbles within a finer-grained matrix
Cross-cut	A horizontal underground drive developed perpendicular to the strike direction of the stratigraphy and reef
Cut-off grade	The lowest grade of mineralised ore, which determines whether or not it is economic to mine and send to the processing plant
Decline	An excavation from surface or subsurface, in the form of a tunnel, which is developed downwards
Depletion	The decrease in quantity of ore, in a deposit or property resulting from extraction or mining
Development	Is any tunnelling operation that is developed for either exploration, exploitation or both
Diamond drill	A rotary type of rock drill that cuts a core of rock by diamond bits and is recovered in long cylindrical sections
Dilution	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined
Dip	Angle of inclination of a geological feature/rock from the horizontal
Dyke	Tabular, vertical or near vertical body of igneous rock formed by the intrusion of magma generally into planar structural zones of weakness
Elution	The chemical process of desorbing gold from activated carbon
Face	The end of a development end, drift, cross-cut or stope at which work is taking place
Facies	The characteristics of a rock unit defined by its composition, lithology, physical properties and geochemical parameters, usually reflecting the conditions of its origin
Fatality rate	Number of deaths normally expressed as a ratio per million man-hours worked
Fault	The surface or plane of a fracture along which movement has occurred
Feasibility study	A comprehensive design and costing study of the selected option for the development of a mineral project in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other modifying factors, which are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable) and the factors reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The overall confidence of the study should be stated
Filtration	Process of separating usually valuable solid material from a liquid
Flotation	The process by which the surface chemistry of the desired mineral particles is chemically modified such that they preferentially attach themselves to bubbles and float to the surface of the pulp in specially designed vessels. The gangue or waste minerals are chemically depressed and do not float, thus allowing the valuable minerals to be concentrated and separated from the undesired material
Footwall	The underlying side of an ore body or stope
Free cash flow margin	The free cash flow ("FCF") margin is revenue less cash outflow divided by revenue expressed as a percentage
Gold equivalent	A quantity of metal (such as copper) converted to an amount of gold in ounces, based on accepted gold and other metal prices, ie the accepted total value of the metal based on its weight and value thereof divided by the accepted value of one troy ounce of gold
Grade	The quantity of gold or other metal contained within a unit weight of one metric tonne, generally expressed in grams per metric tonne ("g/t") or percent metal per metric tonne (%)
Hanging wall	The overlying side of an ore body or slope

Glossary of terms (continued)

Haulage	A horizontal underground excavation which is used to transport mined ore
Head grade	The grade of the material delivered to the processing facility (such as heap leach pad, mill, etc). The Mineral Reserve declaration is for material as delivered to the processing facility
Hedging	Taking a buy or sell position in futures market opposite to a position held in the cash/spot market to minimise the risk of financial loss from an adverse price change
Hydrothermal	Process of injection of hot, aqueous, generally mineral-rich solutions into existing rocks or geological features
ICVCT	Informed Consented Voluntary Counselling and Testing
Indicated Mineral Resources	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes which may be limited or of uncertain quality and reliability
ISO 14000	International standards for organisations to implement sound environmental management systems
Lock-up gold	Gold trapped as a temporary inventory within a processing plant, or sections thereof, typically milling circuits
LTIFR	Lost-Time Injury Frequency Rate, expressed in million man-hours worked
Measured Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
Milling	A general term used to describe the process in which the ore is crushed and ground and subjected to physical or chemical treatment to extract the valuable metals to a concentrate or finished product
Mine Health and Safety Act ("MHSA")	The South African Mine Health and Safety Act, No 29 of 1996
Mineralised	Rock in which minerals have been introduced
Mineral Reserve	A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life-of-Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories

Net cash flow	Cash flow from operating activities less net capital expenditure and environmental payments
Normal fault	Fault in which the hanging wall moves downward relative to the footwall, under extensional tectonic conditions
Normalised earnings	Net earnings excluding gains or losses on foreign exchange, financial instruments and non-recurring items after royalties and taxation
Nugget effect	A measure of the randomness of the grade distribution within a mineralised zone
NUM	National Union of Mine Workers
OHSAS	Management system standards, developed in order to facilitate the integration of quality and occupational health and safety management systems by organisations
Payshoot	Linear to sublinear zone within a reef for which gold grades or accumulations are predominantly above the cut-off grade
Pillar	Rock left behind to help support the excavations in an underground mine
Probable Mineral Reserve	The economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, to a minimum of a pre-feasibility study for a project, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Project capital	Capital expenditure that is associated with specific projects
Proved Mineral Reserve	The economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, to a minimum of a pre-feasibility study for a project, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
Reef	A general term for metalliferous mineral deposit (gold) within a geological zone or unit
SADC	Southern African Development Community
SAMREC Code	The South African code for the reporting of exploration results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2007 Edition
Seismic	Earthquake or earth vibration including those artificially induced by mining operations
Shaft	An opening cut downwards from the surface for transporting personnel, equipment, supplies, ore and waste
Shear	A deformation resulting from stresses that cause contiguous parts of a body of rock to slide relative to each other in a direction parallel to their plane of contact
Stope	The working area from which ore is extracted in an underground mine
Stripping	The process of removing overburden or waste rock to expose ore
Stripping ratio	The ratio of waste tonnes to ore tonnes mined, calculated as total tonnes mined less ore tonnes mined, divided by ore tonnes mined
Stratigraphy	The science of rock strata, including arrangement according to geographical location lithological composition, geophysical and geochemical and chronological order of sequence
Strike	Direction or trend of geological structures such as bedding or fault planes defined by the intersection with the horizontal plane and is always perpendicular to the dip direction
Subvertical shaft	An opening cut below the surface downwards from an established surface shaft

Glossary of terms (continued)

Surface sources	Ore sources, usually dumps, tailings dams and stockpiles, located at the surface
TEBA	The Employment Bureau of Africa
Tertiary shaft	An opening cut below the surface downwards from an established subvertical shaft
The Base Case	The Base Case is established as part of the financial models
Trade union	An association of employees whose principal purpose is to regulate relations between employees and the Company, which has been registered; whose officials have been elected to represent the interests of employees within the workplace; and which is recognised for collective bargaining by the Company
Vamping	Is the final clean-up of track ballast and/or accumulations in gullies and along transportation routes

Abbreviations and units

ABET	Adult Basic Education and Training
ADS	American Depository Shares
AIDS	Acquired Immune Deficiency Syndrome
ARC	Assessment and Rehabilitation Centres
ART	Antiretroviral therapy
CBO	Community-based organisation
CIL	Carbon-in-leach
CIP	Carbon-in-pulp
CIS	Carbon-in-solution
DCF	Discounted cash flow
ETF	Exchange-traded fund
GFHS	Gold Fields Health Service
GFLC	Gold Fields La Cima
GRI	Global Reporting Initiative
HBC	Home-based care
HDSA	Historically disadvantaged South African
HIV	Human immunodeficiency virus
LoM plan	Life-of-mine plan
LTIFR	Lost-Time Injury Frequency Rate, quoted in million man-hours
MCF	Mine Call Factor
NGO	Non-governmental organisation
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
OHC	Occupational Health Centre
OT	Occupational therapy
PHC	Primary health clinic

PPI	Producer price index
SAMREC	South African code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SEC	United States Securities Exchange Commission
STI	Sexually transmitted infection
TB	Tuberculosis
TEC	Total employees costed
UASA	United Association of South Africa (a labour organisation)
VCT	Voluntary counselling and testing (for HIV)
cm	centimetre
cm.g/t	gold accumulation
g	gram
g/t	grams per metric tonne – gold grade
ha	hectare
kg	kilogram
km	kilometre
koz	thousand ounces
kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
ktpm	thousand tonnes per month
m²	square metre
Moz	million ounces
oz	fine troy ounce equalling 31.10348 grams
R	South African Rand
R/kg	South African Rand per kilogram
Rm	million South African Rand
R/t	South African Rand per metric tonne
t	metric tonne
US$	United States Dollar
US$m	million United States Dollars
US$/oz	United States Dollar per ounce

Glossary of terms – Sustainable development

SUSTAINABLE DEVELOPMENT

- **United Nations Global Compact** – is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle-based framework for businesses, stating 10 principles in the areas of human rights, labour, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society.
- **Global Reporting Initiative ("GRI")** – produces one of the world's most prevalent standards for sustainability reporting. Sustainability reporting is a form of value reporting where an organisation publicly communicates its economic, environmental and social performance.
- **ICMM (International Council on Mining and Metals)** – CEO-led organisation of mining companies that seeks to continually entrench best practice with regard to sustainable development and to provide a platform for member companies to share experiences.

HEALTH, SAFETY AND WELLBEING

- **Total Recordable Injury Frequency Rate ("TRIFR")** Group safety metric was introduced in 2013. TRIFR = (Fatalities + Lost Time Injuries + Restricted Work Injuries + Medically Treated Injuries) x 1,000,000/number of man-hours worked.
- **A Lost Time Injury ("LTI")** is a work-related injury resulting in the employee or contractor being unable to attend work for a period of one or more days after the day of the injury. The employee or contractor is unable to perform any of his/her duties.
- **A Restricted Work Injury ("RWI")** is a work-related injury sustained by an employee or contractor which results in the employee or contractor being unable to perform one or more of their routine functions for a full working day, from the day after the injury occurred. The employee or contractor can still perform some of his/her duties.
- **A Medically Treated Injury ("MTI")** is a work-related injury sustained by an employee or contractor which does not incapacitate that employee and who, after having received medical treatment, is deemed fit to immediately resume his/her normal duties on the next calendar day, immediately following the treatment or re-treatment.
- **OHSAS 18001** – An international voluntary standard against which organisations are externally assessed on their Health and Safety performance. As with other standards, it is based around the setting of objectives and targets and the monitoring of the businesses' performance against these.
- **Noise Induced Hearing Loss ("NIHL")** – is an increasingly prevalent disorder that results from exposure to high-intensity sound, especially over a long period of time.
- **Silicosis** – is a form of occupational lung disease caused by inhalation of crystalline silica dust, and is marked by inflammation and scarring in the form of nodular lesions in the upper lobes of the lungs.
- **Chronic Obstructive Airway Disease ("COAD")** – refers to chronic bronchitis and emphysema, a pair of commonly co-existing diseases of the lungs in which the airways become narrowed.
- **Highly active antiretroviral therapy ("HAART")** – Treatment of people infected with HIV, to suppress the growth of HIV, the retrovirus responsible for AIDS. The standard treatment consists of a combination of at least three drugs (often called HAART).

ENVIRONMENT

- **ISO 14001** – an international voluntary standard for environmental management systems. This is one standard in the ISO 14000 series of international standards on environmental management.
- **Environmental incidences** – these are incidences that are classified in accordance with a system designed by Gold Fields (based on the GRI definition) that classifies the incident based on its severity. The incidences are classified as follows:
  - Not classified – Incidents below the level 1 to 5 classification threshold and with no environmental impact: No classification or administrative action required, but it can be logged.
  - Level 1 environmental incident – Incidents that involve minor non-conformances that result in minimal or no environmental impact.
  - Level 2 environmental incident – Incident that involves minor non-conformances that result in short-term, limited and non-ongoing adverse environmental impacts.
  - Level 3 environmental incident – Incidents that result in limited non-conformances or non-compliances. These non-compliances are those that result in ongoing (as per the timeframes defined in Gold Fields Guidelines), but limited environmental impact.
  - Level 4 environmental incident – Incidents resulting in significant non-conformances or non-compliances with significant short-term or medium-term environmental impact. Such events are likely to be operation threatening in isolation and cumulatively (i.e. if the incidents are repeated) is very likely to threaten a licence to operate or social licence to operate. In addition, such incidents also have the potential to cause reputational damage.

– Level 5 environmental incident – Incidents that result in major non-conformances or non-compliances. These non-compliances or non-conformances are those that result in either catastrophic short-term impact or medium to long-term environmental impact. Company or operation threatening implications and potential major damage to the Company's reputation are almost inevitable.

- **Water withdrawal** – the sum of all water drawn into the boundaries of the reporting organisation for any use over the course of the reporting period.
- **Water discharge** – the sum of water discharged over the course of the reporting period to the receiving environment.
- **Acid mine drainage ("AMD")** or acid rock drainage (ARD), collectively called acid drainage (AD) is formed when certain sulphide minerals in rocks are exposed to oxidising conditions, such as the presence of oxygen, combined with water. AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms, usually contains iron and other metals if they are contained in the host rock.
- **Basel Convention** – is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries ("LDCs").

SUPPLY CHAIN MANAGEMENT AND MATERIAL STEWARDSHIP

ICMC (International Cyanide Management Code) – is a voluntary industry programme for the manufacture, transport and use of cyanide in gold production. The Code is an industry voluntary programme for gold mining companies. It focuses exclusively on the safe management of cyanide and cyanidation mill tailings and leach solutions. Companies that adopt the Code must have their mining operations that use cyanide to recover gold audited by an independent third party to determine the status of Code implementation.

SOCIAL RESPONSIBILITIES

SED (Socio economic spend) – Payments made to communities and community investments that are not inherent to the functioning of the operation. This may include payments related to infrastructure, health and wellbeing, education and training, local environment, scholarships and donations. This definition is aligned to the World Gold Council ("WGC") definition.

Local Economic Development ("LED") – refers to initiatives and monies disbursed to uplift socio-economic conditions in the communities in which we operate.

AA1000SES – is a generally applicable, open-source framework for improving the quality of the design, implementation, assessment, communication and assurance of stakeholder engagement.

OUR PEOPLE

HDSA – Historically disadvantaged South Africans.

ENERGY AND CARBON MANAGEMENT

Greenhouse gas emission ("GHG emissions") – Gases which absorb outgoing terrestrial radiation, such as water vapour, methane, CFCs and carbon dioxide.

Scope 1 carbon dioxide ("CO_2") emissions – are those directly occurring from sources that are owned or controlled by the institution, including:

On-campus stationary combustion of fossil fuels; mobile combustion of fossil fuels by institution-owned/controlled vehicles; and fugitive emissions. Fugitive emissions result from intentional or unintentional releases of GHGs.

Scope 2 CO_2 emissions – are indirect emissions generated in the production of electricity consumed by the institution.

Scope 3 CO_2 emissions – are all the other indirect emissions that are a consequence of the activities of the institution, but occur from sources not owned or controlled by the institution such as commuting, air travel, waste disposal; embodied emissions from extraction, production and transportation of purchased goods; outsourced activities; contractor-owned vehicles; and line loss from electricity transmission and distribution.

Equivalent carbon dioxide ("CO_2-e") – measures for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide ("CO_2") as the reference.

Administration and corporate information

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