

HARMONY GOLD MINING CO LTD

Form 6-K

November 05, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

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

EXCHANGE ACT OF 1934

For

5 November 2014

Harmony Gold Mining Company

Limited

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F X

Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes

No X

RESULTS

**FOR THE FIRST
QUARTER ENDED**

30 SEPTEMBER 2014

Q1 FY15

Harmony Gold Mining Company Limited

("Harmony" or "Company")

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

JSE share code: HAR

NYSE share code: HMY

ISIN: ZAE000015228

RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

Quarter

September

2014

Quarter

June

2014

Q-on-Q

variance

%

Gold produced

– kg

9 435

8 935

6

– oz

303 341

287 266

6

Cash operating costs

– R/kg

355 693

341 864

(4)

– US\$/oz

1 028

1 011

(2)

Gold sold

– kg

9 987

8 635

16

– oz

321 089

277 621

16

Underground grade

– g/t

4.84

4.66

4

All-in sustaining costs

– R/kg

431 063

428 383

(1)

– US\$/oz

1 245

1 267

2

Gold price received

– R/kg

443 690

435 775

2

– US\$/oz

1 282

1 289

(1)

Production profit

– R million

913

847

8

– US\$ million

85

81

5

Basic (loss)/earnings per share

– SAc/s

(61)

(282)

78

– USc/s

(6)

(27)

78

Headline (loss)/earnings

– Rm

(266)

129

>(100)

– US\$m

(25)

12

>(100)

Headline (loss)/earnings per share

– SAc/s

(61)

30

>(100)

– USc/s

(6)

3

>(100)

KEY FEATURES

Quarter on quarter

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

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

Grade continues to increase

•

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

•

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

economic instability in the countries in which we operate.

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

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

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CONTACT DETAILS

Corporate Office

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

Directors

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

1

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

* Non-executive

^ Independent

1

Mozambican

Investor relations team

Email: HarmonyIR@harmony.co.za

Henrika Ninham

Investor Relations Manager

Tel: +27 (0)11 411 2314

Mobile: +27 (0)82 759 1775

Email: henrika@harmony.co.za

Marian van der Walt

Executive: Corporate and Investor Relations

Tel: +27 (0)11 411 2037

Mobile: +27 (0)82 888 1242

Email: marian@harmony.co.za

Company Secretary

Riana Bisschoff

Telephone: +27 (0)11 411 6020

Mobile: +27 (0)83 629 4706

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

South African Share Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

13th Floor, Rennie House

19 Ameshoff Street

Braamfontein, 2001

PO Box 4844, Johannesburg, 2000, South Africa

Telephone: +27 86 154 6572

Fax: +27 86 674 2450

Email: meetfax@linkmarketservices.co.za

ADR

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Depositary

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

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ADR: American Depository Receipts

Sponsor

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

Trading Symbols

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

Registration number

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

ISIN

ZAE000015228

COMPETENT PERSON'S DECLARATION

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC).

In South Africa Harmony appoints an ore reserve manager at each of its operations who takes responsibility for the compilation and reporting of mineral resources and mineral reserves at their operations. In Papua New Guinea, competent persons are appointed for the mineral resources and mineral reserves for specific projects and operations.

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

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

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

Mr Boshoff and Mr Job are full-time employees of Harmony Gold Mining Company Limited. These competent persons consent to the inclusion in

the report of the matters based on the information in the form and context in which it appears.
Mineral Resource and Reserve information as at 30 June 2014 has not changed.

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

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Issued ordinary share capital at 30 September 2014

435 825 447

Issued ordinary share capital at 30 June 2014

435 825 447

Market capitalisation

At 30 September 2014 (ZARm)

10 765

At 30 September 2014 (US\$m)

953

At 30 June 2014 (ZARm)

13 576

At 30 June 2014 (US\$m)

1 276

Harmony ordinary share and ADR prices

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

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

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

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

Free float

100%

ADR ratio

1:1

JSE Limited

HAR

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

R24.70 – R35.21

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

706 279 shares

Range for quarter (1 April – 30 June 2014
closing prices)

R27.72 – R35.60

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

946 701 shares

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

HMV

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

US\$2.16 – US\$3.29

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

1 771 208 shares

Range for quarter (1 April – 30 June 2014
closing prices)

US\$2.61 – US\$3.34

Average daily volume for the quarter

(1 April – 30 June 2014)

2 020 458 shares

Investors' calendar

2014/2015

Annual General Meeting

21 November 2014

Q2 FY15 live presentation from Cape Town

9 February 2015

Q3 FY15 presentation (webcast and conference
calls only)

8 May 2015

Q4 FY15 live presentation from Johannesburg

18 August 2015

Q1 FY15 presentation (webcast and conference
calls only)

5 November 2015

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

1. SAFETY

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

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

2. GOLD MARKET

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

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

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

3. OPERATIONAL RESULTS

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

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

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

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

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

4. FINANCIAL RESULTS

4.1 Revenue

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

4.2 Production costs

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

4.3 Amortisation and depreciation

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

4.4 Other (expenses)/income – net

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

4.5 Loss per share

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

4.6 Borrowings

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

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

4.7 Cash and cash equivalents

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

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

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

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

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

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

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

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

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

7. EXPLORATION

7.1 Golpu

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

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

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

7.2 Kili Teke – more good news from Papua New Guinea

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

8. TARGET 3 PLACED ON CARE AND MAINTENANCE

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

9. POST QUARTER END – KUSASALETHU

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

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

THE INVESTMENT CASE FOR HARMONY

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

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

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

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

Extract from the Integrated Report for the financial year 2014

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

www.harmony.co.za

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

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

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

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

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

10. IN CONCLUSION

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

Graham Briggs

Chief executive officer

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

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

South Africa

Total

Harmony

Three

months

Ended

Underground production

Surface production

Total

South

Africa

Hidden

Valley

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1 Bambanani

Joel

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Ore milled

- t'000

Sep-14

290

136

158

259

185

183

59

146

114

81

1 611

1 609

636

393

2 638

4 249

521

4 770

Jun-14

286

161

146

247

156

206

49

152

98

71

1 572

1 564

649

388

2 601

4 173

525

4 698

Gold produced

- kg

Sep-14

1 334

619

855

1 078

698

1 042

727

533

477

442

7 805

233

222

326

781

8 586

849

9 435

Jun-14

1 353

532

763

1 188

616

998

549

619

392

311

7 321

192

225

268

685

8 006

929

8 935

Gold produced

- oz

Sep-14

42 889

19 901

27 489

34 658

22 441

33 501

23 374

17 136

15 336

14 211

250 936

7 491

7 137

10 481

25 109

276 045

27 296

303 341

Jun-14

43 500

17 104

24 531

38 195

19 805

32 086

17 651

19 901

12 603

9 999

235 375

6 173

7 234

8 616

22 023

257 398

29 868

287 266

Yield

- g/tonne

Sep-14

4.60

4.55

5.41

4.16

3.77

5.69

12.32

3.65

4.18

5.46

4.84

0.14

0.35

0.83

0.30

2.02

1.63

1.98

Jun-14

4.73

3.30

5.23

4.81

3.95

4.84

11.20

4.07

4.00

4.38

4.66

0.12

0.35

0.69

0.26

1.92

1.77

1.90

Cash operating

costs

- R/kg

Sep-14

414 573

440 977

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

1 114

1 080

1 051

1 031

997

1 028

Jun-14

1 034

1 544

1 086

879

1 173

838

891

839

1 124

1 324

1 026

1 042

1 008

1 101

1 054

1 029

863

1 011

Cash operating

costs

– R/tonne

Sep-14

1 907

2 007

1 874

1 536

1 388

1 626

2 983

1 350

1 553

1 907

1 725

48

135

310

108

721

562

704

Jun-14

1 654

1 725

1 919

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

702

7 769

866

8 635

Gold sold

- oz

Sep-14

46 072

22 409

27 907

35 237

22 795

35 044

23 759

20 255

15 593

14 854

263 925

8 295

7 684

11 510

27 489

291 414

29 675

321 089

Jun-14

36 362

14 725

24 402

37 970

19 676

35 462

17 522

17 490

12 539

11 060

227 208

6 559

7 234

8 777

22 570

249 778

27 843

277 621

Revenue (R'000)

Sep-14

635 948

309 439

385 455

486 350

314 566

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

Jun-14

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

**Cash operating
costs**

(R'000)

Sep-14

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

3 063 036

292 929

3 355 965

Jun-14

472 920

277 656

280 152

352 833

244 141

282 760

165 271

175 631

148 890

139 188

2 539 442

67 632

76 659

99 750

244 041

2 783 483

271 076

3 054 559

**Inventory
movement**

(R'000)

Sep-14

29 247

35 654

1 826

9 085

1 274

13 923

(1 481)

25 540

(11)

7 238

122 295

9 620

6 603

9 954

26 177

148 472

13 517

161 989

Jun-14

(83 364)

(33 881)

(5 436)

(11 891)

(3 134)

21 428

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

Operating costs (R'000)

Sep-14

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

Jun-14

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

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

Sep-14

53 660

820

87 489

79 333

56 548

172 140

153 544

56 777

38 444

43 309

742 064

28 401

14 701

26 821

69 923

811 987

101 195

913 182

Jun-14

103 499

(48 007)

57 342

175 897

27 038

177 815

71 416

77 814

22 777

218

665 809

20 790

17 212

16 629

54 631

720 440

126 970

847 410

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

Sep-14

4 984

76

8 127

7 370

5 253

15 991

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

21 153

596 454

Jun-14

142 781

59 675

96 274

82 806

46 330

75 609

39 240

36 572

23 209

28 923

631 419

683

3 100

7 026

10 809

642 228

33 561

675 789

Capital

expenditure

(\$'000)

Sep-14

11 553

5 160

7 913

7 758

3 765

6 838

2 280

2 859

2 715

1 898

52 739

59

47

596

702

53 441

1 965

55 406

Jun-14

13 581

5 676

9 157

7 876

4 407

7 192

3 732

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

**Adjusted
operating costs**

- R/kg

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

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

342 933

**Adjusted
operating costs**

– \$/oz

Sep-14

1 199

1 308

1 011

1 091

1 071

839

697

1 036

1 074

1 025

1 040

965

1 115

1 076

1 054

1 042

960

1 034

Jun-14

1 032

1 622

1 089

870

1 170

826

925

887

1 140

1 314

1 029

992

1 005

1 174

1 067

1 033

847

1 015

**All-in sustaining
costs**

– R/kg

Sep-14

516 475

542 644

455 711

467 277

443 372

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

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

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CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)

Figures in million

Note

Quarter ended**Year ended****30 June****2014****(Audited)****30 September****2014****(Unaudited)**

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Revenue

4 431

3 763

4 018

15 682

Cost of sales

2

(4 319)

(4 941)

(3 735)

(16 088)

Production costs

(3 518)

(2 916)

(2 981)

(11 888)

Amortisation and depreciation

(650)

(526)

(577)

(2 143)

Impairment of assets

-

(1 410)

-

(1 439)

Other items

(151)

(89)

(177)

(618)**Gross profit/(loss)****112**

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

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

(293)

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

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(RAND)

Figures in million

Quarter ended

Year ended

30 June

2014

(Audited)

30 September

2014

(Unaudited)

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Net (loss)/profit for the period

(266)

(1 223)

13

(1 270)

Other comprehensive income/(loss) for the period,

net of income tax

179

624

(695)

(140)

Items that may be reclassified subsequently

to profit or loss:

179

655

(695)

(109)

Foreign exchange translation

179

668

(694)

(108)

Movements on investments

–

(13)

(1)

(1)

Items that will not be reclassified to profit or loss:

–

(31)

–

(31)
Actuarial loss recognised during the year

–

(38)

–

(38)
Deferred taxation thereon

–

7

–

7

Total comprehensive loss for the period

(87)

(599)

(682)

(1 410)

Attributable to:

Owners of the parent

(87)

(599)

(682)

(1 410)

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

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

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

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

audited or independently reviewed.

Figures in million

Share

capital

Other

reserves

(Accumulated

loss)/

retained

earnings

Total

Balance – 30 June 2014

28 325

3 539

(822)

31 042

Share-based payments

–

69

–

69

Net loss for the period

-
-
(266)
(266)
Other comprehensive income for the period
-
179
-
179
Balance – 30 September 2014
28 325
3 787
(1 088)
31 024
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

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RAND)
for the three months ended 30 September 2014 (unaudited)

9

CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)

Figures in million

Note

At

30 September

2014

(Unaudited)

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

ASSETS

Non-current assets

Property, plant and equipment

33 232

33 069

32 195

Intangible assets

885

886

2 191

Restricted cash

38

42

38

Restricted investments

2 329

2 299

2 143

Deferred tax assets

76

81

93

Investments in associates

4

–

–

112

Investments in financial assets

4

4

42

Inventories

50

50

57

Total non-current assets

36 614

36 431

36 871

Current assets

Inventories

1 390

1 534

1 482

Trade and other receivables

693

951

1 238

Income and mining taxes

94

110

103

Restricted cash

15

15

—

Cash and cash equivalents

2 281

1 829

2 288

Total current assets

4 473

4 439

5 111

Total assets

41 087

40 870

41 982

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

28 325

28 325

28 325

Other reserves

3 787

3 539

2 790

(Accumulated loss)/retained earnings

(1 088)

(822)

461

Total equity

31 024

31 042

31 576

Non-current liabilities

Deferred tax liabilities

2 640

2 680

2 998

Provision for environmental rehabilitation

2 148

2 098

1 990

Retirement benefit obligation

251

247

198

Other non-current liabilities

6

40

95

63

Borrowings

5

—

2 860

2 868

Total non-current liabilities

5 079

7 980

8 117

Current liabilities

Borrowings

5

3 052

—

291

Income and mining taxes

9

—

24

Trade and other payables

6

1 923

1 848

1 974

Total current liabilities

4 984

1 848

2 289

Total equity and liabilities

41 087

40 870

41 982

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

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (RAND)

Figures in million

Quarter ended

Year ended

30 June

2014

(Audited)

30 September

2014

(Unaudited)

30 June

2014

(Unaudited)

Restated*

30 September

2013

(Unaudited)

Restated

#

Cash flow from operating activities

Cash generated by operations

1 071

443

295

2 247

Interest and dividends received

25

47

26

139

Interest paid

(23)

(32)

(29)

(121)

Income and mining taxes refunded

25

31

—

3

Cash generated by operating activities

1 098

489

292

2 268

Cash flow from investing activities

Decrease/(increase) in restricted cash

4

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

1 829

2 008

2 089

2 089

Cash and cash equivalents – end of period

2 281

1 829

2 288

1 829

1

Includes capital expenditure for Wafi-Golpu and other international projects of R15 million in the September 2014 quarter (June 2014 quarter: R12 million) (September

2013 quarter: Rnil) and R12 million in the year ended 30 June 2014.

** Cash generated by operating activities and cash utilised by investing activities previously reported as R470 million and (R656 million) restated to R489 million and*

(R675 million) respectively in the June 2014 quarter. This is mainly related to the change in accounting policy for IFRIC 20.

Cash generated by operating activities and cash utilised by investing activities previously reported as R235 million and (R627 million) restated to R292 million and

(R684 million) respectively in the September 2013 quarter. This is mainly related to the change in accounting policy for IFRIC 20.

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

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1.

Accounting policies

Basis of accounting

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

with IAS 34, Interim Financial Reporting, JSE Listings Requirements, SAICA Financial Reporting Guides as issued by the Accounting

Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and in the manner

required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the

year ended 30 June 2014, which have been prepared in accordance with International Financial Reporting Standards as issued by

the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual

financial statements, except for the adoption of applicable revised and/or new standards issued by the International Accounting

Standards Board.

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

1 July 2014 and had no impact on the financial results of the group:

IFRSs

Annual Improvements 2010 – 2012 Cycle

IAS 32

Amendment – Presentation – Offsetting Financial Assets and Financial Liabilities

IAS 36

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

IFRIC 21 Levies

2.

Cost of sales

Figures in million

Quarter ended

Year ended

30 June

2014

(Audited)

30 September

2014

(Unaudited)

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Production costs – excluding royalty

3 486

2 891

2 943

11 761

Royalty expense

32

25

38

127

Amortisation and depreciation

650

526

577

2 143

Impairment of assets

1

–

1 410

–

1 439

Rehabilitation expenditure/(credit)

2

14

(9)

15

8

Care and maintenance cost of restructured shafts

17

13

17

66

Employment termination and restructuring costs

3

48

40

94

274

Share-based payments

73

44

51

270

Other

(1)

1

–

–

Total cost of sales

4 319

4 941

3 735

16 088

1

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

2

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

3

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

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

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

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

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

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3.

(Loss)/earnings per share

Quarter ended

Year ended

30 June

2014

(Audited)

30 September

2014

(Unaudited)

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Weighted average number of shares (million)

434.1

433.9

432.6

433.2

Weighted average number of diluted shares (million)

435.4

435.2

433.0

434.7

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

Basic (loss)/earnings

(61)

(282)

3

(293)

Diluted (loss)/earnings

(61)

(282)

3

(293)

Headline (loss)/earnings

(61)

30

5

26

Diluted headline (loss)/earnings

(61)

30

5

26

Figures in million

Reconciliation of headline (loss)/earnings:

Net (loss)/profit

(266)

(1 223)

13

(1 270)

Adjusted for:

(Profit on disposal)/impairment of investments

1

–

(14)

7

(7)

Impairment of assets

–

1 410

–

1 439

Taxation effect on impairment of assets

–

(20)

–

(24)

Profit on sale of property, plant and equipment

–

(30)

–

(30)

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

–

6

–

6

Headline (loss)/earnings

(266)

129

20

114

1

There is no taxation effect on these items.

4.

Investment in associate

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

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

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

Harmony has recognised a R127 million loss in the June 2014 quarter to account for its share of this discrepancy.

As a precautionary measure following the challenges experienced by the implementation of the software system, Rand Refinery's shareholders have extended Rand Refinery an irrevocable, subordinated loan facility of up to R1.2 billion, which can only be drawn down when there is confirmation that an actual loss has been incurred. The facility, if drawn down, is convertible to equity after a period of two years. Harmony's maximum commitment in terms of this facility will be R140 million. Interest on the facility will be JIBAR plus a margin of 3.5%. The agreements relating to the facility were signed on 23 July 2014.

5.

Borrowings

There were no draw downs made from the US\$300 million syndicated revolving credit facility during the September 2014 quarter and the drawn level remains at US\$270 million. The weakening of the Rand against the US\$ resulted in a foreign exchange translation loss of R192 million being recorded in the September 2014 quarter (June 2014 quarter: R11 million), increasing the borrowings balance and Other (expenses)/income – net. The facility is repayable by September 2015. As a result, the borrowings balance was reclassified to current liabilities.

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

6.

Other non-current liabilities

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

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7.

Financial risk management activities

Fair value determination

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

Level 1:

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

Level 2:

Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (that

is, as prices) or indirectly (that is derived from prices);

Level 3:

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

Figures in million

At

30 September

2014

(Unaudited)

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

Available-for-sale financial assets

1

Level 1

–

–

37

Level 2

–

–

–

Level 3

4

4

5

Fair value through profit or loss

2

Level 1

–

–

–

Level 2

632

798

933

Level 3

–
–
–

1

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

Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis.

2

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

8.

Commitments and contingencies

Figures in million

At

30 September

2014

(Unaudited)

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

Capital expenditure commitments:

Contracts for capital expenditure

206

157

351

Authorised by the directors but not contracted for

2 359

519

1 835

2 565

676

2 186

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

Contingent liabilities

For a detailed disclosure on contingent liabilities refer to Harmony's annual financial statements for the financial year ended

30 June 2014, available on the group's website (www.harmony.co.za). There were no significant changes in contingencies since

30 June 2014, except as discussed below:

(a)

During July 2014, Harmony extended an irrevocable, subordinated loan facility to Rand Refinery. The facility, if drawn down,

is convertible to equity after a period of two years. Harmony's maximum commitment in terms of this facility is R140 million.

Refer to note 4 for further details.

9.

Related parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group.

There have been

no transactions with related parties during the September 2014 quarter.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the three months ended 30 September 2014 (Rand)

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

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10. Subsequent events

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

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

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

R25 million.

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

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

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

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

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

the December 2014 quarter.

11. Segment report

The segment report follows on page 15.

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

Figures in million

Three months ended

30 September

2014

(Unaudited)

30 September

2013

(Unaudited)

The "Reconciliation of segment information to condensed consolidated financial statements"

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

Reconciliation of production profit to gross profit

Total segment revenue

4 431

4 018

Total segment production costs

(3 518)

(2 981)

Production profit per segment report

913

1 037

Depreciation

(650)

(577)

Other cost of sales items

(151)

(177)

Gross profit as per income statements

1

112

283

1

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

Figures in million

At

30 September

2014

(Unaudited)

At

30 September

2013

(Unaudited)

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

Property, plant and equipment not allocated to a segment

Mining assets

779

1 155

Undeveloped property

5 139

5 139

Other non-mining assets

143

74

Wafi-Golpu assets

1 140

981

7 201

7 349

15

Revenue

30 September

Production cost

30 September

Production profit

30 September

Mining assets

30 September

Capital

expenditure

#

30 September

Kilograms

produced

30 September

Tonnes milled

30 September

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

R million

R million

R million

R million

R million

kg

t'000

South Africa

Underground

Kusasaletu

636

471

582

395

54

76

3 666

3 457

124

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

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

118

468

329

31

42

533

697

146

159

Unisel

215

201

177

150

38

51

635

344

29

17

477

476

114

108

Target 3

205

154

162

127

43

27

551

482

20

35

442

392

81

82

Surface

All other surface operations

381

366

310

267

71

99

475

465

8

8

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

4 431

4 018

3 518

2 981

913

1 037

26 031

24 846

596

622

9 435

9 635

4 770

5 046

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

7 201

7 349

4 431

4 018

3 518

2 981

33 232

32 195

#

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

(a)

Includes Steyn 2 for the September 2013 amounts.

SEGMENT REPORT (RAND/METRIC)

for the three months ended 30 September 2014 (Unaudited)

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

16

US\$ RESULTS

FOR THE FIRST QUARTER

ENDED

30 SEPTEMBER 2014

Q1 FY15

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

18

17

OPERATING RESULTS (US\$/IMPERIAL)

South Africa

Hidden

Valley

Harmony

Total

Underground production

Surface production

Total

South

Africa

Three

months

Ended

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1 Bambanani

Joel

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Ore milled

- t'000

Sep-14

320

150

174

286

204

202

65

161

126

89

1 777

1 774

701

433
2 908
4 685
575
5 260
Jun-14
315
178
161
272
172
227
54
168
108
78
1 733
1 725
716
428
2 869
4 602
579
5 181
Gold produced
- oz
Sep-14
42 889
19 901
27 489
34 658
22 441
33 501
23 374
17 136
15 336
14 211
250 936
7 491
7 137
10 481
25 109
276 045
27 296
303 341
Jun-14
43 500
17 104
24 531
38 195
19 805

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

0.052

0.055

Cash operating

costs

– \$/oz

Sep-14

1 198

1 274

1 001

1 067

1 063

825

699

1 069

1 072

1 009

1 029

949

1 114

1 080

1 051

1 031

997

1 028

Jun-14

1 034

1 544

1 086

879

1 173

838

891

839

1 124

1 324

1 026

1 042

1 008

1 101

1 054

1 029

863

1 011

Cash operating

costs

– \$/t

Sep-14

161

169

158

129

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

291 414

29 675

321 089

Jun-14

36 362

14 725

24 402

37 970

19 676

35 462

17 522

17 490

12 539

11 060

227 208

6 559

7 234

8 777

22 570

249 778

27 843

277 621

Revenue (\$'000)

Sep-14

59 074

28 744

35 805

45 178

29 220

44 929

30 476

25 957

20 014

19 040

338 437

10 644

9 931

14 736

35 311

373 748

37 866

411 614

Jun-14

46 897

18 620

31 584

49 159

25 495

45 846

22 730

22 646

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

**Cash operating
costs**

(\$'000)

Sep-14

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

Jun-14

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

**Inventory
movement**

(\$'000)

Sep-14

2 717

3 312

170

844

118

1 293

(138)

2 372

(1)

672

11 359

894

613

925

2 432

13 791

1 256

15 047

Jun-14

(7 929)

(3 223)

(517)

(1 131)

(298)

2 038

217

(1 460)

(106)

1 008

(11 401)

75

(19)

322

378

(11 023)

(2 202)

(13 225)

Operating costs (\$'000)

Sep-14

54 090

28 668

27 678

37 808

23 967

28 938

16 212

20 682

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

Jun-14

9 844

(4 566)

5 454

16 730

2 571

16 913

6 793

7 401

2 167

20

63 327

1 977

1 636

1 582

5 195

68 522

12 076

80 598

Capital

expenditure

(\$'000)

Sep-14

11 553

5 160

7 913

7 758

3 765

6 838

2 280

2 859

2 715

1 898

52 739

59

47

596

702

53 441

1 965

55 406

Jun-14

13 581

5 676

9 157

7 876

4 407

7 192

3 732

3 479

2 208

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

**Adjusted
operating costs
– \$/oz**

Sep-14

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

Jun-14

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

**All-in
sustaining costs**

– \$/oz

Sep-14

1 492

1 568

1 317

1 350

1 281

1 066

785

1 164

1 291

1 186

1 268

973

1 150

1 169

1 104

1 254

1 163

1 245

Jun-14

1 447

2 037

1 453

1 110

1 438

1 059

1 071

1 020

1 359

1 593

1 309

1 002

1 076

1 285

1 136

1 293

1 032

1 267

19

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation)

Figures in million

Quarter ended

Year ended

30 June

2014

(Audited)

30 September

2014

(Unaudited)

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Revenue

412

358

403

1 515

Cost of sales

(401)

(469)

(375)

(1 549)

Production costs

(327)

(277)

(299)

(1 148)

Amortisation and depreciation

(60)

(50)

(58)

(207)

Impairment of assets

–

(134)

–

(135)

Other items

(14)

(8)

(18)

(59)

Gross profit/(loss)

11

(111)

28

(34)

Corporate, administration and other expenditure

(10)

(11)

(11)

(42)

Social investment expenditure

(2)

(2)

(4)

(9)

Exploration expenditure

(8)

(11)

(14)

(44)

Profit on sale of property, plant and equipment

–

3

–

3

Other expenses (net)

(18)

(4)

–

(20)

Operating loss

(27)

(136)

(1)

(146)

Profit from associates

–

(12)

–

(10)

Profit on disposal/(impairment) of investments

–

1

(1)

1

Net gain on financial instruments

1

3

8

16

Investment income

4

6

5

21

Finance cost

(6)

(10)

(6)

(27)

(Loss)/profit before taxation

(28)

(148)

5

(145)

Taxation

3

32

(4)

27

Normal taxation

–

–

(5)

(2)

Deferred taxation

3

32

1

29

Net (loss)/profit for the period

(25)

(116)

1

(118)

Attributable to:

Owners of the parent

(25)

(116)

1

(118)

Loss per ordinary share (cents)

Basic loss

(6)

(27)

–

(27)

Diluted loss

(6)

(27)

–

(27)

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

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

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

20

Figures in million

Quarter ended

Year ended

30 June

2014

(Audited)

30 September

2014

(Unaudited)

30 June

2014

(Unaudited)

30 September

2013

(Unaudited)

Net (loss)/profit for the period

(25)

(116)

1

(118)

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

17

59

(70)

(209)

Items that may be reclassified subsequently
to profit or loss:

17

62

(70)

(206)

Foreign exchange translation

17

63

(70)

(206)

Movements on investments

-

(1)

-

-

Items that will not be reclassified to profit or loss:

-

(3)

-

(3)

Actuarial loss recognised during the year

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

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

Attributable to:

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

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

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

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

Note on convenience translations

Except where specific statements have been extracted from 2014 annual financial statements, the requirements of IAS 21, *The*

Effects of the Changes in Foreign Exchange Rates, have not necessarily been applied in the translation of the US Dollar financial statements presented on pages 19 to 23.

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

Figures in million

Share capital

Other reserves

(Accumulated

loss)/

retained

earnings

Total

Balance – 30 June 2014

2 503

313

(73)

2 743

Share-based payments

–

6

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

–
16
 –
16

Balance – 30 September 2014

2 503

335

(96)

2 742

Balance – 30 June 2013

2 820

343

45

3 208

Share-based payments

–

4

–

4

Net profit for the period

–

–

1

1

Other comprehensive loss for the period

–

(69)

–

(69)

Balance – 30 September 2013

2 820

278

46

3 144

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

21

Figures in million

At

30 September

2014

(Unaudited)

At

30 June

2014

(Audited)

At

30 September

2013

(Unaudited)

ASSETS

Non-current assets

Property, plant and equipment

2 937

3 116

3 205

Intangible assets

78

84

218

Restricted cash

3

4

4

Restricted investments

206

217

213

Deferred tax assets

7

8

9

Investments in associates

–

–

11

Investments in financial assets

–

–

4

Inventories

4

5

6

Total non-current assets

3 235

3 434

3 670

Current assets

Inventories

123

145

147

Trade and other receivables

61

90

123

Income and mining taxes

8

10

10

Restricted cash

1

1

–

Cash and cash equivalents

202

172

228

Total current assets

395

418

508

Total assets

3 630

3 852

4 178

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

2 503

4 035

2 820

Other reserves

335

(887)

278

(Accumulated loss)/retained earnings

(96)

(223)

46

Total equity

2 742

2 925

3 144

Non-current liabilities

Deferred tax liabilities

233

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

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

22

Figures in million

Quarter ended

Year ended

30 June

2014

(Audited)

30 September

2014

(Unaudited)

30 June

2014

(Unaudited)

Restated*

30 September

2013

(Unaudited)

Restated

#

Cash flow from operating activities

Cash generated by operations

99

42

30

218

Interest and dividends received

2

4

3

13

Interest paid

(2)

(3)

(3)

(12)

Income and mining taxes refunded

2

3

–

–

Cash generated by operating activities

101

46

30

219

Cash flow from investing activities

Increase in restricted cash

–

–

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

190

209

209

Cash and cash equivalents – end of period

202

172

228

172

1

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

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

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

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

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

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

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

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation)

23
Revenue
30 September
Production cost
30 September
Production profit
30 September
Mining assets
30 September
Capital
expenditure
#
30 September
Ounces
produced
30 September
Tons milled
30 September
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
2014
2013
US\$ million
US\$ million
US\$ million
US\$ million
US\$ million
oz
t'000
South Africa
Underground
Kusasaletu
59
47
54
39
5
8
324
344
11

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

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

12

41

33

3

4

17 136

22 409

161

175

Unisel

20

20

16

15

4

5

56

34

3

2

15 336

15 304

126

119

Target 3

19

15

15

13

4

2

49

48

2

4

14 211

12 603

88

90

Surface

All other surface operations

36

37

29

27

7

10

42

46

1

1

25 109

27 200

2 909

3 067

Total South Africa

374

367

299

268

75

99

1 979

2 139

53

58

276 045

284 856

4 685

5 009

International

Hidden Valley

38

36

28

31

10

5

321

333

2

5

27 296

24 917

575

555

Total international

38

36

28

31

10

5

321

333

2

5

27 296

24 917

575

555

Total operations

412
403
327
299
85
104
2 300
2 472
55
63
303 341
309 773
5 260
5 564

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$1 million (2013: US\$nil).
(a)
Includes Steyn 2 for the September 2013 amounts.
SEGMENT REPORT (US\$/IMPERIAL)
for the three months ended 30 September 2014 (Unaudited)

Harmony Gold Mining Company Limited

Results for the first quarter FY15 ended 30 September 2014

24

DEVELOPMENT RESULTS (METRIC)

Quarter ending September 2014

DEVELOPMENT RESULTS (IMPERIAL)

Quarter ending September 2014

Channel

Reef

Meters

Sampled

Meters

Width

(Cm's)

Value

(g/t)

Gold

(Cmg/t)

Tshepong

Basal

277

256

7.66

174.50

1 337

B Reef

48

46

155.61

4.00

623

All Reefs

325

302

30.20

40.67

1 228

Phakisa

Basal

493

500

88.52

13.72

1 215

All Reefs

493

500

88.52

13.72

1 215

Doornkop

South Reef

340
318
65.00
8.65
562

All Reefs

340
318
65.00
8.64
562

Kusasaletu

VCR Reef

738
682
86.00
10.58
910

All Reefs

738
682
86.00
10.58
910

Total Target

(incl. Target 1 & Target 3)

Elsburg

49
12
278.00
1.06
296

Basal

45
56
20.00
68.70
1 374

A Reef

43
92
62.00
17.56
1 089

B Reef

114
90
118.00
6.64
784

All Reefs

251

250

83.12

12.09

1 005

Masimong 5

Basal

566

484

34.23

24.88

852

B Reef

182

207

89.65

34.77

3 117

All Reefs

748

691

50.83

30.10

1 530

Unisel

Basal

138

86

204.53

5.90

1 206

Leader

507

396

234.75

5.25

1 233

All Reefs

645

482

229.36

5.35

1 228

Joel

Beatrix

291

354

123.00

6.88

846

All Reefs

291

354

123.00

6.88

846

Total Harmony

Basal

1 520

1 382

58.97

18.93

1 116

Beatrix

291

354

123.00

6.88

846

Leader

507

396

234.75

5.25

1 233

B Reef

344

343

105.94

20.49

2 170

A Reef

43

92

62.00

17.56

1 089

Elsburg

49

12

278.00

1.06

296

South Reef

340

318

65.00

8.64

562

VCR

738

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

0.40

14

Doornkop

South Reef

1 114

1 043

26.00

0.25

6

All Reefs

1 114

1 043

26.00

0.25

6

Kusasaletu

VCR Reef

2 420

2 236

34.00

0.31

10

All Reefs

2 420

2 236

34.00

0.31

10

Total Target

(incl. Target 1 & Target 3)

Elsburg

159

39

109.00

0.03

3

Basal

148

184

8.00

1.97

16

A Reef

141

302

24.00

0.52

13

B Reef

375

295

46.00

0.20

9

All Reefs

823

820

33.00

0.35

12

Masimong 5

Basal

1 858

1 588

13.00

0.75

10

B Reef

597

679

35.00

1.02

36

All Reefs

2 454

2 267

20.00

0.88

18

Unisel

Basal

453

282

81.00

0.17

14

Leader

1 663

1 299

92.00

0.15

14

All Reefs

2 116

1 581

90.00

0.16

14

Joel

Beatrix

956

1 161

48.00

0.20

10

All Reefs

956

1 161

48.00

0.20

10

Total Harmony

Basal

4 986

4 534

23.00

0.56

13

Beatrix

956

1 161

48.00

0.20

10

Leader

1 663

1 299

92.00

0.15

14

B Reef

1 129

1 125

42.00

0.59

25

A Reef

141

302

24.00

0.52

13

Elsburg

159

39

109.00

0.03

3

South Reef

1 114

1 043

26.00

0.25

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

SIGNATURES

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

Dated:

November 5, 2014

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director