

HARMONY GOLD MINING CO LTD

Form 6-K

May 06, 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

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-F or Form 40-F.)

Form 20-F 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

Shareholder information

Issued ordinary share capital
at 31 March 2014

435 693 819

Issued ordinary share capital
at 31 December 2013

435 693 819

Market capitalisation

At 31 March 2014 (ZARm)

14 247

At 31 March 2014 (US\$m)

1 355

At 31 December 2013 (ZARm)

11 284

At 31 December 2013 (US\$m)

1 077

Harmony ordinary share and ADR* prices

12-month high (1 April 2013 –
31 March 2014) for ordinary shares

R58.58

12-month low (1 April 2013 –
31 March 2014) for ordinary shares

R24.48

12-month high (1 April 2013 –
31 March 2014) for ADRs

US\$6.38

12-month low (1 April 2013 –
31 March 2014) for ADRs

US\$2.36

Free float

100%

ADR* ratio

1:1

JSE Limited

HAR

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 quarter (1 October –
31 December 2013 closing prices)

R24.48 – R36.14

Average daily volume for the quarter
(1 October – 31 December 2013)

1 180 825 shares

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

HMY

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 quarter (1 October –
31 December 2013 closing prices)
US\$2.36 – US\$3.67

Average daily volume for the quarter
(1 October – 31 December 2013)
2 722 889

Investors' calendar

Q4 FY14 and year-end live presentation
in Johannesburg
14 August 2014

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 in Cape Town
9 February 2015

**ADR: American Depository Receipts*

Q3 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 third quarter FY14 and
nine months ended 31 March 2014

KEY FEATURES

Quarter on quarter

5% increase in underground recovered grade to 5.10g/t

•

3 consecutive quarters of grade increases, representing a cumulative
increase of 17%

3% increase in gold production in the first 9 months of FY14

6% decrease in production profit during the March 2014

quarter, due to a 12% decrease in gold produced

Turned prior quarter's loss into a profit

•

net profit of R31 million (US\$3 million)

•

headline earnings per share of 12 SA cents (1 US cent)

Net debt 13% lower and cash balance of R2 billion

RESULTS FOR THE THIRD QUARTER FY14 ENDED 31 MARCH 2014

Quarter

March

2014

Quarter

December

2013

Q-on-Q

variance

%

9 months

ended

March

2014

9 months

ended

March

2013*

%

Variance

Gold produced

– kg

8 368

9 515

(12)

27 518

26 786

3

– oz

269 035

305 913

(12)

884 721

861 188

3

Cash operating costs

– R/kg

343 527

308 665

(11)

324 731

317 772

(2)

– US\$/oz

987

949

(4)

981

1 148

15

Gold sold

– kg

8 502

9 798

(13)

27 653

26 824

3

– oz

273 344

315 014

(13)

889 061

862 379

3

Underground grade

– g/t

5.10

4.85

5

4.81

4.60

5

All-in sustaining

costs

– R/kg

426 221

397 503

(7)

408 768

417 813

2

– US\$/oz

1 224

1 222

–

1 234

1 509

18

Gold price received

– R/kg

450 528

415 532

8

431 038

462 982

(7)

– US\$/oz

1 294

1 277

1

1 302

1 672

(22)

Production profit*

– R million

924

986

(6)

2 946

3 910

(25)

– US\$ million

86

97

(13)

287

454

(37)

Basic earnings/(loss)

per share*¹

– SAc/s

7

(21)

>100

(11)

266

>(100)

– USc/s

1

(2)

>100

(1)

30

>(100)

Headline earnings/

(loss)*¹

– Rm

52

(91)

>100

(19)

1 026

>(100)

– US\$m

5

(9)

>100

(2)

119

>(100)

Headline earnings/

(loss) per share*¹

– SAc/s

12

(21)

>100

(4)

238

>(100)

– USc/s

1

(2)

>100

–

28

(100)

Exchange rate

– R/US\$

10.83

10.12

7

10.30

8.61

20

** 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

¹ The nine months ended March 2013 include discontinued operations

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CONTACT DETAILS

Corporate Office

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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

Directors

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

1

^, K V Dicks*^, Dr D S Lushaba*^,
C Markus*^, M Msimang*^, K T Nondumo*^,
V P Pillay *^, J Wetton*^, A J Wilkens*

* Non-executive

^ Independent

1 Mozambican

Investor relations team

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Investor Relations Manager

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Mobile: +27 (0)82 759 1775

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Marian van der Walt

Executive: Corporate and Investor Relations

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Email: marian@harmony.co.za

Company Secretary

Riana Bisschoff

Telephone: +27 (0)11 411 6020

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E-mail: riana.bisschoff@harmony.co.za

South African Share Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

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19 Ameshoff Street

Braamfontein, 2001

PO Box 4844, Johannesburg, 2000, South Africa

Telephone: +27 (0)86 154 6572

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ADR Depositary

Deutsche Bank Trust Company Americas
c/o American Stock Transfer and Trust Company
Peck Slip Station
PO Box 2050, New York, NY 10272-2050
Email queries: db@amstock.com
Toll free: +1-800-937-5449
Intl: +1-718-921-8137
Fax: +1-718-921-8334

Sponsor

J.P. Morgan Equities South Africa (Pty) Ltd
1 Fricker Road, corner Hurlingham Road
Illovo
Johannesburg, 2196
Private Bag X9936, Sandton, 2146, South Africa
Telephone: +27 (0)11 507 0300
Fax: +27 (0)11 507 0503

Trading Symbols

JSE Limited: HAR
New York Stock Exchange, Inc: HMY
Euronext, Brussels: 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 2013 are available on our
website at **www.harmony.co.za/investors**

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.

Competent person's declaration

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC). Harmony employs an ore reserve manager at each of its operations who takes responsibility for reporting mineral resources and mineral reserves at his operation.

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, Pr. Sci. Nat., who has 18 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP).

Resources and Reserves Papua New Guinea: Gregory Job, BSc, MSc, who has 25 years relevant experience and is a member of the Australian 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 2013 have not changed.

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**Results for the third quarter FY14
and nine months ended 31 March 2014**

Message from the chief executive officer

1. SAFETY

Safe mining remains at the core of our values. The unprecedented and tragic safety accidents of the quarter under review have led to various actions and initiatives to reinforce our safety practices and behaviour – one being an external review of Harmony’s safety and health strategy, which is scheduled to be completed during May 2014.

During the quarter we reported on the various safety accidents extensively (see <http://www.harmony.co.za/investors/news-and-events/company-announcements-2/announcements-2014>). More information on how we approach safety at Harmony can be found in our safety fact sheet at: <http://www.harmony.co.za/investors/news-and-events/fact-sheets>.

2. OPERATIONAL RESULTS

Gold production for the March 2014 quarter decreased by 12% to 8 368kg, from 9 515kg in the December 2013 quarter. Production stoppages at Doornkop due to the accident in February 2014, flooding of the shaft bottom at Joel and a slower turnaround and technical issues at Kusasalethu were the main contributors to lower production quarter on quarter.

Production at Steyn 2 was suspended six months earlier than the planned life of mine, due to increased seismicity in the working areas. Harmony’s underground recovered grade increased for a third consecutive quarter. Quarter on quarter, underground recovered grade was 5% higher at 5.10g/t (4.85g/t in the December 2013 quarter). The underground operations recorded a production profit of R765 million. The following operations showed an increase in production:

- *Tshepong* (+62kg), mainly as a result of a 6% increase in tonnes milled;
- *Phakisa* (+46kg), due to a 6% increase in the recovered grade to 5.45g/t for the March 2014 quarter;
- *Hidden Valley* (+44kg) increased recovered grade by 14% to 1.75g/t for the March 2014 quarter. The increase in grade was partially offset by an 8% decrease in tonnes milled quarter on quarter; and
- *Bambanani and Target 3* also increased production.

Gold production decreased at the following operations, when compared to the December 2013 quarter:

- *Doornkop* (–438kg) production was affected by the accident in February 2014. Rehabilitation work is currently taking place on 192 level with the aim of re-establishing the working area for production;
- *Joel* (–329kg) production was hampered by flooding of the shaft bottom, resulting in 61 000 tonnes less milled than in the previous quarter;
- *Kusasalethu* (–211kg) experienced production losses due to safety stoppages and water availability during the quarter and milled 25% less tonnes than in the December 2013 quarter. The decrease in tonnes was, however, partially offset by a 9% increase in the

recovered grade to 4.11g/t;

- *Dumps (-71kg)* milled 135 000 tonnes less than in the December 2013 quarter and the recovered grade decreased to 0.25g/t, compared to 0.30g/t in the previous quarter;
- *Target 1 (-68kg)* milled 12 000 tonnes less than in the December 2013 quarter;
- *Kalgold (-60kg)* was affected by a lower than expected grade and excessive rain delaying blasting in higher grade blocks; and
- *Masimong and Steyn 2* also had lower gold production.

Lower gold production resulted in a 6% decrease in the company's production profit for the March 2014 quarter (from R986 million in the December 2013 quarter to R924 million in the March 2014 quarter).

The rand gold price received increased by 8% to R450 528/kg in the March 2014 quarter, compared to R415 532/kg in the December 2013 quarter. The rand weakened by 7% against the US dollar to R10.83/US\$, from R10.12/US\$ in the December 2013 quarter. There was a slight increase in the dollar gold price received quarter on quarter (from US\$1 277/oz in the previous quarter to US\$1 294/oz in the March 2014 quarter).

Cash operating costs decreased by 2% (to R2.87 billion) in the March 2014 quarter. The decrease is mainly attributed to a decrease in consumables for the South African operations. Capital expenditure for the March 2014 quarter decreased by 10% to R579 million, compared to R640 million in the December 2013 quarter.

Lower gold production resulted in a 7% increase in all-in sustaining unit costs to R426 221/kg.

3. FINANCIAL RESULTS

Gross profit

The 13% decrease in the gold sold was partially offset by the higher average gold price received, resulting in revenue decreasing by only 6%, while production costs were lower mainly due to inventory movements and cost savings. As a result gross profit was at a similar level compared to the previous quarter.

Net profit/(loss)

The net profit for the March 2014 quarter was R31 million, compared to a net loss of R91 million in the December 2013 quarter, mainly due to a smaller foreign exchange translation loss recorded on the US\$-denominated loan. The profit in the current quarter was achieved after expensing R29 million on the impairment of Steyn 2 and R90 million on employment retrenchment and restructuring costs.

Impairment of assets

An impairment of R29 million was recorded on Steyn 2 following the decision to cease mining at the operation.

Other expenses (net)

Included in other expenses (net) in the March 2014 quarter is a loss of R29 million (December 2013 quarter R111 million) for the foreign exchange movement on the US\$-denominated syndicated loan, resulting from the Rand weakening during the quarter.

Borrowings

A repayment of the drawn amount on the R1.3 billion Nedbank Revolving Credit Facility of R467 million was made at the end of the

March 2014 quarter and is now fully repaid. The only outstanding debt is the US\$270 million drawn under the US\$300 million syndicated revolving credit facility.

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Earnings/loss per share

The earnings per share of 7 SA cents in the March 2014 quarter increased from the loss per share of 21 SA cents in the December 2013 quarter.

Employee Share Option Plan (ESOP) share vesting

The vesting of the second tranche of Scheme Shares and Share Appreciation Rights awarded to qualifying employees took place during March 2014. Payments to all eligible employees were made in April 2014.

4. NEW CHIEF OPERATING OFFICER APPOINTED

Alwyn Pretorius was appointed as Harmony's new Chief Operating Officer on 3 March 2014. Alwyn joined Harmony during its merger with ARMgold in 2003. He has been an executive of Harmony since 2007 and holds degrees in both BSc Mining Engineering and BSc Industrial Engineering. With 20 years of underground deep-level gold mining experience in different supervisory and management positions, supported by three regional managers and several general managers, we are confident that Alwyn will lead the change in operational improvement in South Africa.

5. GOOD PROGRESS AT WAFI-GOLPU

Study work during the quarter continued to evaluate underground access options and a substantially lower capital expenditure development option for Wafi-Golpu. Drilling completed at Golpu during the quarter is expected to have a positive impact on the grade of the upper mining block due to an increase in the volume of the higher grade hornblende porphyry compared with the previous estimate. Drilling has also confirmed continuity of porphyry and high grade mineralisation in the lower mining block.

Results from two holes were received during the quarter. WR499 was a long section hole drilled from north to south that confirmed the northern boundary of the deposit and demonstrated the continuity of higher grade porphyry mineralisation through and well below the existing resource. WR504 was a west to east cross section hole that confirmed the fault structures controlling the distribution of higher grade in the deposit. These include:

- WR499* – 1 247m @ 1.0g/t Au and 1.2% Cu from 966m, including 560m @ 1.9g/t Au and 2.1% Cu from 1 252m;
- WR504 – 1 369m @ 1.1g/t Au and 1.7% Cu from 399m, including 428m @ 2.2g/t Au and 2.9% Cu from 1 191m.

**Partial result reported last quarter.*

The surface drilling program at Golpu is now complete for the 2014 financial year. Results from the last two holes WR499 and WR504 are being incorporated into a new planning model for integration into the ongoing study.

6. IN CONCLUSION

Various structural changes have been effected which will aid in the pro-active management of unplanned events which have negatively impacted on our production. In parallel, our revised planning strategy will shift the focus toward de-bottlenecking and optimisation, and should also result in an increase in the Company's margins. We remain

committed to increasing our profits and cash flow to enable us to pay dividends in future.

Graham Briggs

Chief Executive Officer

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**Results for the third quarter FY14
and nine months ended 31 March 2014**

OPERATIONAL RESULTS (Rand/Metric) (US\$/Imperial)

Three
months
ended

South Africa

Underground production

Surface production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

Unisel

Target 3

Steyn 2

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Total

South

Africa

Hidden

Valley

Total

Harmony

Ore milled

- t'000

Mar-14

226

102

138

232

164

181

52

88

95

73

9

1 360

1 483

620

356

2 459

3 819

467

4 286

Dec-13

302

238

137

219

161

193

54

149

107

75

12

1 647

1 482

755

364

2 601

4 248

506

4 754

Gold produced

- kg

Mar-14

929

434

752

1 024

660

1 173

707

345

458

360

99

6 941

201

155

255

611

7 552

816

8 368

Dec-13

1 140

872
706
962
684
1 241
697
674
512
350
147
7 985
217
226
315
758
8 743
772
9 515
Gold produced
- oz
Mar-14
29 868
13 953
24 177
32 922
21 219
37 713
22 731
11 092
14 725
11 574
3 183
223 157
6 462
4 983
8 198
19 643
242 800
26 235
269 035
Dec-13
36 652
28 035
22 698
30 929
21 991
39 899
22 409
21 670
16 461
11 253

4 726
256 723
6 977
7 266
10 127
24 370
281 093
24 820
305 913

Yield

- g/tonne

Mar-14

4.11

4.25

5.45

4.41

4.02

6.48

13.60

3.92

4.82

4.93

11.00

5.10

0.14

0.25

0.72

0.25

1.98

1.75

1.95

Dec-13

3.77

3.66

5.15

4.39

4.25

6.43

12.91

4.52

4.79

4.67

12.25

4.85

0.15

0.30

0.87

0.29

2.06

1.53

2.00

**Cash operating
costs**

- R/kg

Mar-14

463 848

582 786

335 239

325 056

356 248

219 864

198 116

450 803

322 395

382 311

289 313

341 644

279 746

441 426

404 459

372 810

344 166

337 621

343 527

Dec-13

389 854

320 533

374 572

352 244

353 671

200 373

199 795

261 521

294 779

383 566

221 871

306 967

279 221

357 916

318 184

318 876

308 000

316 206

308 665

**Cash operating
costs**

- \$/oz

Mar-14

1 332

1 674

963

934

1 023
632
569
1 295
926
1 098
831
981
804
1 268
1 162
1 071
989
970
987
Dec-13
1 198
985
1 151
1 083
1 087
616
614
804
906
1 179
682
943
858
1 100
978
980
947
972
949
**Cash operating
costs
– R/tonne**
Mar-14
1 907
2 480
1 827
1 435
1 434
1 425
2 694
1 767
1 554
1 885
3 182
1 744

38
110
290
93
681
590
671
Dec-13
1 472
1 174
1 930
1 547
1 503
1 288
2 579
1 183
1 411
1 790
2 718
1 488
41
107
275
93
634
482
618
Gold sold
- Kg
Mar-14
1 118
491
722
983
634
1 035
679
390
440
317
95
6 904
220
158
321
699
7 603
899
8 502
Dec-13
1 184

888
740
1 009
717
1 384
730
681
537
390
154
8 414
180
224
269
673
9 087
711
9 798
Gold sold
- oz
Mar-14
35 944
15 786
23 213
31 604
20 384
33 276
21 830
12 539
14 146
10 192
3 054
221 968
7 073
5 080
10 320
22 473
244 441
28 903
273 344
Dec-13
38 066
28 550
23 792
32 440
23 052
44 497
23 470
21 895
17 265
12 539

4 951
270 517
5 787
7 202
8 649
21 638
292 155
22 859
315 014
Revenue
(R'000)
Mar-14
500 510
223 445
326 249
444 215
286 428
466 477
306 068
176 285
198 666
142 729
42 531
3 113 603
97 738
71 013
142 303
311 054
3 424 657
405 728
3 830 385
Dec-13
494 357
364 818
306 991
418 452
297 349
575 876
302 668
283 124
222 669
162 260
63 875
3 492 439
75 268
96 949
113 108
285 325
3 777 764
293 622
4 071 386

**Cash operating
costs**

(R'000)

Mar-14

430 915

252 929

252 100

332 857

235 124

257 900

140 068

155 527

147 657

137 632

28 642

2 371 351

56 229

68 421

103 137

227 787

2 599 138

275 499

2 874 637

Dec-13

444 434

279 505

264 448

338 859

241 911

248 663

139 257

176 265

150 927

134 248

32 615

2 451 132

60 591

80 889

100 228

241 708

2 692 840

244 111

2 936 951

**Inventory
movement**

(R'000)

Mar-14

64 740

20 837

(11 605)

(15 785)

(9 651)
(36 805)
(10 628)
3 609
(6 375)
(19 718)
(1 061)
(22 442)
5 483
(415)
17 747
22 815
373
30 997
31 370
Dec-13
28 010
12 659
16 146
22 591
16 418
51 668
12 367
(6 288)
9 603
28 051
3 043
194 268
(11 068)
143
(13 675)
(24 600)
169 668
(20 733)
148 935
Operating costs
(R'000)
Mar-14
495 655
273 766
240 495
317 072
225 473
221 095
129 440
159 136
141 282
117 914
27 581
2 348 909
61 712

68 006

120 884

250 602

2 599 511

306 496

2 906 007

Dec-13

472 444

292 164

280 594

361 450

258 329

300 331

151 624

169 977

160 530

162 299

35 658

2 645 400

49 523

81 032

86 553

217 108

2 862 508

223 378

3 085 886

Production profit

(R'000)

Mar-14

4 855

(50 321)

85 754

127 143

60 955

245 382

176 628

17 149

57 384

24 815

14 950

764 694

36 026

3 007

21 419

60 452

825 146

99 232

924 378

Dec-13

21 913

72 654

26 397
57 002
39 020
275 545
151 044
113 147
62 139
(39)
28 217
847 039
25 745
15 917
26 555
68 217
915 256
70 244
985 500
Production profit
(\$'000)
Mar-14
449
(4 647)
7 921
11 742
5 629
22 662
16 313
1 584
5 300
2 292
1 381
70 626
3 328
277
1 978
5 583
76 209
9 165
85 374
Dec-13
2 164
7 178
2 609
5 632
3 856
27 227
14 924
11 180
6 140
(4)
2 788

83 694
2 544
1 572
2 623
6 739
90 433
6 941
97 374
**Capital
expenditure
(R'000)**
Mar-14
115 731
54 634
74 573
71 374
43 154
88 100
24 585
28 339
20 524
27 095
536
548 645
696
2 877
5 478
9 051
557 696
21 225
578 921
Dec-13
130 309
63 513
98 511
78 740
40 571
64 190
29 220
37 936
24 652
36 768
641
605 051
931
2 463
12 607
16 001
621 052
19 082
640 134

**Capital
expenditure
(\$'000)**

Mar-14

10 688

5 046

6 887

6 592

3 985

8 136

2 271

2 617

1 895

2 502

50

50 669

64

266

506

836

51 505

1 960

53 465

Dec-13

12 876

6 276

9 734

7 780

4 009

6 343

2 887

3 748

2 436

3 633

63

59 785

92

243

1 246

1 581

61 366

1 885

63 251

**Adjusted
operating costs**

- R/kg

Mar-14

447 045

556 494

340 244

329 294

357 868
218 341
196 480
414 909
328 059
378 538
295 225
345 144
280 602
430 417
381 105
360 620
346 691
335 115
345 467
Dec-13
408 698
346 101
389 497
367 910
371 109
222 422
216 640
258 728
307 717
422 833
240 307
323 996
275 126
361 752
330 343
326 029
324 163
316 287
323 591
Adjusted
operating costs
– \$/oz
Mar-14
1 284
1 599
977
946
1 028
627
564
1 192
942
1 087
848
991

806
1 236
1 095
1 036
996
955
992
Dec-13
1 256
1 064
1 197
1 131
1 141
684
666
795
946
1 299
739
996
846
1 112
1 015
1 002
996
969
994
**All-in sustaining
costs
– R/kg
Mar-14
566 448
677 873
454 007
415 208
443 606
315 767
222 756
468 583
391 820
476 358
317 846
434 202
283 766
465 069
411 143
383 242
429 210
400 943
426 221
Dec-13**

533 624
416 838
503 058
458 501
447 878
278 028
241 303
299 632
373 246
526 404
263 910
400 445
280 299
386 310
393 782
360 943
397 713
394 820
397 503

**All-in sustaining
costs**

– \$/oz

Mar-14

1 627

1 947

1 304

1 193

1 274

907

640

1 346

1 126

1 368

913

1 247

815

1 336

1 181

1 101

1 233

1 143

1 224

Dec-13

1 640

1 281

1 546

1 409

1 376

854

742

921

1 147
1 618
811
1 231
861
1 187
1 210
1 109
1 222
1 209
1 222

8

**Results for the third quarter FY14
and nine months ended 31 March 2014**

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

Figures in million

Note

Quarter ended

Nine months ended

Year ended

31 March

2014

(Unaudited)

31 December

2013

(Unaudited)

31 March

2013

(Unaudited)

(Restated)*

31 March

2014

(Unaudited)

31 March

2013

(Unaudited)

(Restated)*

30 June

2013

(Audited)

(Restated)*

Continuing operations

Revenue

3 830

4 071

3 528

11 919

12 419

15 902

Cost of sales

3

(3 595)

(3 817)

(3 260)

(11 147)

(10 277)

(16 448)

Production costs

(2 906)

(3 086)

(2 675)

(8 973)

(8 509)

(11 321)

Amortisation and depreciation

(475)

(565)

(468)

(1 617)

(1 470)

(2 001)

Impairment of assets

(29)

—

—

(29)

—

(2 733)

Other items

(185)

(166)

(117)

(528)

(298)

(393)

Gross profit/(loss)

235

254

268

772

2 142

(546)

Corporate, administration and other
expenditure

(109)

(102)

(121)

(319)

(338)

(465)

Social investment expenditure

(8)

(21)

(25)

(67)

(70)

(127)

Exploration expenditure

(90)
 (112)
 (157)
 (344)
 (454)
 (673)
 Profit on sale of property, plant and
 equipment
 –
 –
 15
 –
 139
 139
 Other expenses (net)
 7
 (22)
 (140)
 (138)
 (161)
 (182)
 (350)
Operating profit/(loss)
6
(121)
(158)
(119)
1 237
(2 022)
 Profit from associates
 10
 4
 –
 17
 –
 –
 Impairment of investments
 –
 –
 (39)
 (7)
 (88)
 (88)
 Net gain on financial instruments
 25
 39
 15
 138
 181
 173
 Investment income

64
50
47
159
118
185
Finance cost
(59)
(57)
(65)
(176)
(198)
(256)
Profit/(loss) before taxation
46
(85)
(200)
12
1 250
(2 008)
Taxation
(15)
(6)
(44)
(59)
(416)
(655)
Normal taxation
24
—
(124)
(25)
(349)
(271)
Deferred taxation
(39)
(6)
80
(34)
(67)
(384)
Net profit/(loss) from continuing operations
31
(91)
(244)
(47)
834
(2 663)
Discontinued operations

Profit from discontinued operations

—

—

143

—

314

314

Net profit/(loss) for the period

31

(91)

(101)

(47)

1 148

(2 349)

Attributable to:

Owners of the parent

31

(91)

(101)

(47)

1 148

(2 349)

Earnings/(loss) per ordinary share

(cents)

4

Earnings/(loss) from continuing
operations

7

(21)

(57)

(11)

193

(616)

Earnings from discontinued
operations

—

—

33

—

73

73

Total earnings/(loss)

7

(21)

(24)

(11)

266
(543)
Diluted earnings/(loss) per
ordinary share (cents)
4

Earnings/(loss) from continuing
operations

7

(21)

(57)

(11)

192

(616)

Earnings from discontinued
operations

—

—

33

—

73

73

Total diluted earnings/(loss)

7

(21)

(24)

(11)

265

(543)

** The audited June 2013 annual results, unaudited nine months ended March 2013 and unaudited March 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.

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The condensed consolidated financial statements for the nine months ended 31 March 2014 have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry. This process was supervised by the financial director, Mr Frank Abbott, and approved by the board of Harmony Gold Mining Company Limited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)

Figures in million

Quarter ended

Nine months ended

Year ended

31 March

2014

(Unaudited)

31 December

2013

(Unaudited)

31 March

2013

(Unaudited)

(Restated)*

31 March

2014

(Unaudited)

31 March

2013

(Unaudited)

(Restated)*

30 June

2013

(Audited)

(Restated)*

Net profit/(loss) for the period

31

(91)

(101)

(47)

1 148

(2 349)

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

(416)

378

506

(733)

726

737
 Foreign exchange translation
 (421)
 370
 519

 (745)
 716
 742
 Movements on investments
 5
 8
 (13)

 12
 10
 (5)
Total comprehensive
(loss)/income for the period
(385)
287
405

(780)
1 874
(1 612)

Attributable to:

Owners of the parent
 (385)
 287
 405

(780)
 1 874
 (1 612)

** The audited June 2013 annual results, unaudited nine months ended March 2013 and unaudited March 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.

All items in Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand)
 for the nine months ended 31 March 2014

Figures in million

Note
 Share capital
 Other

reserves
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
–
198
–
198
Net loss for the period
–
–
(47)
(47)
Other comprehensive loss for the period
–
(733)
–
(733)
Balance – 31 March 2014
28 325
2 907
401
31 633
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
Share-based payments
–
215
–
215
Net profit for the period
–
–
1 148
1 148
Other comprehensive income for the period
–
726
–
726
Dividends paid
1
–
–
(435)
(435)
Balance–31 March 2013
28 331
3 370
3 926
35 627

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 third quarter FY14
and nine months ended 31 March 2014**

CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

Figures in million

Note

At

31 March

2014

(Unaudited)

At

31 December

2013

At

30 June

2013

(Audited)

(Restated)*

At

31 March

2013

(Unaudited)

(Restated)*

ASSETS

Non-current assets

Property, plant and equipment

32 400

32 663

32 732

34 828

Intangible assets

2 194

2 193

2 191

2 190

Restricted cash

40

38

37

38

Restricted investments

2 225

2 180

2 054

2 050

Deferred tax assets

84

91
104
652
Investments in associates
5
125
115
109
—
Investments in financial assets
4
4
49
139
Inventories
57
57
57
57
Trade and other receivables
—
—
—
6
Total non-current assets
37 129
37 341
37 333
39 960
Current assets

Inventories
1 306
1 423
1 417
1 191
Trade and other receivables
900
1 149
1 162
1 482
Income and mining taxes
141
106
132
3
Restricted cash
15
15
—

–
Cash and cash equivalents
2 008
2 323
2 089
3 099
4 370
5 016
4 800
5 775
Non-current assets and assets of disposal groups classified as held for sale
6
51
46
–
–
Total current assets
4 421
5 062
4 800
5 775
Total assets
41 550
42 403
42 133
45 735
EQUITY AND LIABILITIES

Share capital and reserves

Share capital
28 325
28 325
28 325
28 331
Other reserves
2 907
3 270
3 442
3 370
Retained earnings
401
370
448
3 926
Total equity
31 633
31 965
32 215

35 627

Non-current liabilities

Deferred tax liabilities

3 029

3 000

3 021

3 244

Provision for environmental rehabilitation

2 020

2 016

1 997

1 961

Retirement benefit obligation

205

201

194

188

Other provisions

67

71

55

48

Borrowings

7

2 843

3 280

2 252

2 238

Total non-current liabilities

8 164

8 568

7 519

7 679

Current liabilities

Borrowings

7

—

—

286

287

Income and mining taxes

3

—

4

92

Trade and other payables

1 750

1 870

2 109

2 050

Total current liabilities

1 753

1 870

2 399

2 429

Total equity and liabilities

41 550

42 403

42 133

45 735

** The audited June 2013 annual results and unaudited March 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.*

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

Nine months ended

Year ended

31 March

2014

(Unaudited)

31 December

2013

(Unaudited)

31 March

2013

(Unaudited)

31 March

2014

(Unaudited)

31 March

2013

(Unaudited)

30 June

2013

(Audited)

Cash flow from operating activities

Cash generated by operations

755

700

204

1 693

2 933

3 154

Interest and dividends received

34

32

34

92

90

138

Interest paid

(39)

(21)

(27)

(89)
(85)
(125)
Income and mining taxes paid
—
(28)
(70)
(28)
(183)
(312)
Cash generated by operating activities
750
683
141
1 668
2 755
2 855
Cash flow from investing activities

Increase in restricted cash
(3)
—
—
(3)
—
—
Restricted cash transferred from
disposal group
—
—
252
—
—
—
Proceeds on disposal of investment
in subsidiary
—
—
1 264
—
1 264
1 264
Purchase of investments
—
—
(33)
—
(72)
(86)
Other investing activities

–
(1)
3
(10)
(3)
(4)
Net additions to property,
plant and equipment
1
(599)
(624)
(835)
(1 841)
(2 714)
(3 652)
**Cash (utilised)/generated by investing
activities**
(602)
(625)
651
(1 854)
(1 525)
(2 478)
Cash flow from financing activities

Borrowings raised
–
–
–

612
678
678
Borrowings repaid
(462)
(3)
(4)
(468)
(177)
(333)
Ordinary shares issued – net of expenses
–
–
–
–
–
1
Option premium on BEE transaction
–

-
-
-
-
2
Dividends paid
-
-
(217)
-
(435)
(435)
Cash (utilised)/generated by
financing activities
(462)
(3)
(221)
144
66
(87)
Foreign currency translation
adjustments
(1)
(20)
17
(39)
30
26
Net (decrease)/increase in cash and cash
equivalents
(315)
35
588
(81)
1 326
316
Cash and cash equivalents – beginning
of period
2 323
2 288
2 511
2 089
1 773
1 773
Cash and cash equivalents – end
of period
2 008
2 323
3 099
2 008

3 099

2 089

1

The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of R537 million, the March 2013 quarter R148 million and the nine months ended 31 March 2013 R403 million.

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

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**Results for the third quarter FY14
and nine months ended 31 March 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2014 (Rand)

1.

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the nine months ended 31 March 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

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

IFRS12

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.

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

Harmony previously accounted for joint operations using the proportional consolidation method. The change in accounting policy has not had

an impact on any previously reported numbers.

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.

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

The results for the year ended 30 June 2013 and the financial position at this date have been reviewed and audited respectively, 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 period ended 31 March 2014 (Rand)

Reconciliation of the effect of the change in accounting standard:

Condensed consolidated income statements

Quarter ended

31 March

2013

(Unaudited)

Nine months ended

31 March

2013

(Unaudited)

Year ended

30 June

2013

(Audited)

Cost of sales

Production costs

As previously reported

(2 707)

(8 556)

(11 400)

IFRIC 20 adjustment

32

47

79

Restated

(2 675)

(8 509)

(11 321)

Amortisation and depreciation

As previously reported

(459)

(1 441)

(1 942)

IFRIC 20 adjustment

(9)

(29)

(59)

Restated

(468)

(1 470)

(2 001)

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

23

18

20

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

Condensed consolidated statements of comprehensive income

Quarter ended

31 March

2013

(Unaudited)

Nine months ended

31 March

2013

(Unaudited)

Year ended

30 June

2013

(Audited)

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

23

18

20

Other comprehensive income for the period net of income tax

Foreign exchange translation

As previously reported

523

723

749

IFRIC 20 adjustment

(4)

(7)

(7)

Restated

519

716

742

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

19

11

13

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

Condensed consolidated balance sheets

Figures in million

At

30 June

2013

(Audited)

At

31 March

2013

(Unaudited)

Non-current assets

Property, plant and equipment

As previously reported

32 820

34 911

IFRIC 20 adjustment

(88)

(83)

Restated

32 732

34 828

Current assets

Inventories

As previously reported

1 425

1 206

IFRIC 20 adjustment

(8)

(15)

Restated

1 417

1 191

Share capital and reserves

Other reserves

As previously reported

3 464

3 392

IFRIC 20 adjustment

1

(22)

(22)

Restated

3 442

3 370

Retained earnings

As previously reported

522

4 002

IFRIC 20 adjustment

(74)

(76)

Restated

448

3 926

Decrease in total equity

(96)

(98)

1

Translation effect of the IFRIC 20 adjustments on foreign operations (Hidden Valley).

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**Results for the third quarter FY14
and nine months ended 31 March 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
for the period ended 31 March 2014 (Rand)

Earnings/(loss) and headline earnings/(loss) per share

Quarter ended

31 March

2013

(Unaudited)

Nine months ended

31 March

2013

(Unaudited)

Year ended

30 June

2013

(Audited)

Basic (loss)/earnings per share (cents)

As previously reported

(29)

262

(548)

IFRIC 20 adjustment

5

4

5

Restated

(24)

266

(543)

Diluted (loss)/earnings per share (cents)

As previously reported

(29)

261

(548)

IFRIC 20 adjustment

5

4

5

Restated

(24)

265

(543)

Total headline (loss)/earnings

Figures in million

As previously reported

(202)

1 008

204

IFRIC 20 adjustment

23
 18
 20
 Restated
 (179)
 1 026
 224
Headline (loss)/earnings per share (cents)

As previously reported

(47)

234

47

IFRIC 20 adjustment

5

4

5

Restated

(42)

238

52

Diluted headline (loss)/earnings (cents)

As previously reported

(47)

233

47

IFRIC 20 adjustment

5

4

5

Restated

(42)

237

52

3.

Cost of sales

Figures in million

Quarter ended

Nine months ended

Year ended

31 March

2014

(Unaudited)

31 December

2013

(Unaudited)

31 March

2013

(Unaudited)

(Restated)*

31 March

2014

(Unaudited)

31 March

2013

(Unaudited)

(Restated)*

30 June

2013

(Audited)

(Restated)*

Production costs – excluding royalty

2 881

3 047

2 626

8 871

8 337

11 104

Royalty expense

25

39

49

102

172

217

Amortisation and depreciation

475

565

468

1 617

1 470

2 001

Impairment of assets

1

29

–

–

29

–

2 733

Rehabilitation expenditure/(credit)

2

17

(15)

10

17

16

(24)

Care and maintenance cost of restructured shafts

16

18

16

51
52
68
Employment termination and restructuring cost
3
90
50
–
234
7
46
Share-based payments
4
62
113
95
227
221
266
Other
–
–
(4)
(1)
2
37
Total cost of sales
3 595
3 817
3 260
11 147
10 277
16 448

* The audited June 2013 annual results, unaudited nine months ended March 2013 and unaudited March 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 decision to stop mining at the Steyn 2 shaft (included in the Bambanani segment) resulted in the remaining carrying value being impaired.

2. A credit of R24 million arose in the December 2013 quarter as a result of work performed in the Free State, resulting in a reduction in the rehabilitation liability.

3. Included in the December 2013 and March 2014 quarters are amounts relating to the restructuring at Hidden Valley and the voluntary retrenchment packages offered in South Africa.

4. This includes the cost relating to the Employee Share Ownership Plan (ESOP) awards that were granted in August 2012.

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 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
 for the period ended 31 March 2014 (Rand)

4.
Earnings/(loss) and net asset value per share

Quarter ended
Nine months ended
Year ended

31 March
 2014
 (Unaudited)
 31 December
 2013
 (Unaudited)
 31 March
 2013
 (Unaudited)
 (Restated)*
 31 March
 2014
 (Unaudited)

31 March
 2013
 (Unaudited)
 (Restated)*

30 June
 2013
 (Audited)
 (Restated)*

Weighted average number
 of shares (million)

433.3
 432.9
 431.8
 433.0
 431.6
 431.9

Weighted average number of diluted
 shares (million)

434.6
 433.4
 432.8
 434.4
 432.8
 432.7

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

Basic earnings/(loss)
 7
 (21)

(24)
(11)
266
(543)
Diluted earnings/(loss)
7
(21)
(24)
(11)
265
(543)
Headline earnings/(loss)
12
(21)
(42)
(4)
238
52
– from continuing operations
12
(21)
(51)
(4)
189
3
– from discontinued operations
–
–
9
–
49
49
Diluted headline earnings/(loss)
12
(21)
(42)
(4)
237
52
– from continuing operations
12
(21)
(51)
(4)
188
3
– from discontinued operations
–
–
9
–

49

49

Figures in million

Reconciliation of headline earnings/(loss):

Continuing operations

Net profit/(loss)

31

(91)

(244)

(47)

834

(2 663)

Adjusted for:

Impairment of investments

1

—

—

39

7

88

88

Impairment of assets

29

—

—

29

—

2 733

Taxation effect on impairment of assets

(8)

—

—

(8)

—

(38)

Profit on sale of property, plant and equipment

—

—

(15)

—

(139)

(139)

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

—

—

—
—
31
31
Headline earnings/(loss)
52
(91)
(220)
(19)
814
12
Discontinued operations

Net profit

—
—
143
—
314
314

Adjusted for:

Profit on sale of investment in subsidiary

1
—
—
(102)
—
(102)
(102)

Headline earnings

—
—
41
—
212
212

Total headline earnings/(loss)

52
(91)
(179)
(19)
1 026
224

1

There is no taxation effect on these items.

Net asset value per share

At

31 March
2014
(Unaudited)

At
31 December
2013

At
30 June
2013
(Audited)
(Restated)*

At
31 March
2013
(Unaudited)
(Restated)*

Number of shares in issue			
435 693 819	435 693 819	435 289 890	435 257 691
Net asset value per share (cents)			
7 259			
7 337			
7 405			
8 185			

** The audited June 2013 annual results, unaudited nine months ended March 2013 and unaudited March 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 third quarter FY14
and nine months ended 31 March 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
for the period ended 31 March 2014 (Rand)

5.

Investment in associate

Investment in associate includes Harmony's 10.38% share of Rand Refinery Proprietary Limited (Rand Refinery) results amounting to R17 million

for the nine months ended 31 March 2014. Rand Refinery has not issued its audited results for its year ended 30 September 2013 and therefore

Harmony's share of results has been based on 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. 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. At this stage, the Rand Refinery management team

cannot be certain that the results in its management accounts are accurate.

6.

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 represents

Harmony's fair value stake in Wits Gold has been classified as a non-current asset held for sale (formerly classified as Investment in financial

assets) under IFRS 5. See note 11 for developments after balance sheet date.

7. 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 R144 million being recorded for the year to date, 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 leader 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.

8.

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

31 March

2014

(Unaudited)

At

31 December

2013

At

30 June

2013

(Audited)

At

31 March

2013

(Unaudited)

Available-for-sale financial assets

1

*

Level 1

51

46

44

44

Level 2

—

—

—

—

Level 3

4

4

5

96

Fair value through profit and loss

2

*

Level 1

—

—

—

—

Level 2

768

934

1 041

1 043

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 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.*

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
for the period ended 31 March 2014 (Rand)

9. Commitments and contingencies

Figures in million

At

31 March

2014

(Unaudited)

At

31 December

2013

At

30 June

2013

(Audited)

At

31 March

2013

(Unaudited)

Capital expenditure commitments:

Contracts for capital expenditure

245

322

416

594

Authorised by the directors but not contracted for

491

1 152

1 545

958

736

1 474

1 961

1 552

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

Contingent liability

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). There were no significant changes in contingencies since 30 June 2013.

10. 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 purchased 65 600 shares in the company.

11. Subsequent events

(a) On 14 April 2014 the consideration for the sale of Wits Gold was received.

(b) In April 2014, the Department of Mineral Resources approved the ground swap transaction between Joel mine and Sibanye Gold Limited's Beatrix mine. However, the execution of the agreements is still pending and therefore the transaction is not effective. The execution is expected by June 2014.

(c) During April 2014, the payment to employees was made for the second tranche of ESOP shares and SARs, following the vesting in March 2014.

12. Segment report

The segment report follows on page 19.

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

Figures in million

Nine months ended

31 March

2014

(Unaudited)

31 March

2013

(Unaudited)

(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 profit

Total segment revenue

11 919

13 293

Total segment production costs

(8 973)

(9 042)

Production profit per segment report

2 946

4 251

Discontinued operations

—

(341)

Production profit from continuing operations

2 946

3 910

Cost of sales items, other than production costs and royalty expense

(2 174)

(1 768)

Gross profit as per income statements

1

772

2 142

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.

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**Results for the third quarter FY14
and nine months ended 31 March 2014**

Figures in million

At

31 March

2014

(Unaudited)

At

31 March

2013

(Unaudited)

(Restated)*

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

Property, plant and equipment not allocated to a segment

Mining assets

821

832

Undeveloped property

5 139

5 139

Other non-mining assets

133

59

Wafi-Golpu assets

971

998

7 064

7 028

** The nine months ended March 2013 results have been restated due to a change in accounting policy. Refer to note 2 for details.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 March 2014 (Rand)

19

Segment report

(Rand/Metric) (Unaudited)

for the nine months ended 31 March 2014

Revenue

31 March

Production cost*

31 March

Production

profit/(loss)*

31 March

Mining assets*

31 March

Capital expenditure#

31 March

Kilograms produced

31 March

Tonnes milled

31 March

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

1 466

1 037

1 363

1 186

103

(149)

3 539
3 354
366
272
3 341
2 052
857
499
Doornkop
930
1 279
854
786
76
493
3 385
3 360
178
222
2 071
2 772
576
766
Phakisa
952
860
786
730
166
130
4 622
4 512
264
242
2 213
1 851
431
379
Tshepong
1 305
1 547
1 024
1 089
281
458
3 914
3 815
218
227
3 035
3 339

700
829
Masimong
903
1 290
742
740
161
550
1 040
1 005
122
124
2 102
2 777
514
658
Target 1
1 466
1 385
747
675
719
710
2 736
2 704
214
262
3 495
3 070
565
538
Bambanani
(a)
1 040
626
513
448
527
178
844
930
88
92
2 419
1 348
190
144
Joel
756
1 152

508

487

248

665

379

275

108

116

1 716

2 529

396

460

Unisel

622

647

452

429

170

218

662

663

62

57

1 446

1 386

310

332

Target 3

459

546

407

379

52

167

525

429

99

104

1 102

1 207

230

250

Surface

All other surface operations

961

1 152

735

746

226

406

469

385
33
222
2 215
2 533
7 841
7 365
Total South Africa
10 860
11 521
8 131
7 695
2 729
3 826
22 115
21 432
1 752
1 940
25 155
24 864
12 610
12 220
International
Hidden Valley
1 059
898
842
814
217
84
3 221
6 368
89
368
2 363
1 922
1 476
1 387
Total international
1 059
898
842
814
217
84
3 221
6 368
89
368
2 363
1 922

1 476

1 387

**Total continuing
operations**

11 919

12 419

8 973

8 509

2 946

3 910

25 336

27 800

1 841

2 308

27 518

26 786

14 086

13 607

Discontinued operations

Evander

—

874

—

533

—

341

—

—

—

140

—

1 955

—

390

**Total discontinued
operations**

—

874

—

533

—

341

—

—

—

140

—

1 955

—

390

Total operations

11 919
13 293
8 973
9 042
2 946
4 251
25 336
27 800
1 841
2 448
27 518
28 741
14 086
13 997

Reconciliation of the
segment information to the
condensed consolidated
financial statements (refer to
note 13)

—
(874)
—
(533)

7 064
7 028

11 919
12 419
8 973
8 509

32 400
34 828

** The March 2013 results have been restated due to a change in accounting policy. Refer to note 2 for details.*

#

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of Rnil (2013: R403 million).

(a) Includes Steyn 2.

20

21

**Results for the third quarter FY14
and nine months ended 31 March 2014**

OPERATING RESULTS (US\$/Imperial)

Three
months
ended

South Africa

Underground production

Surface production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

Unisel

Target 3

Steyn 2

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Total

South

Africa

Hidden

Valley

Total

Harmony

Ore milled

- t'000

Mar-14

249

112

152

256

181

200

57

97

105

80

10

1 499

1 635

684

393

2 712

4 211

515

4 726

Dec-13

333

262

151

241

178

213

60

164

118

83

13

1 816

1 634

833

401

2 868

4 684

558

5 242

Gold produced

- oz

Mar-14

29 868

13 953

24 177

32 922

21 219

37 713

22 731

11 092

14 725

11 574

3 183

223 157

6 462

4 983

8 198

19 643

242 800

26 235

269 035

Dec-13

36 652

28 035
22 698
30 929
21 991
39 899
22 409
21 670
16 461
11 253
4 726
256 723
6 977
7 266
10 127
24 370
281 093
24 820
305 913
Yield
- oz/t
Mar-14
0.120
0.125
0.159
0.129
0.117
0.189
0.399
0.114
0.140
0.145
0.318
0.149
0.004
0.007
0.021
0.007
0.058
0.051
0.057
Dec-13
0.110
0.107
0.150
0.128
0.124
0.187
0.373
0.132
0.140
0.136

0.364
0.141
0.004
0.009
0.025
0.008
0.060
0.044
0.058

**Cash operating
costs**

- \$/oz

Mar-14

1 332

1 674

963

934

1 023

632

569

1 295

926

1 098

831

981

804

1 268

1 162

1 071

989

970

987

Dec-13

1 198

985

1 151

1 083

1 087

616

614

804

906

1 179

682

943

858

1 100

978

980

947

972

949

Cash operating costs

– \$/t

Mar-14

160

209

153

120

120

119

227

148

130

159

265

146

3

9

24

8

57

49

56

Dec-13

132

105

173

139

134

115

229

106

126

160

248

133

4

10

25

8

57

43

55

Gold sold

– oz

Mar-14

35 944

15 786

23 213

31 604

20 384
33 276
21 830
12 539
14 146
10 192
3 054
221 968
7 073
5 080
10 320
22 473
244 441
28 903
273 344
Dec-13
38 066
28 550
23 792
32 440
23 052
44 497
23 470
21 895
17 265
12 539
4 951
270 517
5 787
7 202
8 649
21 638
292 155
22 859
315 014
Revenue
(\$'000)
Mar-14
46 225
20 636
30 131
41 025
26 453
43 081
28 267
16 281
18 348
13 182
3 928
287 557
9 027

6 558

13 142

28 727

316 284

37 471

353 755

Dec-13

48 847

36 047

30 334

41 347

29 381

56 902

29 906

27 975

22 002

16 033

6 311

345 085

7 437

9 579

11 176

28 192

373 277

29 013

402 290

Cash operating

costs

(\$'000)

Mar-14

39 797

23 359

23 282

30 741

21 715

23 818

12 936

14 364

13 637

12 711

2 645

219 005

5 193

6 319

9 525

21 037

240 042

25 443

265 485

Dec-13

43 915

27 618
26 130
33 483
23 903
24 570
13 760
17 416
14 913
13 265
3 222
242 195
5 987
7 993
9 904
23 884
266 079
24 121
290 200
**Inventory
movement
(\$'000)**
Mar-14
5 979
1 924
(1 072)
(1 458)
(891)
(3 399)
(982)
333
(589)
(1 821)
(98)
(2 074)
506
(38)
1 639
2 107
33
2 863
2 896
Dec-13
2 768
1 251
1 595
2 232
1 622
5 105
1 222
(621)
949

2 772
301
19 196
(1 094)
14
(1 351)
(2 431)
16 765
(2 049)
14 716

**Operating costs
(\$'000)**

Mar-14

45 776
25 283
22 210
29 283
20 824
20 419
11 954
14 697
13 048
10 890
2 547
216 931
5 699
6 281
11 164
23 144
240 075
28 306
268 381

Dec-13

46 683
28 869
27 725
35 715
25 525
29 675
14 982
16 795
15 862
16 037
3 523
261 391
4 893
8 007
8 553
21 453
282 844
22 072

304 916

Production profit

(\$'000)

Mar-14

449

(4 647)

7 921

11 742

5 629

22 662

16 313

1 584

5 300

2 292

1 381

70 626

3 328

277

1 978

5 583

76 209

9 165

85 374

Dec-13

2 164

7 178

2 609

5 632

3 856

27 227

14 924

11 180

6 140

(4)

2 788

83 694

2 544

1 572

2 623

6 739

90 433

6 941

97 374

Capital

expenditure

(\$'000)

Mar-14

10 688

5 046

6 887

6 592

3 985
8 136
2 271
2 617
1 895
2 502
50
50 669
64
266
506
836
51 505
1 960
53 465
Dec-13
12 876
6 276
9 734
7 780
4 009
6 343
2 887
3 748
2 436
3 633
63
59 785
92
243
1 246
1 581
61 366
1 885
63 251
Adjusted
operating costs
– \$/oz
Mar-14
1 284
1 599
977
946
1 028
627
564
1 192
942
1 087
848
991

806
1 236
1 095
1 036
996
955
992
Dec-13
1 256
1 064
1 197
1 131
1 141
684
666
795
946
1 299
739
996
846
1 112
1 015
1 002
996
969
994
**All-in sustaining
costs**
– \$/oz
Mar-14
1 627
1 947
1 304
1 193
1 274
907
640
1 346
1 126
1 368
913
1 247
815
1 336
1 181
1 101
1 233
1 143
1 224
Dec-13

1 640
1 281
1 546
1 409
1 376
854
742
921
1 147
1 618
811
1 231
861
1 187
1 210
1 109
1 222
1 209
1 222

22

**Results for the third quarter FY14
and nine months ended 31 March 2014**

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation) (Unaudited)

Figures in million

Quarter ended

Nine months ended

Year ended

31 March

2014

31 December

2013

31 March

2013

(Restated)*

31 March

2014

31 March

2013

(Restated)*

30 June

2013

(Restated)*

Continuing operations

Revenue

354

402

395

1 158

1 442

1 803

Cost of sales

(332)

(377)

(365)

(1 082)

(1 194)

(1 829)

Production costs

(268)

(305)

(300)

(871)

(988)

(1 283)

Amortisation and depreciation

(44)

(56)

(52)

(157)

(171)	
(227)	
Impairment of assets	
(3)	
—	
—	
(3)	
—	
(274)	
Other items	
(17)	
(16)	
(13)	
(51)	
(35)	
(45)	
Gross profit/(loss)	
22	
25	
30	
76	
248	
(26)	
Corporate, administration and other expenditure	
(10)	
(10)	
(14)	
(31)	
(39)	
(53)	
Social investment expenditure	
(1)	
(2)	
(3)	
(7)	
(8)	
(14)	
Exploration expenditure	
(8)	
(11)	
(18)	
(33)	
(53)	
(76)	
Profit on sale of property, plant and equipment	
—	
—	
2	
—	

16
16
Other expenses (net)
(2)
(14)
(15)
(16)
(21)
(40)
Operating profit/(loss)
1
(12)
(18)
(11)
143
(193)
Profit from associates
1
—
—
2
—
—
Impairment of investments
—
—
(4)
(1)
(10)
(10)
Net gain on financial instruments
2
4
2
13
21
20
Investment income
6
5
5
15
14
21
Finance cost
(5)
(6)
(7)
(17)
(22)
(29)

Profit/(loss) before taxation

5

(9)

(22)

1

146

(191)

Taxation

(2)

(1)

(26)

(5)

(49)

(69)

Normal taxation

2

–

(14)

(2)

(41)

(31)

Deferred taxation

(4)

(1)

(12)

(3)

(8)

(38)

Net profit/(loss) from continuing operations

3

(10)

(48)

(4)

97

(260)

Discontinued operations

Profit from discontinued operations

–

–

16

–

36

36

Net profit/(loss) for the period

3

(10)

(32)

(4)

133

(224)

Attributable to:

Owners of the parent

3

(10)

(32)

(4)

133

(224)

Earnings/(loss) per ordinary share (cents)

Earnings/(loss) from continuing operations

1

(2)

(6)

(1)

22

(60)

Earnings from discontinued operations

—

—

4

—

8

8

Total earnings/(loss)

1

(2)

(2)

(1)

30

(52)

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

Earnings/(loss) from continuing operations

1

(2)

(6)

(1)

22

(60)

Earnings from discontinued operations

—

—

4

—

8

8

Total diluted earnings/(loss)

1

(2)

(2)

(1)

30

(52)

** The comparative periods 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: March 2014: US\$1 = R10.83 (December 2013: US\$1 = R10.12, March 2013: US\$1 = R8.92). For year ended: June 2013: US\$1 = R8.82. Nine months ended: March 2014: US\$1 = R10.30 (March 2013: US\$1 = R8.61).

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$)

(Convenience translation) (Unaudited)

Figures in million

Quarter ended

Nine months ended

Year ended

31 March

2014

31 December

2013

31 March

2013

(Restated)*

31 March

2014

31 March

2013

(Restated)*

30 June

2013

(Restated)*

Net profit/(loss) for the period

3

(10)

(32)

(4)

133

(224)

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

(39)

38

57

(71)

84

83

Foreign exchange translation

(39)

37

58

(72)

83

84

Movements on investments

—

1

(1)

1

1

(1)

**Total comprehensive (loss)/income for
the period**

(36)
28
25
(75)
217
(141)

Attributable to:

Owners of the parent

(36)
28
25
(75)
217
(141)

** The comparative periods 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: March 2014: US\$1 = R10.83 (December 2013: US\$1 = R10.12, March 2013: US\$1 = R8.92). For year ended: June 2013: US\$1 = R8.82. Nine months ended: March 2014: US\$1 = R10.30 (March 2013: US\$1 = R8.61).

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US\$)

for the nine months ended 31 March 2014 (Convenience translation) (Unaudited)

Figures in million

Share capital

Other

reserves

Retained

earnings

Total

Balance – 30 June 2013 as previously reported

2 682

328

49

3 059

Restatement for IFRIC 20

–

(2)

(7)

(9)

Restated balance – 30 June 2013

2 682

326

42

3 050

Share-based payments

–

19

–

19

Net loss for the period

—

—

(4)

(4)

Other comprehensive loss for the period

—

(69)

—

(69)

Balance – 31 March 2014

2 682

276

38

2 996

Balance – 30 June 2012 as previously reported

3 074

265

359

3 698

Restatement for IFRIC 20

—

(2)

(10)

(12)

Restated balance – 30 June 2012

3 074

263

349

3 686

Share-based payments

—

23

—

23

Net profit for the period

—

—

125

125

Other comprehensive income for the period

—

79

—

79

Dividends paid

—

—

(47)

(47)

Balance – 31 March 2013

3 074

365

427

3 866

The currency conversion closing rates for the period ended 31 March 2014: US\$1 = R10.56 (2013: US\$1 = R9.22).

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 22 to 26.

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**Results for the third quarter FY14
and nine months ended 31 March 2014**

CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)

(Unaudited) (Convenience translation)

Figures in million

At

31 March

2014

At

31 December

2013

At

30 June

2013

(Restated)*

At

31 March

2013

(Restated)*

ASSETS

Non-current assets

Property, plant and equipment

3 068

3 123

3 279

3 778

Intangible assets

208

210

220

238

Restricted cash

4

4

4

4

Restricted investments

211

209

206

222

Deferred tax assets

8

9

10

71

Investments in associates

12

11

11

–	
Investments in financial assets	
–	
–	
5	
15	
Inventories	
5	
6	
6	
6	
Trade and other receivables	
–	
–	
–	
1	
Total non-current assets	
3 516	
3 572	
3 741	
4 335	
Current assets	
Inventories	
124	
136	
142	
130	
Trade and other receivables	
85	
110	
116	
161	
Income and mining taxes	
13	
10	
13	
–	
Restricted cash	
1	
1	
–	
–	
Cash and cash equivalents	
190	
222	
209	
336	
413	
479	
480	
627	

Assets of disposal groups classified as held for sale

5

4

—

—

Total current assets

418

483

480

627

Total assets

3 934

4 055

4 221

4 962

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

2 682

2 708

2 837

3 074

Other reserves

276

313

347

365

Retained earnings

38

36

45

427

Total equity

2 996

3 057

3 229

3 866

Non-current liabilities

Deferred tax liabilities

287

287

303

352

Provision for environmental rehabilitation

191

193

200

213

Retirement benefit obligation

19

19

19
20
Other provisions
6
7
5
5
Borrowings
269
313
226
243
Total non-current liabilities
772
819
753
833
Current liabilities
Borrowings
–
–
28
31
Income and mining taxes
–
–
–
10
Trade and other payables
166
179
211
222
166
179
239
263
Liabilities of disposal groups classified as held for sale
–
–
–
–
Total current liabilities
166
179
239
263
Total equity and liabilities
3 934
4 055
4 221

4 962

** The comparative periods have been due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*

The balance sheet for March 2014 converted at a conversion rate of US\$1 = R10.56 (December 2013: US\$1 = R10.46, June 2013: US\$1 = R9.98, March 2013 : US\$1 = R9.22).

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation) (Unaudited)

Figures in million

Quarter ended

Nine months ended

Year ended

31 March

2014

31 December

2013

31 March

2013

31 March

2014

31 March

2013

30 June

2013

Cash flow from operating activities

Cash generated by operations

70

69

23

164

341

359

Interest and dividends received

3

3

4

9

10

16

Interest paid

(4)

(2)

(3)

(9)

(10)

(14)

Income and mining taxes paid

—

(3)

(8)

(3)

(21)

(33)

Cash generated by operating activities

69

67

16

161

320

328

Cash flow from investing activities

Restricted cash transferred from disposal group

–

–

28

–

–

–

Proceeds on disposal of investment in subsidiary

–

–

142

–

146

139

Purchase of investments

–

–

(4)

–

(8)

(9)

Other investing activities

–

–

–

(1)

–

(1)

Net additions to property, plant and equipment

1

(55)

(62)

(94)

(179)

(315)

(414)

Cash (utilised)/generated by investing activities

(55)

(62)

72
(180)
(177)
(285)
Cash flow from financing activities

Borrowings raised

—
 —
 —

59

79

80

Borrowings repaid

(43)

—

—

(45)

(21)

(35)

Dividends paid

—

—

(24)

—

(51)

(50)

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

(43)

—

(24)

14

7

(5)

Foreign currency translation adjustments

(3)

(11)

(23)

(14)

(30)

(45)

Net (decrease)/increase in cash and
 cash equivalents

(32)

(6)

41

(19)

120

(7)

Cash and cash equivalents – beginning of period

222

228

295

209

216

216

Cash and cash equivalents – end of period

190

222

336

190

336

209

1

The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of US\$40 million, the March 2013 quarter US\$17 million and the nine months ended 31 March 2013 US\$25 million.

The currency conversion average rates for the quarter ended: March 2014: US\$1 = R10.83 (December 2013: US\$1 = R10.12, March 2013: US\$1 =

R8.92). For year ended: June 2013: US\$1 = R8.82. Nine months ended: March 2014: US\$1 = R10.30 (March 2013: US\$1 = R8.61).

Closing balance translated to closing rates of: March 2014: US\$1 = R10.56 (December 2013: US\$1 = R10.46, June 2013: US\$1 = R9.98, March 2013: US\$1 = R9.22).

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

26
Results
for the
third quarter FY14
and nine
months
ended
31
March
2014

Segment report
(US\$/Imperial) (Unaudited)
for the nine months ended 31 March 2014

Revenue

31 March

Production cost*

31 March

Production

profit/(loss)*

31 March

Mining assets*

31 March

Capital expenditure

#

31 March

Ounces produced

31 March

Tons milled

31 March

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

142

120

132

138

10

(18)

335

364

36

32

107 416

65 973

945

550

Doornkop

90

149

83

91

7

58

320

365

17

26

66 583

89 121

634

845

Phakisa

92

100

76

85

16

15

438

490

26

28

71 149

59 511

475

418

Tshepong

127

180

99

126
28
54
371
414
21
26
97 577
107 351
772
914
Masimong
88
150
72
86
16
64
98
109
12
14
67 580
89 282
567
726
Target 1
142
161
73
78
69
83
259
293
21
30
112 367
98 703
624
593
Bambanani
(a)
101
73
50
52
51
21
80
101

9
11
77 773
43 339
209
157
Joel
73
134
49
57
24
77
36
30
10
13
55 171
81 309
436
507
Unisel
60
75
44
50
16
25
63
72
6
7
46 490
44 561
342
366
Target 3
45
63
40
44
5
19
50
47
10
12
35 430
38 806
254
275

Surface

All other surface operations

94

133

71

86

23

47

44

42

3

26

71 213

81 438

8 647

8 122

Total South Africa

1 054

1 338

789

893

265

445

2 094

2 327

171

225

808 749

799 394

13 905

13 473

International

Papua New Guinea

104

104

82

95

22

9

305

691

9

43

75 972

61 794

1 628

1 529

Total international

104

104

82

95
22
9
305
691
9
43
75 972
61 794
1 628
1 529
**Total continuing
operations**
1 158
1 442
871
988
287
454
2 399
3 018
180
268
884 721
861 188
15 533
15 002
Discontinued operations
Evander
—
101
—
62
—
39
—
—
—
16
—
62 855
—
430
**Total discontinued
operations**
—
101
—
62
—
39

-
-
-
16
-
62 855
-
430
Total operations
1 158
1 543
871
1 050
287
493
2 399
3 018
180
284
884 721
924 043
15 533
15 432

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

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$nil (2013: US\$47 million).

(a) Includes Steyn 2.

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DEVELOPMENT RESULTS (Metric)

Quarter ending March 2014

Channel

Reef

Meters

Sampled

Meters

Width

(Cm's)

Value

(g/t)

Gold

(Cmg/t)

Tshepong

Basal

331

292

7.91

154.93

1 225

B Reef

155

128

106.02

1.72

182

All Reefs

486

420

37.81

24.00

907

Phakisa

Basal

328

332

92.39

11.87

1 097

All Reefs

328

332

92.39

11.87

1 097

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal

–

–

-
-
-

All Reefs

-
-
-
-
-

Doornkop
South Reef

187
201
46.00
18.17
836

All Reefs

187
201
46.00
18.18
836

Kusasaletu
VCR Reef

480
292
96.00
8.18
785

All Reefs

480
292
96.00
8.18
785

Total Target
(incl. Target 1 & Target 3)

Elsburg

336
289
147.33
6.75
994

Basal

134
74
8.08
127.83

1 033

A Reef

120

50
120.16
7.50
901
B Reef
169
104
60.62
18.28
1 108
All Reefs
759
517
107.33
9.44
1 013
Masimong 5
Basal
481
430
40.73
21.24
865
B Reef
131
144
68.63
16.19
1 111
All Reefs
612
574
47.72
19.42
927
Unisel
Basal
405
340
120.44
15.31
1 844
Leader
476
344
179.97
4.56
821
All Reefs
881
684

150.38

8.84

1 329

Joel

Beatrix

118

111

118.00

10.14

1 197

All Reefs

118

111

118.00

10.15

1 197

Total Harmony

Basal

1 679

1 468

62.70

19.53

1 224

Beatrix

118

111

118.00

10.15

1 197

Leader

476

344

179.97

4.56

821

B Reef

455

376

79.14

10.03

794

A Reef

120

50

120.16

7.50

901

Elsburg

336

289

147.33

6.75
994
South Reef

187
201
46.00
18.18
836

VCR
480
292
96.00
8.18

785
All Reefs

3 852

3 131

90.28

11.46

1 035

DEVELOPMENT RESULTS (Imperial)

Quarter ending March 2014

Channel

Reef

(feet)

Sampled

(feet)

Width

(inch)

Value

(oz/t)

Gold

(In.oz/t)

Tshepong

Basal

1 085

958

3.00

4.69

14

B Reef

508

420

42.00

0.05

2

All Reefs

1 593

1 378

15.00

0.69

10

Phakisa

Basal

1 077

1 089

36.00

0.35

13

All Reefs

1 077

1 089

36.00

0.35

13

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal

–

–

–

–

–

All Reefs

–

–

–

–

–

Doornkop

South Reef

614

659

18.00

0.53

10

All Reefs

614

659

18.00

0.53

10

Kusasaletu

VCR Reef

1 576

958

38.00

0.24

9

All Reefs

1 576

958

38.00

0.24

9

Total Target

(incl. Target 1 & Target 3)

Elsburg

1 101

948

58.00

0.20

11

Basal

441

243

3.00

3.95

12

A Reef

395

164

47.00

0.22

10

B Reef

554

341

24.00

0.53

13

All Reefs

2 490

1 696

42.00

0.28

12

Masimong 5

Basal

1 578

1 411

16.00

0.62

10

B Reef

431

472

27.00

0.47

13

All Reefs

2 009

1 883

19.00

0.56

11

Unisel

Basal

1 327

1 115

47.00

0.45

21

Leader

1 562

1 129

71.00

0.13

9

All Reefs

2 889

2 244

59.00

0.26

15

Joel

Beatrix

388

364

46.00

0.30

14

All Reefs

388

364

46.00

0.30

14

Total Harmony

Basal

5 509

4 816

25.00

0.56

14

Beatrix

388

364

46.00

0.30

14

Leader

1 562

1 129

71.00

0.13

9

B Reef

1 492

1 234

31.00

0.29

9

A Reef

395

164

47.00

0.22

10

Elsburg

1 101

948

58.00

0.20

11

South Reef

614

659

18.00

0.53

10

VCR

1 576

958

38.00

0.24

9

All Reefs

12 636

10 272

36.00

0.33

12

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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: May 6, 2014

Harmony Gold Mining Company Limited

By: /s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director