

HARMONY GOLD MINING CO LTD

Form 6-K

November 08, 2013

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 8 November 2013

**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

**RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

Quarter  
September  
2013

Quarter\*

June  
2013

Q-on-Q  
variance  
%

Gold produced

– kg

9 635

8 588

12

– oz

309 773

276 109

12

Cash operating costs

– R/kg

324 272

347 456

7

– US\$/oz

1 013

1 144

11

Gold sold

– kg

9 353

8 146

15

– oz

300 703

261 901

15

Underground grade

– g/t

4.55

4.37

4

All-in sustaining costs

– R/kg

404 694

471 146

14

– US\$/oz

1 264

1 551

19

Gold price received

– R/kg

429 566

427 534

–

– US\$/oz

1 342

1 407

(5)

Operating profit <sup>1</sup> \*

– R million

1 037

671

55

– US\$ million

104

71

46

Basic earnings/(loss) per share\*

– SAc/s

3

(808)

>100

– USc/s

–

(86)

>100

Headline profit/(loss)\*

– Rm

20

(802)

>100

– US\$m

2

(85)

>100

Headline earnings/(loss) per share\*

– SAc/s

5

(185)

>100

– USc/s

0.5

(20)

>100

Exchange rate

– R/US\$

9.96

9.45

5

<sup>1</sup> *Operating profit is comparable to the term production profit in the segment report in the financial statements and not to the operating profit line in the income statement*

*\* 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*

***Shareholder information***

Issued ordinary share capital at

30 September 2013

435 289 890

Issued ordinary share capital at

30 June 2013

435 289 890

***Market capitalisation***

At 30 September 2013 (ZARm)

15 083

At 30 September 2013 (US\$m)

1 499

At 30 June 2013 (ZARm)

15 562

At 30 June 2013 (US\$m)

1 568

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

12-month high (1 October 2012 –

30 September 2013) for ordinary shares

R75.64

12-month low (1 October 2012 –

30 September 2013) for ordinary shares

R32.74

12-month high (1 October 2012 –

30 September 2013) for ADRs

US\$8.96

12-month low (1 October 2012 –

30 September 2013) for ADRs

US\$3.30

***Free float***

100%

***ADR ratio***

1:1

***JSE Limited***

HAR

Range for quarter

(1 July – 30 September 2013 closing prices)

R32.74 – R42.47

Average daily volume for the quarter

(1 July – 30 September 2013)

1 680 746 shares

Range for quarter

(1 April – 30 June 2013 closing prices)

R33.47 – R59.11

Average daily volume for the quarter  
(1 April – 30 June 2013)

2 099 857 shares

*New York Stock Exchange including  
other US trading platforms*

HMY

Range for quarter

(1 July – 30 September 2013 closing prices)

US\$3.30 –

US\$4.33

Average daily volume for the quarter

(1 July – 30 September 2013)

3 824 973

Range for quarter

(1 April – 30 June 2013 closing prices)

US\$3.30 –

US\$6.38

Average daily volume for the quarter

(1 April – 30 June 2013)

3 302 649

*Investors' calendar*

**2013/2014**

Annual General Meeting

5 December 2013

Q2 and 6 months ended FY14 results  
presentation

3 February 2014

**Q1 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 first quarter ended

30 September 2013

**KEY FEATURES**

**Quarter on quarter**

Significant increase in gold production for a second consecutive quarter

- 12% increase in gold production
- 6% increase in tonnes milled
- 4% increase in total underground recovered grade
- Kusasalethu close to normal production levels

Reduced unit costs quarter on quarter

- cash operating costs decreased by 7% to R324 272/kg (US\$1 013/oz)
- reduced all-in sustaining costs by 14% from R471 146/kg to R404 694/kg  
(19% reduction from US\$1 551/oz to US\$1 264/oz)

Operating profit<sup>1</sup> increased by 55% from R671 million to more  
than R1 billion (46% increase from US\$71 million to  
US\$104 million)

*All figures represent continuing operations unless stated otherwise*

- 1. Operating profit is comparable to the term production profit in the segment report in the financial statements and not to the operating profit line in the income statement*

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**CONTACT DETAILS**

***Corporate Office***

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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\*<sup>^</sup> *Deputy Chairman*  
G P Briggs *Chief Executive Officer*  
F Abbott *Financial Director*  
H E Mashego *Executive Director*  
F F T De Buck\*<sup>^</sup> *Lead independent director*  
J A Chissano\*<sup>1^</sup>, K V Dicks\*<sup>^</sup>, Dr D S Lushaba\*<sup>^</sup>,  
C Markus\*<sup>^</sup>, M Msimang\*<sup>^</sup>, K T Nondumo\*<sup>^</sup>,  
V P Pillay \*<sup>^</sup>, J Wetton\*<sup>^</sup>, A J Wilkens\*

\* Non-executive

<sup>^</sup> Independent

1 Mozambican

***Investor relations team***

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Investor Relations Manager

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Executive: Corporate and Investor Relations

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***Company Secretary***

Riana Bisschoff

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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

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***Sponsor***

J.P. Morgan Equities South Africa (Pty) Ltd

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***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



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**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, Notice of Annual General Meeting and its Annual Report filed on a Form 20F with the United States' Securities and Exchange Commission for the year ended 30 June 2013 were released on 25 October 2013.

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

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**Results for the first quarter ended 30 September 2013**

Chief executive officer's review

Despite short-term gold price volatility, long-term fundamentals remain in place for continued growth in commodity demand. Since the financial crash of 2008, investment demand has been among the gold market's principal drivers. The R/kg gold price has been static in the past two quarters and we are expecting this trend to continue in the short term.

As gold prices have weakened, gold mines world-wide remain under pressure with their rising costs. Our only means of remaining profitable is to reduce costs, improve our productivity and produce more gold. We believe that Harmony is well placed to meet these challenges.

We have been an acquisitive company, known for reinvesting in our assets to improve their performance. Our strategic advantages include:

- increasing gold grades
- lowest rand/tonne South African producer
- free cash flow
- unhedged
- strong balance sheet – low debt
- geared to SA currency – 93% of our gold is mined in South Africa

**1. SAFETY**

The South African operations experienced a challenging safety quarter with a regression in safety performance.

It is with deep regret that I report that four people were fatality injured in four separate incidences. They were Tiodosio Munguambe (a team leader) and Mr Carlitos Uetela (development team member) – both from Doornkop; and Thembekile Mapeyi (development team member) and Oscar Madosi (an engineering assistant) both from Kusasaletu. My sincere condolences go to the families, friends and colleagues of these men.

Safety risk management is one of the main pillars in the Harmony safety strategy and is the main building block in the journey towards proactive safety management and ultimately to zero harm. Management and employees play an equally important role in the effective functioning of the safety risk management system and specifically with regards to issue-based risk management and continuous risk management.

During the past quarter management has paid a lot of attention to poor performing operations. In addition, all baseline risk assessments are currently part of a review process.

Due to the fatalities reported, the Fatality Injury Frequency Rate (FIFR) per million hours worked regressed year on year from 0.11 to 0.19 and quarter on quarter from 0.10 to 0.19.

During the quarter, the chief executive officer and various other executives continued high level safety audits at the operations.

Significant safety achievements during the quarter were:

- Unisel recorded 12 months of being fatality free
- Tshepong achieved more than 3 000 000 rail bound equipment fatality free shifts
- Tshepong achieved 2 000 000 fall of ground fatality free shifts
- Doornkop achieved 6 500 000 fall of ground fatality free shifts

## **2. OPERATIONAL RESULTS**

Gold production for the September 2013 quarter increased by 12% to 9 635kg from 8 588kg in the June 2013 quarter. This was as a result of improved recovered grades at most of the underground operations and Kusasalethu building up to normal production after the temporary closure of the shaft earlier this year.

Operations that showed an improvement during the September 2013 quarter were Kusasalethu, Tshepong, Target 1, Phakisa, Hidden Valley and Unisel.

The 12% increase in production resulted in a significant increase in operating profit of 55% for the September 2013 quarter, increasing from R671 million in the June 2013 quarter to R1 037 million in the September 2013 quarter.

The rand gold price received remained steady with only a 0.4% increase to R429 566/kg (R427 534/kg in the June 2013 quarter). Quarter on quarter the US dollar gold price decreased by 5% from US\$1 407/oz in the June 2013 quarter to US\$1 342/oz in the September quarter.

The rand/dollar exchange rate weakened by 5% from R9.45/US\$ in the previous quarter to R9.96/US\$ in the September 2013 quarter.

Cash operating costs in the September 2013 quarter increased by R140 million compared to the June 2013 quarter. This was mainly as a result of a R38 million increase in wages (due to the annual wage increase), as well as a R147 million increase in electricity costs (due to winter tariffs). These increases in costs were partially offset by a R57 million saving at Hidden Valley.

Due to the increase in gold produced for the September 2013 quarter the rand per kilogram (cash cost) decreased by 7% from R347 456/kg in the June 2013 quarter to R324 272/kg in the quarter under review.

Total capital expenditure for the September 2013 quarter decreased by R183 million or 23% quarter on quarter to R622 million. Most operations recorded a decrease in capital expenditure with a major saving of R89 million at Hidden Valley.

## **3. FINANCIAL OVERVIEW**

### **Revenue**

Revenue improved from R3 483 million in the previous quarter to R4 018 million, driven by a 15% increase in gold sales and stable gold prices in rand terms at R429 566/kg.

### **Restructuring costs**

Restructuring and employment termination costs of R94 million were recorded in the current quarter which should result in more long-term savings going forward.

### **Exploration costs**

Due to the repositioning of the Wafi-Golpu project and other cost-saving initiatives in respect of the project, total exploration expenditure decreased from R219 million to R142 million for the quarter.

### **Gain on financial instruments**

The gain on financial instruments is due to the increase in fair value of the investments in the various group rehabilitation trust funds.

A portion of these funds is invested in Equity Linked Deposits, which increased in value as the market rose. These gains can be attributed to an increase in the JSE shareholder weighted top 40 index (SWIX 40)

during the quarter.

**Property, plant and equipment**

Mining assets have decreased during the quarter as the Papua New Guinean currency (PGK) depreciated against all currencies towards the end of the quarter. Against the rand, it weakened from R4.49/PGK to R3.87/PGK resulting in lower rand equivalent balances reported on the balance sheet.

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### **Borrowings and cash**

The long-term portion of borrowings increased during the quarter as a further \$60 million was drawn against the US dollar syndicated revolving credit facility. During the same period cash and cash equivalents increased by R199 million to R2 288 million resulting in a net debt of R871 million.

### **4. ALL-IN SUSTAINING COSTS MEASURES (WORLD GOLD COUNCIL)**

The World Gold Council (WGC) released a guidance note in June 2013 on the calculation of 'all-in sustaining costs' which was developed by members of the council to create a better understanding of the overall costs associated with producing gold.

The 'all-in sustaining costs' is an extension of the existing 'cash cost' metrics and incorporates costs related to sustaining production.

Harmony has decided to adopt the all-in sustaining costs method and we will apply it to our calculations as from the September 2013 quarter onwards. For comparison purposes, we will be reporting on both our cash operating cost (R/kg or US\$/oz) and the all-in sustaining costs in the future.

Harmony recorded an all-in sustaining cost of R404 694/kg for the September 2013 quarter, a 14% improvement compared to the R471 146/kg recorded in the June 2013 quarter, due to higher gold production.

### **5. EMPLOYEE RELATIONS**

#### **Two year wage agreement**

A new two year wage agreement was signed on 10 September 2013.

In summary the agreement is as follows:

- Category 4 and 5 employees, and rock drill operators received an increase of 8% in basic wages as from 1 July 2013 and a CPI plus 1% increase as from 1 July 2014;
- Category 6 to 8 employees, miners and artisans, and officials, received an increase of 7.5% in basic wages as from 1 July 2013 and a CPI plus 0.5% increase as from 1 July 2014;
- the current monthly living out allowance increased to R1 820 per month on 1 September 2013 and will increase to R2 000 per month on 1 September 2014.

#### **AMCU Recognition Agreement**

On 4 October 2013, the recognition agreement with the Association of Mineworkers and Construction Union (AMCU), representing about 75% of the workforce at Kusasalethu, was signed at Kusasalethu. All the other recognised unions at the mine will continue to operate.

### **6. JOEL AND BEATRIX OPERATIONS EXCHANGE MINING RIGHT AREAS**

#### **Background**

Harmony's Joel mining right is contiguous to Sibanye Gold Limited's (Sibanye) Beatrix mining right, which has resulted in a number of discussions between the parties over the last couple of years on the possibility of exchanging some mining right portions for the benefit of both parties. These discussions have finally culminated in agreed commercial terms during the quarter. As a result, an agreement was

finalised and signed by Harmony and Sibanye. The main condition precedent is the approval by the Department of Mineral Resources of the respective section 102 applications. These approvals are expected to be obtained before the end of June 2014.

**Commercial terms**

Joel will exchange two portions of its mining right for two portions of Beatrix's mining right, as well as acquiring two additional portions from Beatrix.

The exchange portions are to be transferred between the parties for the same value.

The purchase consideration of the further two portions to be acquired by Joel will be in the form of a royalty of 3% on gold revenue generated from these two portions.

**Motivation for the exchange and acquisition**

The areas that Joel will relinquish are difficult to access from Joel and have been deemed uneconomical, while the portions that Joel will be acquiring are accessible and will increase the current life of mine.

**7. WAFI-GOLPU**

Drilling during the quarter focused on brownfield drilling, Golpu resource definition, potential shaft location and infrastructure geotechnical drilling. The drill programme for derisking the lower mine blocks has been designed, scheduled and has commenced. This programme will address confidence levels in the lower mining block.

Golpu resource definition drilling of the upper and lower mining blocks during the quarter has confirmed porphyry and associated grade through the southern upper and lower mining blocks.

**IN CONCLUSION**

All the original, marginal Harmony assets have been closed. Harmony has built new mines, enabling it to access new and higher grade mining areas and reducing the time it takes crews to get to the face. Growing our margins are all about reducing our costs, improving productivity and increasing our gold production. Major capital expenditure has been spent; we have a strong balance sheet with low debt and look forward to the value that Golpu will add in future. We remain firm believers in gold's ability to preserve value.

We are confident that these strategic foundations will support sustainable growth for all stakeholders as we deliver on the full potential of our asset base.

**Graham Briggs**

*Chief executive officer*

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**Results for the first quarter**

**ended 30 September 2013**

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

South Africa

Hidden

Valley\*

Total

Continuing

Operations

Underground production

Surface production

Total

South

Africa

Three

months

ended

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bamba-

nani

Joel

Unisel

Target 3

Steyn 2

Total

Under-

ground

Phoenix

Dumps

Kalgold\*

Total

Surface

**Ore milled**

**- t'000**

**Sep-13**

**329**

**236**

**156**

**249**

**189**

**191**

**51**

**159**



108  
82  
12  
1 762  
1 544  
873  
364  
2 781  
4 543  
503  
5 046  
Jun-13  
212  
242  
133  
211  
210  
179  
55  
151  
114  
73  
12  
1 592  
1 471  
879  
367  
2 717  
4 309  
457  
4 766  
**Gold produced**  
– kg  
Sep-13  
1 272  
765  
755  
1 049  
758  
1 081  
623  
697  
476  
392  
146  
8 014  
225  
297  
324  
846  
8 860

775

**9 635**

Jun-13

688

859

583

815

839

897

614

699

427

419

121

6 961

202

346

357

905

7 866

722

8 588

**Gold produced**

- oz

**Sep-13**

**40 896**

**24 595**

**24 274**

**33 726**

**24 370**

**34 755**

**20 030**

**22 409**

**15 304**

**12 603**

**4 694**

**257 656**

**7 234**

**9 549**

**10 417**

**27 200**

**284 856**

**24 917**

**309 773**

Jun-13

22 120

27 617

18 744

26 203

26 974

28 839

19 741  
22 473  
13 728  
13 471  
3 890  
223 800  
6 494  
11 124  
11 478  
29 096  
252 896  
23 213  
276 109  
**Yield**            -  
**g/tonne**  
**Sep-13**  
**3.87**  
**3.24**  
**4.84**  
**4.21**  
**4.01**  
**5.66**  
**12.22**  
**4.38**  
**4.41**  
**4.78**  
**12.17**  
**4.55**  
**0.15**  
**0.34**  
**0.89**  
**0.30**  
**1.95**  
**1.54**  
**1.91**  
Jun-13  
3.25  
3.55  
4.38  
3.86  
4.00  
5.01  
11.16  
4.63  
3.75  
5.74  
10.08  
4.37  
0.14  
0.39  
0.97

0.33

1.83

1.58

1.80

**Cash operating**

**costs**

**– R/kg**

**Sep-13**

**378 360**

**372 256**

**359 825**

**337 704**

**339 471**

**240 274**

**220 342**

**258 561**

**320 525**

**373 446**

**233 966**

**319 395**

**272 796**

**344 552**

**325 694**

**318 246**

**319 286**

**381 274**

**324 272**

**Jun-13**

**577 337**

**332 516**

**444 168**

**418 310**

**289 795**

**281 223**

**201 467**

**243 308**

**331 747**

**297 759**

**257 736**

**340 394**

**317 396**

**332 601**

**259 894**

**300 526**

**335 807**

**474 366**

**347 456**

**Cash operating**

**costs**

**– \$/oz**

**Sep-13**

1 182  
1 163  
1 124  
1 055  
1 060  
750  
688  
808  
1 001  
1 166  
731  
998  
852  
1 076  
1 017  
994  
997  
1 191  
1 013  
Jun-13  
1 900  
1 094  
1 462  
1 377  
954  
926  
663  
801  
1 092  
980  
848  
1 120  
1 045  
1 095  
855  
989  
1 105  
1 561  
1 144  
**Cash operating  
costs  
– R/tonne**  
Sep-13  
1 463  
1 207  
1 741  
1 423  
1 361  
1 360  
2 692  
1 133

1 413  
1 785  
2 847  
1 453  
40  
117  
290  
97  
623  
587  
619  
Jun-13  
1 874  
1 180  
1 947  
1 616  
1 158  
1 409  
2 249  
1 126  
1 243  
1 709  
2 599  
1 488  
44  
131  
253  
100  
613  
749  
626  
**Gold sold**  
**- Kg**  
Sep-13  
1 098  
796  
742  
1 031  
745  
986  
613  
693  
467  
358  
144  
7 673  
221  
288  
340  
849  
8 522

**831**

**9 353**

Jun-13

427

793

568

793

816

934

597

700

415

436

118

6 597

205

358

301

864

7 461

685

8 146

**Gold sold**

**- oz**

**Sep-13**

**35 301**

**25 592**

**23 856**

**33 147**

**23 952**

**31 701**

**19 708**

**22 280**

**15 014**

**11 510**

**4 630**

**246 691**

**7 105**

**9 259**

**10 931**

**27 295**

**273 986**

**26 717**

**300 703**

Jun-13

13 728

25 496

18 262

25 496

26 235

30 029

19 194  
22 505  
13 343  
14 018  
3 794  
212 100  
6 591  
11 510  
9 677  
27 778  
239 878  
22 023  
261 901

**Revenue (R'000)**

**Sep-13**  
**471 091**  
**342 177**  
**318 272**  
**442 614**  
**319 160**  
**423 239**  
**263 048**  
**297 079**  
**200 535**  
**153 520**  
**61 532**  
**3 292 267**  
**95 253**  
**124 269**  
**146 634**  
**366 156**  
**3 658 423**  
**359 304**  
**4 017 727**  
Jun-13  
175 728  
335 584  
243 101  
339 801  
349 828  
409 201  
256 002  
300 268  
178 132  
190 917  
50 327  
2 828 889  
86 460  
151 774  
124 248  
362 482



3 191 371

291 325

3 482 696

**Cash operating**

**costs**

**(R'000)**

**Sep-13**

**481 274**

**284 776**

**271 668**

**354 251**

**257 319**

**259 736**

**137 273**

**180 217**

**152 570**

**146 391**

**34 159**

**2 559 634**

**61 379**

**102 332**

**105 525**

**269 236**

**2 828 870**

**295 487**

**3 124 357**

Jun-13

397 208

285 631

258 950

340 923

243 138

252 257

123 701

170 072

141 656

124 761

31 186

2 369 483

64 114

115 080

92 782

271 976

2 641 459

342 492

2 983 951

**Inventory**

**movement**

**(R'000)**

**Sep-13**

**(86 317)**

**3 625**

**(6 345)**

**(8 697)**

**476**

**(34 582)**

**(1 659)**

**(1 589)**

**(2 391)**

**(19 548)**

**(1 020)**

**(158 047)**

**(317)**

**(4 017)**

**2 559**

**(1 775)**

**(159 822)**

**16 283**

**(143 539)**

Jun-13

(99 945)

(29 205)

(6 908)

(3 191)

(8 033)

9 755

(11 144)

(2 898)

(3 786)

4 827

(727)

(151 255)

(1 659)

7 156

(17 223)

(11 726)

(162 981)

(8 871)

(171 852)

**Operating costs**

**(R'000)**

**Sep-13**

**394 957**

**288 401**

**265 323**

**345 554**

**257 795**

**225 154**

**135 614**

**178 628**

**150 179**

**126 843**

**33 139**  
**2 401 587**  
**61 062**  
**98 315**  
**108 084**  
**267 461**  
**2 669 048**  
**311 770**  
**2 980 818**

Jun-13

297 263  
256 426  
252 042  
337 732  
235 105  
262 012  
112 557  
167 174  
137 870  
129 588  
30 459  
2 218 228  
62 455  
122 236  
75 559  
260 250  
2 478 478  
333 621  
2 812 099

**Operating profit**

**(R'000)**

**Sep-13**

**76 134**  
**53 776**  
**52 949**  
**97 060**  
**61 365**  
**198 085**  
**127 434**  
**118 451**  
**50 356**  
**26 677**  
**28 393**  
**890 680**  
**34 191**  
**25 954**  
**38 550**  
**98 695**  
**989 375**  
**47 534**  
**1 036 909**

Jun-13  
(121 535)  
79 158  
(8 941)  
2 069  
114 723  
147 189  
143 445  
133 094  
40 262  
61 329  
19 868  
610 661  
24 005  
29 538  
48 689  
102 232  
712 893  
(42 296)  
670 597

**Operating profit**

**(\$'000)**

**Sep-13**

**7 644**  
**5 400**  
**5 317**  
**9 746**  
**6 161**  
**19 890**  
**12 797**  
**11 894**  
**5 057**  
**2 679**  
**2 850**  
**89 435**  
**3 434**  
**2 606**  
**3 871**  
**9 911**  
**99 346**  
**4 772**  
**104 118**

Jun-13  
(12 861)  
8 376  
(946)  
219  
12 139  
15 574  
15 178  
14 084

4 261

6 489

2 102

64 615

2 541

3 126

5 152

10 819

75 434

(4 474)

70 960

**Capital  
expenditure**

**(R'000)**

**Sep-13**

**120 048**

**60 100**

**90 762**

**67 598**

**37 819**

**61 509**

**31 922**

**42 056**

**17 228**

**35 411**

**562**

**565 015**

**-**

**129**

**8 023**

**8 152**

**573 167**

**48 478**

**621 645**

Jun-13

147 930

63 733

95 553

83 853

46 164

69 279

26 381

43 495

20 999

41 158

921

639 466

12 746

1 865

12 369

26 980

666 446

137 986

804 432

**Capital  
expenditure**

**(\$'000)**

**Sep-13**

**12 055**

**6 035**

**9 114**

**6 788**

**3 798**

**6 176**

**3 205**

**4 223**

**1 730**

**3 556**

**56**

**56 736**

**-**

**13**

**806**

**819**

**57 555**

**4 868**

**62 423**

**Jun-13**

**15 653**

**6 744**

**10 111**

**8 873**

**4 885**

**7 331**

**2 791**

**4 602**

**2 222**

**4 355**

**97**

**67 664**

**1 349**

**197**

**1 309**

**2 855**

**70 519**

**14 601**

**85 120**

**Adjusted  
operating costs**

**- R/kg**

**Sep-13**

**375 072**

375 492  
364 217  
341 375  
362 285  
232 532  
226 822  
263 371  
329 937  
359 871  
235 119  
321 965  
276 299  
341 372  
321 027  
316 285  
321 399  
376 717  
326 314  
Jun-13  
732 861  
333 064  
454 083  
433 351  
305 007  
285 676  
196 748  
246 946  
363 348  
300 832  
264 541  
348 312  
305 537  
341 441  
257 401  
303 645  
343 231  
492 639  
355 795  
**Adjusted**  
**operating costs**  
**- \$/oz**  
**Sep-13**  
1 171  
1 173  
1 138  
1 066  
1 132  
726  
708  
823  
1 031

1 124

734

1 006

863

1 066

1 003

988

1 004

1 177

1 019

Jun-13

2 412

1 096

1 494

1 426

1 004

940

648

813

1 196

990

871

1 146

1 006

1 124

847

999

1 130

1 621

1 171

**All-in sustaining**

**costs**

**– R/kg**

**Sep-13**

**499 528**

**453 515**

**497 604**

**418 042**

**428 681**

**306 233**

**248 992**

**299 968**

**380 985**

**470 106**

**253 014**

**400 649**

**276 299**

**352 628**

**359 453**

**335 492**

**393 978**



**514 593**

**404 694**

Jun-13

1 102 726

416 276

622 482

551 053

383 178

369 164

229 074

299 834

431 788

404 417

293 966

452 606

309 922

361 909

316 771

333 849

438 528

826 415

471 146

**All-in sustaining**

**costs**

**– \$/oz**

**Sep-13**

**1 560**

**1 416**

**1 554**

**1 306**

**1 339**

**956**

**778**

**937**

**1 190**

**1 468**

**790**

**1 251**

**863**

**1 101**

**1 123**

**1 048**

**1 230**

**1 607**

**1 264**

Jun-13

3 629

1 370

2 049

1 814

1 261

1 215  
754  
987  
1 421  
1 331  
967  
1 490  
1 020  
1 191  
1 043  
1 099  
1 443  
2 720  
1 551  
**Gold price  
received**  
**Sep-13**  
**429 045**  
**429 871**  
**428 938**  
**429 306**  
**428 403**  
**429 248**  
**429 116**  
**428 685**  
**429 411**  
**428 827**  
**427 306**  
**429 072**  
**431 009**  
**431 490**  
**431 276**  
**431 279**  
**429 292**  
**432 375**  
**429 566**  
Jun-13  
411 541  
423 183  
427 995  
428 501  
428 711  
438 117  
428 814  
428 954  
429 234  
437 883  
426 500  
428 814  
421 756  
423 950

412 784

419 539

427 740

425 292

427 534

\* Comparative figures for these operations have been restated as a result of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

Refer to note 2 of the Financial Statements.

**8**

**Results for the first quarter ended 30 September 2013**

**Commentary on operational results**

Harmony's upward trend in its gold production continued for a second consecutive quarter. Gold production was 12% higher quarter-on-quarter at 9 635kg, largely due to an 11% increase in underground tonnes milled and a 4% increase in underground recovered grade to 4.55g/t. The quarter included five days of protected industrial action which affected all the South African operations, except for Kusasalethu. During the September quarter there were increases in labour costs (following the new two year wage agreement) and electricity costs (winter tariffs). These cost increases were more than offset by the increased production and savings in overall costs, resulting in our cash cost per kilogram being 7% lower at R324 272/kg quarter-on-quarter and a 14% reduction in all-in sustaining costs to R404 694/kg.

**SOUTH AFRICAN OPERATIONS**

**Kusasalethu**

The build-up at Kusasalethu continued during the quarter. Production was however hampered by two fatalities that occurred during the quarter in two separate incidents.

On 4 October 2013, the recognition agreement with the Association of Mineworkers and Construction Union (AMCU), representing about 75% of the workforce at Kusasalethu, was signed and management and the various unions are working together to ensure a sustainable future for the mine.

The previous quarter's loss was turned into an operating profit of R76 million in the September 2013 quarter – testimony of the efforts of management and the unions to turn around the mine's performance.

During the December 2013 quarter, management will continue to focus on building production at the mine.

**Doornkop**

Doornkop did not perform in line with its plan in the past quarter, mainly due to a 9% decrease in recovered grade to 3.24g/t and the impact of two fatalities at the mine, which resulted in a decline in gold production of 11% to 765kg. Tonnes milled decreased by 3% quarter on quarter to 236 000t. The decrease in grade is due to Doornkop not achieving the planned mining mix.

Focus in the next quarter will be to improve the recovered grade and the safety at the mine.

**Phakisa**

Phakisa continues to build up its production in line with its plan and recorded a second quarter of increased production, turning its operating loss recorded in the previous quarter into an operating profit.

An increase of 17% in tonnes milled (at 156 000t) and recovered grade of 11% (at 4.84g/t) during the quarter, resulted in a 30% increase in gold production at 755kg quarter on quarter. The improvements in temperatures in some of the working places attributed to the improvements in production.

During the December 2013 quarter, the remedial work at Freddie's No. 3 ventilation shaft, which will improve the ventilation constraints at the

mine, will continue.

#### **Tshepong**

Tshepong bounced back during the quarter and generated free cash flow after capital of R19 million as it increased tonnes milled by 18% at 249 000t and recovered grade by 9% at 4.21g/t, resulting in a 29% increase in gold production from 815kg in the previous quarter to 1 049kg in the September 2013 quarter.

The Tshepong team will continue their focus on improving stoping face length and reef development.

#### **Masimong**

Masimong had a challenging quarter as volumes decreased by 10% quarter on quarter to 189 000t while grade remained stable at 4.01g/t. This mine's underperformance resulted in a 10% decrease in gold production.

Our focus during the December 2013 quarter will be on managing the face length and focusing on clean mining in order to improve production.

#### **Target 1**

Target 1 generated free operational cash flow of R101 million, after capital during the September 2013 quarter. Gold production increased by 21% quarter on quarter to 1 081kg, due to increased volumes of 191 000t at a 13% improved recovered grade of 5.66g/t. The recovered grade is currently higher than the 5.13g/t average grade guided for financial year 2014 (FY14) and we expect this mine to continue its good performance in the next quarter.

#### **Bambanani**

Gold production increased by 2% due to a 10% increase in recovered grade at 12.22g/t. Bambanani is currently mining at a recovered grade higher than the average guidance given of 9.74g/t.

Improving safety and increasing square metres will be the focus of management at Bambanani during the December 2013 quarter.

#### **Joel**

Gold production remained stable quarter on quarter at 697kg, as the 5% decrease in recovered grade was offset by a 5% increase in tonnage. The recovered grade was lower due to mining a higher channel width than planned and therefore not achieving the planned face grade during the quarter.

During the next quarter, Joel will focus on monitoring and achieving the planned belt grade.

#### **Unisel**

Recovered grade at Unisel increased by 18% quarter on quarter, due to improved face grades, a decrease in stoping widths and a decrease in waste mining.

#### **Target 3**

A 6% decrease in gold production for the quarter is mainly due to lower recovered grade, as a result of a decrease in face grade during the quarter.

Increasing the amount of Basal reef panels and improving the environmental conditions in the sub-shaft of the mine will be the main focus areas at Target 3 during the next quarter.

**9**

**Steyn 2**

Due to a decrease in stoping widths and cleaner mining practices, Steyn 2 increased its recovered grade for the quarter by 21%, resulting in a 21% increase in gold production. Tonnes milled remained steady quarter-on-quarter.

**Phoenix (tailings)**

The 11% increase in gold production is mainly due to an increase in the plant head grade, while a 5% increase in tonnes milled supported the increase further.

**Surface dumps**

The decreases in gold production at the surface dumps are due to the improved reef deliveries from the underground operations. Volumes treated are dependent on available plant capacity after reef deliveries. Plant capacity was well utilised to maximise the gold output.

**Kalgold**

Kalgold's gold production decreased by 9% quarter on quarter due to challenges with the crushing system at the plant, such as the maintenance of conveyor belts, splicing of belts and refurbishment of conveyor belts chutes. Costs and capital were well controlled and are below the average guided for FY14.

In the next quarters, management will focus on delivering the planned plant infrastructure.

**INTERNATIONAL OPERATIONS**

**Hidden Valley (held in Morobe Mining Joint Ventures – 50% of attributable production reflected)**

Hidden Valley increased its gold production by 7% (775kg) quarter on quarter, due to a 10% increase in mill throughput and a 3% increase in gold recoveries, partly offset by a 3% reduction in gold grade.

The commissioning of the crusher is largely complete, configuration changes will be implemented during the December 2013 quarter and are expected to improve throughput and feed reliability to the mill.

An operating profit of R48 million was generated during the quarter.

During the December 2013 quarter, management aims to reduce costs further and increase the amount of tonnes crushed and conveyed.

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**Results for the first quarter  
ended 30 September 2013**

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

Figures in million

Note

**Quarter ended**

**Year ended**

30 September

2013

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 September

2012

(Unaudited)

(Restated)\*

30 June

2013

(Audited)

(Restated)\*

**Continuing operations**

Revenue

4 018

3 483

4 278

15 902

Cost of sales

3

(3 735)

(6 171)

(3 511)

(16 448)

Production costs

(2 981)

(2 812)

(2 878)

(11 321)

Amortisation and depreciation

(577)

(531)

(494)

(2 001)

Impairment of assets

–

(2 733)

–

(2 733)

Other items

	(177)
	(95)
	(139)
	(393)
<b>Gross profit/(loss)</b>	<b>283</b>
	<b>(2 688)</b>
	<b>767</b>
	<b>(546)</b>
Corporate, administration and other expenditure	
	(108)
	(127)
	(106)
	(465)
Social investment expenditure	
	(38)
	(57)
	(20)
	(127)
Exploration expenditure	
	(142)
	(219)
	(136)
	(673)
Profit on sale of property, plant and equipment	
	–
	–
	55
	139
Other income/(expenses) – net	
	1
	(169)
	3
	(350)
<b>Operating (loss)/profit</b>	<b>(4)</b>
	<b>(3 260)</b>
	<b>563</b>
	<b>(2 022)</b>
Profit from associates	
	3
	–
	–
	–
Impairment of investments	
	(7)
	–
	(48)
	(88)
Net gain/(loss) on financial instruments	
	74



(8)  
74  
173  
Investment income  
45  
67  
33  
185  
Finance cost  
(60)  
(57)  
(58)  
(256)  
**Profit/(loss) before taxation**  
**51**  
**(3 258)**  
**564**  
**(2 008)**  
Taxation  
(38)  
(239)  
(152)  
(655)  
Normal taxation  
(49)  
78  
(111)  
(271)  
Deferred taxation  
11  
(317)  
(41)  
(384)  
**Net profit/(loss) from continuing operations**  
**13**  
**(3 497)**  
**412**  
**(2 663)**  
**Discontinued operations**  
Profit from discontinued operations  
—  
—  
89  
314  
**Net profit/(loss) for the period**  
**13**  
**(3 497)**  
**501**  
**(2 349)**  
*Attributable to:*  
Owners of the parent

13
(3 497)
501
(2 349)
<b>Earnings/(loss) per ordinary share (cents)</b>
5
Earnings/(loss) from continuing operations
3
(808)
95
(616)
Earnings from discontinued operations
—
—
21
73
<b>Total earnings/(loss)</b>
<b>3</b>
<b>(808)</b>
<b>116</b>
<b>(543)</b>
<b>Diluted earnings/(loss) per ordinary share (cents)</b>
5
Earnings/(loss) from continuing operations
3
(808)
95
(616)
Earnings from discontinued operations
—
—
21
73
<b>Total diluted earnings/(loss)</b>
<b>3</b>
<b>(808)</b>
<b>116</b>
<b>(543)</b>

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 for details.*  
The accompanying notes are an integral part of these condensed consolidated financial statements.

**11**

The unaudited condensed consolidated financial statements for the three months ended 30 September 2013 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. These financial statements have not been audited or independently reviewed.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)**

Figures in million

**Quarter ended****Year ended**

30 September

2013

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 September

2012

(Unaudited)

(Restated)\*

30 June

2013

(Audited)

(Restated)\*

Net profit/(loss) for the period

13

(3 497)

501

(2 349)

Other comprehensive (loss)/income for the period,

net of income tax

(695)

25

25

737

Foreign exchange translation

(694)

26

25

742

Movements on investments

(1)

(1)

—

(5)

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

**(682)**

**(3 472)**

**526**

**(1 612)**

*Attributable to:*

Owners of the parent

(682)

(3 472)

526

(1 612)

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 for details.*

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand) (Unaudited)

for the three months ended 30 September 2013

Figures in million

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

–

(22)

(74)

(96)

Restated 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

–

(695)

–

(695)

**Balance – 30 September 2013**

28 325

2 790
461
31 576
Balance – 30 June 2012 as previously reported
28 331
2 444
3 307
34 082
Restatement for IFRIC 20
–
(15)
(94)
(109)
Restated balance – 30 June 2012
28 331
2 429
3 213
33 973
Share-based payments
–
45
–
45
Net profit for the period
–
–
501
501
Other comprehensive income for the period
–
25
–
25
Dividends paid
–
–
(218)
(218)
<b>Balance – 30 September 2012</b>
<b>28 331</b>
<b>2 499</b>
<b>3 496</b>
<b>34 326</b>

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

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**Results for the first quarter  
ended 30 September 2013**

CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

Figures in million

At  
30 September  
2013  
(Unaudited)

At  
30 June  
2013  
(Audited)  
(Restated)\*

At  
30 September  
2012  
(Unaudited)  
(Restated)\*

**ASSETS**

**Non-current assets**

Property, plant and equipment

32 195

32 732

33 220

Intangible assets

2 191

2 191

2 194

Restricted cash

38

37

36

Restricted investments

2 143

2 054

1 919

Deferred tax assets

93

104

523

Investments in associates

112

109

–

Investments in financial assets

42

49

98

Inventories

57

57

58

Trade and other receivables

—

—

20

**Total non-current assets**

**36 871**

**37 333**

**38 068**

**Current assets**

Inventories

1 482

1 417

1 168

Trade and other receivables

1 238

1 162

1 165

Income and mining taxes

103

132

8

Cash and cash equivalents

2 288

2 089

2 266

5 111

4 800

4 607

Assets of disposal groups classified as held for sale

—

—

1 658

**Total current assets**

**5 111**

**4 800**

**6 265**

**Total assets**

**41 982**

**42 133**

**44 333**

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

28 325

28 325

28 331

Other reserves

2 790

3 442

2 499

Retained earnings

461

448

3 496

**Total equity**

**31 576**

**32 215**

**34 326**

**Non-current liabilities**

Deferred tax liabilities

2 998

3 021

3 166

Provision for environmental rehabilitation

1 990

1 997

1 895

Retirement benefit obligation

198

194

181

Other provisions

63

55

87

Borrowings

6

2 868

2 252

1 840

**Total non-current liabilities**

**8 117**

**7 519**

**7 169**

**Current liabilities**

Borrowings

6

291

286

306

Income and mining taxes

24

4

110

Trade and other payables

1 974

2 109

1 982

2 289

2 399



2 398

Liabilities of disposal groups classified as held for sale

—

—

440

**Total current liabilities**

**2 289**

**2 399**

**2 838**

**Total equity and liabilities**

**41 982**

**42 133**

**44 333**

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 for details.*

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

**13**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)

Figures in million

**Quarter ended**

**Year ended**

30 September

2013

(Unaudited)

30 June

2013

(Unaudited)

30 September

2012

(Unaudited)

30 June

2013

(Audited)

**Cash flow from operating activities**

Cash generated by operations

238

221

1 337

3 154

Interest and dividends received

26

48

26

138

Interest paid

(29)

(40)

(29)

(125)

Income and mining taxes refunded/(paid)

–

(129)

108

(312)

**Cash generated by operating activities**

**235**

**100**

**1 442**

**2 855**

**Cash flow from investing activities**

Cash transferred to disposal group

–

–

(162)

–

Proceeds on disposal of investment in subsidiary

–

–
–
1 264
Purchase of investments
–
(14)
–
(86)
Other investing activities
(9)
(1)
–
(4)
Net additions to property, plant and equipment
1
(618)
(938)
(893)
(3 652)
<b>Cash utilised by investing activities</b>
<b>(627)</b>
<b>(953)</b>
<b>(1 055)</b>
<b>(2 478)</b>
<b>Cash flow from financing activities</b>
Borrowings raised
612
–
330
678
Borrowings repaid
(3)
(156)
(9)
(333)
Ordinary shares issued – net of expenses
–
1
–
1
Option premium on BEE transaction
–
2
–
2
Dividends paid
–
–
(218)
(435)
<b>Cash generated/(utilised) by financing activities</b>

<b>609</b>
<b>(153)</b>
<b>103</b>
<b>(87)</b>
<b>Foreign currency translation adjustments</b>
<b>(18)</b>
<b>(4)</b>
<b>3</b>
<b>26</b>
Net increase/(decrease) in cash and cash equivalents
199
(1 010)
493
316
Cash and cash equivalents – beginning of period
2 089
3 099
1 773
1 773
<b>Cash and cash equivalents – end of period</b>
<b>2 288</b>
<b>2 089</b>
<b>2 266</b>
<b>2 089</b>

1

*Includes capital expenditure for Wafi-Golpu and other International projects of R0 million in the September 2013 quarter (June 2013: R133 million)(September 2012: R131 million) and R537 million in the 12 months ended 30 June 2013.*

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

14

**Results for the first quarter  
ended 30 September 2013**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 30 September 2013 (Rand)

**1. Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the three months ended 30 September 2013 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.

**2.**

**Change in accounting standard**

*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 retrospective basis in compliance with the transitional requirements of IFRIC 20 for the earliest prior period

presented, which for the year ended 30 June 2013 is 30 June 2012.

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 ore body 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 ore body based on the units of

production method.

If there is no identifiable component of the orebody to which the predecessor asset relates, the asset is written off to retained earnings at the

beginning of the earliest period presented.

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 that date have been audited, but the restatement of the results and

balances affected by IFRIC 20 have not been audited.

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

**Condensed consolidated income statements**

Figures in million

**Quarter ended**

**Year ended**

30 June

2013

(Unaudited)

30 September

2012

(Unaudited)

30 June

2013

(Unaudited)

**Cost of sales**

Production costs

As previously reported

(2 844)

(2 870)

(11 400)

IFRIC 20 adjustment

32

(8)

79

Restated

(2 812)

(2 878)

(11 321)

**Amortisation and depreciation**

As previously reported

(501)

(481)

(1 942)

IFRIC 20 adjustment

(30)

(13)

(59)

Restated

(531)

(494)

(2 001)

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

**2**

**(21)**

**20**

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

15

**Condensed consolidated statements of comprehensive income**

Figures in million

**Quarter ended**

**Year ended**

30 June

2013

(Unaudited)

30 September

2012

(Unaudited)

30 June

2013

(Unaudited)

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

**2**

**(21)**

**20**

*Other comprehensive income or loss for the period, net of income tax*

Foreign exchange translation

As previously reported

26

26

749

IFRIC 20 adjustment

–

(1)

(7)

Restated

26

25

742

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

**2**

**(22)**

**13**

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

**Condensed consolidated balance sheets**

Figures in million

At

30 June

2013

(Unaudited)

At

30 September

2012

(Unaudited)

**Non-current assets**

Property, plant and equipment

As previously reported

32 820

33 334

IFRIC 20 adjustment

(88)

(114)

Restated

32 732

33 220

***Current assets***

Inventories

As previously reported

1 425

1 185

IFRIC 20 adjustment

(8)

(17)

Restated

1 417

1 168

***Share capital and reserves***

Other reserves

As previously reported

3 464

2 515

IFRIC 20 adjustment

1

(22)

(16)

Restated

3 442

2 499

**Retained earnings**

As previously report

522

3 611

IFRIC 20 adjustment

(74)

(115)

Restated

448

3 496

**Decrease in total equity**

**(96)**

**(131)**

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

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

**Quarter ended**

**Year ended**

30 June

2013

(Unaudited)

30 September



2012

(Unaudited)

30 June

2013

(Unaudited)

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

As previously reported

(809)

121

(548)

IFRIC 20 adjustment

1

(5)

5

Restated

(808)

116

(543)

**Total headline (loss)/earnings**

Figures in million

As previously reported

(804)

529

204

IFRIC 20 adjustment

2

(21)

20

Restated

(802)

508

224

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED  
for the period ended 30 September 2013 (Rand)

**16**

**Results for the first quarter  
ended 30 September 2013**

**Quarter ended**

**Year ended**

30 June

2013

(Unaudited)

30 September

2012

(Unaudited)

30 June

2013

(Unaudited)

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

As previously reported

(186)

123

47

IFRIC 20 adjustment

1

(5)

5

Restated

(185)

118

52

**3.**

**Cost of sales**

Figures in million

**Quarter ended**

**Year ended**

30 September

2013

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 September

2012

(Unaudited)

(Restated)\*

30 June

2013

(Audited)

(Restated)\*

Production costs – excluding royalty

2 943

2 767

2 822

11 104	
Royalty expense	
38	
45	
56	
217	
Amortisation and depreciation	
577	
531	
494	
2 001	
Impairment of assets	
1	
–	
2 733	
–	
2 733	
Rehabilitation expenditure/(credit)	
2	
15	
(40)	
7	
(24)	
Care and maintenance cost of restructured shafts	
17	
16	
20	
68	
Employment termination and restructuring costs	
3	
94	
39	
7	
46	
Share-based payments	
4	
51	
45	
105	
266	
Other	
–	
35	
–	
37	
<b>Total cost of sales</b>	
<b>3 735</b>	
<b>6 171</b>	
<b>3 511</b>	
<b>16 448</b>	

\* The comparative financials have been restated following the adoption of IFRIC 20. Refer to note 2 for details.

1. The impairment in the June 2013 quarter consists of an impairment of R2.68 billion on Hidden Valley, R31 million on St Helena and R27 million on Steyn 2.

2. The credit in the June 2013 quarter relates to a change in estimate following the annual re-assessment.

3. Included in the September and June 2013 quarters are amounts relating to the restructuring at Hidden Valley and Wafi-Golpu and the introduction of 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.

**4. Deferred taxation**

The net deferred taxation debit in the income statement in the June 2013 quarter is primarily due to the derecognition of the deferred tax asset amounting to R547 million previously recorded for the Hidden Valley operation.

**5.**

**Earnings/(loss) and net asset value per share**

**Quarter ended**

**Year ended**

30 September

2013

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 September

2012

(Unaudited)

(Restated)\*

30 June

2013

(Audited)

(Restated)\*

Weighted average number of shares (million)

432.6

432.6

431.5

431.9

Weighted average number of diluted shares (million)

433.0

433.1

432.3

432.7

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

Basic earnings/(loss)

3

(808)

116

(543)

Diluted earnings/(loss)

3

(808)

116

(543)

Headline earnings/(loss)

5

(185)

118

52

– from continuing operations

5

(185)

97

3

– from discontinued operations

–

–

21

49

Diluted headline earnings/(loss)

5

(185)

118

52

– from continuing operations

5

(185)

97

3

– from discontinued operations

–

–

21

49

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2013 (Rand)

17

**Quarter ended**

**Year ended**

30 September

2013

(Unaudited)

30 June

2013

(Unaudited)

(Restated)\*

30 September

2012

(Unaudited)

(Restated)\*

30 June

2013

(Audited)

(Restated)\*

Figures in million

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

**Continuing operations**

Net profit/(loss)

13

(3 497)

412

(2 663)

*Adjusted for:*

Impairment of investments

1

7

—

48

88

Impairment of assets

—

2 733

—

2 733

Taxation effect on impairment of assets

—

(38)

—

(38)

Profit on sale of property, plant and equipment

—

—

(55)

(139)

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

—

–  
14  
31  
**Headline earnings/(loss)**  
**20**  
**(802)**  
**419**  
**12**  
**Discontinued operations**  
Net profit  
–  
–  
89  
314  
Adjusted for:  
Profit on sale of investment in subsidiary  
1  
–  
–  
–  
(102)  
**Headline earnings**  
–  
–  
**89**  
**212**  
**Total headline earnings/(loss)**  
**20**  
**(802)**  
**508**  
**224**  
*1. There is no taxation effect on these items.*  
**Net asset value per share**  
At  
30 September  
2013  
(Unaudited)  
At  
30 June  
2013  
(Audited)  
(Restated)\*  
At  
30 September  
2012  
(Unaudited)  
(Restated)\*  
Number of shares in issue  
435 289 890  
435 289 890  
435 064 236

Net asset value per share (cents)

7 254

7 405

7 904

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 for details.*

## **6. Borrowings**

The Nedbank revolving credit facility was repaid in full during the December 2011 quarter and the full R850 million facility is available until

December 2013. The balance on Nedbank term facilities at 30 September 2013 is R458 million.

Two draw downs of US\$30 million each were made from the US\$300 million syndicated revolving credit facility during the September 2013

quarter. This takes the drawn level to US\$270 million. The facility is repayable by September 2015.

**7.**

## **Commitments and contingencies**

Figures in million

At

30 September

2013

(Unaudited)

At

30 June

2013

(Audited)

At

30 September

2012

(Unaudited)

### **Capital expenditure commitments:**

Contracts for capital expenditure

351

416

510

Authorised by the directors but not contracted for

1 835

1 545

2 263

**2 186**

**1 961**

**2 773**

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 annual report for the financial year ended 30 June 2013, available on the

group's website ([www.harmony.co.za](http://www.harmony.co.za)). There were no significant changes in contingencies since 30 June 2013.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2013 (Rand)



18

**Results for the first quarter  
ended 30 September 2013**

**8. 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.

**9. Subsequent events**

There were no subsequent events to report.

**10. Segment report**

The segment report follows on page 19.

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

Figures in million

30 September

2013

(Unaudited)

30 September

2012

(Unaudited)

(Restated)\*

The “Reconciliation of segment information to 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 income statement, balance sheet and segment report:

**Reconciliation of production profit to gross profit**

Total segment revenue

4 018

4 619

Total segment production costs

(2 981)

(3 078)

Production profit per segment report

1 037

1 541

Discontinued operations

–

(141)

Production profit from continuing operations

1 037

1 400

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

(754)

(633)

**Gross profit as per income statements**

**1**

**283**

**767**

*<sup>1</sup> 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

30 September  
2013

(Unaudited)

30 September  
2012

(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

1 155

720

Undeveloped property

5 139

5 139

Other non-mining assets

74

159

Wafi-Golpu assets

981

674

*Less:* Non-current assets previously classified as held-for-sale

—

(1 178)

**7 349**

**5 514**

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 for details.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the period ended 30 September 2013 (Rand)

**19**

Segment report (Rand/Metric) (Unaudited)  
for the three months ended 30 September 2013

**Revenue**

**Production cost\***

**Production**

**profit\***

**Mining assets**

\*

**Capital**

**expenditure**

**Kilograms**

**produced**

**Tonnes milled**

30 September

30 September

30 September

30 September

30 September

30 September

30 September

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

R million

R million

R million

R million

R million

kg

t'000

**Continuing operations**

**South Africa**

**Underground**

Kusasaletu

471

684

395

434

76  
250  
3 457  
3 326  
120  
116  
1 272  
1 601  
329  
328  
Doornkop  
342  
374  
288  
249  
54  
125  
3 375  
3 283  
60  
78  
765  
871  
236  
245  
Phakisa  
318  
298  
265  
251  
53  
47  
4 534  
4 390  
91  
78  
755  
679  
156  
142  
Tshepong  
443  
509  
346  
383  
97  
126  
3 918  
3 837  
68  
75

1 049  
1 159  
249  
313  
Masimong  
319  
436  
258  
258  
61  
178  
1 005  
993  
38  
36  
758  
987  
189  
261  
Target 1  
423  
443  
225  
224  
198  
219  
2 704  
2 667  
62  
87  
1 081  
1 071  
191  
178  
Bambanani  
325  
194  
169  
148  
156  
46  
886  
32  
769  
438  
63  
43  
Joel  
297  
375  
179

959 33

162		
118		
213		
329	247	42
38		
697		
900		
159		
167		
Unisel		
201		
190		
150		
146		
51		
44		
344	674	17
16		
476		
430		
108		
116		
Target 3		
154		
151		
127		
124		
27		
27		
482		
367		
35		
28		
392		
367		
82		
87		
<b>Surface</b>		
All other surface operations		
366		
337		
267		
254		
99		
83		
465		
197		
8		
93		
846		
821		

2 781

2 390

**Total South Africa**

**3 659**

**3 991**

**2 669**

**2 633**

**990**

**1 358**

**21 499**

**20 940**

**574**

**677**

**8 860**

**9 324**

**4 543**

**4 270**

**International**

Hidden Valley

359

287

312

245

47

42

3 347

5 588

48

87

775

689

503

491

**Total international**

**359**

**287**

**312**

**245**

**47**

**42**

**3 347**

**5 588**

**48**

**87**

**775**

**689**

**503**

**491**

**Total continuing  
operations**

**4 018**

4 278

2 981

2 878

1 037

1 400

24 846

26 528

622

764

9 635

10 013

5 046

4 761

**Discontinued operations**

Evander

—

341

—

200

—

141

—

1 178

—

53

—

817

—

159

**Total discontinued**

**operations**

—

341

—

200

—

141

—

1 178

—

53

—

817

—

159

**Total operations**

4 018

4 619

2 981

3 078

1 037



**1 541**  
**24 846**  
**27 706**  
**622**  
**817**  
**9 635**  
**10 830**  
**5 046**  
**4 920**

Reconciliation of the segment  
information to the  
consolidated financial  
statements (refer to note 11)

—  
(341)  
—  
(200)  
7 349  
5 514  
**4 018**  
**4 278**  
**2 981**  
**2 878**  
**32 195**  
**33 220**

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 for details.*

*# Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of R0 million (2013: R131 million).*

20

21

**Results for the first quarter**

**ended 30 September 2013**

Operating results (US\$/Imperial)

South Africa

Hidden

Valley\*

Total

Harmony

Underground production

Surface production

Total

South

Africa

Three

months

ended

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bamba-

nani

Joel

Unisel

Target 3

Steyn 2

Total

Under-

ground

Phoenix

Dumps

Kalgold\*

Total

Surface

**Ore milled**

**- t'000**

**Sep-13**

**363**

**260**

**172**

**275**

**208**

**211**

**56**

**175**

**119**

90  
13  
1 942  
1 703  
963  
401  
3 067  
5 009  
555  
5 564  
Jun-13  
234  
267  
147  
233  
232  
197  
61  
167  
126  
80  
13  
1 757  
1 622  
969  
405  
2 996  
4 753  
504  
5 257  
**Gold produced**  
– oz  
Sep-13  
40 896  
24 595  
24 274  
33 726  
24 370  
34 755  
20 030  
22 409  
15 304  
12 603  
4 694  
257 656  
7 234  
9 549  
10 417  
27 200  
284 856  
24 917

**309 773**

Jun-13  
22 120  
27 617  
18 744  
26 203  
26 974  
28 839  
19 741  
22 473  
13 728  
13 471  
3 890  
223 800  
6 494  
11 124  
11 478  
29 096  
252 896  
23 213  
276 109

**Yield  
Sep-13**

- oz/t

**0.113  
0.095  
0.141  
0.123  
0.117  
0.165  
0.358  
0.128  
0.129  
0.140  
0.361  
0.133  
0.004  
0.010  
0.026  
0.009  
0.057  
0.045  
0.056**

Jun-13  
0.095  
0.103  
0.128  
0.112  
0.116  
0.146  
0.324  
0.135

0.109  
0.168  
0.299  
0.127  
0.004  
0.011  
0.028  
0.010  
0.053  
0.046  
0.053

**Cash operating  
costs**

– \$/oz

**Sep-13**

**1 182**

**1 163**

**1 124**

**1 055**

**1 060**

**750**

**688**

**808**

**1 001**

**1 166**

**731**

**998**

**852**

**1 076**

**1 017**

**994**

**997**

**1 191**

**1 013**

Jun-13

1 900

1 094

1 462

1 377

954

926

663

801

1 092

980

848

1 120

1 045

1 095

855

989

1 105

1 561

1 144

**Cash operating**

**costs**

**– \$/t**

**Sep-13**

**133**

**110**

**159**

**129**

**124**

**124**

**246**

**103**

**129**

**163**

**264**

**132**

**4**

**11**

**26**

**9**

**57**

**53**

**56**

**Jun-13**

**180**

**113**

**186**

**155**

**111**

**135**

**215**

**108**

**119**

**165**

**254**

**143**

**4**

**13**

**24**

**10**

**59**

**72**

**60**

**Gold sold**

**– oz**

**Sep-13**

**35 301**

**25 592**

23 856  
33 147  
23 952  
31 701  
19 708  
22 280  
15 014  
11 510  
4 630  
246 691  
7 105  
9 259  
10 931  
27 295  
273 986  
26 717  
300 703  
Jun-13  
13 728  
25 496  
18 262  
25 496  
26 235  
30 029  
19 194  
22 505  
13 343  
14 018  
3 794  
212 100  
6 591  
11 510  
9 677  
27 778  
239 878  
22 023  
261 901  
**Revenue**  
Sep-13  
47 304  
34 360  
31 959  
44 445  
32 048  
42 499  
26 414  
29 831  
20 137  
15 416  
6 179  
330 592

(\$'000)

**9 565**  
**12 478**  
**14 724**  
**36 767**  
**367 359**  
**36 079**  
**403 438**  
Jun-13  
18 594  
35 509  
25 723  
35 955  
37 016  
43 298  
27 088  
31 772  
18 849  
20 201  
5 325  
299 330  
9 149  
16 060  
13 147  
38 356  
337 686  
30 826  
368 512  
**Cash operating**  
**costs**  
**(\$'000)**  
**Sep-13**  
**48 327**  
**28 596**  
**27 279**  
**35 572**  
**25 839**  
**26 082**  
**13 784**  
**18 097**  
**15 320**  
**14 700**  
**3 431**  
**257 027**  
**6 163**  
**10 275**  
**10 596**  
**27 034**  
**284 061**  
**29 672**  
**313 733**  
Jun-13



42 030  
30 223  
27 400  
36 074  
25 727  
26 692  
13 089  
17 995  
14 989  
13 201  
3 300  
250 720  
6 784  
12 177  
9 817  
28 778  
279 498  
36 239  
315 737  
**Inventory  
movement  
(\$'000)**  
**Sep-13**  
**(8 667)**  
**364**  
**(637)**  
**(873)**  
**48**  
**(3 473)**  
**(167)**  
**(160)**  
**(240)**  
**(1 963)**  
**(102)**  
**(15 870)**  
**(32)**  
**(403)**  
**257**  
**(178)**  
**(16 048)**  
**1 635**  
**(14 413)**  
**Jun-13**  
**(10 575)**  
**(3 090)**  
**(731)**  
**(338)**  
**(850)**  
**1 032**  
**(1 179)**  
**(307)**

(401)  
511  
(77)  
(16 005)  
(176)  
757  
(1 822)  
(1 241)  
(17 246)  
(939)  
(18 185)

**Operating costs**

**(\$'000)**

**Sep-13**

**39 660**

**28 960**

**26 642**

**34 699**

**25 887**

**22 609**

**13 617**

**17 937**

**15 080**

**12 737**

**3 329**

**241 157**

**6 131**

**9 872**

**10 853**

**26 856**

**268 013**

**31 307**

**299 320**

Jun-13

31 455

27 133

26 669

35 736

24 877

27 724

11 910

17 688

14 588

13 712

3 223

234 715

6 608

12 934

7 995

27 537

262 252

35 300

297 552

**Operating profit**

**(\$'000)**

**Sep-13**

**7 644**

**5 400**

**5 317**

**9 746**

**6 161**

**19 890**

**12 797**

**11 894**

**5 057**

**2 679**

**2 850**

**89 435**

**3 434**

**2 606**

**3 871**

**9 911**

**99 346**

**4 772**

**104 118**

Jun-13

(12 861)

8 376

(946)

219

12 139

15 574

15 178

14 084

4 261

6 489

2 102

64 615

2 541

3 126

5 152

10 819

75 434

(4 474)

70 960

**Capital**

**expenditure**

**(\$'000)**

**Sep-13**

**12 055**

**6 035**

**9 114**

6 788  
3 798  
6 176  
3 205  
4 223  
1 730  
3 556  
56  
56 736  
-  
13  
806  
819  
57 555  
4 868  
62 423  
Jun-13  
15 653  
6 744  
10 111  
8 873  
4 885  
7 331  
2 791  
4 602  
2 222  
4 355  
97  
67 664  
1 349  
197  
1 309  
2 855  
70 519  
14 601  
85 120  
**Adjusted**  
**operating costs**  
- \$/oz  
**Sep-13**  
1 171  
1 173  
1 138  
1 066  
1 132  
726  
708  
823  
1 031  
1 124  
734

1 006

863

1 066

1 003

988

1 004

1 177

1 019

Jun-13

2 412

1 096

1 494

1 426

1 004

940

648

813

1 196

990

871

1 146

1 006

1 124

847

999

1 130

1 621

1 171

**All-in sustaining**

**costs**

**– \$/oz**

**Sep-13**

1 560

1 416

1 554

1 306

1 339

956

778

937

1 190

1 468

790

1 251

863

1 101

1 123

1 048

1 230

1 607

1 264

Jun-13  
3 629  
1 370  
2 049  
1 814  
1 261  
1 215  
754  
987  
1 421  
1 331  
967  
1 490  
1 020  
1 191  
1 043  
1 099  
1 443  
2 720  
1 551  
**Gold Price  
Received  
- \$/oz**  
**Sep-13**  
**1 340**  
**1 343**  
**1 340**  
**1 341**  
**1 338**  
**1 341**  
**1 340**  
**1 339**  
**1 341**  
**1 339**  
**1 335**  
**1 340**  
**1 346**  
**1 348**  
**1 347**  
**1 347**  
**1 341**  
**1 350**  
**1 342**  
Jun-13  
1 354  
1 393  
1 409  
1 410  
1 411  
1 442  
1 411

1 412  
1 413  
1 441  
1 404  
1 411  
1 388  
1 395  
1 359  
1 381  
1 408  
1 400  
1 407

\* Comparative figures for these operations have been restated as a result of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

Refer to note 2 of the Rand Financial Statements.

22

**Results for the first quarter  
ended 30 September 2013**

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$) (Unaudited)

(Convenience translation)

Figures in million

**Quarter ended**

**Year ended**

30 September

2013

30 June

2013

(Restated)\*

30 September

2012

(Restated)\*

30 June

2013

(Restated)\*

**Continuing operations**

Revenue

403

369

519

1 803

Cost of sales

(375)

(653)

(426)

(1 829)

Production costs

(299)

(298)

(349)

(1 283)

Amortisation and depreciation

(58)

(56)

(60)

(227)

Impairment of assets

—

(289)

—

(274)

Other items

(18)

(10)

(17)

(45)

**Gross profit/(loss)**



28

(284)

93

(26)

Corporate, administration and other expenditure

(11)

(13)

(13)

(53)

Social investment expenditure

(4)

(6)

(2)

(14)

Exploration expenditure

(14)

(23)

(16)

(76)

Profit on sale of property, plant and equipment

–

–

7

16

Other (expenses)/income – net

–

(18)

–

(40)

**Operating (loss)/profit**

(1)

(344)

69

(193)

Impairment of investments

(1)

–

(6)

(10)

Net gain/(loss) on financial instruments

8

(1)

9

20

Investment income

5

7

4

21

Finance cost

(6)

(6)
(7)
(29)
<b>Profit/(loss) before taxation</b>
<b>5</b>
<b>(344)</b>
<b>69</b>
<b>(191)</b>
Taxation
(4)
(26)
(18)
(69)
Normal taxation
(5)
8
(13)
(31)
Deferred taxation
1
(34)
(5)
(38)
<b>Net profit/(loss) from continuing operations</b>
<b>1</b>
<b>(370)</b>
<b>51</b>
<b>(260)</b>
<b>Discontinued operations</b>
Profit from discontinued operations
—
—
11
36
<b>Net profit/(loss) for the period</b>
<b>1</b>
<b>(370)</b>
<b>62</b>
<b>(224)</b>
<i>Attributable to:</i>
Owners of the parent
1
(370)
62
(224)
<b>Earnings/(loss) per ordinary share (cents)</b>
Earnings/(loss) from continuing operations
—
(86)
12
(60)

Earnings from discontinued operations

—

—

3

8

**Total earnings/loss**

—

**(86)**

**15**

**(52)**

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

Earnings/(loss) from continuing operations

—

(86)

12

(60)

Earnings from discontinued operations

—

—

3

8

**Total diluted earnings/(loss)**

—

**(86)**

**15**

**(52)**

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 of the Rand financial statements for details.*

The currency conversion average rates for the quarter ended: September 2013: US\$1 = R9.96 (June 2013: US\$1 = R9.45, September 2012: US\$1 = R8.25).

For the year ended: June 2013: US\$1 = R8.82

**23**

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

Figures in million

**Quarter ended**

**Year ended**

30 September

2013

30 June

2013

(Restated)\*

30 September

2012

(Restated)\*

30 June

2013

(Restated)\*

Net profit/(loss) for the period

1

(370)

62

(224)

Other comprehensive (loss)/income for the period,

net of income tax

(70)

3

3

83

Foreign exchange translation

(70)

3

3

84

Movements on investments

–

–

–

(1)

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

**(69)**

**(367)**

**65**

**(141)**

*Attributable to:*

Owners of the parent

(69)

(367)

65

(141)

\* *The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 of the Rand financial statements for details.*

The currency conversion average rates for the quarter ended: September 2013: US\$1 = R9.96 (June 2013: US\$1 = R9.45, September 2012: US\$1 = R8.25).

For the year ended: June 2013 US\$1 = R8.82

**Note on convenience translations**

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.

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

for the three months ended 30 September 2013 (Convenience translation)

Figures in million

Share

capital

Other

reserves

Retained

earnings

Total

Balance – 30 June 2013 as previously reported

2 820

345

52

3 217

Restatement for IFRIC 20

–

(2)

(7)

(9)

Restated 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
Balance – 30 June 2012
3 438
297
401
4 136
Restatement for IFRIC 20
–
(2)
(11)
(13)
Restated balance – 30 June 2012
3 438
295
390
4 123
Share-based payments
–
5
–
5
Net profit for the period
–
–
61.
61
Other comprehensive income for the period
–
3
–
3
Dividends paid
–
–
(26)
(26)
<b>Balance – 30 September 2012</b>
<b>3 438</b>
<b>303</b>
<b>425</b>
<b>4 166</b>

The currency conversion closing rates for the year ended 30 September 2013: US\$1 = R10.05 (September 2012: US\$1 = 8.24).

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**Results for the first quarter  
ended 30 September 2013**

CONDENSED CONSOLIDATED BALANCE SHEETS (US\$) (Unaudited)

(Convenience translation)

Figures in million

At

30 September

2013

At

30 June

2013

(Restated)\*

At

30 September

2012

(Restated)\*

**ASSETS**

**Non-current assets**

Property, plant and equipment

3 205

3 279

4 032

Intangible assets

218

220

266

Restricted cash

4

4

4

Restricted investments

213

206

233

Deferred tax assets

9

10

63

Investments in associates

11

11

—

Investments in financial assets

4

5

12

Inventories

6

6

7

Trade and other receivables

—

—

2

**Total non-current assets**

**3 670**

**3 741**

**4 619**

**Current assets**

Inventories

147

142

142

Trade and other receivables

123

116

141

Income and mining taxes

10

13

1

Cash and cash equivalents

228

209

275

508

480

559

Assets of disposal groups classified as held for sale

—

—

202

**Total current assets**

**508**

**480**

**761**

**Total assets**

**4 178**

**4 221**

**5 380**

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

2 820

2 837

3 438

Other reserves

278

347

303

Retained earnings



46	
45	
425	
<b>Total equity</b>	
<b>3 144</b>	
<b>3 229</b>	
<b>4 166</b>	
<b>Non-current liabilities</b>	
Deferred tax liabilities	
298	
303	
384	
Provision for environmental rehabilitation	
198	
200	
230	
Retirement benefit obligation	
20	
19	
22	
Other provisions	
6	
5	
11	
Borrowings	
285	
226	
223	
<b>Total non-current liabilities</b>	
<b>807</b>	
<b>753</b>	
<b>870</b>	
<b>Current liabilities</b>	
Borrowings	
29	
28	
37	
Income and mining taxes	
2	
–	
13	
Trade and other payables	
196	
211	
241	
227	
239	
291	
Liabilities of disposal groups classified as held for sale	
–	
–	

53

**Total current liabilities**

227

239

344

**Total equity and liabilities**

4 178

4 221

5 380

*\* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 of the Rand financial statements for details.*

The balance sheet for September 2013 converted at a conversion rate of US\$1 = R10.05 (June 2013 US\$1 = R9.98, September 2012: US\$1 = R8.24)

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

(Convenience translation)

Figures in million

**Quarter ended**

**Year ended**

30 September

2013

30 June

2013

30 September

2012

30 June

2013

**Cash flow from operating activities**

Cash generated by operations

24

23

162

359

Interest and dividends received

3

5

3

16

Interest paid

(3)

(4)

(4)

(14)

Income and mining taxes (paid)/refunded

–

(14)

13

(33)

**Cash generated by operating activities**

**24**

**10**

**174**

**328**

**Cash flow from investing activities**

Cash transferred to disposal group

–

–

(20)

–

Proceeds on disposal of investment in subsidiary

–

–

–

139

Purchase of investments

—  
(1)

—  
(9)

Other investing activities

(1)  
—

—  
(1)

Net additions to property, plant and equipment

1  
(62)  
(99)  
(108)  
(414)

**Cash utilised by investing activities**

**(63)**  
**(100)**  
**(128)**  
**(285)**

**Cash flow from financing activities**

Borrowings raised

61

—  
40

80

Borrowings repaid

—  
(17)

(1)  
(35)

Dividends paid

—  
—  
(26)  
(50)

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

**61**  
**(17)**  
**13**  
**(5)**

**Foreign currency translation adjustments**

**(3)**  
**(20)**

—  
**(45)**

Net increase/(decrease) in cash and cash equivalents

19  
(127)  
59

(7)

Cash and cash equivalents – beginning of period

209

336

216

216

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

**228**

**209**

**275**

**209**

1

*Includes capital expenditure for Wafi-Golpu and other International projects of US\$0 million in the September 2013 quarter (June 2013: US\$14 million)(September 2012:*

*US\$16 million) and US\$61 million in the 12 months ended 30 June 2013.*

The currency conversation average rates for the quarter ended: September 2013: US\$1 = R9.96 (June 2013: US\$1 = R9.45, September 2012: US\$1 = R8.25)

Closing balance translated at closing rates of: September 2013: US\$1 = R10.05 (June 2013 US\$1 = R 9.98, September 2012 US\$1 = R8.24).

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**Results for  
the first  
quarter ended  
30 September 2013**

Segment report (US\$/Imperial) (Unaudited)

For the quarter ended 30 September 2013

**Revenue**

**Production cost\***

**Production**

**profit\***

**Mining assets**

\*

**Capital  
expenditure**

**Ounces**

**produced**

**Tons milled**

30 September

30 September

30 September

30 September

30 September

30 September

30 September

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

**Continuing operations**

**South Africa**

**Underground**

Kusasaletu

47

83  
39  
53  
8  
30  
344  
404  
12  
14  
40 896  
51 473  
363  
362  
Doornkop  
34  
45  
29  
30  
5  
15  
336  
398  
6  
9  
24 595  
28 003  
260  
270  
Phakisa  
32  
36  
27  
30  
5  
6  
451  
533  
9  
10  
24 274  
21 830  
172  
157  
Tshepong  
45  
62  
35  
46  
10  
16  
390

466  
7  
8  
33 726  
37 263  
275  
345  
Masimong  
32  
53  
26  
31  
6  
22  
100  
121  
4  
4  
24 370  
31 733  
208  
288  
Target 1  
43  
54  
23  
27  
20  
27  
269  
324  
6  
11  
34 755  
34 433  
211  
196  
Bambanani  
32  
23  
16  
18  
16  
5  
88  
116  
3  
4  
24 724  
14 082  
69



47

Joel

30

45

18

20

12

25

33

30

4

5

22 409

28 936

175

184

Unisel

20

23

15

18

5

5

34

82

2

2

15 304

13 825

119

128

Target 3

15

18

13

15

2

3

48

45

4

3

12 603

11 799

90

96

**Surface**

All other surface operations

37

42

27

31  
10  
11  
46  
23  
1  
12  
27 200  
26 395  
3 067  
2 636  
**Total South Africa**  
**367**  
**484**  
**268**  
**319**  
**99**  
**165**  
**2 139**  
**2 542**  
**58**  
**82**  
**284 856**  
**299 772**  
**5 009**  
**4 709**  
**International**  
Hidden Valley  
36  
35  
31  
30  
5  
5  
333  
678  
5  
11  
24 917  
22 152  
555  
541  
**Total international**  
**36**  
**35**  
**31**  
**30**  
**5**  
**5**  
**333**  
**678**

5  
11  
24 917  
22 152  
555  
541  
**Total continuing operations**  
403  
519  
299  
349  
104  
170  
2 472  
3 220  
63  
93  
309 773  
321 924  
5 564  
5 250  
**Discontinued operations**  
Evander  
—  
41  
—  
24  
—  
17  
—  
143  
—  
6  
—  
26 267  
—  
175  
**Total discontinued operations**  
—  
41  
—  
24  
—  
17  
—  
143  
—  
6  
—  
26 267

-  
175  
**Total operations**  
403  
560  
299  
373  
104  
187  
2 472  
3 363  
63  
99  
309 773  
348 191  
5 564  
5 425

*\* The comparative periods have been restated following the adoption of IFRIC 20. 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 million (2013: US\$16 million)*

27

DEVELOPMENT RESULTS (Metric)

Quarter ending September 2013

Channel

Reef

(meters)

Sampled

(meters)

Width

(Cm's)

Value

(g/t)

Gold

(Cmg/t)

Tshepong

Basal

391

360

8.92

176.34

1 573

B Reef

260

252

68.34

12.33

843

**All Reefs**

**651**

**612**

**33.36**

**38.14**

**1 272**

Phakisa

Basal

281

292

99.91

11.07

1 106

Leader

3

6

47.00

1.43

67

**All Reefs**

**283**

**298**

**98.84**

**10.98**

**1 085**

Bambanani

Basal

19

19

86.80

11.82

1 026

**All Reefs**

**19**

**19**

**86.80**

**11.82**

**1 026**

Doornkop

South Reef

361

358

45.63

15.56

710

**All Reefs**

**361**

**358**

**45.63**

**15.56**

**710**

Kusasaletu

VCR Reef

483

407

101.12

13.40

1 355

**All Reefs**

**483**

**407**

**101.12**

**13.40**

**1 355**

Target 1

Elsburg

131

71

258.80

6.45

1 668

**All Reefs**

**131**

**71**

**258.80**

**6.45**

**1 668**

Target 3

Elsburg

17

13

131.32

6.46

849

Basal

49

19

13.05

123.06

1 606

A Reef

62

28

124.04

12.96

1 608

B Reef

222

119

85.24

24.70

2 105

**All Reefs**

**350**

**178**

**86.76**

**21.75**

**1 887**

Masimong 5

Basal

403

360

47.26

17.05

806

B Reef

99

124

85.59

11.84

1 013

**All Reefs**

**503**

**483**

**57.08**

**15.05**

**859**

Unisel

Basal

375.7

277

189.61

9.07

1 721

Leader

469.4

388

207.36

5.75

1 193

Middle

37.2

29

215.39

9.34

2 012

**All Reefs**

**882**

**693**

**200.60**

**7.17**

**1 437**

Joel

Beatrix

254

247

188.99

9.67

1 828

**All Reefs**

**254**

**247**

**188.99**

**9.67**

**1 828**

Total Harmony

Basal

1 519

1 326

78.25

16.43

1 286

Beatrix

254

247

188.99

9.67



1 828  
Leader  
472  
394  
204.92  
5.74  
1 175  
B Reef  
582  
494  
76.73  
15.50  
1 189  
A Reef  
61.8  
27.5  
124.04  
12.96  
1 608  
Middle  
37.2  
28.5  
215.39  
9.34  
2 012  
Elsburg  
148.0  
83.5  
239.72  
6.45  
1 545  
Kimberley  
79.1  
80.25  
14.00  
102.74  
1 438  
South Reef  
361  
357.75  
45.63  
15.56  
710  
VCR  
483  
407  
101.12  
13.40  
1 355  
**All Reefs**  
**3 997**

**3 445**

**103.66**

**12.20**

**1 265**

DEVELOPMENT RESULTS (Imperial)

Quarter ending September 2013

Channel

Reef

(feet)

Sampled

(feet)

Width

(inch)

Value

(oz/t)

Gold

(In.oz/t)

Tshepong

Basal

1 284

1 181

4

4.52

18

B Reef

853

825

27

0.36

10

**All Reefs**

**2 137**

**2 006**

**13**

**1.12**

**15**

Phakisa

Basal

920

958

39

0.33

13

Leader

8

20

19

0.04

1

**All Reefs**

**929**

978

39

0.32

12

Bambanani

Basal

62

62

34

0.35

12

**All Reefs**

62

62

34

0.35

12

Doornkop

South Reef

1 183

1 174

18

0.45

8

**All Reefs**

1 183

1 174

18

0.45

8

Kusasaletu

VCR Reef

1 586

1 335

40

0.39

16

**All Reefs**

1 586

1 335

40

0.39

16

Target 1

Elsburg

430

233

102

0.19

19

**All Reefs**

**430**

**233**

**102**

**0.19**

**19**

Target 3

Elsburg

55

41

52

0.19

10

Basal

160

62

5

3.69

18

A Reef

203

90

49

0.38

18

B Reef

729

390

34

0.71

24

**All Reefs**

**1 147**

**584**

**34**

**0.64**

**22**

Masimong 5

Basal

1 323

1 179

19

0.49

9

B Reef

326

406

34

0.34

12

**All Reefs**

**1 649**

**1 585**

**22**

**0.45**

**10**

Unisel

Basal

1 232

909

75

0.26

20

Leader

1 540

1 271

82

0.17

14

Middle

122

94

85

0.27

23

**All Reefs**

**2 895**

**2 274**

**79**

**0.21**

**17**

Joel

Beatrix

835

810

74

0.28

21

**All Reefs**

**835**

**810**

**74**

**0.28**

**21**

Total Harmony

Basal

4 983

4 352

31.00

0.48

14.76

Beatrix

835

810  
74.00  
0.28  
20.99  
Leader  
1 548  
1 291  
81.00  
0.17  
13.50  
B Reef  
1 908  
1 622  
30.00  
0.46  
13.66  
A Reef  
203  
90  
49.00  
0.38  
18.46  
Middle  
122  
94  
85.00  
0.27  
23.10  
Elsburg  
485  
274  
94.00  
0.19  
17.75  
Kimberley  
260  
263  
6.00  
2.75  
16.52  
South Reef  
1 183  
1 174  
18.00  
0.45  
8.15  
VCR  
1 586  
1 335  
40.00  
0.39

15.56

**All Reefs**

**13 113**

**11 304**

**41.00**

**0.35**

**15**

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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: November 8, 2013

Harmony Gold Mining Company Limited

By: /s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director