HARMONY GOLD MINING CO LTD
Form 6-K
May 06, 2014
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
**Form 6-K**
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15d-16 UNDER THE SECURITIES
EXCHANGE ACT OF 1934
**Harmony Gold Mining Company**
**Limited**
Randfontein Office Park
Corner Main Reef Road and Ward Avenue
Randfontein, 1759
South Africa
(Address of principal executive offices)
(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)
Form 20-F X Form 40-F
(Indicate by check mark whether the registrant by
furnishing the information contained in this form
is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.)
Yes No X

***Shareholder information***

Issued ordinary share capital
at 31 March 2014
435 693 819
Issued ordinary share capital
at 31 December 2013
435 693 819

***Market capitalisation***

At 31 March 2014 (ZARm)
14 247
At 31 March 2014 (US$m)
1 355
At 31 December 2013 (ZARm)
11 284
At 31 December 2013 (US$m)
1 077

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

12-month high (1 April 2013 –
31 March 2014) for ordinary shares
R58.58
12-month low (1 April 2013 –
31 March 2014) for ordinary shares
R24.48
12-month high (1 April 2013 –
31 March 2014) for ADRs
US$6.38
12-month low (1 April 2013 –
31 March 2014) for ADRs
US$2.36

***Free float***

**100%**

***ADR* ratio***

**1:1**

***JSE Limited***

**HAR**

Range for quarter (1 January –
31 March 2014 closing prices)
R27.25 – R40.32
Average daily volume for the quarter
(1 January – 31 March 2014)
1 031 429 shares
Range for quarter (1 October –
31 December 2013 closing prices)
R24.48 – R36.14
Average daily volume for the quarter
(1 October – 31 December 2013)
1 180 825 shares

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

**HMY**

Range for quarter (1 January –
31 March 2014 closing prices)
US$2.52 – US$3.77
Average daily volume for the quarter
(1 January – 31 March 2014)
3 102 376
Range for quarter (1 October –
31 December 2013 closing prices)
US$2.36 – US$3.67
Average daily volume for the quarter
(1 October – 31 December 2013)
2 722 889
***Investors' calendar***
Q4 FY14 and year-end live presentation
in Johannesburg
14 August 2014
Release of Harmony's Integrated
Annual Report of FY14
23 October 2014
Q1 FY15 presentation
(webcast and conference calls only)
5 November 2014
Annual General Meeting
21 November 2014
Q2 FY15 live presentation in Cape Town
9 February 2015
**ADR: American Depository Receipts*
**Q3 FY14**
**Harmony Gold Mining Company Limited**
("Harmony" or "Company")
Incorporated in the Republic of South Africa
Registration number 1950/038232/06
JSE share code: HAR
NYSE share code: HMY
ISIN: ZAE000015228
Results for the third quarter FY14 and
nine months ended 31 March 2014
**KEY FEATURES**
**Quarter on quarter**
5% increase in underground recovered grade to 5.10g/t
•
3 consecutive quarters of grade increases, representing a cumulative
increase of 17%
3% increase in gold production in the first 9 months of FY14
6% decrease in production profit during the March 2014
quarter, due to a 12% decrease in gold produced
Turned prior quarter's loss into a profit
•
net profit of R31 million (US$3 million)
•
headline earnings per share of 12 SA cents (1 US cent)

Net debt 13% lower and cash balance of R2 billion

**RESULTS FOR THE THIRD QUARTER FY14 ENDED 31 MARCH 2014**

| | | Quarter March 2014 | Quarter December 2013 | Q-on-Q variance % | 9 months ended March 2014 | 9 months ended March 2013* | % Variance |
|---|---|---|---|---|---|---|---|
| Gold produced | – kg | 8 368 | 9 515 | (12) | 27 518 | 26 786 | 3 |
| | – oz | 269 035 | 305 913 | (12) | 884 721 | 861 188 | 3 |
| Cash operating costs | – R/kg | 343 527 | 308 665 | (11) | 324 731 | 317 772 | (2) |
| | – US$/oz | 987 | 949 | (4) | 981 | 1 148 | 15 |

Gold sold
– kg
8 502
9 798
(13)
27 653
26 824
3
– oz
273 344
315 014
(13)
889 061
862 379
3
Underground grade
– g/t
5.10
4.85
5
4.81
4.60
5
All-in sustaining
costs
– R/kg
426 221
397 503
(7)
408 768
417 813
2
– US$/oz
1 224
1 222
–
1 234
1 509
18
Gold price received
– R/kg
450 528
415 532
8
431 038
462 982
(7)
– US$/oz
1 294
1 277
1

1 302
1 672
(22)
Production profit*
– R million
924
986
(6)
2 946
3 910
(25)
– US$ million
86
97
(13)
287
454
(37)
Basic earnings/(loss)
per share*[1]
– SAc/s
7
(21)
>100
(11)
266
>(100)
– USc/s
1
(2)
>100
(1)
30
>(100)
Headline earnings/
(loss)*[1]
– Rm
52
(91)
>100
(19)
1 026
>(100)
– US$m
5
(9)
>100
(2)
119
>(100)

Headline earnings/
(loss) per share*[1]
– SAc/s
12
(21)
>100
(4)
238
>(100)
– USc/s
1
(2)
>100
–
28
(100)
Exchange rate
– R/US$
10.83
10.12
7
10.30
8.61
20

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

[1]   *The nine months ended March 2013 include discontinued operations*

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**CONTACT DETAILS**
***Corporate Office***
Randfontein Office Park
PO Box 2, Randfontein, 1760, South Africa
Corner Main Reef Road/Ward Avenue
Randfontein, 1759, South Africa
*Telephone:* +27 (0)11 411 2000
*Website:* **www.harmony.co.za**
***Directors***
P T Motsepe* *Chairman*
M Motloba*^ *Deputy Chairman*
G P Briggs *Chief Executive Officer*
F Abbott *Financial Director*
H E Mashego *Executive Director*
F F T De Buck*^ *Lead independent director*
J A Chissano*
1
^, K V Dicks*^, Dr D S Lushaba*^,
C Markus*^, M Msimang*^, K T Nondumo*^,
V P Pillay *^, J Wetton*^, A J Wilkens*
* Non-executive
^ Independent
1 Mozambican
***Investor relations team***
Email: HarmonyIR@harmony.co.za
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Executive: Corporate and Investor Relations
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***Company Secretary***
Riana Bisschoff
*Telephone:* +27 (0)11 411 6020
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***South African Share Transfer Secretaries***
Link Market Services South Africa (Proprietary) Limited
*(Registration number 2000/007239/07)*
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
PO Box 4844, Johannesburg, 2000, South Africa
*Telephone:* +27 (0)86 154 6572
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***ADR Depositary***

Deutsche Bank Trust Company Americas
c/o American Stock Transfer and Trust Company
Peck Slip Station
PO Box 2050, New York, NY 10272-2050
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*Toll free:* +1-800-937-5449
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***Sponsor***

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

Harmony's Integrated Annual Report, the Sustainable Development Information which serves as supplemental information to the Integrated Annual Report and its annual report filed on a Form 20F with the United States' Securities and Exchange Commission for the financial year ended 30 June 2013 are available on our website at **www.harmony.co.za/investors**

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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.*

**Competent person's declaration**

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

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

*Resources and Reserves South Africa: Jaco Boshoff, Pr. Sci. Nat., who has 18 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP).*

*Resources and Reserves Papua New Guinea: Gregory Job, BSc, MSc, who has 25 years relevant experience and is a member of the Australian Institute of Mining and Metallurgy (AusIMM).*

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

*Mineral Resource and Reserve information as at 30 June 2013 have not changed.*

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

Message from the chief executive officer

**1. SAFETY**

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

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

**2. OPERATIONAL RESULTS**

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

Production at Steyn 2 was suspended six months earlier than the planned life of mine, due to increased seismicity in the working areas.

Harmony's underground recovered grade increased for a third consecutive quarter. Quarter on quarter, underground recovered grade was 5% higher at 5.10g/t (4.85g/t in the December 2013 quarter). The underground operations recorded a production profit of R765 million.

The following operations showed an increase in production:

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

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

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

recovered grade to 4.11g/t;

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

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

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

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

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

**3. FINANCIAL RESULTS**

Gross profit

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

Net profit/(loss)

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

Impairment of assets

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

Other expenses (net)

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

Borrowings

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

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

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Earnings/loss per share

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

Employee Share Option Plan (ESOP) share vesting

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

**4. NEW CHIEF OPERATING OFFICER APPOINTED**

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

**5. GOOD PROGRESS AT WAFI-GOLPU**

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

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

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

**Partial result reported last quarter.*

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

**6. IN CONCLUSION**

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

**Graham Briggs**
*Chief Executive Officer*

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**7**
**Results for the third quarter FY14**
**and nine months ended 31 March 2014**
OPERATIONAL RESULTS (Rand/Metric) (US$/Imperial)
Three
months
ended
South Africa
Underground production
Surface production
Kusasalethu
Doornkop
Phakisa
Tshepong
Masimong
Target 1
Bambanani
Joel
Unisel
Target 3
Steyn 2
Total
Underground
Phoenix
Dumps
Kalgold
Total
Surface
Total
South
Africa
Hidden
Valley
Total
Harmony
**Ore milled**
**– t'000**
**Mar-14**
**226**
**102**
**138**
**232**
**164**
**181**
**52**
**88**
**95**
**73**
**9**
**1 360**

**1 483**
**620**
**356**
**2 459**
**3 819**
**467**
**4 286**
Dec-13
302
238
137
219
161
193
54
149
107
75
12
1 647
1 482
755
364
2 601
4 248
506
4 754
**Gold produced**
**– kg**
**Mar-14**
**929**
**434**
**752**
**1 024**
**660**
**1 173**
**707**
**345**
**458**
**360**
**99**
**6 941**
**201**
**155**
**255**
**611**
**7 552**
**816**
**8 368**
Dec-13
1 140

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

4 726
256 723
6 977
7 266
10 127
24 370
281 093
24 820
305 913
**Yield**
**– g/tonne**
**Mar-14**
**4.11**
**4.25**
**5.45**
**4.41**
**4.02**
**6.48**
**13.60**
**3.92**
**4.82**
**4.93**
**11.00**
**5.10**
**0.14**
**0.25**
**0.72**
**0.25**
**1.98**
**1.75**
**1.95**
Dec-13
3.77
3.66
5.15
4.39
4.25
6.43
12.91
4.52
4.79
4.67
12.25
4.85
0.15
0.30
0.87
0.29
2.06
1.53
2.00

**Cash operating costs – R/kg**
**Mar-14**
**463 848**
**582 786**
**335 239**
**325 056**
**356 248**
**219 864**
**198 116**
**450 803**
**322 395**
**382 311**
**289 313**
**341 644**
**279 746**
**441 426**
**404 459**
**372 810**
**344 166**
**337 621**
**343 527**
Dec-13
389 854
320 533
374 572
352 244
353 671
200 373
199 795
261 521
294 779
383 566
221 871
306 967
279 221
357 916
318 184
318 876
308 000
316 206
308 665
**Cash operating costs – $/oz**
**Mar-14**
**1 332**
**1 674**
**963**
**934**

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

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

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

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

**Cash operating**
**costs**
**(R'000)**
**Mar-14**
**430 915**
**252 929**
**252 100**
**332 857**
**235 124**
**257 900**
**140 068**
**155 527**
**147 657**
**137 632**
**28 642**
**2 371 351**
**56 229**
**68 421**
**103 137**
**227 787**
**2 599 138**
**275 499**
**2 874 637**
Dec-13
444 434
279 505
264 448
338 859
241 911
248 663
139 257
176 265
150 927
134 248
32 615
2 451 132
60 591
80 889
100 228
241 708
2 692 840
244 111
2 936 951
**Inventory**
**movement**
**(R'000)**
**Mar-14**
**64 740**
**20 837**
**(11 605)**
**(15 785)**

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

**68 006**
**120 884**
**250 602**
**2 599 511**
**306 496**
**2 906 007**
Dec-13
472 444
292 164
280 594
361 450
258 329
300 331
151 624
169 977
160 530
162 299
35 658
2 645 400
49 523
81 032
86 553
217 108
2 862 508
223 378
3 085 886
**Production profit**
**(R’000)**
**Mar-14**
**4 855**
**(50 321)**
**85 754**
**127 143**
**60 955**
**245 382**
**176 628**
**17 149**
**57 384**
**24 815**
**14 950**
**764 694**
**36 026**
**3 007**
**21 419**
**60 452**
**825 146**
**99 232**
**924 378**
Dec-13
21 913
72 654

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

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

**Capital**
**expenditure**
**($'000)**
**Mar-14**
**10 688**
**5 046**
**6 887**
**6 592**
**3 985**
**8 136**
**2 271**
**2 617**
**1 895**
**2 502**
**50**
**50 669**
**64**
**266**
**506**
**836**
**51 505**
**1 960**
**53 465**
Dec-13
12 876
6 276
9 734
7 780
4 009
6 343
2 887
3 748
2 436
3 633
63
59 785
92
243
1 246
1 581
61 366
1 885
63 251
**Adjusted**
**operating costs**
**– R/kg**
**Mar-14**
**447 045**
**556 494**
**340 244**
**329 294**

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

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

533 624
416 838
503 058
458 501
447 878
278 028
241 303
299 632
373 246
526 404
263 910
400 445
280 299
386 310
393 782
360 943
397 713
394 820
397 503
**All-in sustaining**
**costs**
**– $/oz**
**Mar-14**
**1 627**
**1 947**
**1 304**
**1 193**
**1 274**
**907**
**640**
**1 346**
**1 126**
**1 368**
**913**
**1 247**
**815**
**1 336**
**1 181**
**1 101**
**1 233**
**1 143**
**1 224**
Dec-13
1 640
1 281
1 546
1 409
1 376
854
742
921

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

**8**

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

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

Figures in million
Note
**Quarter ended**
**Nine months ended**
**Year ended**
31 March
2014
(Unaudited)

31 December
2013
(Unaudited)

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

31 March
2013
(Unaudited)
(Restated)*
30 June
2013
(Audited)
(Restated)*
Continuing operations

Revenue
3 830
4 071
3 528
11 919
12 419
15 902
Cost of sales
3
(3 595)
(3 817)
(3 260)
(11 147)
(10 277)
(16 448)

Production costs
(2 906)
(3 086)
(2 675)
(8 973)
(8 509)
(11 321)
Amortisation and depreciation
(475)
(565)
(468)
(1 617)
(1 470)
(2 001)
Impairment of assets
(29)
–
–
(29)
–
(2 733)
Other items
(185)
(166)
(117)
(528)
(298)
(393)
**Gross profit/(loss)**
**235**
**254**
**268**
**772**
**2 142**
**(546)**
Corporate, administration and other
expenditure
(109)
(102)
(121)
(319)
(338)
(465)
Social investment expenditure
(8)
(21)
(25)
(67)
(70)
(127)
Exploration expenditure

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

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

Profit from discontinued operations
–
–
143
–
314
314
**Net profit/(loss) for the period**
**31**
**(91)**
**(101)**
**(47)**
**1 148**
**(2 349)**
*Attributable to:*

Owners of the parent
31
(91)
(101)
(47)
1 148
(2 349)
**Earnings/(loss) per ordinary share**
**(cents)**
4

Earnings/(loss) from continuing
operations
7
(21)
(57)
(11)
193
(616)
Earnings from discontinued
operations
–
–
33
–
73
73
**Total earnings/(loss)**
**7**
**(21)**
**(24)**
**(11)**

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

Earnings/(loss) from continuing operations
7
(21)
(57)
(11)
192
(616)
Earnings from discontinued operations
–
–
33
–
73
73
**Total diluted earnings/(loss)**
**7**
**(21)**
**(24)**
**(11)**
**265**
**(543)**

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

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

**9**
The condensed consolidated financial statements for the nine months ended 31 March 2014 have been prepared by Harmony
Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry. This process was supervised by the
financial director, Mr Frank Abbott, and approved by the board of Harmony Gold Mining Company Limited.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)
Figures in million
**Quarter ended**
**Nine months ended**
**Year ended**
31 March
2014
(Unaudited)

31 December
2013
(Unaudited)

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

31 March
2013
(Unaudited)
(Restated)*
30 June
2013
(Audited)
(Restated)*
Net profit/(loss) for the period
31
(91)
(101)

(47)
1 148
(2 349)
Other comprehensive (loss)/income
for the period, net of income tax
(416)
378
506

(733)
726

737
Foreign exchange translation
(421)
370
519

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

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

**(780)**
**1 874**
**(1 612)**
*Attributable to:*

Owners of the parent
(385)
287
405

(780)
1 874
(1 612)
** The audited June 2013 annual results, unaudited nine months ended March 2013 and unaudited March 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*
The accompanying notes are an integral part of these condensed consolidated financial statements.
All items in Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand)
for the nine months ended 31 March 2014
Figures in million
Note
Share capital
Other

reserves
Retained
earnings
Total
Balance – 30 June 2013 as previously reported
28 325
3 464
522
32 311
Restatement for IFRIC 20
2
–
(22)
(74)
(96)
Restated balance – 30 June 2013
28 325
3 442
448
32 215
Share-based payments
–
198
–
198
Net loss for the period
–
–
(47)
(47)
Other comprehensive loss for the period
–
(733)
–
(733)
**Balance – 31 March 2014**
**28 325**
**2 907**
**401**
**31 633**
Balance – 30 June 2012 as previously reported
28 331
2 444
3 307
34 082
Restatement for IFRIC 20
2
–
(15)
(94)
(109)

Restated balance – 30 June 2012
28 331
2 429
3 213
33 973
Share-based payments
–
215
–
215
Net profit for the period
–
–
1 148
1 148
Other comprehensive income for the period
–
726
–
726
Dividends paid
1
–
–
(435)
(435)
**Balance–31 March 2013**
**28 331**
**3 370**
**3 926**
**35 627**
*1*
*Dividend of 50 SA cents declared on 13 August 2012 and 50 SA cents on 1 February 2013.*
The accompanying notes are an integral part of these condensed consolidated financial statements.

**10**

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

CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

| Figures in million | Note | **At** 31 March 2014 (Unaudited) | **At** 31 December 2013 | **At** 30 June 2013 (Audited) (Restated)* | **At** 31 March 2013 (Unaudited) (Restated)* |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | | 32 400 | 32 663 | 32 732 | 34 828 |
| Intangible assets | | 2 194 | 2 193 | 2 191 | 2 190 |
| Restricted cash | | 40 | 38 | 37 | 38 |
| Restricted investments | | 2 225 | 2 180 | 2 054 | 2 050 |
| Deferred tax assets | | 84 | | | |

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

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

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

**Share capital and reserves**

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

**35 627**
**Non-current liabilities**

Deferred tax liabilities
3 029
3 000
3 021
3 244
Provision for environmental rehabilitation
2 020
2 016
1 997
1 961
Retirement benefit obligation
205
201
194
188
Other provisions
67
71
55
48
Borrowings
7
2 843
3 280
2 252
2 238
**Total non-current liabilities**
**8 164**
**8 568**
**7 519**
**7 679**
**Current liabilities**

Borrowings
7
–
–
286
287
Income and mining taxes
3
–
4
92
Trade and other payables
1 750

1 870
2 109
2 050
**Total current liabilities**
**1 753**
**1 870**
**2 399**
**2 429**
**Total equity and liabilities**
**41 550**
**42 403**
**42 133**
**45 735**
** The audited June 2013 annual results and unaudited March 2013 results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.*
The accompanying notes are an integral part of these condensed consolidated financial statements.

**11**
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)
Figures in million
**Quarter ended**

**Nine months ended**
**Year ended**
31 March
2014
(Unaudited)
31 December
2013
(Unaudited)
31 March
2013
(Unaudited)
31 March
2014
(Unaudited)
31 March
2013
(Unaudited)
30 June
2013
(Audited)
**Cash flow from operating activities**

Cash generated by operations
755
700
204
1 693
2 933
3 154
Interest and dividends received
34
32
34
92
90
138
Interest paid
(39)
(21)
(27)

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

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

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

Borrowings raised
–
–
–

612
678
678
Borrowings repaid
(462)
(3)
(4)
(468)
(177)
(333)
Ordinary shares issued – net of expenses
–
–
–

–
–
1
Option premium on BEE transaction
–

–
–

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

**3 099**
**2 089**

*1*
*The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of R537 million, the March 2013 quarter R148 million and the nine months ended 31 March 2013 R403 million.*

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

**12**
**Results for the third quarter FY14**
**and nine months ended 31 March 2014**

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

**1.**
**Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the nine months ended 31 March 2014 have been prepared in accordance with IAS 34,
Interim Financial Reporting, JSE Listings Requirements, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and
in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the
year ended 30 June 2013, which have been prepared in accordance with International Financial Reporting Standards as issued by the International
Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements, except for
the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

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

IFRS 7
Amendment–Disclosures–Offsetting Financial Assets and Financial Liabilities
IFRS 10
Consolidated Financial Statements
IFRS 11
Joint Arrangements
IFRS12
Disclosure of Interests in Other Entities
IFRS 13
Fair Value Measurement
IFRSs
Annual Improvements 2009 – 2011
IAS 19
Employee Benefits (Revised 2011)
IAS 27
Separate Financial Statements (Revised 2011)
IAS 28
Investments in Associates and Joint Ventures (Revised 2011)
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

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

IAS 19 includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now
recognised in other comprehensive income (OCI). Actuarial gains and losses recognised in OCI will not be recycled to profit or loss. The impact
for the group was immaterial.

IFRS 11 requires joint operations to be accounted at the group’s interest in the assets, liabilities, revenue and expenses of the joint operation.
Harmony previously accounted for joint operations using the proportional consolidation method. The change in accounting policy has not had

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

**2.**

**Change in accounting policies**

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

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine (IFRIC 20) which became effective on 1 January 2013, clarifies the
requirements for accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue: (i) usable
ore that can be used to produce inventory; and (ii) improved access to further quantities of material that will be mined in future periods.
Harmony has applied IFRIC 20 on a prospective basis from 1 July 2011 in compliance with the transitional requirements of IFRIC 20.
Harmony previously accounted for stripping costs incurred during the production phase to remove waste material by deferring these costs,
which were then charged to production costs on the basis of the average life-of-mine stripping ratio.
A stripping activity asset shall be recognised if all of the following are met:
(i) it is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the entity;
(ii) the entity can identify the component of the orebody for which access has been improved; and
(iii) the cost relating to the stripping activity associated with that component can be measure reliably.
The stripping asset shall be depreciated over the expected useful life of the identified component of the orebody based on the units of
production method.
Where there were no identifiable components of the orebody to which the predecessor asset relates, the asset was written off to retained
earnings at the beginning of the earliest period presented. An amount of R54 million was written off to opening retained earnings.
The comparative periods presented have been restated. The restatement had no effect on the condensed consolidated cash flow statements.
The results for the year ended 30 June 2013 and the financial position at this date have been reviewed and audited respectively, but the
restatement of the results and balances affected by IFRIC 20 have not been audited.

**13**

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

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

**Condensed consolidated income statements**

| | **Quarter ended** 31 March 2013 (Unaudited) | **Nine months ended** 31 March 2013 (Unaudited) | **Year ended** 30 June 2013 (Audited) |
|---|---|---|---|
| **Cost of sales** | | | |
| **Production costs** | | | |
| As previously reported | (2 707) | (8 556) | (11 400) |
| IFRIC 20 adjustment | 32 | 47 | 79 |
| Restated | (2 675) | (8 509) | (11 321) |
| **Amortisation and depreciation** | | | |
| As previously reported | (459) | (1 441) | (1 942) |
| IFRIC 20 adjustment | (9) | (29) | (59) |
| Restated | (468) | (1 470) | (2 001) |
| **Increase/decrease in net profit/loss for the period*** | **23** | **18** | **20** |

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

**Condensed consolidated statements of comprehensive income**
**Quarter ended**
31 March
2013
(Unaudited)
**Nine months ended**
31 March
2013
(Unaudited)
**Year ended**
30 June
2013
(Audited)
**Increase/decrease in net profit/loss for the period***
**23**
**18**
**20**
***Other comprehensive income for the period net of income tax***

**Foreign exchange translation**

As previously reported
523
723
749
IFRIC 20 adjustment
(4)
(7)
(7)
Restated
519
716
742
**Increase/decrease in total comprehensive income/loss for the period**
**19**
**11**
**13**
** There is no material taxation effect on these items.*
**Condensed consolidated balance sheets**
Figures in million
**At**
30 June
2013
(Audited)
**At**
31 March
2013
(Unaudited)
**Non-current assets**
**Property, plant and equipment**
As previously reported

32 820
34 911
IFRIC 20 adjustment
(88)
(83)
Restated
32 732
34 828
**Current assets**
**Inventories**
As previously reported
1 425
1 206
IFRIC 20 adjustment
(8)
(15)
Restated
1 417
1 191
**Share capital and reserves**
**Other reserves**
As previously reported
3 464
3 392
IFRIC 20 adjustment
1
(22)
(22)
Restated
3 442
3 370
**Retained earnings**
As previously reported
522
4 002
IFRIC 20 adjustment
(74)
(76)
Restated
448
3 926
**Decrease in total equity**
**(96)**
**(98)**
*1*
*Translation effect of the IFRIC 20 adjustments on foreign operations (Hidden Valley).*

**14**

**Results for the third quarter FY14**

**and nine months ended 31 March 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 March 2014 (Rand)

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

| | Quarter ended 31 March 2013 (Unaudited) | Nine months ended 31 March 2013 (Unaudited) | Year ended 30 June 2013 (Audited) |
|---|---|---|---|
| **Basic (loss)/earnings per share (cents)** | | | |
| As previously reported | (29) | 262 | (548) |
| IFRIC 20 adjustment | 5 | 4 | 5 |
| Restated | (24) | 266 | (543) |
| **Diluted (loss)/earnings per share (cents)** | | | |
| As previously reported | (29) | 261 | (548) |
| IFRIC 20 adjustment | 5 | 4 | 5 |
| Restated | (24) | 265 | (543) |
| **Total headline (loss)/earnings** | | | |
| Figures in million | | | |
| As previously reported | (202) | 1 008 | 204 |
| IFRIC 20 adjustment | | | |

23
18
20
Restated
(179)
1 026
224
**Headline (loss)/earnings per share (cents)**
As previously reported
(47)
234
47
IFRIC 20 adjustment
5
4
5
Restated
(42)
238
52
**Diluted headline (loss)/earnings (cents)**
As previously reported
(47)
233
47
IFRIC 20 adjustment
5
4
5
Restated
(42)
237
52
**3.**
**Cost of sales**
Figures in million
**Quarter ended**
**Nine months ended**
**Year ended**
31 March
2014
(Unaudited)
31 December
2013
(Unaudited)
31 March
2013
(Unaudited)
(Restated)*
31 March
2014

(Unaudited)
31 March
2013
(Unaudited)
(Restated)*
30 June
2013
(Audited)
(Restated)*
Production costs – excluding royalty
2 881
3 047
2 626
8 871
8 337
11 104
Royalty expense
25
39
49
102
172
217
Amortisation and depreciation
475
565
468
1 617
1 470
2 001
Impairment of assets
1
29
–
–
29
–
2 733
Rehabilitation expenditure/(credit)
2
17
(15)
10
17
16
(24)
Care and maintenance cost of
restructured shafts
16
18
16

51
52
68
Employment termination and
restructuring cost
3
90
50
–
234
7
46
Share-based payments
4
62
113
95
227
221
266
Other
–
–
(4)
(1)
2
37
**Total cost of sales**
**3 595**
**3 817**
**3 260**
**11 147**
**10 277**
**16 448**
** The audited June 2013 annual results, unaudited nine months ended March 2013 and unaudited March 2013 quarter results have been restated due to a change in accounting policy.*
*Refer to note 2 for details. The restatements to the comparative information have not been audited.*
*1. The decision to stop mining at the Steyn 2 shaft (included in the Bambanani segment) resulted in the remaining carrying value being impaired.*
*2. A credit of R24 million arose in the December 2013 quarter as a result of work performed in the Free State, resulting in a reduction in the rehabilitation liability.*
*3. Included in the December 2013 and March 2014 quarters are amounts relating to the restructuring at Hidden Valley and the voluntary retrenchment packages offered in South Africa.*
*4. This includes the cost relating to the Employee Share Ownership Plan (ESOP) awards that were granted in August 2012.*

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 March 2014 (Rand)

**4.**

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

**Quarter ended**

**Nine months ended**

**Year ended**

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

31 March
2013
(Unaudited)
(Restated)*
30 June
2013
(Audited)
(Restated)*
Weighted average number
of shares (million)
433.3
432.9
431.8
433.0
431.6
431.9
Weighted average number of diluted
shares (million)
434.6
433.4
432.8
434.4
432.8
432.7

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

Basic earnings/(loss)
7
(21)

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

49
49
Figures in million
**Reconciliation of headline earnings/(loss):**

Continuing operations

Net profit/(loss)
31
(91)
(244)
(47)
834
(2 663)
*Adjusted for:*

Impairment of investments
1
–
–
39
7
88
88
Impairment of assets
29
–
–
29
–
2 733
Taxation effect on impairment of assets
(8)
–
–
(8)
–
(38)
Profit on sale of property, plant and equipment
–
–
(15)
–
(139)
(139)
Taxation effect of profit on sale of property, plant and equipment
–
–

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

Net profit
–
–
143
–
314
314
*Adjusted for:*

Profit on sale of investment in subsidiary
1
–
–
(102)
–
(102)
(102)
**Headline earnings**
**–**
**–**
**41**
**–**
**212**
**212**
**Total headline earnings/(loss)**
**52**
**(91)**
**(179)**
**(19)**
**1 026**
**224**
*1*
*There is no taxation effect on these items.*
**Net asset value per share**
**At**
31 March
2014
(Unaudited)

**At**
31 December
2013
**At**
30 June
2013
(Audited)
(Restated)*
**At**
31 March
2013
(Unaudited)
(Restated)*
Number of shares in issue
435 693 819 435 693 819 435 289 890 435 257 691
Net asset value per share (cents)
7 259
7 337
7 405
8 185

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

**16**
**Results for the third quarter FY14**
**and nine months ended 31 March 2014**
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
for the period ended 31 March 2014 (Rand)

**5.**
**Investment in associate**

Investment in associate includes Harmony's 10.38% share of Rand Refinery Proprietary Limited (Rand Refinery) results amounting to R17 million for the nine months ended 31 March 2014. Rand Refinery has not issued its audited results for its year ended 30 September 2013 and therefore Harmony's share of results has been based on unaudited management accounts.

Rand Refinery implemented a new Enterprise Resource Planning (ERP) system on 1 April 2013 to conduct its financial and management accounting. Since the implementation of the ERP software, the customisation of the software has been problematic with the result that Rand Refinery has not been able to reconcile certain accounts at 30 September 2013. Rand Refinery's management team is currently resolving the problems encountered with the ERP software and is in the process of investigating the transactions processed from 1 April 2013 on the ERP system to determine if any adjustments to their current financial records are required. At this stage, the Rand Refinery management team cannot be certain that the results in its management accounts are accurate.

**6.**
**Non-current assets and assets of disposal groups classified as held for sale**

During the December 2013 quarter, a cash offer for Witwatersrand Consolidated Gold Resources Limited's (Wits Gold) entire share capital was made to all Wits Gold shareholders by Sibanye Gold Limited. Harmony has accepted the offer. Following this, the balance which represents Harmony's fair value stake in Wits Gold has been classified as a non-current asset held for sale (formerly classified as Investment in financial assets) under IFRS 5. See note 11 for developments after balance sheet date.

**7. Borrowings**

Two draw downs of US$30 million each were made from the US$300 million syndicated revolving credit facility during the September 2013 quarter. There were no draw downs subsequently and the drawn level remains at US$270 million. The weakening of the Rand against the US$ resulted in a foreign exchange translation loss of R144 million being recorded for the year to date, increasing the borrowings balance and Other expenses (net). The facility is repayable by September 2015.

Harmony refinanced its Nedbank revolving credit facility and entered into a new agreement for R1.3 billion revolving credit facility during the December 2013 quarter. At the same time management also agreed an amended set of covenants with the leader group, to give the group more long-term financial flexibility. The interest rate is equivalent to JIBAR + 350 basis points. The outstanding amount at 28 March 2014 of R467 million was repaid. The facility is available until December 2016.

**8.**
**Financial risk management activities**

*Fair value determination*

The following table presents the group's assets and liabilities that are measured at fair value by level within the fair value hierarchy:
Level 1: Quoted prices (unadjusted) in active markets for identical assets;
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (that is, as prices)
or indirectly (that is derived from prices);
Level 3: Inputs for the asset that are not based on observable market data, (that is unobservable inputs).
Figures in million
**At**
31 March
2014
(Unaudited)
**At**
31 December
2013

**At**
30 June
2013
(Audited)
**At**
31 March
2013
(Unaudited)
**Available-for-sale financial assets**
1
*
Level 1
51
46
44
44
Level 2
–
–
–
–
Level 3
4
4
5
96
**Fair value through profit and loss**
2
*
Level 1
–
–
–
–
Level 2

768
934
1 041
1 043
Level 3
–
–
–
–
*1*
*Level 1 fair values are directly derived from actively traded shares on the JSE.*
*Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis to ensure that significant prolonged decline in the value of the investments*
*has occurred. At the end of the 2013 financial year, the investment in Rand Refinery was reclassified as an investment in associate on obtaining significant influence.*
*2*
*The majority of the level 2 fair values are directly derived from the Shareholders Weighted Top 40 index (SWIX 40) on the JSE, and are discounted at market interest rate.*
** Includes non-current assets or disposal groups held for sale where applicable.*

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

**9.**
**Commitments and contingencies**

| Figures in million | **At** 31 March 2014 (Unaudited) | **At** 31 December 2013 | **At** 30 June 2013 (Audited) | **At** 31 March 2013 (Unaudited) |
|---|---|---|---|---|
| **Capital expenditure commitments:** | | | | |
| Contracts for capital expenditure | 245 | 322 | 416 | 594 |
| Authorised by the directors but not contracted for | 491 | 1 152 | 1 545 | 958 |
| | **736** | **1 474** | **1 961** | **1 552** |

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

**Contingent liability**

For a detailed disclosure on contingent liabilities refer to Harmony's integrated annual report for the financial year ended 30 June 2013,
available on the group's website (www.harmony.co.za). There were no significant changes in contingencies since 30 June 2013.

**10. Related parties**

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

**11. Subsequent events**

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

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

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

**12. Segment report**

The segment report follows on page 19.

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

Figures in million
**Nine months ended**
31 March
2014
(Unaudited)

31 March
2013
(Unaudited)
(Restated)*

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

**Reconciliation of production profit to gross profit**

Total segment revenue
11 919
13 293
Total segment production costs
(8 973)
(9 042)
Production profit per segment report
2 946
4 251
Discontinued operations
–
(341)
Production profit from continuing operations
2 946
3 910
Cost of sales items, other than production costs and royalty expense
(2 174)
(1 768)
**Gross profit as per income statements**
**1**
**772**
**2 142**

*1*
*The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.*

**18**

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

| Figures in million | **At** 31 March 2014 (Unaudited) | **At** 31 March 2013 (Unaudited) (Restated)* |
|---|---|---|
| **Reconciliation of total segment mining assets to consolidated property, plant and equipment** | | |
| Property, plant and equipment not allocated to a segment | | |
| Mining assets | 821 | 832 |
| Undeveloped property | 5 139 | 5 139 |
| Other non-mining assets | 133 | 59 |
| Wafi-Golpu assets | 971 | 998 |
| | **7 064** | **7 028** |

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

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

**19**
Segment report
(Rand/Metric) (Unaudited)
for the nine months ended 31 March 2014
**Revenue**
31 March
**Production cost***
31 March
**Production**
**profit/(loss)***
31 March
**Mining assets***
31 March
**Capital expenditure#**
31 March
**Kilograms produced**
31 March
**Tonnes milled**
31 March
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
R million
R million
R million
R million
R million
kg
t'000
Continuing operations
**South Africa**
**Underground**
Kusasalethu
1 466
1 037
1 363
1 186
103
(149)

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

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

508
487
248
665
379
275
108
116
1 716
2 529
396
460
Unisel
622
647
452
429
170
218
662
663
62
57
1 446
1 386
310
332
Target 3
459
546
407
379
52
167
525
429
99
104
1 102
1 207
230
250
**Surface**
All other surface operations
961
1 152
735
746
226
406
469

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

**1 476**
**1 387**
**Total continuing operations**
**11 919**
**12 419**
**8 973**
**8 509**
**2 946**
**3 910**
**25 336**
**27 800**
**1 841**
**2 308**
**27 518**
**26 786**
**14 086**
**13 607**
Discontinued operations
Evander
–
874
–
533
–
341
–
–
–
140
–
1 955
–
390
**Total discontinued operations**
**–**
**874**
**–**
**533**
**–**
**341**
**–**
**–**
**–**
**140**
**–**
**1 955**
**–**
**390**
**Total operations**

**11 919**
**13 293**
**8 973**
**9 042**
**2 946**
**4 251**
**25 336**
**27 800**
**1 841**
**2 448**
**27 518**
**28 741**
**14 086**
**13 997**
Reconciliation of the segment information to the condensed consolidated financial statements (refer to note 13)
–
(874)
–
(533)

7 064
7 028

**11 919**
**12 419**
**8 973**
**8 509**

**32 400**
**34 828**
** The March 2013 results have been restated due to a change in accounting policy. Refer to note 2 for details.*
*#*
*Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of Rnil (2013: R403 million).*
*(a) Includes Steyn 2.*

**20**
**21**
**Results for the third quarter FY14**
**and nine months ended 31 March 2014**
OPERATING RESULTS (US$/Imperial)
Three
months
ended
South Africa
Underground production
Surface production
Kusasalethu
Doornkop
Phakisa
Tshepong
Masimong
Target 1
Bambanani
Joel
Unisel
Target 3
Steyn 2
Total
Underground
Phoenix
Dumps
Kalgold
Total
Surface
Total
South
Africa
Hidden
Valley
Total
Harmony
**Ore milled**
**– t'000**
**Mar-14**
**249**
**112**
**152**
**256**
**181**
**200**
**57**
**97**
**105**
**80**
**10**
**1 499**

**1 635**
**684**
**393**
**2 712**
**4 211**
**515**
**4 726**
Dec-13
333
262
151
241
178
213
60
164
118
83
13
1 816
1 634
833
401
2 868
4 684
558
5 242
**Gold produced**
**– oz**
**Mar-14**
**29 868**
**13 953**
**24 177**
**32 922**
**21 219**
**37 713**
**22 731**
**11 092**
**14 725**
**11 574**
**3 183**
**223 157**
**6 462**
**4 983**
**8 198**
**19 643**
**242 800**
**26 235**
**269 035**
Dec-13
36 652

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

0.364
0.141
0.004
0.009
0.025
0.008
0.060
0.044
0.058
**Cash operating**
**costs**
**– $/oz**
**Mar-14**
**1 332**
**1 674**
**963**
**934**
**1 023**
**632**
**569**
**1 295**
**926**
**1 098**
**831**
**981**
**804**
**1 268**
**1 162**
**1 071**
**989**
**970**
**987**
Dec-13
1 198
985
1 151
1 083
1 087
616
614
804
906
1 179
682
943
858
1 100
978
980
947
972

949
**Cash operating**
**costs**
**– $/t**
**Mar-14**
**160**
**209**
**153**
**120**
**120**
**119**
**227**
**148**
**130**
**159**
**265**
**146**
**3**
**9**
**24**
**8**
**57**
**49**
**56**
Dec-13
132
105
173
139
134
115
229
106
126
160
248
133
4
10
25
8
57
43
55
**Gold sold**
**– oz**
**Mar-14**
**35 944**
**15 786**
**23 213**
**31 604**

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

**6 558**
**13 142**
**28 727**
**316 284**
**37 471**
**353 755**
Dec-13
48 847
36 047
30 334
41 347
29 381
56 902
29 906
27 975
22 002
16 033
6 311
345 085
7 437
9 579
11 176
28 192
373 277
29 013
402 290
**Cash operating**
**costs**
**($'000)**
**Mar-14**
**39 797**
**23 359**
**23 282**
**30 741**
**21 715**
**23 818**
**12 936**
**14 364**
**13 637**
**12 711**
**2 645**
**219 005**
**5 193**
**6 319**
**9 525**
**21 037**
**240 042**
**25 443**
**265 485**
Dec-13
43 915

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

2 772
301
19 196
(1 094)
14
(1 351)
(2 431)
16 765
(2 049)
14 716
**Operating costs**
**($’000)**
**Mar-14**
**45 776**
**25 283**
**22 210**
**29 283**
**20 824**
**20 419**
**11 954**
**14 697**
**13 048**
**10 890**
**2 547**
**216 931**
**5 699**
**6 281**
**11 164**
**23 144**
**240 075**
**28 306**
**268 381**
Dec-13
46 683
28 869
27 725
35 715
25 525
29 675
14 982
16 795
15 862
16 037
3 523
261 391
4 893
8 007
8 553
21 453
282 844
22 072

304 916
**Production profit**
**($'000)**
**Mar-14**
**449**
**(4 647)**
**7 921**
**11 742**
**5 629**
**22 662**
**16 313**
**1 584**
**5 300**
**2 292**
**1 381**
**70 626**
**3 328**
**277**
**1 978**
**5 583**
**76 209**
**9 165**
**85 374**
Dec-13
2 164
7 178
2 609
5 632
3 856
27 227
14 924
11 180
6 140
(4)
2 788
83 694
2 544
1 572
2 623
6 739
90 433
6 941
97 374
**Capital**
**expenditure**
**($'000)**
**Mar-14**
**10 688**
**5 046**
**6 887**
**6 592**

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

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

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

**22**
**Results for the third quarter FY14**
**and nine months ended 31 March 2014**
CONDENSED CONSOLIDATED INCOME STATEMENTS (US$)
(Convenience translation) (Unaudited)
Figures in million
**Quarter ended**
**Nine months ended**
**Year ended**
31 March
2014
31 December
2013
31 March
2013
(Restated)*
31 March
2014
31 March
2013
(Restated)*
30 June
2013
(Restated)*
Continuing operations
Revenue
354
402
395
1 158
1 442
1 803
Cost of sales
(332)
(377)
(365)
(1 082)
(1 194)
(1 829)
Production costs
(268)
(305)
(300)
(871)
(988)
(1 283)
Amortisation and depreciation
(44)
(56)
(52)
(157)

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

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

**Profit/(loss) before taxation**
**5**
**(9)**
**(22)**
**1**
**146**
**(191)**
Taxation
(2)
(1)
(26)
(5)
(49)
(69)
Normal taxation
2
–
(14)
(2)
(41)
(31)
Deferred taxation
(4)
(1)
(12)
(3)
(8)
(38)
**Net profit/(loss) from continuing operations**
**3**
**(10)**
**(48)**
**(4)**
**97**
**(260)**
Discontinued operations
Profit from discontinued operations
–
–
16
–
36
36
**Net profit/(loss) for the period**
**3**
**(10)**
**(32)**
**(4)**
**133**
**(224)**

*Attributable to:*
Owners of the parent
3
(10)
(32)
(4)
133
(224)
**Earnings/(loss) per ordinary share (cents)**
Earnings/(loss) from continuing operations
1
(2)
(6)
(1)
22
(60)
Earnings from discontinued operations
–
–
4
–
8
8
**Total earnings/(loss)**
**1**
**(2)**
**(2)**
**(1)**
**30**
**(52)**
**Diluted earnings/(loss) per ordinary share (cents)**
Earnings/(loss) from continuing operations
1
(2)
(6)
(1)
22
(60)
Earnings from discontinued operations
–
–
4
–
8
8
**Total diluted earnings/(loss)**
**1**
**(2)**
**(2)**
**(1)**

**30**
**(52)**
** The comparative periods have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*
The currency conversion average rates for the quarter ended: March 2014: US$1 = R10.83 (December 2013: US$1 = R10.12, March 2013: US$1 =
R8.92). For year ended: June 2013: US$1 = R8.82. Nine months ended: March 2014: US$1 = R10.30 (March 2013: US$1 = R8.61).

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

| Figures in million | **Quarter ended** | | | **Nine months ended** | | **Year ended** |
|---|---|---|---|---|---|---|
| | 31 March 2014 | 31 December 2013 | 31 March 2013 (Restated)* | 31 March 2014 | 31 March 2013 (Restated)* | 30 June 2013 (Restated)* |
| Net profit/(loss) for the period | 3 | (10) | (32) | (4) | 133 | (224) |
| Other comprehensive (loss)/income for the period, net of income tax | (39) | 38 | 57 | (71) | 84 | 83 |
| Foreign exchange translation | (39) | 37 | 58 | (72) | 83 | 84 |
| Movements on investments | – | 1 | (1) | 1 | 1 | (1) |

**Total comprehensive (loss)/income for the period**
**(36)**
**28**
**25**
**(75)**
**217**
**(141)**
*Attributable to:*
Owners of the parent
(36)
28
25
(75)
217
(141)
** The comparative periods have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*
The currency conversion average rates for the quarter ended: March 2014: US$1 = R10.83 (December 2013: US$1 = R10.12, March 2013: US$1 =
R8.92). For year ended: June 2013: US$1 = R8.82. Nine months ended: March 2014: US$1 = R10.30 (March 2013: US$1 = R8.61).
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US$)
for the nine months ended 31 March 2014 (Convenience translation) (Unaudited)
Figures in million
Share capital
Other
reserves
Retained
earnings
Total
Balance – 30 June 2013 as previously reported
2 682
328
49
3 059
Restatement for IFRIC 20
–
(2)
(7)
(9)
Restated balance – 30 June 2013
2 682
326
42
3 050
Share-based payments
–
19
–
19

Net loss for the period
–
–
(4)
(4)
Other comprehensive loss for the period
–
(69)
–
(69)
**Balance – 31 March 2014**
**2 682**
**276**
**38**
**2 996**
Balance – 30 June 2012 as previously reported
3 074
265
359
3 698
Restatement for IFRIC 20
–
(2)
(10)
(12)
Restated balance – 30 June 2012
3 074
263
349
3 686
Share-based payments
–
23
–
23
Net profit for the period
–
–
125
125
Other comprehensive income for the period
–
79
–
79
Dividends paid
–
–
(47)
(47)
**Balance – 31 March 2013**

**3 074**
**365**
**427**
**3 866**

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

**Note on convenience translations**

Except where specific statements have been extracted from 2013 Annual Financial Statements, the requirements of IAS 21,
The Effects of the Changes in Foreign Exchange Rates, have not necessarily been applied in the translation of the US Dollar
financial statements presented on pages 22 to 26.

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

CONDENSED CONSOLIDATED BALANCE SHEETS (US$)
(Unaudited) (Convenience translation)

| Figures in million | **At** 31 March 2014 | **At** 31 December 2013 | **At** 30 June 2013 (Restated)* | **At** 31 March 2013 (Restated)* |
|---|---|---|---|---|
| ASSETS | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 3 068 | 3 123 | 3 279 | 3 778 |
| Intangible assets | 208 | 210 | 220 | 238 |
| Restricted cash | 4 | 4 | 4 | 4 |
| Restricted investments | 211 | 209 | 206 | 222 |
| Deferred tax assets | 8 | 9 | 10 | 71 |
| Investments in associates | 12 | 11 | 11 | |

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

Assets of disposal groups classified as held for sale
5
4
–
–
**Total current assets**
**418**
**483**
**480**
**627**
**Total assets**
**3 934**
**4 055**
**4 221**
**4 962**
EQUITY AND LIABILITIES
**Share capital and reserves**
Share capital
2 682
2 708
2 837
3 074
Other reserves
276
313
347
365
Retained earnings
38
36
45
427
**Total equity**
**2 996**
**3 057**
**3 229**
**3 866**
**Non-current liabilities**
Deferred tax liabilities
287
287
303
352
Provision for environmental rehabilitation
191
193
200
213
Retirement benefit obligation
19
19

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

**4 962**

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

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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US$)
(Convenience translation) (Unaudited)

| Figures in million | **Quarter ended** | | | **Nine months ended** | | **Year ended** |
|---|---|---|---|---|---|---|
| | 31 March 2014 | 31 December 2013 | 31 March 2013 | 31 March 2014 | 31 March 2013 | 30 June 2013 |
| **Cash flow from operating activities** | | | | | | |
| Cash generated by operations | 70 | 69 | 23 | 164 | 341 | 359 |
| Interest and dividends received | 3 | 3 | 4 | 9 | 10 | 16 |
| Interest paid | (4) | (2) | (3) | (9) | (10) | (14) |
| Income and mining taxes paid | – | (3) | (8) | (3) | (21) | |

(33)
**Cash generated by operating activities**
**69**
**67**
**16**
**161**
**320**
**328**
**Cash flow from investing activities**

Restricted cash transferred from disposal group
–
–
28
–
–
–
Proceeds on disposal of investment in subsidiary
–
–
142
–
146
139
Purchase of investments
–
–
(4)
–
(8)
(9)
Other investing activities
–
–
–
(1)
–
(1)
Net additions to property, plant and equipment
1
(55)
(62)
(94)
(179)
(315)
(414)
**Cash (utilised)/generated by**
**investing activities**
**(55)**
**(62)**

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

Borrowings raised
–
–
–
59
79
80
Borrowings repaid
(43)
–
–
(45)
(21)
(35)
Dividends paid
–
–
(24)
–
(51)
(50)
**Cash (utilised)/generated by**
**financing activities**
**(43)**
**–**
**(24)**
**14**
**7**
**(5)**
**Foreign currency translation adjustments**
**(3)**
**(11)**
**(23)**
**(14)**
**(30)**
**(45)**
Net (decrease)/increase in cash and
cash equivalents
(32)
(6)
41
(19)
120
(7)

Cash and cash equivalents – beginning of period
222
228
295
209
216
216
**Cash and cash equivalents – end of period**
**190**
**222**
**336**
**190**
**336**
**209**
*1*
*The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of US$40 million, the March 2013 quarter US$17 million and the nine months ended 31 March 2013*
*US$25 million.*
The currency conversion average rates for the quarter ended: March 2014: US$1 = R10.83 (December 2013: US$1 = R10.12, March 2013: US$1 =
R8.92). For year ended: June 2013: US$1 = R8.82. Nine months ended: March 2014: US$1 = R10.30 (March 2013: US$1 = R8.61).
Closing balance translated to closing rates of: March 2014: US$1 = R10.56 (December 2013: US$1 = R10.46, June 2013: US$1 = R9.98, March
2013: US$1 = R9.22).
The cash flow statement for the year ended 30 June 2013 has been extracted from the 2013 Annual Report.

**26**
**Results**
**for the**
**third quarter FY14**
**and nine**
**months**
**ended**
**31**
**March**
**2014**
Segment report
(US$/Imperial) (Unaudited)
for the nine months ended 31 March 2014
**Revenue**
**31 March**
**Production cost***
**31 March**
**Production**
**profit/(loss)***
**31 March**
**Mining assets***
**31 March**
**Capital expenditure**
**#**
**31 March**
**Ounces produced**
**31 March**
**Tons milled**
**31 March**
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
US$ million
US$ million
US$ million
US$ million
US$ million
oz
t'000
Continuing operations

**South Africa**
**Underground**
Kusasalethu
142
120
132
138
10
(18)
335
364
36
32
107 416
65 973
945
550
Doornkop
90
149
83
91
7
58
320
365
17
26
66 583
89 121
634
845
Phakisa
92
100
76
85
16
15
438
490
26
28
71 149
59 511
475
418
Tshepong
127
180
99

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

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

**Surface**
All other surface operations
94
133
71
86
23
47
44
42
3
26
71 213
81 438
8 647
8 122
**Total South Africa**
**1 054**
**1 338**
**789**
**893**
**265**
**445**
**2 094**
**2 327**
**171**
**225**
**808 749**
**799 394**
**13 905**
**13 473**
**International**
Papua New Guinea
104
104
82
95
22
9
305
691
9
43
75 972
61 794
1 628
1 529
**Total international**
**104**
**104**
**82**

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

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

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

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

*(a) Includes Steyn 2.*

**27**
DEVELOPMENT RESULTS (Metric)
Quarter ending March 2014
Channel
Reef
Meters
Sampled
Meters
Width
(Cm's)
Value
(g/t)
Gold
(Cmg/t)
Tshepong
Basal
331
292
7.91
154.93
1 225
B Reef
155
128
106.02
1.72
182
**All Reefs**
**486**
**420**
**37.81**
**24.00**
**907**
Phakisa
Basal
328
332
92.39
11.87
1 097
**All Reefs**
**328**
**332**
**92.39**
**11.87**
**1 097**
Total Bambanani
(Incl. Bambanani, Steyn 2)
Basal
–
–

–
–
–
**All Reefs**
**–**
**–**
**–**
**–**
**–**
Doornkop
South Reef
187
201
46.00
18.17
836
**All Reefs**
**187**
**201**
**46.00**
**18.18**
**836**
Kusasalethu
VCR Reef
480
292
96.00
8.18
785
**All Reefs**
**480**
**292**
**96.00**
**8.18**
**785**
Total Target
(incl. Target 1 & Target 3)
Elsburg
336
289
147.33
6.75
994
Basal
134
74
8.08
127.83
1 033
A Reef
120

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

**150.38**
**8.84**
**1 329**
Joel
Beatrix
118
111
118.00
10.14
1 197
**All Reefs**
**118**
**111**
**118.00**
**10.15**
**1 197**
Total Harmony
Basal
1 679
1 468
62.70
19.53
1 224
Beatrix
118
111
118.00
10.15
1 197
Leader
476
344
179.97
4.56
821
B Reef
455
376
79.14
10.03
794
A Reef
120
50
120.16
7.50
901
Elsburg
336
289
147.33

6.75
994
South Reef
187
201
46.00
18.18
836
VCR
480
292
96.00
8.18
785
**All Reefs**
**3 852**
**3 131**
**90.28**
**11.46**
**1 035**
DEVELOPMENT RESULTS (Imperial)
Quarter ending March 2014
Channel
Reef
(feet)
Sampled
(feet)
Width
(inch)
Value
(oz/t)
Gold
(In.oz/t)
Tshepong
Basal
1 085
958
3.00
4.69
14
B Reef
508
420
42.00
0.05
2
**All Reefs**
**1 593**
**1 378**
**15.00**
**0.69**

**10**
Phakisa
Basal
1 077
1 089
36.00
0.35
13
**All Reefs**
**1 077**
**1 089**
**36.00**
**0.35**
**13**
Total Bambanani
(Incl. Bambanani, Steyn 2)
Basal
–
–
–
–
–
**All Reefs**
**–**
**–**
**–**
**–**
**–**
Doornkop
South Reef
614
659
18.00
0.53
10
**All Reefs**
**614**
**659**
**18.00**
**0.53**
**10**
Kusasalethu
VCR Reef
1 576
958
38.00
0.24
9
**All Reefs**
**1 576**
**958**

**38.00**
**0.24**
**9**
Total Target
(incl. Target 1 & Target 3)
Elsburg
1 101
948
58.00
0.20
11
Basal
441
243
3.00
3.95
12
A Reef
395
164
47.00
0.22
10
B Reef
554
341
24.00
0.53
13
**All Reefs**
**2 490**
**1 696**
**42.00**
**0.28**
**12**
Masimong 5
Basal
1 578
1 411
16.00
0.62
10
B Reef
431
472
27.00
0.47
13
**All Reefs**
**2 009**
**1 883**

**19.00**
**0.56**
**11**
Unisel
Basal
1 327
1 115
47.00
0.45
21
Leader
1 562
1 129
71.00
0.13
9
**All Reefs**
**2 889**
**2 244**
**59.00**
**0.26**
**15**
Joel
Beatrix
388
364
46.00
0.30
14
**All Reefs**
**388**
**364**
**46.00**
**0.30**
**14**
Total Harmony
Basal
5 509
4 816
25.00
0.56
14
Beatrix
388
364
46.00
0.30
14
Leader
1 562
1 129

71.00
0.13
9
B Reef
1 492
1 234
31.00
0.29
9
A Reef
395
164
47.00
0.22
10
Elsburg
1 101
948
58.00
0.20
11
South Reef
614
659
18.00
0.53
10
VCR
1 576
958
38.00
0.24
9
**All Reefs**
**12 636**
**10 272**
**36.00**
**0.33**
**12**
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**SIGNATURES**

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

Dated: May 6, 2014

Harmony Gold Mining Company Limited

By: /s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director