GOLD FIELDS LTD
Form 20-F
April 13, 2016
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As filed with the Securities and Exchange Commission on April 13, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F

(Mark One)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**
or

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2015

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

or

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report

For the transition period from to

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

150 Helen Road

Sandown, Sandton, 2196

South Africa

011-27-11-562-9700

(Address of principal executive offices)

with a copy to:

Taryn Harmse

Executive Vice-President: Group General Counsel

Tel: 011-27-11-562-9724

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Sandown, Sandton, 2196

South Africa

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

and

Thomas B. Shropshire, Jr.

Linklaters LLP

Tel: 011-44-20-7456-2000

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One Silk Street

London EC2Y 8HQ

United Kingdom

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

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

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

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

None

(Title of Class)

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

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or

common stock as of the close of the period covered by the Annual Report

778,134,626 ordinary shares of par value Rand 0.50 each

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ¨ No x

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP x International Financial Reporting Standards as issued by the International Accounting Standards Board ¨ Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ¨ No ¨

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PRESENTATION OF FINANCIAL INFORMATION

Gold Fields Limited, or Gold Fields or the Company, is a South African company and in fiscal 2015 approximately 9%, 34%, 44% and 13% of Gold Fields operations, based on gold production, were located in South Africa, Ghana, Australia and Peru, respectively. Its books of account are maintained in South African Rand. The reporting currency of the Gold Fields consolidated financial statements is the U.S. dollar. The Group s annual and interim financial statements are prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board and as prescribed by law. Gold Fields also prepares annual financial statements in accordance with United States Generally Accepted Accounting Principles, or U.S. GAAP. Except as otherwise noted, the financial information included in this annual report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars, and for descriptions of critical accounting policies refer to accounting policies under U.S. GAAP.

For Gold Fields consolidated financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand and A$ to U.S. dollars at the exchange rate prevailing on the date that it closed its accounts for fiscal 2015 (Rand 15.10 per $1.00 and $0.75 per A$1.00 as of December 31, 2015), except for specific items included within shareholders equity and the statements of cash flows that are translated at the rate prevailing on the date the relevant transaction was entered into, and statements of operations item amounts are translated from Rand and A$ to U.S. dollars at the weighted average exchange rate for each period (Rand 12.68 per $1.00 and $1.00 per A$0.72 for fiscal 2015).

In this annual report, Gold Fields presents the financial items all-in sustaining costs , or AISC, all-in sustaining costs per ounce , all-in costs , or AIC, and all-in costs per ounce , which have been determined using industry standards promulgated by the World Gold Council, or WGC, and are non-U.S. GAAP measures. The WGC standard was released by the WGC on June 27, 2013. Gold Fields voluntarily adopted and implemented these metrics as from the quarter ended June 2013. An investor should not consider these items in isolation or as alternatives to production costs, income before tax, net income, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the WGC provided definitions for the calculation of all-in sustaining costs and all-in costs, the calculation of all-in sustaining costs, all-in sustaining costs per ounce, all-in costs and all-in costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Key Information Selected Historical Consolidated Financial Data , Information on the Company Glossary of Mining Terms All-in sustaining costs per ounce and Information on the Company Glossary of Mining Terms All-in costs per ounce .

Gold Fields also presents net debt in this annual report which is a non-US GAAP measure. An investor should not consider this item in isolation or as an alternative to total loans and cash and cash equivalents or any other measure presented in accordance with U.S. GAAP. The definition for the calculation of net debt may vary significantly between companies, and by itself does not necessarily provide a basis for comparison with other companies. See Key Information Selected Historical Consolidated Financial Data and Information on the Company Glossary of Mining Terms net debt .

The financial results of Sibanye Gold (as defined below) included in this annual report, which include the KDC and Beatrix mines, have been presented as discontinued operations as a result of the Spin-off in the statement of operations and statement of cash flows for all periods presented. The financial information presented in this annual report refers to continuing operations unless otherwise stated.

Market Information

This annual report includes industry data about Gold Fields markets obtained from industry surveys, industry publications, market research and other publicly available third-party information. Industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to

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be reliable but that the accuracy and completeness of such information is not guaranteed. Gold Fields and its advisors have not independently verified this data.

In addition, in many cases, statements in this annual report regarding the gold mining industry and Gold Fields position in that industry have been made based on internal surveys, industry forecasts, market research, as well as Gold Fields own experiences. While these statements are believed by Gold Fields to be reliable, they have not been independently verified.

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DEFINED TERMS AND CONVENTIONS

In this annual report, all references to the Group are to Gold Fields and its subsidiaries. On February 18, 2013, or the Spin-off date, Gold Fields completed the separation of its wholly-owned subsidiary, Sibanye Gold Limited, or Sibanye Gold (formerly known as GFI Mining South Africa Proprietary Limited, or GFIMSA), which includes the KDC and Beatrix mining operations, or the Spin-off. See Operating and Financial Review and Prospects Overview The Spin-off .

In this annual report, all references to fiscal 2013 are to the 12-month period ended December 31, 2013, all references to fiscal 2014 are to the 12-month period ended December 31, 2014, all references to fiscal 2015 are to the 12-month period ended December 31, 2015 and all references to fiscal 2016 are to the 12-month period ending December 31, 2016. In this annual report, all references to South Africa are to the Republic of South Africa, all references to Ghana are to the Republic of Ghana, all references to Australia are to the Commonwealth of Australia, all references to Chile are to the Republic of Chile, all references to Finland are to the Republic of Finland, all references to Peru are to the Republic of Peru, all references to Mali are to the Republic of Mali, all references to the Philippines are to the Republic of the Philippines and all references to the United States and U.S. mean the United States of America, its territories and possessions and any state of the United States and the District of Columbia.

In this annual report, all references to the DMR are references to the South African Department of Mineral Resources, the government body responsible for regulating the mining industry in South Africa.

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

In this annual report, gold production figures are provided in troy ounces, which are referred to as ounces or oz , or in kilograms, which are referred as kg . Ore grades are provided in grams per metric tonne, which are referred to as grams per tonne or g/t . All references to tonnes or t this annual report are to metric tonnes. All references to gold include gold and gold equivalent ounces, unless otherwise specified or where the context suggests otherwise. See Information on the Company Glossary of Mining Terms for further information regarding units of measurement used in this annual report and a table providing rates of conversion between different units of measurement. AIC, net of by-product revenue, and AISC, net of by-product revenue, are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operational and Financial Review and Prospects All-in Sustaining and All-in Cost .

This annual report contains references to the total recordable injury frequency rate , or TRIFR, at each Gold Fields operation which was introduced in 2013. The TRIFR at each operation includes the total number of fatalities, lost time injuries, medically treated injuries, or MTI, and restricted work injuries, or RWI per million man hours. A lost time injury, or 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 (i.e., the employee or contractor is unable to perform any of his/her duties). A 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. A 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 but the employee or contractor can still perform some of his/her duties.

In this annual report, R and Rand refer to the South African Rand and SA cents refers to subunits of the South African Rand, $, U.S.$ and U dollars refer to United States dollars, U.S. cents refers to

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subunits of the U.S. dollar, A$ and Australian dollars refer to Australian dollars, GH refers to Ghana Cedi, S/. refers to the Peruvian Nuevo Sol and CAD refers to Canadian dollars.

For Gold Fields consolidated financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand and A$ to U.S. dollars at the exchange rate prevailing on the date that it closed its accounts for fiscal 2015 (Rand 15.10 per $1.00 and $0.75 per A$1.00 as of December 31, 2015), except for specific items included within shareholders equity and the statements of cash flows that are translated at the rate prevailing on the date the relevant transaction was entered into, and statements of operations item amounts are translated from Rand and A$ to U.S. dollars at the weighted average exchange rate for each period (Rand 12.68 per $1.00 and $1.00 per A$0.72 for fiscal 2015).

In this annual report, except where otherwise noted, all production and operating statistics are based on Gold Fields total operations, which include production from the Tarkwa and Damang mines in Ghana and from the Cerro Corona mine in Peru which is attributable to the noncontrolling shareholders in those mines. This annual report contains references to gold equivalent ounces which are quantities of metals (such as copper) expressed as amounts of gold using the prevailing prices of gold and the other metals. To calculate this, the accepted total value of the metal based on its weight and value is divided by the accepted value of one troy ounce of gold.

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FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to Gold Fields financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Gold Fields, wherever they may occur in this annual report and the exhibits to the annual report, are necessarily estimates reflecting the best judgment of the senior management of Gold Fields and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- the success of the Group s business strategy, development activities and other initiatives;
- decreases in the market price of gold or copper;
- fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies;
- changes in assumptions underlying Gold Fields mineral reserve estimates;
- the ability to achieve anticipated cost savings at existing operations;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- changes in relevant government regulations, particularly labor, environmental, tax, royalty, health and safety, water, regulations and potential new legislation affecting mining and mineral rights;
- Court decisions affecting the South African mining industry, including without limitation regarding the interpretation of mineral rights legislation and the treatment of health and safety claims;
- the ability of the Group to comply with requirements that it operate in a sustainable manner and provide benefits to affected communities;
- the ability to manage and maintain access to current and future sources of liquidity, capital and credit, including the terms and conditions of Gold Fields facilities and Gold Fields overall cost of funding;
- the occurrence of labor disruptions and industrial actions;

power cost increases as well as power stoppages, fluctuations and usage constraints;

fraud, bribery or corruption at Gold Field s operations that leads to censure, penalties or negative reputational impacts;

the occurrence of hazards associated with underground and surface gold mining or contagious diseases (and associated legal claims) at Gold Field s operations;

loss of senior management or inability to hire or retain employees;

political instability in South Africa, Ghana, Peru or regionally in Africa or South America;

overall economic and business conditions in South Africa, Ghana, Australia, Peru and elsewhere;

the occurrence of work stoppages related to health and safety incidents;

supply chain shortages and increases in the prices of production imports;

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- the adequacy of the Group s insurance coverage; and

- the manner, amount and timing of capital expenditures made by Gold Fields on both existing and new mines, mining projects, exploration project or other initiatives.

Gold Fields undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

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PART I

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

Selected Historical Consolidated Financial Data

The selected historical consolidated financial data set out below for fiscal 2015, fiscal 2014 and fiscal 2013 and as of December 31, 2015 and 2014 have been derived from Gold Fields audited consolidated financial statements for those years and as of those dates and the related notes. The selected historical consolidated financial data for fiscal 2011 and 2012 and as of December 31, 2013, have been derived from Gold Fields audited consolidated financial statements for the year ended and as of December 31, 2011, 2012 and 2013, respectively, which are not included in this annual report and adjusted, where applicable, as described below. The selected historical consolidated financial data presented below have been derived from consolidated financial statements which have been prepared in accordance with U.S. GAAP. As a result of the Spin-off, the financial results of Sibanye Gold, which include the KDC and Beatrix mines, have been presented as discontinued operations in the consolidated financial statements for fiscal 2013 and the comparative statements of operations and statement of cash flows have been presented as if Sibanye Gold had been discontinued for all periods presented below. The Other Operating Data presented has been calculated as described in the footnotes to the table below:

	Fiscal Period Ended December 31,				
	2011	2012	2013	2014	2015
	($ million, unless otherwise stated)				
Statement of Operations Data					
Revenues	3,499.1	3,530.6	2,906.3	2,868.8	2,545.4
Production costs (exclusive of depreciation and amortization)	1,627.9	1,862.6	1,819.9	1,808.1	1,660.3
Depreciation and amortization	421.4	425.8	568.5	677.3	594.4
Corporate expenditure	30.8	38.2	39.4	27.3	20.5
Employee termination costs	0.8	6.1	35.5	42.2	9.4
Exploration expenditure	125.4	135.3	77.9	36.2	24.7
Feasibility and evaluation costs	95.2	103.5	68.0		
Profit/(loss) on sale of property, plant and equipment	(1.0)	0.2	(10.2)	(1.3)	(0.1)
Asset impairments and write-offs	9.5	41.6	215.3	14.0	100.1
Royalties	109.6	116.8	90.5	86.1	76.0
Accretion expense on provision for environmental rehabilitation	11.1	13.9	10.4	15.4	13.9
Interest and dividends	11.8	16.3	8.5	4.2	6.3
Finance expense	(52.3)	(55.6)	(72.4)	(80.8)	(71.2)
Gain/(loss) on financial instruments	4.4	(0.4)	(0.3)	(11.5)	(4.7)
Foreign exchange (losses)/gains	9.1	(13.8)	7.3	8.4	9.5
Profit on disposal of investments and subsidiaries	12.8	27.6	17.8	78.0	0.1
Impairment of investments	(0.5)	(10.5)	(10.3)	(6.8)	(37.9)
Other expenses	(47.3)	(37.9)	(104.2)	(44.2)	(27.2)
Income/(loss) before tax, impairment of investment in equity investee, share of equity investees losses and discontinued operations	1,004.4	712.7	(162.5)	108.2	(79.1)
Income and mining tax expense	(384.5)	(359.4)	(105.7)	(121.6)	(155.0)

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	Fiscal Period Ended December 31,				
	2011	**2012**	**2013**	**2014**	**2015**
	($ million, unless otherwise stated)				
Income/(loss) before impairment of investment in equity investee, share of equity investees losses and discontinued operations	619.9	353.3	(268.2)	(13.4)	(234.1)
Impairment of investment in equity investee	(6.8)			(7.4)	(109.5)
Share of equity investees losses, net of tax	(0.8)	(63.1)	(18.4)	(4.4)	(3.8)
Income/(loss) from continuing operations	612.3	290.2	(286.6)	(25.2)	(347.4)
Income from discontinued operations, net of tax	340.7	362.3	20.5		
Net income/(loss)	953.0	652.5	(266.1)	(25.2)	(347.4)
Less: Net income/(loss) attributable to non-controlling interests	71.5	(1.8)	(18.2)	2.0	(2.4)
Continuing operations	71.6	(1.9)	(18.2)	2.0	(345.0)
Discontinued operations	(0.1)	0.1			
Net income/(loss) attributable to Gold Fields shareholders	881.5	654.3	(247.9)	(27.2)	(345.0)
Continuing operations	540.7	292.1	(268.4)	(27.2)	(345.0)
Discontinued operations	340.8	362.2	20.5		
Basic earnings/(loss) per share attributable to Gold Fields shareholders ($)					
Continuing operations	0.75	0.40	(0.36)	(0.04)	(0.45)
Discontinued operations	0.47	0.50	0.03		
Diluted earnings/(loss) per share attributable to Gold Fields shareholders ($)					
Continuing operations	0.74	0.40	(0.36)	(0.04)	(0.45)
Discontinued operations	0.47	0.50	0.03		
Dividend per share (Rand)	1.70	3.90	0.75	0.42	0.24
Dividend per share ($)	0.24	0.50	0.08	0.04	0.02
Other Operating Data Continuing Operations					
All-in-sustaining costs net of by-product revenue per ounce of gold sold(1)		1,310	1,202	1,053	1,007
All-in-cost net of by-product revenue per ounce of gold sold(1)		1,537	1,312	1,087	1,026
All-in-sustaining costs gross of by-product revenue per equivalent ounce of gold sold(1)		1,331	1,206	1,053	1,000
All-in-cost gross of by-product revenue per equivalent ounce of gold sold(1)		1,539	1,307	1,086	1,018

Note:

(1) Gold Fields has calculated all-in sustaining costs net of by-product revenue per ounce of gold sold by dividing total all-in sustaining costs net of by-product revenue, as determined using the guidance provided by the WGC, by only gold ounces sold for fiscal 2012, fiscal 2013, fiscal 2014 and fiscal 2015. Total all-in sustaining costs, as defined by the WGC, are operating costs excluding amortization and depreciation as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. The value of by-product revenues (i.e. silver and copper) is deducted from operating costs excluding amortization and depreciation as it effectively reduces the cost of gold production. The all-in costs net of by-product revenue starts with all-in sustaining costs net of by-product revenue and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations. 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 WGC definition), as well as on a per ounce of gold equivalent basis, gross

of by-product revenues. Changes in total all-in sustaining and all-in costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared with the U.S. dollar. Total all-in sustaining and all-in cost per ounce are not U.S. GAAP measures and have been calculated using IFRS information. Management, however, believes that total all-in sustaining cost and total all-in cost per ounce will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. For a description of all-in sustaining costs and all-in costs and a reconciliation of Gold Fields all-in sustaining costs and all-in costs to its operating costs excluding amortization and depreciation costs for fiscal 2015, fiscal 2014, fiscal 2013 and fiscal 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

	As of December 31,				
	2011	**2012**	**2013**	**2014**	**2015**
	($ million, unless otherwise stated)				
Balance Sheet Data					
Cash and cash equivalents	744.0	655.6	325.0	458.0	440.0
Assets held for sale			47.0	31.0	1.0
Receivables	483.4	522.7	272.6	226.5	168.9
Inventories	297.7	402.1	402.7	373.3	294.4
Material contained on heap leach pads	187.9	65.0			
Total current assets	1,713.0	1,645.4	1,047.3	1,088.8	904.3
Property, plant and equipment, net	7,016.8	7,388.9	4,933.0	4,453.3	3,705.6
Goodwill	1,075.4	1,020.1	845.5	756.3	579.0
Deferred income and mining taxes(1)		24.1	51.6	17.8	1.8
Inventories		111.8	109.0	148.1	148.1
Non-current investments	272.2	458.0	268.9	286.5	175.0
Total assets	10,077.4	10,648.3	7,255.3	6,750.8	5,513.8
Accounts payable and provisions	669.9	734.0	445.0	498.5	416.2
Interest payable	11.2	11.0	12.4	11.2	11.4
Income and mining taxes payable	264.4	192.1	34.6	58.2	77.8
Short-term loans and current portion of long-term loans	547.0	40.0	121.5	140.2	16.7
Total current liabilities	1,492.5	977.1	613.5	708.1	522.1
Long-term loans	1,360.7	2,321.2	1,938.6	1,770.7	1,803.6
Deferred income and mining taxes(1)	1,019.4	919.7	325.3	263.2	254.1
Provision for environmental rehabilitation	336.9	373.6	269.2	300.1	275.7
Provision for post-retirement health care costs	2.1	2.1			
Long-term incentive plan				8.3	12.6
Other non-current liabilities	13.5	13.9	10.9	9.1	8.7
Total liabilities	4,225.1	4,607.6	3,157.5	3,059.5	2,876.8
Share capital	59.0	61.0	62.9	63.0	63.2
Additional paid-in capital	5,374.6	5,452.3	4,439.0	4,465.0	4,475.9
Retained earnings	772.5	1,054.3	741.1	684.1	324.0
Accumulated other comprehensive loss	(423.3)	(653.0)	(1,249.0)	(1,617.4)	(2,308.2)
Gold Fields shareholders equity	5,782.8	5,914.6	3,994.0	3,594.7	2,554.9
Noncontrolling interests	69.5	126.1	103.8	96.6	82.1
Total equity	5,852.3	6,040.7	4,097.8	3,691.3	2,637.0
Total liabilities and equity	10,077.4	10,648.3	7,255.3	6,750.8	5,513.8

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	As of December 31,				
	2011	2012	2013	2014	2015
	($ million, unless otherwise stated)				
Other Financial Data					
Number of ordinary shares as adjusted to reflect changes in capital structure (including treasury shares)	724,591,516	730,393,143	768,016,593	772,272,821	777,450,492
Net Assets (excluding non-controlling interest)	5,782.8	5,914.6	3,994.0	3,594.7	2,554.9
Net debt[2]	1,163.7	1,705.6	1,735.1	1,452.9	1,380.3

Note:

(1) The updated guidance on classification of deferred taxes, adopted by Gold Fields in 2015, resulted in comparative balances for current deferred income and mining taxes and liabilities being reclassified as non-current.

(2) Gold Fields has calculated net debt by taking total loans less cash and cash equivalents, both as calculated in accordance with IFRS. Net debt is not a U.S. GAAP measure and has been calculated using IFRS information, which is the same as the U.S. GAAP information. Management believes that net debt will be helpful to investors, governments, local communities and other stakeholders in better understanding the financial position of Gold Fields. For a description of net debt and a reconciliation of Gold Fields net debt to its total loans for fiscal 2015, 2014 and 2013 see Operating and Financial Review and Prospects net debt .

Exchange Rates

The following tables set forth, for the periods indicated, the average, high and low exchange rates of Rand for U.S. Dollars, expressed in Rand per $1.00. All exchange rates are sourced from I-Net Bridge (Proprietary) Limited, or I-Net Bridge, being the average rate.

Year ended	**Average**
December 31, 2011	7.22[1]
December 31, 2012	8.19[1]
December 31, 2013	9.60[1]
December 31, 2014	10.82[1]
December 31, 2015	12.68[1]
Through April 6, 2016	15.74[1]

Note:

(1) The daily average of the closing rate during the relevant period as reported by I-Net Bridge.

Month ended	**High**	**Low**
October 31, 2015	13.92	13.04
November 30, 2015	14.43	13.76
December 31, 2015	15.88	14.35
January 31, 2016	16.85	15.52
February 29, 2016	16.33	15.18
March 31, 2016	16.85	14.65

The closing rate for the Rand on April 6, 2016 as reported by I-Net Bridge was Rand 15.07 per $1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on the JSE, which may affect the market price of the American Depositary Shares, or ADSs, on the NYSE. These fluctuations will also affect the U.S. dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.

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RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on Gold Fields business, financial condition or results of operations, resulting in a decline in the trading price of Gold Fields ordinary shares or ADSs. The risks set forth below comprise all material risks currently known to Gold Fields. These factors should be considered carefully, together with the information and financial data set forth in this document.

Gold Fields may experience unforeseen difficulties, delays or costs in implementing its business strategy and projects, including any strategic projects, cost-cutting initiatives, divestments and other initiatives and any such strategy or project may not result in the anticipated benefits.

The ability to grow the business will depend on the successful implementation of Gold Fields existing and proposed strategic initiatives, such as the introduction and implementation of a new regional pillar design and mining method and the ramping up of production at South Deep (which accounts for 74% of Gold Fields mineral reserves as at December 31, 2015), as well as the achievement of a 15% free cash flow margin, or FCF Margin, at a gold price of U.S.$1,300/oz. See Information on the Company Strategy .

The successful implementation of the Company s strategic initiatives depends upon many factors, including those outside its control. For example, the successful achievement of a 15% FCF Margin at a gold price of U.S.$1,300/oz. will depend on, among other things, prevailing market prices for input costs.

Gold Fields may also prove unable to deliver on production targets and other strategic initiatives, including ramping-up of key capital projects, such as South Deep. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of Gold Fields business strategy and projects, and such strategy and projects may not result in the anticipated benefits. In addition, Gold Fields is in the process of implementing an operational plan at South Deep intended to improve productivity at the mine, which includes the alignment of the mine s planning process with realistic productivity levels, the implementation of business improvement projects and the implementation of revised support strategies, mining sequence and pillar configuration changes. In addition, during fiscal 2015, South Deep began to transition from low profile to high profile destress mining as part of its operational plan. The implementation of this operational plan is complex and there can be no assurance that the implementation of the plan will achieve the result intended or that it will not result in delays, increased costs or other issues. Any such difficulties, delays or costs could prevent Gold Fields from fully implementing its business strategy, which could have a material adverse effect on its business, operating results and financial condition.

Gold Fields is in the process of implementing initiatives relating to its strategic restructuring, including the reduction of marginal mining, cost-efficiency initiatives, increased brownfield exploration, production planning, cost-cutting and divestments. Any future contribution of these measures to profitability will be influenced by the actual benefits and savings achieved and by Gold Fields ability to sustain these ongoing efforts. Strategic restructuring and cost-cutting initiatives may involve various risks, including, for example, labor unrest and operating license withdrawal. The risk is elevated in South Africa, given Gold Fields mining rights obligations. See Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute .

In addition, these initiatives may not be implemented as planned; turn out to be less effective than anticipated; only become effective later than anticipated; or not be effective at all. Depending on the nature of the outcomes of the initiatives, they, individually or in combination, may have a material adverse effect on Gold Fields business, operating results and financial condition.

As part of its strategy, Gold Fields has stated that it intends to dispose of certain of its exploration and development assets. With respect to these and any other dispositions, Gold Fields may not be able to obtain

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prices that it expects for assets it seeks to dispose of or to complete the contemplated disposals in the timeframe contemplated or at all.

Any of the above could have a negative impact on Gold Fields business, operating results and financial condition.

Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields operations and the cash flows generated by those operations.

Gold Fields revenues are primarily derived from the sale of gold that it produces. Gold Fields does not generally enter into forward sales, derivatives or other hedging arrangements in order to establish a price in advance of the sale of its gold production. As a result, it is exposed to changes in the gold price, which could lead to reduced revenue should the gold price decline. For example, during fiscal 2015, the gold price fluctuated between $1,060 and $1,296 per ounce. See Quantitative and Qualitative Disclosures about Market Risk . The market price for gold has historically been volatile and is affected by numerous factors over which Gold Fields has no control, such as general supply and demand, speculative trading activity and global economic drivers.

Further, over the period from 2011 to 2015, the gold price has declined from an average price of $1,571/oz to $1,167/oz. Should the gold price decline below Gold Fields production costs, it may experience losses and should this situation continue for an extended period, Gold Fields may be forced to curtail or suspend some or all of its growth projects, operations and/or reduce operational capital expenditures. Gold Fields might not be able to recover any losses it incurred during, or after, such events. A sustained period of significant gold price volatility may also adversely affect Gold Fields ability to undertake new capital projects or continue with existing operations or make other long-term strategic decisions. The use of lower gold prices in reserve calculations and life of mine plans could also result in material impairments of Gold Fields investment in mining properties or a reduction in its reserve estimates and corresponding restatements of its reserves and increased amortization, reclamation and closure charges.

In Peru, copper accounts for a significant proportion of the revenues at Gold Fields Cerro Corona mine, although copper is not a major element of Gold Fields overall revenues. Over the period from 2011 to 2015, the price of copper has declined from an average price of $8,836 per tonne to $5,376 per tonne. A variety of factors have and may depress global copper prices and a decline in copper prices, which have also fluctuated widely, would adversely affect the revenues, profit and cash flows of the Cerro Corona mine.

Because gold is sold in U.S. dollars, while a significant portion of Gold Fields production costs are in Australian dollars, Rand and other non-U.S. dollar currencies, Gold Fields operating results and financial condition could be materially harmed by a material change in the value of these non-U.S. dollar currencies.

Gold is sold throughout the world in U.S. dollars. Gold Fields costs of production are incurred principally in U.S. dollars, Australian dollars, Rand and other currencies. Recent volatility in the Rand (including significant depreciation of the Rand against the U.S. dollar in recent years) and depreciation of the Australian dollar against the U.S. dollar in fiscal 2014 and 2015 has made our reported costs in South Africa and Australia and results of operations less predictable than when exchange rates are more stable. As a result, any significant and sustained appreciation of any of these non-U.S. dollar currencies against the U.S. dollar may materially increase Gold Fields costs in U.S. dollar terms, which could materially adversely affect Gold Fields business, operating results and financial condition.

Conversely, inflation in any of the countries in which it operates could increase the prices Gold Fields pays for products and services and could have a material adverse effect on Gold Fields business, operating results and financial condition if not offset by increased gold prices.

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Gold Fields mineral reserves are estimates based on a number of assumptions, which, if changed, may require Gold Fields to lower its estimated mineral reserves.

The mineral reserves stated in this annual report are estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, commodity prices, exchange rates, and metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond Gold Fields control. In the event that Gold Fields adversely revises any of the assumptions that underlie its mineral reserves reporting, Gold Fields may need to revise its mineral reserves downwards. See Information on the Company Reserves of Gold Fields as of December 31, 2015 .

Gold Fields is in the process of undertaking a strategic review of South Deep. The objective of the review is to rebase the longer-term steady state production profile of the mine based on the mine s operating constraints, realistic production capability and potential cash flows. Gold Fields expects to complete key elements of this strategic review in fiscal 2017, although changes to the long term plan, based on increased resolution on the life of mine ore reserves, are expected to continue in subsequent years. There can be no assurance that the strategic review will not result in lower than expected long term steady state production volumes, cost fluctuations, reduced reported ore reserves and life of mine, or other associated issues at South Deep, which could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Reserves of Gold Fields as of December 31, 2015 Methodology .

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

Gold Fields reserve base is depleted annually through its production activities. In fiscal 2015, four out of Gold Fields seven non-South African mines reported lower ore reserves after taking depletion into account. In order to replace its mineral reserves at its international operations or expand its operations and reserve base, Gold Fields expects to rely, in part, on exploration for gold, and other metals associated with gold, as well as its ability to develop mining projects. Exploration for gold and other metals associated with gold is speculative in nature, involves many risks and is frequently unsuccessful. To the extent that ore bodies are to be developed, it can take a number of years and substantial expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. In addition, to the extent Gold Fields participates in the development of a project through a joint venture or any other multi-party commercial structure, there could be disagreements, legal or otherwise, or divergent interests or goals amongst the parties, which could jeopardize the success of the project. There can be no assurances that Gold Fields will be able to replace its reserves through exploration, development or otherwise and, if Gold Fields is unable to replace its reserves, this could have a material adverse effect on its business, operating results and financial condition.

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

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

In order to maintain or expand its operations and reserve base, Gold Fields may seek to make acquisitions of selected precious metal producing companies or assets. For example, on October 1, 2013, Gold Fields completed the acquisition of the Granny Smith, Darlot and Lawlers gold mines, or the Yilgarn South Assets, in Western Australia from Barrick Gold Corporation, or Barrick. See Information on the Company Gold Fields Mining Operations Australasia Operations . Any such acquisition may change the scale of the Company s business and operations and may expose it to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. There can be no assurance that any acquisition will achieve the results intended, and, as such, could have a material adverse effect on Gold Fields business, operating results and financial condition.

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Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.

Gold Fields right to own and exploit mineral reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of Gold Fields reserves and deposits are located in countries where mining rights could be suspended or canceled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In all of the countries where Gold Fields operates, the formulation or implementation of governmental policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and, in extreme cases, nationalization, expropriation or nullification of existing concessions, licenses, permits agreements and contracts. For example, Gold Fields operations in South Africa are subject to legislation regulating the exploitation of mineral resources through the granting of rights required to prospect and mine for minerals. This includes broad-based BEE legislation designed to effect the entry of historically disadvantaged South Africans, or HDSAs, into the mining industry and to increase their participation in the South African economy.

The Mineral and Petroleum Resources and Development Act, or the MPRDA, came into effect on May 1, 2004 and transferred ownership of mineral resources to the South African people, with the South African government acting as custodian in order to, among other things, promote equitable access to the nation s mineral resources by South Africans, expand opportunities for historically disadvantaged persons who wish to participate in the South African mining industry and advance social and economic development. As custodian, the South African government exercises regulatory control over the exploitation of mineral resources and does so by exercising the power to grant the rights required to prospect and mine for minerals. Mining companies were required to apply for the right to mine and/or prospect and to convert then-existing mining rights to new order mining rights. In order to qualify for these rights, applicants need to satisfy the South African government that the granting of such a right will advance the open-ended broad-based socio-economic empowerment requirements of the MPRDA. The MPRDA also required that mining companies submit social and labor plans, or SLPs, which set out their commitments relating to human resource development, labor planning and economic development planning to the DMR. In order to provide guidance on the fulfillment of these broad-based socio-economic empowerment requirements to the mining industry, the DMR published the Mining Charter, which became effective on May 1, 2004. The Mining Charter includes guidelines envisaging that each mining company should achieve a 15% HDSA ownership of mining assets within five years and a 26% HDSA ownership of mining assets within 10 years. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The MPRDA .

In 2010, the DMR introduced the Amended Mining Charter containing guidelines envisaging, among other things, that mining companies should achieve a minimum of 40% HDSA demographic representation by 2014 at executive management (board) level, senior management (executive committee) level, core and critical skills, middle management level and junior management level. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights . In April 2013, Gold Fields submitted a new SLP for South Deep to replace its original SLP submitted in 2010 and is awaiting a response from the DMR.

In fiscal 2014, the DMR launched audits of mining companies, which were conducted by a third party appointed by the DMR to assess such companies compliance with the BEE guidelines of the Mining Charter and Amended Mining Charter. However, the DMR subsequently abandoned the externally conducted audit process. It is therefore unclear what the status of the process is and what the outcomes were. It is also unclear whether or not the information provided during this audit process will be considered or used by the DMR for any purpose in the future. In fiscal 2015, the DMR directed mining companies to provide information related to compliance with the Amended Mining Charter via an electronic reporting template. This template raised a number of concerns among mining companies due to its inflexible approach towards the assessment of compliance with the Amended Mining Charter. On March 15, 2016, the DMR announced that all mining companies would be required to complete these templates by April 30, 2016.

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On March 31, 2015, the DMR made an interim report of consolidated results of the self-assessment by reporting companies of compliance with the Mining Charter, reporting relatively broad compliance with the non-ownership requirements of the Amended Mining Charter. However, the DMR did not report the results of compliance with the HDSA ownership guidelines of the Mining Charter and noted that there is no consensus on certain applicable principles.

On the same date, the Chamber of Mines, or the Chamber, reported that the DMR believes that empowerment transactions by mining companies concluded after 2004 where the HDSA ownership level has fallen due to HDSA disposal of assets or for other reasons, should not be included in the calculation of HDSA ownership for the purposes of, among other things, the 26% HDSA ownership guidelines under the Mining Charter. The position of Gold Fields is consistent with that of the Chamber and is that such empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber have agreed to approach the South African courts to seek a declaratory order which will provide a ruling on the relevant legislation and the status of the Mining Charter. On June 4, 2015 and pursuant to such agreement, the Chamber brought an application against the Minister of Mineral Resources and the Director General of the DMR seeking a declaratory order in relation to the correct interpretation and application of the MPRDA and the Amended Mining Charter, or the Main Application. Papers have been served and the Main Application was set down to be heard in court on March 15 and 16, 2016. In February 2016, an application was filed by a third party, Malan Scholes Inc., to consolidate the Main Application with its own application for a declaratory order on the empowerment aspects of the Mining Charter, or the Consolidation Application. The Chamber indicated that it would oppose the Consolidation Application on the basis that the right to relief in the respective applications does not depend substantially on the same questions of law or fact. The Consolidation Application was heard on March 16, 2016. Judgment was reserved in the Consolidation Application and the court consequently postponed the Main Application. The Consolidation Application therefore now delays the hearing of the Main Application, extending the period of uncertainty regarding the interpretation of the Mining Charter.

If the DMR were to prevail in the Main Application, mining companies, including Gold Fields, may be required to undertake further transactions in order to increase their HDSA ownership which would result in the dilution of existing shareholders. In such event, mining companies may be required to maintain a minimum HDSA ownership level indefinitely. The DMR may also suspend or cancel the existing mining rights of, or prevent the obtaining of new mining rights by, mining companies, including Gold Fields, deemed not to be in compliance with the ownership requirements of the MPRDA. It is also possible, should the Chamber prevail in court, that the DMR may enact new regulations to, among other things, increase HDSA ownership guidelines for mining companies which would result in the dilution of existing shareholders. The DMR may also suspend or cancel existing mining rights of, or prevent the obtaining of new mining rights by, mining companies, including Gold Fields, deemed not to be in compliance with the other requirements of the MPRDA. If the DMR were to determine that Gold Fields is not in compliance with the other requirements of the MPRDA, Gold Fields may be required to engage in remedial steps, including changes to management and actions that require shareholder approval.

In 2016, the Mining Charter BBBEE Codes, or BBBEE Codes, are also scheduled to be aligned with those applying to other industries in South Africa, potentially creating further uncertainty.

If the DMR were to determine that Gold Fields is not in compliance with the MPRDA, for any reason, including HDSA ownership, Gold Fields may challenge such a decision in court. Any such court action may be expensive and there is no guarantee that Gold Fields challenge would be successful.

There is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the successful renewal of its existing mining rights, the retaining of new mining rights, the granting of further new mining rights or that the terms of renewals of its rights would not be significantly less favorable to Gold Fields than the terms of its current rights. Any further adjustment to the ownership structure of Gold Fields South African mining assets in order to meet BEE requirements could have a material adverse effect on the value of Gold Fields securities.

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An Amendment Bill to the MPRDA, or the MPRDB, was passed by both the National Assembly and the National Council of Provinces, or NCOP, on March 27, 2014. In January 2015, the President referred the MPRDB back to Parliament for reconsideration and Parliament has yet to produce a new draft of the MPRDB. There is a large degree of uncertainty regarding the changes that will be brought about should the MPRDB be made law. Among other things, the MPRDB sought to require the consent of the Minister of Mineral Resources for the transfer of any interest in an unlisted company or any controlling interest in a listed company where such companies hold a prospecting right or mining right and to give the Minister of Mineral Resources broad discretionary powers to prescribe the levels required for beneficiation in promoting the beneficiation of minerals. For further information, see Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The MPRDA . At the Investing in Africa Mining Indaba conference held in February 2016, the Minister of Mineral Resources indicated that the MPRDB would be finalized in the first half of 2016.

Failure by Gold Fields to comply with mineral rights legislation in any of the jurisdictions in which it operates may cause it to lose the right to mine, fail to acquire new rights to mine and may have a material adverse effect on Gold Fields business, operating results and financial condition.

Further, Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of existing laws and guidelines or the imposition of new laws, whether relating to the mining industry or otherwise, which may have a material adverse effect on Gold Fields business, operating results and financial condition.

Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of social license to operate , which could adversely impact Gold Fields business, operating results and financial condition.

Many mining companies face increasing pressure over their social license to operate which can be understood as the acceptance of the activities of these companies by local stakeholders. While formal permission to operate is ultimately granted by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively and profitably.

These businesses are under pressure to demonstrate that, while they seek a satisfactory return on investment for shareholders, the environment, human rights and other key sustainability issues are responsibly managed and stakeholders, such as employees, host communities and the countries in which they operate, also benefit from their commercial activities. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit or are perceived to not be responsibly managing other sustainability issues may result in additional operating costs, higher capital expenditures, reputational damage, active community opposition (possibly resulting in delays, disruptions and stoppages), allegations of human rights abuses, legal suits, regulatory intervention and investor withdrawal.

In order to maintain its social license to operate, Gold Fields may need to design or redesign parts of its mining operations to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, changing planned capital expenditures or by relocating the affected people to an agreed location. Responsive measures may require Gold Fields to take costly and time consuming remedial measures, including the full restoration of livelihoods of those impacted. In addition, Gold Fields is obliged to comply with the terms and conditions of all the mining rights it holds in South Africa. In this regard, the SLP provisions of our mining rights must make provision for local economic development, among other obligations. See Information on the Company Environmental and Regulatory Matter South Africa Mineral Rights . Gold Fields also undertakes social and economic development spending in Australia, Ghana and Peru, both voluntarily and as a condition of its mining rights. See Information on the Company Sustainable Development . In addition, as Gold Fields has a long history of mining operations in certain regions or has purchased operations which have a long history, issues may arise regarding historical as well as potential future environmental or health impacts in those areas.

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Delays in projects attributable to a lack of community support or other community-related disruptions or delays can translate directly into a decrease in the value of a project or into an inability to bring the project to, or maintain, production. The cost of measures and other issues relating to the sustainable development of mining operations has placed significant demands on our resources, and could increase capital and operating costs and have a material adverse impact on Gold Fields reputation, business, operating results and financial condition.

Gold Fields is subject to various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Gold Fields operations and profits.

In recent years, governments (local and national), communities, non-governmental organizations and trade unions in several jurisdictions have sought and, in some cases, have implemented greater cost imposts on the mining industry, including through the imposition of additional taxes and royalties. Such resource nationalism, whether in the form of cost imposts, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation could impact the global mining industry and Gold Fields business, operating results and financial condition.

In South Africa, the African National Congress, or the ANC, has adopted two recommended approaches to interacting with the mining industry. While the ANC has rejected the possibility of mine nationalization for now, the first approach contemplates, among other things, greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and an increase in the South African government s holdings in mining companies. The second approach contemplates the South African government taking a more active role in the mining sector, including through the strengthening of a state mining company to be involved in new projects either through partnerships or individually.

The adopted policies may impose additional restrictions, obligations, operational costs, taxes or royalty payments on gold mining companies, including Gold Fields, any of which could have a material adverse effect on Gold Fields business, operating results and financial condition.

In South Africa, the Davis Tax Committee was established by the Minister of Finance to assist the Government s tax review and assessment of its tax policy framework. The committee s first interim report on mining was released for public comment on August 13, 2015. While the committee was in general in favor of not creating further tax instruments, it did foreshadow possible changes to the tax regime, including discontinuing the upfront capital expenditure write off allowance. In addition, the report recommended retaining the so called gold formula for existing gold mines only, as new gold mines would be unlikely to be established in circumstances where profits are marginal or where gold mines would conduct mining of the type intended to be encouraged by the formula. An alternative recommendation was to phase out the gold formula for all mines over a reasonable period of time. For a description of the gold formula, see Operating Review and Prospects Income and Mining Taxes South Africa . A further report is awaited from the committee after receiving public comment.

In Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. Gold Fields must pay royalties of up to 5% of the total revenue earned from minerals. The government also has a right to obtain a 10% free-carried interest in mining leases. In addition, in 2014, there was an increase in stool/land rents to U.S.$3,750 per square kilometer from U.S.$0.2 per square kilometer. See Information on the Company Environmental and Regulatory Matters Ghana Mineral Rights .

In Peru, the general corporate income tax rate was reduced from 30% to 28% with effect from January 1, 2015, and will be further reduced in the future until it reaches 26% in 2019. In turn, the dividends income tax rate applicable to non-resident shareholders has increased from 4.1% to 6.8% and will be further increased until it reaches 9.3% in 2019. These changes in rates are not immediately applicable to Gold Fields La Cima and Gold Fields Corona (BVI) as they have executed Legal Stability Agreements, which provide stability regarding certain aspects of the income tax, hiring and export legal regimes, with the Private Investment Promotion Agency, or

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PROINVERSION, which have stabilized the income tax rates in force on the date of their execution. However, after 2017, when the Legal Stability Agreements expire, Gold Fields La Cima and Gold Fields Corona (BVI) will be subject to the general regime in force at that time.

Since July 2012, mining companies have also been required to pay an annual supervisory contribution to the Supervisory Body of Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*), or the OSINERGMIN, as well as to the Assessment and Environment Supervising Agency (*Organismo de Evaluación y Fiscalización Ambiental*), or the OEFA. See Information on the Company Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges .

In addition, a consultation law has been enacted, requiring the government to consult with indigenous or native populations on legislative or administrative proposals that may have an impact on their collective rights. See Information on the Company Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges .

The impositions of additional restrictions, obligations, operational costs, taxes or royalty payments could have a material adverse effect on Gold Fields business, operating results and financial condition.

Our high debt levels pose risks to our viability and may make us more vulnerable to adverse economic and competitive conditions, as well as other adverse developments.

Gold Fields carries significant debt relative to its shareholder equity. As of December 31, 2015, Gold Fields consolidated debt was approximately $1.82 billion. Approximately $0.83 billion of Gold Fields consolidated debt securities come due over the 36 months following the date of this annual report.

Gold Fields significant levels of debt can adversely affect it in several respects, including:

- limiting its ability to access the capital markets;
- exposing it to the risk of credit rating downgrades, which would raise its borrowing costs and could limit its access to capital;
- hindering its flexibility to plan for or react to changing market, industry or economic conditions;
- limiting the amount of cash flow available for future operations, acquisitions, dividends, or other uses;
- making it more vulnerable to economic or industry downturns, including interest rate increases;
- increasing the risk that it will need to sell assets, possibly on unfavorable terms, to meet payment obligations;
- increasing the risk that it may not meet the financial covenants contained in its debt agreements or timely make all required debt payments; or
- affecting its ability to service the interest on its debt.

The effects of each of these factors could be intensified if Gold Fields increases its borrowings. Any failure to make required debt payments could, among other things, adversely affect Gold Fields ability to conduct operations or raise capital, which could have a material adverse effect on Gold Fields business, operating results or financial condition.

Gold Fields operations and profits have been and may be adversely affected by union activity and new and existing labor laws.

Over recent periods, there has been an increase in union activity in some of the countries in which Gold Fields operates. Any union activity that affects Gold Fields could have a material adverse impact on its operations, production and financial performance.

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In South Africa, a recent increase in labor unrest has resulted in more frequent industrial disputes and extended negotiations that have negatively affected South Africa s sovereign debt rating and subsequently the credit ratings of a number of the country s leading mining companies, including Gold Fields. While widespread strikes in the gold mining industry have not occurred since the second half of fiscal 2012, the South African platinum industry was subject to a five month strike in 2014. While the outcome of Gold Fields wage negotiations with the unions in fiscal 2015 was relatively positive and resulted in a three year wage agreement with the National Union of Mineworkers, or NUM, and UASA, in light of the ongoing labor unrest there can be no guarantee that future negotiations will not be accompanied by further strikes, work stoppages or other disruptions.

Furthermore, guidelines and targets have been provided to facilitate compliance with the open-ended broad-based socio-economic empowerment requirements espoused in Section 2 of the MPRDA and in the broad-based socio-economic empowerment charter for the South African mining and minerals industry known as the Mining Charter, as well as the amendments to that charter that took effect from September 13, 2010, known as the Amended Mining Charter. The Mining Charter, as amended, contains guidelines which provide that all mining companies must achieve, among other things, 26% ownership by HDSAs of mining assets by March 2015 and a minimum of 40% HDSA demographic representation at the executive management, senior management, middle management, junior management and core and critical skills levels (subject to offsets) in order to comply with the empowerment requirements of the MPRDA. See Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute . and Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights . The ongoing implementation and enforcement of these requirements, including as a result of any changes thereto following the announced review, may be contentious.

Gold Fields operations in Ghana and Peru have recently been, and may in the future be, impacted by increased union activities and new labor laws. In particular, there can be no guarantee that (i) labor unions in either country will not undertake strikes or go-slow actions impacting the Group s operations or those of other related industries or suppliers, or that (ii) changes in local regulations will not result in increased costs and penalties being incurred by the Group.

In Ghana, in April 2013, employees represented by the Ghana Mineworkers Union, or GMWU, the Professional Managerial Staff Union and the Branch Union at both Tarkwa and Damang undertook illegal industrial action, resulting in the temporary suspension of production at both operations. The strike lasted six days and ended after Gold Fields and the GMWU reached a settlement. While the wage negotiations with the unions in fiscal 2015 were completed, in light of the recent labor unrest there can be no guarantee that negotiations in the future will not be difficult or accompanied by further strikes, work stoppages or other labor actions.

In Peru, the Group may see increased union activity over the course of fiscal 2016 as a result of reduced commodity and mineral prices which may lead to reductions in the annual income of employees. This may in turn cause unions to seek better and/or additional benefits to compensate for any such decrease in their annual income, such as through increased activities and/or industrial action. In addition, while the Peruvian government has introduced a three year remediation program which prioritizes the imposition of corrective measures and establishes a three year moratorium on the imposition of environmental fines save in exceptional cases, there was an increase in labor inspection activities over the course of fiscal 2015, and this may continue into fiscal 2016. See Information on the Company Environmental and Regulatory Matters Peru .

In the event that Gold Fields experiences further industrial relations related interruptions at any of its operations or in other industries that impact its operations, or increased employment-related costs due to union or employee activity, these may have a material adverse effect on its business, production levels, operating costs, production targets, operating results, financial condition, reputation and future prospects. In addition, lower levels of mining activity can have a longer term impact on production levels and operating costs, which may

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affect operating life. Mining conditions can deteriorate during extended periods without production, such as during and after strikes, and Gold Fields will not re-commence mining until health and safety conditions are considered appropriate to do so.

Existing labor laws (including those that impose obligations on Gold Fields regarding worker rights) and any new or amended labor laws may increase Gold Fields labor costs and have a material adverse effect on Gold Fields business, operating results and financial condition.

Gold Fields operations are subject to water use licenses, which could impose significant costs and burdens.

Under South African and Ghanaian laws, respectively, Gold Fields South Deep, Tarkwa and Damang operations are subject to water use licenses that govern each operation s water usage and that require, among other things, mining operations to achieve and maintain certain water quality limits regarding all water discharges. Gold Fields is required to comply with these regulations under its permits and licenses and any failure to do so could result in the curtailment or halting of production at the affected locations.

Gold Fields continues to use measures to remove underground water to permit the routine safe functioning of South Deep. South Deep was issued with a water use license in November 2011. Certain conditions and other aspects of the approved license were identified as requiring modification and an application to address these was submitted to the Department of Water Affairs and Sanitation, or DWS, in February 2012. A further amended water use license application was submitted to the DWS in November 2013, primarily to reflect the results of a re-assessment of expected water use requirements and a changing water balance. No response was received from the DWS in relation to the 2013 amendment. In November 2014, an agreement was reached with the DWS to withdraw the 2013 amendment and to submit an updated amendment application in May 2015. The May 2015 amendment application reflects the proposed changes to the approved 2011 water use license conditions. In addition, the updated amendment reflects a variety of water management projects and initiatives that were implemented during fiscal 2014 and that are planned for implementation during fiscal 2015 and beyond. A presentation was provided to the DWS in March 2015 to appraise them of the proposed structure and content of the new amendment, prior to the re-submission in May 2015. A decision on the application is expected in the third quarter of fiscal 2016. The existing approved license will remain in place while the application is processed by the DWS.

Gold Fields is also implementing a water and environmental management strategy in an effort to satisfy the conditions of its water use license and other relevant water and environmental regulatory requirements. However, there can be no assurance that Gold Fields will be able to meet all of its water and environmental regulatory requirements, primarily due to the inherent uncertainties related to certain requirements of the legislation, which are subject to ongoing discussions between government and the mining industry through the Chamber.

Any failure on Gold Fields part to achieve or maintain compliance with the requirements of its water use licenses with respect to any of its operations could result in Gold Fields being subject to substantial claims, penalties, fees and expenses; significant delays in operations; or the loss of the relevant water use license, which could curtail or halt production at the affected operation. Any of the above could have a material adverse effect on Gold Fields business, operating results and financial condition.

Gold Fields has experienced and may experience further acid mine drainage related pollution, which may compromise its ability to comply with legislative requirements or results in additional operating or closure cost liabilities.

Acid mine drainage, or AMD, and acid rock drainage, or ARD (collectively called acid drainage, or AD), are caused when certain sulphide minerals in rocks are exposed to oxidizing 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.

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AD generation, and the risk of potential long-term AD issues, specifically at Gold Fields Cerro Corona and South Deep mines, is ongoing. Immaterial levels of surface AD generation also occur at Gold Fields Tarkwa, Damang and St. Ives mines. Any AD which is currently generated is contained on Gold Fields property at all operations where it occurs and is managed as part of each mine s operational water management strategy. The relevant regulatory authorities are also kept appraised of the Group s efforts to manage AD through various submissions and other communications.

Gold Fields continues to investigate technical solutions at both its South Deep and Cerro Corona mines to better inform appropriate strategies for long-term AD management (mainly post-closure), as well as to work towards a reliable cost estimate of these potential issues. None of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group. In addition, there can be no assurance that Gold Fields will be successful in preventing or managing long-term potential AD issues at these operations.

Gold Fields mine closure cost estimate (namely environmental rehabilitation provisions) for fiscal 2015 contains the aspects of AD management (namely tailings facilities, waste rock dumps, ore stockpiles and other surface infrastructure), which management has been able to reliably estimate.

No adjustment for any effects on the Company that may result from potentially material (mainly post-closure) AD impacts at South Deep and Cerro Corona, has been made in the consolidated financial statements, other than through the Group s normal environmental rehabilitation provisions.

The existence of material long-term AD issues at any of Gold Fields operations could cause it to fail to comply with its water use license requirements and could expose Gold Fields to fines, mine closures, production curtailment, additional operating costs and other liabilities, any of which could have a material adverse effect on Gold Fields business, production, operating results and financial condition.

Power cost increases may adversely affect Gold Fields business, operating results and financial condition.

Gold Fields South Deep mining operation depends upon electrical power generated by the state utility provider, Eskom Limited, or Eskom. See Operating and Financial Review and Prospects Overview Costs . Eskom holds a monopoly on power supply in the South African market. Eskom applied to the National Energy Regulator of South Africa, or NERSA, for tariff increases. For 2015, NERSA granted Eskom an average tariff increase of 12.69% effective April 1, 2015, being 8% plus 4.69% due to the clawing back by Eskom of prudent costs from the Regulatory Clearing Account for the first year of the multi-year price determination period, or MYPD, spanning April 2013 to March 2018. On March 1, 2016, NERSA approved an additional 9.4% electricity tariff increase for the period from April 2016 to March 2017 in order to make up for Eskom s cash flow shortfall. Eskom has expressed concern that the increase may not be adequate to prevent future electricity interruptions. Should Gold Fields experience further power tariff increases, its business, operating results and financial condition may be adversely impacted.

In Australia, Gold Fields St. Ives and Agnew/Lawlers mines contract for the supply of electricity with BHP Nickel-West under a power purchasing agreement. Granny Smith is expected to receive its future energy supply from a new gas pipeline, which has been constructed by the nearby Tropicana mine to supply gas to its operations. Access to this pipeline is subject to the construction of a gas power station, successful negotiations on gas supply and regulatory approval. If any of Gold Fields Australian operations were to lose their supply, or if Granny Smith is not able to access the proposed pipeline, replacement of this supply may entail a significant increase in costs due to the volatile Western Australian gas market. Any such increase in costs could have a material adverse impact on Gold Fields business and operating results.

Both Gold Fields Ghana and Abosso concluded tariff negotiations for 2014 and 2015 with their respective power suppliers (the state electricity supplier, the Volta River Authority, or the VRA, supplies power to Gold Fields Ghana and the Electricity Company of Ghana, or the ECG, provides power to Abosso). The ECG s tariff for the period January 1, 2012 to December 31, 2013 was U.S.$0.1809/kWh. The ECG s tariff from January 1, 2014 to December 31, 2014 was $0.216/kWh and from January 1, 2015 to December 31, 2015 was U.S.$0.23/kWh. Following negotiations with management, the ECG agreed to decrease its tariff to U.S.$0.20/kWh from August 1, 2015 to January 31, 2016. Gold Fields Ghana has agreed tariffs with the VRA with a base tariff of U.S.$0.1674/kWh with effect from January 1, 2015 using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for the current quarter. The average VRA tariff for fiscal 2015 was U.S.$0.1357/kWh. On December 11, 2015, the Public Utilities Regulatory Commission increased the average electricity tariffs for the transmission grid (GRIDCo) by approximately 59.2% increasing the tariff paid by Tarkwa only from U.S.$0.01539/kWh to U.S.$0.024252/kWh. In addition, the new Energy Sector Levies Act enacted in 2015 (Act 899) imposed a levy of 5% per kilowatt hour of electricity, on both public lighting and national electrification, applicable to all consumers.

Although Gold Fields Ghana has also entered into an agreement with Genser Energy, or Genser, for the supply of off-grid electricity, any further increase in the electricity price could have a material adverse effect on the Group s business and operating results. See Information on the Company Description of Mining Business .

Power stoppages, fluctuations and usage constraints may force Gold Fields to halt or curtail operations.

Electricity supply in South Africa remains constrained and future power disruptions are possible. Labor unrest in South Africa during fiscal 2012 disrupted the supply of coal to Eskom s power station resulting in interrupted supply. In the first quarter of fiscal 2014, rain impacted coal supply and placed serious strain on Eskom s ability to provide power. In November 2014, Eskom declared a power emergency and required large industrial users, including Gold Fields South Deep operation, to reduce their electricity usage by 10% for five hours as part of a broader load shedding program. Gold Fields also experienced rolling load shedding during fiscal 2015. Eskom has warned that, while it has adopted a policy of asking households to reduce usage before asking industrial users to do so in order to reduce the economic impact of such disruptions, power constraints will continue. In addition, although NERSA approved an electricity tariff increase of 9.4% for 2016 and 2017, Eskom has expressed concern that this increase may not be adequate to prevent future electricity interruptions.

Gold Fields has been warned of possible load shedding under its voluntary load curtailment agreement with Eskom. Under this agreement, Gold Fields is required to reduce demand by up to 25% of load, depending on the severity of the shortage, for a specified period of time during which the national grid is unable to maintain its load. Any further disruption or decrease in the electrical power supply available to Gold Fields South Deep operation could have a material adverse effect on its business, operating results and financial condition.

The Department of Energy is developing a power conservation program in an attempt to improve the power situation in South Africa and Eskom is embarking on the construction of new power stations, among other resources. However, there can be no assurance that these and other interventions will provide sufficient supply for the needs of the country or for Gold Fields to run its operations at full capacity or at all.

Although the VRA has not imposed any power cuts in Ghana since August 2006, frequent power interruptions have occurred in the power supplied by the ECG. In 2015, the Ghanaian government imposed a 33% load shedding program on all mining and industrial companies. There can be no guarantee that further power interruptions will not occur. While Gold Fields has taken steps to source power from an independent power producer to complement its self-generation source, there can be no guarantee that Gold Fields will be able to source enough power to make up for any shortfall in the power supplied by the ECG.

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Should Gold Fields continue to experience power outages, fluctuations or usage constraints at any of its operations, then its business, operating results and financial condition may be materially adversely impacted.

An actual or alleged breach or breaches in governance processes, or fraud, bribery and corruption may lead to public and private censure, regulatory penalties, loss of licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields reputation.

Gold Fields operates globally in multiple jurisdictions and with numerous and complex frameworks, and its governance and compliance processes may not prevent potential breaches of law or accounting or other governance practices. Gold Fields operating and ethical codes, among other standards and guidance, may not prevent instances of fraudulent behavior and dishonesty, nor guarantee compliance with legal and regulatory requirements.

In September 2013, Gold Fields was informed that it is the subject of a regulatory investigation in the United States by the U.S. Securities and Exchange Commission, or SEC, relating to the Black Economic Empowerment, or BEE, transaction associated with the granting of the mining rights for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation, or the Hawks, informed the Company that it had started a preliminary investigation into this BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance. While Gold Fields was informed on June 22, 2015 that the Foreign Corrupt Practices Act Unit of the SEC concluded its investigation in connection with the BEE 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, it is not possible to determine at this stage what effect the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company. Among other things, the notice provided by the SEC regarding the conclusion of its investigation noted 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 . See Information on the Company Legal Proceedings and Investigations Regulatory Investigations .

To the extent that Gold Fields suffers from any actual or alleged breach or breaches of relevant laws (including South African anti-bribery and corruption legislation or the U.S. Foreign Corrupt Practices Act of 1977, or the FCPA) under any circumstances, they may lead to investigations and examinations, regulatory and civil fines, litigation, public and private censure, loss of operating licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields reputation. The occurrence of any of these events could have a material adverse effect on Gold Fields business, operating results and financial condition.

Due to the nature of mining and the extensive environmental footprint of the operations, environmental and industrial accidents and pollution may result in operational disruptions such as stoppages which could result in increased production costs as well as financial and regulatory liabilities.

Gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial and mining accidents. These may include, for example, seismic events, fires, cave-ins and blockages, flooding, discharges of gases and toxic substances, contamination of water, air or soil resources, radioactivity and other accidents or conditions resulting from mining activities including, among other things, blasting and the transport, storage and handling of hazardous materials.

The occurrence of any of these hazards or risks could delay or halt production, increase production costs and result in financial and regulatory liability for Gold Fields (including as a result of the occurrence of hazards that took place at the Spin-off operations when they were owned by Gold Fields), which could have a material adverse effect on Gold Fields business, operating results and financial condition.

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Due to ageing infrastructure at our operations, unplanned breakdowns and stoppages may result in production delays, increased costs and industrial accidents.

Once a shaft or a processing plant has reached the end of its intended lifespan, more than normal maintenance and care is required. Some of Gold Fields infrastructure in South Africa, Ghana and Australia falls into this category. Ageing infrastructure may also cause the Group to be unable to maintain throughput at its operations in Peru. Although Gold Fields has comprehensive strategies in place to address these issues, including maintenance and process plant optimization projects, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on Gold Fields business, operating results and financial condition.

If Gold Fields loses senior management or is unable to hire and retain sufficient technically skilled employees or sufficient HDSA representation in management positions, its business may be materially adversely affected.

Gold Fields ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. However, the mining industry, including Gold Fields, continues to experience a global shortage of qualified senior management and technically skilled employees. In particular, there is a shortage of mechanized mining skills in the South African gold mining industry. Gold Fields may be unable to hire or retain appropriate senior management, technically skilled employees or other management personnel, or may have to pay higher levels of remuneration than it currently intends in order to do so. Additionally, as a condition of our mining rights at South Deep, we must ensure that there is sufficient HDSA participation in our management and core and critical skills, and failure to do so could result in fines or the loss or suspension of our mining rights. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel or is unable to obtain sufficient HDSA representation in management positions or if there are not sufficient succession plans in place, this could have a material adverse effect on its business (including production levels), operating results and financial position.

Economic, political or social instability in the countries or regions where Gold Fields operates may have a material adverse effect on Gold Fields operations and profits.

In fiscal 2015, approximately 9%, 34%, 44% and 13% of Gold Fields production was in South Africa, Ghana, Australia and Peru, respectively. Changes or instability in the economic, political or social environment in any of these countries or in neighboring countries could affect an investment in Gold Fields.

High levels of unemployment and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labor environment, which severely impacts the local economy and investor confidence, has led, and may lead, to further downgrades in national credit ratings, making investment more expensive and difficult to secure. See Gold Fields operations and profits have been and may be adversely affected by union activity and new and existing labor laws and A further downgrade of South Africa s credit rating may have an adverse effect on Gold Fields operations and profits. This may restrict Gold Fields future access to international financing and could have a material adverse effect on Gold Fields business, operating results and financial condition.

Furthermore, while the South African government has stated that it does not intend to nationalize mining assets or mining companies, certain political parties have stated publicly and in the media that the government should embark on a program of nationalization. Any threats of, or actual proceedings to, nationalize any of Gold Fields assets, could halt or curtail operations, resulting in a material adverse effect on Gold Fields business, operating results and financial condition and could cause the value of Gold Fields securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their respective investments.

National elections will take place in Ghana and Peru in 2016. It is not certain what if any political, economic or social impacts the elections will have on Ghana and Peru, respectively, or on Gold Fields specifically.

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There has also been regional social and community-related instability in the area around Gold Fields mining operations in Peru, where recent political developments in fiscal 2014 resulted in the election of local and regional officeholders who have taken public positions opposed to mining operations. In addition, engagement with community stakeholders, including in Peru and South Africa, can pose challenges to local management and any inability to properly manage these relationships may have a negative impact on our production or associated costs. There is also the potential for social instability or protests regarding mining activity in the communities near Gold Fields South Deep mine relating to, among other things, community investment, environmental concerns, service delivery by local government or other issues. Occurrence of any of the above mentioned developments could result in Gold Fields experiencing opposition or disruptions in connection with any of its operations. Such opposition or disruptions at any of Gold Fields operations, in particular if it has an adverse impact or costs or causes any stoppages (including as a result of any protests aimed at other mining operations that affect operations) could have a material adverse effect on Gold Fields business, operating results and financial condition.

A further downgrade of South Africa s credit rating may have an adverse effect on Gold Fields ability to secure financing.

The slowing economy, rising debt, escalating labor disputes and the structural challenges facing the mining industry and other sectors have resulted in the downgrading of South Africa s sovereign credit rating to one level above speculative investment grade, or junk, by Standard & Poor s and Fitch. In fiscal 2015, South Africa was downgraded to BBB- with a negative outlook by the Standard & Poor s rating agency, while Fitch Ratings downgraded South Africa to BBB- with a stable position. Moody s downgraded South Africa to Baa2 and changed the stable perspective to negative. Moody s is currently reviewing South Africa s credit rating and may downgrade it, which would bring its rating into line with those of the other agencies.

The downgrading of South Africa s credit rating by Moody s or further downgrading of South Africa s credit ratings to junk by any of these agencies may adversely affect the South African gold mining industry and Gold Fields business, operating results and financial condition by making it more difficult to obtain external financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available.

Actual and potential supply chain shortages and increases in the prices of production inputs may have a material adverse effect on Gold Fields operations and profits.

Gold Fields operating results may be affected by the availability and pricing of raw materials and other essential production inputs, including fuel, steel and cyanide and other reagents. The price and quality of raw materials may be substantially affected by changes in global supply and demand, along with weather conditions, governmental controls and other factors. A sustained interruption in the supply of any of these materials would require Gold Fields to find acceptable substitute suppliers and could require it to pay higher prices for such materials. Any significant increase in the prices of these materials will increase the Company s operating costs and affect production considerations.

The price of oil has been volatile, fluctuating between $36.11 and $67.77 per barrel of Brent Crude in 2015. As of March 16, 2016, the price of oil was at $40.33 per barrel of Brent Crude. Gold Fields does not currently have any significant oil hedges.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine.

Fluctuations in oil and steel prices may have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

Gold Fields insurance coverage may not adequately satisfy all potential claims in the future.

Gold Fields has an insurance program, however, it may become subject to liability against which it has not insured, cannot insure or has insufficiently insured, including those in respect of past mining activities. Gold Fields existing property and liability insurance contains exclusions and limitations on coverage. For example, should Gold Fields be subject to any regulatory or criminal fines or penalties, these amounts would not be covered under its insurance program. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Gold Fields insurance coverage may not cover the extent of claims against it or any cross-claims made.

Gold Fields financial flexibility could be materially constrained by South African exchange control regulations.

South Africa s exchange control regulations, or the Exchange Control Regulations, restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland, known collectively as the Common Monetary Area, or the CMA. Transactions between South African residents (including companies) and non-residents of the CMA are subject to exchange controls enforced by the South African Reserve Bank, or SARB. As a result, Gold Fields ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Gold Fields financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. See Information on the Company Environmental and Regulatory Matters South Africa Exchange Controls .

Gold Fields may suffer material adverse consequences as a result of its reliance on outside contractors to conduct some of its operations.

A portion of Gold Fields operations in South Africa, Ghana, Australia and Peru are currently conducted by outside contractors. As a result, Gold Fields operations at those sites are subject to a number of risks, some of which are outside Gold Fields control, including contract risk, execution risk, litigation risk, regulatory risk and labor risk.

In addition, Gold Fields may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could have a material adverse effect on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations South Africa , Directors, Senior Management and Employees Employees Labor Relations Ghana , Directors, Senior Management and Employees Employees Labor Relations Australia and Directors, Senior Management and Employees Employees Labor Relations Peru .

Regulation of greenhouse gas emissions and climate change issues may materially adversely affect Gold Fields operations.

Energy is a significant input and cost to Gold Fields mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, natural gas and coal. A number of governments or governmental bodies, including the United Nations Framework Convention on Climate Change and the Kyoto Protocol, have introduced or are contemplating regulatory changes in response to the potential impact of climate change. Many of these contemplate restricting emissions of greenhouse gases in jurisdictions in which Gold Fields operates.

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In Australia, the Australian Clean Energy Act 2011 (Cth), or Clean Energy Act, and associated legislation establishing a national carbon pricing scheme, or Scheme, passed into law in November 2011. The Scheme was subsequently repealed with effect from July 1, 2014. The overall impact of the Scheme for the period prior to July 1, 2014 was approximately A$12 million per annum on Gold Fields Australian operations (including the Yilgarn South Assets). See Information on the Company Environmental and Regulatory Matters Australia Environmental .

A carbon tax has been mooted in South Africa for some time, with the most recent indication of the government s resolve to introduce the tax being the publication for comment of the draft carbon tax legislation in November 2015 with a view to the implementation of the tax by January 2017. At this time it is not possible to determine the ultimate impact of the proposed carbon tax on the Company. See Information on the Company Environmental and Regulatory Matters South Africa Environmental .

In addition, a number of other regulatory initiatives are underway in countries in which Gold Fields operates that seek to reduce or limit industrial greenhouse gas emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Gold Fields operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers or customers. Inconsistency of regulations particularly between developed and developing countries may affect both Gold Fields decision to pursue opportunities in certain countries and its costs of operations. Assessments of the potential impact of future climate change regulation are uncertain, given the wide scope of potential regulatory change in countries in which Gold Fields operates.

Furthermore, the potential physical impacts of climate change on Gold Fields operations are highly uncertain and may adversely impact the business, operating results and financial condition of Gold Fields operations.

Theft of gold and copper bearing materials and production inputs, as well as illegal and artisanal mining, occur on some of Gold Fields properties, are difficult to control, can disrupt Gold Fields business and can expose Gold Fields to liability.

A number of Gold Fields properties have experienced illegal and artisanal mining activities and theft of gold and copper bearing materials and copper cables (which may be by employees or third parties). The activities of illegal and artisanal miners could lead to depletion of mineral reserves, potentially affecting the economic viability of mining certain areas and shortening the lives of the operations as well as causing possible operational disruption, project delays, disputes with illegal miners and communities, pollution or damage to property for which Gold Fields could potentially be held responsible, leading to fines or other costs. Rising gold and copper prices may result in an increase in gold and copper thefts. The occurrence of any of these events could have a material adverse effect on Gold Fields business, operating results and financial condition.

HIV/AIDS, tuberculosis and other contagious diseases pose risks to Gold Fields in terms of lost productivity and increased costs.

The prevalence of HIV/AIDS in South Africa poses risks to Gold Fields in terms of potentially reduced productivity and increased medical and other costs. Compounding this are the concomitant infections, such as tuberculosis, that can accompany HIV illness, particularly at the end stages, and cause additional healthcare-related costs. If there is a significant increase in the incidence of HIV/AIDS infection and related diseases among the workforce, this may have a material adverse effect on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Health and Safety Health HIV/AIDS Program .

Additionally, the spread of contagious diseases such as respiratory diseases are exacerbated by communal housing and close quarters. The spread of such diseases could impact employees productivity, treatment costs and, therefore, operational costs.

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Gold Fields operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.

Gold Fields operations are subject to various environmental and health and safety laws, regulations, permitting requirements and standards. For example, Gold Fields is required to secure estimated mine closure liabilities. The funding methods used to make provision for the required portion of the mine closure cost liabilities, in accordance with in-country legislation, are as follows:

- South Africa: contributions to environmental trust funds and guarantees;
- Ghana: reclamation bonds underwritten by banks, and restricted cash;
- Australia: due to legislative changes in Western Australia becoming effective in July 2014, an annual levy to the State of 1% of the total mine closure liability which goes into a State-administered fund known as the Mine Rehabilitation Fund which will be used to rehabilitate legacy sites or sites that have been prematurely closed or abandoned (and, as a consequence, Gold Fields Australian operations now self fund all mine closure liabilities); and
- Peru: bank guarantees.

Gold Fields may in the future incur significant costs to comply with such environmental and health and safety requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. Gold Fields may also be subject to litigation and other costs as well as actions by authorities relating to environmental and health and safety matters, including mine closures, the suspension of operations and prosecution for industrial accidents as well as significant penalties and fines for non-compliance. These costs could have a material adverse effect on Gold Fields business, results of operations and financial condition. See Information on the Company Environmental and Regulatory Matters .

The principal health risks associated with Gold Fields mining operations in South Africa arise from occupational exposure and potential community environmental exposure to silica dust, noise and certain hazardous substances, including toxic gases and radioactive particulates. 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, or COAD) as well as noise-induced hearing loss, or NIHL. Employees have sought and may continue to seek compensation for certain illnesses, such as silicosis, from their employer under workers compensation and also, at the same time, in a civil action under common law (either as individuals or as a class) as is the case with the silicosis individual and class action lawsuits. Such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields mines.

A consolidated application has been brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependents) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application. The certification application was heard in October 2015 and judgment was reserved. On March 4, 2016, AngloGold Ashanti Limited, or AngloGold Ashanti, and Anglo American South Africa reached a settlement to resolve approximately 4,400 combined silicosis claims, under which both companies will contribute, in stages, toward a total amount of up to R464 million (approximately U.S.$30 million) to an independent trust which will administer individual claims. In addition to the class action, an individual silicosis-related action has been instituted against Gold Fields and one other mining company. See Information on the Company Legal Proceedings and Investigations Silicosis . If a significant number of such claims were suitably established against it, the payment of compensation for the claims and for any significant additional costs arising out of these issues could have a material adverse effect on Gold Fields business, reputation, operating results and financial condition.

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South Africa s deputy Mineral Resources Minister has stated that the ministry may increase sanctions, including closures, for mines in which fatalities occur because of violations of health and safety rules. The DMR can and does issue, in the ordinary course of its operations, instructions, including Section 54 orders, following safety incidents or accidents to partially or completely halt operations at affected mines. It is also Gold Fields policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. The DMR imposed Section 54 work stoppage orders on Gold Fields South Deep operation in March, April and May 2015. The two stoppages in March and May followed two fatalities at the mine, which effectively brought production to a halt for 11 days. The Section 54 order in April 2015, followed a serious accident and halted production for an additional seven days. In addition, there can be no assurance that the unions will not take industrial action in response to such accidents which could lead to losses in Gold Fields production. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Gold Fields business, operating results and financial condition. Such incidents may also negatively affect Gold Fields reputation with, among others, employees and unions, South African regulators and regulators in other jurisdictions in which Gold Fields operates.

Gold Fields could incur significant costs as a result of pending or threatened litigation, which could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Legal Proceedings and Investigations Silicosis . Further, any new regulations, potential litigation or any changes to the health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause Gold Fields to incur further significant costs and could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Environmental and Regulatory Matters Health and Safety .

Some of Gold Fields tenements in Australia are subject to native title claims and include Aboriginal heritage sites, which could impose significant costs and burdens.

Certain of Gold Fields tenements are subject to current native title claims. For example, a number of mining tenements held by St. Ives are the subject of a native title claim brought by the Ngadju People, or the Ngadju Native Title Claim. Gold Fields advised the market on July 7, 2015 that a decision had been handed down by a single judge of the Federal Court of Australia on July 3, 2015, in which the court had accepted the submissions of the Ngadju People that the re-grant 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), or the Native Title Act, and as such, the re-granted tenements were inconsistent with the Ngadju People s natives title rights. On March 29, 2016, Gold Fields announced that the full court of the Federal Court of Australia overturned its July 2015 decision. As such, the Federal Court confirmed that St. Ives re-granted tenements were valid for the purposes of the Native Title Act. In addition, the Federal Court found that although St. Ives and the Ngadju People have coexisting tenement holder rights, the rights of St. Ives would prevail in the event that any inconsistencies materialize. It is not clear whether the Ngadju People will appeal this decision. If the Ngadju People appeal, there is no guarantee that Gold Fields would prevail in any such appeal. See Information on the Company Legal Proceedings and Investigations Ngadju Native Title Claim . Other tenements may become the subject of native title claims if Gold Fields seeks to expand or otherwise change its interest in rights to those tenements. There are also a number of recognized Aboriginal cultural heritage sites located on certain of Gold Fields tenements.

Native title and Aboriginal cultural heritage legislation protects the claims and determined rights of Aboriginal people in relation to the land and waters throughout Australia in certain circumstances. Native title claims such as the Ngadju Native Title Claim could require costly negotiations with the registered claimants and could have implications for Gold Fields access to or use of its tenements and, as a result, have a material adverse effect on Gold Fields business, operating results and financial condition. Similarly, there are risks that if Aboriginal cultural heritage sites are damaged or materially altered as a result of current or future operations, Gold Fields could be subject to criminal and/or civil penalties under relevant legislation. See Information on the Company Environmental and Regulatory Matters Australia Land Claims .

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Gold Fields utilizes information technology and communications systems, the failure of which could significantly impact its operations and business.

Gold Fields utilizes and is reliant on various information technology and communications systems, in particular SAP, payroll and time and attendance applications. Damage or interruption to Gold Fields information technology and communications systems, whether due to accidents, human error, natural events or malicious acts, may lead to important data being irretrievably lost or damaged, thereby adversely affecting Gold Fields business, prospects and operating results.

Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields.

Securities laws of certain jurisdictions may restrict Gold Fields ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields. In particular, holders of Gold Fields securities who are located in the United States (including those who hold ordinary shares or ADSs) may not be able to participate in securities offerings by or on behalf of Gold Fields unless a registration statement under the Securities Act is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict Gold Fields ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Gold Fields. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisors as to whether they require any governmental or other consents or approvals or need to observe any other formalities to enable them to participate in any offering of Gold Fields securities.

Investors in the United States and other jurisdictions outside South Africa may have difficulty bringing actions, and enforcing judgments, against Gold Fields, its directors and its executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof or under the laws of other jurisdictions outside South Africa.

Gold Fields is incorporated in South Africa. All of Gold Fields directors and executive officers (as well as Gold Fields independent registered public accounting firm) reside outside of the United States. Substantially all of the assets of these persons and substantially all of the assets of Gold Fields are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Gold Fields a judgment obtained in a United States court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. In addition, investors in other jurisdictions outside South Africa may face similar difficulties.

Investors should be aware that it is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, it does not mean that such awards are necessarily contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on United States federal securities laws or the laws of other jurisdictions outside South Africa may be brought before South African courts. Further, a plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. In addition, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

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Investors should also be aware that a foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts only if certain conditions are met.

Investors may face liquidity risk in trading Gold Fields ordinary shares on JSE Limited.

Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Gold Fields ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. See The Offer and Listing JSE Limited .

Gold Fields may not pay dividends or make similar payments to its shareholders in the future and any dividend payment may be subject to withholding tax.

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields capital expenditures (on both existing infrastructure as well as on exploration and other projects) and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act No. 71 of 2008, or the Companies Act, and Gold Fields Memorandum of Incorporation. Given these factors and the Board of Directors discretion to declare cash dividends or other similar payments, dividends may not be paid in the future. It should be noted that a 15% withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders was introduced with effect from April 1, 2012. See Additional Information Taxation Certain South African Tax Considerations Withholding Tax on Dividends .

Gold Fields non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand.

Dividends or distributions with respect to Gold Fields ordinary shares have historically been paid in Rand. The U.S. dollar or other currency equivalent of future dividends or distributions with respect to Gold Fields ordinary shares, if any, will be adversely affected by potential future reductions in the value of the Rand against the U.S. dollar or other currencies. In the future, it is possible that there will be changes in South African Exchange Control Regulations, such that dividends paid out of trading profits will not be freely transferable outside South Africa to shareholders who are not residents of the CMA. See Additional Information South African Exchange Control Limitations Affecting Security Holders .

Gold Fields ordinary shares are subject to dilution upon the exercise of Gold Fields outstanding share options.

Shareholders equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of rights under the Gold Fields Limited 2012 Share Plan, or the 2012 Plan, the Gold Fields Limited 2005 Share Plan, or the 2005 Plan, and any additional rights. See Directors, Senior Management and Employees The Gold Fields Limited 2012 Share Plan and Directors, Senior Management and Employees The Gold Fields Limited 2005 Share Plan . Gold Fields shares are also subject to dilution in the event that the Board is required to issue new shares in compliance with BEE legislation.

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ITEM 4: INFORMATION ON THE COMPANY

Introduction

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 involved in underground and surface gold and copper mining and related activities, including exploration, development, extraction, processing and smelting.

In 2015, the South African, West African, Australasian and American operations produced 9%, 34%, 44% and 13% of Gold Fields total gold production, respectively. Gold Fields South African operation is South Deep. Gold Fields also owns the St. Ives mine, the Agnew mine and the Yilgarn South Assets in Australia and has a 90.0% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. Gold Fields also owns a 99.53% economic interest in the Cerro Corona mine. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Eurasia, Australasia and the Americas.

As of December 31, 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 December 31, 2014. See Reserves of Gold Fields as of December 31, 2015 Methodology .

In fiscal 2015, Gold Fields processed 33 million tonnes of ore and produced 2.236 million ounces of gold equivalent ounces. On an attributable basis, Gold Fields produced 2.159 million ounces of gold equivalent ounces.

Competitive Position

Gold Fields is a producer of gold and major holder of gold reserves in South Africa, Australia, Ghana, and Peru. Gold is a commodity product generally sold in U.S. dollars, with London being the world s primary gold trading market. Gold is also actively traded using futures and forward contracts. The price of gold has historically been significantly affected by macroeconomic factors, such as inflation, exchange rates and reserves policy and by global political and economic events, rather than simple supply and demand dynamics. As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices.

Historically, the key gold producers globally have been Barrick, Newmont Mining Corporation, or Newmont, AngloGold Ashanti, Goldcorp Inc., or Goldcorp, and Gold Fields before the Spin-off. In 2015, Barrick, Newmont, AngloGold Ashanti and Goldcorp were, in that order, the four largest gold producers in the world, producing 6.12, 5.03, 3.83 and 3.46 million ounces respectively, and together accounted for 20% of the total global production for the year, according to the information provided by the companies and industry reports. Gold Fields was the seventh largest gold producer in the world in 2015, producing 2.16 million ounces.

According to publicly available sources, at March 28, 2016 for Barrick, and December 31, 2015 for each of Newmont, AngloGold Ashanti and Goldcorp, Barrick had 20 operations in eight countries, Newmont had 15 operations in six countries, AngloGold Ashanti had 19 operations in nine countries and Goldcorp had 15 operations in five countries.

Gold Fields attempts to attract and retain motivated high caliber employees through a mix of guaranteed and performance-based remuneration, as well as short-term and long-term incentives, and non-financial rewards relating to work experience. However, the worldwide mining industry, including Gold Fields, continues to experience a shortage of qualified senior management and technically skilled employees. In order to maintain competitiveness in the global labor market, regular industry market surveys are conducted to benchmark remuneration practices and to keep abreast of industry movements regarding employee benefits and non-financial employee reward and recognition programs.

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Developments since December 31, 2014

Since the end of fiscal 2014, the following significant events have occurred:

On March 12, 2015, Gold Fields approached the holders of its U.S.$1 billion 4.875% notes due October 7, 2020, or the Notes, through a consent solicitation process to release Sibanye Gold from its obligations as a guarantor under the Notes, or the Consent Solicitation. On April 22, 2015, the note holders approved the various resolutions to release Sibanye Gold as guarantor. The release became effective on April 24, 2015 when all the conditions to the extraordinary resolution were met. As part of the agreement, Sibanye Gold paid a guarantee release fee of U.S.$5 million to Orogen.

On August 13, 2015, Gold Fields reached an agreement with its partner, Consolidated Woodjam Copper Corp. to sell its 51% interest in the Woodjam copper-gold-molybdenum projects located in British Columbia, Canada. Under the agreement Woodjam Copper procured 100% control of the Woodjam project by purchasing all of the shares in the wholly owned subsidiary that currently holds Gold Fields 51% joint venture interest. In exchange, Gold Fields was issued new Woodjam Copper shares that increased its aggregate holding in Woodjam Copper from 1.1% to 19.9%. Gold Fields retains a 2% net smelter royalty over all unencumbered land owned by Woodjam Copper.

On February 19, 2016, Gold Fields Australasia (Proprietary) Limited, or GFA, a wholly owned subsidiary of Gold Fields, announced an offer to purchase U.S.$200 million of the Notes. Gold Fields accepted for purchase an aggregate principal amount of Notes equal to U.S.$147.6 million at the purchase price of U.S.$880 per U.S.$1,000 in principal amount of Notes. Gold Fields intends to hold the notes acquired until their maturity date on October 7, 2020. See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.$1 billion Notes Issue .

On March 17, 2016, Gold Fields successfully completed a U.S.$150.0 million (R2.3 billion) accelerated equity raising by way of a private placement, or the Placing, to institutional investors. A total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represents a discount of 6.0% to the 30-day volume weighted average traded price, for the period ended March 17, 2016 and a 0.7% discount to the 50-day moving average. The net proceeds from the Placing will be applied to the existing $1,510 million term loan and revolving credit facilities that were utilised to purchase the notes amounting to $147.6 million, as described in Note 16 to the financial statements located elsewhere in this annual report.

On March 17, 2016, Gold Fields concluded a development agreement with the Government of Ghana for both the Tarkwa and Damang mines. See Environmental and Regulatory Matters Ghana Mineral Rights .

On March 29, 2016, the Full Court of the Federal Court of Australia overturned a July 2014 Federal Court decision that the re-grant of certain tenements to Gold Fields Australia s St. Ives mine in 2004 by the State was not compliant with the correct processes in the Native Title Act. See Legal Proceedings and Investigations Ngadju Native Title Claim .

Planned Disposals

During fiscal 2013, Gold Fields decided to disband the Growth and International Projects, or GIP, division. As part of this restructuring, Gold Fields identified and earmarked for divestment growth projects that were not aligned with the Group s business objectives. The Arctic Platinum Project in Finland remains earmarked for divestment.

Organizational Structure

Gold Fields is a holding company with its significant ownership interests organized as set forth below.

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Group Structure[1][2]

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Notes:

(1) As of April 6, 2016, unless otherwise stated, all subsidiaries are, directly or indirectly, wholly-owned by Gold Fields Limited.
(2) See Additional Information Material Contracts Additional Black Economic Empowerment Transactions .
(3) Not all other subsidiaries and investments are wholly-owned.

Gold Fields is a limited public company incorporated in South Africa, with a registered office located at 150 Helen Road, Sandown, Sandton, 2196, South Africa, telephone number +27-11-562-9700.

Strategy

General

The global gold mining industry has operated under the shadow of a falling gold price since September 2011, when it was trading at a record high of approximately U.S.$1,900/oz.

Since then gold has lost about 45% of its value and traded at an intraday low of U.S.$1,045/oz on December 3, 2015. In fiscal 2015 and in early fiscal 2016, weaker currencies in commodity-exporting nations have provided a slight increase to the earnings of companies operating in these countries and the gold price recovered modestly. However, it is unclear if this gradual recovery will continue.

When Gold Fields began its strategic transformation in the final quarter of fiscal 2012, the gold price was still trading between U.S.$1,700/oz and U.S.$1,800/oz.

The transformation of Gold Fields has its roots in CEO Nick Holland s keynote address to the Melbourne Mining Club in August 2012. During this speech, he challenged the gold mining industry to reinvent itself with a more credible case for gold mining equities, by addressing investor perceptions prevailing at the time, that, collectively, they were not offering sufficient leverage to the then-high gold price.

Gold Fields response to this challenge in the second half of fiscal 2012 was to adopt an ambitious and ongoing transformation process aimed at turning itself into a focused, lean and globally diversified gold mining company that generates meaningful free cash flow and provides investors with superior leverage to the price of gold. At the same time, our ability to generate cash enables us to meet the legitimate socio-economic demands of many of our other stakeholders, in line with our vision of global leadership in sustainable gold mining.

At its core, this process entailed a shift away from a focus on the pursuit of growth in production and reserve ounces at any cost, and the adoption of a new focus on growing its margins and improving free cash flow per ounce.

This fundamental shift in strategy was embodied in Gold Fields overarching objective of achieving a 15% FCF Margin at a gold price of U.S.$1,300/oz, which has become the guiding principle for what it does, and is germane to the progressive transformation that the Group has seen over the last two and a half years.

The early adoption of the Group s focus on improving cash flow proved to be beneficial to the Group by providing it with an inbuilt safety cushion that is able to withstand lower gold prices, especially when the gold price declined significantly between fiscal 2012 and fiscal 2015.

The relative success of Gold Fields restructuring is reflected in its operational and financial performance during fiscal 2015, the highlights of which are described below. It also reflects in the progress that we have made with our key strategic priorities for fiscal 2015, which were:

- Preparing South Deep for long-term success;
- Improving cash flow and margin at the current lower gold prices;

Paying between 25% and 35% of normalized earnings in dividends;

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- Reducing our net debt to adjusted EBITDA ratio; and
- Growing the Company through brownfields exploration and opportunistic, value accretive acquisitions.

Despite the decline in the price of gold over the last several years, Gold Fields generated substantially more cash in fiscal 2015 than when gold was at its peak. Management believes that this positions Gold Fields to generate enhanced cash flows if the gold price increases, provided that we maintain capital discipline.

The ability to generate cash is critical in distributing the benefits from mining that our stakeholders rightfully expect. These include:

- Shareholders and debt providers, who seek a return on their invested capital through interest and dividend payments;
- Our employees, whose work is rewarded through salaries and other benefits;
- Contractors and suppliers, from whom we procure goods and services;
- Governments and regulators, who grant Gold Fields its mining rights and who benefit from our tax and royalty payments; and
- Communities, whose support is critical for our social license to operate and who benefit through jobs and procurement as well as our social investment programs.

In fiscal 2015, Gold Fields made significant progress against the strategic priorities described above. These included:

- South Deep undertook to optimize its efficiency by procuring a new fleet of machines and trucks, expanded its maintenance capacity by implementing supplier maintenance contracts and, along with intensifying the training program for existing staff, South Deep recruited 146 skilled employees in order to augment its current skills base in fiscal 2015.
- Despite a 9% decline in the average gold price received from U.S.$1,249/oz in fiscal 2014 to U.S.$1,140/oz in fiscal 2015, adjusted net cash flow from operating activities (after taking account of net capital expenditure and environmental payments) amounted to U.S.$123 million in fiscal 2015, showing how Gold Fields has repositioned itself to operate at lower gold prices.
- Gold Fields FCF Margin for fiscal 2015 was 8% (fiscal 2014: 13%) despite the fact that, at U.S.$1,140/oz the actual annualized gold price received was 12% below the strategic planning price of U.S.$1,300/oz. At a gold price of U.S.$1,300, Gold Fields FCF Margin would have been 15% on a normalized basis.
- A final dividend of R0.21 per share was declared for the six months ended December 31, 2015. Together with the interim dividend of R0.04 per share for the six months ended June 30, 2015, the total dividend for fiscal 2015 was R0.25 per share, which equates to 34% of normalized earnings.
- As a result of cash generation during the year, net debt was reduced by a further U.S.$73 million to U.S.$1,380 million (31 December 2014: U.S.$1,453 million), stabilizing the Group s net debt to adjusted EBITDA ratio to 1.38 at the end of fiscal 2015 (end of fiscal 2014: 1.30), despite lower adjusted EBITDA due to the lower gold and copper prices.

Group performance scorecard

In fiscal 2015, Gold Fields adopted a Group performance scorecard that incorporates the strategic priorities listed above and seeks to instill a culture and behavior among our workforce that is driven by the strategic imperative of cash generation. The scorecard also aims to enhance the Group s sustainability.

The scorecard consists of four key performance areas and elements against which Gold Fields measures its performance. The four key performance areas are: Financial performance; Business optimization; People; and Social license to operate.

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(a) Financial performance

The first key performance area in the Group scorecard is financial performance, as measured by cash flow generation, debt reduction and investor confidence.

As part of the strategic shift introduced in fiscal 2012, Gold Fields moved away from the then prevalent industry production growth philosophy of ounces for the sake of ounces to a philosophy of growing FCF Margin and improving free cash flow per ounce. Gold Fields overarching strategic objective of generating a 15% FCF Margin at a gold price of U.S.$1,300/oz has become the core commercial driver and guiding principle underpinning Gold Fields activities, from exploration to production.

Gold Fields utilizes the gold price of U.S.$1,300/oz for planning based upon management expectations regarding the long-term price for bullion. When the gold price trades above U.S.$1,300/oz, management expects that the FCF Margin will grow commensurately. Conversely, when prices trade below U.S.$1,300/oz, as has been the case since fiscal 2012, management expects that the inclusion of the 15% FCF Margin provides Gold Fields with a safety cushion to Gold Fields cash break-even level of approximately U.S.$1,050/oz.

Adjusted net cash flow

Between fiscal 2012 and fiscal 2015, Gold Fields has increased its adjusted net cash flow, despite the 31% decline in the average annual price of gold over that period.

In fiscal 2012, Gold Fields (then including Sibanye Gold) had negative adjusted net cash flow of U.S.$280 million despite an all-time high average gold price for the year of U.S.$1,656/oz. In fiscal 2013, the first full year of the transformation process, Gold Fields reduced its negative adjusted net cash flow to U.S.$235 million despite a 16% decline in the average gold price to U.S.$1,386/oz during the year and restructuring costs incurred. In fiscal 2014, Gold Fields generated U.S.$235 million of adjusted net cash flow, a saving of U.S.$470 million, despite the average gold price received once again falling by 10% to U.S.$1,249/oz for the year. The Group s FCF Margin improved to a positive margin of 13%. In fiscal 2015, Gold Fields generated U.S.$123 million of adjusted net cash flow despite the average gold price received again declining by 9% to U.S.$1,140/oz, partially offset by the weakening of the South African Rand and the Australian dollar against the U.S. dollar. The FCF Margin was 8% for the year.

Focus on cost

In line with Gold Fields transformation process and its focus on FCF, Gold Fields has enacted a program of aggressive cost management. This resulted in the 6% reduction in Gold Fields AIC during fiscal 2015, reflecting a cumulative reduction in AIC since fiscal 2012 of 33% in nominal terms.

While the bulk of the Group s cost reduction initiatives were implemented during fiscal 2013 and fiscal 2014, Gold Fields continues to revisit every aspect of its operations to ensure the sustainability of previously captured cost reductions, and that new opportunities for cost reductions are pursued. During fiscal 2015, Gold Fields focused on reducing cash costs and trimming non-essential capital, due to the continued decline in the gold price. At the same time, Gold Fields was careful not to cut sustaining capital expenditure which is critical to maintaining the long-term integrity of its ore bodies.

The core elements of Gold Fields cost reduction program between fiscal 2013 and fiscal 2015 included: reducing cash costs; the elimination of marginal mining at all of our operations; the restructuring of our corporate, regional and mine structures; a 12% reduction in our permanent workforce, which at the end of fiscal 2015 comprised 9,052 employees; the ongoing rationalization and prioritization of capital expenditure, without negatively impacting the sustainability of our mines; the cancellation of near-mine and greenfields growth projects that demonstrated inadequate returns; and the closure of the Group s greenfields exploration and project development division and, where appropriate, the sale of projects in the project pipeline.

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A key driver in reducing the Group s AISC and AIC is the South Deep project in South Africa, which is still in build-up and not yet at steady-state levels of production. If South Deep were excluded from the Group s AISC and AIC for fiscal 2015, then the AISC and AIC would have been U.S.$930/oz and U.S.$944/oz, respectively, placing Gold Fields among the lowest-cost gold producers worldwide. The objective is for South Deep to reach cash break-even by the end of fiscal 2016.

Debt reduction

Gold Fields aims to achieve approximately 1.0 times net debt to adjusted EBITDA, which management feels is a comfortable debt level. Following the unbundling of Sibanye Gold and the acquisition of the Yilgarn South Assets in fiscal 2013, the net debt to adjusted EBITDA ratio increased to approximately 1.5 times at the end of fiscal 2013. During fiscal 2014, Gold Fields reduced net debt by U.S.$282 million and, in fiscal 2015, Gold Fields reduced net debt by an additional U.S.$73 million. As at December 31, 2015, Gold Fields net debt stood at U.S.$1,380 million. Despite this decrease in net debt, the Group s net debt to adjusted EBITDA increased from 1.30 at December 31, 2014 to 1.38 at December 31, 2015 due to the lower adjusted EBITDA year on year as a result of the lower gold price.

Improving investor confidence

In fiscal 2014, Gold Fields published its Investor Charter, which stated that Gold Fields intends to regain and grow investor confidence in Gold Fields by seeking to:

- Build a quality portfolio of productive mines;
- Provide superior returns; and
- Deliver on our promises.

Gold Fields portfolio has undergone a fundamental change since fiscal 2013. Since that time, Gold Fields has spun off Sibanye Gold to shareholders, eliminated marginal mining as a practice at our assets, stopped projects in our growth pipeline that did not provide an adequate return and acquired the Yilgarn South Assets from Barrick in Western Australia.

As noted above, Gold Fields has reduced its AIC by 33% between fiscal 2012 and fiscal 2015 while turning around the cash flow position of the Group from a negative adjusted net cash flow of U.S.$280 million in fiscal 2012 to a positive cash flow generation of U.S.$123 million in fiscal 2015, despite significant declines in the gold price received over that period. Gold Fields has delivered on its guidance for the past three years.

The South Deep project in South Africa still has to be brought fully to account and Gold Fields has targeted a cash breakeven point by the end of fiscal 2016 with steady-state production metrics expected to be published early in fiscal 2017.

During fiscal 2015, South Deep made considerable progress in three key performance areas: people, fleet and mining methodologies. As a result, the production and cash burn position of South Deep improved markedly in the second half of fiscal 2015.

(b) Business optimization

Underpinning the financial performance of the business is Gold Fields commitment to running its operations safely, efficiently and cost-effectively without undermining the long-term sustainability of its mines. We measure the success of business optimization in four areas: safety & health; the quality of our portfolio of assets; growth strategy; and preparing the South Deep project for long-term success.

Safety & Health

Gold Fields is committed to providing safe working conditions at its operations. The Group s TRIFR improved during fiscal 2015 by almost 16% to 3.4 recordable incidents per million hours worked from 4.04 in fiscal 2014.

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Nonetheless, the Group reported four fatalities during fiscal 2015. Three fatalities occurred at the South Deep project in South Africa and one at the Tarkwa mine in Ghana. Of the fatalities at South Deep, two related to mine accidents and one related to the shooting of a security contractor during an attempted theft. The fatality at Tarkwa related to a trucking accident.

The two fatal mine accidents at South Deep led to Section 54 orders being issued by the DMR, placing a moratorium on mine-related activities across the operation and effectively stopping production for a total of 11 days (and 18 days in total following another serious accident). Gold Fields supported these orders and during the year also conducted a mine-wide review of safety protocols, procedures and standards at South Deep to improve the mechanized mining culture at the project. Many of the recommendations arising from the review have already been implemented. The fatal accident at Tarkwa, the first at our Ghanaian operations in almost four years, has also led to a review of truck loading and driving procedures.

The Group has also intensified operation-specific health and wellness programs, focused on improving the physical and mental health of our employees. During fiscal 2015, testing showed a reduction of 53% in Noise Induced Hearing Loss submissions and a 40% reduction in the number of silicosis cases submitted at South Deep.

Quality portfolio of assets

Since beginning its strategic transformation, Gold Fields has pro-actively managed its portfolio of operating and growth assets in order to improve the quality of our overall portfolio measured by the improvement in cash generation. This active portfolio management approach requires an ongoing strategic review of all existing assets as well as potential acquisition targets against our strategic imperatives.

The most obvious manifestation of this was the 2013 unbundling of the Group s conventional, deep-level underground mines in South Africa to create Sibanye Gold and the subsequent acquisition of Barrick s Yilgarn South Assets in Western Australia. Gold Fields portfolio is now comprised of modern, mechanized open-pit and underground mining operations, with production spread across three continents.

Gold Fields continued to focus on improving the cash-generation performance of its existing operations. During 2015, this included protecting the commercial sustainability of its mines by avoiding high-grading and investing in ore development and stripping on an ongoing basis and engaging in brownfields exploration for life-of-mine extensions.

Gold Fields has made the continued exploration and development of its mines underground and surface ore bodies a strategic priority in order to protect the future value of the Company s assets. Should gold prices go down to levels of around U.S.$1,000/oz or lower for a sustained period of time, Gold Fields would look at a new operating and planning protocol for these lower prices to protect the integrity of its ore bodies.

Growth

Gold Fields growth strategy focuses on growing cash flow per ounce and reserves per share in the medium and long-term. Since fiscal 2013, Gold Fields has implemented this growth strategy by, among other things, ceasing all early greenfields exploration activity, refocusing its exploration from greenfields projects to lower-risk, near-mine exploration, and portfolio-enhancing, value-accretive acquisition opportunities. Gold Fields has also taken the decision to dispose of growth projects that are marginal, located in higher risk locations or primarily focused on metals other than gold.

Gold Fields believes near-mine exploration offers the best route to low-cost growth that can generate cash in the short and medium term at our Australian operations, which have a history of reserve replacement. In fiscal 2015, Gold Fields raised its total near-mine exploration expenditure by 20% to U.S.$ 72 million, on top of the U.S.$ 60 million and U.S.$32 million spent in fiscal 2014 and fiscal 2013, respectively, in pursuit of this strategy. Much of this activity was focused on the Australasia region, where the mines in the Gold Fields portfolio spent A$91 million (U.S.$69 million) in fiscal 2015 (2014: A$64 million (U.S.$58 million)).

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This is part of a three year strategy to increase reserves and resources at the various operations. In addition to exploration drilling to increase current orebodies, activity was also focused on developing new targets on the prospective leases.

In fiscal 2015, Gold Fields continued the disposal of projects that are not aligned with its strategic objectives. The Woodjam project in Canada was sold, while the Arctic Platinum Project in Finland remains earmarked for sale.

The Far Southeast project in the Philippines has been retained in our portfolio and we maintain optionality on this project. However, no new investments, if any, are scheduled until there is clearer regulatory certainty in the country. In addition, the Salares Norte project in Chile has been retained in the portfolio. An exploration budget of U.S.$26 million was made available for drilling work in fiscal 2015. Further drilling and studies will continue in fiscal 2016 in an amount of approximately U.S.$51 million.

Gold Fields is also open to the possibility of further value-accretive transactions similar to its acquisition of the Yilgarn South Assets in fiscal 2013.

South Deep

After the introduction of the new management team, Gold Fields took the decision at the start of fiscal 2015 to focus on the basic operational requirements of South Deep to ensure a stronger foundation for sustainable growth in the future. The new management team has adopted a strategy of embedding an improved safety and productivity culture at the mine. Among other things, South Deep:

- Recruited an additional 146 skilled employees during fiscal 2015, mostly from the platinum sector, which has a similar mechanized mining skills set;

- Procured an additional fleet of 24 new Category 1 machines and trucks (which include all types of drill rigs, bolters, load haul dumpers and dump trucks), or Category 1 machines, with the new fleet consisting of one high profile drill rig, three long hole stope drill rigs, eight high profile load haul dump trucks and five dump trucks;

- Took the strategic decision to convert the destress methodology at the mine from low profile (2.5m vertical height) to high profile (5.0m vertical height) destress mining.

In the second half of the year, production was 64% higher at 123,000 oz than in the first half, with total production for fiscal 2015 of 198,000 oz (2014: 200,500 oz). In the fourth quarter of fiscal 2015, aided in part by the rising Rand gold price, the cash outflow from the project was limited to R57 million from R266 million in the third quarter of fiscal 2015.

While Gold Fields remains committed to achieve a sustainable breakeven cash position by the end of fiscal 2016, Gold Fields will only provide an updated production ramp-up schedule early in fiscal 2017.

(c) People

As part of its strategic transformation, Gold Fields experienced large-scale reductions in the number of employees and contractors. The Group s human resource base has stabilized with 9,052 employees and 7,798 contractors on our books at the end of fiscal 2015.

Gold Fields people strategy includes expanding the skillsets of our employees through focused internal training efforts. During fiscal 2015, Gold Fields spent over U.S.$12.4 million globally on training and development.

In addition, management believes it is important to recruit the appropriate skills to our mines, due to the shift towards mechanization and automation. In fiscal 2015, South Deep hired an additional 146 mechanized mining trained employees. Gold Fields has also developed clearly defined performance targets to incentivize employees to directly support the achievement of business objectives.

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Gold Fields remuneration strategy is evolving to attract and retain these skills, and our people development approach is being adjusted to ensure we build a robust internal skills pipeline that can supply the skills that the business needs, now and in the future. Furthermore, Gold Fields continues to entrench a high-performance culture that encourages people to meet and exceed their performance targets.

A large portion of Gold Fields workforce in Ghana and South Africa is represented by a number of trade unions. Gold Fields engaged with these trade unions during fiscal 2015 and agreed wage deals in both countries. In South Africa, Gold Fields opted out of the centralized wage negotiations and moved to company-level talks to reflect the different skills set at South Deep. In March 2015, Gold Fields signed a three year comprehensive wage deal that recognizes the mechanized mining requirements of the South Deep project. In Ghana, talks with the trade unions continued into 2016 and an agreement was concluded in January 2016.

(d) Social license to operate

Despite a third year of adverse gold market conditions in fiscal 2015, Gold Fields continued to distribute value to a wide range of stakeholders, including employees, host governments, host communities, businesses and suppliers as well as the providers of risk capital.

In fiscal 2015, total value distribution, reported according to WGC methodology, was U.S.$2.43 billion (2014: U.S.$2.65 billion), with 68% going to businesses and suppliers (2014: 69%), 8% to governments (2014: 7%), 18% to employees (2014: 18%), 5% to capital providers (2014: 5%) and 1% on Socio-economic Development programs (2014: 1%) mostly in host communities.

The success of Gold Fields business is critically dependent on the relationship with a number of key external stakeholders that determine both its regulatory and social licenses to operate: Governments at national, regional and local level and, above all, the communities that host its mines. These stakeholders determine both its regulatory license and social license to operate, and the Group therefore devotes considerable resources and energies in securing and maintaining these licenses. This is not merely a compliance-based approach but one that seeks to ensure that Gold Fields wins the long-term support of governments and communities through the sustainable development of our mines and projects.

A number of elements are critical in achieving the support of these stakeholders: improved community relations and the related development of Shared Value projects, which benefit both the mine and the host community, and other investment projects in these communities, as well as the responsible management of environmental resources, particularly water. These resources, if not managed sustainably, can have an adverse impact on the environment or create social tensions with host communities, thus threatening our licenses to operate.

Improved community relations

The communities in which we operate are directly and often exclusively dependent on the sustainability and growth of Gold Fields mines. One of the biggest challenges facing mining companies is building relationships and trust with these host communities, without which there is potential for operational disruption, project delays and cancellations.

It takes substantial time, effort and resources to establish and maintain a strong social license to operate. Increasingly Gold Fields ability to grow its business through the expansion of existing mines and the development of new projects is determined by its ability to build strong relationships and trust with communities in its operating areas.

Gold Fields has invested heavily in communities through social investment projects and, more recently, through Shared Value-based projects. However, it is evident that mining companies need to expand and deepen their investment in and engagement with host communities, who have found their voice and are seeking to share in the benefits of mining to a greater extent.

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In response Gold Fields has implemented a range of initiatives, in addition to the work already being done, including:

- Boosting the capacity of its community relations teams;
- Working with peer companies to jointly address community needs, such as the alliance with Sibanye Gold in the Westonaria municipality, home to our South Deep mine in South Africa;
- Supporting the ability of the three South Deep community trusts as well as foundations in Peru, Ghana and Australia to deliver benefits to host communities more effectively; and
- Expanding the quantity and quality of Shared Value projects.

At South Deep in particular, Gold Fields has intensified its community investment work after independent surveys among its host communities in Westonaria revealed a significant relationship gap between the mine and these communities. Previous social investments (including those required by the statutory Social and Labour Plan) did not sufficiently address the socio-economic needs of these communities.

Based on these findings, South Deep has strengthened and restructured its community relations and stakeholder engagement capacity. At the same time, the community investment programs are increasingly focused on sourcing goods and services from enterprises in these communities and increasing local employment opportunities. This will require a significant investment in training and skills development, but is an investment that is essential for Gold Fields long-term sustainability.

Host community procurement and employment are critical pillars of Gold Fields community investment strategies at all its operations in developing countries. In fiscal 2015, host community employment accounted for 29% of Gold Fields workforce in Peru, 50% at South Deep and 67% at its Ghanaian operations. Host community procurement spending accounts for 7%, 10% and 9% of spending for Peru, South Deep and Ghana, respectively. In Australia, 90% of Gold Fields workforce and 66% of procurement is from Western Australia, which is classified as the host region.

Shared Value

Gold Fields has implemented a Shared Value approach to structure part of its investments in community projects in order to focus on social and economic benefits rather than just social spend. As of the end of fiscal 2015, Gold Fields regions have implemented five Shared Value projects ranging from the promotion of mathematics and science education among South Deep s host communities to multilateral water management projects at Cerro Corona and increased sourcing from community suppliers at all our mines.

Reducing energy & carbon emissions

Energy remains a major performance driver for the Group, representing 22% of operating costs in fiscal 2015 having risen from 18% in fiscal 2013. Management expects this trend to continue unless Gold Fields finds more cost effective and alternative energy sources. As part of Gold Fields Integrated Energy and Carbon Management strategy implemented in fiscal 2013, each of the regions has set energy reduction targets, which have already delivered around U.S.$ 30 million in cumulative savings.

Under the Integrated Energy and Carbon Management strategy, the regions have been tasked with securing access to future energy sources. In Ghana, where Gold Fields operations were asked by the government to reduce their electricity consumption by 25% to 33% during fiscal 2015, the operations have reached an agreement with a private utility that is expected to deliver the bulk of their electricity requirements within the next two years. In Peru and Australia, new long-term supply agreements have been signed with utilities. While South Deep has a longstanding agreement with the state-owned utility to implement load-curtailment programs, Gold Fields has solicited proposals for an on-site 40MW photovoltaic solar plant. Other non-carbon energy projects Gold Fields is developing include a gas plant at the Granny Smith mine in Australia to replace the diesel power station.

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Gold Fields also remains committed to the goal of 20% renewable energy generation at all new projects. Greater use of renewables creates power price and supply stability and has the added benefit of reducing our carbon footprint, which is one of Gold Fields key environmental priorities.

Enhanced water management

Responsible water management remains a vital component of Gold Fields license to operate and social license at all its operations and projects as water is becoming an increasingly scarce and expensive commodity globally. Managing the risks around current and anticipated water security, which includes the quantity and quality of supply as well as associated costs, is essential to ensure sustainable production for existing operations and the future viability of projects.

The Group water management guideline, implemented in fiscal 2014, focused on water stewardship, including identifying opportunities to enhance water reuse, recycling and conservation practices at all operations. In fiscal 2015, the operations focused on identifying projects to support these objectives and by the end of fiscal 2015 a total of 20 initiatives were identified, a number of which have already been implemented. The development of these projects may deliver multiple benefits including cost savings, reduced impact in water scarce areas, improved regulatory compliance, identification and mitigation of water-related risks, reduction of mine closure liabilities and maintaining Gold Fields social license to operate.

Strategic priorities for 2016

The pillars of Gold Fields strategy are firmly in place and have guided the transformation of the Group over the past three years. Management does not envisage major changes to this strategy in the year ahead, though there has been a shift in emphasis in some of the key performance areas, which has led to an adjustment to some of the measurements.

Gold Fields strategic review for fiscal 2016 took into account a continued depressed gold price and budgets have taken this into account. A reduced gold price environment places renewed emphasis on business optimization as a priority for Gold Fields operations.

An important addition to the fiscal 2016 scorecard is Technology & Innovation, with the regions having been tasked to develop and implement three year technology plans in fiscal 2016. Gold Fields size still suggests that it does not necessarily have to be a pioneer of research and development in technology, but rather management aims to be a fast adopter of best practice. However, recent advances in digitization, automation and mechanization make it critical that Gold Fields develop strategies to implement new technologies and partner with IT and Original Equipment Manufacturers, or OEMs, that are leaders in the field. Gold Fields has appointed a new member to the Executive Committee to oversee our progress in this area.

Gold Fields prosperity in the short- and longer-term is dependent on societal acceptance. This can only be achieved through transparent and mutually beneficial relationships with governments at all levels (national, regional and local), organized labor and host communities, who have the ability to disrupt operations or halt them altogether. Gold Fields corporate and regional management teams have been tasked with intensifying stakeholder engagements in fiscal 2016 to ensure that the Group operates in a business environment that allows it to operate profitably to the benefit of these stakeholders and others. As part of this, we have completed an extensive relationship assessment exercise at South Deep and are starting this process in Ghana and Peru in 2016.

The engagement with governments is particularly urgent in South Africa and Ghana, where pending legislation and regulations have the potential to adversely affect the mining sector, and in Peru, where relations with communities and activists are threatening the growth of the entire mining sector.

In South Africa, Gold Fields has dedicated substantial human and capital resources towards meeting the targets of the Amended Mining Charter, including the equity empowerment target of 26% ownership. Gold Fields will commit similar resources in achieving the continued transformation of the sector.

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Transformation will take time and cannot happen without the financial backing of investors, many of whom have fled the sector over the past few years amid poor returns on their capital. Gold Fields welcomes the South African government s commitment to engaging with the sector openly and honestly through Project Phakisa to devise an action plan for further growth and transformation that encourages renewed investment in the industry.

However, as it drafts critical policy based on these engagements we urge the government to avoid additional fiscal or regulatory burdens that will inevitably further stifle the growth of the sector. Directly, and through the Chamber, Gold Fields is engaging the South African government on three key issues in fiscal 2016: the review of the Mining Charter; the once-empowered, always-empowered principle in Black Economic Empowerment ownership of mining companies; and, the finalization of amendments to the Mineral and Petroleum Resources Development Act.

In Ghana, Gold Fields has finalized the long-awaited investment agreement with the government that is critical for Gold Fields in achieving a level investment playing field with its peers in the country.

In Peru, the mining industry is working closely with government to find joint solutions to the social and environmental issues that appear to be the root causes for the distrust towards the sector by communities. Engagement with these communities and their representative organizations will have to be the critical next step.

Reserves of Gold Fields as at December 31, 2015

Methodology

While there are some differences between the definition of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the Securities and Exchange Commission s, or SEC s, Industry Guide 7, only the reserves at each of Gold Fields operations, growth and advanced exploration projects as at December 31, 2015 which qualify as reserves for purposes of the SEC s Industry Guide 7 are presented in the table below. See Glossary of Mining Terms . In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code (2007 edition, amended July 2009). Mineral or ore reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution, ore loss, mining recovery and other factors.

All of Gold Fields operations report reserves using cut-off grades or net smelter return cut-offs, or NSR, in the case of multi-metal deposits. Cut-off grade is the grade that distinguishes the economic material within an ore body that is to be extracted and treated from the remaining material. Cut-off grade is typically calculated using an appropriate metal price and the development, stoping, processing, general and administration and sustaining capital costs to derive a total cost per tonne. NSR is the net revenue (total revenue less production costs) that the owner of a mining property receives from the sale of the mine s metal products less transportation and refining costs. Modifying factors used to calculate the cut-off grades include adjustments to mill delivered amounts due to dilution and ore loss incurred in the course of mining, expected return on investment, and sustaining capital. Modifying factors applied in estimating reserves are primarily based on historical empirical information, but commonly incorporate adjustments for planned operational improvements. Tonnage and grade may include some mineralization below the selected cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity to facilitate practical mining. Reserves also take into account operating cost levels as well as necessary capital and sustaining capital provisions required at each operation, and are supported by life of mine plans.

South Africa

South Deep made solid progress on its re-basing program, especially concerning the transition to the new regional pillar layout. The re-basing program, scheduled for completion in fiscal 2016, will inform the revised long-term plan and outlook for South Deep. The change in pillar design has been adopted and resulted in a broad

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re-design and revised schedule for the life of mine plan. This plan, which forms the basis for the South Deep s fiscal 2016 mineral reserves, will continue to be refined and enhanced as other re-basing project outcomes are delivered and as the mine evolves to steady state production.

At South Deep (except as noted above), the estimation of reserves is based on surface drilling, underground diamond drilling, surface three-dimensional reflection seismics, ore body facies modeling, structural modeling, underground mapping, detailed ore zone wireframes and geostatistical estimation. The reefs, which are sedimentary in nature and reflect extensive intra-basinal fluvial deposits, are initially explored by drilling from the surface on an approximately 500 meter to 2,000 meter grid. Once underground access is available, diamond drilling is undertaken on an approximate 30 meter to 90 meter grid, to provide the necessary ore body definition to support mine design and production scheduling.

The following sets out the drill spacing ranges used to classify the different categories of reserves at South Deep.

Reserve Classification	Sample Spacing Range Min/Max	Maximum Distance Data is Projected
	(meters)	
Proved	0 to 60	220
Probable	60 to 650	650

For proved reserves, the ore body must be fully destressed, with planned grade control diamond drilling designed at an approximate 50 meter by 50 meter grid spacing, depending on the accessibility for the diamond drill rigs. The destress mining extracts 2.5 to 5.0 meter high cuts that are generally mined horizontally at 17 meter vertical intervals, and it reduces the in situ rock stress from approximately 80 MPa to 30 to 40 MPa to facilitate bulk mechanized mining. Estimation is constrained within both geologically homogenous structural and defined facies zones, and is generally derived from either ordinary or simple kriged small-scale grids.

For probable reserves, the estimates access a significant number of samples on spacing greater than the spacing for development and stoping bordering these areas. In addition, borehole spacings ranging from tens to hundreds of meters are used in conjunction with 3D seismic survey results that confirm certain structural reef elevations and key stratigraphic surfaces. Reserves classified as probable are generally adjacent to those classified as proved. Estimation is constrained within homogenous structural and facies zones, and is derived using a localized direct conditioning technique (used to derive recoverable block estimates) based on simple kriging.

The primary assumptions of continuity of the geologically homogenous zones are driven by the geological model, which is updated when new information arises. Any changes to the model are subject to peer and internal technical corporate review and external independent consultant review when deemed necessary. Historically, mining at South African deep-level gold mines has shown significant geological continuity, so that new mines were started based on limited surface borehole information. Customarily, geological models are primarily based on the definition of different sedimentary facies within each conglomerate horizon. These facies are extrapolated along palaeocurrent and grade trends into new, undeveloped areas taking into account inherent proximal to distal depositional relationships and any surface borehole data in those areas. Normally these facies are continuous, supported by extensive historical sample databases, and can be incorporated in the macro kriging of large blocks.

Ghana

For the Tarkwa open pit operation, estimation of reserves is based on a combination of an initial 100- or 200-meter grid of diamond drilling and in certain areas a 12.5 meter to 25 meter grid of reverse circulation drilling. For the Damang open pit operation, estimation of reserves is based on a 20 meter to 80 meter grid of combined reverse circulation and diamond drilling and, in certain areas, reverse circulation drilling on an eight- meter by five-meter drill grid. Advance grade control drilling is employed in certain areas to provide detailed estimation to greater depths than normal grade control drilling where information is required to confirm structural and grade trends.

Diamond drilling provides continuous (solid) core from diamond drill bits, using water and chemicals for lubrication. Consequently, diamond drilling provides greater resolution of geological parameters such as lithologies, alterations, mineralization, rock hardness and structures.

In surface drilling programs, reverse circulation drilling provides chip samples from percussion hammers powered by compressed air. The chips are transferred to surface up a central tube with the rods to eliminate contamination from the outer hole. Sampling is generally conducted at intervals relevant to the block model and mining dimensions. Reverse circulation drilling is generally quicker and less expensive than diamond drilling. However, there is a depth limitation to reverse circulation drilling and consequently all deep holes are conducted by diamond drilling.

Generally exploration programs will consist of a mix of reverse circulation and diamond drilling in order to provide the necessary geological resolution, as well as bulk analytical data for evaluation, geotechnical and geometallurgical purposes. Infill drilling programs are usually conducted using both diamond drilling and reverse circulation, depending on the resolution required. Grade control drilling programs use reverse circulation.

Australia

At the Australian operations, the estimation of reserves for both underground and open pit operations is based on exploration and sampling information gathered through appropriate techniques, primarily from diamond drilling, reverse circulation drilling, air-core and sonic drilling techniques. The locations of sample points are spaced close enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids, which range between 10 meters by 10 meters up to 40 meters by 40 meters, although this may vary depending on the continuity of the ore body. Due to the variety and diversity of mineralization at the Australian operations, sample spacing may also vary depending on each particular ore type.

Peru

For the Cerro Corona operation, estimation is based on diamond drill and reverse circulation holes. The spacing of holes at Cerro Corona is generally around 50 meters, with some areas approximating a 25 meter grid. The blast hole rock chips are used as grade control samples and are drilled on an average 5.5 meter by 4.8 meter grid.

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Reserve Statement

As at December 31, 2015, Gold Fields had aggregate attributable proved and probable reserves of approximately 46.1 million ounces of gold and 532 million pounds of copper, as set forth in the following tables:

	Gold ore reserve statement as at December 31, 2015(1)									
	Proved reserves			Probable reserves			Total reserves			Attributable gold production in fiscal 2015(2) (M oz)
	Tonnes *(million)*	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	
Underground (UG)										
South Africa										
South Deep(3)	10.80	5.9	2.057	189.07	5.3	31.970	199.86	5.3	34.027	0.20
Australia										
St. Ives	0.39	5.8	0.073	1.90	4.2	0.260	2.30	4.5	0.333	0.18
Granny Smith	0.76	6.9	0.168							