

HARMONY GOLD MINING CO LTD

Form 6-K

November 05, 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

5 November 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-F or 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

RESULTS

**FOR THE FIRST  
QUARTER ENDED**

30 SEPTEMBER 2014

Q1 FY15

**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 FIRST QUARTER ENDED 30 SEPTEMBER 2014

**Quarter**

**September**

**2014**

Quarter

June

2014

Q-on-Q

variance

%

Gold produced

– kg

**9 435**

8 935

6

– oz

**303 341**

287 266

6

Cash operating costs

– R/kg

**355 693**

341 864

(4)

– US\$/oz

**1 028**

1 011

(2)

Gold sold

– kg

**9 987**

8 635

16

– oz

**321 089**

277 621

16

Underground grade

– g/t

**4.84**

4.66

4

All-in sustaining costs

– R/kg

**431 063**

428 383

(1)

– US\$/oz

**1 245**

1 267

2

Gold price received

– R/kg

**443 690**

435 775

2

– US\$/oz

**1 282**

1 289

(1)

Production profit

– R million

**913**

847

8

– US\$ million

**85**

81

5

Basic (loss)/earnings per share

– SAc/s

**(61)**

(282)

78

– USc/s

**(6)**

(27)

78

Headline (loss)/earnings

– Rm

**(266)**

129

>(100)

– US\$m

**(25)**

12

>(100)

Headline (loss)/earnings per share

– SAc/s

**(61)**

30

>(100)

– USc/s

(6)

3

>(100)

## KEY FEATURES

### *Quarter on quarter*

6% increase in gold production to 9 435kg (303 341oz)

8% increase in production profit at R913 million (US\$85 million)

Grade continues to increase

•

4% improvement in underground recovered grade at 4.84g/t

•

on back of 5% improvement in recovered grade for the year ended 30 June 2014

18% increase in revenue to R4.4 billion (US\$412 million)

Net debt reduced from R1.0 billion to R771 million (from US\$98 million to US\$68 million)

Net loss reduced by 78% to R266 million loss (US\$25 million)

## 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.

Harmony's Integrated Annual Report and the Form 20-F filed with the United States' Securities and Exchange Commission for the financial year ended 30 June 2014 are available on our website at

**<http://www.harmony.co.za/investors/reporting/annual-reports>**.

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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 11 411 2000  
*Website:* [www.harmony.co.za](http://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 S Lushaba\*^,  
C Markus\*^, M Msimang\*^, K T Nondumo\*^,  
V P Pillay \*^, J L Wetton\*^, A J Wilkens\*

\* Non-executive

^ Independent

1

Mozambican

**Investor relations team**

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

Henrika Ninham

Investor Relations Manager

Tel: +27 (0)11 411 2314

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

Marian van der Walt

Executive: Corporate and Investor Relations

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

**Company Secretary**

Riana Bisschoff

*Telephone:* +27 (0)11 411 6020

*Mobile:* +27 (0)83 629 4706

*E-mail:* [riana.bisschoff@harmony.co.za](mailto:riana.bisschoff@harmony.co.za)

**South African Share Transfer Secretaries**

Link Market Services South Africa (Proprietary) Limited

*(Registration number 2000/007239/07)*

13th Floor, Rennie House

19 Ameshoff Street

Braamfontein, 2001

PO Box 4844, Johannesburg, 2000, South Africa

*Telephone:* +27 86 154 6572

*Fax:* +27 86 674 2450

Email: meetfax@linkmarketservices.co.za

**ADR**

2

**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

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ADR: American Depository Receipts

**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 11 507 0300  
Fax: +27 11 507 0503

**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

**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).*

*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 Papua New Guinea, 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 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 2014 has not changed.



**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

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Issued ordinary share capital at 30 September 2014

435 825 447

Issued ordinary share capital at 30 June 2014

435 825 447

**Market capitalisation**

At 30 September 2014 (ZARm)

10 765

At 30 September 2014 (US\$m)

953

At 30 June 2014 (ZARm)

13 576

At 30 June 2014 (US\$m)

1 276

**Harmony ordinary share and ADR prices**

12-month high (1 October 2013 –  
30 September 2014) for ordinary shares  
40.32

12-month low (1 October 2013 –  
30 September 2014) for ordinary shares  
24.48

12-month high (1 October 2013 –  
30 September 2014) for ADRs  
3.77

12-month low (1 October 2013 –  
30 September 2014) for ADRs  
2.16

**Free float**

**100%**

**ADR ratio**

**1:1**

**JSE Limited**

**HAR**

Range for quarter (1 July – 30 September 2014  
closing prices)

R24.70 – R35.21

Average daily volume for the quarter  
(1 July to 30 September 2014)

706 279 shares

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

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

**HMY**

Range for quarter (1 July – 30 September 2014  
closing prices)

US\$2.16 – US\$3.29

Average daily volume for the quarter  
(1 July to 30 September 2014)

1 771 208 shares

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 shares

**Investors' calendar**

**2014/2015**

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

Q1 FY15 presentation (webcast and conference calls only)

5 November 2015

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

1. SAFETY

During the quarter, we continued our efforts to improve our safety. These actions included regular visits by senior management to underground workplaces, creating safety awareness through increased communication and engagement with our employees and enforcing safety accountability at each of our operations. A majority of our operations reported safety achievements during the quarter.

It is with deep regret that I report that two people were fatally injured in two separate incidences. They were Mhanjelwa Cebani (driller at Doornkop) and Mmaneo Florisa Muso (trammig crew supervisor at Tshepong). My sincere condolences go to the families, friends and colleagues of these employees.

2. GOLD MARKET

We are gold bulls and believe that the company must continue to be competitive in times of low gold prices to ensure that when the gold price strengthens, we will reap the benefits for all our stakeholders.

During the September 2014 quarter the US dollar gold price received remained stable at US\$1 282/oz (US\$1 289/oz in the June 2014 quarter). As a South African gold producer we continue to benefit from a weaker Rand. A 2% weakening in the Rand US dollar exchange rate to R10.77/US\$ resulted in a 2% increase in the Rand gold price received for the September 2014 quarter. The Rand gold price received increased from R435 775/kg in the previous quarter to R443 690/kg in the quarter under review. Our business plans for the financial year (FY15) were designed to ensure that the company is profitable and cash generative at a gold price of R425 000/kg. As 91% of our gold production is produced in South Africa, the Rand US dollar exchange rate remains important.

We continue to assess our operational performance at current gold price levels (see paragraphs 8 and 9 below). Corporate and service costs have been reduced and we continue to look at ways of further reducing it.

3. OPERATIONAL RESULTS

Harmony's underground grade continued to improve quarter on quarter. In the September 2014 quarter, underground recovered grade improved by 4% to 4.84g/t, on the back of a 5% year-on-year increase in recovered grade at the end of June 2014.

Quarter on quarter gold production increased by 6% (500 kilograms) to 9 435kg. The following operations contributed to higher gold production:

- Bambanani increased its tonnes milled by 20%, whilst recovered grade improved by 10% to 12.32g/t
- Target 1 improved recovered grade by 18% to 5.69g/t while tonnes milled decreased by 11%
- Target 3 improved recovered grade by 25% to 5.46g/t in the quarter under review. Tonnes milled increased by 14%

- Phakisa increased its tonnes milled by 8%. Recovered grade was 3% higher at 5.41g/t
- Doornkop increased its recovered grade by 38% to 4.55g/t
- Unisel improved both tonnes milled and recovered grade by 16% and 5% respectively
- Masimong increased tonnes milled by 19%, but recovered grade decreased by 5% to 3.77g/t, due to increased stoping width during the quarter. Masimong's grade is expected to return to its previous level in the next quarter
- Kalgold improved both tonnes milled and recovered grade by 1% and 20% respectively
- Phoenix tailings increased tonnes milled with 3% and improved recovered grade from 0.12g/t to 0.14g/t

Gold production at Tshepong, Joel and Hidden Valley were lower due to lower face grades being mined at Tshepong and Joel and the ore blend between the Hamata and Kaveroi pits at Hidden Valley. Kusasalethu did not achieve its planned production during the quarter, due to equipment failures in the metallurgical plant. Production at the surface dumps reduced by 1% (-3kg) mainly due to a 2% decrease in tonnes milled while the recovered grade remained stable at 0.35g/t.

#### 4. FINANCIAL RESULTS

##### *4.1 Revenue*

Revenue increased by R668 million (18%) to R4 431 million as a result of the 16% increase in gold sold to 9 987kg and a 2% increase in the Rand gold price received at R443 690/kg in the September 2014 quarter.

##### *4.2 Production costs*

The increase in production costs in the September 2014 quarter is mainly as a result of gold stock movements of R301 million due to more gold being sold than produced. Increases in electricity costs (due to winter tariffs) and the annual labour cost increase accounted for R272 million of the total increase.

##### *4.3 Amortisation and depreciation*

Depreciation increased by R124 million, mainly due to the increase in production and an increase in the depreciation rates at certain mines following the completion of the new business plans.

##### *4.4 Other (expenses)/income – net*

The increase to R187 million in expenses in the September 2014 quarter is mainly due to the foreign exchange translation loss of R192 million recorded on the US dollar syndicated loan, resulting from the Rand weakening from R10.61/US\$1 at 30 June 2014 to R11.32/US\$1 at 30 September 2014.

##### *4.5 Loss per share*

The loss per share of 61 SA cents for the September 2014 quarter reduced from the loss per share of 282 SA cents for the June 2014 quarter.

##### *4.6 Borrowings*

The drawn down amount on the US dollar syndicated loan remained unchanged at US\$270 million. However, the weakening of the Rand against the dollar exchange rate resulted in an increase

in the balance in Rand terms. The balance is due at the end of September 2015 and has been reclassified to current liabilities.

*4.7 Cash and cash equivalents*

Cash balances increased by R452 million to R2 281 million mainly as a result of the increase in revenue from more gold produced and sold, as well as increased receipts from debtors during the quarter.

**5. RECOGNITION AWARD FOR HARMONY'S  
CARBON DISCLOSURE AND REPORTING**

Harmony has been recognised by the CDP South Africa as the top scorer in the CDP South Africa Climate Change Report 2014 published on 15 October 2014. CDP represents 767 investors globally who owns around US\$92 trillion in assets.

## **Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

### **4**

Harmony attained a score of 100% for carbon disclosure and band “A” performance for leadership in respect of energy and climate change. CDP assesses companies’ responses against two parallel scoring schemes, namely performance and disclosure. The highest scoring companies for performance and/or disclosure enter the Climate Performance Leadership Index and/or the Climate Disclosure Leadership Index.

Harmony is the only South African company to have received platinum awards in both the disclosure category and performance categories.

### **6. WHITE RIVERS EXPLORATION (PTY) LIMITED (“WHITE RIVERS”) TRANSACTION**

Harmony and White Rivers entered into an agreement on 12 September 2014, the main objective being to establish an exploration joint venture to explore and develop potential gold resources at White Rivers’ Beisa Project and abutting exploration areas within Harmony’s adjacent Target mine. Entering into the joint venture allows both Harmony and White Rivers the opportunity to further enhance the value that mining contributes in the Free State, extending the life of mining communities beyond Harmony’s current life of mine.

Under the terms of the agreement, Harmony will have an initial 35% interest in the exploration joint venture, with White Rivers funding and managing exploration activities to prefeasibility study level.

### **7. EXPLORATION**

#### *7.1 Golpu*

Golpu’s new prefeasibility study is close to being finalised. Our considerations for the new targeted outcome include:

- return on investment
- project with lower capital
- near term cash flow

We aim to share the details of the prefeasibility study with the market in December 2014.

#### *7.2 Kili Teke – more good news from Papua New Guinea*

Some exciting initial results were reported from one of Harmony’s 100% owned exploration areas, Kili Teke in the Papua New Guinea highlands (near Porgera). The results from surface sampling outline a kilometer scale, copper-gold geochemical porphyry with values of around 2.7% copper and 5.2 g/t gold.

### **8. TARGET 3 PLACED ON CARE AND MAINTENANCE**

Following the suspension of mining operations at Target 3 at the end of the September 2014 quarter, the mine has been placed on care and maintenance.

### **9. POST QUARTER END – KUSASALETHU**

As per the announcement released on 31 October 2014 (refer [www.harmony.co.za/investors](http://www.harmony.co.za/investors)), Harmony management decided to close Kusasalethu for a two week period with the aim to remove all illegal miners, as well as complete all security and access control measures. No production will occur during this period and employees will be sent on leave.

The decision comes after a third underground fire in October 2014 month was started by illegal miners. Although no one was

#### THE INVESTMENT CASE FOR HARMONY

Firstly, we are the most efficient South African gold miner, by focusing on ways to improve our safety, production and cash operating costs. In addition, we are a company that's focused on the future. An investment in us is not just for short-term gain – we aim to provide increasing long-term benefits. We are able to do this primarily by funding our own capital, which puts us in control of our business and enables us to make decisions that have a real impact on our profitability.

Secondly, we produce more than one million ounces of gold and being a leveraged gold company means that should the gold price rise our margins would improve dramatically in percentage terms. Management clearly understands this and we continue to make tough decisions in loss-making operations when the gold price softens. However, Harmony has a huge potential upside when the gold price strengthens, as we believe it will in the medium to long term.

One of our key strengths at Harmony is our understanding of where we operate – on both an economic and a social level. The countries in which we operate and have experience, South Africa and Papua New Guinea, are both emerging economies. They are developing countries and we are able to contribute to local communities in a way that can make a lasting difference. For this reason, we wholeheartedly embrace our social licences to mine and endeavour to go beyond compliance.

The final reason to invest in Harmony is Golpu. It's a resource that we're sure will develop into a world-class copper gold mine, and will allow us to sustain our business well into the future.

*Extract from the Integrated Report for the financial year 2014*

“Chief executive officer discusses the major issues of FY14 and beyond”

[www.harmony.co.za](http://www.harmony.co.za)

harmed in any of these fires, it did result in ten production days lost in October.

Harmony is adopting an uncompromising stance towards these activities and is working with organised labour and the regulatory authorities to do so. Harmony is implementing increased security and improved clocking-in systems to tighten control on who enters and exits its mines. The company also regularly inspects closed-up sections to ensure that they remain sealed off and cannot be accessed illegally.

These illegal mining activities pose a threat not only to the illegal miners' own health and safety, but also to the safety of employees. Very often these activities result in damage to property and mining equipment and disruption to operations due to negligence, sabotage, theft and vandalism. The activities of illegal miners can also cause pollution, underground fires and deplete mineral



deposits, potentially making the future mining of such deposits uneconomical.

Kusasaletu's production has continued to be problematic and management is working on an alternative plan to return the mine to profitability.

#### 10. IN CONCLUSION

Our efforts to improve efficiencies are aimed not only at mining and processing, but in every aspect of our business. We believe that Harmony remains undervalued and that its successes are not currently factored into the share price.

**Graham Briggs**

*Chief executive officer*

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**6**

**5**

OPERATING RESULTS (RAND/METRIC) (US\$/IMPERIAL)

South Africa

Total

Harmony

Three

months

Ended

Underground production

Surface production

Total

South

Africa

Hidden

Valley

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1 Bambanani

Joel

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

**Ore milled**

**- t'000**

**Sep-14**

**290**

**136**

**158**

**259**

**185**

**183**

**59**

**146**

**114**

**81**

1 611

1 609

636

393

2 638

4 249

521

4 770

Jun-14

286

161

146

247

156

206

49

152

98

71

1 572

1 564

649

388

2 601

4 173

525

4 698

**Gold produced**

**- kg**

**Sep-14**

1 334

619

855

1 078

698

1 042

727

533

477

442

7 805

233

222

326

781

8 586

849

9 435

Jun-14

1 353

532

763

1 188

616

998

549

619

392

311

7 321

192

225

268

685

8 006

929

8 935

**Gold produced**

**- oz**

**Sep-14**

**42 889**

**19 901**

**27 489**

**34 658**

**22 441**

**33 501**

**23 374**

**17 136**

**15 336**

**14 211**

**250 936**

**7 491**

**7 137**

**10 481**

**25 109**

**276 045**

**27 296**

**303 341**

**Jun-14**

**43 500**

**17 104**

**24 531**

**38 195**

**19 805**

**32 086**

**17 651**

**19 901**

**12 603**

**9 999**

**235 375**

**6 173**

**7 234**

8 616

22 023

257 398

29 868

287 266

**Yield**

**- g/tonne**

**Sep-14**

**4.60**

**4.55**

**5.41**

**4.16**

**3.77**

**5.69**

**12.32**

**3.65**

**4.18**

**5.46**

**4.84**

**0.14**

**0.35**

**0.83**

**0.30**

**2.02**

**1.63**

**1.98**

**Jun-14**

4.73

3.30

5.23

4.81

3.95

4.84

11.20

4.07

4.00

4.38

4.66

0.12

0.35

0.69

0.26

1.92

1.77

1.90

**Cash operating**

**costs**

**- R/kg**

**Sep-14**

**414 573**

**440 977**

346 363  
369 139  
367 828  
285 610  
242 113  
369 818  
371 111  
349 385  
356 054  
328 605  
385 590  
373 819  
363 676  
356 748  
345 028  
355 693  
Jun-14  
349 534  
521 910  
367 172  
296 997  
396 333  
283 327  
301 040  
283 733  
379 821  
447 550  
346 871  
352 250  
340 707  
372 201  
356 264  
347 675  
291 793  
341 864  
**Cash operating  
costs**  
– \$/oz  
**Sep-14**  
1 198  
1 274  
1 001  
1 067  
1 063  
825  
699  
1 069  
1 072  
1 009  
1 029  
949

1 114

1 080

1 051

1 031

997

1 028

Jun-14

1 034

1 544

1 086

879

1 173

838

891

839

1 124

1 324

1 026

1 042

1 008

1 101

1 054

1 029

863

1 011

**Cash operating**

**costs**

**– R/tonne**

**Sep-14**

1 907

2 007

1 874

1 536

1 388

1 626

2 983

1 350

1 553

1 907

1 725

48

135

310

108

721

562

704

Jun-14

1 654

1 725

1 919

1 428  
1 565  
1 373  
3 373  
1 155  
1 519  
1 960  
1 615  
43  
118  
257  
94  
667  
516  
650  
**Gold sold**  
**- kg**  
**Sep-14**  
**1 433**  
**697**  
**868**  
**1 096**  
**709**  
**1 090**  
**739**  
**630**  
**485**  
**462**  
**8 209**  
**258**  
**239**  
**358**  
**855**  
**9 064**  
**923**  
**9 987**  
Jun-14  
1 131  
458  
759  
1 181  
612  
1 103  
545  
544  
390  
344  
7 067  
204  
225  
273



702

7 769

866

8 635

**Gold sold**

**- oz**

**Sep-14**

**46 072**

**22 409**

**27 907**

**35 237**

**22 795**

**35 044**

**23 759**

**20 255**

**15 593**

**14 854**

**263 925**

**8 295**

**7 684**

**11 510**

**27 489**

**291 414**

**29 675**

**321 089**

Jun-14

36 362

14 725

24 402

37 970

19 676

35 462

17 522

17 490

12 539

11 060

227 208

6 559

7 234

8 777

22 570

249 778

27 843

277 621

**Revenue (R'000)**

**Sep-14**

**635 948**

**309 439**

**385 455**

**486 350**

**314 566**

483 669  
328 079  
279 430  
215 453  
204 975  
3 643 364  
114 586  
106 905  
158 640  
380 131  
4 023 495  
407 641  
4 431 136

Jun-14

493 055  
195 768  
332 058  
516 839  
268 045  
482 003  
238 972  
238 095  
170 550  
149 999  
3 085 384  
89 208  
93 668  
119 767  
302 643  
3 388 027  
374 891  
3 762 918

**Cash operating  
costs**

**(R'000)**

Sep-14

553 041  
272 965  
296 140  
397 932  
256 744  
297 606  
176 016  
197 113  
177 020  
154 428  
2 779 005  
76 565  
85 601  
121 865  
284 031

**3 063 036**

**292 929**

**3 355 965**

Jun-14

472 920

277 656

280 152

352 833

244 141

282 760

165 271

175 631

148 890

139 188

2 539 442

67 632

76 659

99 750

244 041

2 783 483

271 076

3 054 559

**Inventory  
movement**

**(R'000)**

**Sep-14**

**29 247**

**35 654**

**1 826**

**9 085**

**1 274**

**13 923**

**(1 481)**

**25 540**

**(11)**

**7 238**

**122 295**

**9 620**

**6 603**

**9 954**

**26 177**

**148 472**

**13 517**

**161 989**

Jun-14

(83 364)

(33 881)

(5 436)

(11 891)

(3 134)

21 428

2 285  
(15 350)  
(1 117)  
10 593  
(119 867)  
786  
(203)  
3 388  
3 971  
(115 896)  
(23 155)  
(139 051)

**Operating costs (R'000)**

**Sep-14**

**582 288**  
**308 619**  
**297 966**  
**407 017**  
**258 018**  
**311 529**  
**174 535**  
**222 653**  
**177 009**  
**161 666**  
**2 901 300**  
**86 185**  
**92 204**  
**131 819**  
**310 208**  
**3 211 508**  
**306 446**  
**3 517 954**

Jun-14

389 556  
243 775  
274 716  
340 942  
241 007  
304 188  
167 556  
160 281  
147 773  
149 781  
2 419 575  
68 418  
76 456  
103 138  
248 012  
2 667 587  
247 921  
2 915 508

**Production  
profit/(loss)  
(R'000)**

**Sep-14**

**53 660**

**820**

**87 489**

**79 333**

**56 548**

**172 140**

**153 544**

**56 777**

**38 444**

**43 309**

**742 064**

**28 401**

**14 701**

**26 821**

**69 923**

**811 987**

**101 195**

**913 182**

**Jun-14**

**103 499**

**(48 007)**

**57 342**

**175 897**

**27 038**

**177 815**

**71 416**

**77 814**

**22 777**

**218**

**665 809**

**20 790**

**17 212**

**16 629**

**54 631**

**720 440**

**126 970**

**847 410**

**Production  
profit/(loss)  
(\$'000)**

**Sep-14**

**4 984**

**76**

**8 127**

**7 370**

**5 253**

**15 991**

14 264  
5 275  
3 571  
4 023  
68 934  
2 638  
1 366  
2 490  
6 494  
75 428  
9 400  
84 828  
Jun-14  
9 844  
(4 566)  
5 454  
16 730  
2 571  
16 913  
6 793  
7 401  
2 167  
20  
63 327  
1 977  
1 636  
1 582  
5 195  
68 522  
12 076  
80 598  
**Capital  
expenditure  
(R'000)**  
Sep-14  
124 368  
55 554  
85 185  
83 513  
40 526  
73 614  
24 540  
30 778  
29 229  
20 437  
567 744  
634  
503  
6 420  
7 557  
575 301

**21 153**

**596 454**

Jun-14

142 781

59 675

96 274

82 806

46 330

75 609

39 240

36 572

23 209

28 923

631 419

683

3 100

7 026

10 809

642 228

33 561

675 789

**Capital**

**expenditure**

**(\$'000)**

**Sep-14**

**11 553**

**5 160**

**7 913**

**7 758**

**3 765**

**6 838**

**2 280**

**2 859**

**2 715**

**1 898**

**52 739**

**59**

**47**

**596**

**702**

**53 441**

**1 965**

**55 406**

Jun-14

13 581

5 676

9 157

7 876

4 407

7 192

3 732

3 479  
2 208  
2 751  
60 059  
65  
295  
668  
1 028  
61 087  
3 192  
64 279

**Adjusted  
operating costs**

**- R/kg**

**Sep-14**  
**415 112**  
**452 885**  
**349 811**  
**377 677**  
**370 678**  
**290 243**  
**241 208**  
**358 710**  
**371 633**  
**354 776**  
**360 050**  
**334 150**  
**385 791**  
**372 575**  
**364 675**  
**360 548**  
**332 683**  
**357 974**

**Jun-14**  
348 804  
548 431  
368 133  
294 107  
395 334  
279 358  
312 620  
299 867  
385 498  
444 310  
347 984  
335 444  
339 804  
396 904  
360 742  
349 039  
288 118



342 933

**Adjusted  
operating costs**

– \$/oz

**Sep-14**

**1 199**

**1 308**

**1 011**

**1 091**

**1 071**

**839**

**697**

**1 036**

**1 074**

**1 025**

**1 040**

**965**

**1 115**

**1 076**

**1 054**

**1 042**

**960**

**1 034**

**Jun-14**

**1 032**

**1 622**

**1 089**

**870**

**1 170**

**826**

**925**

**887**

**1 140**

**1 314**

**1 029**

**992**

**1 005**

**1 174**

**1 067**

**1 033**

**847**

**1 015**

**All-in sustaining  
costs**

– R/kg

**Sep-14**

**516 475**

**542 644**

**455 711**

**467 277**

**443 372**

369 043  
271 532  
402 722  
446 757  
410 359  
438 942  
336 607  
398 180  
404 573  
382 277  
433 919  
403 002  
431 063  
Jun-14  
489 102  
688 392  
491 231  
375 224  
485 991  
358 028  
362 042  
344 922  
459 398  
538 569  
442 360  
338 792  
363 737  
434 223  
383 899  
437 028  
350 783  
428 383  
**All-in sustaining  
costs**  
– \$/oz  
**Sep-14**  
1 492  
1 568  
1 317  
1 350  
1 281  
1 066  
785  
1 164  
1 291  
1 186  
1 268  
973  
1 150  
1 169  
1 104

**1 254**  
**1 163**  
**1 245**  
Jun-14  
1 447  
2 037  
1 453  
1 110  
1 438  
1 059  
1 071  
1 020  
1 359  
1 593  
1 309  
1 002  
1 076  
1 285  
1 136  
1 293  
1 032  
1 267

7

CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)

**Figures in million**

Note

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Revenue

**4 431**

3 763

4 018

**15 682**

Cost of sales

2

**(4 319)**

(4 941)

(3 735)

**(16 088)**

Production costs

**(3 518)**

(2 916)

(2 981)

**(11 888)**

Amortisation and depreciation

**(650)**

(526)

(577)

**(2 143)**

Impairment of assets

–

(1 410)

–

**(1 439)**

Other items

**(151)**

(89)

(177)

**(618)**

**Gross profit/(loss)**

**112**

(1 178)  
 283  
**(406)**  
 Corporate, administration and other expenditure  
**(111)**  
 (112)  
 (108)  
**(430)**  
 Social investment expenditure  
**(24)**  
 (21)  
 (38)  
**(88)**  
 Exploration expenditure  
**(85)**  
 (114)  
 (142)  
**(458)**  
 Profit on sale of property, plant and equipment  
 –  
 30  
 –  
**30**  
 Other (expenses)/income – net  
 5  
**(187)**  
 (47)  
 1  
**(208)**  
**Operating loss**  
**(295)**  
 (1 442)  
 (4)  
**(1 560)**  
 (Loss)/profit from associates  
 4  
 –  
 (125)  
 3  
**(109)**  
 Profit on disposal/(impairment) of investments  
 –  
 14  
 (7)  
**7**  
 Net gain on financial instruments  
**7**  
 32  
 74  
**170**  
 Investment income

**51**  
 61  
 45  
**220**  
 Finance cost  
**(65)**  
 (101)  
 (60)  
**(277)**  
**(Loss)/profit before taxation**  
**(302)**  
 (1 561)  
 51  
**(1 549)**  
 Taxation  
**36**  
 338  
 (38)  
**279**  
 Normal taxation  
**1**  
 1  
 (49)  
**(24)**  
 Deferred taxation  
**35**  
 337  
 11  
**303**  
**Net (loss)/profit for the period**  
**(266)**  
 (1 223)  
 13  
**(1 270)**  
*Attributable to:*  
 Owners of the parent  
**(266)**  
 (1 223)  
 13  
**(1 270)**  
**(Loss)/earnings per ordinary share (cents)**  
 3  
 Basic (loss)/earnings  
**(61)**  
 (282)  
 3  
**(293)**  
 Diluted (loss)/earnings  
**(61)**  
 (282)  
 3

**(293)**

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

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**8**

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(RAND)

**Figures in million**

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Net (loss)/profit for the period

**(266)**

(1 223)

13

**(1 270)**

Other comprehensive income/(loss) for the period,

net of income tax

**179**

624

(695)

**(140)**

Items that may be reclassified subsequently

to profit or loss:

**179**

655

(695)

**(109)**

Foreign exchange translation

**179**

668

(694)

**(108)**

Movements on investments

–

(13)

(1)

**(1)**

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

**Total comprehensive loss for the period**

**(87)**

(599)

(682)

**(1 410)**

*Attributable to:*

Owners of the parent

**(87)**

(599)

(682)

**(1 410)**

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

The unaudited condensed consolidated financial statements for the three months ended 30 September 2014 have been prepared by

Harmony Gold Mining Company Limited's corporate reporting team headed by Herman Perry. This process was supervised by the financial

director, Frank Abbott and approved by the board of Harmony Gold Mining Company Limited. These financial statements have not been

audited or independently reviewed.

**Figures in million**

**Share**

**capital**

**Other**

**reserves**

**(Accumulated**

**loss)/**

**retained**

**earnings**

**Total**

Balance – 30 June 2014

**28 325**

**3 539**

**(822)**

**31 042**

Share-based payments

–

**69**

–

**69**

Net loss for the period

-
-
<b>(266)</b>
<b>(266)</b>
Other comprehensive income for the period
-
<b>179</b>
-
<b>179</b>
<b>Balance – 30 September 2014</b>
<b>28 325</b>
<b>3 787</b>
<b>(1 088)</b>
<b>31 024</b>
Balance – 30 June 2013
28 325
3 442
448
32 215
Share-based payments
-
43
-
43
Net profit for the period
-
-
13
13
Other comprehensive loss for the period
-
<b>(695)</b>
-
<b>(695)</b>
<b>Balance – 30 September 2013</b>
<b>28 325</b>
<b>2 790</b>
<b>461</b>
<b>31 576</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RAND)**  
for the three months ended 30 September 2014 (unaudited)

9

CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)

**Figures in million**

Note

**At**

**30 September**

**2014**

**(Unaudited)**

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

**ASSETS**

**Non-current assets**

Property, plant and equipment

**33 232**

33 069

32 195

Intangible assets

**885**

886

2 191

Restricted cash

**38**

42

38

Restricted investments

**2 329**

2 299

2 143

Deferred tax assets

**76**

81

93

Investments in associates

4

–

–

112

Investments in financial assets

**4**

4

42

Inventories

**50**

50

57

**Total non-current assets**

**36 614**

36 431

36 871

**Current assets**

Inventories

**1 390**

1 534

1 482

Trade and other receivables

**693**

951

1 238

Income and mining taxes

**94**

110

103

Restricted cash

**15**

15

—

Cash and cash equivalents

**2 281**

1 829

2 288

**Total current assets**

**4 473**

4 439

5 111

**Total assets**

**41 087**

40 870

41 982

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

**28 325**

28 325

28 325

Other reserves

**3 787**

3 539

2 790

(Accumulated loss)/retained earnings

**(1 088)**

(822)

461

**Total equity**

**31 024**

31 042

31 576

**Non-current liabilities**

Deferred tax liabilities

**2 640**

2 680

2 998

Provision for environmental rehabilitation

**2 148**

2 098

1 990

Retirement benefit obligation

**251**

247

198

Other non-current liabilities

6

**40**

95

63

Borrowings

5

—

2 860

2 868

**Total non-current liabilities**

**5 079**

7 980

8 117

**Current liabilities**

Borrowings

5

**3 052**

—

291

Income and mining taxes

**9**

—

24

Trade and other payables

6

**1 923**

1 848

1 974

**Total current liabilities**

**4 984**

1 848

2 289

**Total equity and liabilities**

**41 087**

40 870

41 982

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

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**10**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (RAND)

**Figures in million**

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

Restated\*

30 September

2013

(Unaudited)

Restated

#

**Cash flow from operating activities**

Cash generated by operations

**1 071**

443

295

**2 247**

Interest and dividends received

**25**

47

26

**139**

Interest paid

**(23)**

(32)

(29)

**(121)**

Income and mining taxes refunded

**25**

31

—

**3**

**Cash generated by operating activities**

**1 098**

489

292

**2 268**

**Cash flow from investing activities**

Decrease/(increase) in restricted cash

**4**

(3)	
–	
<b>(6)</b>	
Decrease/(increase) in restricted investments	
<b>1</b>	
(24)	
–	
<b>(24)</b>	
Proceeds on disposal of investments	
–	
51	
–	
<b>51</b>	
Net additions to property, plant and equipment	
1	
<b>(651)</b>	
(699)	
(684)	
<b>(2 661)</b>	
<b>Cash utilised by investing activities</b>	
<b>(646)</b>	
(675)	
(684)	
<b>(2 640)</b>	
<b>Cash flow from financing activities</b>	
Borrowings raised	
–	
–	
612	
<b>612</b>	
Borrowings repaid	
–	
–	
(3)	
<b>(468)</b>	
<b>Cash generated by financing activities</b>	
–	
–	
609	
<b>144</b>	
<b>Foreign currency translation adjustments</b>	
–	
7	
(18)	
<b>(32)</b>	
Net increase/(decrease) in cash and cash equivalents	
<b>452</b>	
(179)	
199	
<b>(260)</b>	
Cash and cash equivalents – beginning of period	

**1 829**

2 008

2 089

**2 089**

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

**2 281**

1 829

2 288

**1 829**

1

*Includes capital expenditure for Wafi-Golpu and other international projects of R15 million in the September 2014 quarter (June 2014 quarter: R12 million) (September 2013 quarter: Rnil) and R12 million in the year ended 30 June 2014.*

*\* Cash generated by operating activities and cash utilised by investing activities previously reported as R470 million and (R656 million) restated to R489 million and (R675 million) respectively in the June 2014 quarter. This is mainly related to the change in accounting policy for IFRIC 20.*

*# Cash generated by operating activities and cash utilised by investing activities previously reported as R235 million and (R627 million) restated to R292 million and (R684 million) respectively in the September 2013 quarter. This is mainly related to the change in accounting policy for IFRIC 20.*

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



11

1.

**Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the three months ended 30 September 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 2014, 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 2014 and had no impact on the financial results of the group:

IFRSs

Annual Improvements 2010 – 2012 Cycle

IAS 32

Amendment – Presentation – Offsetting Financial Assets and Financial Liabilities

IAS 36

Amendment – Impairment of Assets – Recoverable amount disclosures for non-financial assets

IFRIC 21 Levies

2.

**Cost of sales**

**Figures in million**

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Production costs – excluding royalty

**3 486**

2 891

2 943

**11 761**

Royalty expense

**32**

25

38

**127**

Amortisation and depreciation

**650**

526

577

**2 143**

Impairment of assets

1

–

1 410

–

**1 439**

Rehabilitation expenditure/(credit)

2

**14**

(9)

15

**8**

Care and maintenance cost of restructured shafts

**17**

13

17

**66**

Employment termination and restructuring costs

3

**48**

40

94

**274**

Share-based payments

**73**

44

51

**270**

Other

**(1)**

1

–

–

**Total cost of sales**

**4 319**

4 941

3 735

**16 088**

1

*The impairment in the June 2014 quarter consists of an impairment of R1.38 billion on Phakisa, R7 million on Steyn 2 and R21 million on St Helena.*

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 in the totals for the year ended June 2014 and the June 2014 and September 2013 quarters are amounts relating to the restructuring at Hidden*

*Valley, while all periods include amounts relating to the voluntary retrenchment packages offered in South Africa.*

*The September 2014 quarter total includes amounts provided for employees of Target 3.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the three months ended 30 September 2014 (Rand)

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**12**

**3.**

**(Loss)/earnings per share**

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Weighted average number of shares (million)

**434.1**

433.9

432.6

**433.2**

Weighted average number of diluted shares (million)

**435.4**

435.2

433.0

**434.7**

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

Basic (loss)/earnings

**(61)**

(282)

3

**(293)**

Diluted (loss)/earnings

**(61)**

(282)

3

**(293)**

Headline (loss)/earnings

**(61)**

30

5

**26**

Diluted headline (loss)/earnings

**(61)**

30

5

**26**

Figures in million

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

Net (loss)/profit

**(266)**

(1 223)

13

**(1 270)**

*Adjusted for:*

(Profit on disposal)/impairment of investments

1

–

(14)

7

**(7)**

Impairment of assets

–

1 410

–

**1 439**

Taxation effect on impairment of assets

–

(20)

–

**(24)**

Profit on sale of property, plant and equipment

–

(30)

–

**(30)**

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

–

6

–

**6**

**Headline (loss)/earnings**

**(266)**

129

20

**114**

1

*There is no taxation effect on these items.*

**4.**

**Investment in associate**

Harmony holds a 10.38% share in Rand Refinery. Due to the issues experienced at Rand Refinery following the implementation of a

new Enterprise Resource Planning (ERP) system on 1 April 2013, and the fact that the annual financial statements for the year ended

30 September 2013 have not been finalised, Harmony has provided for its full share of loss for the inventory discrepancy. 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.

**5.**

**Borrowings**

There were no draw downs made from the US\$300 million syndicated revolving credit facility during the September 2014 quarter 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 R192 million being recorded in the September 2014 quarter (June 2014 quarter: R11 million), increasing the borrowings balance and Other (expenses)/income – net. The facility is repayable by September 2015. As a result, the borrowings balance was reclassified to current liabilities.

At 30 September 2014, the full amount was available on the Nedbank revolving credit facility of R1.3 billion. The facility is available until December 2016.

**6.**

**Other non-current liabilities**

During the September 2014 quarter, negotiations were entered into with the claimants in the matter relating to the pumping and treatment cost of fissure water in the Klerksdorp, Orkney, Stilfontein and Hartbeesfontein (KOSH) Basin. Payment was made to Simmer and Jack Investments Proprietary Limited as full and final settlement during the quarter, while the full and final settlement to AngloGold Ashanti Limited was made in October 2014. The amount owing to AngloGold Ashanti Limited was reclassified to trade and other payables at 30 September 2014.

13

7.

**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 September**

**2014**

(Unaudited)

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

**Available-for-sale financial assets**

**1**

Level 1

–

–

37

Level 2

–

–

–

Level 3

**4**

4

5

**Fair value through profit or loss**

**2**

Level 1

–

–

–

Level 2

**632**

798

933

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.*

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.*

**8.**

## **Commitments and contingencies**

### **Figures in million**

**At**

**30 September**

**2014**

**(Unaudited)**

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

### **Capital expenditure commitments:**

Contracts for capital expenditure

**206**

157

351

Authorised by the directors but not contracted for

**2 359**

519

1 835

**2 565**

676

2 186

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 annual financial statements for the financial year ended

30 June 2014, 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 2014, except as discussed below:

(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 4 for further details.



**9.**

**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.

There have been

no transactions with related parties during the September 2014 quarter.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the three months ended 30 September 2014 (Rand)

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**14**

**10. Subsequent events**

(a) Refer to note 6 for subsequent changes relating to the KOSH matter.

(b) Target 3 was closed at the end of the September 2014 quarter and placed on care and maintenance. The section 189 process

is still continuing and expected to impact approximately 350 employees. Retrenchment costs are expected to be approximately

R25 million.

(c) On 31 October 2014, Harmony announced that it would be closing Kusasaletu for two weeks, following three underground

fires started by illegal miners during October 2014. During this period, management aims to remove all illegal miners as well

as complete all security and access control measures needed to tighten control on entry and exit from the mine. No production

will occur during this period and employees will be sent on leave. This stoppage, together with the ten production days lost in

October 2014 as a result of the fires, will have a negative impact on Kusasaletu's results and therefore on the group's results for

the December 2014 quarter.

**11. Segment report**

The segment report follows on page 15.

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

**Figures in million**

**Three months ended**

**30 September**

**2014**

**(Unaudited)**

30 September

2013

**(Unaudited)**

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

**4 431**

4 018

Total segment production costs

**(3 518)**

(2 981)

Production profit per segment report

**913**

1 037

Depreciation

**(650)**

(577)

Other cost of sales items

**(151)**

(177)

**Gross profit as per income statements**

**1**

**112**

283

*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 September**

**2014**

**(Unaudited)**

**At**

**30 September**

**2013**

**(Unaudited)**

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

Property, plant and equipment not allocated to a segment

Mining assets

**779**

1 155

Undeveloped property

**5 139**

5 139

Other non-mining assets

**143**

74

Wafi-Golpu assets

**1 140**

981

**7 201**

7 349

15

Revenue

30 September

Production cost

30 September

Production profit

30 September

Mining assets

30 September

Capital

expenditure

#

30 September

Kilograms

produced

30 September

Tonnes milled

30 September

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

South Africa

Underground

Kusasaletu

636

471

582

395

54

76

3 666

3 457

124

120  
**1 334**  
1 272  
**290**  
329  
Doornkop  
**309**  
342  
**309**  
288  
—  
54  
**3 343**  
3 375  
**55**  
60  
**619**  
765  
**136**  
236  
Phakisa  
**385**  
318  
**298**  
265  
**87**  
53  
**4 611**  
4 534  
**85**  
91  
**855**  
755  
**158**  
156  
Tshepong  
**486**  
443  
**407**  
346  
**79**  
97  
**3 959**  
3 918  
**83**  
68  
**1 078**  
1 049  
**259**  
249  
Masimong

**315**  
319  
**258**  
258  
**57**  
61  
**1 068**  
1 005  
**41**  
38  
**698**  
758  
**185**  
189  
Target 1  
**484**  
423  
**312**  
225  
**172**  
198  
**2 785**  
2 704  
**74**  
62  
**1 042**  
1 081  
**183**  
191  
Bambanani  
(a)  
**328**  
325  
**174**  
169  
**154**  
156  
**834**  
886  
**25**  
33  
**727**  
769  
**59**  
63  
Joel  
**279**  
297  
**223**  
179  
**56**

118

**468**

329

**31**

42

**533**

697

**146**

159

Unisel

**215**

201

**177**

150

**38**

51

**635**

344

**29**

17

**477**

476

**114**

108

Target 3

**205**

154

**162**

127

**43**

27

**551**

482

**20**

35

**442**

392

**81**

82

**Surface**

All other surface operations

**381**

366

**310**

267

**71**

99

**475**

465

**8**

8

781  
846  
**2 638**  
2 781  
**Total South Africa**  
**4 023**  
3 659  
**3 212**  
2 669  
**811**  
990  
**22 395**  
21 499  
**575**  
574  
**8 586**  
8 860  
**4 249**  
4 543  
**International**  
Hidden Valley  
**408**  
359  
**306**  
312  
**102**  
47  
**3 636**  
3 347  
**21**  
48  
**849**  
775  
**521**  
503  
**Total international**  
**408**  
359  
**306**  
312  
**102**  
47  
**3 636**  
3 347  
**21**  
48  
**849**  
775  
**521**  
503  
**Total operations**



**4 431**

4 018

**3 518**

2 981

**913**

1 037

**26 031**

24 846

**596**

622

**9 435**

9 635

**4 770**

5 046

Reconciliation of the segment  
information to the condensed  
consolidated financial statements  
(refer to note 12)

**7 201**

7 349

**4 431**

4 018

**3 518**

2 981

**33 232**

32 195

#

*Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of R15 million (2013: Rnil).*

*(a)*

*Includes Steyn 2 for the September 2013 amounts.*

SEGMENT REPORT (RAND/METRIC)

for the three months ended 30 September 2014 (Unaudited)

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**16**

US\$ RESULTS

**FOR THE FIRST QUARTER**

**ENDED**

30 SEPTEMBER 2014

Q1 FY15

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**18**

**17**

**OPERATING RESULTS (US\$/IMPERIAL)**

South Africa

Hidden

Valley

Harmony

Total

Underground production

Surface production

Total

South

Africa

Three

months

Ended

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1 Bambanani

Joel

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

**Ore milled**

**- t'000**

**Sep-14**

**320**

**150**

**174**

**286**

**204**

**202**

**65**

**161**

**126**

**89**

**1 777**

**1 774**

**701**

**433**

**2 908**

**4 685**

**575**

**5 260**

Jun-14

315

178

161

272

172

227

54

168

108

78

1 733

1 725

716

428

2 869

4 602

579

5 181

**Gold produced**

**- oz**

**Sep-14**

**42 889**

**19 901**

**27 489**

**34 658**

**22 441**

**33 501**

**23 374**

**17 136**

**15 336**

**14 211**

**250 936**

**7 491**

**7 137**

**10 481**

**25 109**

**276 045**

**27 296**

**303 341**

Jun-14

43 500

17 104

24 531

38 195

19 805

32 086  
17 651  
19 901  
12 603  
9 999  
235 375  
6 173  
7 234  
8 616  
22 023  
257 398  
29 868  
287 266  
**Yield**  
**- oz/t**  
**Sep-14**  
**0.134**  
**0.133**  
**0.158**  
**0.121**  
**0.110**  
**0.166**  
**0.360**  
**0.106**  
**0.122**  
**0.160**  
**0.141**  
**0.004**  
**0.010**  
**0.024**  
**0.009**  
**0.059**  
**0.047**  
**0.058**  
Jun-14  
0.138  
0.096  
0.152  
0.140  
0.115  
0.141  
0.327  
0.118  
0.117  
0.128  
0.136  
0.004  
0.010  
0.020  
0.008  
0.056

0.052

0.055

**Cash operating**

**costs**

**– \$/oz**

**Sep-14**

**1 198**

**1 274**

**1 001**

**1 067**

**1 063**

**825**

**699**

**1 069**

**1 072**

**1 009**

**1 029**

**949**

**1 114**

**1 080**

**1 051**

**1 031**

**997**

**1 028**

Jun-14

1 034

1 544

1 086

879

1 173

838

891

839

1 124

1 324

1 026

1 042

1 008

1 101

1 054

1 029

863

1 011

**Cash operating**

**costs**

**– \$/t**

**Sep-14**

**161**

**169**

**158**

**129**

117  
137  
252  
114  
131  
161  
145  
4  
11  
26  
9  
61  
47  
59  
Jun-14  
143  
148  
166  
123  
135  
118  
291  
99  
131  
170  
139  
4  
10  
22  
8  
58  
45  
56  
**Gold sold**  
– oz  
**Sep-14**  
46 072  
22 409  
27 907  
35 237  
22 795  
35 044  
23 759  
20 255  
15 593  
14 854  
263 925  
8 295  
7 684  
11 510  
27 489

**291 414**

**29 675**

**321 089**

Jun-14

36 362

14 725

24 402

37 970

19 676

35 462

17 522

17 490

12 539

11 060

227 208

6 559

7 234

8 777

22 570

249 778

27 843

277 621

**Revenue (\$'000)**

**Sep-14**

**59 074**

**28 744**

**35 805**

**45 178**

**29 220**

**44 929**

**30 476**

**25 957**

**20 014**

**19 040**

**338 437**

**10 644**

**9 931**

**14 736**

**35 311**

**373 748**

**37 866**

**411 614**

Jun-14

46 897

18 620

31 584

49 159

25 495

45 846

22 730

22 646



16 222  
14 267  
293 466  
8 485  
8 909  
11 392  
28 786  
322 252  
35 658  
357 910

**Cash operating  
costs**

**(\$'000)**

**Sep-14**

**51 373**  
**25 356**  
**27 508**  
**36 964**  
**23 849**  
**27 645**  
**16 350**  
**18 310**  
**16 444**  
**14 345**  
**258 144**  
**7 112**  
**7 952**  
**11 321**  
**26 385**  
**284 529**  
**27 210**  
**311 739**

Jun-14

44 982  
26 409  
26 647  
33 560  
23 222  
26 895  
15 720  
16 705  
14 161  
13 239  
241 540  
6 433  
7 292  
9 488  
23 213  
264 753  
25 784  
290 537

**Inventory  
movement**

**(\$'000)**

**Sep-14**

**2 717**

**3 312**

**170**

**844**

**118**

**1 293**

**(138)**

**2 372**

**(1)**

**672**

**11 359**

**894**

**613**

**925**

**2 432**

**13 791**

**1 256**

**15 047**

**Jun-14**

**(7 929)**

**(3 223)**

**(517)**

**(1 131)**

**(298)**

**2 038**

**217**

**(1 460)**

**(106)**

**1 008**

**(11 401)**

**75**

**(19)**

**322**

**378**

**(11 023)**

**(2 202)**

**(13 225)**

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

**Sep-14**

**54 090**

**28 668**

**27 678**

**37 808**

**23 967**

**28 938**

**16 212**

**20 682**

16 443  
15 017  
269 503  
8 006  
8 565  
12 246  
28 817  
298 320  
28 466  
326 786  
Jun-14  
37 053  
23 186  
26 130  
32 429  
22 924  
28 933  
15 937  
15 245  
14 055  
14 247  
230 139  
6 508  
7 273  
9 810  
23 591  
253 730  
23 582  
277 312  
**Production**  
**profit/(loss)**  
**(\$'000)**  
**Sep-14**  
4 984  
76  
8 127  
7 370  
5 253  
15 991  
14 264  
5 275  
3 571  
4 023  
68 934  
2 638  
1 366  
2 490  
6 494  
75 428  
9 400  
84 828

Jun-14

9 844

(4 566)

5 454

16 730

2 571

16 913

6 793

7 401

2 167

20

63 327

1 977

1 636

1 582

5 195

68 522

12 076

80 598

**Capital**

**expenditure**

**(\$'000)**

**Sep-14**

**11 553**

**5 160**

**7 913**

**7 758**

**3 765**

**6 838**

**2 280**

**2 859**

**2 715**

**1 898**

**52 739**

**59**

**47**

**596**

**702**

**53 441**

**1 965**

**55 406**

Jun-14

13 581

5 676

9 157

7 876

4 407

7 192

3 732

3 479

2 208

2 751  
60 059  
65  
295  
668  
1 028  
61 087  
3 192  
64 279

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

**Sep-14**

**1 199  
1 308  
1 011  
1 091  
1 071  
839  
697  
1 036  
1 074  
1 025  
1 040  
965  
1 115  
1 076  
1 054  
1 042  
960  
1 034**

**Jun-14**

1 032  
1 622  
1 089  
870  
1 170  
826  
925  
887  
1 140  
1 314  
1 029  
992  
1 005  
1 174  
1 067  
1 033  
847  
1 015

**All-in  
sustaining costs**

– \$/oz

**Sep-14**

**1 492**

**1 568**

**1 317**

**1 350**

**1 281**

**1 066**

**785**

**1 164**

**1 291**

**1 186**

**1 268**

**973**

**1 150**

**1 169**

**1 104**

**1 254**

**1 163**

**1 245**

**Jun-14**

**1 447**

**2 037**

**1 453**

**1 110**

**1 438**

**1 059**

**1 071**

**1 020**

**1 359**

**1 593**

**1 309**

**1 002**

**1 076**

**1 285**

**1 136**

**1 293**

**1 032**

**1 267**

**19**

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation)

**Figures in million**

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Revenue

**412**

358

403

**1 515**

Cost of sales

**(401)**

(469)

(375)

**(1 549)**

Production costs

**(327)**

(277)

(299)

**(1 148)**

Amortisation and depreciation

**(60)**

(50)

(58)

**(207)**

Impairment of assets

–

(134)

–

**(135)**

Other items

**(14)**

(8)

(18)

**(59)**

**Gross profit/(loss)**

**11**

(111)

28

**(34)**

Corporate, administration and other expenditure

**(10)**

(11)

(11)

**(42)**

Social investment expenditure

**(2)**

(2)

(4)

**(9)**

Exploration expenditure

**(8)**

(11)

(14)

**(44)**

Profit on sale of property, plant and equipment

–

3

–

**3**

Other expenses (net)

**(18)**

(4)

–

**(20)**

**Operating loss**

**(27)**

(136)

(1)

**(146)**

Profit from associates

–

(12)

–

**(10)**

Profit on disposal/(impairment) of investments

–

1

(1)

**1**

Net gain on financial instruments

**1**

3

8

**16**

Investment income

**4**

6

5



**21**

Finance cost

**(6)**

(10)

(6)

**(27)**

**(Loss)/profit before taxation**

**(28)**

(148)

5

**(145)**

Taxation

**3**

32

(4)

**27**

Normal taxation

–

–

(5)

**(2)**

Deferred taxation

**3**

32

1

**29**

**Net (loss)/profit for the period**

**(25)**

(116)

1

**(118)**

*Attributable to:*

Owners of the parent

**(25)**

(116)

1

**(118)**

**Loss per ordinary share (cents)**

Basic loss

**(6)**

(27)

–

**(27)**

Diluted loss

**(6)**

(27)

–

**(27)**

The currency conversion average rates for the quarter ended: September 2014: US\$1 = R10.77 (June 2014: US\$1 = R10.51, September 2013: US\$1 = R9.96). For year ended: June 2014: US\$1 = R10.35.

The income statement for the year ended 30 June 2014 has been extracted from the 2014 annual financial statements.

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**20**

**Figures in million**

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Net (loss)/profit for the period

**(25)**

(116)

1

**(118)**

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

**17**

59

(70)

**(209)**

Items that may be reclassified subsequently  
to profit or loss:

**17**

62

(70)

**(206)**

Foreign exchange translation

**17**

63

(70)

**(206)**

Movements on investments

-

(1)

-

-

Items that will not be reclassified to profit or loss:

-

(3)

-

**(3)**

Actuarial loss recognised during the year

–  
 (4)  
 –  
 (4)  
 Deferred taxation thereon  
 –  
 1  
 –  
**1**  
**Total comprehensive loss for the period**

**(8)**  
 (57)  
 (69)  
**(327)**

*Attributable to:*

Owners of the parent  
**(8)**  
 (57)  
 (69)  
**(327)**

The currency conversion average rates for the quarter ended: September 2014: US\$1 = R10.77 (June 2014: US\$1 = R10.51, September 2013: US\$1 = R9.96). For year ended: June 2014: US\$1 = R10.35.

The statement of comprehensive income for the year ended 30 June 2014 has been extracted from the 2014 annual financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$)**  
 (Convenience translation)

**Note on convenience translations**

Except where specific statements have been extracted from 2014 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 19 to 23.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US\$)**  
 for the three months ended 30 September 2014 (Convenience translation) (unaudited)

**Figures in million**

**Share capital**

**Other reserves**

**(Accumulated loss)/**

**retained**

**earnings**

**Total**

Balance – 30 June 2014

**2 503**

**313**

**(73)**

**2 743**

Share-based payments

–

**6**

–  
**6**  
 Net loss for the period  
 –  
 –  
**(23)**  
**(23)**  
 Other comprehensive income for the period

–  
**16**  
 –  
**16**

**Balance – 30 September 2014**

**2 503**

**335**

**(96)**

**2 742**

Balance – 30 June 2013

2 820

343

45

3 208

Share-based payments

–

4

–

4

Net profit for the period

–

–

1

1

Other comprehensive loss for the period

–

**(69)**

–

**(69)**

**Balance – 30 September 2013**

2 820

278

46

3 144

The currency conversion closing rates for the period ended 30 September 2014: US\$1 = R11.32 (September 2013: US\$1 = R10.05).

**21**

**Figures in million**

At

**30 September**

**2014**

**(Unaudited)**

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

ASSETS

**Non-current assets**

Property, plant and equipment

**2 937**

3 116

3 205

Intangible assets

**78**

84

218

Restricted cash

**3**

4

4

Restricted investments

**206**

217

213

Deferred tax assets

**7**

8

9

Investments in associates

—

—

11

Investments in financial assets

—

—

4

Inventories

**4**

5

6

**Total non-current assets**

**3 235**

3 434

3 670

**Current assets**

Inventories

**123**

145

147

Trade and other receivables

**61**

90

123

Income and mining taxes

**8**

10

10

Restricted cash

**1**

1

–

Cash and cash equivalents

**202**

172

228

**Total current assets**

**395**

418

508

**Total assets**

**3 630**

3 852

4 178

EQUITY AND LIABILITIES

**Share capital and reserves**

Share capital

**2 503**

4 035

2 820

Other reserves

**335**

(887)

278

(Accumulated loss)/retained earnings

**(96)**

(223)

46

**Total equity**

**2 742**

2 925

3 144

**Non-current liabilities**

Deferred tax liabilities

**233**

253	
298	
Provision for environmental rehabilitation	
<b>190</b>	
198	
198	
Retirement benefit obligation	
<b>22</b>	
23	
20	
Other non-current liabilities	
<b>4</b>	
9	
6	
Borrowings	
–	
270	
285	
<b>Total non-current liabilities</b>	
<b>449</b>	
753	
807	
<b>Current liabilities</b>	
Borrowings	
<b>270</b>	
–	
29	
Income and mining taxes	
<b>1</b>	
–	
2	
Trade and other payables	
<b>168</b>	
174	
196	
<b>Total current liabilities</b>	
<b>439</b>	
174	
227	
<b>Total equity and liabilities</b>	
<b>3 630</b>	
3 852	
4 178	
The balance sheet for September 2014 converted at a conversion rate of US\$1 = R11.32 (June 2014: US\$1 = R10.61, September 2013: US\$1 = R10.05).	
The balance sheet at 30 June 2014 has been extracted from the 2014 annual financial statements.	
CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)	
(Convenience translation)	



**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**22**

**Figures in million**

**Quarter ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**30 September**

**2014**

**(Unaudited)**

30 June

2014

(Unaudited)

Restated\*

30 September

2013

(Unaudited)

Restated

#

**Cash flow from operating activities**

Cash generated by operations

**99**

42

30

**218**

Interest and dividends received

**2**

4

3

**13**

Interest paid

**(2)**

(3)

(3)

**(12)**

Income and mining taxes refunded

**2**

3

–

–

**Cash generated by operating activities**

**101**

46

30

**219**

**Cash flow from investing activities**

Increase in restricted cash

–

–

-	
<b>(1)</b>	
Increase in restricted investments	
-	
<b>(2)</b>	
-	
<b>(2)</b>	
Proceeds on disposal of investments	
-	
5	
-	
<b>5</b>	
Net additions to property, plant and equipment	
1	
<b>(60)</b>	
(66)	
(69)	
<b>(257)</b>	
<b>Cash utilised by investing activities</b>	
<b>(60)</b>	
(63)	
(69)	
<b>(255)</b>	
<b>Cash flow from financing activities</b>	
Borrowings raised	
-	
-	
61	
<b>60</b>	
Borrowings repaid	
-	
-	
-	
<b>(44)</b>	
<b>Cash generated by financing activities</b>	
-	
-	
61	
<b>16</b>	
<b>Foreign currency translation adjustments</b>	
<b>(11)</b>	
(1)	
(3)	
<b>(17)</b>	
Net increase/(decrease) in cash and cash equivalents	
<b>30</b>	
(18)	
19	
<b>(37)</b>	
Cash and cash equivalents – beginning of period	
<b>172</b>	

190

209

**209**

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

**202**

172

228

**172**

1

*Includes capital expenditure for Wafi-Golpu and other international projects of US\$1 million in the September 2014 quarter (June 2014 quarter: US\$1 million)*

*(September 2013 quarter: US\$nil) and US\$1 million in the year ended 30 June 2014.*

*\* Cash generated by operating activities and cash utilised by investing activities previously reported as US\$45 million and (US\$62 million) restated to US\$46 million and (US\$63 million) respectively in the June 2014 quarter. This is mainly related to the change in accounting policy for IFRIC 20.*

*# Cash generated by operating activities and cash utilised by investing activities previously reported as US\$24 million and (US\$63 million) restated to US\$30 million and (US\$69 million) respectively in the September 2013 quarter. This is mainly related to the change in accounting policy for IFRIC 20.*

The currency conversion average rates for the quarter ended: September 2014: US\$1 = R10.77 (June 2014: US\$1 = R10.51, September

2013: US\$1 = R9.96). For year ended: June 2014: US\$1 = R10.35.

Closing balance translated at closing rates of: September 2014: US\$1 = R11.32 (June 2014: US\$1 = 10.61, September 2013: US\$1 = R10.05).

The cash flow statement for the year ended 30 June 2014 has been extracted from the 2014 annual financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)**

(Convenience translation)

**23**

**Revenue**

**30 September**

**Production cost**

**30 September**

**Production profit**

**30 September**

**Mining assets**

**30 September**

**Capital**

**expenditure**

**#**

**30 September**

**Ounces**

**produced**

**30 September**

**Tons milled**

**30 September**

**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**

**South Africa**

**Underground**

**Kusasaletu**

**59**

47

**54**

39

**5**

8

**324**

344

**11**

12  
**42 889**  
40 896  
**320**  
363  
Doornkop  
**29**  
34  
**29**  
29  
—  
5  
**295**  
336  
**5**  
6  
**19 901**  
24 595  
**149**  
260  
Phakisa  
**36**  
32  
**28**  
27  
**8**  
5  
**408**  
451  
**8**  
9  
**27 489**  
24 274  
**174**  
172  
Tshepong  
**45**  
45  
**38**  
35  
**7**  
10  
**350**  
390  
**7**  
7  
**34 658**  
33 726  
**286**  
275  
Masimong

**29**  
32  
**24**  
26  
**5**  
6  
**94**  
100  
**4**  
4  
**22 441**  
24 370  
**204**  
208  
Target 1  
**45**  
43  
**29**  
23  
**16**  
20  
**246**  
269  
7  
6  
**33 501**  
34 755  
**203**  
211  
Bambanani  
(a)  
**30**  
32  
**16**  
16  
**14**  
16  
**74**  
88  
**2**  
3  
**23 374**  
24 724  
**65**  
69  
Joel  
**26**  
30  
**21**  
18  
**5**

12

**41**

33

**3**

4

**17 136**

22 409

**161**

175

Unisel

**20**

20

**16**

15

**4**

5

**56**

34

**3**

2

**15 336**

15 304

**126**

119

Target 3

**19**

15

**15**

13

**4**

2

**49**

48

**2**

4

**14 211**

12 603

**88**

90

**Surface**

All other surface operations

**36**

37

**29**

27

**7**

10

**42**

46

**1**

1

**25 109**

27 200

**2 909**

3 067

**Total South Africa**

**374**

367

**299**

268

**75**

99

**1 979**

2 139

**53**

58

**276 045**

284 856

**4 685**

5 009

**International**

Hidden Valley

**38**

36

**28**

31

**10**

5

**321**

333

**2**

5

**27 296**

24 917

**575**

555

**Total international**

**38**

36

**28**

31

**10**

5

**321**

333

**2**

5

**27 296**

24 917

**575**

555

**Total operations**



**412**  
403  
**327**  
299  
**85**  
104  
**2 300**  
2 472  
**55**  
63  
**303 341**  
309 773  
**5 260**  
5 564  
#  
*Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$1 million (2013: US\$nil).*  
*(a)*  
*Includes Steyn 2 for the September 2013 amounts.*  
SEGMENT REPORT (US\$/IMPERIAL)  
for the three months ended 30 September 2014 (Unaudited)

**Harmony Gold Mining Company Limited**

Results for the first quarter FY15 ended 30 September 2014

**24**

DEVELOPMENT RESULTS (METRIC)

Quarter ending September 2014

DEVELOPMENT RESULTS (IMPERIAL)

Quarter ending September 2014

**Channel**

**Reef**

**Meters**

**Sampled**

**Meters**

**Width**

**(Cm's)**

**Value**

**(g/t)**

**Gold**

**(Cmg/t)**

Tshepong

Basal

277

256

7.66

174.50

1 337

B Reef

48

46

155.61

4.00

623

**All Reefs**

**325**

**302**

**30.20**

**40.67**

**1 228**

Phakisa

Basal

493

500

88.52

13.72

1 215

**All Reefs**

**493**

**500**

**88.52**

**13.72**

**1 215**

Doornkop

South Reef

340  
318  
65.00  
8.65  
562

**All Reefs**

**340**  
**318**  
**65.00**  
**8.64**  
**562**

Kusasaletu

VCR Reef

738  
682  
86.00  
10.58  
910

**All Reefs**

**738**  
**682**  
**86.00**  
**10.58**  
**910**

Total Target

(incl. Target 1 & Target 3)

Elsburg

49  
12  
278.00  
1.06  
296

Basal

45  
56  
20.00  
68.70  
1 374

A Reef

43  
92  
62.00  
17.56  
1 089

B Reef

114  
90  
118.00  
6.64  
784

**All Reefs**

**251**

**250**

**83.12**

**12.09**

**1 005**

Masimong 5

Basal

566

484

34.23

24.88

852

B Reef

182

207

89.65

34.77

3 117

**All Reefs**

**748**

**691**

**50.83**

**30.10**

**1 530**

Unisel

Basal

138

86

204.53

5.90

1 206

Leader

507

396

234.75

5.25

1 233

**All Reefs**

**645**

**482**

**229.36**

**5.35**

**1 228**

Joel

Beatrix

291

354

123.00

6.88

846

**All Reefs**

**291**

**354**

**123.00**

**6.88**

**846**

Total Harmony

Basal

1 520

1 382

58.97

18.93

1 116

Beatrix

291

354

123.00

6.88

846

Leader

507

396

234.75

5.25

1 233

B Reef

344

343

105.94

20.49

2 170

A Reef

43

92

62.00

17.56

1 089

Elsburg

49

12

278.00

1.06

296

South Reef

340

318

65.00

8.64

562

VCR

738

682  
86.00  
10.58  
910  
**All Reefs**  
**3 831**  
**3 579**  
**95.75**  
**11.61**  
**1 111**  
**Channel**  
**Reef**  
**Feet**  
**Sampled**  
**Feet**  
**Width**  
**(Inch)**  
**Value**  
**(oz/t)**  
**Gold**  
**(In.oz/t)**  
Tshepong  
Basal  
909  
840  
3.00  
5.12  
15  
B Reef  
157  
151  
61.00  
0.12  
7  
**All Reefs**  
**1 066**  
**991**  
**12.00**  
**1.18**  
**14**  
Phakisa  
Basal  
1 618  
1 640  
35.00  
0.40  
14  
**All Reefs**  
**1 618**  
**1 640**  
**35.00**

**0.40**

**14**

Doornkop

South Reef

1 114

1 043

26.00

0.25

6

**All Reefs**

**1 114**

**1 043**

**26.00**

**0.25**

**6**

Kusasaletu

VCR Reef

2 420

2 236

34.00

0.31

10

**All Reefs**

**2 420**

**2 236**

**34.00**

**0.31**

**10**

Total Target

(incl. Target 1 & Target 3)

Elsburg

159

39

109.00

0.03

3

Basal

148

184

8.00

1.97

16

A Reef

141

302

24.00

0.52

13

B Reef

375

295

46.00

0.20

9

**All Reefs**

**823**

**820**

**33.00**

**0.35**

**12**

Masimong 5

Basal

1 858

1 588

13.00

0.75

10

B Reef

597

679

35.00

1.02

36

**All Reefs**

**2 454**

**2 267**

**20.00**

**0.88**

**18**

Unisel

Basal

453

282

81.00

0.17

14

Leader

1 663

1 299

92.00

0.15

14

**All Reefs**

**2 116**

**1 581**

**90.00**

**0.16**

**14**

Joel

Beatrix

956

1 161



48.00

0.20

10

**All Reefs**

**956**

**1 161**

**48.00**

**0.20**

**10**

Total Harmony

Basal

4 986

4 534

23.00

0.56

13

Beatrix

956

1 161

48.00

0.20

10

Leader

1 663

1 299

92.00

0.15

14

B Reef

1 129

1 125

42.00

0.59

25

A Reef

141

302

24.00

0.52

13

Elsburg

159

39

109.00

0.03

3

South Reef

1 114

1 043

26.00

0.25

6  
VCR  
2 420  
2 236  
34.00  
0.31  
10  
**All Reefs**  
**12 567**  
**11 741**  
**38.00**  
**0.34**  
**13**

**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:

November 5, 2014

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director