

HARMONY GOLD MINING CO LTD

Form 6-K

August 14, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

RULE 13a-16 OR 15d-16 UNDER THE SECURITIES

EXCHANGE ACT OF 1934

For 14 August 2014

**Harmony Gold Mining Company**

**Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-

For Form 40-F.)

Form 20-F  X

Form 40-F

(Indicate by check mark whether the registrant by

furnishing the information contained in this form

is also thereby furnishing the information to the

Commission pursuant to Rule 12g3-2(b) under the

Securities Exchange Act of 1934.)

Yes

No  X

***Shareholder information***

Issued ordinary share capital at 30 June 2014

435 825 447

Issued ordinary share capital at 31 March 2014

435 693 819

Issued ordinary share capital at 30 June 2013

435 289 890

***Market capitalisation***

At 30 June 2014 (ZARm)

13 576

At 30 June 2014 (US\$m)

1 276

At 31 March 2014 (ZARm)

14 247

At 31 March 2014 (US\$m)

1 355

At 30 June 2013 (ZARm)

15 562

At 30 June 2013 (US\$m)

1 568

***Harmony ordinary share and ADR\* prices***

12-month high (1 July 2013 – 30 June 2014)

for ordinary shares

R42.47

12-month low (1 July 2013 – 30 June 2014)

for ordinary shares

R24.48

12-month high (1 July 2013 – 30 June 2014)

for ADRs

US\$4.33

12-month low (1 July 2013 – 30 June 2014)

for ADRs

US\$2.36

***Free float***

**100%**

***ADR\* ratio***

**1:1**

***JSE Limited***

**HAR**

Range for quarter

(1 April– 30 June 2014 closing prices)

R27.72 – R35.60

Average daily volume for the quarter

(1 April– 30 June 2014)

946 701 shares

Range for quarter

(1 January – 31 March 2014 closing prices)

R27.25 – R40.32

Average daily volume for the quarter

(1 January – 31 March 2014)

1 031 429 shares

Range for year  
(1 July 2013 – 30 June 2014 closing prices)  
R24.48 – R42.47

Average daily volume for the year  
(1 July 2013 – 30 June 2014)  
1 216 789 shares

Range for year  
(1 July 2012 – 30 June 2013 closing prices)  
R33.47 – R85.71

Average daily volume for the year  
(1 July 2012 – 30 June 2013)  
1 753 866 shares

***New York Stock Exchange including other  
US trading platforms***

**HMY**

Range for quarter  
(1 April– 30 June 2014 closing prices)  
US\$2.61 – US\$3.34

Average daily volume for the quarter  
(1 April– 30 June 2014)  
2 020 458

Range for quarter  
(1 January – 31 March 2014 closing prices)  
US\$2.52 – US\$3.77

Average daily volume for the quarter  
(1 January – 31 March 2014)  
3 102 376

Range for year  
(1 July 2013 – 30 June 2014 closing prices)  
US\$2.36 – US\$4.33

Average daily volume for the year  
(1 July 2013 – 30 June 2014)  
2 923 933

Range for year  
(1 July 2012 – 30 June 2013 closing prices)  
US\$2.30 – US\$10.34

Average daily volume for the year  
(1 July 2012 – 30 June 2013)  
2 484 062

***Investors' calendar***

Release of Harmony's Integrated Annual  
Report of FY14  
23 October 2014

Q1 FY15 presentation (webcast and  
conference calls only)  
5 November 2014

Annual General Meeting  
21 November 2014

Q2 FY15 live presentation from Cape Town  
9 February 2015

Q3 FY15 presentation (webcast and  
conference calls only)

8 May 2015

Q4 FY15 live presentation from Johannesburg

18 August 2015

*\*ADR: American Depository Receipts*

## **Q4 FY14**

### **Harmony Gold Mining Company Limited**

("Harmony" or "Company")

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

JSE share code: HAR

NYSE share code: HMY

ISIN: ZAE000015228

Results for the fourth quarter FY14 and

year ended 30 June 2014

### **KEY FEATURES**

#### **Year on year**

3% increase in gold production to 36 453kg (1.17moz)

5% improvement in underground recovered grade at 4.77g/t

4% reduction in all-in sustaining costs for the year from R431 745/kg to  
R413 433/kg; an 18% reduction in US\$ terms from US\$1 522/oz to US\$1 242/oz

30% reduction in total capital expenditure from R3.6bn (US\$412m) to  
R2.5bn in FY14 (US\$244m)

Net loss of R1.27 billion was recorded in FY14 compared to a net loss of  
R2.35 billion in FY13

- an impairment of R1.44 billion mainly in respect of the Phakisa decline shaft
- employment termination and restructuring cost of R274 million in FY14

Headline earnings amounted to 26 SA cents per share (2.5 US cents)

- excluding Rand Refinery loss, headline earnings would be 55 SA cents  
per share (5.3 US cents)

#### **Quarter on quarter**

7% increase in gold production to 8 935kg (287 266oz)

All-in sustaining costs remained stable at R428 383/kg (US\$ 1 267/oz)

Headline earnings of 30 SA cents per share (2.9 US cents) for the June 2014  
quarter

*All figures represent continuing operations unless stated otherwise*

### **RESULTS FOR THE FOURTH QUARTER FY14 ENDED 30 JUNE 2014**

Quarter

June

2014

Quarter

March

2014

Q – on– Q

variance

%

Year

ended

June

2014

Year  
ended  
June  
2013\*  
%  
Variance  
Gold produced  
– kg  
8 935  
8 368  
7  
36 453  
35 374  
3  
– oz  
287 266  
269 035  
7  
1 171 987  
1 137 297  
3  
Cash operating costs  
– R/kg  
341 864  
343 527  
1  
328 931  
324 979  
(1)  
– US\$/oz  
1 011  
987  
(2)  
988  
1 146  
14  
Gold sold  
– kg  
8 635  
8 502  
2  
36 288  
34 970  
4  
– oz  
277 621  
273 344  
2  
1 166 682  
1 124 312  
4

Underground grade  
– g/t  
4.66  
5.10  
(9)  
4.77  
4.54  
5  
All-in sustaining  
costs  
– R/kg  
428 383  
426 221  
(1)  
413 433  
431 745  
4  
– US\$/oz  
1 267  
1 224  
(4)  
1 242  
1 522  
18  
Gold price received  
– R/kg  
435 775  
450 528  
(3)  
432 165  
454 725  
(5)  
– US\$/oz  
1 289  
1 294  
–  
1 299  
1 603  
(19)  
Production profit\*  
– R million  
847  
924  
(8)  
3 794  
4 581  
(17)  
–US\$ million  
81  
85  
(5)

367  
519  
(29)  
Basic (loss)/earnings  
per share\*1  
– SAc/s  
(282)  
7  
> (100)  
(293)  
(543)  
46  
– USc/s  
(27)  
1  
> (100)  
(28)  
(62)  
55  
Headline earnings  
– Rm  
129  
52  
>100  
114  
224  
(49)  
– US\$m  
12  
5  
>100  
11  
25  
(56)  
Headline earnings  
per share\*1  
– SAc/s  
30  
12  
>100  
26  
52  
(50)  
– USc/s  
2.9  
1.1  
>100  
2.5  
5.9  
(58)

*\* Comparative figures in these line items have been restated as a result of the adoption of IFRIC 20 – Stripping costs in the production phase of a surface mine*

*<sup>1</sup> The year ended June 2013 include discontinued operations where indicated*



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**CONTACT DETAILS**

***Corporate Office***

Randfontein Office Park  
PO Box 2, Randfontein, 1760, South Africa  
Corner Main Reef Road/Ward Avenue  
Randfontein, 1759, South Africa  
*Telephone:* +27 (0)11 411 2000  
*Website:* [www.harmony.co.za](http://www.harmony.co.za)

***Directors***

P T Motsepe\* *Chairman*  
J M Motloba\*<sup>^</sup> *Deputy Chairman*  
G P Briggs *Chief Executive Officer*  
F Abbott *Financial Director*  
H E Mashego *Executive Director*  
F F T De Buck\*<sup>^</sup> *Lead independent director*  
J A Chissano\*

1

<sup>^</sup>, K V Dicks\*<sup>^</sup>, Dr D S S Lushaba\*<sup>^</sup>,  
C E Markus\*<sup>^</sup>, M Msimang\*<sup>^</sup>, K T Nondumo\*<sup>^</sup>,  
V P Pillay \*<sup>^</sup>, J Wetton\*<sup>^</sup>, A J Wilkens\*

\* Non-executive

<sup>^</sup> Independent

1 Mozambican

***Investor relations team***

Email: [HarmonyIR@harmony.co.za](mailto:HarmonyIR@harmony.co.za)

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Investor Relations Manager

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Marian van der Walt

Executive: Corporate and Investor Relations

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***Company Secretary***

Riana Bisschoff

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***South African Share Transfer Secretaries***

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

13th Floor, Rennie House

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Braamfontein, 2001

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***ADR Depositary***

Deutsche Bank Trust Company Americas  
c/o American Stock Transfer and Trust Company  
Peck Slip Station  
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*Toll free:* +1-800-937-5449  
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***Sponsor***

J.P. Morgan Equities South Africa (Pty) Ltd  
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Johannesburg, 2196  
Private Bag X9936, Sandton, 2146, South Africa  
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***Trading Symbols***

*JSE Limited:* HAR  
*New York Stock Exchange, Inc:* HMY  
*Berlin Stock Exchange:* HAM1

***Registration number***

1950/038232/06  
*Incorporated in the Republic of South Africa*

***ISIN***

ZAE000015228

Harmony's Integrated Annual Report, the Sustainable Development Information which serves as supplemental information to the Integrated Annual Report and its annual report filed on a Form 20F with the United States' Securities and Exchange Commission for the financial year ended 30 June 2014 will be available on our website ([www.harmony.co.za/investors](http://www.harmony.co.za/investors)) on 23 October 2014.

***Competent person's declaration***

*Harmony reports in terms of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC). In South Africa Harmony appoints an ore reserve manager at each of its operations who takes responsibility for the compilation and reporting of mineral resources and mineral reserves at their operations. In PNG, competent persons are appointed for the mineral resources and mineral reserves for specific projects and operations.*

***The mineral resources and mineral reserves in this report are based on information compiled by the following competent persons:***

*Resources and Reserves South Africa: Jaco Boshoff, BSc (Hons), MSc, MBA, Pr. Sci. Nat., who has 19 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP) and a member of the South African Institute of Mining and Metallurgy (SAIMM).*

*Resources and Reserves Papua New Guinea: Gregory Job, BSc, MSc, who has 26 years relevant experience and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).*

*Mr Boshoff and Mr Job are full-time employees of Harmony Gold Mining Company Limited. These competent persons consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*Mineral Resource and Reserve information as at 30 June 2014 is included in this report.*

**3****FORWARD-LOOKING STATEMENTS**

*This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbour provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements. These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgement of the senior management of Harmony 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 quarterly report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in the countries in which we operate; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions; increases or decreases in the market price of gold; the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions; availability, terms and deployment of capital; changes in government regulations, particularly mining rights and environmental regulations; fluctuations in exchange rates; currency devaluations and other macro-economic monetary policies; and socio-economic instability in the countries in which we operate.*

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Section 45 (5) (a) compliance announcement

ANNOUNCEMENT FOR COMPLIANCE REASONS ONLY: NOTICE, AS  
REQUIRED IN TERMS OF SECTION 45 (5) (a) OF THE COMPANIES ACT,  
71 OF 2008 (THE ACT) FOR THE GRANTING OF FINANCIAL ASSISTANCE

Notice is hereby given, as required in terms of section 45 (5) (a) of the

Act that the Board of directors (the Board) of the company at a meeting held on 11 August 2014, authorised the company to provide financial assistance to any 1 (one) or more related or inter-related companies or corporations of the Company and/or to any 1 (one) or more juristic persons who are members of, or are related to, any such related or inter-related company or corporation in terms of section 45 of the Act, pursuant to the authority granted to the Board by shareholders at the annual general meeting of the company, held on 5 December 2013. The aggregate financial exposure of the Company in respect of any financial assistance in terms of this resolution shall not exceed R1 billion. In terms of section 45 (3) (b) of the Companies Act, the Board is satisfied that:

- immediately after providing financial assistance, the Company would satisfy the solvency and liquidity test as set out in section 4 of the Act; and
- the terms under which the financial assistance is proposed to be given under the resolution are fair and reasonable to the Company.

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**Results for the fourth quarter FY14  
and year ended 30 June 2014**

Message from the chief executive officer

**1. OUR STRATEGY**

We revisit our strategy throughout the year to ensure that it remains relevant and appropriate, while being responsive and adaptive to both internal and external changes. The Harmony board met early in July 2014 to revisit the company strategy.

We believe that Harmony has four key advantages:

• **We continuously regenerate ourselves in order to be efficient miners** – we keep our costs down, ensure future growth and profitability, and are willing to make difficult decisions that will serve our company in the long run. All decisions are made based on our values, with safety being our core value.

• **We are experienced explorers, mine developers and operators in emerging economies.** We have a diversified portfolio as well as a significant exploration land holding in one of the most prospective geological areas in the world (PNG). In addition, we invest time and money into building win-win relationships with our stakeholders that allow us to confidently manage our socio-political environment and earn our social license to operate.

• **We fund our own capital to ensure future growth and profitability** and invest in our assets even during lower gold price cycles, allowing us to have low debt, financial flexibility and be highly geared against the gold price.

• **Golpu is a large resource of high-grade, low cost copper and gold.** A concept study is progressing on a scalable mine, which will require less capital to start up, but has the potential for a long life that will be flexible and adaptable in multiple copper price cycles. We are also de-risking its development thanks to our project development experience, our operational base and support services in PNG and the orebody's high grade zones.

We want Harmony to be safe, highly profitable and generate the cash necessary to underpin the development of Golpu, be a sought-after investment, be robust at any gold or copper price, have a diverse risk portfolio (with exposure to South Africa, PNG, gold and copper) and to continue growing our quality ounces. Our strategy for 2015 to 2020, is to improve our margins through safely delivering on our plans and increase free cash flow through higher grades and cost control; retain a flexible balance sheet; grow our value per share of our PNG assets, complete the Golpu studies and it is our intention to build the Golpu mine. We also intend identifying acquisition opportunities of open pit mines and bulk projects outside South Africa.

Below is a graphic illustration of our pathway to delivering on our strategy – and a scorecard against which our performance can be measured in future.

**2. SAFETY**

Safety will continue to be Harmony's first priority. Safety workshops are ongoing and we have increased our efforts to communicate safety

messages to all employees. Our messages stress the value of each life and encourage employees to stick to safety standards, to think before they act and to act on their right to withdraw from an unsafe area.

High level audits are ongoing; regular underground visits by members of the executive team and management take place and there are full time safety representatives at each mine.

Although we manage our capital expenditure in a conservative manner, it is not done at the expense of safety. Safety comes before production.

Our executive team is involved in a number of industry initiatives in which leading practices are applied, which have the potential to improve health and safety performance significantly. Safety is taken seriously at all levels and takes priority in everything we do.

The lost time- and fatality injury frequency rates have shown an improvement quarter on quarter and a number of operations achieved excellent safety results. It is with great sadness though that three employees lost their lives in three separate accidents during the quarter. My heartfelt condolences go to the family, friends and colleagues of: Moji Augustinus Matela (team leader at Tshepong), Amos Twala (team leader at Bambanani) and Soba Mboyana (winch operator at Masimong). An independent review of the Harmony safety strategy was conducted during the quarter and actions were implemented based on the recommendations.

More information on how we approach safety can be found in our safety fact sheet at <http://www.harmony.co.za/investors/news-and-events/fact-sheets>. Details on our safety performance for the past year and our targets for the coming financial year can be found in our integrated report, which will be published towards the end of October 2014.

### **3. INTERNATIONAL MINING INDUSTRY UNDERWRITERS' (IMIU) RISK ASSESSMENT**

Our mining assets are insured for both business interruption as well as property risk. IMIU is a globally recognised market leader in insuring all types of mining, including underground exposures and is one of the lead insurers partaking in Harmony's asset insurance programme. All our mining assets are subject to an annual risk assessment by specialist engineers and IMIU's technical team assesses the merits of each and every risk that IMIU underwrites.

Harmony commenced with the annual IMIU surveys during 2003. Of significance is the continuous improvement in our operations' scores in comparison with IMIU's global average score. IMIU's 2014 global mining average is calculated based on 390 mining operations surveyed worldwide. 93% of Harmony's operations scored higher than the global average during 2014 in respect of the measures implemented to manage property and machinery risks. Overall, based on IMIU's insurability matrix, a steep improvement in our operations' overall property risk management has been evident especially over the past 3 years. This is indicative of the continued capital investment in our infrastructure to maintain safe operating conditions.

Our South African asset portfolio is subject to routine maintenance which is facilitated through an electronic system, as well as systemised continuous condition monitoring protocols. We continue to invest in security upgrades, metallurgical plant upgrades as well as the upgrade



and continuous maintenance of our existing asset portfolio.

#### **4. GOLD MARKET**

Harmony remains bullish about gold in the long term. Following the sharp price decline during 2013, capital expenditure in the gold industry has been reduced and many projects have been stalled or delayed. This is expected to lead to a reduction in world gold production, possibly from as early as 2015. Demand from central banks, especially in the East, is increasing and the long term demand trend for gold bars and coins is rising with a notable increase in demand from the East.

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In addition, total exchange traded funds' holdings have stabilised and physical demand rebounds strongly when the price declines. This confirms gold's long history as an investment tool and store of value. It remains a secure investment and while the price may fluctuate, gold will always be in demand.

The average rand gold price received decreased from R454 725/kg in financial year 2013 (FY13) to R432 165/kg in financial year 2014 (FY14).

The decrease was the result of a 19% decrease in the US dollar gold price received for FY14 – from US\$1 603/oz to US\$1 299/oz. The decrease in the US dollar gold price was partially offset by the weakening of the rand against the US dollar in FY14 to R10.35/US\$ (R8.82/US\$ in FY13).

## 5. OPERATIONAL RESULTS

### Year on year

Gold production for FY14 increased by 3% to 36 453kg, compared to 35 374kg for financial year 2013, with a 4% decrease in all-in sustaining costs from R431 745/kg in FY13, to R413 433/kg in FY14.

The following operations showed marked improvements year on year:

- Kusasalethu (+1 954kg) increased its recovered grade by 7% from 3.85g/t to 4.11g/t. The previous year was severely affected by strikes and the increase in gold production in FY14 indicates the beginning of a return to normal production levels.
- Bambanani (+970kg) increased its recovered grade by 28% to 12.50g/t, while tonnes milled increased by 26% year on year, as the shaft pillar mining begins to ramp up.
- Hidden Valley (+648kg) had a significant turn around in its performance during FY14. A 15% improvement in the gold recovery grade was achieved (from 1.43g/t for FY13 to 1.65g/t in the year under review), while 9% more tonnes (at 2 001 000t) were milled during the year.
- Phakisa (+542kg) continues to build up its production, with a 13% increase in tonnes milled at 577 000t year on year. The recovered grade also improved by 9%, from 4.75g/t to 5.16g/t.
- Target 1 (+526kg) had a very good year, with a 5% improvement in recovered grade to 5.83g/t, well above its reserve grade combined with an 8% increase in tonnes milled at 771 000t.

The following operations' year on year performance was less encouraging:

- Doornkop (-1 028kg) – the accident in the March 2014 quarter and the closure of the Kimberley reef section resulted in a 2% decrease in recovered grade to 3.53g/t, while tonnes milled were also adversely affected.
- Masimong (-898kg) underperformed during the year with a 3% decrease in recovered grade and a 23% decrease in tonnes milled (from 868 000t to 670 000t).
- Joel (-893kg) suffered losses due to the shaft bottom that was flooded. Although this has been rectified, Joel's recovery grade was 19% lower year on year at 4.26g/t and in FY14, tonnes milled for FY14 also decreased by 10%.
- Dumps (-376kg) milled 13% less tonnes in FY14 and recovery grade was 18% lower at 0.31g/t (FY13:0.38g/t).

- Target 3's (-213kg) recovered grade decreased by 7% year on year (from 5.03g/to to 4.69g/t) while tonnes milled decreased by 7% to 301 000t.
  - Kalgold (-170kg) recorded a lower recovery grade for FY14 at 0.79g/t and throughput increased by 5% to 1 472 000t.
- Production profit for FY14 was R3.8 billion compared to R4.6 billion in FY13, mainly due to a 5% decrease in the rand gold price received and a 4% (R495 million) increase in cash operating costs for FY14.
- Operational capital expenditure for FY14 decreased by 19% to R2.5 billion as planned, compared to R3.1 billion in FY13, mainly due to a decrease in capital expenditure at Hidden Valley in Papua New Guinea (PNG).

#### **Quarter on quarter**

Gold production for the June 2014 quarter increased by 7% (567kg) from 8 368kg in the March 2014 quarter to 8 935kg in the June quarter. All-in sustaining costs remained steady at R428 383/kg.

Production profit for the quarter was R847 million compared to R924 million in the March 2014 quarter, mainly due to a lower rand gold price. The rand gold price received decreased by 3% from R450 528/kg in the March 2014 quarter to R435 775/kg in the June 2014 quarter. The decrease was as a result of the rand dollar exchange rate strengthening by 3% against the US dollar to R10.51/US\$. The US dollar gold price received for the June 2014 quarter of \$1 289/oz, was slightly lower than in the March quarter 2014.

Cash operating costs increased by 6% (R180 million) in the June 2014 quarter, mainly due to an increase in consumables as well as higher winter electricity tariffs for the South African operations.

Capital expenditure for the June 2014 quarter increased by 17% to R676 million, compared to R579 million in the March 2014 quarter, mainly at the South African underground operations.

#### **6. OUR FY15 BUSINESS PLANS**

We completed our business plans for FY15 in August 2014. Particular focus was placed on the following:

- improving operating margins
- robust and realistic operating planning
- increasing free cash flow through higher grades and cost control
- capital expenditure which ensures returns are made within a reasonable period of time.

We believe that our FY15 business plans adhere to the factors set out above. Every effort will be made to ensure that our performance exceeds market expectations.

#### **7. FINANCIAL RESULTS**

##### **Year on year**

##### **Revenue**

The 4% increase in gold sold from 34 970kg in FY13 to 36 288kg in FY14, was more than offset by a 5% decrease in average gold price received, resulting in a decrease in revenue of R220 million year on year.

##### **Production costs**

The annual production cost increase was well contained from R11.3 billion in FY13 to R11.9 billion in FY14, or 5%, despite high electricity and labour cost increases.

***Other items in cost of sales***

Other items included in cost of sales for the year ended 30 June 2014 include employment termination and restructuring costs of R274 million relating mainly to the voluntary retrenchment packages offered in South Africa and the restructuring at the Hidden Valley operation.

***Loss per share***

The loss per share of 293 SA cents for the year ended 30 June 2014 reduced from the loss per share of 543 SA cents for the year ended 30 June 2013.

**6**

**Results for the fourth quarter FY14  
and year ended 30 June 2014**

***Borrowings***

Total borrowings increased by R322 million to R2 860 million in the year ended 30 June 2014. This is due to a total drawdown of US\$60 million (R612 million) and a foreign exchange translation loss of R155 million recorded on the US\$ syndicated facility during the year. This was partially offset by the repayment of R467 million made during the year on the Nedbank revolving credit facility.

**Quarter on quarter**

***Impairment of assets***

The impairment in the June 2014 quarter consists of an impairment of R1.38 billion in respect of Phakisa (includes goodwill of R1.31 billion), R7 million on Steyn 2 and R21 million on St Helena, following the annual life-of-mine reassessment.

The impairment recorded in respect of Phakisa resulted from the combination of a number of factors, including the removal of the decline project from the business plan, new revenue and cost estimates in the business plan, and using higher discount rates as determined by market parameters.

***(Loss)/profit from associates***

The June 2014 quarter includes the provision of the loss related to the inventory discrepancy at Rand Refinery of R127 million.

***Deferred taxation***

A deferred tax credit of R337 million was recorded following the net decrease in the deferred tax rates year on year for the South African companies.

***Net (loss)/profit***

The net loss for the June 2014 quarter was R1.22 billion, compared to a net profit of R31 million in the March 2014 quarter, mainly due to the impairment of R1.41 billion recorded.

***(Loss)/profit per share***

The loss per share of 282 SA cents in the June 2014 quarter reduced from the earnings per share of 7 SA cents in the March 2014 quarter.

***Non-current assets and assets of disposal groups classified as held for sale***

The sale of the investment in Witwatersrand Consolidated Gold Resources Limited (Wits Gold) was completed during the June 2014 quarter and the consideration for the sale of R51 million was received in April 2014. The accumulated gains of R14 million were reclassified to the income statement and resulted in a profit on disposal.

**8. GOLPU**

The Golpu resource definition drilling program is now complete for FY14 and there are no new assay results to report this quarter. A conceptual study report on four, high-grade, sub-level cave start-up mine options was completed which has progressed into pre-feasibility study.

Mine options at 2.5 Mtpa and 5 Mtpa were selected for progression to pre-feasibility study level which will be completed when the gated process has been completed toward the end of the calendar year.

**9. EMPLOYEE RELATIONS**

The labour relations climate in Harmony and in the gold sector has remained relatively stable over the quarter under review.

#### **10. BIO-ENERGY PROJECT**

Harmony is implementing a bio-energy project involving the procreation of biocrops on mine-impacted land in the Free State to generate natural gas as a substitute for fossil fuels in the company's Harmony 1 Gold Plant elution and carbon regeneration circuits. Phase 1 of the project aims to deliver 71,000GJ of energy within 18 months with production being ramped up to generate 187,000GJ within 36 months. This project aims to turn mine-impacted land to account by creating a value-adding use for it and, in so doing, promote skills development and job creation for communities and ensure a sustainable legacy in the Free State.

As part of this process, we will convert electrical and polyfuel heating of elution water at our gold plants to biogas heating.

#### **11. IN CONCLUSION**

Our strategy is to focus on improving our margins, growing the value per share of our PNG assets and we intend identifying acquisition opportunities outside South Africa. We remain committed to positioning Harmony as a competitive, value focused gold mining company.

**Graham Briggs**

*Chief Executive Officer*

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Harmony's statement of Mineral Resources and Mineral Reserves as at 30 June 2014 is produced in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC).

This report only provides a summary of the update, while the detailed statement of the Mineral Resources and Mineral Reserves will be published in the Integrated Report on 23 October 2014, which will be available at [www.harmony.co.za/investors](http://www.harmony.co.za/investors). The Mineral Resources are reported inclusive of the Mineral Reserves. We use certain terms in this summary such as 'Measured', 'Indicated' and 'Inferred' Resources, which the United States' (US) Securities and Exchange Commission (SEC) guidelines strictly prohibit US-registered companies from including in their filings with the SEC. US investors are urged to closely consider the disclosure in our Form 20-F which will also be available after 23 October 2014.

The Company's attributable gold equivalent Mineral Resources are declared as 133.8 million ounces (Moz) as at 30 June 2014, a 9.4% decrease year-on-year from the 147.7Moz declared on 30 June 2013. The 9.4% decrease collectively represents depletion during the year and geology related changes. The gold Resource ounces in South Africa represent 69%, while Papua New Guinea (PNG) gold and gold equivalent ounces represent 31% of Harmony's total gold equivalent Resources as at 30 June 2014.

As at 30 June 2014, Harmony's attributable gold equivalent Mineral Reserves amounted to 49.5Moz of gold, a 3.9% decrease from the 51.5Moz declared on 30 June 2013. The 3.9% decrease collectively represents depletion during the year, a change in Reserves from surface sources together with some scope changes at some of the underground operations. The gold Reserve ounces in South Africa represent 57% while the PNG gold and gold equivalent ounces represent 43% of Harmony's total Reserves as at 30 June 2014.

There are no changes in the Reserves of Wafi-Golpu (jointly held by Harmony and Newcrest Mining Limited in a 50/50 joint venture) since the pre-feasibility study was completed in 2012. Changes to the Resources are as a result of additional drilling and a more robust geological model. On a 100% basis, Golpu continues to host high grade, quality Reserves of 450Mt, containing 12.4Moz of gold and 5.4 million tonnes (Mt) of copper.

In converting the Mineral Resources to Mineral Reserves the following parameters were applied:

- for the South African assets a gold price of R425 000/kg;
- the Hidden Valley operations and Wafi-Golpu project in the Morobe Mining Joint Venture applied prices of US\$1 250/oz Au, US\$21/oz Ag, US\$15/lb Mo and US\$3.10/lb Cu. For Wafi-Golpu, gold equivalent ounces are calculated assuming a US\$1400/oz Au and US\$3.10/lb Cu and for Hidden Valley US\$23.00/oz Ag with 100% recovery assumed for all metals.

Harmony's South African Mineral Resources were reviewed and audited by SRK Consulting Engineers and Scientists for compliance

with SAMREC. The Golpu Mineral Resources were audited by AMC Consultants Pty Ltd for compliance with the standards set out in JORC Code. Other Harmony Papua New Guinea Mineral Resources and Ore Reserves have been reviewed in previous years, but these reviews were not updated for this declaration as there have been no material changes to calculation methodologies.

**Note:** Au = gold; Cu = copper; Ag = Silver, Mo = Molybdenum

**Summary of Mineral Resources and Mineral Reserves as at 30 June 2014**

Measured

Indicated

Inferred

Total

Resources

Tonnes

(Mt)

g/t

Gold

'000oz

Tonnes

(Mt)

g/t

Gold

'000oz

Tonnes

(Mt)

g/t

Gold

'000oz

Tonnes

(Mt)

g/t

Gold

'000oz

SA underground

77.7

9.31

23 242

83.4

9.25

24 808

155.2

7.07

35 262

316.3

8.19

83 312

SA surface incl Kalgold

391.3

0.28

3 594

680.0



0.23	
5 198	
51.3	
0.47	
769	1 122.6
0.26	
9 561	
<b>Total South Africa</b>	
<b>469.0</b>	
<b>26 836</b>	
<b>763.4</b>	
<b>30 006</b>	
<b>206.5</b>	
<b>36 031</b>	<b>1 438.9</b>
<b>92 873</b>	
Hidden Valley*	
1.2	
1.15	
44	
48.7	
1.59	
2 505	
2.8	
1.24	
112	
52.7	
1.57	
2 661	
Wafi-Golpu system*	
–	
484.9	
0.74	
11 580	
140.0	
0.59	
2 649	
624.9	
0.71	
14 229	
<b>Total Papua New Guinea</b>	
<b>1.2</b>	
<b>44</b>	
<b>533.6</b>	
<b>14 085</b>	
<b>142.8</b>	
<b>2 761</b>	
<b>677.6</b>	
<b>16 890</b>	
<b>Total gold Resources</b>	
<b>470.2</b>	
<b>26 880</b>	<b>1 297.0</b>

**44 091**  
**349.3**  
**38 792 2 116.5**  
**109 763**  
 Hidden Valley – gold  
 equivalent  
 ounces\*  
 14  
 792  
 45  
 850  
 Wafi-Golpu – gold  
 equivalent ounces\*  
 19 521  
 3 620  
 23 141  
**Total Gold Equivalent  
 Resources**  
**470.2**  
**26 894 1 297.0**  
**64 404**  
**349.3**  
**42 457 2 116.5**  
**133 754**  
 Proved  
 Probable  
 Total  
 Reserves  
 Tonnes  
 (Mt)  
 g/t  
 Gold  
 '000oz  
 Tonnes  
 (Mt)  
 g/t  
 Gold  
 '000oz  
 Tonnes  
 (Mt)  
 g/t  
 Gold  
 '000oz  
 SA underground  
 54.4  
 5.71  
 9 978  
 54.4  
 5.67  
 9 924  
 108.8

5.69  
 19 902  
 SA surface incl Kalgold

361.0

0.28

3 303

608.7

0.24

4 739

969.7

0.26

8 042

**Total South Africa**

**415.4**

**13 281**

**663.1**

**14 663 1 078.5**

**27 944**

Hidden Valley\*

1.1

1.13

41

27.0

1.78

1 547

28.1

1.76

1 588

Wafi-Golpu system\*

225.0

0.86

6 194

225

0.86

6 194

**Total Papua New Guinea**

**1.1**

**41**

**252.0**

**7 741**

**253.1**

**7 782**

**Total gold Reserves**

**416.5**

**13 322**

**915.1**

**22 404 1 331.6**

**35 726**

Hidden Valley – gold equivalent ounces\*

11

456

466

Wafi-Golpu – gold equivalent ounces\*

13 265

13 265

**Total Gold Equivalent Reserves**

**416.5**

**13 333**

**915.1**

**36 125    1 331.6**

**49 457**

*\*Represents Harmony's 50% portion*

Summary update of Harmony's Mineral Resources and Mineral Reserves as at 30 June 2014

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**Results for the fourth quarter FY14  
and year ended 30 June 2014**

OPERATIONAL RESULTS – Quarter on quarter  
(Rand/Metric) (US\$/Imperial)

Three  
months  
ended

Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Steyn 2

Joel

**Ore milled**

**– t'000**

**Jun-14**

**286**

**161**

**146**

**247**

**156**

**206**

**49**

**152**

Mar-14

226

102

138

232

164

181

61

88

**Gold produced**

**– kg**

**Jun-14**

**1 353**

**532**

**763**

**1 188**

**616**

**998**

**549**

**619**

Mar-14

929

434

752

1 024

660

1 173

806

345

**Gold produced**

– oz

**Jun-14**

**43 500**

**17 104**

**24 531**

**38 195**

**19 805**

**32 086**

**17 651**

**19 901**

Mar-14

29 868

13 953

24 177

32 922

21 219

37 713

25 914

11 092

**Yield**

– g/tonne

**Jun-14**

**4.73**

**3.30**

**5.23**

**4.81**

**3.95**

**4.84**

**11.20**

**4.07**

Mar-14

4.11

4.25

5.45

4.41

4.02

6.48

13.21

3.92

**Cash operating**

**costs**

– R/kg

**Jun-14**

349 534

521 910

367 172

296 997

396 333

283 327

301 040

283 733

Mar-14

463 848

582 786

335 239

325 056

356 248

219 864

209 318

450 803

**Cash operating**

**costs**

– US\$/oz

**Jun-14**

1 034

1 544

1 086

879

1 173

838

891

839

Mar-14

1 332

1 674

963

934

1 023

632

601

1 295

**Cash operating**

**costs**

– R/tonne

**Jun-14**

1 654

1 725

1 919

1 428

1 565

1 373

3 373

1 155

Mar-14

1 907

2 480

1 827

1 435

1 434

1 425

2 766

1 767

**Gold sold**

**- Kg**

**Jun-14**

**1 131**

**458**

**759**

**1 181**

**612**

**1 103**

**545**

**544**

Mar-14

1 118

491

722

983

634

1 035

774

390

**Gold sold**

**- oz**

**Jun-14**

**36 362**

**14 725**

**24 402**

**37 970**

**19 676**

**35 462**

**17 522**

**17 490**

Mar-14

35 944

15 786

23 213

31 604

20 384

33 276

24 884

12 539

**Revenue**

**(R'000)**

**Jun-14**



**493 055**

**195 768**

**332 058**

**516 839**

**268 045**

**482 003**

**238 972**

**238 095**

Mar-14

500 510

223 445

326 249

444 215

286 428

466 477

348 599

176 285

**Cash operating**

**costs**

**(R'000)**

**Jun-14**

**472 920**

**277 656**

**280 152**

**352 833**

**244 141**

**282 760**

**165 271**

**175 631**

Mar-14

430 915

252 929

252 100

332 857

235 124

257 900

168 710

155 527

**Inventory**

**movement**

**(R'000)**

**Jun-14**

**(83 364)**

**(33 881)**

**(5 436)**

**(11 891)**

**(3 134)**

**21 428**

**2 285**

**(15 350)**

Mar-14

64 740  
20 837  
(11 605)  
(15 785)  
(9 651)  
(36 805)  
(11 689)  
3 609

**Operating costs**

**(R'000)**

**Jun-14**

**389 556**

**243 775**

**274 716**

**340 942**

**241 007**

**304 188**

**167 556**

**160 281**

Mar-14

495 655

273 766

240 495

317 072

225 473

221 095

157 021

159 136

**Production profit**

**(R'000)**

**Jun-14**

**103 499**

**(48 007)**

**57 342**

**175 897**

**27 038**

**177 815**

**71 416**

**77 814**

Mar-14

4 855

(50 321)

85 754

127 143

60 955

245 382

191 578

17 149

**Production profit**

**(US\$'000)**

**Jun-14**

**9 844**

**(4 566)**

**5 454**

**16 730**

**2 571**

**16 913**

**6 793**

**7 401**

Mar-14

449

(4 647)

7 921

11 742

5 629

22 662

17 694

1 584

**Capital**

**expenditure**

**(R'000)**

**Jun-14**

**142 781**

**59 675**

**96 274**

**82 806**

**46 330**

**75 609**

**39 240**

**36 572**

Mar-14

115 731

54 634

74 573

71 374

43 154

88 100

25 121

28 339

**Capital**

**expenditure**

**(US\$'000)**

**Jun-14**

**13 581**

**5 676**

**9 157**

**7 876**

**4 407**

**7 192**

**3 732**

**3 479**

Mar-14

10 688  
5 046  
6 887  
6 592  
3 985  
8 136  
2 321  
2 617

**Adjusted  
operating costs  
– R/kg**

**Jun-14**  
**348 804**  
**548 431**  
**368 133**  
**294 107**  
**395 334**  
**279 358**  
**312 620**  
**299 867**

Mar-14  
447 045  
556 494  
340 244  
329 294  
357 868  
218 341  
229 506  
414 909

**Adjusted  
operating costs  
– US\$/oz**

**Jun-14**  
**1 032**  
**1 622**  
**1 089**  
**870**  
**1 170**  
**826**  
**925**  
**887**

Mar-14  
1 284  
1 599  
977  
946  
1 028  
627  
659  
1 192

**All-in sustaining  
costs**

– R/kg

**Jun-14**

**489 102**

**688 392**

**491 231**

**375 224**

**485 991**

**358 028**

**362 042**

**344 922**

Mar-14

566 448

677 873

454 007

415 208

443 606

315 767

255 333

468 583

**All-in sustaining  
costs**

– US\$/oz

**Jun-14**

**1 447**

**2 037**

**1 453**

**1 110**

**1 438**

**1 059**

**1 071**

**1 020**

Mar-14

1 627

1 947

1 304

1 193

1 274

907

733

1 346

**9**  
South Africa  
Hidden  
Valley  
Total  
Harmony  
Surface production  
Total  
South  
Africa  
Unisel  
Target 3  
Total  
Underground  
Phoenix  
Dumps  
Kalgold  
Total  
Surface  
**98**  
**71**  
**1 572**  
**1 564**  
**649**  
**388**  
**2 601**  
**4 173**  
**525**  
**4 698**  
95  
73  
1 360  
1 483  
620  
356  
2 459  
3 819  
467  
4 286  
**392**  
**311**  
**7 321**  
**192**  
**225**  
**268**  
**685**  
**8 006**  
**929**  
**8 935**  
458  
360

6 941  
201  
155  
255  
611  
7 552  
816  
8 368  
**12 603**  
**9 999**  
**235 375**  
**6 173**  
**7 234**  
**8 616**  
**22 023**  
**257 398**  
**29 868**  
**287 266**  
14 725  
11 574  
223 157  
6 462  
4 983  
8 198  
19 643  
242 800  
26 235  
269 035  
**4.00**  
**4.38**  
**4.66**  
**0.12**  
**0.35**  
**0.69**  
**0.26**  
**1.92**  
**1.77**  
**1.90**  
4.82  
4.93  
5.10  
0.14  
0.25  
0.72  
0.25  
1.98  
1.75  
1.95  
**379 821**  
**447 550**  
**346 871**

**352 250**  
**340 707**  
**372 201**  
**356 264**  
**347 675**  
**291 793**  
**341 864**  
322 395  
382 311  
341 644  
279 746  
441 426  
404 459  
372 810  
344 166  
337 621  
343 527  
**1 124**  
**1 324**  
**1 026**  
**1 042**  
**1 008**  
**1 101**  
**1 054**  
**1 029**  
**863**  
**1 011**  
926  
1 098  
981  
804  
1 268  
1 162  
1 071  
989  
970  
987  
**1 519**  
**1 960**  
**1 615**  
**43**  
**118**  
**257**  
**94**  
**667**  
**516**  
**650**  
1 554  
1 885  
1 744  
38



110  
290  
93  
681  
590  
671  
**390**  
**344**  
**7 067**  
**204**  
**225**  
**273**  
**702**  
**7 769**  
**866**  
**8 635**  
440  
317  
6 904  
220  
158  
321  
699  
7 603  
899  
8 502  
**12 539**  
**11 060**  
**227 208**  
**6 559**  
**7 234**  
**8 777**  
**22 570**  
**249 778**  
**27 843**  
**277 621**  
14 146  
10 192  
221 968  
7 073  
5 080  
10 320  
22 473  
244 441  
28 903  
273 344  
**170 550**  
**149 999**  
**3 085 384**  
**89 208**  
**93 668**

**119 767**  
**302 643**  
**3 388 027**  
**374 891**  
**3 762 918**  
198 666  
142 729  
3 113 603  
97 738  
71 013  
142 303  
311 054  
3 424 657  
405 728  
3 830 385  
**148 890**  
**139 188**  
**2 539 442**  
**67 632**  
**76 659**  
**99 750**  
**244 041**  
**2 783 483**  
**271 076**  
**3 054 559**  
147 657  
137 632  
2 371 351  
56 229  
68 421  
103 137  
227 787  
2 599 138  
275 499  
2 874 637  
**(1 117)**  
**10 593**  
**(119 867)**  
**786**  
**(203)**  
**3 388**  
**3 971**  
**(115 896)**  
**(23 155)**  
**(139 051)**  
(6 375)  
(19 718)  
(22 442)  
5 483  
(415)  
17 747

22 815  
373  
30 997  
31 370  
**147 773**  
**149 781**  
**2 419 575**  
**68 418**  
**76 456**  
**103 138**  
**248 012**  
**2 667 587**  
**247 921**  
**2 915 508**  
141 282  
117 914  
2 348 909  
61 712  
68 006  
120 884  
250 602  
2 599 511  
306 496  
2 906 007  
**22 777**  
**218**  
**665 809**  
**20 790**  
**17 212**  
**16 629**  
**54 631**  
**720 440**  
**126 970**  
**847 410**  
57 384  
24 815  
764 694  
36 026  
3 007  
21 419  
60 452  
825 146  
99 232  
924 378  
**2 167**  
**20**  
**63 327**  
**1 977**  
**1 636**  
**1 582**  
**5 195**

**68 522**  
**12 076**  
**80 598**  
5 300  
2 292  
70 626  
3 328  
277  
1 978  
5 583  
76 209  
9 165  
85 374  
**23 209**  
**28 923**  
**631 419**  
**683**  
**3 100**  
**7 026**  
**10 809**  
**642 228**  
**33 561**  
**675 789**  
20 524  
27 095  
548 645  
696  
2 877  
5 478  
9 051  
557 696  
21 225  
578 921  
**2 208**  
**2 751**  
**60 059**  
**65**  
**295**  
**668**  
**1 028**  
**61 087**  
**3 192**  
**64 279**  
1 895  
2 502  
50 669  
64  
266  
506  
836  
51 505

1 960  
53 465  
**385 498**  
**444 310**  
**347 984**  
**335 444**  
**339 804**  
**396 904**  
**360 742**  
**349 039**  
**288 118**  
**342 933**  
328 059  
378 538  
345 144  
280 602  
430 417  
381 105  
360 620  
346 691  
335 115  
345 467  
**1 140**  
**1 314**  
**1 029**  
**992**  
**1 005**  
**1 174**  
**1 067**  
**1 033**  
**847**  
**1 015**  
942  
1 087  
991  
806  
1 236  
1 095  
1 036  
996  
955  
992  
**459 398**  
**538 569**  
**442 360**  
**338 792**  
**363 737**  
**434 223**  
**383 899**  
**437 028**  
**350 783**

**428 383**

391 820

476 358

434 202

283 766

465 069

411 143

383 242

429 210

400 943

426 221

**1 359**

**1 593**

**1 309**

**1 002**

**1 076**

**1 285**

**1 136**

**1 293**

**1 032**

**1 267**

1 126

1 368

1 247

815

1 336

1 181

1 101

1 233

1 143

1 224

10

**Results for the fourth quarter FY14  
and year ended 30 June 2014**

OPERATING RESULTS – Year on year  
(Rand/Metric) (US\$/Imperial)

Year  
ended  
Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

**Ore milled**

– t'000

**Jun-14**

**1 143**

**737**

**577**

**947**

**670**

**771**

**206**

**548**

Jun-13

711

1 008

512

1 040

868

717

164

611

**Gold produced**

– kg

**Jun-14**

**4 694**

**2 603**

**2 976**

**4 223**

**2 718**

**4 493**

**2 576**

**2 335**

Jun-13

2 740

3 631

2 434

4 154

3 616

3 967

1 606

3 228

**Gold produced**

**- oz**

**Jun-14**

**150 916**

**83 687**

**95 680**

**135 772**

**87 385**

**144 453**

**82 821**

**75 072**

Jun-13

88 093

116 738

78 255

133 554

116 256

127 542

51 635

103 782

**Yield**

**- g/tonne**

**Jun-14**

**4.11**

**3.53**

**5.16**

**4.46**

**4.06**

**5.83**

**12.50**

**4.26**

Jun-13

3.85

3.60

4.75

3.99

4.17

5.53

9.79

5.28

**Cash operating**

**costs**

**- R/kg**

**Jun-14**

**389 762**

**420 617**



**358 995**

**326 498**

**360 006**

**233 487**

**222 764**

**294 493**

Jun-13

553 358

296 714

405 077

343 895

272 403

238 840

292 136

206 737

**Cash operating**

**costs**

**– US\$/oz**

**Jun-14**

**1 171**

**1 264**

**1 079**

**981**

**1 082**

**702**

**669**

**885**

Jun-13

1 951

1 046

1 428

1 212

960

842

1 030

729

**Cash operating**

**costs**

**– R/tonne**

**Jun-14**

**1 601**

**1 486**

**1 852**

**1 456**

**1 460**

**1 361**

**2 786**

**1 255**

Jun-13

2 132

1 069

1 926

1 374

1 135

1 321

2 861

1 092

**Gold sold**

**- Kg**

**Jun-14**

**4 531**

**2 633**

**2 963**

**4 204**

**2 708**

**4 508**

**2 567**

**2 308**

Jun-13

2 698

3 550

2 423

4 135

3 598

3 925

1 591

3 192

**Gold sold**

**- oz**

**Jun-14**

**145 673**

**84 653**

**95 263**

**135 161**

**87 064**

**144 936**

**82 530**

**74 204**

Jun-13

86 742

114 135

77 902

132 944

115 679

126 191

51 152

102 625

**Revenue**

**(R'000)**

**Jun-14**

**1 959 013**

**1 126 208**

**1 283 570**

**1 822 120**

**1 170 982**

**1 947 595**

**1 110 756**

**994 583**

Jun-13

1 212 834

1 615 027

1 102 618

1 886 777

1 639 903

1 794 310

717 434

1 451 977

**Cash operating**

**costs**

**(R'000)**

**Jun-14**

**1 829 543**

**1 094 866**

**1 068 368**

**1 378 800**

**978 495**

**1 049 059**

**573 839**

**687 640**

Jun-13

1 516 201

1 077 368

985 957

1 428 541

985 011

947 479

469 171

667 347

**Inventory**

**movement**

**(R'000)**

**Jun-14**

**(76 931)**

**3 240**

**(7 240)**

**(13 782)**

**4 109**

**1 709**

**59**

**(19 618)**

Jun-13

(32 663)

(35 084)

(3 626)  
 (1 514)  
 (10 316)  
 (10 387)  
 (13 307)  
 (13 356)

**Operating costs**

**(R'000)**

**Jun-14**

**1 752 612**  
**1 098 106**  
**1 061 128**  
**1 365 018**  
**982 604**  
**1 050 768**  
**573 898**  
**668 022**

**Jun-13**

1 483 538  
 1 042 284  
 982 331  
 1 427 027  
 974 695  
 937 092  
 455 864  
 653 991

**Production profit**

**(R'000)**

**Jun-14**

**206 401**  
**28 102**  
**222 442**  
**457 102**  
**188 378**  
**896 827**  
**536 858**  
**326 561**

**Jun-13**

(270 704)  
 572 743  
 120 287  
 459 750  
 665 208  
 857 218  
 261 570  
 797 986

**Production profit**

**(US\$'000)**

**Jun-14**

**19 940**  
**2 715**

**21 490**

**44 160**

**18 200**

**86 642**

**51 865**

**31 549**

Jun-13

(30 685)

64 922

13 635

52 113

75 402

97 167

29 649

90 453

**Capital**

**expenditure**

**(R'000)**

**Jun-14**

**508 869**

**237 922**

**360 120**

**300 518**

**167 874**

**289 408**

**124 967**

**144 903**

Jun-13

419 566

285 427

337 462

310 494

170 610

331 010

115 390

159 682

**Capital**

**expenditure**

**(US\$'000)**

**Jun-14**

**49 162**

**22 986**

**34 791**

**29 033**

**16 218**

**27 960**

**12 073**

**13 999**

Jun-13

47 559

32 354

38 252

35 195

19 339

37 521

13 080

18 100

**Adjusted**

**operating costs**

– R/kg

**Jun-14**

**395 061**

**429 415**

**365 692**

**331 640**

**371 056**

**237 627**

**234 117**

**296 210**

Jun-13

571 058

301 531

415 213

354 213

281 455

245 026

297 064

213 772

**Adjusted**

**operating costs**

– US\$/oz

**Jun-14**

**1 187**

**1 290**

**1 099**

**997**

**1 115**

**714**

**703**

**890**

Jun-13

2 013

1 063

1 464

1 249

992

864

1 047

754

**All-in sustaining**

**costs**

– R/kg

**Jun-14**  
**522 347**  
**523 839**  
**486 710**  
**415 061**  
**450 210**  
**312 436**  
**263 867**  
**338 957**

Jun-13  
742 033  
380 935  
549 340  
441 108  
346 557  
338 405  
325 497  
252 342

**All-in sustaining  
costs**

**- US\$/oz**

**Jun-14**  
**1 570**  
**1 574**  
**1 463**  
**1 247**  
**1 353**  
**939**  
**793**  
**1 019**

Jun-13  
2 616  
1 343  
1 937  
1 555  
1 222  
1 193  
1 148  
890

**11**

South Africa

Hidden

Valley

Total

Harmony

Surface production

Other

Total

South

Africa

Unisel

Target 3

Steyn 2

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

**408**

**301**

**33**

**6 341**

**6 073**

**2 897**

**1 472**

**10 442**

–

**16 783**

**2 001**

**18 784**

446

323

47

6 447

5 358

3 326

1 398

10 082

–

16 529

1 844

18 373

**1 838**

**1 413**

**392**

**30 261**

**835**

**903**



**1 162**

**2 900**

—

**33 161**

**3 292**

**36 453**

1 813

1 626

477

29 292

827

1 279

1 332

3 438

—

32 730

2 644

35 374

**59 093**

**45 429**

**12 603**

**972 911**

**26 846**

**29 032**

**37 358**

**93 236**

—

**1 066 147**

**105 840**

**1 171 987**

58 289

52 277

15 335

941 756

26 588

41 121

42 825

110 534

—

1 052 290

85 007

1 137 297

**4.50**

**4.69**

**11.88**

**4.77**

**0.14**

**0.31**

**0.79**

**0.28**

—

1.98  
1.65  
1.94  
4.07  
5.03  
10.15  
4.54  
0.15  
0.38  
0.95  
0.34  
—  
1.98  
1.43  
1.93  
326 466  
394 522  
263 893  
327 866  
294 408  
363 568  
351 670  
338 887  
—  
328 830  
329 943  
328 931  
315 136  
316 547  
286 067  
317 478  
279 615  
337 428  
288 147  
304 428  
—  
316 108  
434 796  
324 979  
981  
1 185  
793  
985  
885  
1 092  
1 057  
1 018  
—  
988  
991  
988

1 111  
1 116  
1 009  
1 119  
986  
1 190  
1 016  
1 073  
—  
1 114  
1 533  
1 146  
**1 471**  
**1 852**  
**3 135**  
**1 565**  
**40**  
**113**  
**278**  
**94**  
—  
**650**  
**543**  
**638**  
1 281  
1 594  
2 903  
1 442  
43  
130  
275  
104  
—  
626  
623  
626  
**1 834**  
**1 409**  
**393**  
**30 058**  
**825**  
**895**  
**1 203**  
**2 923**  
—  
**32 981**  
**3 307**  
**36 288**  
1 804  
1 613  
473

29 002  
805  
1 278  
1 263  
3 346  
—  
32 348  
2 622  
34 970  
**58 964**  
**45 301**  
**12 635**  
**966 384**  
**26 524**  
**28 775**  
**38 677**  
**93 976**  
—  
**1 060 360**  
**106 322**  
**1 166 682**  
58 000  
51 859  
15 207  
932 436  
25 882  
41 088  
40 607  
107 577  
—  
1 040 013  
84 299  
1 124 312  
**792 420**  
**608 508**  
**167 938**  
**12 983 693**  
**357 467**  
**385 899**  
**521 812**  
**1 265 178**  
—  
**14 248 871**  
**1 433 545**  
**15 682 416**  
824 716  
737 285  
215 105  
13 197 986  
365 212  
578 805

570 694  
1 514 711  
—  
14 712 697  
1 189 031  
15 901 728  
**600 044**  
**557 459**  
**103 446**  
**9 921 559**  
**245 831**  
**328 302**  
**408 640**  
**982 773**  
—  
**10 904 332**  
**1 086 173**  
**11 990 505**  
571 341  
514 705  
136 454  
9 299 575  
231 242  
431 570  
383 812  
1 046 624  
—  
10 346 199  
1 149 601  
11 495 800  
**(280)**  
**(622)**  
**3 268**  
**(106 088)**  
**(5 116)**  
**(4 492)**  
**10 019**  
**411**  
—  
**(105 677)**  
**3 520**  
**(102 157)**  
(4 018)  
(6 242)  
(1 552)  
(132 065)  
(6 306)  
(4 707)  
(27 909)  
(38 922)  
—

(170 987)  
(4 079)  
(175 066)  
**599 764**  
**556 837**  
**106 714**  
**9 815 471**  
**240 715**  
**323 810**  
**418 659**  
**983 184**  
—  
**10 798 655**  
**1 089 693**  
**11 888 348**  
567 323  
508 463  
134 902  
9 167 510  
224 936  
426 863  
355 903  
1 007 702  
—  
10 175 212  
1 145 522  
11 320 734  
**192 656**  
**51 671**  
**61 224**  
**3 168 222**  
**116 752**  
**62 089**  
**103 153**  
**281 994**  
—  
**3 450 216**  
**343 852**  
**3 794 068**  
257 393  
228 822  
80 203  
4 030 476  
140 276  
151 942  
214 791  
507 009  
—  
4 537 485  
43 509  
4 580 994

**18 613**  
**4 992**  
**5 914**  
**306 080**  
**11 279**  
**5 999**  
**9 965**  
**27 243**  
—  
**333 323**  
**33 220**  
**366 543**  
29 176  
25 938  
9 092  
456 862  
15 900  
17 224  
24 347  
57 471  
—  
514 333  
4 932  
519 265  
**85 613**  
**128 197**  
**1 739**  
**2 350 130**  
**2 310**  
**8 569**  
**33 134**  
**44 013**  
—  
**2 394 143**  
**122 346**  
**2 516 489**  
77 930  
145 073  
3 830  
2 356 474  
156 064  
14 744  
52 470  
223 278  
26 544  
2 606 296  
505 888  
3 112 184  
**8 271**  
**12 385**  
**168**

227 046  
223  
828  
3 201  
4 252  
—  
231 298  
11 820  
243 118  
8 833  
16 444  
434  
267 111  
17 690  
1 671  
5 948  
25 309  
3 009  
295 429  
57 343  
352 772  
334 795  
402 113  
251 681  
333 975  
291 815  
361 798  
356 360  
339 808  
—  
334 502  
329 224  
334 021  
329 332  
320 093  
293 125  
326 196  
280 227  
339 889  
282 737  
303 962  
—  
323 931  
445 555  
333 048  
1 006  
1 208  
756  
1 004  
877  
1 087



**1 071**

**1 021**

—

**1 005**

**985**

**1 004**

1 161

1 129

1 033

1 150

988

1 198

997

1 072

—

1 142

1 560

1 174

**397 993**

**503 810**

**272 956**

**418 105**

**294 615**

**383 701**

**397 889**

**364 396**

—

**413 270**

**415 068**

**413 433**

388 617

419 004

321 340

411 584

284 911

365 401

329 652

332 542

—

403 856

775 866

431 745

**1 196**

**1 514**

**820**

**1 256**

**885**

**1 153**

**1 196**

**1 095**

—

**1 242**  
**1 244**  
**1 242**  
1 370  
1 477  
1 133  
1 451  
1 005  
1 288  
1 162  
1 172  
—  
1 424  
2 711  
1 522

12

**Results for the fourth quarter FY14  
and year ended 30 June 2014**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Rand)

Figures in million

Note

**Quarter ended**

**Year ended**

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(Restated)\*

Continuing operations

Revenue

3 763

3 830

3 483

15 682

15 902

Cost of sales

3

(4 941)

(3 595)

(6 171)

(16 088)

(16 448)

Production costs

(2 916)

(2 906)

(2 812)

(11 888)

(11 321)

Amortisation and depreciation

(526)

(475)

(531)

(2 143)

(2 001)  
Impairment of assets  
(1 410)  
(29)  
(2 733)  
(1 439)  
(2 733)  
Other items  
(89)  
(185)  
(95)  
(618)  
(393)  
**Gross (loss)/profit**  
**(1 178)**  
**235**  
**(2 688)**  
**(406)**  
**(546)**  
Corporate, administration and other expenditure  
(112)  
(109)  
(127)  
(431)  
(465)  
Social investment expenditure  
(21)  
(8)  
(57)  
(88)  
(127)  
Exploration expenditure  
(114)  
(90)  
(219)  
(458)  
(673)  
Profit on sale of property, plant and equipment  
5  
30  
—  
—  
30  
139  
Other expenses (net)  
8  
(47)  
(22)  
(169)  
(208)  
(350)

**Operating (loss)/profit**

(1 442)

6

(3 260)

(1 561)

(2 022)

(Loss)/profit from associates

6

(125)

10

—

(108)

—

Profit on disposal/(impairment) of investments

7

14

—

—

7

(88)

Net gain/(loss) on financial instruments

32

25

(8)

170

173

Investment income

61

64

67

220

185

Finance cost

(101)

(59)

(57)

(277)

(256)

**(Loss)/profit before taxation**

(1 561)

46

(3 258)

(1 549)

(2 008)

Taxation

338

(15)

(239)

279

(655)

Normal taxation

1  
 24  
 78  
 (24)  
 (271)  
 Deferred taxation  
 337  
 (39)  
 (317)  
 303  
 (384)  
**Net (loss)/profit from continuing operations**  
**(1 223)**  
**31**  
**(3 497)**  
**(1 270)**  
**(2 663)**  
 Discontinued operations  
 Profit from discontinued operations  
 –  
 –  
 –  
 –  
 314  
**Net (loss)/profit for the period**  
**(1 223)**  
**31**  
**(3 497)**  
**(1 270)**  
**(2 349)**  
*Attributable to:*  
 Owners of the parent  
 (1 223)  
 31  
 (3 497)  
 (1 270)  
 (2 349)  
**(Loss)/earnings per ordinary share (cents)**  
 4  
 (Loss)/earnings from continuing operations  
 (282)  
 7  
 (808)  
 (293)  
 (616)  
 Earnings from discontinued operations  
 –  
 –  
 –  
 –  
 73

**Total (loss)/earnings**

(282)

7

(808)

(293)

(543)

**Diluted (loss)/earnings per ordinary share (cents)**

4

(Loss)/earnings from continuing operations

(282)

7

(808)

(293)

(616)

Earnings from discontinued operations

—

—

—

—

73

**Total diluted (loss)/earnings**

(282)

7

(808)

(293)

(543)

*\* The audited June 2013 annual results and unaudited June 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*

The accompanying notes are an integral part of these condensed consolidated financial statements.

**13**

The condensed consolidated provisional financial statements (condensed consolidated financial statements) have been prepared

by Harmony Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry, supervised by the financial

director, Mr Frank Abbott. They have been approved by the board of Harmony Gold Mining Company Limited on 11 August 2014.

The condensed consolidated financial statements for the 12 months ended 30 June 2014 were reviewed by the group's external

auditors, PricewaterhouseCoopers Incorporated (see note 15).

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Rand)

Figures in million

**Quarter ended**

**Year ended**

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(Restated)\*

Net (loss)/profit for the period

(1 223)

31

(3 497)

(1 270)

(2 349)

Other comprehensive income/(loss) for the period, net of income tax

624

(416)

25

(140)

737

Items that may be reclassified subsequently to profit or loss:

655

(416)

25

(109)

737



Foreign exchange translation	
668	
(421)	
26	
(108)	
742	
Movements on investments	
(13)	
5	
(1)	
(1)	
(5)	
Items that will not be reclassified to profit or loss:	
(31)	
–	
–	
(31)	
–	
Actuarial loss recognised during the year	
(38)	
–	
–	
(38)	
–	
Deferred taxation thereon	
7	
–	
–	
7	
–	
<b>Total comprehensive (loss)/income for the period</b>	
<b>(599)</b>	
<b>(385)</b>	
<b>(3 472)</b>	
<b>(1 410)</b>	
<b>(1 612)</b>	
<i>Attributable to:</i>	
Owners of the parent	
(599)	
(385)	
(3 472)	
(1 410)	
(1 612)	

*\* The audited June 2013 annual results and unaudited June 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Rand)

for the year ended 30 June 2014

Figures in million

Note  
Share  
capital  
Other  
reserves  
(Accumulated  
loss)/retained  
earnings  
Total  
Balance – 30 June 2013 as previously reported \*  
28 325  
3 464  
522  
32 311  
Restatement for IFRIC 20  
2  
–  
(22)  
(74)  
(96)  
Restated balance – 30 June 2013  
28 325  
3 442  
448  
32 215  
Share-based payments  
–  
237  
–  
237  
Net loss for the period  
–  
–  
(1 270)  
(1 270)  
Other comprehensive loss for the period  
–  
(140)  
–  
(140)  
**Balance – 30 June 2014 (Reviewed)**  
**28 325**  
**3 539**  
**(822)**  
**31 042**  
Balance – 30 June 2012 as previously reported\*  
28 331  
2 444  
3 307  
34 082  
Restatement for IFRIC 20

2	
–	
(15)	
(94)	
(109)	
Restated balance – 30 June 2012	
28 331	
2 429	
3 213	
33 973	
Issue of shares	
1	
–	
–	
1	
Share-based payments	
(7)	
274	
–	
267	
Net loss for the period	
–	
–	
(2 349)	
(2 349)	
Other comprehensive income for the period	
–	
737	
–	
737	
Option premium on BEE transaction	
–	
2	
–	
2	
Share of retained earnings on acquisition of associate	
–	
–	
19	
19	
Dividends paid	
1	
–	
–	
(435)	
(435)	
<b>Balance – 30 June 2013</b>	
<b>28 325</b>	
<b>3 442</b>	
<b>448</b>	
<b>32 215</b>	

*\* The audited June 2013 and 2012 annual results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*

*1*

*Dividend of 50 SA cents declared on 13 August 2012 and 50 SA cents on 1 February 2013*

The accompanying notes are an integral part of these condensed consolidated financial statements.

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**Results for the fourth quarter FY14  
and year ended 30 June 2014**

CONDENSED CONSOLIDATED BALANCE SHEETS

(Rand)

Figures in million

Note

**At**

30 June

2014

(Reviewed)

**At**

31 March

2014

(Unaudited)

**At**

30 June

2013

(Audited)

(Restated)\*

ASSETS

**Non-current assets**

Property, plant and equipment

5

33 069

32 400

32 732

Intangible assets

5

886

2 194

2 191

Restricted cash

42

40

37

Restricted investments

2 299

2 225

2 054

Deferred tax assets

81

84

104

Investments in associates

6

–

125

109

Investments in financial assets

4

4

49

Inventories

50

57

57

**Total non-current assets**

**36 431**

**37 129**

**37 333**

**Current assets**

Inventories

1 534

1 306

1 417

Trade and other receivables

951

900

1 162

Income and mining taxes

110

141

132

Restricted cash

15

15

–

Cash and cash equivalents

1 829

2 008

2 089

4 439

4 370

4 800

Non-current assets and assets of disposal groups classified as held for sale

7

–

51

–

**Total current assets**

**4 439**

**4 421**

**4 800**

**Total assets**

**40 870**

**41 550**

**42 133**

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

28 325

28 325
28 325
Other reserves
3 539
2 907
3 442
(Accumulated loss)/retained earnings
(822)
401
448
<b>Total equity</b>
<b>31 042</b>
<b>31 633</b>
<b>32 215</b>
<b>Non-current liabilities</b>
Deferred tax liabilities
2 680
3 029
3 021
Provision for environmental rehabilitation
2 098
2 020
1 997
Retirement benefit obligation
247
205
194
Other non-current liabilities
95
67
55
Borrowings
8
2 860
2 843
2 252
<b>Total non-current liabilities</b>
<b>7 980</b>
<b>8 164</b>
<b>7 519</b>
<b>Current liabilities</b>
Borrowings
8
—
—
286
Income and mining taxes
—
3
4
Trade and other payables

1 848

1 750

2 109

**Total current liabilities**

**1 848**

**1 753**

**2 399**

**Total equity and liabilities**

**40 870**

**41 550**

**42 133**

*\* The audited June 2013 annual results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*

The accompanying notes are an integral part of these condensed consolidated financial statements.



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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(Rand)

Figures in million

**Quarter ended**

**Year ended**

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

30 June

2014

(Reviewed)

30 June

2013

(Audited)

**Cash flow from operating activities**

Cash generated by operations

431

755

221

2 124

3 154

Interest and dividends received

40

34

48

132

138

Interest paid

(32)

(39)

(40)

(121)

(125)

Income and mining taxes refunded/(paid)

31

—

(129)

3

(312)

**Cash generated by operating activities**

**470**

**750**

**100**

**2 138**

**2 855**

**Cash flow from investing activities**

Increase in restricted cash

(3)

(3)

—

(6)

—

Increase in restricted investments

(17)

—

—

(17)

—

Proceeds on disposal of investments

51

—

—

51

—

Proceeds on disposal of investment in subsidiary

—

—

—

—

1 264

Purchase of investments

—

—

(14)

—

(86)

Other investing activities

—

—

(1)

(10)

(4)

Net additions to property, plant and equipment

1

(687)

(599)

(938)

(2 528)

(3 652)

**Cash utilised by investing activities**

**(656)**

**(602)**

**(953)**

**(2 510)**

**(2 478)**

**Cash flow from financing activities**

Borrowings raised

–

–

–

612

678

Borrowings repaid

–

(462)

(156)

(468)

(333)

Ordinary shares issued – net of expenses

–

–

1

–

1

Option premium on BEE transaction

–

–

2

–

2

Dividends paid

–

–

–

–

(435)

**Cash (utilised)/generated by financing activities**

–

(462)

(153)

144

(87)

**Foreign currency translation adjustments**

7

(1)

(4)

(32)

26

Net (decrease)/increase in cash and cash equivalents

(179)

(315)

(1 010)

(260)

316

Cash and cash equivalents – beginning of period

2 008

2 323

3 099

2 089

1 773

**Cash and cash equivalents – end of period**

**1 829**

**2 008**

**2 089**

**1 829**

**2 089**

*1*

*The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of R537 million and the June 2013 quarter R133 million.*

The accompanying notes are an integral part of these condensed consolidated financial statements.

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**Results for the fourth quarter FY14  
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 30 June 2014 (Rand)

**1.**

**Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the year ended 30 June 2014 have been prepared in accordance with IAS 34, Interim

Financial Reporting, JSE Listings Requirements, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial

Pronouncements as issued by the Financial Reporting Standards Council, and in the manner required by the Companies Act of South Africa.

They should be read in conjunction with the annual financial statements for the year ended 30 June 2013, which have been prepared in

accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting

policies are consistent with those described in the annual financial statements, except for the adoption of applicable revised and/or new

standards issued by the International Accounting Standards Board.

The following accounting standards, amendments to standards and new interpretations have been adopted with effect from 1 July 2013.

IFRS 7

Amendment – Disclosures – Offsetting Financial Assets and Financial Liabilities

IFRS 10

Consolidated Financial Statements

IFRS 11

Joint Arrangements

IFRS 12

Disclosure of Interests in Other Entities

IFRS 13

Fair Value Measurement

IFRSs

Annual Improvements 2009 – 2011

IAS 19

Employee Benefits (Revised 2011)

IAS 27

Separate Financial Statements (Revised 2011)

IAS 28

Investments in Associates and Joint Ventures (Revised 2011)

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

New standards and amendments which have an impact on the condensed consolidated financial statements of the group are described below:

IAS 19 includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now

recognised in other comprehensive income (OCI). Actuarial gains and losses recognised in OCI will not be recycled to profit or loss. The impact

for the group was immaterial for the prior years.

IFRS 11 requires joint operations to be accounted at the group's interest in the assets, liabilities, revenue and expenses of the joint operation.

The group only has a joint arrangement in PNG, through its 50% interest in mining and exploration assets located in Morobe province. These operations are classified as joint operations under IFRS 11. The joint operations were previously accounted for by proportional consolidation.

Going forward, the group will account for its interest in assets, liabilities, revenue and expenses of these unincorporated joint operations.

IFRIC 20 clarifies the requirements for accounting for costs of stripping activity in the production phase of surface mining. Stripping assets that cannot be attributed to an identifiable component of the orebody will be written off to retained earnings on adoption of IFRIC 20. Refer to note 2 for further details.

## 2.

### **Change in accounting policies**

#### *IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine*

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine (IFRIC 20) which became effective on 1 January 2013, clarifies the

requirements for accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue: (i) usable

ore that can be used to produce inventory; and (ii) improved access to further quantities of material that will be mined in future periods.

Harmony has applied IFRIC 20 on a prospective basis from 1 July 2011 in compliance with the transitional requirements of IFRIC 20.

Harmony previously accounted for stripping costs incurred during the production phase to remove waste material by deferring these costs,

which were then charged to production costs on the basis of the average life-of-mine stripping ratio.

A stripping activity asset shall be recognised if all of the following are met:

(i) it is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the entity;

(ii) the entity can identify the component of the orebody for which access has been improved; and

(iii) the cost relating to the stripping activity associated with that component can be measured reliably.

The stripping asset shall be depreciated over the expected useful life of the identified component of the orebody based on the units of

production method.

Where there were no identifiable components of the orebody to which the predecessor asset relates, the asset was written off to retained

earnings at the beginning of the earliest period presented. An amount of R54 million was written off to opening retained earnings on

1 July 2011.

The comparative periods presented have been restated. The restatement had no effect on the condensed consolidated cash flow statements.

The results for the years ended 30 June 2013 and 2012 and the financial position at these dates have been audited but the restatement of the

results and balances affected by IFRIC 20 have not been audited.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
CONTINUED

for the year ended 30 June 2014 (Rand)

**Reconciliation of the effect of the change in accounting standard:**

**Condensed consolidated income statements**

Figures in million

**Quarter ended**

30 June

2013

(Unaudited)

**Year ended**

30 June

2013

(Audited)

**Cost of sales**

**Production costs**

As previously reported

(2 844)

(11 400)

IFRIC 20 adjustment

32

79

Restated

(2 812)

(11 321)

**Amortisation and depreciation**

As previously reported

(501)

(1 942)

IFRIC 20 adjustment

(30)

(59)

Restated

(531)

(2 001)

**Increase/decrease in net profit/loss for the period\***

2

20

*\* There is no material taxation effect on these items.*

**Condensed consolidated statements of comprehensive income**

Figures in million

**Quarter ended**

30 June

2013

(Unaudited)

**Year ended**

30 June

2013

(Audited)

**Increase/decrease in net profit/loss for the period\***

2

20

***Other comprehensive income for the period net of income tax***

Foreign exchange translation

As previously reported

26

749

IFRIC 20 adjustment

–

(7)

Restated

26

742

**Increase/decrease in total comprehensive income/loss for the period**

2

13

*\* There is no material taxation effect on these items.*

**Condensed consolidated balance sheets**

Figures in million

**At**

30 June

2013

(Audited)

**At**

30 June

2012

(Audited)

**Non-current assets**

**Property, plant and equipment**

As previously reported

32 820

32 853

IFRIC 20 adjustment

(88)

(93)

Restated

32 732

32 760

**Current assets**

**Inventories**

As previously reported

1 425

996

IFRIC 20 adjustment

(8)

(16)

Restated

1 417

980

**Share capital and reserves**

**Other reserves**



As previously reported

3 464

2 444

IFRIC 20 adjustment

1

(22)

(15)

Restated

3 442

2 429

**Retained earnings**

As previously reported

522

3 307

IFRIC 20 adjustment

(74)

(94)

Restated

448

3 213

**Decrease in total equity**

**(96)**

**(109)**

1

*Translation effect of the IFRIC 20 adjustments on foreign operations.*

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**Results for the fourth quarter FY14  
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
CONTINUED

for the year ended 30 June 2014 (Rand)

**Loss and headline (loss)/earnings per share**

**Quarter ended**

30 June

2013

(Unaudited)

**Year ended**

30 June

2013

(Audited)

**Total basic and diluted loss per share (cents)**

As previously reported

(809)

(548)

IFRIC 20 adjustment

1

5

Restated

(808)

(543)

**Total headline (loss)/earnings**

Figures in million

As previously reported

(804)

204

IFRIC 20 adjustment

2

20

Restated

(802)

224

**Total headline and diluted headline (loss)/earnings per share (cents)**

As previously reported

(186)

47

IFRIC 20 adjustment

1

5

Restated

(185)

52

**3.**

**Cost of sales**

Figures in million

**Quarter ended**

**Year ended**

30 June  
2014  
(Unaudited)  
31 March  
2014  
(Unaudited)  
30 June  
2013  
(Unaudited)  
(Restated)\*  
30 June  
2014  
(Reviewed)  
30 June  
2013  
(Audited)  
(Restated)\*  
Production costs – excluding royalty  
2 891  
2 881  
2 767  
11 761  
11 104  
Royalty expense  
25  
25  
45  
127  
217  
Amortisation and depreciation  
526  
475  
531  
2 143  
2 001  
Impairment of assets  
1  
1 410  
29  
2 733  
1 439  
2 733  
Rehabilitation (credit)/expenditure  
2  
(9)  
17  
(40)  
8  
(24)  
Care and maintenance cost of restructured shafts  
13

16
16
66
68
Employment termination and restructuring costs
3
40
90
39
274
46
Share-based payments
44
62
45
270
266
Other
1
–
35
–
37
<b>Total cost of sales</b>
<b>4 941</b>
<b>3 595</b>
<b>6 171</b>
<b>16 088</b>
<b>16 448</b>

\* The audited June 2013 annual results and unaudited June 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

1 The impairment in the June 2014 quarter consists of an impairment of R1.38 billion on Phakisa, R7 million on Steyn 2 (March 2014: R29 million) and R21 million on St Helena. The June 2013 impairment consists of an impairment of R2.7 billion on Hidden Valley, R31 million on St Helena and R27 million on Steyn 2. Refer to note 5 for further details.

2 Included in the total for the June 2014 quarter is a credit of R21 million relating to the change in estimate following the annual reassessment.

3 Included are amounts relating to the restructuring at Hidden Valley and the voluntary retrenchment packages offered in South Africa.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
CONTINUED

for the year ended 30 June 2014 (Rand)

**4.**

**Earnings/(loss) per share**

**Quarter ended**

**Year ended**

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(Restated)\*

Weighted average number of shares (million)

433.9

433.3

432.6

433.2

431.9

Weighted average number of diluted shares (million)

435.2

434.6

433.1

434.7

432.7

**Total (loss)/earnings per share (cents):**

Basic (loss)/earnings

(282)

7

(808)

(293)

(543)

Diluted (loss)/earnings

(282)

7

(808)

(293)

(543)

Headline earnings/(loss)

30  
 12  
 (185)  
 26  
 52  
 – from continuing operations  
 30  
 12  
 (185)  
 26  
 3  
 – from discontinued operations

–  
 –  
 –  
 49  
 Diluted headline earnings/(loss)

30  
 12  
 (185)  
 26  
 52  
 – from continuing operations  
 30  
 12  
 (185)  
 26  
 3  
 – from discontinued operations

–  
 –  
 –  
 49  
 Figures in million

**Reconciliation of headline earnings/(loss):**

Continuing operations

Net (loss)/profit

(1 223)

31

(3 497)

(1 270)

(2 663)

*Adjusted for:*

(Profit on disposal)/impairment of investments

1

(14)

–

–

(7)

88

Impairment of assets

1 410

29

2 733

1 439

2 733

Taxation effect on impairment of assets

(20)

(8)

(38)

(24)

(38)

Profit on sale of property, plant and equipment

(30)

—

—

(30)

(139)

Taxation effect of profit on sale of property, plant and equipment

6

—

—

6

31

**Headline earnings/(loss)**

**129**

**52**

**(802)**

**114**

**12**

Discontinued operations

Net profit

—

—

—

—

314

*Adjusted for:*

Profit on sale of investment in subsidiary

1

—

—

—

—

(102)

**Headline earnings**

—

—

—

-  
212  
**Total headline earnings/(loss)**  
129  
52  
(802)  
114  
224

1

*There is no taxation effect on these items.*

*\* The audited June 2013 annual results and unaudited June 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*



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**Results for the fourth quarter FY14  
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
CONTINUED

for the year ended 30 June 2014 (Rand)

**5.**

**Property, plant and equipment and intangible assets**

(a) Impairment

One of the most significant assumptions that influence the life-of-mine plans and therefore impairment is the expected gold price.

During this year's planning and testing, we used a long term gold price of US\$1 300 per ounce and exchange rates of R10.17/US\$,

A\$0.92/US\$ and PGK0.404/US\$. Post-tax real discount rates ranging between 7.03% and 11.56% (2013: 6.21% and 10.20%), depending

on the asset, were used to determine the recoverable amounts (generally fair value less costs to sell).

During the 2014 year, an impairment of R1.38 billion was recognised on Phakisa, following a change in the life-of-mine plan during the

annual planning process, combined with the factors discussed above. The change resulted after the completion of a feasibility study on the

proposed decline shaft, which showed a large amount of capital required, leading to negative cash flows in the short and medium term.

Management therefore decided not to proceed with the sinking of the decline shaft. The impairment comprises of R1.31 billion goodwill

and R0.07 billion other assets. The recoverable amount of Phakisa is R4.26 billion.

Impairments on Steyn 2 (R36 million) and St Helena (R21 million) were recognised following the decision not to mine these operations in

future. The operations were impaired to the recoverable amount of Rnil.

A 10% decrease in the gold price used in the models as well as a 10% decrease in the silver price for Hidden Valley would have resulted

in an additional impairment at Kalgold of R23 million, Phakisa R1.0 billion, Target 1 of R 704 million and Hidden Valley of R1.5 billion.

(b) Profit on sale of property, plant and equipment

During May 2014, the ground swap between Joel mine and Sibanye's Beatrix mine was completed, resulting in a non-cash profit being

recognised for the difference between carrying value of the Joel portion and the fair value of the Beatrix portion.

**6.**

**Investment in associate**

Harmony holds a 10.38% share in Rand Refinery Proprietary Limited (Rand Refinery) as at 30 June 2014 and has equity accounted for its share

of the profits based on Rand Refinery's most recent available unaudited management accounts.

Rand Refinery implemented a new Enterprise Resource Planning (ERP) system on 1 April 2013 to conduct its financial and management

accounting. Since the implementation of the ERP software, the customisation of the software has been problematic with the result that Rand

Refinery has not been able to reconcile certain accounts at 30 September 2013 and therefore has not been able to finalise its annual financial

statements for the year. Rand Refinery's management team is currently resolving the problems encountered with the ERP software and is in

the process of investigating the transactions processed from 1 April 2013 on the ERP system to determine if any adjustments to their current

financial records are required. Thus far a discrepancy has been noted between the actual inventory and the accounting records of approximately 87 000 ounces of gold. Due to the uncertainty surrounding the matter, Harmony has provided for its full share of the loss. Therefore, Harmony has recognised a R127 million loss in the June 2014 quarter to account for its share of this discrepancy. As a precautionary measure following the challenges experienced by the implementation of the software system, Rand Refinery's shareholders have extended Rand Refinery an irrevocable, subordinated loan facility of up to R1.2 billion, which can only be drawn down when there is confirmation that an actual loss has been incurred. The facility, if drawn down, is convertible to equity after a period of two years. Harmony's maximum commitment in terms of this facility will be R140 million. Interest on the facility will be JIBAR plus a margin of 3.5%. The agreements relating to the facility were signed on 23 July 2014.

**7.**

**Non-current assets and assets of disposal groups classified as held for sale**

During the December 2013 quarter, a cash offer for Witwatersrand Consolidated Gold Resources Limited's (Wits Gold) entire share capital was made to all Wits Gold shareholders by Sibanye Gold Limited. Harmony has accepted the offer. Following this, the balance which represented Harmony's fair value stake in Wits Gold was classified as a non-current asset held for sale (formerly classified as Investment in financial assets) under IFRS 5. On 14 April 2014, a total consideration of R51 million was received. The accumulated gains recognised in equity were reclassified to the income statement, resulting in a profit on disposal.

**8.**

**Borrowings**

Two draw downs of US\$30 million each were made from the US\$300 million syndicated revolving credit facility during the September 2013 quarter. There were no draw downs subsequently and the drawn level remains at US\$270 million. The weakening of the Rand against the US\$ resulted in a foreign exchange translation loss of R155 million being recorded for the year, increasing the borrowings balance and Other expenses (net). The facility is repayable by September 2015. Harmony refinanced its Nedbank revolving credit facility and entered into a new agreement for R1.3 billion revolving credit facility during the December 2013 quarter. At the same time management also agreed an amended set of covenants with the lender group, to give the group more long-term financial flexibility. The interest rate is equivalent to JIBAR + 350 basis points. The outstanding amount at 28 March 2014 of R467 million was repaid. The facility is available until December 2016.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
CONTINUED

for the year ended 30 June 2014 (Rand)

**9.**

**Financial risk management activities**

*Fair value determination*

The following table presents the group's assets and liabilities that are measured at fair value by level within the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (that is, as prices)

or indirectly (that is derived from prices);

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

Figures in million

**At**

30 June

2014

(Reviewed)

**At**

31 March

2014

(Unaudited)

**At**

30 June

2013

(Audited)

**Available-for-sale financial assets**

1

\*

Level 1

–

51

44

Level 2

–

–

–

Level 3

4

4

5

**Fair value through profit or loss**

2

\*

Level 1

–

–

–

Level 2

798

768  
1 041  
Level 3

–  
–  
–  
1

*Level 1 fair values are directly derived from actively traded shares on the JSE.*

*Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis to ensure that significant prolonged decline in the value of the investments has not occurred. At the end of the 2013 financial year, the investment in Rand Refinery was reclassified as an investment in associate on obtaining significant influence.*

2

*The majority of the level 2 fair values are directly derived from the Shareholders Weighted Top 40 index (SWIX 40) on the JSE, and are discounted at market interest rate.*

*\* Includes non-current assets or disposal groups held for sale where applicable.*

## **10. Commitments and contingencies**

Figures in million

**At**

30 June

2014

(Reviewed)

**At**

31 March

2014

(Unaudited)

**At**

30 June

2013

(Audited)

### **Capital expenditure commitments:**

Contracts for capital expenditure

157

245

416

Authorised by the directors but not contracted for

519

491

1 545

**676**

**736**

**1 961**

This expenditure will be financed from existing resources and, where appropriate, borrowings.

### **Contingent liabilities**

For a detailed disclosure on contingent liabilities refer to Harmony's integrated annual report for the financial year ended 30 June 2013,

available on the group's website ([www.harmony.co.za](http://www.harmony.co.za)). There were no significant changes in contingencies since 30 June 2013 except as discussed below.

(a) US class action

Following the dismissal of the appeal by the plaintiff in the United States Supreme Court, the case has been concluded. The matter will be settled once the administrative processes have been completed.

**11. Related parties**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group. During the September 2013 quarter, Frank Abbott, financial director, purchased 65 600 shares in the company.

**12. Subsequent events**

(a) During July 2014, Harmony extended an irrevocable, subordinated loan facility to Rand Refinery. The facility, if drawn down, is convertible to equity after a period of two years. Harmony's maximum commitment in terms of this facility is R140 million. Refer to note 6 for further details.

**13. Segment report**

The segment report follows on page 23.

22

**Results for the fourth quarter FY14  
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
CONTINUED

for the year ended 30 June 2014 (Rand)

**14. Reconciliation of segment information to condensed consolidated income statements and balance sheets**

Figures in million

**Year ended**

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(Restated)\*

The “Reconciliation of segment information to condensed consolidated financial statements” line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the financial statements and segment report:

**Reconciliation of production profit to gross loss**

Total segment revenue

**15 682**

16 776

Total segment production costs

**(11 888)**

(11 854)

Production profit per segment report

**3 794**

4 922

Discontinued operations

–

(341)

Production profit from continuing operations

**3 794**

4 581

Depreciation

**(2 143)**

(2 001)

Impairment

**(1 439)**

(2 733)

Other cost of sales items

**(618)**

(393)

**Gross loss as per income statements**

**1**

**(406)**

**(546)**

1

*The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.*

Figures in million

**At**

30 June

2014

(Reviewed)

**At**

30 June

2013

(Audited)

(Restated)\*

**Reconciliation of total segment mining assets to consolidated property, plant and equipment**

Property, plant and equipment not allocated to a segment

Mining assets

**787**

836

Undeveloped property

**5 139**

5 139

Other non-mining assets

**117**

286

Wa -Golpu assets

**1 092**

1 148

**7 135**

**7 409**

*\* The year ended June 2013 results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*

**15. Review report**

These condensed consolidated financial statements for the year ended 30 June 2014 on pages 12 to 23 have been reviewed by

PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for

inspection at the company's registered office, together with the financial statements identified in the auditor's report.

**23**

Segment report

(Rand/Metric)

for the year ended 30 June 2014

**Revenue**

30 June

**Production cost\***

30 June

**Production**

**profit/(loss)\***

30 June

**Mining assets\***

30 June

**Capital expenditure#**

30 June

**Kilograms produced**

@

30 June

**Tonnes milled**

@

30 June

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

R million

R million

R million

R million

R million

kg

t'000

Continuing operations

**South Africa**

**Underground**

Kusasaletu

1 959

1 213

1 753

1 484



206  
(271)  
3 616  
3 435  
509  
420  
4 694  
2 740  
1 143  
711  
Doornkop  
1 126  
1 615  
1 098  
1 042  
28  
573  
3 386  
3 378  
238  
285  
2 603  
3 631  
737  
1 008  
Phakisa  
1 284  
1 103  
1 061  
982  
223  
121  
4 590  
4 547  
360  
337  
2 976  
2 434  
577  
512  
Tshepong  
1 822  
1 887  
1 365  
1 427  
457  
460  
3 941  
3 877  
301  
310

4 223

4 154

947

1 040

Masimong

1 171

1 640

983

975

188

665

1 060

989

168

171

2 718

3 616

670

868

Target 1

1 948

1 794

1 051

937

897

857

2 770

2 704

289

331

4 493

3 967

771

717

Bambanani

(a)

1 279

932

681

591

598

341

841

882

127

119

2 968

2 083

239

211

Joel

995  
1 452  
668  
654  
327  
798  
450  
290  
145  
160  
2 335  
3 228  
548  
611  
Unisel  
792  
825  
600  
567  
192  
258  
663  
656  
85  
78  
1 838  
1 813  
408  
446  
Target 3  
609  
737  
557  
508  
52  
229  
542  
457  
128  
145  
1 413  
1 626  
301  
323  
**Surface**  
All other surface operations  
1 263  
1 515  
981  
1 008  
282

507  
473  
250  
44  
250  
2 900  
3 438  
10 442  
10 082  
**Total South Africa**  
**14 248**  
**14 713**  
**10 798**  
**10 175**  
**3 450**  
**4 538**  
**22 332**  
**21 465**  
**2 394**  
**2 606**  
**33 161**  
**32 730**  
**16 783**  
**16 529**  
**International**  
Hidden Valley  
1 434  
1 189  
1 090  
1 146  
344  
43  
3 602  
3 858  
122  
506  
3 292  
2 644  
2 001  
1 844  
**Total international**  
**1 434**  
**1 189**  
**1 090**  
**1 146**  
**344**  
**43**  
**3 602**  
**3 858**  
**122**  
**506**

3 292  
2 644  
2 001  
1 844  
**Total continuing operations**  
15 682  
15 902  
11 888  
11 321  
3 794  
4 581  
25 934  
25 323  
2 516  
3 112  
36 453  
35 374  
18 784  
18 373  
Discontinued operations  
Evander  
—  
874  
—  
533  
—  
341  
—  
—  
—  
140  
—  
1 955  
—  
390  
**Total discontinued operations**  
—  
874  
—  
533  
—  
341  
—  
—  
—  
140  
—  
1 955  
—

**390**

**Total operations**

**15 682**

**16 776**

**11 888**

**11 854**

**3 794**

**4 922**

**25 934**

**25 323**

**2 516**

**3 252**

**36 453**

**37 329**

**18 784**

**18 763**

Reconciliation of the  
segment information to  
the condensed consolidated  
financial statements  
(refer to note 14)

—

(874)

—

(533)

7 135

7 409

**15 682**

**15 902**

**11 888**

**11 321**

**33 069**

**32 732**

*\* The June 2013 results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*

*# Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of R12 million (2013: R537 million).*

*(a) Includes Steyn 2.*

*@ Production statistics are unaudited.*

The segment report for the year ended 30 June 2013 has been audited. The segment report for the year ended 30 June 2014 has been reviewed.

24

**Results for the fourth quarter FY14  
and year ended 30 June 2014**

OPERATIONAL RESULTS – Quarter on quarter  
(US\$/Imperial)

Three  
months  
ended

Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Steyn 2

Joel

**Ore milled**

**– t'000**

**Jun-14**

**315**

**178**

**161**

**272**

**172**

**227**

**54**

**168**

Mar-14

249

112

152

256

181

200

67

97

**Gold produced**

**– oz**

**Jun-14**

**43 500**

**17 104**

**24 531**

**38 195**

**19 805**

**32 086**

**17 651**

**19 901**

Mar-14

29 868

13 953  
24 177  
32 922  
21 219  
37 713  
25 914  
11 092

**Yield**

– oz/tonne

**Jun-14**

**0.138**  
**0.096**  
**0.152**  
**0.140**  
**0.115**  
**0.141**  
**0.327**  
**0.118**

Mar-14

0.120  
0.125  
0.159  
0.129  
0.117  
0.189  
0.387  
0.114

**Cash operating costs**

– US\$/oz

**Jun-14**

**1 034**  
**1 544**  
**1 086**  
**879**  
**1 173**  
**838**  
**891**  
**839**

Mar-14

1 332  
1 674  
963  
934  
1 023  
632  
601  
1 295

**Cash operating costs**

– US\$/tonne



**Jun-14**

**143**

**148**

**166**

**123**

**135**

**118**

**291**

**99**

Mar-14

160

209

153

120

120

119

233

148

**Gold sold**

**- oz**

**Jun-14**

**36 362**

**14 725**

**24 402**

**37 970**

**19 676**

**35 462**

**17 522**

**17 490**

Mar-14

35 944

15 786

23 213

31 604

20 384

33 276

24 884

12 539

**Revenue**

**(US\$'000)**

**Jun-14**

**46 897**

**18 620**

**31 584**

**49 159**

**25 495**

**45 846**

**22 730**

**22 646**

Mar-14

46 225

20 636  
 30 131  
 41 025  
 26 453  
 43 081  
 32 195  
 16 281

**Cash operating**

**costs**

**(US\$'000)**

**Jun-14**

**44 982**

**26 409**

**26 647**

**33 560**

**23 222**

**26 895**

**15 720**

**16 705**

Mar-14

39 797

23 359

23 282

30 741

21 715

23 818

15 581

14 364

**Inventory**

**movement**

**(US\$'000)**

**Jun-14**

**(7 929)**

**(3 223)**

**(517)**

**(1 131)**

**(298)**

**2 038**

**217**

**(1 460)**

Mar-14

5 979

1 924

(1 072)

(1 458)

(891)

(3 399)

(1 080)

333

**Operating costs**

**(US\$'000)**

**Jun-14**

**37 053**

**23 186**

**26 130**

**32 429**

**22 924**

**28 933**

**15 937**

**15 245**

Mar-14

45 776

25 283

22 210

29 283

20 824

20 419

14 501

14 697

**Production profit**

**(US\$'000)**

**Jun-14**

**9 844**

**(4 566)**

**5 454**

**16 730**

**2 571**

**16 913**

**6 793**

**7 401**

Mar-14

449

(4 647)

7 921

11 742

5 629

22 662

17 694

1 584

**Capital**

**expenditure**

**(US\$'000)**

**Jun-14**

**13 581**

**5 676**

**9 157**

**7 876**

**4 407**

**7 192**

**3 732**

**3 479**

Mar-14

10 688  
5 046  
6 887  
6 592  
3 985  
8 136  
2 321  
2 617

**Adjusted  
operating costs  
– US\$/oz**

**Jun-14**

**1 032**  
**1 622**  
**1 089**  
**870**  
**1 170**  
**826**  
**925**  
**887**

Mar-14

1 284  
1 599  
977  
946  
1 028  
627  
659  
1 192

**All-in sustaining  
costs**

**– US\$/oz**

**Jun-14**

**1 447**  
**2 037**  
**1 453**  
**1 110**  
**1 438**  
**1 059**  
**1 071**  
**1 020**

Mar-14

1 627  
1 947  
1 304  
1 193  
1 274  
907  
733  
1 346

**25**

South Africa

Hidden

Valley

Total

Harmony

Surface production

Total

South

Africa

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

**108**

**78**

**1 733**

**1 725**

**716**

**428**

**2 869**

**4 602**

**579**

**5 181**

105

80

1 499

1 635

684

393

2 712

4 211

515

4 726

**12 603**

**9 999**

**235 375**

**6 173**

**7 234**

**8 616**

**22 023**

**257 398**

**29 868**

**287 266**

14 725

11 574

223 157  
6 462  
4 983  
8 198  
19 643  
242 800  
26 235  
269 035  
**0.117**  
**0.128**  
**0.136**  
**0.004**  
**0.010**  
**0.020**  
**0.008**  
**0.056**  
**0.052**  
**0.055**  
0.140  
0.145  
0.149  
0.004  
0.007  
0.021  
0.007  
0.058  
0.051  
0.057  
**1 124**  
**1 324**  
**1 026**  
**1 042**  
**1 008**  
**1 101**  
**1 054**  
**1 029**  
**863**  
**1 011**  
926  
1 098  
981  
804  
1 268  
1 162  
1 071  
989  
970  
987  
**131**  
**170**  
**139**

**4**  
**10**  
**22**  
**8**  
**58**  
**45**  
**56**  
130  
159  
146  
3  
9  
24  
8  
57  
49  
56  
**12 539**  
**11 060**  
**227 208**  
**6 559**  
**7 234**  
**8 777**  
**22 570**  
**249 778**  
**27 843**  
**277 621**  
14 146  
10 192  
221 968  
7 073  
5 080  
10 320  
22 473  
244 441  
28 903  
273 344  
**16 222**  
**14 267**  
**293 466**  
**8 485**  
**8 909**  
**11 392**  
**28 786**  
**322 252**  
**35 658**  
**357 910**  
18 348  
13 182  
287 557  
9 027

6 558  
13 142  
28 727  
316 284  
37 471  
353 755  
**14 161**  
**13 239**  
**241 540**  
**6 433**  
**7 292**  
**9 488**  
**23 213**  
**264 753**  
**25 784**  
**290 537**  
13 637  
12 711  
219 005  
5 193  
6 319  
9 525  
21 037  
240 042  
25 443  
265 485  
**(106)**  
**1 008**  
**(11 401)**  
**75**  
**(19)**  
**322**  
**378**  
**(11 023)**  
**(2 202)**  
**(13 225)**  
(589)  
(1 821)  
(2 074)  
506  
(38)  
1 639  
2 107  
33  
2 863  
2 896  
**14 055**  
**14 247**  
**230 139**  
**6 508**  
**7 273**



**9 810**  
**23 591**  
**253 730**  
**23 582**  
**277 312**  
13 048  
10 890  
216 931  
5 699  
6 281  
11 164  
23 144  
240 075  
28 306  
268 381  
**2 167**  
**20**  
**63 327**  
**1 977**  
**1 636**  
**1 582**  
**5 195**  
**68 522**  
**12 076**  
**80 598**  
5 300  
2 292  
70 626  
3 328  
277  
1 978  
5 583  
76 209  
9 165  
85 374  
**2 208**  
**2 751**  
**60 059**  
**65**  
**295**  
**668**  
**1 028**  
**61 087**  
**3 192**  
**64 279**  
1 895  
2 502  
50 669  
64  
266  
506

836  
51 505  
1 960  
53 465  
**1 140**  
**1 314**  
**1 029**  
**992**  
**1 005**  
**1 174**  
**1 067**  
**1 033**  
**847**  
**1 015**  
942  
1 087  
991  
806  
1 236  
1 095  
1 036  
996  
955  
992  
**1 359**  
**1 593**  
**1 309**  
**1 002**  
**1 076**  
**1 285**  
**1 136**  
**1 293**  
**1 032**  
**1 267**  
1 126  
1 368  
1 247  
815  
1 336  
1 181  
1 101  
1 233  
1 143  
1 224

26

**Results for the fourth quarter FY14  
and year ended 30 June 2014**

OPERATING RESULTS – Year on year  
(US\$/Imperial)

Year  
ended  
Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

**Ore milled**

**– t'000**

**Jun-14**

**1 260**

**812**

**636**

**1 044**

**739**

**851**

**227**

**604**

Jun-13

784

1 112

565

1 147

958

790

180

674

**Gold produced**

**– oz**

**Jun-14**

**150 916**

**83 687**

**95 680**

**135 772**

**87 385**

**144 453**

**82 821**

**75 072**

Jun-13

88 093

116 738

78 255

133 554

116 256

127 542

51 635

103 782

**Yield**

**- oz/tonne**

**Jun-14**

**0.120**

**0.103**

**0.150**

**0.130**

**0.118**

**0.170**

**0.365**

**0.124**

Jun-13

0.112

0.105

0.139

0.116

0.121

0.161

0.287

0.154

**Cash operating**

**costs**

**- US\$/oz**

**Jun-14**

**1 171**

**1 264**

**1 079**

**981**

**1 082**

**702**

**669**

**885**

Jun-13

1 951

1 046

1 428

1 212

960

842

1 030

729

**Cash operating**

**costs**

**- US\$/tonne**

**Jun-14**

**140**

130  
162  
128  
128  
119  
244  
110  
Jun-13  
219  
110  
198  
141  
117  
136  
295  
112  
**Gold sold**  
**- oz**  
**Jun-14**  
145 673  
84 653  
95 263  
135 161  
87 064  
144 936  
82 530  
74 204  
Jun-13  
86 742  
114 135  
77 902  
132 944  
115 679  
126 191  
51 152  
102 625  
**Revenue**  
**(US\$'000)**  
**Jun-14**  
189 260  
108 803  
124 006  
176 035  
113 129  
188 157  
107 310  
96 087  
Jun-13  
137 477  
183 066  
124 984

213 869

185 886

203 388

81 322

164 584

**Cash operating**

**costs**

**(US\$'000)**

**Jun-14**

**176 752**

**105 775**

**103 215**

**133 206**

**94 532**

**101 350**

**55 439**

**66 433**

Jun-13

171 864

122 121

111 760

161 928

111 653

107 398

53 181

75 645

**Inventory**

**movement**

**(US\$'000)**

**Jun-14**

**(7 432)**

**313**

**(699)**

**(1 331)**

**397**

**165**

**6**

**(1 895)**

Jun-13

(3 702)

(3 977)

(411)

(172)

(1 169)

(1 177)

(1 508)

(1 514)

**Operating costs**

**(US\$'000)**

**Jun-14**

**169 320**

**106 088**

**102 516**

**131 875**

**94 929**

**101 515**

**55 445**

**64 538**

Jun-13

168 162

118 144

111 349

161 756

110 484

106 221

51 673

74 131

**Production profit**

**(US\$'000)**

**Jun-14**

**19 940**

**2 715**

**21 490**

**44 160**

**18 200**

**86 642**

**51 865**

**31 549**

Jun-13

(30 685)

64 922

13 635

52 113

75 402

97 167

29 649

90 453

**Capital**

**expenditure**

**(US\$'000)**

**Jun-14**

**49 162**

**22 986**

**34 791**

**29 033**

**16 218**

**27 960**

**12 073**

**13 999**

Jun-13

47 559

32 354

38 252

35 195

19 339

37 521

13 080

18 100

**Adjusted**

**operating costs**

– \$/oz

**Jun-14**

**1 187**

**1 290**

**1 099**

**997**

**1 115**

**714**

**703**

**890**

Jun-13

2 013

1 063

1 464

1 249

992

864

1 047

754

**All-in sustaining**

**costs**

– \$/oz

**Jun-14**

**1 570**

**1 574**

**1 463**

**1 247**

**1 353**

**939**

**793**

**1 019**

Jun-13

2 616

1 343

1 937

1 555

1 222

1 193

1 148

890



27  
South Africa  
Hidden  
Valley  
Total  
Harmony  
Surface production  
Other  
Total  
South  
Africa  
Unisel  
Target 3  
Steyn 2  
Total  
Underground  
Phoenix  
Dumps  
Kalgold  
Total  
Surface  
**450**  
**331**  
**36**  
**6 990**  
**6 697**  
**3 196**  
**1 623**  
**11 516**  
—  
**18 506**  
**2 207**  
**20 713**  
492  
355  
51  
7 108  
5 908  
3 668  
1 542  
11 118  
—  
18 226  
2 033  
20 259  
**59 093**  
**45 429**  
**12 603**  
**972 911**  
**26 846**  
**29 032**

**37 358**

**93 236**

-

**1 066 147**

**105 840**

**1 171 987**

58 289

52 277

15 335

941 756

26 588

41 121

42 825

110 534

-

1 052 290

85 007

1 137 297

**0.131**

**0.137**

**0.350**

**0.139**

**0.004**

**0.009**

**0.023**

**0.008**

-

**0.058**

**0.048**

**0.057**

0.118

0.147

0.301

0.132

0.005

0.011

0.028

0.010

-

0.058

0.042

0.056

**981**

**1 185**

**793**

**985**

**885**

**1 092**

**1 057**

**1 018**

-

**988**  
**991**  
**988**  
1 111  
1 116  
1 009  
1 119  
986  
1 190  
1 016  
1 073  
—  
1 114  
1 533  
1 146  
**129**  
**163**  
**278**  
**137**  
**4**  
**10**  
**24**  
**8**  
—  
**57**  
**48**  
**56**  
132  
164  
303  
148  
4  
13  
28  
11  
—  
64  
64  
64  
**58 964**  
**45 301**  
**12 635**  
**966 384**  
**26 524**  
**28 775**  
**38 677**  
**93 976**  
—  
**1 060 360**  
**106 322**  
**1 166 682**

58 000  
51 859  
15 207  
932 436  
25 882  
41 088  
40 607  
107 577  
—  
1 040 013  
84 299  
1 124 312  
**76 556**  
**58 788**  
**16 224**  
**1 254 355**  
**34 535**  
**37 282**  
**50 412**  
**122 229**  
—  
**1 376 584**  
**138 495**  
**1 515 079**  
93 483  
83 573  
24 383  
1 496 015  
41 397  
65 609  
64 689  
171 695  
—  
1 667 710  
134 779  
1 802 489  
**57 970**  
**53 856**  
**9 994**  
**958 522**  
**23 750**  
**31 717**  
**39 479**  
**94 946**  
—  
**1 053 468**  
**104 935**  
**1 158 403**  
64 762  
58 343  
15 467

1 054 122  
26 212  
48 919  
43 506  
118 637  
—  
1 172 759  
130 309  
1 303 068  
**(27)**  
**(60)**  
**316**  
**(10 247)**  
**(494)**  
**(434)**  
**968**  
**40**  
—  
**(10 207)**  
**340**  
**(9 867)**  
(455)  
(708)  
(176)  
(14 969)  
(715)  
(534)  
(3 164)  
(4 413)  
—  
(19 382)  
(462)  
(19 844)  
**57 943**  
**53 796**  
**10 310**  
**948 275**  
**23 256**  
**31 283**  
**40 447**  
**94 986**  
—  
**1 043 261**  
**105 275**  
**1 148 536**  
64 307  
57 635  
15 291  
1 039 153  
25 497  
48 385

40 342  
114 224  
—  
1 153 377  
129 847  
1 283 224  
**18 613**  
**4 992**  
**5 914**  
**306 080**  
**11 279**  
**5 999**  
**9 965**  
**27 243**  
—  
**333 323**  
**33 220**  
**366 543**  
29 176  
25 938  
9 092  
456 862  
15 900  
17 224  
24 347  
57 471  
—  
514 333  
4 932  
519 265  
**8 271**  
**12 385**  
**168**  
**227 046**  
**223**  
**828**  
**3 201**  
**4 252**  
—  
**231 298**  
**11 820**  
**243 118**  
8 833  
16 444  
434  
267 111  
17 690  
1 671  
5 948  
25 309  
3 009

295 429  
57 343  
352 772  
**1 006**  
**1 208**  
**756**  
**1 004**  
**877**  
**1 087**  
**1 071**  
**1 021**  
- **1 005**  
**985**  
**1 004**  
1 161  
1 129  
1 033  
1 150  
988  
1 198  
997  
1 072  
- 1 142  
1 560  
1 174  
**1 196**  
**1 514**  
**820**  
**1 256**  
**885**  
**1 153**  
**1 196**  
**1 095**  
- **1 242**  
**1 244**  
**1 242**  
1 370  
1 477  
1 133  
1 451  
1 005  
1 288  
1 162  
1 172  
- 1 424  
2 711  
1 522

28

**Results for the fourth quarter FY14  
and year ended 30 June 2014**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(US\$)

(Convenience translation)

Figures in million

**Quarter ended**

**Year ended**

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 June

2014

(Unaudited)

30 June

2013

(Audited)

(Restated)\*

Continuing operations

Revenue

358

354

369

1 515

1 803

Cost of sales

(469)

(332)

(653)

(1 554)

(1 829)

Production costs

(277)

(268)

(298)

(1 148)

(1 283)

Amortisation and depreciation

(50)

(44)

(56)

(207)

(227)



Impairment of assets

(134)

(3)

(289)

(139)

(274)

Other items

(8)

(17)

(10)

(60)

(45)

**Gross (loss)/profit**

**(111)**

**22**

**(284)**

**(39)**

**(26)**

Corporate, administration and other expenditure

(11)

(10)

(13)

(42)

(53)

Social investment expenditure

(2)

(1)

(6)

(9)

(14)

Exploration expenditure

(11)

(8)

(23)

(44)

(76)

Profit on sale of property, plant and equipment

3

–

–

3

16

Other expenses (net)

(4)

(2)

(18)

(20)

(40)

**Operating (loss)/profit**

**(136)**

**1**

**(344)**  
**(151)**  
**(193)**  
 Profit from associates  
 (12)  
 1  
 –  
 (10)  
 –  
 Profit on disposal/(impairment) of investments  
 1  
 –  
 –  
 1  
 (10)  
 Net gain/(loss) on financial instruments  
 3  
 2  
 (1)  
 16  
 20  
 Investment income  
 6  
 6  
 7  
 21  
 21  
 Finance cost  
 (10)  
 (5)  
 (6)  
 (27)  
 (29)  
**(Loss)/profit before taxation**  
**(148)**  
**5**  
**(344)**  
**(150)**  
**(191)**  
 Taxation  
 32  
 (2)  
 (26)  
 27  
 (69)  
 Normal taxation  
 –  
 2  
 8  
 (2)  
 (31)

Deferred taxation	
32	
(4)	
(34)	
29	
(38)	
<b>Net (loss)/profit from continuing operations</b>	
<b>(116)</b>	
<b>3</b>	
<b>(370)</b>	
<b>(123)</b>	
<b>(260)</b>	
Discontinued operations	
Profit from discontinued operations	
–	
–	
–	
–	
36	
<b>Net (loss)/profit for the period</b>	
<b>(116)</b>	
<b>3</b>	
<b>(370)</b>	
<b>(123)</b>	
<b>(224)</b>	
<i>Attributable to:</i>	
Owners of the parent	
(116)	
3	
(370)	
(123)	
(224)	
<b>(Loss)/earnings per ordinary share (cents)</b>	
(Loss)/earnings from continuing operations	
(27)	
1	
(86)	
(28)	
(60)	
Earnings from discontinued operations	
–	
–	
–	
–	
8	
<b>Total (loss)/earnings</b>	
<b>(27)</b>	
<b>1</b>	
<b>(86)</b>	
<b>(28)</b>	
<b>(52)</b>	

**Diluted (loss)/earnings per ordinary share (cents)**

(Loss)/earnings from continuing operations

(27)

1

(86)

(28)

(60)

Earnings from discontinued operations

—

—

—

—

8

**Total diluted (loss)/earnings**

(27)

1

(86)

(28)

(52)

*\* The audited June 2013 annual results and unaudited June 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*

*The restatements to the comparative information have not been audited.*

The currency conversion average rates for the quarter ended: June 2014: US\$1 = R10.51 (March 2014: US\$1 = R10.83, June 2013: US\$1 = R9.45).

For year ended: June 2014: US\$1 = R10.35 (June 2013: US\$1 = R8.82).

The income statement for the year ended 30 June 2013 has been extracted from the 2013 Annual Report and adjusted for the change in

accounting policy, as noted above.

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**Note on convenience translations**

Except where specific statements have been extracted from 2013 Annual Financial Statements, the requirements of IAS 21, The

Effects of the Changes in Foreign Exchange Rates, have not necessarily been applied in the translation of the US Dollar financial

statements presented on pages 28 to 32.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(US\$)

(Convenience translation)

Figures in million

**Quarter ended**

**Year ended**

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 June

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

Net (loss)/profit for the period

(116)

3

(370)

(123)

(224)

Other comprehensive income/(loss) for the period, net of income tax

59

(39)

3

(13)

83

Items that may be reclassified subsequently to profit or loss:

62

(39)

3

(10)

83

Foreign exchange translation

63

(39)	
3	
(10)	
84	
Movements on investments	
(1)	
–	
–	
–	
(1)	
Items that will not be reclassified to profit or loss:	
(3)	
–	
–	
(3)	
–	
Acturial loss recognised during the year	
(4)	
–	
–	
(4)	
–	
Deferred taxation thereon	
1	
–	
–	
1	
–	
<b>Total comprehensive (loss)/income for the period</b>	
<b>(57)</b>	
<b>(36)</b>	
<b>(367)</b>	
<b>(136)</b>	
<b>(141)</b>	

*Attributable to:*

Owners of the parent	
(57)	
(36)	
(367)	
(136)	
(141)	

*\* The June 2013 annual results and June 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*

The currency conversion average rates for the quarter ended: June 2014: US\$1 = R10.51 (March 2014: US\$1 = R10.83, June 2013: US\$1 = R9.45).

For year ended: June 2014: US\$1 = R10.35 (June 2013: US\$1 = R8.82).

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(US\$)

for the year ended 30 June 2014 (Convenience translation) (Unaudited)

Figures in million

Share

capital  
 Other  
 reserves  
 (Accumulated  
 loss)/retained  
 earnings  
 Total  
 Balance – 30 June 2013 as previously reported\*  
 2 670  
 326  
 49  
 3 045  
 Restatement for IFRIC 20  
 –  
 (2)  
 (7)  
 (9)  
 Restated balance – 30 June 2013  
 2 670  
 324  
 42  
 3 036  
 Share-based payments  
 –  
 22  
 –  
 22  
 Net loss for the period  
 –  
 –  
 (120)  
 (120)  
 Other comprehensive loss for the period  
 –  
 (13)  
 –  
 (13)  
**Balance – 30 June 2014**  
**2 670**  
**333**  
**(78)**  
**2 925**  
 Balance – 30 June 2012 as previously reported\*  
 2 838  
 248  
 331  
 3 417  
 Restatement for IFRIC 20  
 –  
 (2)  
 (9)

(11)	
Restated balance – 30 June 2012	
2 838	
246	
322	
3 406	
Share-based payments	
(1)	
27	
–	
26	
Net loss for the period	
–	
–	
(235)	
(235)	
Other comprehensive income for the period	
–	
74	
–	
74	
Share of retained earnings on acquisition of associate	
–	
–	
2	
2	
Dividends paid	
–	
–	
(44)	
(44)	
<b>Balance – 30 June 2013</b>	
<b>2 837</b>	
<b>347</b>	
<b>45</b>	
<b>3 229</b>	

\* *The June 2013 and 2012 annual results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*

The currency conversion closing rates for the period ended 30 June 2014: US\$1 = R10.61 (June 2013: US\$1 = R9.98).



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**Results for the fourth quarter FY14  
and year ended 30 June 2014**

CONDENSED CONSOLIDATED BALANCE SHEETS

(US\$)

(Convenience translation)

Figures in million

**At**

30 June

2014

(Unaudited)

**At**

31 March

2014

(Unaudited)

**At**

30 June

2013

(Unaudited)

(Restated)\*

**ASSETS**

**Non-current assets**

Property, plant and equipment

3 116

3 068

3 279

Intangible assets

84

208

220

Restricted cash

4

4

4

Restricted investments

217

211

206

Deferred tax assets

8

8

10

Investments in associates

–

12

11

Investments in financial assets

–

–

5

Inventories

5  
5  
6

**Total non-current assets**

**3 434**

**3 516**

**3 741**

**Current assets**

Inventories

145

124

142

Trade and other receivables

90

85

116

Income and mining taxes

10

13

13

Restricted cash

1

1

—

Cash and cash equivalents

172

190

209

418

413

480

Non-current assets and assets of disposal groups classified as held for sale

—

5

—

**Total current assets**

**418**

**418**

**480**

**Total assets**

**3 852**

**3 934**

**4 221**

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

2 670

2 682

2 837

Other reserves

333

276
347
(Accumulated loss)/retained earnings
(78)
38
45
<b>Total equity</b>
<b>2 925</b>
<b>2 996</b>
<b>3 229</b>
<b>Non-current liabilities</b>
Deferred tax liabilities
253
287
303
Provision for environmental rehabilitation
198
191
200
Retirement benefit obligation
23
19
19
Other non-current liabilities
9
6
5
Borrowings
270
269
226
<b>Total non-current liabilities</b>
<b>753</b>
<b>772</b>
<b>753</b>
<b>Current liabilities</b>
Borrowings
—
—
28
Trade and other payables
174
166
211
<b>Total current liabilities</b>
<b>174</b>
<b>166</b>
<b>239</b>
<b>Total equity and liabilities</b>
<b>3 852</b>
<b>3 934</b>

**4 221**

*\* The June 2013 annual results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*

The balance sheet for June 2014 converted at a conversion rate of US\$1 = R10.61 (March 2014: US\$1 = R10.56, June 2013 : US\$1 = R9.98).

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(US\$)

(Convenience translation)

Figures in million

**Quarter ended**

**Year ended**

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

30 June

2014

(Unaudited)

30 June

2013

(Audited)

**Cash flow from operating activities**

Cash generated by operations

41

70

23

205

359

Interest and dividends received

4

3

5

13

16

Interest paid

(3)

(4)

(4)

(12)

(14)

Income and mining taxes refunded/(paid)

3

—

(14)

—

(33)

**Cash generated by operating activities**

**45**

**69**

**10**

206

328

**Cash flow from investing activities**

Increase in restricted cash

–

–

–

(1)

–

Increase in restricted investments

(2)

–

–

(2)

–

Proceeds on disposal of investments

5

–

–

5

–

Proceeds on disposal of investment in subsidiary

–

–

–

–

139

Purchase of investments

–

–

(1)

–

(9)

Other investing activities

–

–

–

(1)

(1)

Net additions to property, plant and equipment

1

(65)

(55)

(99)

(244)

(414)

**Cash utilised by investing activities**

(62)

(55)

(100)

(243)

**(285)**

**Cash flow from financing activities**

Borrowings raised

–

–

–

59

80

Borrowings repaid

–

(43)

(17)

(45)

(35)

Dividends paid

–

–

–

–

(50)

**Cash (utilised)/generated by financing activities**

–

**(43)**

**(17)**

**14**

**(5)**

**Foreign currency translation adjustments**

**(1)**

**(3)**

**(20)**

**(14)**

**(45)**

Net decrease in cash and cash equivalents

(18)

(32)

(127)

(37)

(7)

Cash and cash equivalents – beginning of period

190

222

336

209

216

**Cash and cash equivalents – end of period**

**172**

**190**

**209**

**172**

**209**

*1*

*The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of US\$52 million and the June 2013 quarter US\$13 million.*

The currency conversion average rates for the quarter ended: June 2014: US\$1 = R10.51 (March 2014: US\$1 = R10.83, June 2013: US\$1 = R9.45).

For year ended: June 2014: US\$1 = R10.35 (June 2013: US\$1 = R8.82).

Closing balance translated at closing rates of: June 2014: US\$1 = R10.61 (March 2014: US\$1 = R10.56, June 2013: US\$1 = R9.98).

The cash flow statement for the year ended 30 June 2013 has been extracted from the 2013 Annual Report.



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**Results for the fourth quarter FY14**

**and year ended 30 June 2014**

Segment report

(US\$/Imperial)

for the year ended 30 June 2014

**Revenue**

30 June

**Production cost\***

30 June

**Production**

**profit/(loss)\***

30 June

**Mining assets\***

30 June

**Capital expenditure#**

30 June

**Ounces produced**

@

30 June

**Tons milled**

@

30 June

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

Continuing operations

**South Africa**

**Underground**

Kusasaletu

189

137

169  
168  
20  
(31)  
341  
344  
49  
48  
150 916  
88 093  
1 260  
784  
Doornkop  
109  
183  
106  
118  
3  
65  
319  
338  
23  
32  
83 687  
116 738  
812  
1 112  
Phakisa  
124  
125  
103  
111  
21  
14  
433  
455  
35  
38  
95 680  
78 255  
636  
565  
Tshepong  
176  
214  
132  
162  
44  
52  
372  
388

29  
35  
135 772  
133 554  
1 044  
1 147  
Masimong  
113  
186  
95  
110  
18  
76  
100  
99  
16  
19  
87 385  
116 256  
739  
958  
Target 1  
188  
203  
101  
106  
87  
97  
261  
271  
28  
38  
144 453  
127 542  
851  
790  
Bambanani  
(a)  
124  
106  
66  
67  
58  
39  
79  
88  
12  
14  
95 424  
66 970  
263

231  
Joel  
96  
165  
64  
74  
32  
91  
42  
29  
14  
18  
75 072  
103 782  
604  
674  
Unisel  
77  
93  
58  
64  
19  
29  
63  
66  
8  
9  
59 093  
58 289  
450  
492  
Target 3  
59  
84  
54  
58  
5  
26  
51  
46  
13  
16  
45 429  
52 277  
331  
355  
**Surface**  
All other surface operations  
122  
172  
95

115  
27  
57  
45  
25  
4  
28  
93 236  
110 534  
11 516  
11 118  
**Total South Africa**  
**1 377**  
**1 668**  
**1 043**  
**1 153**  
**334**  
**515**  
**2 106**  
**2 149**  
**231**  
**295 1 066 147 1 052 290**  
**18 506**  
**18 226**  
**International**  
Hidden Valley  
138  
135  
105  
130  
33  
5  
340  
387  
12  
57  
105 840  
85 007  
2 207  
2 033  
**Total international**  
**138**  
**135**  
**105**  
**130**  
**33**  
**5**  
**340**  
**387**  
**12**  
**57**

105 840  
85 007  
2 207  
2 033  
**Total continuing operations**  
1 515  
1 803  
1 148  
1 283  
367  
520  
2 446  
2 536  
243  
352 1 171 987 1 137 297  
20 713  
20 259  
Discontinued operations  
Evander  
—  
102  
—  
63  
—  
39  
—  
—  
—  
16  
—  
62 855  
—  
430  
**Total discontinued operations**  
—  
102  
—  
63  
—  
—  
—  
—  
16  
—  
62 855  
—  
430  
**Total operations**

**1 515**

**1 905**

**1 148**

**1 346**

**367**

**559**

**2 446**

**2 536**

**243**

**368 1 171 987 1 200 152**

**20 713**

**20 689**

*\* The June 2013 results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details. The restatements to the comparative information have not been audited.*

*# Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$1 million (2013: US\$61 million).*

*(a) Includes Steyn 2.*

*@ Production statistics are unaudited.*

The segment report for the year ended 30 June 2013 has been audited. The segment report for the year ended 30 June 2014 is unaudited.

**33**

DEVELOPMENT RESULTS

(Imperial)

Quarter ending June 2014

Channel

Reef

Feet

Sampled

Feet

Width

(Inch's)

Value

(oz/t)

Gold

(In.oz/t)

Tshepong

Basal

917

906

3.00

6.38

19

B Reef

121

125

21.00

0.69

14

**All Reefs**

**1 038**

**1 030**

**5.00**

**3.71**

**19**

Phakisa

Basal

1 471

1 535

32.00

0.41

13

**All Reefs**

**1 471**

**1 535**

**32.00**

**0.41**

**13**

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal

—



-  
-  
-  
-

**All Reefs**

-  
-  
-  
-  
-

Doornkop  
South Reef

1 696  
1 673  
18.00  
0.45  
8

**All Reefs**

**1 696**  
**1 673**  
**18.00**  
**0.45**  
**8**

Kusasaletu  
VCR Reef

1 756  
1 594  
42.00  
0.24  
10

**All Reefs**

**1 756**  
**1 594**  
**42.00**  
**0.24**  
**10**

Total Target  
(incl. Target 1 & Target 3)

Elsburg

207  
223  
46.00  
0.19  
9

Basal

314  
210  
4.00  
0.44  
2

A Reef

155  
26  
29.00  
0.57  
17  
B Reef  
713  
630  
55.00  
0.23  
13  
**All Reefs**  
**1 388**  
**1 089**  
**43.00**  
**0.23**  
**10**  
Masimong 5  
Basal  
1 604  
1 319  
16.00  
0.63  
10  
B Reef  
853  
1 004  
23.00  
0.27  
6  
**All Reefs**  
**2 458**  
**2 323**  
**19.00**  
**0.44**  
**8**  
Unisel  
Basal  
730  
650  
51.00  
0.35  
18  
Leader  
1 720  
1 430  
87.00  
0.13  
11  
**All Reefs**  
**2 450**

**2 080**

**76.00**

**0.18**

**13**

Joel

Beatrix

718

571

30.00

0.45

13

**All Reefs**

**718**

**571**

**30.00**

**0.45**

**13**

Total Harmony

Basal

5 036

4 619

23.00

0.59

14

Beatrix

718

571

30.00

0.45

13

Leader

1 720

1 430

87.00

0.13

11

B Reef

1 687

1 759

34.00

0.27

9

A Reef

155

26

29.00

0.57

17

Elsburg

207

223

46.00

0.19

9

South Reef

1 696

1 673

18.00

0.45

8

VCR

1 756

1 594

42.00

0.24

10

**All Reefs**

**12 975**

**11 896**

**35.00**

**0.32**

**11**

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DEVELOPMENT RESULTS

(Metric)

Quarter ending June 2014

Channel

Reef

Meters

Sampled

Meters

Width

(Cm's)

Value

(g/t)

Gold

(Cmg/t)

Tshepong

Basal

280

276

8.17

203.84

1 666

B Reef

37

38

54.23

23.11

1 253

**All Reefs**

**316**

**314**  
**13.74**  
**117.55**  
**1 616**  
Phakisa  
Basal  
448  
468  
80.74  
14.09  
1 137  
**All Reefs**  
**448**  
**468**  
**80.74**  
**14.09**  
**1 137**  
Total Bambanani  
(Incl. Bambanani, Steyn 2)  
Basal  
—  
—  
—  
—  
—  
**All Reefs**  
—  
—  
—  
—  
—  
Doornkop  
South Reef  
517  
510  
45.00  
15.79  
711  
**All Reefs**  
**517**  
**510**  
**45.00**  
**15.79**  
**711**  
Kusasaletu  
VCR Reef  
535  
486  
107.00  
8.34  
892

**All Reefs**

**535**

**486**

**107.00**

**8.34**

**892**

Total Target

(incl. Target 1 & Target 3)

Elsburg

63

68

116.00

6.47

750

Basal

96

64

9.00

16.80

151

A Reef

47

8

74.00

19.53

1 445

B Reef

217

192

140.00

8.03

1 124

**All Reefs**

**423**

**332**

**108.24**

**8.02**

**868**

Masimong 5

Basal

489

402

41.74

20.95

874

B Reef

260

306

58.23

9.45

550

**All Reefs**

**749**

**708**

**48.86**

**15.02**

**734**

Unisel

Basal

223

198

128.81

12.17

1 567

Leader

524

436

221.62

4.46

987

**All Reefs**

**747**

**634**

**192.64**

**6.07**

**1 169**

Joel

Beatrix

219

174

75.00

15.51

1 163

**All Reefs**

**219**

**174**

**75.00**

**15.51**

**1 163**

Total Harmony

Basal

1 535

1 408

58.88

20.07

1 181

Beatrix

219

174

75.00

15.51

1 163

Leader

524

436

221.62

4.46

987

B Reef

514

536

87.23

9.23

806

A Reef

47

8

74.00

19.53

1 445

Elsburg

63

68

116.00

6.47

750

South Reef

517

510

45.00

15.79

711

VCR

535

486

107.00

8.34

892

**All Reefs**

**3 955**

**3 626**

**89.01**

**11.11**

**989**



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 14, 2014

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director