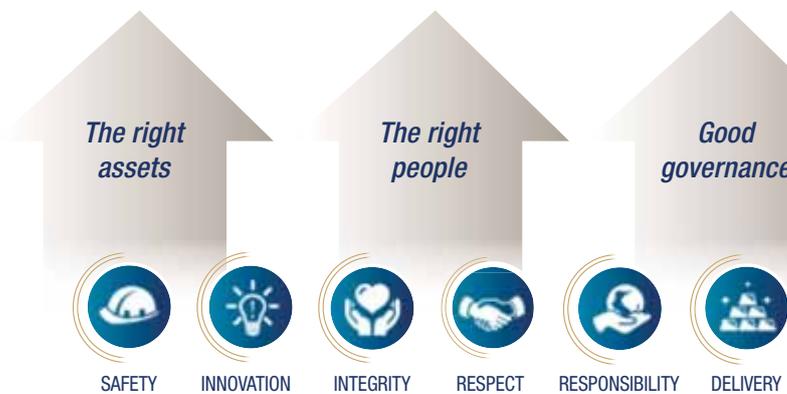


Value Creation and Distribution

Gold Fields' value creation cycle starts with ensuring we have the right assets, the right skills and that good governance is firmly entrenched throughout the organisation. This fundamental foundation strengthens our value proposition to investors, employees, communities and governments, helps attract capital and

1. GET THE FUNDAMENTALS RIGHT

Our business needs three fundamental components in place for us to operate – the right assets in the right locations, the right people to deliver and a culture of good governance which includes strict regulatory compliance and sound management of our impacts in order for us to retain our regulatory and social licence to operate. These are fundamental to our ability to operate sustainably – without them we cannot do business. The Gold Fields Values underpin how we conduct business.



2. STAKEHOLDER VALUE PROPOSITION

With the three fundamentals in place our regulatory and business risks are reduced, our reputation is enhanced and our investment, partner and employee value propositions are strengthened.



Investment Value Proposition

By building a quality portfolio of operating assets we seek to generate a sustainable free cash flow margin and provide superior returns on investment.



Partner Value Proposition

By responsibly managing our environmental and social impacts and sharing the value from our operations with host communities and local economies, we seek to build mutually beneficial relationships with communities and governments.



Employee Value Proposition

By developing employees and rewarding them for their delivery against performance objectives, we seek to provide a compelling employee value proposition that will enable us to attract and retain top talent.

skills to the business and affords us access to the right location for our mines and projects. From there we can deliver on our business strategy and distribute value back to stakeholders.

4. DISTRIBUTE VALUE TO STAKEHOLDERS

The delivery on our business strategy of generating a sustainable free cash flow margin enables us to distribute value to shareholders, employees, communities and local economies.

**SUSTAINABLE
FREE CASH-
FLOW MARGIN**



Value to investors



Value to communities and governments



Value to employees

3. USE INPUTS TO DELIVER ON STRATEGY

Delivery on the promises made in our investment, government and community and employee value propositions attract investment capital to the business; access to mines through licences from governments and the support of communities; and the skills of the best people in the industry. These and other critical inputs allow optimal mining efficiency which drives the delivery on business strategy.

Delivery on investment value proposition



**INVESTMENT
CAPITAL**

Delivery on community and government value proposition



**ACCESS TO
MINES**

Delivery on employee value proposition



**SKILLED
PEOPLE**



**DELIVERY ON
BUSINESS STRATEGY**

Outcomes

Results, Scorecard and Impacts

Gold Fields generates significant value for all the societies in which it operates – some of which can be quantified and others not. The most important means by which Gold Fields generates quantifiable value are outlined below:

TOTAL AND NATIONAL VALUE DISTRIBUTION

| National value distribution by region and type 2016 (US\$m) | Government | Business | Employees/contractors | Socio-Economic Development | Capital providers | National value distribution |
|---|----------------|----------|-----------------------|----------------------------|-------------------|-----------------------------|
| Americas | 35 | 147 | 40 | 9 | 3 | 234 |
| Australia | 99 | 720 | 138 | 0.3 | 0 | 958 |
| South Africa | 2 ¹ | 197 | 153 | 4 ² | 5 | 361 |
| West Africa | 94 | 584 | 104 | 3 | 2 | 787 |
| Corporate | 6 | – | 47 | – | 112 | 165 |
| Total Gold Fields | 235 | 1,648 | 482 | 16 | 122 | 2,505 |

¹ South Deep does not yet pay income tax as it is in a loss-making position

² This includes spending from the South Deep Community and Education Trusts and SLP commitments.

MANAGING OUR IMPACTS

The nature of our mining operations requires that we understand and manage and minimise the impact of our operation.

Community impacts in 2016



Environmental laboratory, Tarkwa, Ghana

Community investments:
US\$16.2m

Funding of projects that directly benefit our host communities

Host community workforce employment: 8,567 people

Just under half of our total workforce is sourced from host communities

Host community procurement:
US\$558m

During 2016 Gold Fields procured 41% of its goods and services from host community enterprises

Environmental impacts in 2016

Water withdrawal:
30.3Gℓ



CO₂ emissions:
1.96m tonnes



Mining waste:
187m tonnes



Energy usage:
11.7m GJ



Tailings storage facility at Cerro Corona, Peru



Truck fleet at St Ives, Australia

CREATING SHARED VALUE

|  Government |  Business |  Employees and contractors |  Communities |  Capital providers |
|---|---|--|--|--|
| Payments include | | | | |
| Mining royalties and land-use payments, taxes, duties and levies dividends | Operational and capital procurements | Salaries and wages, benefits and bonus payments (including shares and payroll taxes) | SED spending, including on infrastructure, health and wellbeing, education and training, local environmental initiatives and donations | Interest and dividend payments to shareholders |

Why these stakeholders matter

| | | | | |
|---|--|---|--|---|
| Governments provide us with access to ore bodies by granting mining and other licences. They also deliver the infrastructure necessary to build and maintain our mines, including roads, electricity and water supply | Our supply chain businesses provide the equipment and services needed to develop and maintain our operations | The technical skills, experience and activity of our people drive the day-to-day operations of our business | Host communities are the source of a significant portion of our workforce and a key component of our social licence to operate | Financial institutions, shareholders and bond holders invest with us, thus enabling us to fund the development, maintenance and growth of our operations and our overall business |
|---|--|---|--|---|

What we contributed in 2016

| | | | | |
|---|--|---|--|---|
| <ul style="list-style-type: none"> » We paid governments US\$235m (2015: US\$196m) in taxes and royalties, 10% of total value distribution (2015: 8%) » In addition, the Ghanaian government receives dividends relating to its 10% shareholding in Gold Fields Ghana, depending on the Company's performance | <ul style="list-style-type: none"> » We paid US\$1,648m to suppliers and contractors, representing 68% of total value creation (2015: US\$1,663m/69%) » Of the total 2016 procurement expenditure, US\$1,360m or 83%, was spent on businesses based in operating countries (2015: US\$1,268m/76%) » Within this figure, US\$558m, or 41%, was spent on suppliers and contractors from host communities (2015: US\$514m/35%) | <ul style="list-style-type: none"> » We paid US\$482m (2015: US\$435m) to employees in terms of salaries, dividends and benefits, representing 19% of total value distribution (2015: 18%) » We also provide employees (where legislated) with additional benefits such as retirement savings, healthcare assistance, life and disability insurance, housing assistance and personal accident cover | <ul style="list-style-type: none"> » We invested US\$16.2m (2015: US\$13.7m) in terms of SED investment » Independently, the South Deep trusts spent R19.3m (US\$1.4m) in 2016 (2015: R24.3m/ US\$1.9m) » 48% of our workforce is drawn from host communities (2015: 59%) » See p99 for an analysis of our host community employment and procurement as well as other benefits and investment in communities | <ul style="list-style-type: none"> » We paid US\$122m (2015: US\$117m) to the providers of debt and equity capital, mainly in the form of interest and dividends » Net debt was reduced by a further US\$214m to US\$1,166m during 2016 |
|---|--|---|--|---|

Outcomes (continued)

Results and Impacts



Financial

| Category | 2016 | | 2015 | 2014 | 2013 |
|--|-------|---|-------|-------|-------|
| Gold price received (US\$/oz) | 1,241 | ■ | 1,140 | 1,249 | 1,386 |
| Revenue (US\$/m) | 2,750 | ■ | 2,545 | 2,869 | 2,906 |
| Operating profit (US\$/m) | 1,362 | ■ | 1,089 | 1,191 | 1,239 |
| Headline earnings/(loss) (US\$/m) | 208 | ■ | (28) | 27 | (81) |
| Normalised earnings (US\$/m) | 191 | ■ | 45 | 85 | 58 |
| Capital expenditure (US\$/m) | 650 | ■ | 634 | 609 | 739 |
| Net cash-flow (US\$/m) ¹ | 294 | ■ | 123 | 235 | (235) |
| Free cash-flow margin (%) | 17 | ■ | 8 | 13 | n/a |
| Dividend (SA cent/share) | 110 | ■ | 25 | 40 | 22 |
| Total net debt (US\$/m) | 1,166 | ■ | 1,380 | 1,453 | 1,735 |
| Net debt: adjusted EBITDA ² ratio | 0.95 | ■ | 1.38 | 1.30 | 1.50 |

¹ Net cash-flow from operating activities after taking account of net capital expenditure and environmental payments.

² Net operating profit before depreciation and amortisation, adjusted per exploration expenses and certain other costs.



Business Optimisation

| Category | 2016 | | 2015 | 2014 | 2013 |
|---|---------|---|---------|---------|---------|
| TRIFR (rate per million) ³ | 2.27 | ■ | 3.40 | 4.04 | 4.14 |
| Fatalities | 1 | ■ | 3 | 3 | 2 |
| Gold produced – attributable (Moz) | 2.15 | ■ | 2.16 | 2.22 | 2.02 |
| All-in Sustaining Cost (US\$/oz) | 980 | ■ | 1,007 | 1,053 | 1,202 |
| All-in Cost (US\$/oz) | 1,006 | ■ | 1,026 | 1,087 | 1,312 |
| Attributable Gold Mineral Resources (Moz) | 101.494 | ■ | 102.210 | 108.843 | 113.398 |
| Attributable Gold Mineral Reserves (Moz) | 48.112 | ■ | 46.064 | 48.123 | 48.608 |
| Attributable Copper Mineral Resources (Mlb) | 5,813 | ■ | 5,912 | 6,873 | 7,120 |
| Attributable Copper Mineral Reserves (Mlb) | 454 | ■ | 532 | 620 | 708 |
| Brownfields exploration (US\$/m) | 79 | ■ | 72 | 58 | 32 |
| Brownfields exploration – metres drilled | 694,527 | ■ | 651,189 | 349,511 | 250,138 |

³ Total recordable injury frequency rate.



Licence to Operate

| Category | 2016 | | 2015 | 2014 | 2013 |
|---|-----------------|---|-----------|-----------|-----------|
| Total value distribution (US\$m) | 2,505 | ■ | 2,425 | 2,650 | 2,980 |
| SED spending (US\$m) | 16.2 | ■ | 13.7 | 17.4 | 17.2 |
| Workforce from host communities (%) | 48 ⁴ | ■ | 59 | 57 | – |
| In-country procurement (US\$m) | 1,360 | ■ | 1,270 | 1,440 | 1,440 |
| Host community procurement (US\$m) | 558 | ■ | 514 | 600 | 430 |
| Environmental incidents (Level 3 and above) | 3 | ■ | 5 | 4 | 3 |
| Water recycled/reused (Mℓ) | 44,274 | ■ | 43,120 | 42,409 | 33,453 |
| Water withdrawal (Mℓ) | 30,321 | ■ | 35,247 | 30,207 | 30,302 |
| Electricity (MWh) | 1,400,422 | ■ | 1,322,353 | 1,338,075 | 1,382,106 |
| Diesel (TJ) | 6,608 | ■ | 6,930 | 6,066 | 5,509 |
| CO ₂ emissions ('000 tonnes) | 1,964 | ■ | 1,753 | 1,694 | 1,731 |
| Mining waste ('000 tonnes) | 187,036 | ■ | 167,357 | 138,522 | 190,007 |
| Gross closure costs provisions (US\$m) | 381 | ■ | 353 | 391 | 355 |

⁴ 2016 reduction due to a change in definition applied at South Deep (p99).



People

| Category | 2016 | | 2015 | 2014 | 2013 |
|---------------------------------------|-------|---|-------|-------|--------|
| Total employees | 8,964 | ■ | 9,052 | 8,954 | 10,167 |
| Contractors | 9,127 | ■ | 7,798 | 6,486 | 6,685 |
| HDSA employees in SA (%) ⁵ | 72 | ■ | 71 | 71 | 70 |
| Female employees (%) | 15 | ■ | 14 | 14 | 11 |
| Employee wages and benefits (US\$m) | 482 | ■ | 435 | 468 | 595 |
| Ratio of basic salary men to women | 1.31 | ■ | 1.09 | 1.10 | 1.20 |
| Employee turnover (%) | 12 | ■ | 8 | 20 | 10 |

⁵ Includes white women as historically disadvantaged South Africans (HDSA).

■ 2016 Performance drop against 2015

■ 2016 Performance on par with 2015

■ 2016 Performance improvement on 2015 or achievement in line with strategy