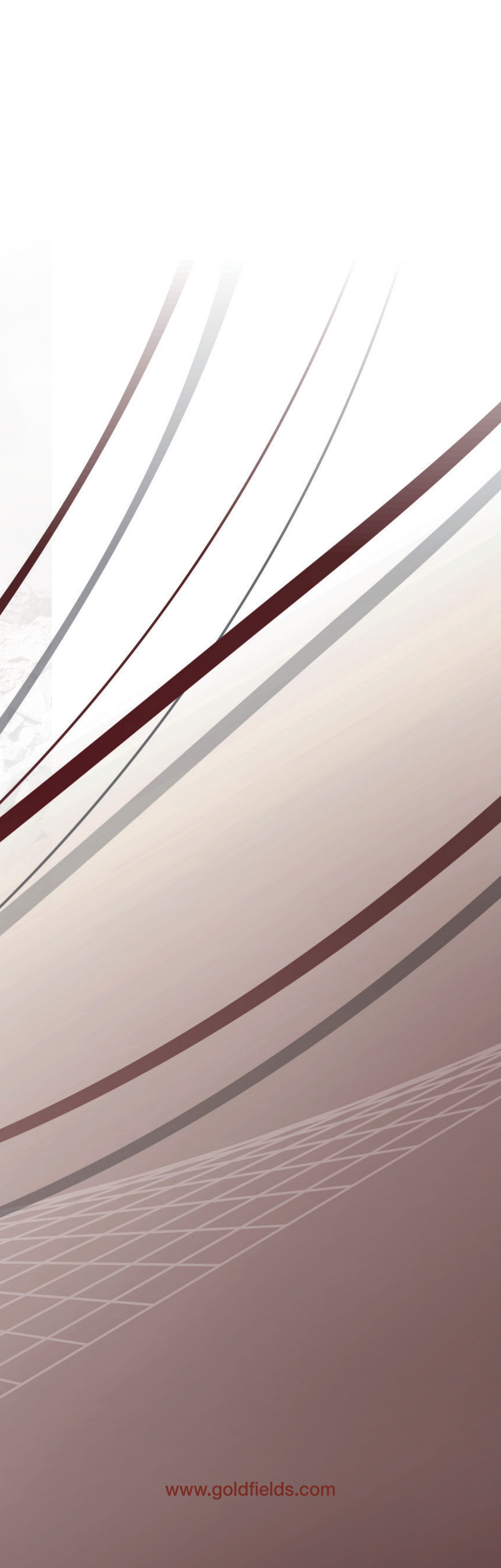
GOLD FIELDS

Annual Financial Report

for the year ended 31 December 2015

To be the global leader
in sustainable gold mining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The audited financial statements for the year ended 31 December 2015 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 the Company and of the Group, comprising the separate and consolidated statements of the financial position at 31 December 2015, 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 notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as well as the directors' report. These financial statements presented on pages 63 to 139 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 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 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 page 34.

The separate and consolidated financial statements of Gold Fields Limited, as identified in the first paragraph, were approved by the Board of Directors on 22 March 2016 and are signed on its behalf by:

NJ Holland
Chief Executive Officer

PA Schmidt
Financial 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
22 March 2016

Audit Committee report

for the year ended 31 December 2015

The Audit Committee ("the Committee") was appointed by the shareholders at the AGM in May 2015. The members are all independent non-executive directors. Details and attendance at meetings are included on page 33 of the Integrated Annual Report. The Board of Directors of Gold Fields Limited ("the Board") continues 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, No 71 of 2008 ("SA Companies Act"), as amended, and the King III Report on Governance Principles for South Africa 2009 ("King III"). A work plan is drawn up annually incorporating all these obligations and progress is monitored to ensure all these are fulfilled.

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 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 judgements;
- the effectiveness of the internal control environment;
- the effectiveness of the internal 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 Ethics; and
- 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 who, 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 in the mining industry, its staff complement in terms of both numbers and experience in our different geographical areas and succession planning. The Committee is satisfied that KPMG has extensive experience in the mining sector and that CH Basson has had significant exposure to the sector.

The Committee reviewed and assessed the independence of the external auditor, including 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 US$2.7 million was approved, as well as US$0.2 million for audit-related fees and US$0.1 million 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 2015, including the scope, materiality levels and critical accounting policies establishing that the approach was revised to be responsive to the lower gold price 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 meeting. The auditors report on all issues identified during their audit and particularly on the results of their 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 Audit Committee Chairperson before each meeting and on an *ad hoc* basis when required. They report to the Committee at each quarterly meeting and, in addition, the Committee regularly meets with them separately without other invitees being present.

The Committee has recommended that KPMG is reappointed for the 2016 financial year with Mr Basson as the designated group audit engagement partner.

INTERNAL AUDIT

Gold Fields Internal Audit ("GFIA") is an independent department within Gold Fields which has a direct reporting responsibility to the Committee. GFIA is headed by the Vice President: Internal Audit ("VP:IA") who can be appointed or dismissed by the Committee. He has direct access to the Audit Committee Chairperson and members of the Committee and to the Chairperson of the Board. The Audit Committee Chairperson 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 other invitees at least annually and whenever deemed necessary by either the VP or the Committee.

The Committee is satisfied that the VP:IA has the necessary skills and experience and understands the business. He is also passionate about continuing education for himself and his staff, and training sessions are held monthly.

During 2014, GFIA prepared for the implementation of the updated Internal Control – Integrated Framework, COSO 2013, released by The Committee of Sponsoring Organisations of the Treadway Commission. The Committee noted reports that the differences between COSO 1992 and COSO 2013 have been adequately addressed and that COSO 2013 has been fully adopted.

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 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 fully compliant with COSO 2013.

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 Ethics and the sustainability records. These systems are monitored by GFIA who report its findings and recommendations 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. 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.

King III requires the internal audit function to undergo an external quality review and the Committee mandates that this be done every three years. During this past year, an independent external review was carried out and the opinion expressed was that GFIA generally conforms to the International Standards for the Professional Practice of Internal Auditing. This is the highest level that can be achieved using the rating system of the Institute of Internal Auditors.

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 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.

IT GOVERNANCE

The Committee is responsible for IT governance on behalf of the Board and reviews the report of the Vice President: Information Technology at each meeting.

Audit Committee report (continued)

for the year ended 31 December 2015

The Gold Fields' ICT has adopted the Control Objectives for Information Technology ("COBIT"), as a governance framework and assesses the maturity of the ICT processes against COBIT regularly. The ICT Risk Management Policy has been defined, documented and aligned with the Group Risk Management Policy.

Gold Fields' ICT is operating at an overall maturity level of between three and four against the COBIT framework where the governance framework and processes have been formally defined and are monitored in various ways. Significant areas of ICT risk have been defined as part of the Group's Risk Management Framework and formal policies and procedures are documented and updated regularly for these areas.

Adherence and conformance to these policies and procedures is measured, monitored and improved upon through the ICT Governance, Risk, Architecture, Standards, Security Compliance ("GRASSC") Committee which meets quarterly and reviews the adherence to the various policies and procedures and recommends improvements where appropriate.

As cyber security threats increase the Committee reviews the cyber security posture adopted by Gold Fields and analyses the results of the various security mechanisms in place including email and attack monitoring and firewall protection.

A comprehensive review and testing process to ensure that the Group is maintaining an adequate and effective IT system is carried out on an ongoing basis by both management and Internal Audit.

RISK MANAGEMENT

Gold Fields subscribes to the assurance principles of King III and maintains an integrated assurance guideline based on the requirements of the King III Code of Corporate Governance. The Committee ensures that the guideline provides a co-ordinated approach to all assurance activities and that appropriate assurance is received on all the significant risks.

Risk assessment and risk management are performed at an operational level on a continuous basis during the year. The Committee convenes twice a year to review and discuss the risk management strategies and processes in place for the Group. These are updated on a quarterly basis by the Group Executive Committee. The Committee also reviews the mitigating actions identified and follows up on the progress in implementation.

The stringent requirements of the Sarbanes-Oxley regulations have contributed to Gold Fields performing robust risk assessments.

During the year, the Committee identified the increasing risks and challenges posed by technical and operational risks and proposed to the Nominations Committee that the current membership of the risk committee be reviewed to include non-executive directors particularly skilled in those areas.

GOVERNANCE

The Committee is also responsible for monitoring compliance with the Gold Fields Code of Ethics ("the Code"). No major breaches of the Code were reported during the year. All minor 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 instant dismissal.

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. The number and nature of these calls is reported at the quarterly Audit Committee meetings. The details, including the detail of the action taken, is also reported by the Audit Committee Chairperson to the Social and Ethics Committee.

Over the past year the Vice President: Group Compliance has put a detailed process in place to identify all legislation applicable to mining companies in each region of the Group. Changes and additions are monitored on a quarterly basis. The assessment of potential and/or actual risk exposure of non-compliance includes potential exposure to financial loss and reputational risk. Mitigating actions to be followed are identified and documented.

GFIA reports on the work carried out on the implementation and effectiveness of controls put in place to ensure compliance.

FRAUD

The Committee is responsible for ensuring that proper processes and internal controls are in place for the identification and prevention of fraud. The schedule of incidents and appropriate follow-up actions are reviewed by the Committee on a quarterly basis. No incidents of fraud involving senior management were brought to the attention of the Committee during the year.

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 the basis for the preparation of the annual financial statements.

AUDIT COMMITTEE STATEMENT

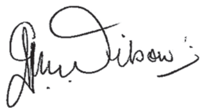
The Committee considered and discussed the Annual Financial Report ("AFR") and the Integrated Annual Report ("IAR") with both management and the external auditors.

During this process, the Committee:

- reviewed the annual financial statements included in the AFR 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 AFR and IAR;
- evaluated the completeness of the financial and sustainability discussion and 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 AFR 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 AFR be adopted and approved by the Board.



Gayle Wilson
Chair: Audit Committee
22 March 2016

Management's discussion and analysis of the financial statements

The following management discussions 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 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 2015, the South African, West African, Australasian and American operations produced 9%, 34%, 44% and 13% 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.

As of 31 December 2015, Gold Fields reported attributable proven and probable gold and copper reserves of approximately 46.1 million ounces of gold and 532 million pounds of copper, as compared to the 48.1 million ounces of gold and 620 million pounds of copper reported as of 31 December 2014.

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. Total gold production was 2.294 million ounces of gold equivalents in 2014, 2.219 million ounces of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Ghana and Peru.

In 2015, production at South Deep decreased by 1% from 6,237 kilograms (200,500 ounces) in 2014 to 6,160 kilograms (198,000 ounces) in 2015, mainly due to lower grades, partially offset by increased volumes.

Production at the international operations decreased by 3%. In the West African region, gold production increased by 2% from 736,000 ounces in 2014 to 753,900 ounces in 2015. At Tarkwa, gold production increased by 5% from 558,300 ounces to 586,100 ounces, mainly due to higher grade. At Damang, gold production decreased by 6% from 177,800 ounces to 167,800 ounces, mainly due to lower grades, partially offset by increased volumes. At the Australia region, gold production decreased by 4% from 1,031,100 ounces in 2014 to 988,000 ounces in 2015. At St Ives, gold production increased by 3% from 361,700 ounces to 371,900 ounces, mainly due to higher grades mined and processed. At Agnew/Lawlers, gold production decreased by 13% from 270,700 ounces to 236,600 ounces, mainly due to lower tonnes mined and processed as well as lower grade. At Darlot, gold production decreased by 6% from 83,600 ounces to 78,400 ounces 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. Gold equivalent production at Cerro Corona decreased by 9% from 326,600 ounces in 2014 to 295,600 ounces in 2015, mainly due to a decrease in gold and copper grades as well as the lower gold equivalent price ratio.

REVENUES

Substantially all of Gold Fields' revenues are derived from the sale of gold and copper. 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 cash settlement price for copper in US Dollars for the past 12 calendar years (2004 to 2015):

	Price per ounce[1]		
Gold	High	Low (US$/oz)	Average
2004	454	375	409
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**

Source: I-Net

[1] Rounded to the nearest US Dollar.

	Price per tonne[1]		
Copper	High	Low (US$/t)	Average
2004	3,287	2,337	2,867
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**

Source: I-Net

[1] Rounded to the nearest US Dollar.

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

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 2015 and at 31 December 2015, 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.

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 London Metal Exchange 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 and gold prices and result in an embedded derivative. The host contract is the receivable from the sale of copper concentrate at the forward London Metal Exchange 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.

Realised gold price[1]	2015	2014
Average	**1,167**	1,266
High	**1,296**	1,385
Low	**1,060**	1,142
Gold Fields' average realised gold price[2]	**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 London Metal Exchange cash settlement price per tonne for copper and Gold Fields' average US Dollar realised copper price for 2014 and 2015:

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

[1] Prices stated per ounce.

[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. Total managed production decreased from 2.29 million ounces in 2014 to 2.24 million ounces in 2015.

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, 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 NUM is the dominant union, providing relatively stable relations.

While there was industrial action in South Deep and the Ghanaian operations in 2013, there were no work stoppages as a result of strikes during 2015 and 2014 in 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 2015, Gold Fields' operations suffered three safety-related work stoppages, two related to the fatalities in March and May, and the third one related to a serious accident in April. During 2014, Gold Fields' operations suffered two safety-related stoppages, one related to the fatalities in May and the second one related to a safety-related ground support remediation. 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.

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. All-in sustaining costs and All-in costs 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 new standard was released by the World Gold Council on 27 June 2013. It is expected that these new metrics will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. The all-in sustaining costs incorporate costs related to sustaining current production. The all-in costs include additional costs which relate to the growth of the Group. All-in sustaining costs, as defined by the World Gold Council, are 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. All-in costs start with all-in sustaining costs and add 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.

All-in sustaining costs and all-in costs 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 and AIC or operating costs in isolation or as alternatives to operating costs, cash flows from operating activities or any other measure of financial performance presented in accordance with 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.

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

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 2015 and 2014. The following tables also set out AISC and AIC gross of by-product revenue on a gold-equivalent-ounce basis for 2015 and 2014:

	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	Corpo-rate and other	Group[3]
	(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**
Add:										
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[1]	(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[2]	53.2	204.2	16.9	114.5	73.0	20.0	72.4	64.8	–	**619.9**
All-in sustaining costs[3]	**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[2]	13.7	–	–	–	–	–	–	–	0.5	**14.2**
All-in costs[3]	**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**
All-in sustaining cost	295.1	568.2	222.5	360.2	226.8	82.9	230.0	114.0	12.7	**2,113.3**
All-in sustaining cost net of by-product revenue per ounce of gold sold (US$/oz)	**1,490**	**970**	**1,326**	**969**	**959**	**1,057**	**764**	**718**	**–**	**1,007**
All-in costs	308.8	568.2	222.5	360.2	226.8	82.9	230.0	114.0	39.2	**2,153.5**
All-in costs net of by-product revenue per ounce of gold sold (US$)	**1,559**	**970**	**1,326**	**969**	**959**	**1,057**	**764**	**718**	**–**	**1,026**

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

[2] 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 for IFRS as per the Segment Report 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.

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

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

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[2]
	(in US$ million except as otherwise stated)									
All-in sustaining costs (per table alongside)	**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[1]	0.4	5.5	–	0.5	0.3	0.2	0.1	113.8	–	**120.7**
All-in sustaining costs 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**
All-in costs (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[1]	0.4	5.5	–	0.5	0.3	0.2	0.1	113.8	–	**120.7**
All-in costs 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**
All-in sustaining costs gross of by-product revenue (US$/equivalent oz)	**1,492**	**979**	**1,326**	**970**	**960**	**1,059**	**764**	**777**	**–**	**1,000**
All-in costs gross of by-product revenue (US$/equivalent oz)	**1,561**	**979**	**1,326**	**970**	**960**	**1,059**	**764**	**777**	**–**	**1,018**

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

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

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

	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	Corpo-rate and other	Group[3]
	(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
Add:										
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[1]	(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[2]	54.9	174.1	16.0	117.5	83.4	14.7	58.9	51.0	–	570.4
All-in sustaining costs[3]	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[2]	37.0	–	–	–	–	–	–	–	1.5	38.5
All-in costs[3]	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
All-in sustaining cost	310.3	596.5	208.9	421.0	267.9	102.2	255.1	48.5	22.9	2,232.9
All-in sustaining cost net of by-product revenue per ounce of gold sold (US$/oz)	1,548	1,068	1,175	1,164	990	1,222	809	316	–	1,053
All-in costs	347.2	596.5	208.9	421.0	267.9	102.2	255.1	48.5	59.0	2,306.0
All-in costs net of by-product revenue per ounce of gold sold (US$)	1,732	1,068	1,175	1,164	990	1,222	809	316	–	1,087

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

[2] 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 as per the Segment Report 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.

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

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

	AISC and AIC, gross 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	Corpo-rate and other	Group[2]
	(in US$ million except as otherwise stated)									
All-in sustaining costs (per table alongside)	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[1]	0.5	0.5	0.1	0.5	0.3	0.3	0.1	182.1	–	184.5
All-in sustaining costs 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
All-in costs (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[1]	0.5	0.5	0.1	0.5	0.3	0.3	0.1	182.1	–	184.5
All-in costs 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
All-in sustaining costs gross of by-product revenue (US$/equivalent oz)	1,550	1,069	1,175	1,165	991	1,225	810	702	–	1,053
All-in costs gross of by-product revenue (US$/equivalent oz)	1,734	1,069	1,175	1,165	991	1,225	810	702	–	1,086

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

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

AISC net of by-product revenues decreased from US$1,053 per ounce of gold in 2014 to US$1,007 per ounce of gold in 2015 to, mainly due to lower operating costs, the weaker average R/US$ and A$/US$ gold price, partially offset by lower by-product credits and higher capital expenditure. AIC net of by-product revenues decreased 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 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 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.

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 2015 and 2014 was approximately 0.5% and 0.5% of revenue, respectively.

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

Ghana
Because minerals are owned by the Republic of Ghana and held in trust by the President, the Tarkwa and Damang operations are subject to a gold royalty which is set at 5% of total revenue earned from minerals obtained.

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 2015 and 2014 was 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 ("CFC") 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% (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 is currently 35%.

Under the 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 has 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 is due and payable to any shareholder not normally resident in Ghana.

The 2015 Income Tax Act (Act 896) was signed into law and gazetted on 1 September 2015, to be implemented effective 1 January 2016.

Whilst the new tax act has not changed the corporate income tax rate applicable to mining companies (remains 35%), it has changed the basis of taxation in Ghana. Income sourced in Ghana rules no longer apply; Ghanaian residents are taxed based on worldwide income, duly offset by double tax and other credits as appropriate. Mining tax rules which were hitherto in various laws have been consolidated into Act 896 and additional provisions introduced such as ring-fencing, depreciable assets for mining purposes now in a separate capital allowances pool and non-deferral of capital allowances not utilised in a given year of assessment.

Withholding tax rates on payments to local persons have been revised to 3% for goods and 7.5% for services respectively. In the case of payments to non-residents, the withholding tax rates remain 8% for dividends and 20% for services, in the absence of applicable double tax treaties. Ghana has concluded double tax treaties with nine jurisdictions, including South Africa.

It should be noted that the tax authorities are due to issue practice and guidance notes to aid the implementation of the 2015 Income Tax Act following which taxpayers should have some clarity on their tax positions.

Gold Fields' agreements with government continue to be in force at the end of the 2015 fiscal year such that tax is not withheld on payments of dividends or capital repayments declared.

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 28% on taxable income (27% for periods 2017 and 2018, and 26% from 2019 onwards), 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 resident and non-resident) is 6.8% (8% for 2017 and 2018, and 9.3% from 2019 onwards). Capital gains are also taxed as ordinary income for domiciled corporations.

Tax losses may be carried forward by a domiciled corporation using one of the following methods:

- losses may be carried forward and used in full in the subsequent four tax years. The balance of tax losses carried forward and not used during these four tax years is forfeited; or
- losses can be carried forward, and are applied up to 50% of the net income in the subsequent tax year. The balance of the assessed losses may be carried forward and applied on this basis until the balance is fully used up, with no time limit on the carry forward.

On 4 October 2007, La Cima and its parent company, Gold Fields Corona ("BVI") Limited, or Gold Fields Corona, signed Investment Stability Agreements with the relevant governmental authorities in Peru. These agreements, among other subjects, guaranteed the current income tax regime, including a 4.1% withholding tax rate on dividends of non-domiciled corporations and a 30% income tax rate, for a period of 10 years.

Peru's revised royalty regime introduced in 2011 requires all mining companies to pay royalties on the exploitation of metallic and non-metallic resources. The revised royalty regime distinguishes between a company with formal stability agreements and those without such agreements. The Investor Stability Agreements signed by Gold Fields Corona and La Cima do not constitute a tax stability agreement for purposes of the new fiscal scheme.

Companies without signed Tax Stability agreements, such as La Cima, pay a new royalty (which effectively replaces the existing royalty regime) calculated with reference to the operating margin and ranging from 1% (for operating margins of less than 10%) to 12% (for operating margins of more than 80%). All companies are also subject to a Special mining tax, or IEM, ranging from 2% (for operating margins of less than 10%) to 8.4% (for operating margins of more than 85%). La Cima's effective IEM rate for 2015 was 2.6% of revenue.

Companies with signed Tax Stability agreements who did not previously pay royalties are now subject to a Special Levy on Mining, or GEM, ranging from 4% for operating margins of less than 10% to 13.12% for operating margins of more than 85%. This does not apply to La Cima.

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

On 31 December 2014, tax law 30296 was approved for periods 2015 and beyond, impacting income tax and dividends income tax as shown below:

Year	Income tax rate	Withholding tax rate
Up to 2014	30%	4.10%
2015 – 2016	28%	6.80%
2017 – 2018	27%	8.00%
From 2019	26%	9.30%

Due to the Tax Stability agreement in place, the above rates will only apply to La Cima from 2017.

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 Dollars, while the costs of the Australian and South African operations are incurred principally in Australian Dollars 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 Dollars, 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 Dollars to Australian Dollar and Rand are set by foreign exchange markets, over which Gold Fields has no control. In 2015, movements in the US Dollar/Rand exchange rate had a significant impact on Gold Fields' results of operations as the Rand weakened 17% against the US Dollar, from an average of R10.82 per US$1.00 in 2014 to R12.68 per US$1.00 in 2015. The Australian Dollar weakened 17% against the US Dollar, from an average of A$1.00 per US$0.90 in 2014 to A$1.00 per US$0.75 in 2015.

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 Dollars or are translated to US Dollars. Accordingly, fluctuations in the Ghanaian Cedi and Peruvian Nuevos Soles do not materially impact operating results for the Ghanaian and Peruvian operations.

INFLATION

A period of significant inflation could adversely affect Gold Fields' results and financial condition. For example, in 2015, inflation in South Africa was 4.6% and in 2014 inflation was 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 2015, the Group continued rationalised and prioritised capital expenditure without undermining the sustainability of its operations and continued prioritisation of cash generation over production volumes. The Group undertook further 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.

In 2014, 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 undertook further reductions in labour costs through the implementation of a voluntary separation programme at South Deep, retrenchments in Ghana following the closure of the heap leach facilities at Tarkwa and transition to a two-shift system in Damang and rightsizing at the Australian operations following the Yilgarn South acquisition. In addition, the Group growth portfolio was further rationalised through the sale of Yanfolila and Chucapaca.

Further, the majority of Gold Fields' costs at the South African operations are in Rand and revenues from gold sales are in US Dollars. 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 Australian Dollars and US Dollars. 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$25 million, or 4%, from US$609 million in 2014 to US$634 million in 2015. Set out below are the capital expenditures made by Gold Fields during 2015.

South African operation

Gold Fields spent R848 million (US$67 million) on capital expenditures at the South Deep operation in 2015 and has budgeted approximately R999 million (US$71 million) for capital expenditures at South Deep in 2016.

Ghanaian operations

Gold Fields spent US$204 million on capital expenditures at the Tarkwa operation in 2015 and has budgeted US$128 million for capital expenditures at Tarkwa for 2016.

Gold Fields spent US$17 million on capital expenditures at the Damang mine in 2015 and has budgeted US$30 million of capital expenditures at Damang for 2016.

Australian operations

Gold Fields spent A$152 million (US$115 million) on capital expenditures at St Ives in 2015 and has budgeted A$220 million (US$161 million) for capital expenditures at St Ives in 2016.

Gold Fields spent A$97 million (US$73 million) on capital expenditures at Agnew/Lawlers in 2015 and has budgeted A$87 million (US$64 million) for capital expenditures at Agnew for 2016.

Gold Fields spent A$27 million (US$20 million) on capital expenditures at Darlot in 2015 and has budgeted A$10 million (US$8 million) for capital expenditures at Darlot for 2016.

Gold Fields spent A$96 million (US$72 million) on capital expenditures at Granny Smith in 2015 and has budgeted A$118 million (US$87 million) for capital expenditures at Granny Smith for 2016.

Peruvian operations

Gold Fields spent US$65 million on capital expenditures at Cerro Corona in 2015 and has budgeted US$54 million for capital expenditures at Cerro Corona for 2016.

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 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 elsewhere 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 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 65 to 69, 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

(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.

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

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 in 2014 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 operations decreased by 1% from 6,237 kilograms (200,500 ounces) to 6,160 kilograms (198,000 ounces). Gold sales at the West African operations increased by 2% from 736,000 ounces to 753,900 ounces. Gold equivalent sales at the South American operations (Cerro Corona) 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.

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 the South Deep operation 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.

At the Cerro Corona operation 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), which 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 build-up 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 build-up 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 build-up 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

Depreciation and amortisation 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.

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

The table below 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 using reserves); 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.

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

[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 the Tarkwa operation.

[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 the Damang operation.

[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 the Cerro Corona operation.

[4] As of 31 December 2013, 31 December 2014 and 31 December 2015 Mineral 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 the West African and Americas operations.

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

In South Africa, amortisation 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 West African operations, amortisation 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.

In South America, amortisation at Cerro Corona increased by 25%, from US$80 million in 2014 to US$100 million in 2015. This significant increase in depreciation 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 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 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 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 decreased by 23% from A$94 million (US$85 million) to A$72 million (US$54 million) due to lower production.

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 and total all-in cost in US$/oz and R/kg for 2015 and 2014:

	2015			2014		
	Gold only ounces sold	**All-in sustaining costs[2] US$/oz**	**Total-all in costs[2] US$/oz**	Gold only ounces sold	All-in sustaining costs[2] US$/oz	Total-all in costs[2] US$/oz
South Deep	**198.0**	**1,490**	**1,559**	200.5	1,548	1,732
South African operations	**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
West African operations	**753.9**	**1,049**	**1,049**	736.0	1,094	1,094
Cerro Corona[1]	**158.8**	**718**	**718**	153.6	316	316
South American operations	**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

All-in costs are calculated in accordance with the World Gold Council Industry standard. Refer to pages 9 to 13 for detailed calculations and discussion of non-IFRS measures.

[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.

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

At South Deep in South Africa, all-in sustaining costs of R607,429 per kilogram (US$1,490 per ounce) and total all-in costs of R635,622 per kilogram (US$1,559 per ounce) in 2015 compared with all-in sustaining costs of R538,254 per kilogram (US$1,548 per ounce) and total all-in costs 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 West African region, all-in sustaining costs and total all-in costs for the region of US$1,049 per ounce in 2015 compared with US$1,094 per ounce in 2014. At Tarkwa, all-in sustaining costs and total all-in costs 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, all-in sustaining costs and total all-in costs 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 South America, all-in sustaining costs and total all-in costs 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. All-in sustaining costs and total all-in costs, 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.

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

At the Australia region, all-in sustaining costs and total all-in costs 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, all-in sustaining costs and total all-in costs 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, all-in sustaining costs and total all-in costs 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, all-in sustaining costs and total all-in costs 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, all-in sustaining costs and total all-in costs 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.

This is due to the decreased revenue as a result of the lower gold sold and a decrease in the average United States Dollar gold price for the year, partially offset by the decrease in cost of sales.

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 other interest, stated on a comparative basis:

	US$ million	
	2015	2014
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$200 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.

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$200 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 (Pty) 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 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$78.50 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).

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

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 exchange gains of 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 during 2014.

LONG-TERM INCENTIVE PLAN EXPENSE

Gold Fields recognises the Long-term Incentive Plan expense in terms of IAS 19 *Employee Benefits*.

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited Long-term Incentive Plan ("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, US$54 million was recognised in the income statement.

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, US$47 million was recognised in the income statement.

Subject to continued exploration success, US$118 million will be spent on exploration in 2016, 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 relates mainly to ongoing study and evaluation costs at the FSE project in the Phillippines 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.

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;
- 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 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 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 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.

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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 Kyrgyztan)	(1)
	1

PROFIT ON DISPOSAL OF CHUCAPACA

During 2014, Gold Fields sold its 51% interest in Canteras del Hallazgo (entity that houses the Chucupaca 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 PROPERTY, PLANT AND EQUIPMENT

Loss on disposal of property, plant and equipment 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.

(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 ATTIBUTABLE 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 Chucupaca 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.

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

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

	2015 Minority interest Effective*	2014 Minority 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

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 West African 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 Kyrgyztan)	2
	6

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

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.

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 its obligations under the Chucapaca agreement. The reason for the decrease in equity contributions from non-controlling interest holders from 2015 to 2014 is the diposal 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) decreased from US$1,911 million at 31 December 2014 to US$1,820 million at 31 December 2015. Net debt (total debt less cash and cash equivalents) decreased from US$1,453 million at 31 December 2014 to US$1,380 million at 31 December 2015, mainly as a result of lower debt.

Provisions
Long-term provisions decreased from US$320 million at 31 December 2014 to US$284 million at 31 December 2015 and included a provision for environmental rehabilitation costs of US$275 million (2014: US$311 million) and other long-term provisions of US$9 million (2014: US$9 million).

Provision for environmental rehabilitation costs
The amount provided for environmental rehabilitation costs decreased from US$311 million at 31 December 2014 to US$275 million at 31 December 2015. The decrease is largely due to the decrease in the gross closure costs and the devaluation of the Australian Dollar and the South African Rand. This provision represents the present value of closure, rehabilitation and other environmental obligations incurred up to 31 December 2015. 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 2015 and 2014 for each region are shown in the table below:

	South Africa	Ghana	Australia	Peru
Inflation rates				
2015	**5.4%**	**2.2%**	**2.5%**	**2.2%**
2014	6.2%	2.2%	2.5%	2.2%
Discount rates				
2015	**10.1%**	**7.8 – 8.8%**	**2.0 – 2.8%**	**3.5%**
2014	8.6%	7.3 – 7.9%	2.3 – 3.1%	3.8%

The interest charge decreased by 33% 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.

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

Adjustments for new disturbances and changes in environmental legislation during 2015 and 2014, after applying the above inflation and discount rates, were:

	2015 US$ million	2014 US$ million
South Africa	**(6)**	(10)
Ghana	**5**	(24)
Australia	**(4)**	53
Peru	**(9)**	16
Total	**(14)**	35

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 from US$30 million at 31 December 2014 to US$35 million at 31 December 2015. The increase is mainly as a result of contributions amounting to US$8 million. Interest income decreased from US$1 million in 2014 to US$nil in 2015. 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 includes the South Deep dividend of US$7 million and other provisions of US$2 million.

Contractual obligations and commitments as at 31 December 2015

	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	1,000.0	–	–	1,000.00	–
Interest	233.0	48.8	97.5	86.7	–
US$200 million revolving senior secured credit facility[1]					
Capital	42.0	42.0	–	–	–
Interest	0.9	0.9	–	–	–
US$1,510 million term loan and revolving credit facility					
Capital	724.0	–	724.0	–	–
Interest	39.9	20.8	19.1	–	–
US$70 million senior secured revolving credit facility					
Capital	45.0	–	45.0	–	–
Interest	1.7	1.3	0.4	–	–
Short-term Rand credit facilities					
Capital	16.7	16.7	–	–	–
Interest	1.3	1.3	–	–	–
Operating lease obligations – building	7.0	2.6	3.1	1.3	–
Other long-term obligations					
Environmental obligations[2]	353.2	–	0.7	34.0	318.5
Total contractual obligations	**2,464.7**	**134.4**	**889.8**	**1,122.0**	**318.5**

[1] At 31 December 2015, La Cima did not meet certain covenants specified in the revolving senior secured credit facility agreement. The lenders have 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 is currently no legal or constructive obligation to settle the debt within the next 12 months, IAS1 *Presentation of Financial Statements*, requires that the balance outstanding under the revolving senior secured credit facility be disclosed as a current liability.

[2] 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 volume of such obligations.

	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	48.9	48.9	–	–	–
Total commercial commitments	**48.9**	**48.9**	**–**	**–**	**–**

[1] Guarantees consist of numerous obligations. Guarantees consisting of US$59.0 million committed to guarantee Gold Fields' environmental obligations with respect to its West African, American and Australasian operations are fully provided for under the provision for environmental rehabilitation and are not included in the amount above.

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 2015, Gold Fields had no material off-balance sheet items.

SARBANES-OXLEY

Gold Fields, being a foreign private issuer under US SEC rules, needs to comply with the requirements of the Sarbanes-Oxley Act, 2002. Management's compliance programme consists of self-assessments, focused walk-throughs and operating effectiveness testing executed throughout the year, on a quarterly basis.

During the 2015 financial year, Gold Fields implemented the COSO 2013 internal control framework to replace the existing internal control framework (COSO 1992) adopted by management. This was successfully completed, with a high level of compliance.

At the time of reporting, management has completed control design and operating effectiveness testing for the Group across all significant locations, with the exception of the processes relating to preparation of US GAAP reporting (20F).

The results to date of said compliance programme indicate a very high level of compliance and no indication of a material breakdown in controls is noted.

TREND AND OUTLOOK

Gold production for the year ending 31 December 2016 is expected to be between 2.05 million attributable equivalent ounces and 2.10 million attributable equivalent ounces. The all-in sustaining cost is estimated between US$1,000 per ounce and US$1,010 per ounce and total all-in cost is estimated at between US$1,035 per ounce and US$1,045 per ounce. These estimates are based on an average exchange rate of R14.14 per US$1.00 and US$0.73 per A$1.00.

Paul Schmidt
Chief Financial Officer
22 March 2016

Independent auditor's report

TO THE SHAREHOLDERS OF GOLD FIELDS LIMITED

Report on the Financial Statements

We have audited the consolidated and separate financial statements of Gold Fields Limited, which comprise the consolidated and separate statements of financial position at 31 December 2015, and the consolidated and separate income statements and consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and the accounting policies and the notes to the consolidated and separate financial statements, and the executive directors' and prescribed officers' remuneration and directors' and prescribed officers' equity-settled instruments sections of the remuneration report, the major group investments – direct and indirect and segment report, as set out on pages 61 to 139.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Gold Fields Limited at 31 December 2015, 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 and the requirements of the Companies Act of South Africa.

Other Reports Required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2015, we have read the Company Secretary's certificate, the Audit Committee report and the Directors' report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

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 six years.

KPMG Inc.
Registered Auditor

Per Coenie Basson
Chartered Accountant (SA)
Registered Auditor
Director

22 March 2016
85 Empire Road, Parktown, 2193
Gauteng, South Africa

Directors' report

The directors have pleasure in submitting their report and the Annual Financial Statements of Gold Fields Limited ("the Company" or "Gold Fields") and its subsidiaries (together referred to as the Group and individually as Group entities) for the year ended 31 December 2015.

PROFILE

Business of the Company

Gold Fields Limited is an unhedged, 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 2.16 million ounces, gold Mineral Reserves of approximately 46 million ounces and gold Mineral Resources of approximately 102 million ounces. 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 for the year ended 31 December 2015.

FINANCIAL RESULTS

The information on the financial position of the Group for the year ended 31 December 2015 is set out in the financial statements on pages 63 to 149 of this Annual Financial Report. The income statement for the Group shows a loss attributable to Gold Fields shareholders of US$242 million for the year ended 31 December 2015 compared with a profit of US$13 million for the year to 31 December 2014.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The Company and the Group annual financial statements comply with International Financial Reporting Standards, the South African Institute of Chartered Accountants 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.

LISTINGS

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 New York Stock Exchange ("NYSE"); and the Swiss Exchange ("SWX").

At 31 December 2015, the Company had in issue, through The Bank of New York Mellon on the New York Stock Exchange ("NYSE"), 330,101,258 million (31 December 2014: 332,768,397) American Depository Receipts ("ADRs"). Each ADR is equal to one ordinary share.

DIRECTORATE

Composition of the Board

There were no changes in directorship during the period under review. Subsequent to year end, Steven Reid was appointed as a non-executive director of the Board with effect from 1 February 2016. The Board currently consists of two executive directors and eight non-executive directors.

Rotation of directors

Directors retiring in terms of the Company's Memorandum of Incorporation ("MoI"), all of whom are eligible and offer themselves for re-election, are Mr DMJ Ncube, Mr DN Murray and Mrs GM Wilson. On 7 May 2015, shareholders were informed that Gold Fields non-executive director, Mr AR Hill would leave the Board of the Company on 31 December 2015. Subsequent to this, the Board resolved in November 2015 that Mr Hill will remain on in his position as a non-executive director until 31 December 2016 to ensure a smooth transition at the Remuneration Committee, which he chairs.

The Board of Directors of various subsidiaries of Gold Fields comprises some of the executive officers and one or both of the executive directors, where appropriate.

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.

For the year ended 31 December 2015, the directors' beneficial interest in the issued share capital and listed share capital of the Company (see table on the next page) was 0.1557%. No one director individually exceeded 1% of the issued share capital or voting control of the Company.

Share ownership of directors and executive officers

Related party information is disclosed on pages 36 and 145.

Directors' report (continued)

Share ownership of directors and executive officers

For the year ended 31 December 2015, the directors' beneficial interest in the issued and listed share capital of the Company was 0.1557%. No one director individual exceeds 1% of the issued share capital or voting control of the Company.

	Beneficial			
	Direct		Indirect	
	31 December 2015[1]	31 December 2014	**31 December 2015**	31 December 2014
Director				
Nicholas J Holland	**610,877**	610,877	**–**	–
Paul A Schmidt	**122,549**	95,109	**–**	–
Alan Hill	**–**	–	**–**	–
Kofi Ansah	**–**	–	**–**	–
Cheryl Carolus	**3,129**	3,129	**–**	–
Richard Menell	**5,850**	5,850	**–**	–
Donald MJ Ncube	**2,378**	2,378	**8,874**	8,874
David Murray	**–**	–	**–**	–
Gayle Wilson	**2,378**	2,378	**–**	–
Prescribed officer				
Richard Weston[1]	**72,704**	–	**–**	–
Naseem Chohan[1]	**74,023**	62,485	**–**	–
Brett Mattison	**24,994**	7,601	**–**	–
Lee-Ann Samuel[1]	**29,964**	3,652	**–**	–
Taryn Harmse	**8,836**	2,102	**–**	–
Alfred Baku[1]	**27,235**	–	**–**	–
Ernesto Balarezo[1]	**26,696**	–	**–**	–
Willie Jacobsz[2]	**–**	62,044	**–**	–
Nico Muller	**–**	–	**–**	–
Avishkar Nagaser	**–**	–	**–**	–
Total	**1,011,613**	857,605	**8,874**	8,874

[1] Inclusive of shares vested and transferred between 1 January 2015 and 8 March 2016

[2] Willie Jacobsz: prescribed officer until 31 December 2014

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.

Final dividend

On 16 February 2016, the Company declared a final cash dividend number 83 of 21 SA cents per ordinary share (2014: 20 SA cents) to shareholders reflected in the register of the Company on 7 March 2016. The dividend was declared in the currency of the Republic of South Africa. This dividend was paid on 14 March 2016.

The dividend resulted in a total dividend of 25 SA cents per share for the year ended 31 December 2015 (2014: 40 SA cents), with the final dividend being accounted for in 2016.

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 MoI, the borrowing powers of the Company are unlimited. As at 31 December 2015, the Company's gross borrowings totalled US$1.82 billion, compared to total borrowings of US$1.91 billion at 31 December 2014. Cash resources as at 31 December 2015 amounted to US$440 million (2014: US$458 million), resulting in net debt of US$1.38 billion (2014: US$1.45 billion).

Capital expenditure

Capital expenditure for the year to 31 December 2015 amounted to US$634 million compared with US$609 million for 2014. Estimated capital expenditure for 2016 is US$602 million and is intended to be funded from internal sources and, to the extent necessary, borrowings.

SIGNIFICANT ANNOUNCEMENTS

Gold Fields top SA mining company in *Sustainability Yearbook*

20 January 2015

Gold Fields was the top-ranked South African mining company in the 2015 *Sustainability Yearbook*, one the most recognised publications highlighting the sustainability performance of listed companies worldwide. The rankings in the *Sustainability Yearbook*, which were released by investment firm RobecoSAM, were based on the same methodology as utilised for the annual Dow Jones Sustainability Index ("DJSI") compilation.

Gold Fields hands over newly restored Ilanga building in Healdtown College

3 March 2015

Gold Fields handed over the newly restored Ilanga building at Healdtown College, a Methodist school located near Fort Beaufort in the Eastern Cape, on Tuesday, 3 March 2015. The building, now renamed the Gold Fields Robert Sobukwe Building, comprises a library, museum, science and computer laboratories, as well as classrooms. The project, which started in 2013, was completed in January 2015 for a total cost of R3.5 million and created 20 local jobs and empowered two local SMMEs.

Gold Fields reaches three-year wage agreement at South Deep Mine

10 April 2015

Gold Fields reached a three-year wage and other conditions of employment agreement with its registered trade unions at its South Deep mine in South Africa. The agreement, which was signed with the National Union of Mineworkers and UASA, will result in average annual wage increases of 10% over the three-year period of the deal. The first increase took effect on 1 April 2015. The negotiations took place at a company-level in recognition of South Deep's significantly different operating model and labour profile to that of the other gold mining companies in South Africa.

Sibanye Gold released from Gold Fields bond guarantee

29 April 2015

Gold Fields advised that Sibanye Gold had been released as guarantor of US$1 billion in guaranteed bank notes due in 2020.

Fatality at South Deep Project

11 May 2015

Gold Fields announced that a contractor at the South Deep Project in South Africa lost his life in a tramming accident on 9 May 2015.

Update on SEC investigation into Gold Fields' BEE transaction

22 June 2015

Gold Fields was informed by the Foreign Corrupt Practices Act Unit of the United States Securities Exchange Commission ("SEC") that it had concluded its investigation in connection with the Black Economic Empowerment transaction related to South Deep and, based on the information available to them, would not recommend to the SEC that enforcement action be taken against Gold Fields. The notice was provided under guidelines that state 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.

Gold Fields Ghana donates medical supplies for treatment of victims of fire disaster in Accra on 3 June

23 June 2015

Gold Fields Ghana presented medical supplies worth over GHS34,000 (US$8,000) to the National Reconstructive Plastic Surgery and Burns Centre at the Korle-Bu Teaching Hospital in Accra. The supplies were needed for the treatment of the surviving victims of an explosion in Accra on 3 June 2015, which claimed an estimated 75 lives and caused widespread property damage.

Gold Fields sells its stake in Woodjam projects in Canada

13 August 2015

Gold Field reached an agreement with its partner, Consolidated Woodjam Copper to sell its 51% interest in the Woodjam copper-gold-molybdenum projects located in British Columbia ("BC"), Canada. Woodjam Copper procured 100% control of the Woodjam Project by purchasing Gold Fields' 51% joint venture interest. In exchange, Gold Fields was issued with new Woodjam Copper shares to take its aggregate holding in Woodjam Copper from 1.1% to 19.9%. Gold Fields also retains a 2% net smelter return royalty over all unencumbered land owned by Woodjam Copper.

Rick Menell appointed Gold Fields' Deputy Chair

19 August 2015

Rick Menell, currently an independent non-executive of the Company, assumed the role of Deputy Chairperson of Gold Fields.

Gold Fields Ghana pays US$7 million interim dividend to government

19 October 2015

Gold Fields Ghana paid US$7 million as an interim dividend to the Government of Ghana for the 2015 financial year. The amount represents 10% of dividends declared, which is due to the government by virtue of the latter's 10% ownership in Gold Fields Ghana through a free carried interest.

Directors' report (continued)

Gold Fields among leaders in climate change ratings
5 November 2015
Gold Fields was ranked as one of the few companies listed on the JSE Limited that consistently excelled in the rankings by the global Carbon Disclosure Project ("CDP"). The CDP said Gold Fields has been ranked in the JSE Top 100 Climate Disclosure Leadership Index ("CDLI") for six or more of the eight years that the CDLI has been in place. In the 2015 ranking the Company again achieved a perfect disclosure record of 100%. Gold Fields has also been part of JSE Top 100 Climate Performance Leadership Index ("CPLI") in three of the six years this index has been in place. In 2015, the Company achieved an A-rating, just below the top band of companies.

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 Limited in favour of a claimant, who suffered from silicosis. Increased costs, should they transpire, are currently indeterminate (refer page 39). The Company continues to monitor developments in this regard.

ENVIRONMENTAL OBLIGATIONS
The Company's total closure liability for environmental rehabilitation costs amounted to US$353 million at 31 December 2015 compared with US$391 million at 31 December 2014. The regional closure liabilities are as follows:

- Australia: US$186 million
- South Africa: US$29 million
- Peru: US$47 million
- Ghana: US$91 million

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

- Ghana – reclamation bonds underwritten by banks and restricted cash;
- South Africa – contributions into environmental trust funds and guarantees;
- Australia – mine rehabilitation fund levy; and
- Peru – bank guarantees.

LITIGATION
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 WAL 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 Gold Fields Operations Limited to fund its operations (approximately R519 million or US$34 million).

During Q3 of 2015, simultaneously with delivering its plea, GFO joined certain third parties to the action (namely JCI Limited, JC Lamprecht, the deceased estate of 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, GFO'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, No 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 are applications in terms of which the court is 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.

Gold Fields has opposed the applications.

The two class actions were consolidated into one application on 17 October 2014. In terms of the consolidated application, the court was 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. If certification is granted, it will be the first step in a process whereby the applicants will, on behalf of the class or classes, seek to hold Gold Fields and the other mining companies liable for silicosis and/or tuberculosis and the resultant consequences. Any such claims will be defended.

In addition to the consolidated application, an individual action has been instituted against Gold Fields and one other mining company in terms of which the plaintiff claims US$2 million (R25 million) in damages (and interest on that amount at 15.5% from May 2014 to date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has entered an appearance to defend the individual action and has pleaded to the claim.

In January 2014, the plaintiff delivered an application to join three other mining companies (including the owners of Gold Fields' South Deep operation) to the action. The joinder was effected and Gold Fields delivered a revised plea on behalf of the joined Gold Fields defendants.

Directors' report (continued)

The plaintiff has since applied to amend his particulars of claim, which amendment is being opposed. While the plaintiff enrolled the trial for hearing on 23 May 2016, the matter has been removed from the trial roll. Gold Fields is proceeding with trial preparation in the normal course.

The ultimate outcome of the claims cannot presently be determined and, accordingly, no adjustments for any effects on the Company that may result from these claims, if any, have been made in the consolidated financial statements.

South Deep tax dispute

The South Deep mine ("South Deep") is jointly owned and operated by Gold Fields Investment Joint Venture Holdings (Pty) Limited ("GFIJVH") (50%) and GFO (50%).

As at 31 December 2015, South Deep's deferred tax asset balance amounted to US$453.3 million (R6,844.9 million). This amount is included in the consolidated deferred tax asset of US$54.1 million on Gold Fields' statement of financial position. South Deep's deferred tax asset comprises unredeemed capital expenditure balances of US$172 million (R2,590 million) at GFI and US$159 million (R2,393 million) at GFO, a capital allowance balance (additional capital allowance) of US$46 million (R688 million) at GFIJVH and assessed loss balances of US$7 million (R101 million) at GFIJVH and US$66 million (R993 million) 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 reflected on its 2011 tax return from R2,292 million to nil. The tax effect of this amount is R688 million, being the amount 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 (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.

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
Gold Fields advised the market on 7 July 2014 that, in the context of a claim by the Ngadju People under the Native Title Act 1993 (Cth) to seek a determination of their native title rights, a decision had been handed down by a single judge of the Federal Court of Australia on 3 July 2014, in which the Court had accepted the submissions of the Ngadju People that the regrant of certain St Ives' tenements by the State of Western Australia in 2004 was not compliant with the correct processes set out in the Native Title Act 1993 (Cth), and, as such, the regranted tenements are inconsistent with the Ngadju People's native title rights. The Court made a determination of the Ngadju People's native title rights (giving effect to this decision) in November 2014.

The decision does not affect the grant of mining tenure to St Ives under the Mining Act, 1978 ("WA"). St Ives still validly holds all of the tenements that underpin its mining operations at St Ives, and as these proceedings were not an action against St Ives for the failure to take certain steps, the Court had no ability to impose any sort of penalty against St Ives.

Gold Fields remains strongly of the view that it has at all times complied with its obligations under the Native Title Act, 1993 (Cth), in respect of its dealings with these tenements. Gold Fields, together with BHP Billiton Nickel West (Pty) Ltd, lodged an appeal against the decision in December 2014. The appeal to the Full Court of the Federal Court of Australia (three judges), was heard in May 2015, and the decision reserved. If necessary, Gold Fields will seek leave to appeal any adverse decision to the High Court of Australia.

Gold Fields will continue to take all steps necessary to ensure that the St Ives operations remain unaffected while this matter is resolved through the relevant Court processes.

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.

SEC investigations
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 has 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 (a South African political party). 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 may have 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.

Directors' report (continued)

Mining Charter ownership element declaration application
On 5 June 2015, the Chamber of Mines (of which Gold Fields is a member) commenced a court application against the Minister and Director General of the Department of Mineral Resources (DMR) regarding the continuing consequences of previous BEE deals in measuring progress on the Mining Charter's ownership element (HDSA Ownership).

The Chamber application was set down to be heard on 15 and 16 March 2016.

A separate application was brought by John Hulme Scholes and Malan Scholes Incorporated against the Minister (Scholes Application) to consolidate the Chamber Application with the Scholes Application. The same court was tasked with hearing the Scholes Application.

The court heard the application to consolidate on 15 March 2016 and judgement was reserved to a future date to be confirmed. The Chamber Application did not commence and was postponed to a future date yet to be determined.

If the Court were to rule in favour of the Minister and the DMR that the mining industry is not in compliance with the Mineral and Petroleum Resources Development Act (MPRDA) with respect to the Mining Charter, for any reason, including HDSA Ownership, the Chamber of Mines may further appeal and challenge such a decision in court, including to the Constitutional Court of South Africa. Gold Fields could also, if necessary, further challenge the matter on its own.

Should the Minister and the DMR be successful through the various court proceedings, mining companies, including Gold Fields, may be required to undertake further empowerment transactions in order to increase their HDSA Ownership, which would lead to the dilution of existing shareholders. Further possible consequences of the Chamber of Mines not being successful in court, are that:

- The Minister and the DMR may determine that mining companies, including Gold Fields, are not in compliance with the MPRDA provisions and could suspend or cancel existing mining rights of mining companies; or
- The Minister and the DMR may enact new regulations to, among others, increase HDSA Ownership guidelines for mining companies, which would lead to the dilution of existing shareholders.

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

ADMINISTRATION
For the period under review the office of Company Secretary of Gold Fields Limited was held by Lucy Mokoka.

Computershare Investor Services (Pty) Limited is the Company's South African transfer secretaries, and Capita Registrars is the United Kingdom registrars of the Company.

AUDITORS
The Audit Committee has recommended to the Board that KPMG continue 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 pages 136 to 137.

Remuneration report

DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present the directors' Remuneration Report for the year ended 31 December 2015.

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 AGM in May 2016.

The Remuneration Committee ("the Committee"), following the practice of previous years, has engaged extensively 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 2016. Shareholders, in general, commended Gold Fields on its disclosure and provided high-level guidance in terms of market best practice as set out below.

SHAREHOLDER FEEDBACK

1. **Equity-settled performance shares for the Long-Term Incentive Plan ("LTIP")**
   Shareholders have a strong preference that executives own shares in the company they manage: this aligns their interests with shareholders by incentivising them to think like owners and focus on the long term. The use of equity-settled long-term incentives results in executives building a shareholding in the Company over time without having to take any active steps to acquire shares. In response to this, Gold Fields will be seeking shareholder approval to reinstate the revised Gold Fields Limited 2012 Share Plan. The details and reasoning for this and the request for approval are set out on pages 44 and 45.

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 vest three years from award date. Annual awards are made with rolling three-year vesting periods with overlaps from one performance cycle to the next performance cycle. Gold Fields is furthermore implementing a Minimum Shareholding Requirement ("MSR") where executives are required to hold a percentage of their salary in Gold Fields shares for a period of five years.

3. **Relative Total Shareholder Return ("TSR") versus peers as the primary performance factor for the Long-term Incentive Plan**
   The use of TSR versus peers as the primary performance factor for LTIs focuses executives on prudent capital allocation and the creation of shareholder value over the long-term. The peer group is usually impacted by the same industry pressures as the company in question; it also better rewards executives 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. Note that there is 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 will be Absolute TSR, Relative TSR and Free Cash Flow.

4. **Short-term incentives ("STIs") should give sufficient weight to delivery on South Deep**
   The STIs should be reformulated to give sufficient weight to delivery on South Deep. 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 bonus shares. The deferral of short-term incentives in shares over a number of years achieves a number of goals in this regard: 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 will be introduced effective 1 January 2016. Executives will be required to hold a percentage of their annual salary in Gold Fields shares for five years and will have the option to defer a portion or all of their cash bonus into Restricted Shares prior to the accrual of the cash bonus.

Remuneration report (continued)

GOLD FIELDS RESPONSE

The Committee acknowledges and listens to the views of the Company's shareholders and has taken account of their opinions in formulating the remuneration principles, the remuneration policy and this Remuneration Report.

Introduction of Minimum Shareholding Requirement for members of the Group Executive Committee

In line with best practice and in response to shareholder input, the Company has adopted a Minimum Shareholding Requirement ("MSR") policy that will become mandatory for executives (provided shareholder approval for the 2012 Share Plan is received). 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 is:

- 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, 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 Committee.

The restricted shares will be held in escrow for the holding period. The restricted shares will, however, not be subject to any further forfeiture provisions post the original vesting date (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 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, 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, i.e. the Company aims to guard against a situation where an executive only accumulates the shares in year four of the five-year period.

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.

Reintroduction of the revised Gold Fields Limited 2012 Share Plan

Various amendments to the 2012 Share Plan are being put to shareholders for their vote in the AGM as set out in the Notice of AGM on pages 7 and 11 to 16. The changes to the 2012 Share Plan will also facilitate the introduction of a minimum shareholding requirement for executives and will be implemented on a mandatory basis upon approval of the proposed changes to the 2012 Share Plan.

As a result of the fact that the share allocation limits prescribed by the plan were almost fully utilised, the cash-settled LTIP was introduced in 2014. The Company, however, has always favoured an equity-settled plan as this creates alignment between employees and shareholders, a view shared by the shareholders with whom the Company has engaged. To this end, the Company proposes to revert back to the plan, but in an amended form.

The plan is, among others, proposed to be amended to cater for:

- The making of awards to address specific retention requirements for key employees, and
- The introduction of an MSR for members of the Group Executive Committee.

A summary of the changes to the plan is set out below.

1. Amendments relating to the plan

   1.1 Settlement methods

   Currently, the plan only provides for settlement by way of an issue of shares. In response to concerns raised by shareholders regarding the dilutive effect of issuing shares, the rules have been amended to be more flexible in order to allow for settlement of shares through the following, in addition to the issue of shares at the election of the Company:

   - The purchase of shares on the open market; or
   - The use of treasury shares.

   1.2 Share allocation limit

   The share allocation limit which was previously approved by shareholders is 36,231,651 shares (which equated to approximately 5% of issued share capital at the time of adoption of the plan). Currently, the limit is determined with reference to shares allocated by way of the plan and other legacy share plans. As stated earlier, this limit is almost fully utilised, i.e. approximately 18,000,000 shares have been used for awards previously made under the plan and 18,000,000 shares that were used for legacy share plans also count towards the share allocation limit. Going forward, it is proposed that the number of shares still available, before the limit is reached, will be determined with reference to the plan only. Due to the fact that shares used for legacy share plans are proposed to be excluded from the limit, it effectively means that the Company is proposing that approximately 18,000,000 additional shares be allocated for use in the plan. Furthermore, it is proposed that the limit be updated to 41,076,635 shares, being 5% of the current issued shares as at 22 March 2016. Thus, if the plan is amended as set out above (and taking into account awards that have lapsed to date so that the related shares have once more become available for allocation under the plan), a total of 23,076,635 shares will effectively be available to be awarded under the plan (constituting 3% of the Company's issued share capital as at 22 March 2016).

   In calculating the number of shares available from time to time under the limit, there will be no exclusions based on the different settlement methods, so that treasury shares used and shares purchased in the market in settlement of awards will also count towards the limit, in addition to the issue of shares. Shares that were the subject of awards to participants of the plan that lapsed and awards of restricted shares will be excluded from the share limit.

   1.3 Bonus shares

   The Company will no longer award bonus shares (categorised in the plan as forfeitable shares) and it is proposed that the rules be amended accordingly.

   1.4 Retention shares

   From time to time the Company identifies retention risks associated with key employees. The plan will be amended to cater for the ability to make an award of conditional shares ("retention shares") on an *ad hoc* basis, subject to a three-year vesting period.

   The retention shares will be subject to the same provisions as the performance shares and matching shares except that they will not be subject to any performance conditions.

Following the amendments, four instruments will be used, namely:

- Performance shares – these are conditional awards of shares subject to the achievement of performance vesting conditions.
- Restricted shares – executives will be given the opportunity, prior to the annual cash bonus being communicated or the upcoming vesting date of the Long-term Incentive Plan ("LTIP") award or performance shares, to elect to receive a portion of the annual cash bonus or LTIP in restricted shares or convert a portion of the unvested performance shares into restricted shares towards fulfilment of a minimum shareholding requirement. These shares are subject to a holding period as set out above.
- Matching shares – in recognition of compliance with the minimum shareholding requirement and the risk associated with holding shares in the Company, participants will receive conditional rights to receive shares and will not be entitled to any shareholder rights before settlement. Settlement will take place after the vesting date, which will be on the fulfilment of the minimum shareholding requirement.
- Retention shares – *ad hoc* awards of retention shares subject to continued employment to address specific retention requirements.

The salient features of the amended 2012 Share Plan are contained in the notice of AGM on pages 7 and 11 to 16.

Remuneration report (continued)

PART 1: REMUNERATION PHILOSOPHY AND POLICY

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.

The Committee ensures that total executive remuneration is competitive to allow the Company to attract and retain the critical skills required to deliver sustainable shareholder returns. At the same time, the Committee 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.co.za/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, meets 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; and
- 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 2015:

- The Committee, upon careful consideration, approved the extension of employee retirement age from 60 to 63 years of age for the executives and D Band and above employees in South Africa.
- The Committee considered the minimum shareholding requirement for members of the Group Executive Committee.
- The Committee approved the annual bonus outcomes for 2014.
- The Committee reviewed the performance of the Group Executive Committee for 2014 and approved the key performance indicators for the 2015 year.
- The Committee approved the operational bonus parameters for 2015.
- The Committee deliberated on the wage-gap ratio between the highest and lowest paid employees at Gold Fields. Refer to page 129 of the Integrated Annual Report.

Over the past year, Gold Fields has taken decisive action in response to the weakening gold price and has set the following key business goals for 2016:

- Meet production and cost guidance
- Generate 15% FCF margin at US$1,300/oz or adjust margin based on budgeted gold price
- Pay 25% to 35% of normalised earnings as dividends
- Lower net debt: EBITDA ratio to 1.0x as soon as practical
- Deliver South Deep to cash breakeven by end 2016 and communicate a long-term plan by early 2017

2016 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; and
- 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*, only leave is on top of GRP and all benefits are on top of 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
	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 › Long-term cash incentive plan to be replaced with the revised Gold Fields Limited 2012 Share Plan	› Long-term view (36 months) › Market performance of the Company › Shareholder alignment – total shareholder return (absolute and relative) › Sustainable free cash flow

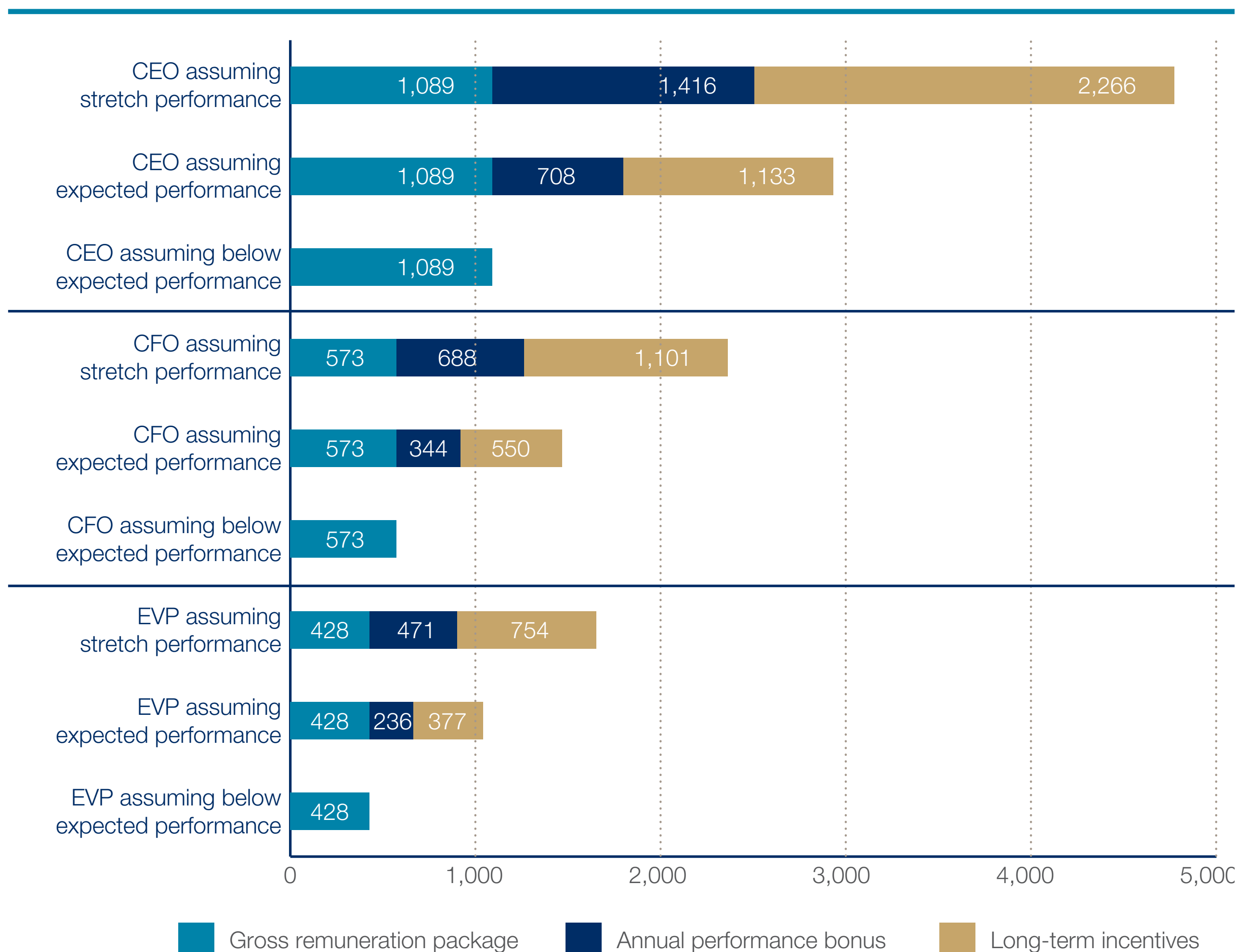
Remuneration report (continued)

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. 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 2016, the overall remuneration mix of executives is as follows:

Assuming below expected, expected and stretch performance (US$'000)
(An average exchange rate of US$1= R12.68 for 2015 was used)



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 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 overperformance levels warrant total pay at the 75th percentile.

As a global company, with the majority of our operations now 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 financial and personal performance is taken into account in determining bonuses. For the CEO and CFO, the financial element is based on performance against Group objectives. For the Regional EVPs, the financial element is based on a combination of Group, regional and operational objectives. This is illustrated in the table below:

Employee category	Group	Region	Operation	Personal
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 by the Committee annually in advance.

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 2015 are detailed in part 2 of this report, on pages 61 and 62.

Remuneration report (continued)

GROUP KEY PERFORMANCE INDICATORS FOR THE 2016 ANNUAL PERFORMANCE BONUS

The Group scorecard translates the strategy into metrics for 2016 – see page ▼▼ of the Integrated Annual Report.

Financial

KPI	OBJECTIVE
Sustainable free cash flow margin	Meet production and cost guidance
Debt reduction	Continue to use cash generation to pay down US$100 million of debt
Improve investors/ analysts confidence	Improve total shareholder return – Exceed the WACC and position Gold Fields' share price in the upper quartile of its peer group and dividend payment in line with policy

Business optimisation

KPI	OBJECTIVE
Improve safety practices	Behavioural based safety programmes fully implemented and tracked
Improve quality portfolio of existing assets and growth	Grow mineable resources that maintain growth in FCF/oz and average reserve life per operation, through a combination of brownfields exploration and portfolio management (acquisition, joint venture and/or disposal)
Rebase South Deep to deliver	Achieve a neutral or positive cash flow by the end of 2016
	Develop a project management framework and system and the necessary implementation capacity to effectively manage and execute the business improvement projects
Technology and innovation	Design a Technology Strategy for each Region together with a three-year implementation plan
Energy cost management	Implement action plans as detailed in the energy security plan in 2015 and upgrade energy efficiency plans

Social licence to operate

KPI	OBJECTIVE
Shared Value	Develop three-year local procurement plans for South Africa, Ghana and Peru
Community relations	Develop and implement Community engagement strategies in each region
Mine closure and water management	Integrate post-closure water management plans for all regions
Climate change	Undertake a risk based gap analysis to further assess operational vulnerability to climate change risks

People

KPI	OBJECTIVE
Management of performance	Measure, incentivise and motivate employees to deliver high performance results
Communication and engagement	Implement an appropriate two way communication platform to improve engagement
Improve people management skills	Create strong people managers that are able to attract, motivate and manage a diverse workforce
Create a conducive work environment	Review the employee value proposition for each region
Improved talent management	Ensure we have the right people in the right jobs at the right time and the delivery of effective training programmes to ensure the appropriate supply of skills

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

Group scorecard parameters

Safety	20%
Total gold production	20%
All-in-cost ("AIC") per ounce	40%
Development or waste mined	20%

The CEO's 2016 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:

2016 performance scorecard for Nick Holland		
Objective	**Weighting**	**Measurement**
1. Group Free Cash Flow	10%	Deliver free cash flow margin of 5% based on a gold price of US$1,100/oz and exchange rates of A$0.73/US$ and R14.14/US$
2. South Deep cash flow	15%	Cash breakeven by year end
3. South Deep rebase plan	25%	Conclude the rebase life-of-mine plan
4. Portfolio decisions on Damang and Darlot	20%	Decision on Darlot and Damang
5. Technology and innovation	10%	Technology and innovation strategy approved
6. Improve the quality of assets in the Gold Fields portfolio	20%	Grow mineable resources that maintain growth in FCF/oz and average reserve life per operation, through a combination of brownfields exploration and portfolio management (acquisition, joint venture and/or disposal)

LONG-TERM INCENTIVES

The Gold Fields Limited 2014 LTIP (to be replaced with the revised Gold Fields Limited 2012 Share Plan which requires shareholder approval)

On approval of the changes to the 2012 Share Plan, no new awards will be made under the 2014 LTIP. In the event that the Share Plan is not approved, annual long-term incentives will be awarded in terms of the LTIP, as set out below.

The 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.
- In the event that the revised Gold Fields Limited 2012 Share Plan is not approved, annual long-term incentive awards will be made in terms of the LTIP for 2016. Vesting for awards made in 2016 will be based on the following three corporate conditions equally being met:
  - Free cash flow margin ("FCFM") 33% weighted
  - Absolute total shareholder return ("TSR") 33% weighted
  - Relative total shareholder return ("TSR") 34% weighted
- Threshold must be achieved for payout of any portion of the award to be triggered.

Remuneration report (continued)

Vesting conditions of the Long-Term Incentive

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%

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 peer group will consist of 10 companies: AngloGold Ashanti, Goldcorp, Barrick, Eldorado Gold, Randgold, Yamana, Agnico Eagle, Kinross, Newmont and Newcrest. TSR will be calculated as the compounded annual growth rate ("CAGR") of the TSR index comprising these companies 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 used based on the USD 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 DIRECTOR'S AND PRESCRIBED OFFICERS' SERVICE CONTRACTS

Nicholas J Holland (Executive Director and Chief Executive Officer) and Paul A 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").

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 2016 were determined by the Remuneration Committee and were as follows:

- Nicholas J Holland: R10,252,100 plus US$390,000
- Paul A Schmidt: R6,478,000 plus US$119,000

The split between 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 settled prior to or on the last day of the notice period and will have 20 (twenty) days in which to do so; and
- 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.

As of 1 January 2016, the rules of the annual performance bonus for the CEO and CFO remained unchanged for 2016.

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; and
- Full vesting of all long-term incentive awards.

Remuneration report (continued)

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 to benchmark the non-executive directors ("NED") fees to that of South African and international markets. The proposal set out below 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 subcommittee 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); and
- For NED residing outside South Africa, the current Rand/US Dollar exchange rate further exacerbates the lag.

Given that NED are recruited both nationally and internationally, a particular focus in recent years has been primarily to attract NED 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 NED are fairly well positioned relative to the South African market, they do however lag the international market. The NED fees were last reviewed in June 2014 with no increase in fees in 2015. 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 SA; and
- 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 the NEDs effective 1 June 2016. In addition to this, it is proposed that a further 13% be considered in respect of NED residing outside SA to offset the negative impact of the decline in the Rand against the US Dollar. Effective 1 June 2016, it is proposed that the non-resident NED be paid in US Dollars pegged at the exchange rate for the six-month period ending 31 December 2015.

Furthermore, Rick Menell was appointed to the position of Deputy Chair in 2015, and his fee needs to be adjusted accordingly. The proposed fee is US$132,256 (R1.8 million), which is an overall increase of 25%. This takes into account his increased responsibility and includes the year-on-year inflationary increase.

NED proposed fees for 2016

It is proposed that the following annual remuneration shall be payable to non-executive directors of the Company with effect from 1 June 2016 for their services as directors.

	Current fees in Rand	Proposed fees for SA resident NED for 2016 in Rand	Proposed fees for non-SA resident NED[1] for 2016 in US$
The Chair of the Board (all-inclusive fee)	2,584,050	2,765,000	
The Deputy Chair of the Board (all-inclusive fee)	1,437,010	1,800,000	
The Chair of the Audit Committee	307,090	329,000	
The Chairs of the Capital Projects Control and Review Committee, Nominating and Governance Committee, Remuneration Committee, Risk Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chair of the Board and the Deputy Chair of the Board)	189,390	203,000	16,700
Members of the Board (excluding the Chair and the Deputy Chair of the Board)	848,510	907,900	74,900
Members of the Audit Committee (excluding the Chair of the Audit Committee and the Deputy Chair of the Board)	159,430	170,000	14,100
Members of the Capital Projects Control and Review Committee, Nominating and Governance Committee, Remuneration Committee, Risk Committee, Social and Ethics 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)	119,840	128,000	10,600

[1] Converted to a US Dollar fee by adjusting the 2015 fee by 7% for the normal inflationary increase and 13% for the depreciation of the SA Rand using the exchange rate for the six-month period ending 31 December 2015 of US$1 = R13.61

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.

GUARANTEED PAY ADJUSTMENTS

The annual remuneration review takes place in March of each year. All eligible employees received a salary increase on 1 March 2015 and the average increase for executives during 2015 was 8.8%. The overall increase in labour costs fell within the approved mandate of the Committee.

ANNUAL PERFORMANCE BONUS OUTCOMES FOR 2015

a. Group objectives

For the year ended 31 December 2015, the Group performance targets and how senior executives performed against these targets, were as follows:

		2014	2015		2015		
	Weight	Actual	Actual	Threshold	Target	Maximum	Achieved
CORPORATE PERFORMANCE				**+0.0%**	**+100%**	**+200%**	
Safety improvement – TRIFR[1]	20%	4.04	3.40	+0%	+5%	+10%	181%
Gold (equivalent[2]) production – k'ozs	20%	2,294	2,245	2,191	2,238	2,285	114%
All-in Cost – $/oz	40%	1,074	989[3]	1,365	1,300	1,235	200%
Development and waste mined[4]	20%	1.0%	7.6%	+0%	+5%	+10%	152%
	100%						170%

[1] Safety for the Group is based on the 15.8% improvement year-on-year

[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 2,236koz (2014: 2,294koz)

[3] All-in Costs (US$/oz) of US$989/oz does not equal the AIC US$oz used elsewhere in the AFR of US$1,026/oz (2014: US$1,087/oz). 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 target is made up of:
- International operations – open-pit waste 40% and underground metres 40%
- South Deep – de-stress 10% and reef tonnes 10%

Remuneration report (continued)

Notwithstanding the good safety progress made in 2015, the three fatalities (excludes the one non-operational fatality) are of deep concern. The safety measure is the total recordable injury frequency rate ("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 will be 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 75% and Tarkwa's by 50%. This also had an impact on the final Group safety score, which was reduced by 19% 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.

b. Personal objectives

Aside from Group objectives listed above, the CEO and CFO were also assessed on individual, 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.

The achievements in 2015 in terms of Company strategic objectives include the following:

- In 2015, Gold Fields declared a dividend of 25 cents per share, in line with our dividend policy.
- Our target for 2015 debt reduction was achieved by having paid off approximately US$73 million of net debt. This has positioned Gold Field favourably relative to our peers on this metric, and further strengthening our balance sheet.
- Following on 2014, the focus was maintained on disposing of our non-core assets by exiting Woodjam from our portfolio.
- Our all-in cost per ounce was significantly reduced to US$1,026/oz making Gold Fields one of the lower cost gold producers in terms of all-in-cost.
- Australia managed to maintain approximately 1 million ounces of production per annum since the Yilgarn acquisition 2.5 years ago.
- Our international operations generated a strong cash flow resulting in net cash accumulation for the Group of US$123 million in spite of the cash outflow at South Deep. 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$1,140/oz in 2015, every region has increased its cash flows.
- During 2015, 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: People, fleet and mining methodologies. We changed the skills base and recruited 146 people in core disciplines. A new mining cycle has been implemented with a strong focus not just on primary mining, but also on support, ripping and backfill to ensure the sustainability of the operation. As a result, the production and cash position of the project has improved markedly throughout the reporting period. We certainly believe that we have put in place the building blocks to restore the confidence of our large shareholder base and attract the long-term investors that seek good leverage to the gold price.
- A ground-breaking three-year wage deal was secured with organised labour for South Deep, which stabilised the labour environment.
- Management solicited consent from bondholders to release the Sibanye guarantee.
- Five-year energy security plans were developed for the regions.
- Progress was made in advancing the Shared Value projects.
- 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.

Taking all these factors into account, the CEO received a personal performance score of 4.2 out of 5[3] 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 2016 was 109% of annual salary. For the CEO it was 111%[1] and the CFO 106%[2] of annual salary.

[1] CEO bonus = (65% x 170%) + (35% x 172%) x 65% = 111%
[2] CFO bonus = (65% x 170%) + (35% x 190%) x 60% = 106%
[3] Gets converted into a percentage with 3 = 100% and 5 = 200%. 4.2 = 172%, 4.5 = 190%

LTIP AWARDS MADE DURING THE YEAR

Awards made under the LTIP during 2015 were subject to the following performance conditions:

1. Total shareholder return (50% weighting) – based on the cost-of-equity formula over the three-year measurement period starting 1 January 2015 to 31 December 2017.

Total shareholder return ("TSR") – 50% of the initial award value will vest on the following basis:

Target	TSR performance	TSR factor
Below target	0%	n/a
Target	7% per annum	100%
Stretch	13% per annum	200%
Above stretch	The adjustment that could be made to the initial award value will be uncapped above the stretch and every additional 6% TSR growth per annum will result in an additional 50% vesting	Every additional 6% TSR growth per annum will result in an additional 50% vesting

2. Free cash flow margin (50% 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 2015 to 31 December 2017.

Free cash flow margin ("FCFM") – 50% of the initial award value will vest on the following basis:

Target	FCFM performance	FCFM factor
Threshold	An average FCFM over the performance cycle of 5%	0%
Target	An average FCFM over the performance cycle of 15%	100%
Stretch	An average FCFM over the performance cycle of 20%	200%
Above stretch	The adjustment that could be made to the initial award value will be uncapped above the stretch and every additional 5% FCFM will result in an additional 50% vesting, eg an average FCFM of 25% will result in a vesting of 250%	Every additional 5% FCFM (on average) will result in an additional 50% vesting

LTIP performance progress from date of award up until 31 December 2015

The tracking of corporate performance conditions in terms of the LTIP is depicted below:
2014 LTIP award – 1 January 2014 to 31 December 2015 (24 months into the award)
2015 LTIP award – 1 January 2015 to 31 December 2015 (12 months into the award)

	TSR – 50%		FCFM – 50%		Total potential vesting % of initial awards
Award	Achieved	Vesting	Achieved	Vesting	
2014 LTIP award performance period – 1 Jan 2014 to 31 Dec 2016	0%	0%	10.5%	55%	27.5%
2015 LTIP award performance period – 1 Jan 2015 to 31 Dec 2017	0%	0%	8.0%	30.0%	15.0%

Remuneration report (continued)

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 2014 LTIP award:

Name	Designation	US$ value of initial LTI award (US$ million)	US$ value of awards expected to vest (US$ million)
NJ Holland	Chief Executive Officer	1.51	0.41
PA Schmidt	Chief Financial Officer	0.73	0.20
R Weston	EVP: Australasia	0.96	0.26
E Balarezo	EVP: Americas	0.73	0.20
A Baku	EVP: West Africa	0.70	0.19
LN Samuel	EVP: People and Organisational Effectiveness	0.56	0.15
BJ Mattison	EVP: Strategy Planning and Corporate Development	0.59	0.16
NA Chohan	EVP: Sustainable Development	0.27	0.07
TL Harmse	EVP: General Counsel	0.42	0.11
N Muller	EVP: South Africa	0.08	0.02
		6.55	**1.77**

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 (US$ million)
NJ Holland	Chief Executive Officer	1.08	0.16
PA Schmidt	Chief Financial Officer	1.07	0.16
R Weston	EVP: Australasia	0.76	0.11
E Balarezo	EVP: Americas	1.08	0.16
A Baku	EVP: West Africa	1.08	0.16
LN Samuel	EVP: People and Organisational Effectiveness	0.60	0.09
BJ Mattison	EVP: Strategy Planning and Corporate Development	0.69	0.10
NA Chohan	EVP: Sustainable Development	0.29	0.04
TL Harmse	EVP: General Counsel	0.59	0.09
N Muller	EVP: South Africa	0.40	0.06
A Nagaser	EVP: Investor Relations and Corporate Affairs	0.21	0.03
		7.85	**1.16**

2012 SHARE PLAN VESTING

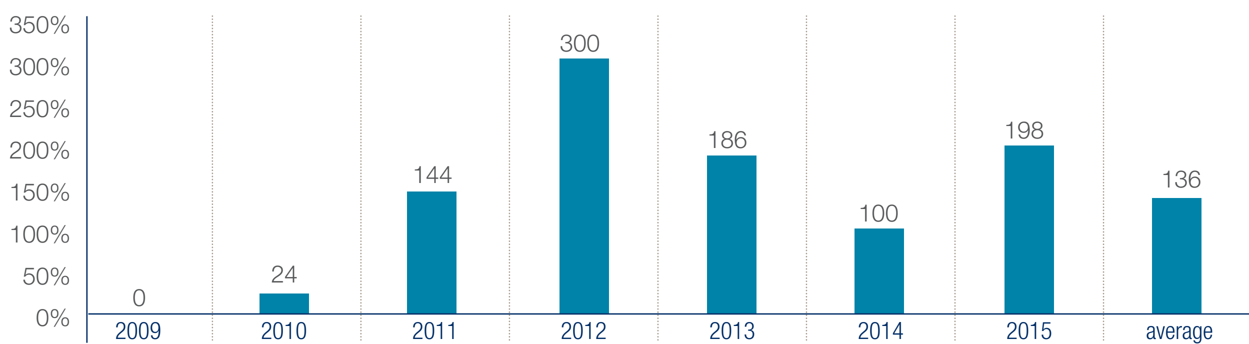
In terms of the provisions of 2012 Share Plan, eligible employees were awarded performance shares on 1 March 2012 that vested on 1 March 2015.

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 2012 to 11 February 2015.

As confirmed by KPMG, our external auditors, Gold Fields has been positioned within the upper quartile of the peer group, resulting in a settlement of 197.8% 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 pages 86 to 88 and 108.

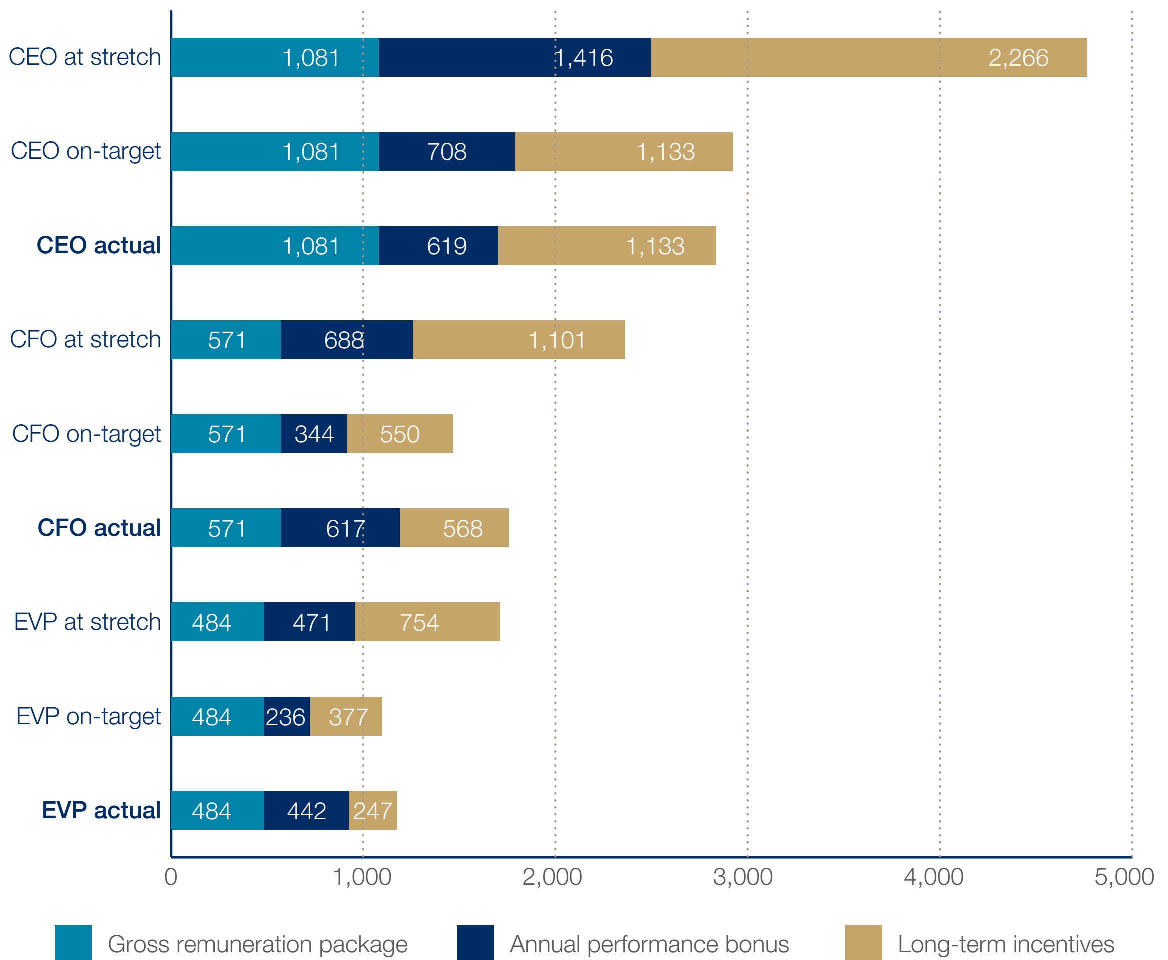
Remuneration report (continued)

Total remuneration outcomes for 2015

For 2015, 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 2015 vs on-target and stretch performance (US$'000)

(An average exchange rate of US$1= R12.68 for 2015 was used)



The table below provides details of the remuneration of executive directors and prescribed officers in 2015, in terms of US Dollar values. An average exchange rate for the 12-month period ended 31 December 2015 was used: **i.e. US$1 = R12.68** to convert to US Dollar values.

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

The directors and prescribed officers were paid the following remuneration for the year ended 31 December 2015:

All figures stated in US$'000	Board fees Directors' fees	Committee fees	Salary[1]	Pension scheme contri-bution	Annual bonus[2]	Sundry	Subtotal	Pre-tax share proceeds for shares awarded in previous years	Total realised earnings for the 12-month period ended 31 December 2015[3]	For the 12-month period ended 31 December 2014
Executive directors										
Nicholas J Holland	–	–	935.7	145.3	618.9[10]	–	1,699.8	1,132.5	2,832.4	2,603.5
Paul A Schmidt	–	–	512.2	58.4	616.5	–	1,187.0	568.2	1,755.3	1,602.7
Prescribed officers										
Ernesto Balarezo[4]	–	–	622.4	–	425.7	414.8	1,463.0	109.4	1,572.4	1,970.4
Alfred Baku[5]	–	–	688.9	158.5	572.0	298.8	1,718.2	220.5	1,938.7	1,889.2
Richard Weston	–	–	560.9	64.5	482.0	–	1,107.4	688.6	1,796.0	1,506.5
Naseem A Chohan	–	–	283.0	53.1	306.9	–	643.0	221.4	864.4	726.6
Brett Mattison	–	–	347.1	38.4	379.3	–	764.8	207.7	972.6	851.3
Lee-Ann Samuel	–	–	307.7	33.8	322.1	–	663.6	175.4	839.0	807.1
Taryn Harmse	–	–	265.2	65.3	322.4	–	652.9	106.6	759.6	673.8
Nico Muller[6]	–	–	412.8	45.0	423.5	197.2	1,078.5	–	1,078.5	403.6
Avishkar Nagaser[7]	–	–	210.6	23.4	208.5	–	442.5	–	442.5	–
Willie Jacobsz[8]	–	–	–	–	–	–	–	–	–	1,034.4
Michael D Fleischer[9]	–	–	–	–	–	–	–	–	–	510.7
Kgabo FL Moabelo[9]	–	–	–	–	–	–	–	–	–	727.1
Non-executive directors										
Cheryl A Carolus	203.8	–	–	–	–	–	203.8	–	203.8	232.3
Alan R Hill	66.9	43.3	–	–	–	–	110.2	–	110.2	125.6
David N Murray	66.9	33.8	–	–	–	–	100.8	–	100.8	114.9
Richard P Menell	66.9	46.4	–	–	–	–	113.3	–	113.3	127.5
Gayle M Wilson	66.9	52.6	–	–	–	–	119.5	–	119.5	136.2
Donald MJ Ncube	66.9	46.4	–	–	–	–	113.3	–	113.3	129.2
Kofi Ansah	66.9	18.9	–	–	–	–	85.8	–	85.8	97.8
Total	**605.3**	**241.4**	**5,146.5**	**685.7**	**4,677.9**	**910.8**	**12,267.6**	**3,430.5**	**15,698.1**	**16,270.4**

Average exchange rates were US$1 = R12.68 for FY2015 and R10.82 for FY2014 respectively

[1] The total US$ amounts paid for 2015, and included under salary, were as follows: Nick Holland US$356,000, Paul Schmidt US$100,000

[2] The annual bonus accruals for the 12-month period ended 31 December 2015, paid in February 2016

[3] These amounts reflect the full directors' emoluments for comparative purposes. The portion of executive directors' emoluments payable in USD is paid in terms of agreements with the offshore subsidiaries for work done by directors offshore for offshore companies. The total realised earnings for 2015 for Nick Holland in ZAR = R35,914,615 and for Paul Schmidt = R22,256,668

[4] Ernesto Balarezo – Sundry payment relates to legislated bonuses

[5] Sundry payment for Alfred Baku relates to relocation/leave allowance and encashment of excess leave

[6] Nico Muller – Sundry payment relates to *pro rata* sign-on bonus

[7] Avishkar Nagaser – Appointed on 1 January 2015

[8] Willie Jacobsz – Prescribed officer until 31 December 2014

[9] Michael Fleischer and Kgabo Moabelo – Resigned during 2014

[10] Nick Holland elected, prior to the determination of the annual performance bonus for FY2015 and in line with the Rules of the Minimum Shareholding Requirement Policy, to convert 50% of his cash bonus into Gold Fields Shares (US$618,900) which will be held in escrow for a five-year restricted period

Remuneration report (continued)

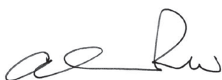
DIRECTORS' AND PRESCRIBED OFFICERS' EQUITY-SETTLED INSTRUMENTS

The directors and prescribed officers held the following equity-settled instruments at 31 December 2015:

	Equity-settled instruments at 31 December 2014		Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year			Equity-settled instruments at 31 December 2015	
Director	Number	Average strike price (US$)	Granted	Number	Number	Average market price of vested shares	Benefit arising ($'000)	Number	Weighted average strike price (US$)[1]
Nicholas Holland	486,889	7.09	131,004	56,383	264,955	4.27	1,132.5	**296,555**	**7.46**
Paul Schmidt	247,246	7.38	49,224	25,951	146,867	3.87	569.1	**123,652**	**7.38**
Prescribed officer									
Richard Weston	232,823	7.38	40,730	–	177,785	3.86	687.0	**95,768**	**7.38**
Ernesto Balarezo	77,319	–	–	–	38,137	2.82	107.6	**39,182**	**–**
Alfred Baku	89,069	7.44	17,362	8,779	62,350	3.53	220.0	**35,302**	**7.44**
Taryn Harmse	55,378	7.54	8,320	5,868	28,438	3.74	106.5	**29,392**	**7.54**
Lee-Ann Samuel	75,373	7.52	12,985	–	45,410	3.30	149.8	**42,948**	**7.52**
Brett Mattison	102,612	7.46	15,653	8,204	53,613	3.28	176.0	**56,448**	**7.46**
Naseem Chohan	83,816	8.15	19,085	–	56,768	3.90	221.1	**46,133**	**8.15**
Nico Muller	–	–	245,208	–	–	–	–	**–**	**–**

[1] Share appreciation rights ("SARS") weighted average strike price.

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 pages 86 to 89.



Alan Hill
Chairman of the Remuneration Committee
On behalf of the Board, which approved the report on 22 March 2016

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 and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) 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 and Company 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 and 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 consolidated and separate financial statements were authorised for issue by the Board of Directors on 22 March 2016.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2015

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
Various **IFRS**		› Annual improvements project (2010 to 2012 and 2011 to 2013) 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 2016 or later periods but have not been early adopted by the Group. Management is currently reviewing the impact of these standards on 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***
IAS1 *Presentation of Financial Statements*	Amendment	› The amendments issued clarify materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.	1 January 2016
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.	1 January 2016
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.	1 January 2016
Various **IFRS**		› 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.	1 January 2016
IFRS 9 *Financial Instruments* (2009)	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 two classification categories: amortised cost and fair value; and › The classification and measurement of financial liabilities are the same as per IAS 39 barring two aspects.	1 January 2018
IFRS 9 *Financial Instruments* (2010)	New Standard	› 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*.	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.	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, i.e. 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.	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, depletion 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 and income taxes.

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 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 calculations. These calculations require the use of estimates and assumptions. It is possible that the gold price assumption may change which may then impact the Group's estimated life-of-mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing 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. Expected future cash flows used to determine the value-in-use or fair value less cost of disposal ("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 prices, discount rates, foreign currency exchange rates, resource valuations, 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 impairments assessments (FVLCOD calculations) include:

	2015	2014
US$ gold price per ounce – 2016 (2014: 2015)	**US$1,100**	US$1,200
US$ gold price per ounce – 2017 (2014: 2016)	**US$1,200**	US$1,300
US$ gold price per ounce – 2018 onwards (2014: 2017 onwards)	**US$1,300**	US$1,300
Rand gold price per kilogramme – 2016 onwards (2014: 2015 onwards)	**R500,000**	R420,000
A$ gold price per ounce – 2016 and 2017 (2014: 2015 and 2016)	**A$1,500**	A$1,444
A$ gold price per ounce – 2018 onwards (2014: 2017 onwards)	**A$1,550**	A$1,444
US$ copper price per tonne – 2016 (2014: 2015)	**US$4,408**	US$5,732
US$ copper price per tonne – 2017	**US$5,950**	–
US$ copper price per tonne – 2018 onwards (2014: 2016 onwards)	**US$6,610**	US$6,610
Resource value per ounce	**US$69**	US$64
Discount rates		
› South Africa – nominal	**14.5%**	13.0%
› Ghana – real	**9.6%**	8.5%
› Peru – real	**5.6%**	5.0%
› Australia – real	**4.1%**	4.2%
Long-term exchange rates		
› ZAR/US$	**11.96**	10.00
› A$/US$	**0.84**	0.90

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.

The carrying amount of property, plant and equipment at 31 December 2015 was US$4,312.4 million (31 December 2014: US$4,895.7 million). The carrying value of goodwill at 31 December 2015 was US$295.3 million (31 December 2014: US$385.7 million).

Pre-production

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 2015:

- Deferred taxation liability: US$487.3 million (31 December 2014: US$387.0 million)
- Deferred taxation asset: US$54.1 million (31 December 2014: US$62.4 million)
- Taxation and royalties payable: US$77.8 million (31 December 2014: US$58.2 million)

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 amount of the provision for environmental rehabilitation costs at 31 December 2015 was US$275.4 million (31 December 2014: US$311.2 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.

The carrying amount of total inventories (non-current and current) at 31 December 2015 was US$431.0 million (31 December 2014: US$501.1 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 loss 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 are 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.

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.

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.

Intercompany 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.

Investments in subsidiaries (in the separate financial statements) are stated at cost less accumulated impairment losses.

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 interest 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.

Interest 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.

Accounting policies (continued)

Results of associates and joint ventures are equity accounted using the results of their most recent audited financial statements or unaudited interim financial statements. Any losses from associates are brought to account in the consolidated financial statements until the interest in such associates is written down to zero. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates.

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 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.

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.

The Company's functional and presentation currency is the South African Rand and the separate financial statements of the Company are presented in South African Rand.

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 (R/US$:15.10; A$/US$:0.73 (2014: R/US$:11.56; A$/US$:0.81)). Equity items are translated at historical rates. The income and expenses are translated at the average exchange rate for the year (R/US$:12.68; A$/US$:0.75 (2014: R/US$:10.82; A$/US$: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 (i.e. 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.

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 component of the orebody 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 their estimated useful lives.

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.

Accounting policies (continued)

4.8 Mining exploration

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

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 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 cost 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/unit. 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

Operating lease costs are charged against income 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 non-current assets 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 at each reporting date 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 or 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.

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

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.

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.

Accounting policies (continued)

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 the fair value adjustment reserve, 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.

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.

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.

8.1.6 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 assets*, and the initial amount recognised less cumulative amortisation.

Accounting policies (continued)

8.2 **Derivative financial instruments**

The Group's general policy with regard 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 forecasted 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.

On initial designation of the derivative as a hedging instrument:

- the Group formally documents the relationship between the hedging instrument and hedged item;
- (as well as on an ongoing basis) the Group makes an assessment of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows attributable to the hedged risk; and
- for a cash flow hedge, the forecast transaction should be highly probable.

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. Recognition of derivatives which meet the above criteria under IAS 39 *Financial Instruments: Recognition and Measurement* is deferred until settlement.

Changes in fair value of a derivative that is highly effective, and that is designated and qualifies as a fair value hedge, are recorded in profit or loss, along with the change in the fair value of the hedged asset or liability that is attributable to the hedged risk. If the hedge no longer meets the requirements for hedge accounting, the adjustment to the carrying amount of the hedge, for which the effective interest method is used, is amortised to profit or loss over the period to maturity.

Changes in fair value of a derivative that is highly effective, and that is designated as a cash flow hedge, are recognised directly in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Where the forecasted transaction or firm commitment results in the recognition of an asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Amounts deferred in other comprehensive income are included in profit or loss in the same periods during which the hedged firm commitment or forecasted transaction affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the requirements for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Gains and losses accumulated in equity are included in profit or loss when the foreign operation is partially disposed of or sold.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that are not designated as hedges or that do not qualify for hedge accounting 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. 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 this trust fund 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 provided for funding of the environmental rehabilitation obligations.

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.

Accounting policies (continued)

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 the share-based payment reserve. 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 re-issue 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 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.

Investment income comprises interest income on funds invested and dividend income from listed and unlisted investments.

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 declared. The Group withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared. 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 2015

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
	Notes	**2015**	2014
Revenue	1	**2,545.4**	2,868.8
Cost of sales	2	**(2,066.1)**	(2,334.4)
Net operating profit		**479.3**	534.4
Investment income	3	**6.3**	4.2
Finance expense	4	**(82.9)**	(99.2)
Loss on financial instruments		**(4.7)**	(11.5)
Foreign exchange gains		**9.5**	8.4
Other costs		**(21.2)**	(62.5)
Share-based payments	5	**(10.9)**	(26.0)
Long-term incentive plan	26	**(5.3)**	(8.7)
Exploration expense		**(53.5)**	(47.2)
Share of results of equity-accounted investees after taxation	15	**(5.7)**	(2.4)
Restructuring costs		**(9.3)**	(42.0)
Impairment of investments and assets	6	**(221.1)**	(26.7)
Profit on disposal of investments		**0.1**	0.5
Profit on disposal of Chucapaca	32	**–**	4.6
Loss on disposal of property, plant and equipment		**(0.1)**	(1.3)
Profit before royalties and taxation	7	**80.5**	224.6
Royalties	8	**(76.0)**	(86.1)
Profit before taxation		**4.5**	138.5
Mining and income taxation	9	**(247.1)**	(118.1)
(Loss)/profit for the year		**(242.6)**	20.4
(Loss)/profit attributable to:			
– Owners of the parent		**(242.1)**	12.8
– Non-controlling interest holders		**(0.5)**	7.6
		(242.6)	20.4
(Loss)/earnings per share attributable to ordinary shareholders of the Company:			
Basic (loss)/earnings per share – cents	10.1	**(31)**	2
Diluted basic (loss)/earnings per share – cents	10.2	**(31)**	2

The accompanying notes form an intergral part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 31 December 2015
Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2015	2014
(Loss)/profit for the year	**(242.6)**	20.4
Other comprehensive income, net of tax[1]	**(636.6)**	(320.1)
Marked-to-market valuation of listed investments	**0.4**	2.8
Reclassification of realised gain on disposal of listed investments	**–**	(1.8)
Currency translation adjustments	**(637.0)**	(321.1)
Total comprehensive income for the year	**(879.2)**	(299.7)
Attributable to:		
– Owners of the parent	**(878.7)**	(308.9)
– Non-controlling interest holders	**(0.5)**	9.2
	(879.2)	(299.7)

The accompanying notes form an intergral part of these financial statements.

[1] All items can be subsequently reclassified to the income statement.

Consolidated statement of financial position

at 31 December 2015

Figures in millions unless otherwise stated

	Notes	UNITED STATES DOLLAR 2015	2014
ASSETS			
Non-current assets		**4,969.6**	5,764.9
Property, plant and equipment	13	**4,312.4**	4,895.7
Goodwill	14	**295.3**	385.7
Inventories	19	**132.8**	132.8
Equity-accounted investees	15	**129.1**	252.4
Investments	17	**10.9**	5.5
Environmental trust funds	18	**35.0**	30.4
Deferred taxation	23	**54.1**	62.4
Current assets		**908.1**	1,092.8
Inventories	19	**298.2**	368.3
Trade and other receivables	20	**168.9**	226.5
Cash and cash equivalents	21	**440.0**	458.0
Assets held for sale	12	**1.0**	40.0
Total assets		**5,877.7**	6,857.7
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		**2,656.1**	3,538.8
Share capital	22	**58.1**	57.9
Share premium		**3,412.9**	3,412.9
Other reserves		**(2,262.2)**	(1,636.5)
Retained earnings		**1,447.3**	1,704.5
Non-controlling interest		**111.9**	124.5
Total equity		**2,768.0**	3,663.3
Non-current liabilities		**2,545.6**	2,481.3
Deferred taxation	23	**487.3**	387.0
Borrowings	24	**1,761.6**	1,765.7
Provisions	25	**284.1**	320.3
Long-term incentive plan	26	**12.6**	8.3
Current liabilities		**564.1**	713.1
Trade and other payables	27	**427.6**	509.7
Taxation and royalties		**77.8**	58.2
Current portion of borrowings	24	**58.7**	145.2
Total equity and liabilities		**5,877.7**	6,857.7

The accompanying notes form an intergral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2015

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR							
	Number of ordinary shares in issue	Share capital and share premium	Accumulated other comprehensive loss[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**

The accompanying notes form an intergral part of these financial statements.

[1] Accumulated other comprehensive loss mainly comprises foreign currency translation.

[2] Other reserves include share-based payments and share of equity investee's other comprehensive income.

Consolidated statement of cash flows

for the year ended 31 December 2015
Figures in millions unless otherwise stated

	Notes	UNITED STATES DOLLAR 2015	2014
Cash flows from operating activities		**743.9**	808.5
Cash generated by operations	28	**1,005.4**	1,061.3
Interest received		**5.9**	3.6
Dividends received		**–**	0.1
Change in working capital	29	**43.6**	83.7
Cash generated by operating activities		**1,054.9**	1,148.7
Interest paid		**(86.8)**	(103.8)
Royalties paid	30	**(76.9)**	(88.8)
Taxation paid	31	**(118.4)**	(105.3)
Net cash from operations		**772.8**	850.8
Dividends paid		**(28.9)**	(42.3)
– Ordinary shareholders		**(15.1)**	(29.8)
– Non-controlling interest holders		**(12.1)**	(10.6)
– South Deep BEE dividend		**(1.7)**	(1.9)
Cash flows from investing activities		**(651.5)**	(530.9)
Additions to property, plant and equipment		**(634.1)**	(608.9)
Proceeds on disposal of property, plant and equipment		**3.1**	4.9
Proceeds on disposal of Chucapaca	32	**–**	81.0
Purchase of investments		**(3.0)**	(4.4)
Proceeds on disposal of investments		**–**	6.4
Environmental trust funds and rehabilitation payments		**(17.5)**	(9.9)
Cash flows from financing activities		**(88.3)**	(125.9)
Equity contributions from non-controlling interest holders		**–**	2.0
Loans raised		**506.0**	463.9
Loans repaid		**(594.3)**	(591.8)
Net cash generated		**4.1**	151.7
Effect of exchange rate fluctuation on cash held		**(22.1)**	(18.7)
Cash and cash equivalents at beginning of the year		**458.0**	325.0
Cash and cash equivalents at end of the year	21	**440.0**	458.0

The accompanying notes form an intergral part of these financial statements.

Notes to the consolidated financial statements

for the year ended 31 December 2015

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
		2015	2014
1.	**REVENUE**		
	Revenue from mining operations	**2,545.4**	2,868.8
2.	**COST OF SALES**		
	Salaries and wages	**(389.6)**	(448.1)
	Consumable stores	**(389.2)**	(441.2)
	Utilities	**(167.9)**	(199.2)
	Mine contractors	**(294.9)**	(351.0)
	Other	**(189.7)**	(245.4)
	Operating costs	**(1,431.3)**	(1,684.9)
	Gold inventory change	**(24.9)**	7.2
	Operating costs including gold inventory change	**(1,456.2)**	(1,677.7)
	Amortisation and depreciation	**(609.9)**	(656.7)
	Total cost of sales	**(2,066.1)**	(2,334.4)
3.	**INVESTMENT INCOME**		
	Dividends received	**–**	0.1
	Interest received – environmental trust funds	**0.4**	0.5
	Interest received – cash balances	**5.9**	3.6
	Total investment income	**6.3**	4.2
4.	**FINANCE EXPENSE**		
	Interest charge – environmental rehabilitation	**(11.7)**	(18.4)
	Interest expense – borrowings	**(87.8)**	(105.0)
	Interest capitalised	**16.6**	24.2
	Total finance expense	**(82.9)**	(99.2)

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2015

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 2015, the following share plans were in place: The Gold Fields Limited 2005 Share Plan and the Gold Fields Limited 2012 Share Plan. No allocations of options under these plans were made during 2014 and 2015 following the introduction of the Long-term Incentive Plan ("LTIP") (refer note 26).

The following information is available for each plan:

UNITED STATES DOLLAR		
2014		**2015**
1.7	(a) Gold Fields Limited 2005 Share Plan	**–**
	(b) Gold Fields Limited 2012 Share Plan	
12.0	– Performance shares	**8.2**
12.3	– Bonus shares	**2.7**
26.0	**Total included in (loss)/profit for the year**	**10.9**
	Figures above in millions.	

(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 2015 and 2014:

2014				**2015**		
Performance vesting restricted shares ("PVRS")	Share appreciation rights ("SARS")	Average instrument price (US$)		**Performance vesting restricted shares ("PVRS")**	**Share appreciation rights ("SARS")**	**Average instrument price (US$)**
1,230,971	3,151,728	8.89	**Outstanding at beginning of the year**	**–**	**1,818,261**	**7.89**
			Movement during the year:			
(1,217,700)	–	–	Exercised and released	**–**	**–**	**–**
(13,271)	(1,333,467)	8.62	Forfeited	**–**	**(793,083)**	**7.34**
–	1,818,261	7.89	**Outstanding at end of the year (vested)**	**–**	**1,025,178**	**6.03**

5. SHARE-BASED PAYMENTS (continued)

(b) Gold Fields Limited 2012 Share Plan

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. No allocations of options under this plan were made during 2014 and 2015 following the introduction of the LTIP (refer note 26). Currently the last vesting date is 20 December 2016.

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 will result in the settlement of shares is to be 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 will be 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 an 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 2015

Figures in millions unless otherwise stated

5. SHARE-BASED PAYMENTS (continued)

The following table summarises the movement of share options under the Gold Fields Limited 2012 Share Plan during the years ended 31 December 2015 and 2014:

2014			2015	
Performance shares ("PS")	Bonus shares ("BS")		**Performance shares ("PS")**	**Bonus shares ("BS")**
6,029,716	882,072	**Outstanding at beginning of the year**	**4,316,657**	**2,161,922**
		Movement during the year:		
–	4,000,559	Granted	**–**	**–**
(834,010)	(2,167,802)	Exercised and released	**(1,704,704)**	**(2,094,343)**
(879,049)	(552,907)	Forfeited	**(165,031)**	**(67,579)**
4,316,657	2,161,922	**Outstanding at end of the year**	**2,446,922**	**–**
		None of the outstanding options of 2,446,922 above have vested.		

2014		2015
	The fair value of equity instruments granted during the year ended 31 December 2014 were valued using the Monte Carlo simulation model:	
	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:	
43.5%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**–**
9.0 – 18.0	– expected term (months)	**–**
0.6%	– dividend yield	**–**
5.5%	– weighted average three-year risk-free interest rate (based on SA interest rates)	**–**
40.28	– weighted average fair value (South African Rand)	**–**
2.0%	– marketability discount	**–**

5. SHARE-BASED PAYMENTS (continued)

The following table summarises information relating to the options and equity-settled instruments under all plans outstanding at 31 December 2015 and 2014:

2014				2015		
Number of instruments	Price (US$)	Contractual life (years)	Range of exercise prices for outstanding equity instruments (US$)	**Number of instruments**	**Price (US$)**	**Contractual life (years)**
6,478,579	–	0.80	n/a*	**2,446,922**	**–**	**–**
580,833	6.56	1.22	3.97 – 5.63	**448,296**	**5.03**	**0.22**
454,131	8.17	0.33	5.64 – 7.28	**33,641**	**5.86**	**0.60**
769,159	8.94	2.33	7.29 – 8.94	**531,720**	**6.84**	**1.35**
14,138	10.25	3.01	8.95 – 10.60	**11,521**	**7.84**	**2.01**
8,296,840			**Total outstanding at end of the year**	**3,472,100**		
			* Restricted shares ("PVRS") are awarded for no consideration.			
		3.90	Weighted average share price during the year on the Johannesburg Stock Exchange (US$)	**3.55**		

The compensation costs related to awards not yet recognised under the above plans at 31 December 2015 and 31 December 2014 amount to US$1.5 million and US$14.3 million, respectively, and are to be spread over one year.

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 35,309,563 of the total issued ordinary share capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 3,530,956 of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 0.45% of the total issued ordinary share capital at 31 December 2015. No allocations of options were made during 2014 and 2015 under any of these plans.

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2015

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
		2015	2014
6.	**IMPAIRMENT OF INVESTMENTS AND ASSETS**		
	Investments	**(117.4)**	(14.2)
	Listed investments	**(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	**(95.7)**	(11.2)
	Arctic Platinum[3]	**(39.0)**	(3.2)
	Yanfolila[4]	**–**	4.7
	Property, plant and equipment – other[5]	**(56.7)**	(12.7)
	Inventories	**(8.0)**	(1.3)
	Stockpiles and consumables[6]	**(8.0)**	(1.3)
	Impairment of investments and assets	**(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, Arctic Platinum 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. Arctic Platinum’s 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, Arctic Platinum was further impaired by US$39.0 million to its fair value less cost of disposal, resulting in a carrying value of US$1.0 million at 31 December 2015. Refer note 12 for further details. The impairment is included in the Corporate and other segment.

[4] 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 of disposal or carrying value, which resulted in an impairment of US$29.7 million during 2013. During 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird for US$21.1 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. The impairment is included in the Corporate and other segment.

[5] Impairment of property, plant an equipment is made up as follows:

	UNITED STATES DOLLAR	
	2015	2014
– 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 accounting policies page 67 for assumptions)).		
– Asset-specific impairment at Damang	**35.8**	–
(Relating to immovable mining assets written off to nil that will no longer be used under the current life-of-mine plan).		
Total impairment of property, plant and equipment – other	**56.7**	12.7

[6] Net realisable value write-down of stock piles at Damang (2014: consumables at Lawlers).

		UNITED STATES DOLLAR	
		2015	2014
7.	**INCLUDED IN PROFIT BEFORE ROYALTIES AND TAXATION ARE THE FOLLOWING:**		
	Operating lease charges	**(2.7)**	(3.2)
	Regulatory legal fees	**(0.1)**	(7.1)
	Rehabilitation income/(charges)	**15.1**	(18.4)
8.	**ROYALTIES**		
	South Africa	**(1.2)**	(1.3)
	Foreign	**(74.8)**	(84.8)
	Total royalties	**(76.0)**	(86.1)
	Royalty rates		
	South Africa (effective rate)[1]	**0.5%**	0.5%
	Australia[2]	**2.5%**	2.5%
	Ghana[2]	**5.0%**	5.0%
	Peru[3]	**4.0%**	3.3%

[1] 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 2015 was approximately 0.5% of mining revenue (2014: 0.5%) equaling the minimum charge per the formula.

[2] The Australian and Ghanaian operations are subject to a 2.5% (2014: 2.5%) and 5.0% (2014: 5.0%) gold royalty, respectively on revenue as the mineral rights are owned by the state.

[3] 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 2015

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2015	2014
9. MINING AND INCOME TAXATION		
The components of mining and income tax are the following:		
South African taxation		
– company and capital gains taxation	**(3.5)**	(1.7)
– prior year adjustment – current taxation	**0.5**	(0.3)
– deferred taxation	**17.1**	24.9
– prior year adjustment – deferred taxation	**–**	(3.9)
Foreign taxation		
– current taxation	**(139.9)**	(128.4)
– prior year adjustment – current taxation	**–**	(3.8)
– deferred taxation	**(116.1)**	(4.9)
– prior year adjustment – deferred taxation	**(5.2)**	–
Total mining and income taxation	**(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% (2014: 34.0%) were:		
Taxation on profit before taxation at maximum South African statutory mining tax rate	**(1.5)**	(47.1)
Rate adjustment to reflect the actual realised company tax rates in South Africa and offshore	**21.8**	8.4
Non-deductible share-based payments	**(3.7)**	(7.2)
Non-deductible exploration expense	**(7.7)**	(10.9)
Deferred tax assets not recognised on impairment of investments[1]	**(53.2)**	(3.6)
Non-deductible interest paid	**(26.9)**	(27.7)
Non-deductible legal and consulting fees	**–**	(2.4)
Non-taxable profit on disposal of investments and subsidiaries	**–**	1.7
Share of results of equity-accounted investees after taxation	**(1.9)**	(0.8)
Net non-deductible expenditure and non-taxable income	**(8.5)**	(8.2)
Deferred taxation charge on Peruvian Nuevo Sol devaluation against US Dollar[2]	**(41.0)**	(3.1)
Various Peruvian non-deductible expenses	**(7.8)**	(8.0)
Prior year adjustments	**(4.4)**	(9.1)
Derecognition of deferred tax assets at Cerro Corona and Damang[3]	**(112.5)**	–
Deferred tax release on change of tax rate at the Peruvian operations	**4.5**	–
Other	**(4.3)**	(0.1)
Total mining and income taxation	**(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 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] During 2015, the Group derecognised deferred tax assets at Cerro Corona and Damang to the extent that there is not sufficient future taxable income. 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 TAX (continued)

2014		2015
	South Africa – current tax rates	
Y = 34 – 170/X	Mining tax[1]	**Y = 34 – 170/X**
28.0%	Non-mining tax[2]	**28.0%**
28.0%	Company tax rate	**28.0%**

[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 (Pty) Limited ("GFIJVH"), owners of the South Deep mine, has been calculated at 30% (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.

2014		2015
	International operations – current tax rates	
30.0%	Australia	**30.0%**
35.0%	Ghana	**35.0%**
30.0%	Peru	**30.0%**

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 2015, the Group had the following estimated amounts available for set-off against future income:

2014				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**
US$ million	US$ million	US$ million		**US$ million**	**US$ million**	**US$ million**
			South Africa[3]			
656.9	283.0	–	Gold Fields Operations Limited	**528.2**	**219.2**	**–**
1,822.6	20.9	910.6	GFI Joint Venture Holdings (Pty) Limited[5]	**1,586.0[4]**	**22.2**	**862.4**
–	0.8	–	Gold Fields Group Services (Pty) Limited	**–**	**–**	**–**
2,479.5	304.7	910.6		**2,114.2**	**241.4**	**862.4**

[3] 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 expiry date.

[4] Comprises US$723.6 million gross recognised capital allowance and US$862.4 million gross unrecognised capital allowance (2014: US$912.0 million gross recognised capital allowance and US$910.6 million gross unrecognised capital allowance).

[5] During 2014, the South African Revenue Service ("SARS") issued a Finalisation of Audit Letter ("the Audit Letter") stating that SARS has disallowed US$151.8 million of GFIJVH's gross recognised capital allowance of US$723.6 million. Refer note 35 on Contingent Liabilities for further details.

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

9. MINING AND INCOME TAX (continued)

2014				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**
US$ million	US$ million	US$ million		**US$ million**	**US$ million**	**US$ million**
			International operations			
1.1	387.9	389.0	Exploration entities[1]	**–**	**345.2**	**345.2**
–	–	–	Gold Fields Australia (Proprietary) Limited[2]	**1.2**	**–**	**–**
51.3	46.5	–	Abosso Goldfields Limited[3]	**63.9**	**65.7**	**129.6**
52.4	434.4	389.0		**65.1**	**410.9**	**474.8**

[1] The tax losses of US$345.2 million (2014: US$387.9 million) comprise US$3.8 million (2014: US$12.1 million) tax losses that expire between one and two years, US$62.9 million (2014: US$67.1 million) tax losses that expire between two and five years, US$49.6 million (2014: US$62.5 million) tax losses that expire between five and 10 years, US$40.7 million (2014: US$21.6 million) tax losses that expire after 10 years and US$188.2 million (2014: US$224.6 million) tax losses that have no expiry date.

[2] The capital losses are available to be utilised against income generated by the relevant tax entity and do not expire.

[3] Tax losses may be carried forward for five years. These losses expire on a first-in first-out basis.

		UNITED STATES DOLLAR	
		2015	2014
10.	**EARNINGS PER SHARE**		
10.1	**Basic (loss)/earnings per share — cents**	**(31)**	2
	Basic (loss)/earnings per share is calculated by dividing the loss attributable to ordinary shareholders of US$242.1 million (2014: profit of US$12.8 million) by the weighted average number of ordinary shares in issue during the year of 774,763,151 (2014: 769,141,871).		
10.2	**Diluted basic (loss)/earnings per share — cents**	**(31)**	2
	Diluted basic (loss)/earnings per share is calculated on the basis of loss attributable to ordinary shareholders of US$242.1 million (2014: profit of US$12.8 million) and 774,763,151 (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	**774,763,151**	769,141,871
	Share options in issue	**–[1]**	2,672,944
	Diluted number of ordinary shares	**774,763,151**	771,814,815
10.3	**Headline (loss)/earnings per share — cents**	**(4)**	4
	Headline (loss)/earnings per share is calculated on the basis of adjusted net loss attributable to ordinary shareholders of US$28.2 million (2014: earnings of US$27.3 million) and 774,763,151 (2014: 769,141,871) shares being the weighted average number of ordinary shares in issue during the year.		
	Net (loss)/earnings attributable to ordinary shareholders is reconciled to headline earnings as follows:		
	Long-form headline (loss)/earnings reconciliation		
	Net (loss)/profit attributable to ordinary shareholders	**(242.1)**	12.8
	Profit on disposal of investments, net	**(0.1)**	(5.1)
	Gross	**(0.1)**	(5.1)
	Taxation effect	**–**	–
	Loss on disposal of property. plant and equipment, net	**0.5**	0.9
	Gross	**0.1**	1.3
	Taxation effect	**0.2**	(0.4)
	Non-controlling interest effect	**0.2**	–
	Impairment and write-off of investments and assets, net	**213.5**	18.7
	Gross	**243.9**	22.4
	Taxation effect	**(28.1)**	(3.7)
	Non-controlling interest effect	**(2.3)**	–
	Headline (loss)/earnings	**(28.2)**	27.3
10.4	**Diluted headline (loss)/earnings per share — cents**	**(4)**	4
	Diluted headline (loss)/earnings per share is calculated on the basis of headline loss attributable to ordinary shareholders of US$28.2 million (2014: earnings of US$27.3 million) and 774,763,151 (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.

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2015

Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
		2015	2014
11.	**DIVIDENDS**		
	2014 final dividend of 20 SA cents per share (2013: 22 SA cents) declared on 11 February 2015.	**12.8**	15.7
	2015 interim dividend of 4 SA cents was declared during 2015 (2014: 20 SA cents).	**2.3**	14.1
	A final dividend in respect of financial year ended 31 December 2015 of 21 SA cents per share was approved by the Board of Directors on 16 February 2016. This dividend payable is not reflected in these financial statements.		
	Dividends are subject to dividend withholding tax.		
	Total dividends	**15.1**	29.8
	Dividends per share – cents	**2**	4
12.	**ASSETS HELD FOR SALE**		
	Following the Group's decision to dispose of non-core projects, Arctic Platinum was classified as held for sale and valued at the lower of fair value less cost of disposal or carrying value.		
	Arctic Platinum'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, Arctic Platinum was impaired by US$39.0 million to its fair value less cost of disposal, resulting in a carrying value of US$1.0 million at 31 December 2015.		
	Arctic Platinum	**1.0**	40.0
	Total assets held for sale[1]	**1.0**	40.0

[1] Refer note 6 for details on the impairment of Arctic Platinum.

UNITED STATES DOLLAR

31 December 2014				31 December 2015		
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			
1,062.2	8,222.5	9,284.7	Balance at beginning of the year	**8,906.1**	**8,050.5**	**855.6**
(23.5)	(75.8)	(99.3)	Reclassifications	**0.1**	**0.1**	**–**
16.6	592.3	608.9	Additions	**634.1**	**632.5**	**1.6**
–	24.2	24.2	Finance charges capitalised[2]	**16.6**	**16.6**	**–**
(4.6)	(259.3)	(263.9)	Disposals	**(26.1)**	**(25.9)**	**(0.2)**
(124.5)	(8.6)	(133.1)	Disposal of subsidiary (refer note 32)	**–**	**–**	**–**
16.1	–	16.1	Changes in estimates of rehabilitation assets	**0.8**	**–**	**0.8**
–	–	–	Other	**13.6**	**13.6**	**–**
(86.7)	(444.8)	(531.5)	Translation adjustment	**(896.4)**	**(774.2)**	**(122.2)**
855.6	8,050.5	8,906.1	**Balance at end of the year**	**8,648.8**	**7,913.2**	**735.6**
			Accumulated depreciation and impairment			
310.3	3,585.5	3,895.8	Balance at beginning of the year	**4,010.4**	**3,706.5**	**303.9**
(0.9)	(98.4)	(99.3)	Reclassifications	**0.1**	**0.1**	**–**
26.5	630.2	656.7	Charge for the year	**609.9**	**580.5**	**29.4**
–	12.7	12.7	Impairment[3]	**87.5**	**87.1**	**0.4**
(4.6)	(232.9)	(237.5)	Disposals	**(18.1)**	**(18.0)**	**(0.1)**
–	(0.7)	(0.7)	Disposal of subsidiary (refer note 32)	**–**	**–**	**–**
(27.4)	(189.9)	(217.3)	Translation adjustment	**(353.4)**	**(321.1)**	**(32.3)**
303.9	3,706.5	4,010.4	**Balance at end of the year**	**4,336.4**	**4,035.1**	**301.3**
551.7	4,344.0	4,895.7	**Carrying value at end of the year[4]**	**4,312.4**	**3,878.1**	**434.3**

[1] Included in mine development, infrastructure and other assets are exploration and evaluation assets amounting to US$18.9 million (2014: US$25.3 million).

[2] Borrowing costs of US$16.6 million (2014: US$24.2 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 4.8% (2014: 5.3%) was applied.

[3] The impairment of US$87.5 million is made up of US$56.7 million (2014: US$12.7 million) impairment of property, plant and equipment (refer note 6 for details) and 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$53.5 million exploration expense in the consolidated income statement.

[4] Fleet assets in Ghana amounting to US$176.6 million (2014: US$176.6 million) have been pledged as security for the US$70 million senior secured revolving credit facility (refer note 24 (d)).

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

		UNITED STATES DOLLAR	
		2015	2014
14.	**GOODWILL**		
	Balance at beginning of the year	**385.7**	431.2
	Translation adjustment	**(90.4)**	(45.5)
	Balance at end of the year	**295.3**	385.7

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. Management's estimates and assumptions used in the 31 December 2015 FVLCOD calculation include:

- Long-term gold price of R500,000 per kilogram (US$1,300 per ounce) for the life-of-mine of 81 years (2014: R420,000 per kilogram (US$1,300 per ounce) for the life of mine of 73 years);
- A nominal discount rate of 14.5% (2014: 13.0%);
- Fair value of US$69.0 per resource ounce (2014: US$63.7 per resource ounce), used for resource with infrastructure; 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.

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 2015 (2014: Rnil).

		UNITED STATES DOLLAR	
		2015	2014
15.	**EQUITY-ACCOUNTED INVESTEES**		
(a)	Far Southeast Gold Resources Incorporated ("FSE")	**128.6**	230.0
(b)	Other	**0.5**	22.4
	Total equity-accounted investees	**129.1**	252.4
	Share of results of equity-accounted investees after taxation recognised in the income statement are made up as follows:		
(a)	Far Southeast Gold Resources Incorporated	**(3.3)**	(3.6)
(b)	Other	**(2.4)**	1.2
		(5.7)	(2.4)
(a)	**Far Southeast Gold Resources Incorporated ("FSE")**		

Gold Fields' interest in FSE, an unlisted entity, was 40% (2014: 40%) at 31 December 2015.

Gold Fields' paid US$10.0 million in option fees to Lepanto Consolidated Mining Company ("Lepanto") during the 6 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 6 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.

		2015	2014
	Investment in joint venture consists of:		
	Unlisted shares at cost	**230.0**	230.0
	Equity contribution	**75.4**	72.1
	Impairment[1]	**(101.4)**	–
	Share of accumulated losses brought forward	**(72.1)**	(68.5)
	Share of loss after taxation[2]	**(3.3)**	(3.6)
	Total investment in joint venture[3]	**128.6**	230.0
(b)	**Other**		
	Bezant Resources PLC[4]	**0.5**	1.3
	Hummingbird[5]	**–**	21.1
	Rusoro Mining Limited[6]	**–**	–
	Total investment in associates	**0.5**	22.4

[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.

[4] Represents a holding of 21.6% in Bezant Resources PLC. The fair value, based on the quoted market price of the investment, at 31 December 2015 was US$0.5 million (2014: US$1.3 million).

[5] On 1 July 2015, the Group's holding was diluted from 25.1% to 19.9% following the issue of new shares by Hummingbird. In line with the Group's accounting policy, this resulted in Hummingbird no longer being accounted for as an equity-accounted investee and was reclassified to available-for-sale financial investments from 1 July 2015. Refer note 6 for details of impairment.

[6] Represents a holding of 26.4% in Rusoro Mining Limited.

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$5.0 million and US$1.8 million at 31 December 2015 and 31 December 2014, respectively. The unrecognised share of losses of Rusoro for the year amounted to US$3.6 million (2014: US$2.7 million). The cumulative unrecognised share of losses of Rusoro amounted to US$212.7 million (2014: US$209.1 million).

Notes to the consolidated financial statements (continued)

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		UNITED STATES DOLLAR	
		2015	2014
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	**35.0**	30.4
	– Trade and other receivables	**78.8**	89.3
	– Cash and cash equivalents	**440.0**	458.0
	Fair value through profit or loss		
	– Trade receivables from provisional copper concentrate sales	**3.1**	29.5
	Available for sale		
	– Investments	**10.9**	5.5
(b)	**Financial liabilities**		
	Other financial liabilities		
	– Borrowings	**1,820.3**	1,910.9
	– Trade and other payables	**393.1**	471.8
	– South Deep dividend	**6.5**	9.1
17.	**INVESTMENTS**		
	Listed		
	Cost	**51.8**	42.3
	Less: Other than temporary impairments	**(44.9)**	(38.4)
	Net unrealised gain on revaluation	**0.9**	0.5
	Carrying value	**7.8**	4.4
	Market value	**7.8**	4.4
	Unlisted		
	Carrying value at cost	**3.1**	1.1
	Total investments[1]	**10.9**	5.5

[1] All listed investments are classified as available-for-sale. Details of major investments are given on pages 136 and 137.

		UNITED STATES DOLLAR	
		2015	2014
18.	**ENVIRONMENTAL TRUST FUNDS**		
	Balance at beginning of the year	**30.4**	23.9
	Contributions	**7.7**	7.1
	Interest earned	**0.4**	0.5
	Translation adjustment	**(3.5)**	(1.1)
	Balance at end of the year[1]	**35.0**	30.4
19.	**INVENTORIES**		
	Gold-in-process and stockpiles	**189.7**	227.9
	Consumable stores	**241.3**	273.2
	Total inventories[2]	**431.0**	501.1
	Heap leach and stockpiles inventories included in non-current assets[3]	**(132.8)**	(132.8)
	Total current inventories[4]	**298.2**	368.3
20.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables – gold sales and copper concentrate	**68.1**	86.4
	Trade receivables – other	**3.6**	14.0
	Deposits	**0.2**	0.3
	Payroll receivables	**7.2**	8.2
	Prepayments	**40.5**	64.2
	Value added tax	**43.2**	39.9
	Diesel rebate	**3.3**	3.6
	Other	**2.8**	9.9
	Total trade and other receivables	**168.9**	226.5
21.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank and on hand	**440.0**	458.0
	Total cash and cash equivalents	**440.0**	458.0

[1] The trust fund consists of term deposits amounting to US$7.9 million (2014: US$9.2 million) in South Africa, as well as secured cash deposits amounting to US$27.1 million (2014: US$21.2 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 reinvested 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).

[2] Refer note 6 for details on the net realisable value write-downs of inventories.

[3] Heap leach and stockpiles 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 working cost amounted to US$389.2 million (2014: US$441.2 million).

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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 2015 is US$58.1 million (2014: US$57.9 million) divided into 776,594,162 (2014: 771,416,491) ordinary par value shares of 50 cents each.

In terms of the general authority granted by shareholders at the annual meeting on 6 May 2015, 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 Listings 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 annual general meeting.

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 Annual General Meeting ("AGM") held on 6 May 2015. 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 6 May 2015. 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.

	UNITED STATES DOLLAR	
	2015	2014
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	**959.8**	1,019.1
– Investment in environmental trust funds	**2.1**	2.7
– Inventories	**14.5**	15.8
– Other	**9.8**	4.0
Liabilities	**986.2**	1,041.6
Assets		
– Provisions	**(104.8)**	(120.7)
– Tax losses	**(72.4)**	(107.7)
– Unredeemed capital expenditure	**(375.8)**	(488.6)
Assets	**(553.0)**	(717.0)
Net deferred taxation liabilities	**433.2**	324.6
The following are included in the statement of financial position:		
Deferred taxation assets	**(54.1)**	(62.4)
Deferred taxation liabilities	**487.3**	387.0
Net deferred taxation liabilities	**433.2**	324.6
Balance at beginning of the year	**324.6**	347.5
Transferred through the income statement	**104.2**	(16.1)
Translation adjustment	**4.4**	(6.8)
Balance at end of the year	**433.2**	324.6

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for the year ended 31 December 2015

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24. BORROWINGS

Facility	Notes	2015	2014	Borrower	Interest rate	Commitment fee	Maturity date
The terms and conditions of outstanding loans are as follows:							
US$1 billion notes issue[1]	(a)(i)	**992.6**	964.6	Orogen	4.875%	–	7 October 2020
Sibanye Gold guarantee fee[2]	(a)(ii)	**–**	26.7	Orogen	–	–	24 April 2015
US$200 million non-revolving senior secured term loan	(b)	**–**	–	La Cima	LIBOR plus 2.00%	–	19 December 2014
US$200 million revolving senior secured credit facility[3]	(c)	**42.0**	42.0	La Cima	LIBOR plus 1.63%	0.65%	19 December 2017
US$70 million senior secured revolving credit facility[4]	(d)	**45.0**	35.0	Ghana	LIBOR plus 2.40%	1.00%	6 May 2017
US$1,510 million term loan and revolving credit facilities[5]	(e)	**724.0**	626.0				
– Facility A (US$75 million)		**–**	75.0	Orogen	LIBOR plus 2.45%	–	28 November 2015
– Facility A (US$45 million)		**45.0**	45.0	Orogen	LIBOR plus 2.45%	–	28 November 2017
– Facility B (US$720 million)		**150.0**	–	Orogen	LIBOR plus 2.25%	0.90%	28 November 2017
– Facility C (US$670 million)		**529.0**	506.0	Orogen	LIBOR plus 2.00%	0.80%	28 November 2017
R1,500 million Nedbank revolving credit facility[6]	(f)	**–**	129.8	GFIJVH/GFO	JIBAR plus 2.50%	0.85%	7 March 2018
Rand revolving credit facilities[7]	(g)						
– R500 million Rand Merchant Bank revolving credit facility		**–**	21.6	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[8]	(h)	**16.7**	65.2	–	–	–	–
Total borrowings		**1,820.3**	1,910.9				
Current borrowings		**(58.7)**	(145.2)				
Non-current borrowings		**1,761.6**	1,765.7				

[1] The balance is net of unamortised transaction costs amounting to 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.

Subsequent to year-end, on 19 February 2016, Gold Fields Australasia (Proprietary) Limited ("GFA") announced an offer to purchase US$200.0 million of its Notes at discounts of 17% to the original value. GFA would pay a minimum of US$830 for every US$1,000 of the securities. Gold Fields announces that it has accepted for purchase 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. Gold Fields 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.

[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.

At 31 December 2015, La Cima did not meet certain covenants specified in the revolving senior secured credit facility agreement. The lenders have 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 is currently no legal or constructive obligation to settle the debt within the next 12 months, IAS1 *Presentation of Financial Statements*, requires that the balance outstanding under the revolving senior secured credit facility be disclosed as a current liability.

The total amount available under this facility at 31 December 2015 was US$150.0 million (2014: US$75.0 million).

[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.

Fleet assets in Ghana amounting to US$176.6 million (2014: 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.

[6] Borrowings under this facility are guaranteed by Gold Fields, GFO, GF Holdings, Orogen and GFIJVH.

[7] Borrowings under these facilities are guaranteed by Gold Fields, GFO, GF Holdings, Orogen and GFIJVH.

[8] 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.

		UNITED STATES DOLLAR	
		2015	2014
24.	**BORROWINGS (continued)**		
(a)(i)	**US$1 billion notes issue**		
	Balance at beginning of the year	**964.6**	959.2
	Transaction costs derecognised	**26.2**	–
	Unwinding of transaction costs	**1.8**	5.4
	Balance at end of the year	**992.6**	964.6
(a)(ii)	**Sibanye Gold guarantee fee**		
	Balance at beginning of the year	**26.7**	30.8
	Payment of Sibanye Gold guarantee fee	**(0.9)**	(5.0)
	Unwinding of interest	**0.4**	0.9
	Derecognition	**(26.2)**	–
	Balance at end of the year	**–**	26.7
(b)	**US$200 million non-revolving senior secured term loan**		
	Balance at beginning of the year	**–**	70.0
	Repayments	**–**	(70.0)
	Balance at end of the year	**–**	–
(c)	**US$200 million revolving senior secured credit facility**		
	Balance at beginning of the year	**42.0**	–
	Loans advanced	**–**	42.0
	Balance at end of the year	**42.0**	42.0
(d)	**US$70 million senior secured revolving credit facility**		
	Balance at beginning of the year	**35.0**	35.0
	Loans advanced	**10.0**	35.0
	Repayments	**–**	(35.0)
	Balance at end of the year	**45.0**	35.0
(e)	**US$1,510 million term loan and revolving credit facilities**		
	Balance at beginning of the year	**626.0**	773.5
	Loans advanced	**400.0**	41.5
	Repayments	**(302.0)**	(189.0)
	Balance at end of the year	**724.0**	626.0
(f)	**R1,500 million Nedbank revolving credit facility**		
	Balance at beginning of the year	**129.8**	145.1
	Repayments	**(129.0)**	–
	Translation adjustment	**(0.8)**	(15.3)
	Balance at end of the year	**–**	129.8
(g)	**Rand revolving credit facilities**		
	Balance at beginning of the year	**21.6**	–
	Loans advanced	**–**	46.2
	Repayments	**(21.5)**	(21.6)
	Translation adjustment	**(0.1)**	(3.0)
	Balance at end of the year	**–**	21.6

Notes to the consolidated financial statements (continued)

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		UNITED STATES DOLLAR	
		2015	2014
24.	**BORROWINGS (continued)**		
(h)	**Short-term Rand uncommitted credit facilities**		
	Balance at beginning of the year	**65.2**	46.5
	Loans advanced	**96.0**	299.2
	Repayments	**(141.8)**	(276.2)
	Translation adjustment	**(2.7)**	(4.3)
	Balance at end of the year	**16.7**	65.2
	Total borrowings	**1,820.3**	1,910.9
	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)	**827.7**	946.3
	Fixed rate with no exposure to repricing (US$1 billion notes issue)	**992.6**	964.6
		1,820.3	1,910.9
	The carrying amounts of the Group's borrowings are denominated in the following currencies:		
	US Dollar	**1,803.6**	1,694.3
	Rand	**16.7**	216.6
		1,820.3	1,910.9
	The Group has the following undrawn borrowing facilities:		
	Committed	**1,009.5**	1,016.9
	Uncommitted	**79.1**	47.0
		1,088.6	1,063.9
	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:		
	– Later than one year and not later than two years	**910.2**	64.9
	– Later than two years and not later than three years	**99.3**	952.0
	– Later than three years and not later than five years	**–**	–
		1,009.5	1,016.9

		UNITED STATES DOLLAR	
		2015	2014
25.	**PROVISIONS**		
25.1	**Environmental rehabilitation costs**	**275.4**	311.2
25.2	**South Deep dividend**	**6.5**	9.1
25.3	**Other**	**2.2**	–
	Total provisions	**284.1**	320.3
25.1	**Environmental rehabilitation costs**		
	Balance at beginning of the year	**311.2**	283.5
	Changes in estimates[1]	**(14.3)**	34.5
	Interest charge	**11.7**	18.4
	Payments	**(9.8)**	(2.8)
	Translation adjustment	**(23.4)**	(22.4)
	Balance at end of the year[2]	**275.4**	311.2
	The provision is calculated using the following gross closure cost estimates:		
	South Africa	**29.0**	32.3
	Ghana	**91.5**	89.4
	Australia	**186.0**	212.7
	Peru	**46.7**	56.4
	Total gross closure cost estimates	**353.2**	390.8
	The provision is calculated using the following rates:	**Inflation rate**	**Discount rate**
	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%**
	2014		
	South Africa	6.2%	8.6%
	Ghana	2.2%	7.3% – 7.9%
	Australia	2.5%	2.3% – 3.1%
	Peru	2.2%	3.8%

[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 – mine rehabilitation fund levy; and

– Peru – bank guarantee.

The expected timing of the cash outflows in respect of the provision is on the closure of the various mining operations during the respective life of mines. However, certain current rehabilitation costs are charged to this provision as and when incurred.

Notes to the consolidated financial statements (continued)

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		UNITED STATES DOLLAR	
		2015	2014
25.	**PROVISIONS (continued)**		
25.2	**South Deep dividend**		
	Total provision	**7.8**	10.8
	Current portion included in trade and other payables	**(1.3)**	(1.7)
	Balance at end of the year	**6.5**	9.1

During the six-month period ended 31 December 2010, a wholly owned subsidiary company of Gold Fields 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$1.7 million was declared on 20 March 2015 (4 April 2014: R20.0 million or US$1.9 million) and R20.0 million or US$1.3 million (2014: R20.0 million or US$1.7 million) is classified as a short-term portion under trade and other payables.

		2015	2014
26.	**LONG-TERM INCENTIVE PLAN**		
	Opening balance	**8.3**	–
	Charge to income statement	**5.3**	8.7
	Translation adjustment	**(1.0)**	(0.4)
	Balance at end of the year	**12.6**	8.3

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited Long-term Incentive Plan ("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. 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.

The fair value of the total shareholder return portion of the awards made under this plan is valued using the Monte Carlo simulation model. The inputs to the model were as follows:

	2015	2014
– 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%**	44.4%
– Expected term (years)	**3.0**	3.0
– Three-year risk-free interest rate (based on US interest rates)	**1.5%**	2.2%

		UNITED STATES DOLLAR	
		2015	2014
27.	**TRADE AND OTHER PAYABLES**		
	Trade payables	**155.3**	170.7
	Accruals and other payables[1]	**226.4**	289.9
	Leave pay accrual	**34.5**	37.9
	Interest payable on loans	**11.4**	11.2
	Total trade and other payables	**427.6**	509.7
28.	**CASH GENERATED BY OPERATIONS**		
	(Loss)/profit for the year	**(242.6)**	20.4
	Mining and income taxation	**247.1**	118.1
	Royalties	**76.0**	86.1
	Interest expense	**87.8**	105.0
	Interest received	**(5.9)**	(3.6)
	Dividends received	**–**	(0.1)
	Profit before non-cash and other adjusting items	**162.4**	325.9
	Amortisation and depreciation	**609.9**	656.7
	Interest adjustment to rehabilitation liability	**11.7**	18.4
	Non-cash rehabilitation adjustment	**(15.1)**	18.4
	Interest received – environmental trust funds	**(0.4)**	(0.5)
	Impairment and write-off of investments and assets	**251.9**	26.7
	Loss on disposal of property, plant and equipment	**0.1**	1.3
	Profit on disposal of investments	**(0.1)**	(0.5)
	Profit on disposal of Chucapaca	**–**	(4.6)
	Share-based payments	**10.9**	26.0
	Long-term Incentive Plan expense	**5.3**	8.7
	Finance costs capitalised	**(16.6)**	(24.2)
	Share of results of equity-accounted investees after taxation	**2.5**	(1.2)
	Other	**(17.1)**	10.2
	Total cash generated by operations	**1,005.4**	1,061.3
29.	**CHANGE IN WORKING CAPITAL**		
	Inventories	**46.9**	(15.6)
	Trade and other receivables	**37.4**	26.6
	Trade and other payables	**(40.7)**	72.7
	Total change in working capital	**43.6**	83.7

[1] Included in accruals and other payables is US$1.5 million (2014: US$10.3 million) relating to oil derivative contracts. Refer note 37 for further details.

Notes to the consolidated financial statements (continued)

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		UNITED STATES DOLLAR	
		2015	2014
30.	**ROYALTIES PAID**		
	Amount owing at beginning of the year	**(20.4)**	(23.1)
	Royalties	**(76.0)**	(86.1)
	Amount owing at end of the year	**18.5**	20.4
	Translation	**1.0**	–
	Total royalties paid	**(76.9)**	(88.8)
31.	**TAXATION PAID**		
	Amount owing at beginning of the year	**(37.8)**	(11.5)
	SA and foreign current taxation	**(142.9)**	(134.2)
	Amount owing at end of the year	**59.3**	37.8
	Translation	**3.0**	2.6
	Total taxation paid	**(118.4)**	(105.3)
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

		UNITED STATES DOLLAR	
		2015	2014
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$32.8 million (2014: US$35.4 million).		
34.	**COMMITMENTS**		
	Capital expenditure		
	Contracted for	**48.9**	120.5
	Operating leases		
	– within one year	**2.6**	3.1
	– later than one and not later than five years	**4.4**	4.3
	– later than five years	**–**	–
	Guarantees and other commitments	**–**	0.1
	Commitments will be funded from internal sources and to the extent necessary from borrowings. This primarily relates to mining activities, development, infrastructure and hostel upgrades. The Group also provides environmental obligation guarantees with respect to its South African and Ghanaian operations. These guarantees, amounting to US$59.0 million at 31 December 2015 (2014: US$67.0 million) have not been included in the amount of guarantees of US$nil (2014: US$0.1 million) because they are fully provided for under the related environmental rehabilitation obligations.		

Notes to the consolidated financial statements (continued)

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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 unlawfull 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 approximately 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 US$34 million or R519 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, GFO'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.

35. CONTINGENT LIABILITIES (continued)

Silicosis (continued)

These are applications in terms of which the court is 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.

Gold Fields has 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 has been reserved. If certification is granted, it will be the first step in a process whereby the applicants will, on behalf of the class or classes, seek to hold Gold Fields and the other mining companies liable for silicosis and/or tuberculosis and the resultant consequences. Any such claims will be defended.

In addition to the consolidated application, an individual action has been instituted against Gold Fields and one other mining company in terms of which the plaintiff claims approximately US$2 million (R25 million) in damages (and interest on that amount at 15.5% from May 2014 to date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has entered an appearance to defend the individual action and has pleaded to the claim. In January 2014, the plaintiff delivered an application to join three other mining companies (including the owners of Gold Fields' South Deep operation) to the action. The joinder was effected and Gold Fields delivered a revised plea on behalf of the joined Gold Fields defendants. The plaintiff has since applied to amend his particulars of claim, which amendment is being opposed. While the plaintiff enrolled the trial for hearing on 23 May 2016, the matter has been removed from the trial roll. Gold Fields is proceeding with trial preparation in the normal course.

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.

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 2015 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 2015 contain costs for the aspects of AD management, which the Company has reliably been able to cost.

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 2016.

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).

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2015

Figures in millions unless otherwise stated

35. CONTINGENT LIABILITIES (continued)

Native title claim

Gold Fields advised the market on 7 July 2014 that, in the context of a claim by the Ngadju People under the Native Title Act 1993 (Cth) to seek a determination of their native title rights, a decision had been handed down by a single judge of the Federal Court of Australia on 3 July 2014, in which the Court had accepted the submissions of the Ngadju People that the regrant of certain St Ives' tenements by the State of Western Australia in 2004 was not compliant with the correct processes set out in the Native Title Act 1993 (Cth), and, as such, the regranted tenements are inconsistent with the Ngadju People's native title rights. The Court made a determination of the Ngadju People's native title rights (giving effect to this decision) in November 2014.

The decision does not affect the grant of mining tenure to St Ives under the Mining Act, 1978 ("WA"). St Ives still validly holds all of the tenements that underpin its mining operations at St Ives, and as these proceedings were not an action against St Ives for the failure to take certain steps, the Court had no ability to impose any sort of penalty against St Ives.

Gold Fields remains strongly of the view that it has at all times complied with its obligations under the Native Title Act, 1993 (Cth), in respect of its dealings with these tenements. Gold Fields, together with BHP Billiton Nickel West (Pty) Ltd, lodged an appeal against the decision in December 2014. The appeal to the Full Court of the Federal Court of Australia (three judges), was heard in May 2015, and the decision reserved. If necessary, Gold Fields will seek leave to appeal any adverse decision to the High Court of Australia.

Gold Fields will continue to take all steps necessary to ensure that the St Ives operations remain unaffected while this matter is resolved through the relevant Court processes.

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.

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 has 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, 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 may 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.

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 2015, South Deep's deferred tax asset balance amounted to US$453.3 million (R6,844.9 million). This amount is included in the consolidated deferred tax asset of US$54.1 million on Gold Fields' statement of financial position. South Deep's deferred tax asset comprises unredeemed capital expenditure balances of US$171.6 million (R2,590.3 million) at GFIJVH and US$158.5 million (R2,392.8 million) at GFO, a capital allowance balance (additional capital allowance) of US$45.5 million (R687.6 million) at GFIJVH and assessed loss balances of US$6.7 million (R100.7 million) at GFIJVH and US$65.7 million (R992.8 million) at GFO.

35. CONTINGENT LIABILITIES (continued)

South Deep tax dispute (continued)

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 US$151.8 million (R2,292.0 million) to nil. The tax effect of this amount is US$45.5 million (R687.6 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 (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.

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

Restructuring of US$1 billion notes issue

Refer to note 24 for further details.

La Cima covenant

Refer to note 24 for further details

Accelerated equity raising

Gold Fields successfully completed a US$150.0 million (R2.3 billion) accelerated equity raising by way of a private placement ("the Placing") 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, for the period ended 17 March 2016 and a 0.7% discount to the 50-day moving average.

The net proceeds from the Placing will be applied to the existing US$1,510 million term loan and revolving credit facilities that was utilised to purchase the notes amounting to US$147.6 million, as described in note 24.

Final dividend

On 16 February 2016, Gold Fields declared a final dividend of 21 SA cents per share.

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

37. FAIR VALUE OF ASSETS AND LIABILITIES

The estimated fair values of the Group's financial assets and liabilities are:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	US$ million	US$ million	US$ million	US$ million
Financial assets				
Cash and cash equivalents	440.0	440.0	458.0	458.0
Trade and other receivables	81.9	81.9	118.8	118.8
Environmental trust fund	35.0	35.0	30.4	30.4
Investments	10.9	10.9	5.5	5.5
Financial liabilities				
Trade and other payables	393.1	393.1	471.8	471.8
Borrowings	1,761.6	1,527.8	1,765.7	1,614.4
Current portion of borrowings	58.7	58.7	145.2	145.2
South Deep dividend	6.5	6.5	9.1	9.1

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$1.5 million (2014: US$10.3 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 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.

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 liabilites at the reporting date:

Level 1: Unadjusted quoted prices in active markets for identical assets 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 2015 and 2014.

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:

2014					**2015**			
US$ million					**US$ million**			
Level 1	Level 2	Level 3	Total		**Total**	**Level 1**	**Level 2**	**Level 3**
				Assets measured at fair value				
–	29.5	–	29.5	Trade receivables from provisional copper concentrate sales	**3.1**	**–**	**3.1**	**–**
4.4	–	–	4.4	Listed investments	**7.8**	**7.8**	**–**	**–**
–	–	40.0	40.0	Assets held for sale	**1.0**	**–**	**–**	**1.0**
				Liabilities measured at fair value				
–	10.3	–	10.3	Oil derivative contracts	**1.5**	**–**	**1.5**	**–**

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 hierarachy.

Listed investments

Comprise equity investments in listed entities and are therefore valued using quoted market prices in active markets.

Assets held for sale

Assets held for sale are valued at fair value less cost of disposal. Refer note 12.

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)

for the year ended 31 December 2015

Figures in millions unless otherwise stated

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:

	US$ million	
	2015	2014
Environmental trust funds	**35.0**	30.4
Trade and other receivables	**81.9**	118.8
Cash and cash equivalents	**440.0**	458.0

Trade receivables comprise banking institutions purchasing gold bullion and refineries puchasing 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$87.0 million (2014: US$107.7 million).

Receivables that are past due but not impaired total US$nil (2014: US$1.3 million). At 31 December 2015, receivables of US$0.1 million (2014: US$1.6 million) are considered impaired and are provided for.

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

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

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:

	Within one year	Between one to five years	After five years	Total
	US$ million	US$ million	US$ million	US$ million
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**
2014				
Trade and other payables	471.8	–	–	471.8
Borrowings[1]				
– US$ borrowings[2]				
– Capital	80.0	648.0	1,003.9	1,731.9
– Interest	66.6	225.4	38.1	330.1
– Rand borrowings[3]				
– Capital	65.2	151.4	–	216.6
– Interest	17.9	25.2	–	43.1
Environmental rehabilitation costs[4]	–	29.1	361.8	390.9
South Deep dividend	1.7	6.9	10.4	19.0
Total	703.2	1,086.0	1,414.2	3,203.4

[1] Spot rate: R15.10 = US$1.00 (2014: R11.56 = US$1.00).

[2] US$ borrowings – Spot LIBOR (one month fix) rate adjusted by specific facility agreement: 0.4175% (2014: 0.167% (one-month fix)).

[3] ZAR borrowings – Bank overnight borrowing rate on uncommitted credit facilities: average of 7.5% (2014: 7.5%). During 2014, the spot JIBAR (one-month fix) rate adjusted by specific agreement was used for committed facilities: 6.092%.

[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$35.0 million (2014: US$30.4 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 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.

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' 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 dollars, 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 Dollar 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 can 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. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into account.

Foreign currency hedging experience

As at 31 December 2015, there were no material foreign currency contract positions.

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. As at 31 December 2014, the fair value of the collar was nil.

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.

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

38. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price hedging policy

Gold and copper

As a general rule, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold and copper production.

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

Commodity price hedging experience

On 10 September 2014, Gold Fields Australia (Pty) 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 (Pty) Limited 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.

As at 31 December 2015, the fair value of these oil derivative contracts was negative US$1.5 million (2014: negative US$10.3 million).

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 2015 and 2014, 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 long-term borrowings.

As of 31 December 2015, Gold Fields' long-term borrowings amounted to US$1,761.6 million (2014: US$1,765.7 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$827.7 million (2014: US$946.3 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$811.0 million (2014: US$729.7 million) of the total borrowings at reporting date is exposed to changes in the LIBOR rate and US$16.7 million (2014: US$216.6 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 continuing operations 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.

	Change in interest expense for a nominal change in interest rates					
	(1.5%)	**(1.0%)**	**(0.5%)**	**0.5%**	**1.0%**	**1.5%**
Sensitivity to interest rates	**US$ million**	**US$ million**	**US$ million**	**US$ million**	**US$ million**	**US$ million**
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	**(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**
2014						
Sensitivity to LIBOR interest rates	(11.8)	(7.9)	(3.9)	3.9	7.9	11.8
Sensitivity to JIBAR and prime interest rates	(3.4)	(2.3)	(1.1)	1.1	2.3	3.4
Change in finance expense	(15.2)	(10.2)	(5.0)	5.0	10.2	15.2

[1] Average rate: R12.68 = US$1.00 (2014: R10.82 = US$1.00).

Notes to the consolidated financial statements (continued)

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Figures in millions unless otherwise stated

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 earnings (net operating profit) before interest, royalties, taxes, depreciation and amortisation ("EBITDA"), but does not set absolute limits for this ratio. The Group's long-term target is a ratio of net debt to EBITDA of one times or lower. The bank covenants on external borrowings require a net debt to EBITDA ratio of 2.5 or below and the ratio is measured based on amounts in United States Dollar.

	US$ million	
	2015	2014
Borrowings	**1,820.3**	1,910.9
Less: Cash and cash equivalents	**440.0**	458.0
Net debt	**1,380.3**	1,452.9
EBITDA	**1,002.3**	1,113.4
Net debt to EBITDA	**1.38**	1.30

	UNITED STATES DOLLAR	
	2015	2014
40. RELATED PARTY TRANSACTIONS		
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.		
Key management remuneration (Executive Committee)		
Salaries and other short-term employee benefits	**6.0**	7.1
Bonus	**5.8**	6.1
Share-based payments	**1.8**	4.1
Long-term Incentive Plan expense	**1.3**	1.6
	14.9	18.9

41. SEGMENT REPORTING

The segment information is shown on pages 138 and 139.

Separate income statement

for the year ended 31 December 2015

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2015**	2014
Investment income	1	**155.7**	169.3
Amortisation of financial guarantees		**176.6**	145.8
Foreign exchange loss on revaluation of financial guarantees		**(111.8)**	(53.6)
Regulatory legal fees		**(1.8)**	(76.3)
Other costs		**(79.4)**	(63.9)
Profit before taxation		**139.3**	121.3
Income taxation	2	**(9.3)**	(5.9)
Profit for the year		**130.0**	115.4

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

Separate statement of comprehensive income

for the year ended 31 December 2015

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2015	2014
Profit for the year	**130.0**	115.4
Other comprehensive income, net of tax[1]	**0.1**	–
Marked-to-market valuation of listed investments	**0.1**	–
Total comprehensive income for the year	**130.1**	115.4

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

[1] Can be subsequently reclassified to the income statement.

Separate statement of financial position

at 31 December 2015

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2015**	2014
ASSETS			
Non-current assets			
Investments	4	**44,200.3**	44,200.3
Current assets			
Trade and other receivables		**4.3**	4.8
Total assets		**44,204.6**	44,205.1
EQUITY AND LIABILITIES			
Total equity		**33,675.8**	33,729.8
Share capital		**387.6**	385.0
Share premium		**21,640.9**	21,640.9
Other reserves		**276.0**	275.9
Retained earnings		**11,371.3**	11,428.0
Current liabilities		**10,528.8**	10,475.3
Related party loans payable	4	**10,047.9**	9,928.3
Trade and other payables		**1.9**	7.7
Financial guarantees	5	**463.0**	527.8
Taxation		**16.0**	11.5
Total equity and liabilities		**44,204.6**	44,205.1

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

Separate statement of changes in equity

for the year ended 31 December 2015

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND						
	Number of ordinary shares issued	Ordinary share capital	Share premium	Fair value adjustment reserve	Share-based payment reserve	Retained earnings	Total equity
Balance at 31 December 2013	**768,016,593**	**384.0**	**21,640.9**	**(0.1)**	**276.0**	**11,637.1**	**33,937.9**
Profit for the year	–	–	–	–	–	115.4	**115.4**
Other comprehensive income	–	–	–	–	–	–	**–**
Total comprehensive income	–	–	–	–	–	115.4	**115.4**
Dividends paid	–	–	–	–	–	(324.5)	**(324.5)**
Exercise of employee share options	4,256,228	1.0	–	–	–	–	**1.0**
Balance at 31 December 2014	**772,272,821**	**385.0**	**21,640.9**	**(0.1)**	**276.0**	**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**

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

Separate statement of cash flows

for the year ended 31 December 2015

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
	Notes	**2015**	2014
Cash flows from operating activities		**(119.6)**	(280.9)
Cash utilised in operations	6	**(78.5)**	(139.2)
Interest received		**0.1**	–
Dividends received		**155.6**	169.3
Change in working capital	7	**(5.3)**	21.2
Cash generated by operating activities		**71.9**	51.3
Taxation paid	8	**(4.8)**	(7.7)
Net cash generated by operations		**67.1**	43.6
Dividends paid	3	**(186.7)**	(324.5)
Cash flows from investing activities		**–**	–
Investment in subsidiaries		**–**	–
Cash flows from financing activities		**119.6**	280.9
Related party loans payable advanced by subsidiaries		**119.6**	280.9
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 2015

Figures in millions unless otherwise stated

		SOUTH AFRICAN RAND	
		2015	2014
1.	**INVESTMENT INCOME**		
	Dividends received	**155.6**	169.3
	Interest received	**0.1**	–
	Total investment income	**155.7**	169.3
	All dividends are received from subsidiaries of the Company.		
2.	**INCOME TAXATION**		
	South African current taxation		
	– Company tax	**(9.3)**	(5.9)
	Total income taxation	**(9.3)**	(5.9)
	The Company's income taxation differs from the maximum South African statutory rate of 28%, primarily due to exempt dividend income of R43.6 million (2014: R47.4 million), non-taxable amortisation of financial guarantees of R49.4 million (2014: R40.8 million), non-deductible foreign exchange loss on revaluation of financial guarantees of R31.3 million (2014: R15.0 million) and other non-deductible expenses of R32.0 million (2014: R45.1 million).		
3.	**DIVIDENDS PAID**		
	2014 final dividend of 20 cents per share (2013: 22 cents) declared on 11 February 2015	**155.6**	169.5
	2015 interim dividend of 4 SA cents was declared during 2015 (2014: 20 SA cents)	**31.1**	155.0
	A final dividend in respect of financial year ended 31 December 2015 of 21 SA cents per share was approved by the Board of Directors on 16 February 2016. This dividend payable is not reflected in these financial statements.		
	Dividends are subject to dividend withholding tax.		
	Total dividends	**186.7**	324.5
4.	**INVESTMENTS**		
	Listed		
	Cost	**0.3**	0.3
	Less: Other than temporary impairments	**(0.1)**	–
	Net unrealised loss on revaluation	**–**	(0.1)
	Carrying value	**0.2**	0.2
	Market value	**0.2**	0.2
	Unlisted		
	Investments in subsidiaries[1]	**42,931.4**	42,931.4
	Financial guarantees	**1,268.7**	1,268.7
	Total listed and unlisted investments	**44,200.3**	44,200.3
	Related party loans payable[2]	**(10,047.9)**	(9,928.3)
	Total	**34,152.4**	34,272.0

Details of major investments and related party loans payable are included on pages 136 and 137.

[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	
		2015	2014
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$1,510 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, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility (2014: 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 and the R500 million Standard Bank revolving credit facility). Refer note 24 of the Gold Fields consolidated financial statement for details of the guaranteed borrowings.		
	Carrying value of financial guarantees	**463.0**	527.8
	Total financial guarantees	**463.0**	527.8
6.	**CASH UTILISED IN OPERATIONS**		
	Profit for the year	**130.0**	115.4
	Taxation	**9.3**	5.9
	Interest received	**(0.1)**	–
	Dividends received – cash	**(155.6)**	(169.3)
	Loss before non-cash items	**(16.4)**	(48.0)
	Non-cash items:		
	Amortisation of financial guarantees	**(176.6)**	(145.8)
	Foreign exchange loss on revaluation of financial guarantees	**111.8**	53.6
	Other	**2.7**	1.0
	Total cash utilised in operations	**(78.5)**	(139.2)
7.	**CHANGE IN WORKING CAPITAL**		
	Trade and other receivables	**0.5**	19.5
	Trade and other payables	**(5.8)**	1.7
	Total change in working capital	**(5.3)**	21.2
8.	**TAXATION PAID**		
	Amount owing at beginning of the year	**(11.5)**	(13.3)
	SA current taxation	**(9.3)**	(5.9)
	Amount owing at end of the year	**16.0**	11.5
	Total taxation paid	**(4.8)**	(7.7)

Notes to the separate financial statements (continued)

for the year ended 31 December 2015

Figures in millions unless otherwise stated

	SOUTH AFRICAN RAND	
	2015	2014
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 notes 1, 4, 5 and 10 for further details relating to related party transactions and balances.		
Compensation to directors		
Executive directors[1]	**12.1**	7.0
Non-executive directors[2]	**10.7**	11.3
	22.8	18.3

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.

[1] Refer to the remuneration report (pages 61 and 62) for total remuneration paid to executive directors, which include amounts paid by the Company as well as by subsidiary companies.

[2] Refer to the remuneration report (pages 43 to 62) for further details of remuneration paid to non-executive directors.

10. RISK MANAGEMENT ACTIVITIES (continued)

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

Liquidity risk management: The objective is to ensure that the Company is able to meet its short-term commitments through the effective and efficient usage of credit facilities.

Currency risk management: The objective is to maximise the Company's profits by minimising currency fluctuations.
Funding risk management: The objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.

Investment risk management: The objective is to achieve optimal returns on surplus funds.

Interest rate risk management: The objective is to identify opportunities to prudently manage interest rate exposures.
Counterparty exposure: The objective is to only deal with approved 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 institution's equity, which is dependent on the institution 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 counterparties 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	
	2015 R million	2014 R million
Trade and other receivables[1]	**4.3**	4.8
Financial guarantees[2]	**30,425.0**	25,898.9

[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$1,510 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, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility (2014: 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 and the R500 million Standard Bank revolving credit facility).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 2015

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 R10,524.5 million at 31 December 2015 (2014: R10,470.5 million). Included in current liabilities are related party loans payable to subsidiary companies of R10,047.9 million (2014: R9,928.3 million) (refer note 4), as well as the carrying value of financial guarantees of R463.0 million (2014: R527.8 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 twelve months from 31 December 2015.

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

	Within one year	Between one and five years	After five years	Total
	R million	R million	R million	R million
2015				
Trade and other payables	**1.9**	**–**	**–**	**1.9**
Financial guarantee[1]	**30,425.0**	**–**	**–**	**30,425.0**
Related party loans payable	**10,047.9**	**–**	**–**	**10,047.9**
Total	**40,474.8**	**–**	**–**	**40,474.8**
2014				
Trade and other payables	7.7	–	–	7.7
Financial guarantee[1]	25,898.9	–	–	25,898.9
Related party loans payable	9,928.3	–	–	9,928.3
Total	35,834.9	–	–	35,834.9

[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$1,510 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, the R500 million Rand Merchant Bank revolving credit facility and the R500 million Standard Bank revolving credit facility (2014: 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 and the R500 million Standard Bank revolving credit facility). 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 year-end 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 price 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 2015 and 31 December 2014, 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

Accelerated equity raising

Gold Fields successfully completed a US$150.0 million (R2.3 billion) accelerated equity raising by way of a private placement ("the Placing") 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, for the period ended 17 March 2016 and a 0.7% discount to the 50-day moving average.

The net proceeds from the Placing will be applied to the existing US$1,510 million term loan and revolving credit facilities that was utilised to purchase the notes amounting to US$147.6 million, as described in note 24.

Final dividend

On 16 February 2016, Gold Fields declared a final dividend of 21 SA cents per share.

Major Group investments – direct and indirect

for the year ended 31 December 2015

		Shares held		Group beneficial interest		Carrying value in holding company Shares		Loans[6]	
	Notes	**2015**	2014	**2015 %**	2014 %	**2015 R million**	2014 R million	**2015 R million**	2014 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)**	(7,973.1)
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	**–**	–	**(1,282.8)**	(1,194.3)
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	**–**	–	**–**	–
Gold Fields Orogen Holdings (“BVI”) Ltd	5	**258**	258	**100.0**	100.0	**–**	–	**(0.4)**	(0.4)
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**[11]	100.0[11]	**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	**(10,047.9)**	(9,928.3)

[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.

[7] Abosso Goldfields Ltd (“Abosso”) owns the Damang operation in Ghana. The accumulated non-controlling interest of Abosso at 31 December 2015 amounts to US$4.1 million (2014: US$12.9 million). No dividends were paid to non-controlling interest during 2014 or 2013. Refer to the segment report on pages 138 and 139 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 2015 amounts to US$104.6 million (2014: US$107.2 million). A dividend of US$11.5 million was paid to non-controlling interest during 2015 (2014: US$10.3 million). Refer to the segment report on pages 138 and 139 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 2015 amounts to US$3.1 million (2014: US$4.1 million). A dividend of US$0.4 million was paid to non-controlling interest during 2015 (2014: US$0.3 million). Refer to the segment report on pages 138 and 139 for summarised financial information of Cerro Corona.

[10] Refer note 25.2 of Gold Fields consolidated financial statements.

[11] 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.

	Shares held		Group beneficial interest	
	2015	2014	**2015 %**	2014 %
OTHER[1]				
Listed associates				
Rusoro Mining Limited	**140,000,001**	140,000,001	**26.4**	26.4
Bezant Resources PLC	**17,945,922**	17,945,922	**21.6**	21.6
Hummingbird Resources PLC[2]	**–**	21,258,503	**–**	25.1
Joint venture				
Far Southeast Gold Resources Incorporated	**1,737,699**	1,737,699	**40.0**	40.0
Listed equity investments				
Cascadero Copper Corporation	**2,025,000**	2,025,000	**1.3**	1.3
Clancy Exploration Limited	**17,764,783**	17,764,783	**6.9**	8.6
Consolidated Woodjam Copper Corporation	**12,848,016**	562,553	**19.1**	1.1
Fjordland Exploration Incorporated	**1,818,182**	1,818,182	**1.9**	2.0
Hummingbird Resources PLC[2]	**21,258,503**	–	**19.9**	–
Orsu Metals Corp	**26,134,919**	26,134,919	**14.3**	14.3
Radius Gold Incorporated	**3,625,124**	3,625,124	**4.2**	4.2
Sibanye Gold Limited	**856,330[4]**	856,330	**–[3]**	–[3]

[1] Only major investments are listed individually.

[2] On 1 July 2015, the Group's holding was diluted to 19.9% following the issue of new shares by Hummingbird. In line with the Group's accounting policy, this resulted in Hummingbird no longer being equity accounted for as an equity-accounted investee but as an available-for-sale investment from 1 July 2015.

[3] Percentage interest less than 0.1%.

[4] Subsequent to year-end, on 12 February 2016, Gold Fields sold its shareholding in Sibanye Gold.

Segment report

Financial summary – US$ million

	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 79.

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. 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, 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 and profit on disposal of investments of US$0.1 million. The balance of US$6.3 million consists mainly of corporate-related costs.

[4] The Australian operations are entitled to transfer and offset 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.

Segment report (continued)

Financial summary – US$ million

	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)/income	**(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 79.

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. 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, 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$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 offset 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.

Operating and financial information by mine

for the year ended 31 December 2015

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)
Total	**16,206,000**	**4.3**	**69,208**	**2,225**			

[#] 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$/oz	SA Rand million	US$ million
Year to 30 June							
1994 – 2005	91,612,600	1.2	108,546	3,490	n/a	1,610.5	210.9
2006	21,487,000	1.0	22,060	709	292	626.2	97.8
2007	22,639,000	1.0	21,684	697	333	841.9	116.9
2008	22,035,000	0.9	20,095	646	430	1,074.6	147.8
2009	21,273,000	0.9	19,048	612	521	900.7	100.0
2010	22,716,000	1.0	22,415	721	536	1,424.5	187.9
Six months to December 2010	11,496,000	1.0	11,261	362	562	968.3	135.6
Year to 31 December							
2011	23,138,000	1.0	22,312	717	556	2,898.4	401.4
2012	22,910,000	1.0	22,358	719	673	2,159.7	263.7
2013	19,275,000	1.0	19,664	632	816	(155.8)	(16.2)
2014	13,553,000	1.3	17,363	558	1,068	905.0	83.7
2015	13,520,000	1.3	18,229	586	970	1,109.2	87.5
Total	**305,654,600**	**1.1**	**325,035**	**10,450**			

Surface operation from F1999.

** All-in costs: As from 2014 per the new World Gold Council Standard issued on 27 June 2013.

	DAMANG MINE – TOTAL MANAGED						
			Gold produced			Net earnings (before minorities)	
	Tonnes treated	Yield g/ton	Kilograms	'000 ounces	Cash cost** US$/oz	SA Rand million	US$ million
Year to 30 June							
2002# – 2005	17,279,000	1.8	30,994	996	n/a	575.8	76.1
2006	5,328,000	1.4	7,312	235	341	174.2	27.2
2007	5,269,000	1.1	5,843	188	473	115.1	16.0
2008	4,516,000	1.3	6,041	194	551	187.4	25.9
2009	4,991,000	1.2	6,233	200	660	81.4	9.0
2010	5,028,000	1.3	6,451	207	660	347.7	45.9
Six months to December 2010	2,491,000	1.5	3,637	117	636	281.0	39.4
Year to 31 December							
2011	4,942,000	1.4	6,772	218	701	725.3	100.5
2012	4,416,000	1.2	5,174	166	918	297.7	36.3
2013	3,837,000	1.2	4,760	153	1,060	(1,135.8)	(118.3)
2014	4,044,000	1.4	5,527	178	1,175	37.2	3.4
2015	4,295,000	1.2	5,220	168	1,326	(1,219.2)	(89.3)
Total	**66,436,000**	**1.4**	**93,964**	**3,021**			

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
Total	**86,973,000**	**2.3**	**201,170**	**6,468**		

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.

Operating and financial information by mine (continued)

for the year ended 31 December 2015

	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
Total	**15,942,000**	**5.5**	**87,372**	**2,809**		

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
Total	**1,140,000**	**5.0**	**5,654**	**182**		

** All-in costs: As from 2014 per the new World Gold Council Standard issued on 27 June 2013.

	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
Total	**3,253,000**	**6.5**	**21,104**	**679**		

** 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		
	SA Rand million	US$ million	A$ million
Year to 30 June			
2002# – 2005	1,579.5	181.2	296.2
2006	251.8	39.3	52.6
2007	298.6	41.5	52.8
2008	268.3	36.8	41.2
2009	628.9	69.8	94.3
2010	600.5	81.0	89.9
Six months to December 2010	434.6	60.9	64.9
Year to 31 December			
2011	1,369.0	189.6	183.8
2012	728.0	88.9	85.8
2013	(1,334.5)	(138.9)	(143.6)
2014	1,077.0	94.5	104.7
2015	2,225.8	175.5	233.3
Total	**8,127.5**	**920.1**	**1,155.9**

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$/oz	SA Rand million	US$ million
Year to 30 June							
2009#	4,547,000	1.5	6,822	219	369	229.0	25.4
2010	6,141,000	2.0	12,243	394	348	688.7	90.8
Six months to December 2010	3,102,000	2.0	6,206	200	395	666.1	93.3
Year to 31 December							
2011	6,593,000	1.8	11,915	383	437	1,505.1	208.5
2012	6,513,000	1.6	10,641	342	492	1,782.0	217.6
2013	6,571,000	1.5	9,851	317	491	772.8	80.5
2014	6,797,000	1.5	10,156	327	702	718.9	66.5
2015	6,710,000	1.4	9,196	296	777	(1,183.9)	(93.4)
Total	**46,974,000**	**1.6**	**77,030**	**2,477**			

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: 31 December 2015
Issued Share Capital: 778,134,626 shares

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1,000 shares	12,591	85.68	1,783,402	0.23
1,001 – 10,000 shares	1,433	9.75	4,437,871	0.57
10,001 – 100,000 shares	386	2.63	14,578,052	1.87
100,001 – 1,000,000 shares	224	1.52	77,453,625	9.95
Over 1,000,000 shares	61	0.42	679,881,676	87.37
Total	14,695	100.00	778,134,626	100.00

DISTRIBUTION OF SHAREHOLDERS	Number of shareholders	%	Number of shares	%
American Depositary Receipts	3	0.02	330,101,258	42.42
Banks	187	1.27	171,879,885	22.09
Brokers	119	0.81	16,146,047	2.07
Close Corporations	102	0.69	126,684	0.02
Control Account	1	0.01	994,846	0.13
Endowment Funds	13	0.09	645,589	0.08
Individuals	13,038	88.66	8,687,852	1.12
Insurance Companies	8	0.05	3,762,945	0.48
Investment Companies	3	0.02	60,087	0.01
Medical Aid Schemes	10	0.07	434,293	0.06
Mutual Funds	199	1.35	117,808,020	15.14
Nominees and Trusts	583	3.96	5,137,715	0.66
Other Corporations	65	0.44	320,764	0.04
Own Holdings	3	0.02	1,725,777	0.22
Pension Funds	157	1.07	105,285,772	13.53
Private Companies	207	1.41	788,684	0.10
Public Companies	7	0.05	703,014	0.09
Share Trust	1	0.01	13,525,394	1.74
Total	14,706	100.00	778,134,626	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholders	%	Number of shares	%
Non-Public Shareholders	8	0.06	15,989,975	2.06
Directors of the Company	4	0.03	738,804	0.10
Share Trust	1	0.00	13,525,394	1.74
Own Holdings	3	0.02	1,725,777	0.22
Public Shareholders	14,687	99.95	762,144,651	97.94
Total	14,695	100.00	778,134,626	100.00

Beneficial shareholders holding of 3% or more	Number of shares	%
Government Employees Pension Fund	70,709,205	9.09

Fund Managers holding of 3% or more	Number of shares	%
Public Investment Corporation Limited	62,929,636	8.09
Allan Gray Proprietary Limited	61,690,582	7.93
BlackRock Investment Management (UK) Ltd	51,796,029	6.66
Van Eck Global	51,521,812	6.62
Dimensional Fund Advisors	41,612,227	5.35
Investec Asset Management (Pty) Ltd	31,193,756	4.01
BlackRock Investment Mgt – Index	23,894,404	3.07
Total	324,638,446	41.73

Foreign Custodian holding of 3% or more	Number of shares	%
The Bank of New York DR	330,101,258	42.42
State Street Bank & Trust Company	62,120,156	7.98
JP Morgan Chase Bank	35,437,516	4.55
Citibank London	23,695,973	3.00
Northern Trust	26,375,819	3.39

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

Glossary of terms (continued)

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
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

Glossary of terms (continued)

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
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

Glossary of terms (continued)

km	kilometre
koz	thousand ounces
kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
ktpm	thousand tonnes per month
m^2	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.
- **Noice 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).

Glossary of terms – Sustainable development (continued)

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

COMPANY SECRETARY
Lucy Mokoka
Tel: +27 11 562 9719
Fax: +27 11 562 9829
email: lucy.mokoka@goldfields.co.za

REGISTERED OFFICE
Johannesburg
Gold Fields Limited
150 Helen Road
Sandown
Sandton
2196

Postnet Suite 252
Private Bag X30500
Houghton
2041
Tel: +27 11 562 9700
Fax: +27 11 562 9829

OFFICE OF THE UNITED KINGDOM SECRETARIES
London
St James Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London EC2V 6DN United Kingdom
Tel: +44 20 7796 8644
Fax: +44 20 7796 8645

AMERICAN DEPOSITORY RECEIPTS TRANSFER AGENT
Bank of New York Mellon
BNY Mellon Shareowner Services
P O Box 358516
Pittsburgh, PA15252-8516
US toll-free telephone: +1 888 269 2377
Tel: +1 201 680 6825
email: shrrelations@bnymellon.com

GOLD FIELDS LIMITED
Incorporated in the Republic of South Africa
Registration number 1968/004880/06
Share code: GFI
Issuer code: GOGOF
ISIN – ZAE 000018123

WEBSITE
www.goldfields.com

LISTINGS
JSE/NYSE/GFI
SWX: GOLI

INVESTOR ENQUIRIES
Avishkar Nagaser
Tel: +27 11 562 9775
Mobile: +27 82 312 8692
email: avishkar.nagaser@goldfields.co.za

MEDIA ENQUIRIES
Sven Lunsche
Tel: +27 11 562 9763
Mobile: +27 83 260 9279
email: sven.lunsche@goldfields.co.za

TRANSFER SECRETARIES
South Africa
Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107
Tel: +27 11 370 5000
Fax: +27 11 688 5248

United Kingdom
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham Kent BR3 4TUEngland
Tel: 0871 664 0300
[calls cost 10p a minute plus network extras,
lines are open 08h30 – 17h00 Mon-Fri] or [from overseas]
+44 20 8639 3399
Fax: +44 20 8658 3430
email: ssd@capitaregistrars.com

SPONSOR
JP Morgan Equities South Africa (Pty) Ltd

DIRECTORS
CA Carolus *(Chair)* ° RP Menell *(Deputy Chair)* °
NJ Holland *• *(Chief Executive Officer)*
PA Schmidt • *(Chief Financial Officer)* K Ansah #
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BASTION GRAPHICS