

HARMONY GOLD MINING CO LTD

Form 6-K

May 06, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

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

EXCHANGE ACT OF 1934

**Harmony Gold Mining Company**

**Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

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

Form 20-F  Form 40-F

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

Yes  No

***Shareholder information***

Issued ordinary share capital  
at 31 March 2014

435 693 819

Issued ordinary share capital  
at 31 December 2013

435 693 819

***Market capitalisation***

At 31 March 2014 (ZARm)

14 247

At 31 March 2014 (US\$m)

1 355

At 31 December 2013 (ZARm)

11 284

At 31 December 2013 (US\$m)

1 077

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

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

R58.58

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

R24.48

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

US\$6.38

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

US\$2.36

***Free float***

**100%**

***ADR\* ratio***

**1:1**

***JSE Limited***

**HAR**

Range for quarter (1 January –  
31 March 2014 closing prices)

R27.25 – R40.32

Average daily volume for the quarter  
(1 January – 31 March 2014)

1 031 429 shares

Range for quarter (1 October –  
31 December 2013 closing prices)

R24.48 – R36.14

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

1 180 825 shares

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

**HMY**

Range for quarter (1 January –  
31 March 2014 closing prices)  
US\$2.52 – US\$3.77

Average daily volume for the quarter  
(1 January – 31 March 2014)  
3 102 376

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

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

***Investors' calendar***

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

Release of Harmony's Integrated  
Annual Report of FY14  
23 October 2014

Q1 FY15 presentation  
(webcast and conference calls only)  
5 November 2014

Annual General Meeting  
21 November 2014

Q2 FY15 live presentation in Cape Town  
9 February 2015

*\*ADR: American Depository Receipts*

**Q3 FY14**

**Harmony Gold Mining Company Limited**

("Harmony" or "Company")

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

JSE share code: HAR

NYSE share code: HMY

ISIN: ZAE000015228

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

**KEY FEATURES**

**Quarter on quarter**

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

•

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

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

6% decrease in production profit during the March 2014

quarter, due to a 12% decrease in gold produced

Turned prior quarter's loss into a profit

•

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

•

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

Net debt 13% lower and cash balance of R2 billion

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

Quarter

March

2014

Quarter

December

2013

Q-on-Q

variance

%

9 months

ended

March

2014

9 months

ended

March

2013\*

%

Variance

Gold produced

– kg

8 368

9 515

(12)

27 518

26 786

3

– oz

269 035

305 913

(12)

884 721

861 188

3

Cash operating costs

– R/kg

343 527

308 665

(11)

324 731

317 772

(2)

– US\$/oz

987

949

(4)

981

1 148

15

Gold sold

– kg

8 502

9 798

(13)

27 653

26 824

3

– oz

273 344

315 014

(13)

889 061

862 379

3

Underground grade

– g/t

5.10

4.85

5

4.81

4.60

5

All-in sustaining

costs

– R/kg

426 221

397 503

(7)

408 768

417 813

2

– US\$/oz

1 224

1 222

–

1 234

1 509

18

Gold price received

– R/kg

450 528

415 532

8

431 038

462 982

(7)

– US\$/oz

1 294

1 277

1

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

Headline earnings/

(loss) per share\*<sup>1</sup>

– 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*

*<sup>1</sup> 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](http://www.harmony.co.za)

***Directors***

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

1

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

\* Non-executive

<sup>^</sup> Independent

1 Mozambican

***Investor relations team***

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

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Investor Relations Manager

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Marian van der Walt

Executive: Corporate and Investor Relations

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***Company Secretary***

Riana Bisschoff

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***South African Share Transfer Secretaries***

Link Market Services South Africa (Proprietary) Limited

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Braamfontein, 2001

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***ADR Depositary***



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c/o American Stock Transfer and Trust Company  
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*Email queries:* db@amstock.com  
*Toll free:* +1-800-937-5449  
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***Sponsor***

J.P. Morgan Equities South Africa (Pty) Ltd  
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***Trading Symbols***

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

***Registration number***

1950/038232/06

*Incorporated in the Republic of South Africa*

***ISIN***

ZAE000015228

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

**3****FORWARD-LOOKING STATEMENTS**

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

**Competent person's declaration**

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

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

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

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

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

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

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## 4

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

Message from the chief executive officer

**1. SAFETY**

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

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

**2. OPERATIONAL RESULTS**

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

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

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

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

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

recovered grade to 4.11g/t;

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

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

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

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

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

### **3. FINANCIAL RESULTS**

#### Gross profit

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

#### Net profit/(loss)

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

#### Impairment of assets

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

#### Other expenses (net)

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

#### Borrowings

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

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

## 5

### Earnings/loss per share

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

### Employee Share Option Plan (ESOP) share vesting

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

## 4. NEW CHIEF OPERATING OFFICER APPOINTED

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

## 5. GOOD PROGRESS AT WAFI-GOLPU

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

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

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

*\*Partial result reported last quarter.*

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

## 6. IN CONCLUSION

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



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

**Graham Briggs**

*Chief Executive Officer*

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

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

Three  
months  
ended

South Africa

Underground production

Surface production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

Unisel

Target 3

Steyn 2

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Total

South

Africa

Hidden

Valley

Total

Harmony

**Ore milled**

**- t'000**

**Mar-14**

**226**

**102**

**138**

**232**

**164**

**181**

**52**

**88**

**95**

**73**

**9**

**1 360**

1 483

620

356

2 459

3 819

467

4 286

Dec-13

302

238

137

219

161

193

54

149

107

75

12

1 647

1 482

755

364

2 601

4 248

506

4 754

**Gold produced**

**- kg**

**Mar-14**

929

434

752

1 024

660

1 173

707

345

458

360

99

6 941

201

155

255

611

7 552

816

8 368

Dec-13

1 140

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

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

**Yield**

**- g/tonne**

**Mar-14**

**4.11**

**4.25**

**5.45**

**4.41**

**4.02**

**6.48**

**13.60**

**3.92**

**4.82**

**4.93**

**11.00**

**5.10**

**0.14**

**0.25**

**0.72**

**0.25**

**1.98**

**1.75**

**1.95**

Dec-13

3.77

3.66

5.15

4.39

4.25

6.43

12.91

4.52

4.79

4.67

12.25

4.85

0.15

0.30

0.87

0.29

2.06

1.53

2.00

**Cash operating  
costs**

**– R/kg**

**Mar-14**

**463 848**

**582 786**

**335 239**

**325 056**

**356 248**

**219 864**

**198 116**

**450 803**

**322 395**

**382 311**

**289 313**

**341 644**

**279 746**

**441 426**

**404 459**

**372 810**

**344 166**

**337 621**

**343 527**

**Dec-13**

**389 854**

**320 533**

**374 572**

**352 244**

**353 671**

**200 373**

**199 795**

**261 521**

**294 779**

**383 566**

**221 871**

**306 967**

**279 221**

**357 916**

**318 184**

**318 876**

**308 000**

**316 206**

**308 665**

**Cash operating  
costs**

**– \$/oz**

**Mar-14**

**1 332**

**1 674**

**963**

**934**

1 023

632

569

1 295

926

1 098

831

981

804

1 268

1 162

1 071

989

970

987

Dec-13

1 198

985

1 151

1 083

1 087

616

614

804

906

1 179

682

943

858

1 100

978

980

947

972

949

**Cash operating**

**costs**

**– R/tonne**

**Mar-14**

1 907

2 480

1 827

1 435

1 434

1 425

2 694

1 767

1 554

1 885

3 182

1 744

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



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

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

**Cash operating  
costs**

**(R'000)**

**Mar-14**

**430 915**

**252 929**

**252 100**

**332 857**

**235 124**

**257 900**

**140 068**

**155 527**

**147 657**

**137 632**

**28 642**

**2 371 351**

**56 229**

**68 421**

**103 137**

**227 787**

**2 599 138**

**275 499**

**2 874 637**

**Dec-13**

**444 434**

**279 505**

**264 448**

**338 859**

**241 911**

**248 663**

**139 257**

**176 265**

**150 927**

**134 248**

**32 615**

**2 451 132**

**60 591**

**80 889**

**100 228**

**241 708**

**2 692 840**

**244 111**

**2 936 951**

**Inventory  
movement**

**(R'000)**

**Mar-14**

**64 740**

**20 837**

**(11 605)**

**(15 785)**

(9 651)  
(36 805)  
(10 628)  
3 609  
(6 375)  
(19 718)  
(1 061)  
(22 442)  
5 483  
(415)  
17 747  
22 815  
373

30 997

31 370

Dec-13

28 010

12 659

16 146

22 591

16 418

51 668

12 367

(6 288)

9 603

28 051

3 043

194 268

(11 068)

143

(13 675)

(24 600)

169 668

(20 733)

148 935

**Operating costs**

**(R'000)**

**Mar-14**

**495 655**

**273 766**

**240 495**

**317 072**

**225 473**

**221 095**

**129 440**

**159 136**

**141 282**

**117 914**

**27 581**

**2 348 909**

**61 712**

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

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

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

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

**Mar-14**

**10 688**

**5 046**

**6 887**

**6 592**

**3 985**

**8 136**

**2 271**

**2 617**

**1 895**

**2 502**

**50**

**50 669**

**64**

**266**

**506**

**836**

**51 505**

**1 960**

**53 465**

Dec-13

12 876

6 276

9 734

7 780

4 009

6 343

2 887

3 748

2 436

3 633

63

59 785

92

243

1 246

1 581

61 366

1 885

63 251

**Adjusted  
operating costs**

**- R/kg**

**Mar-14**

**447 045**

**556 494**

**340 244**

**329 294**



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

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

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

**All-in sustaining  
costs**

**– \$/oz**

**Mar-14**

**1 627**

**1 947**

**1 304**

**1 193**

**1 274**

**907**

**640**

**1 346**

**1 126**

**1 368**

**913**

**1 247**

**815**

**1 336**

**1 181**

**1 101**

**1 233**

**1 143**

**1 224**

**Dec-13**

**1 640**

**1 281**

**1 546**

**1 409**

**1 376**

**854**

**742**

**921**

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

**8**

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

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

Figures in million

Note

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

2014

(Unaudited)

31 December

2013

(Unaudited)

31 March

2013

(Unaudited)

(Restated)\*

31 March

2014

(Unaudited)

31 March

2013

(Unaudited)

(Restated)\*

30 June

2013

(Audited)

(Restated)\*

Continuing operations

Revenue

3 830

4 071

3 528

11 919

12 419

15 902

Cost of sales

3

(3 595)

(3 817)

(3 260)

(11 147)

(10 277)

(16 448)

Production costs

(2 906)

(3 086)

(2 675)

(8 973)

(8 509)

(11 321)

Amortisation and depreciation

(475)

(565)

(468)

(1 617)

(1 470)

(2 001)

Impairment of assets

(29)

—

—

(29)

—

(2 733)

Other items

(185)

(166)

(117)

(528)

(298)

(393)

**Gross profit/(loss)**

**235**

**254**

**268**

**772**

**2 142**

**(546)**

Corporate, administration and other

expenditure

(109)

(102)

(121)

(319)

(338)

(465)

Social investment expenditure

(8)

(21)

(25)

(67)

(70)

(127)

Exploration expenditure

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

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



Profit from discontinued operations

—

—

143

—

314

314

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

**31**

**(91)**

**(101)**

**(47)**

**1 148**

**(2 349)**

*Attributable to:*

Owners of the parent

31

(91)

(101)

(47)

1 148

(2 349)

**Earnings/(loss) per ordinary share**

**(cents)**

4

Earnings/(loss) from continuing  
operations

7

(21)

(57)

(11)

193

(616)

Earnings from discontinued  
operations

—

—

33

—

73

73

**Total earnings/(loss)**

**7**

**(21)**

**(24)**

**(11)**

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

Earnings/(loss) from continuing  
operations

7

(21)

(57)

(11)

192

(616)

Earnings from discontinued  
operations

—

—

33

—

73

73

**Total diluted earnings/(loss)**

7

**(21)**

**(24)**

**(11)**

**265**

**(543)**

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

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

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)

Figures in million

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

2014

(Unaudited)

31 December

2013

(Unaudited)

31 March

2013

(Unaudited)

(Restated)\*

31 March

2014

(Unaudited)

31 March

2013

(Unaudited)

(Restated)\*

30 June

2013

(Audited)

(Restated)\*

Net profit/(loss) for the period

31

(91)

(101)

(47)

1 148

(2 349)

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

(416)

378

506

(733)

726

737  
 Foreign exchange translation  
 (421)  
 370  
 519  
  
 (745)  
 716  
 742  
 Movements on investments  
 5  
 8  
 (13)  
  
 12  
 10  
 (5)  
**Total comprehensive  
 (loss)/income for the period  
 (385)  
 287  
 405**

**(780)  
 1 874  
 (1 612)**

*Attributable to:*

Owners of the parent  
 (385)  
 287  
 405

(780)  
 1 874  
 (1 612)

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

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

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

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

Figures in million

Note  
 Share capital  
 Other

reserves

Retained

earnings

Total

Balance – 30 June 2013 as previously reported

28 325

3 464

522

32 311

Restatement for IFRIC 20

2

–

(22)

(74)

(96)

Restated balance – 30 June 2013

28 325

3 442

448

32 215

Share-based payments

–

198

–

198

Net loss for the period

–

–

(47)

(47)

Other comprehensive loss for the period

–

(733)

–

(733)

**Balance – 31 March 2014**

**28 325**

**2 907**

**401**

**31 633**

Balance – 30 June 2012 as previously reported

28 331

2 444

3 307

34 082

Restatement for IFRIC 20

2

–

(15)

(94)

(109)

Restated balance – 30 June 2012

28 331

2 429

3 213

33 973

Share-based payments

–

215

–

215

Net profit for the period

–

–

1 148

1 148

Other comprehensive income for the period

–

726

–

726

Dividends paid

1

–

–

(435)

(435)

**Balance–31 March 2013**

**28 331**

**3 370**

**3 926**

**35 627**

*1*

*Dividend of 50 SA cents declared on 13 August 2012 and 50 SA cents on 1 February 2013.*

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

**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
<b>Total non-current assets</b>
<b>37 129</b>
<b>37 341</b>
<b>37 333</b>
<b>39 960</b>
<b>Current assets</b>

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
–
–
<b>Total current assets</b>
<b>4 421</b>
<b>5 062</b>
<b>4 800</b>
<b>5 775</b>
<b>Total assets</b>
<b>41 550</b>
<b>42 403</b>
<b>42 133</b>
<b>45 735</b>
<b>EQUITY AND LIABILITIES</b>

**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
<b>Total equity</b>
<b>31 633</b>
<b>31 965</b>
<b>32 215</b>

**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)
<b>Cash (utilised)/generated by</b>
<b>financing activities</b>
<b>(462)</b>
<b>(3)</b>
<b>(221)</b>
<b>144</b>
<b>66</b>
<b>(87)</b>
<b>Foreign currency translation</b>
<b>adjustments</b>
<b>(1)</b>
<b>(20)</b>
<b>17</b>
<b>(39)</b>
<b>30</b>
<b>26</b>
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
<b>Cash and cash equivalents – end</b>
<b>of period</b>
<b>2 008</b>
<b>2 323</b>
<b>3 099</b>
<b>2 008</b>

**3 099**

**2 089**

*1*

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

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



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

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

1.

**Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the nine months ended 31 March 2014 have been prepared in accordance with IAS 34,

Interim Financial Reporting, JSE Listings Requirements, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and

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

year ended 30 June 2013, which have been prepared in accordance with International Financial Reporting Standards as issued by the International

Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements, except for

the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

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

IFRS 7

Amendment–Disclosures–Offsetting Financial Assets and Financial Liabilities

IFRS 10

Consolidated Financial Statements

IFRS 11

Joint Arrangements

IFRS12

Disclosure of Interests in Other Entities

IFRS 13

Fair Value Measurement

IFRSs

Annual Improvements 2009 – 2011

IAS 19

Employee Benefits (Revised 2011)

IAS 27

Separate Financial Statements (Revised 2011)

IAS 28

Investments in Associates and Joint Ventures (Revised 2011)

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

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

IAS 19 includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now

recognised in other comprehensive income (OCI). Actuarial gains and losses recognised in OCI will not be recycled to profit or loss. The impact

for the group was immaterial.

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

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

an impact on any previously reported numbers.

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

## 2.

### **Change in accounting policies**

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

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine (IFRIC 20) which became effective on 1 January 2013, clarifies the

requirements for accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue: (i) usable

ore that can be used to produce inventory; and (ii) improved access to further quantities of material that will be mined in future periods.

Harmony has applied IFRIC 20 on a prospective basis from 1 July 2011 in compliance with the transitional requirements of IFRIC 20.

Harmony previously accounted for stripping costs incurred during the production phase to remove waste material by deferring these costs,

which were then charged to production costs on the basis of the average life-of-mine stripping ratio.

A stripping activity asset shall be recognised if all of the following are met:

(i) it is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the entity;

(ii) the entity can identify the component of the orebody for which access has been improved; and

(iii) the cost relating to the stripping activity associated with that component can be 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
<b>Total cost of sales</b>
<b>3 595</b>
<b>3 817</b>
<b>3 260</b>
<b>11 147</b>
<b>10 277</b>
<b>16 448</b>

\* 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.

**15**  
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED  
 for the period ended 31 March 2014 (Rand)

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

**Quarter ended**  
**Nine months ended**  
**Year ended**

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

31 March  
 2013  
 (Unaudited)  
 (Restated)\*

30 June  
 2013  
 (Audited)  
 (Restated)\*

Weighted average number  
 of shares (million)

433.3  
 432.9  
 431.8  
 433.0  
 431.6  
 431.9

Weighted average number of diluted  
 shares (million)

434.6  
 433.4  
 432.8  
 434.4  
 432.8  
 432.7

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

Basic earnings/(loss)  
 7  
 (21)

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

49

49

Figures in million

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

Continuing operations

Net profit/(loss)

31

(91)

(244)

(47)

834

(2 663)

*Adjusted for:*

Impairment of investments

1

—

—

39

7

88

88

Impairment of assets

29

—

—

29

—

2 733

Taxation effect on impairment of assets

(8)

—

—

(8)

—

(38)

Profit on sale of property, plant and equipment

—

—

(15)

—

(139)

(139)

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

—

—

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

Net profit

—  
—  
143  
—  
314  
314

*Adjusted for:*

Profit on sale of investment in subsidiary

1  
—  
—  
(102)  
—  
(102)  
(102)

**Headline earnings**

—  
—  
**41**  
—  
**212**  
**212**

**Total headline earnings/(loss)**

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

*1*

*There is no taxation effect on these items.*

**Net asset value per share**

**At**

31 March  
2014  
(Unaudited)

**At**  
31 December  
2013

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

**At**  
31 March  
2013  
(Unaudited)  
(Restated)\*

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

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

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

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

**5.**

**Investment in associate**

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

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

Harmony's share of results has been based on unaudited management accounts.

Rand Refinery implemented a new Enterprise Resource Planning (ERP) system on 1 April 2013 to conduct its financial and management

accounting. Since the implementation of the ERP software, the customisation of the software has been problematic with the result that Rand

Refinery has not been able to reconcile certain accounts at 30 September 2013. Rand Refinery's management team is currently resolving

the problems encountered with the ERP software and is in the process of investigating the transactions processed from 1 April 2013 on the

ERP system to determine if any adjustments to their current financial records are required. At this stage, the Rand Refinery management team

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

**6.**

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

During the December 2013 quarter, a cash offer for Witwatersrand Consolidated Gold Resources Limited's (Wits Gold) entire share capital was

made to all Wits Gold shareholders by Sibanye Gold Limited. Harmony has accepted the offer. Following this, the balance which represents

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

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

**7. Borrowings**

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

quarter. There were no draw downs subsequently and the drawn level remains at US\$270 million. The weakening of the Rand against the

US\$ resulted in a foreign exchange translation loss of R144 million being recorded for the year to date, increasing the borrowings balance and

Other expenses (net). The facility is repayable by September 2015.

Harmony refinanced its Nedbank revolving credit facility and entered into a new agreement for R1.3 billion revolving credit facility during the

December 2013 quarter. At the same time management also agreed an amended set of covenants with the leader group, to give the group

more long-term financial flexibility. The interest rate is equivalent to JIBAR + 350 basis points. The outstanding amount at 28 March 2014 of

R467 million was repaid. The facility is available until December 2016.

**8.**

**Financial risk management activities**

*Fair value determination*

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (that is, as prices)

or indirectly (that is derived from prices);

Level 3: Inputs for the asset that are not based on observable market data, (that is unobservable inputs).

Figures in million

**At**

31 March

2014

(Unaudited)

**At**

31 December

2013

**At**

30 June

2013

(Audited)

**At**

31 March

2013

(Unaudited)

**Available-for-sale financial assets**

1

\*

Level 1

51

46

44

44

Level 2

—

—

—

—

Level 3

4

4

5

96

**Fair value through profit and loss**

2

\*

Level 1

—

—

—

—

Level 2



768

934

1 041

1 043

Level 3

—

—

—

—

1

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

*Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis to ensure that significant prolonged decline in the value of the investments has occurred. At the end of the 2013 financial year, the investment in Rand Refinery was reclassified as an investment in associate on obtaining significant influence.*

2

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

*\* Includes non-current assets or disposal groups held for sale where applicable.*

**17**  
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](http://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**

Kusasaletu

1 466

1 037

1 363

1 186

103

(149)

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

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

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



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

1 476

1 387

**Total continuing  
operations**

11 919

12 419

8 973

8 509

2 946

3 910

25 336

27 800

1 841

2 308

27 518

26 786

14 086

13 607

Discontinued operations

Evander

—

874

—

533

—

341

—

—

—

140

—

1 955

—

390

**Total discontinued  
operations**

—

874

—

533

—

341

—

—

—

140

—

1 955

—

390

**Total operations**

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

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

—  
(874)  
—  
(533)

7 064  
7 028

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

**32 400**  
**34 828**

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

*#*

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

*(a) Includes Steyn 2.*

20

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

OPERATING RESULTS (US\$/Imperial)

Three  
months  
ended

South Africa

Underground production

Surface production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

Unisel

Target 3

Steyn 2

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Total

South

Africa

Hidden

Valley

Total

Harmony

**Ore milled**

**- t'000**

**Mar-14**

**249**

**112**

**152**

**256**

**181**

**200**

**57**

**97**

**105**

**80**

**10**

**1 499**

1 635

684

393

2 712

4 211

515

4 726

Dec-13

333

262

151

241

178

213

60

164

118

83

13

1 816

1 634

833

401

2 868

4 684

558

5 242

**Gold produced**

**- oz**

**Mar-14**

**29 868**

**13 953**

**24 177**

**32 922**

**21 219**

**37 713**

**22 731**

**11 092**

**14 725**

**11 574**

**3 183**

**223 157**

**6 462**

**4 983**

**8 198**

**19 643**

**242 800**

**26 235**

**269 035**

Dec-13

36 652

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

0.364  
0.141  
0.004  
0.009  
0.025  
0.008  
0.060  
0.044  
0.058

**Cash operating  
costs**

**- \$/oz**

**Mar-14**

**1 332**

**1 674**

**963**

**934**

**1 023**

**632**

**569**

**1 295**

**926**

**1 098**

**831**

**981**

**804**

**1 268**

**1 162**

**1 071**

**989**

**970**

**987**

**Dec-13**

**1 198**

**985**

**1 151**

**1 083**

**1 087**

**616**

**614**

**804**

**906**

**1 179**

**682**

**943**

**858**

**1 100**

**978**

**980**

**947**

**972**

949

**Cash operating costs**

– \$/t

**Mar-14**

**160**

**209**

**153**

**120**

**120**

**119**

**227**

**148**

**130**

**159**

**265**

**146**

**3**

**9**

**24**

**8**

**57**

**49**

**56**

Dec-13

132

105

173

139

134

115

229

106

126

160

248

133

4

10

25

8

57

43

55

**Gold sold**

– oz

**Mar-14**

**35 944**

**15 786**

**23 213**

**31 604**



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

**6 558**

**13 142**

**28 727**

**316 284**

**37 471**

**353 755**

Dec-13

48 847

36 047

30 334

41 347

29 381

56 902

29 906

27 975

22 002

16 033

6 311

345 085

7 437

9 579

11 176

28 192

373 277

29 013

402 290

**Cash operating**

**costs**

**(\$'000)**

**Mar-14**

**39 797**

**23 359**

**23 282**

**30 741**

**21 715**

**23 818**

**12 936**

**14 364**

**13 637**

**12 711**

**2 645**

**219 005**

**5 193**

**6 319**

**9 525**

**21 037**

**240 042**

**25 443**

**265 485**

Dec-13

43 915

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

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

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

**Mar-14**

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

Dec-13

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

304 916

**Production profit**

**(\$'000)**

**Mar-14**

**449**

**(4 647)**

**7 921**

**11 742**

**5 629**

**22 662**

**16 313**

**1 584**

**5 300**

**2 292**

**1 381**

**70 626**

**3 328**

**277**

**1 978**

**5 583**

**76 209**

**9 165**

**85 374**

Dec-13

2 164

7 178

2 609

5 632

3 856

27 227

14 924

11 180

6 140

(4)

2 788

83 694

2 544

1 572

2 623

6 739

90 433

6 941

97 374

**Capital**

**expenditure**

**(\$'000)**

**Mar-14**

**10 688**

**5 046**

**6 887**

**6 592**

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

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

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



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**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)	
<b>Gross profit/(loss)</b>	
<b>22</b>	
<b>25</b>	
<b>30</b>	
<b>76</b>	
<b>248</b>	
<b>(26)</b>	
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	
<b>Total non-current assets</b>	
<b>3 516</b>	
<b>3 572</b>	
<b>3 741</b>	
<b>4 335</b>	
<b>Current assets</b>	
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
<b>Total non-current liabilities</b>
<b>772</b>
<b>819</b>
<b>753</b>
<b>833</b>
<b>Current liabilities</b>
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
–
–
–
–
<b>Total current liabilities</b>
<b>166</b>
<b>179</b>
<b>239</b>
<b>263</b>
<b>Total equity and liabilities</b>
<b>3 934</b>
<b>4 055</b>
<b>4 221</b>

**4 962**

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

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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation) (Unaudited)

Figures in million

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

2014

31 December

2013

31 March

2013

31 March

2014

31 March

2013

30 June

2013

**Cash flow from operating activities**

Cash generated by operations

70

69

23

164

341

359

Interest and dividends received

3

3

4

9

10

16

Interest paid

(4)

(2)

(3)

(9)

(10)

(14)

Income and mining taxes paid

—

(3)

(8)

(3)

(21)



(33)

**Cash generated by operating activities**

**69**

**67**

**16**

**161**

**320**

**328**

**Cash flow from investing activities**

Restricted cash transferred from disposal group

–

–

28

–

–

–

Proceeds on disposal of investment in subsidiary

–

–

142

–

146

139

Purchase of investments

–

–

(4)

–

(8)

(9)

Other investing activities

–

–

–

(1)

–

(1)

Net additions to property, plant and equipment

1

(55)

(62)

(94)

(179)

(315)

(414)

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

**(55)**

**(62)**

72

(180)

(177)

(285)

**Cash flow from financing activities**

Borrowings raised

—

—

—

59

79

80

Borrowings repaid

(43)

—

—

(45)

(21)

(35)

Dividends paid

—

—

(24)

—

(51)

(50)

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

(43)

—

(24)

14

7

(5)

**Foreign currency translation adjustments**

(3)

(11)

(23)

(14)

(30)

(45)

Net (decrease)/increase in cash and  
cash equivalents

(32)

(6)

41

(19)

120

(7)

Cash and cash equivalents – beginning of period

222

228

295

209

216

216

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

**190**

**222**

**336**

**190**

**336**

**209**

1

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

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

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

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

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

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

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

**Revenue**

**31 March**

**Production cost\***

**31 March**

**Production**

**profit/(loss)\***

**31 March**

**Mining assets\***

**31 March**

**Capital expenditure**

**#**

**31 March**

**Ounces produced**

**31 March**

**Tons milled**

**31 March**

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

2014

2013

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

Continuing operations

**South Africa  
Underground**

Kusasaletu

142

120

132

138

10

(18)

335

364

36

32

107 416

65 973

945

550

Doornkop

90

149

83

91

7

58

320

365

17

26

66 583

89 121

634

845

Phakisa

92

100

76

85

16

15

438

490

26

28

71 149

59 511

475

418

Tshepong

127

180

99

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

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

**Surface**

All other surface operations

94

133

71

86

23

47

44

42

3

26

71 213

81 438

8 647

8 122

**Total South Africa**

**1 054**

**1 338**

**789**

**893**

**265**

**445**

**2 094**

**2 327**

**171**

**225**

**808 749**

**799 394**

**13 905**

**13 473**

**International**

Papua New Guinea

104

104

82

95

22

9

305

691

9

43

75 972

61 794

1 628

1 529

**Total international**

**104**

**104**

**82**



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

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

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

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

*(a) Includes Steyn 2.*

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**

Kusasaletu  
VCR Reef

480  
292  
96.00  
8.18  
785

**All Reefs**

**480**  
**292**  
**96.00**  
**8.18**  
**785**

Total Target  
(incl. Target 1 & Target 3)

Elsburg

336  
289  
147.33  
6.75  
994

Basal

134  
74  
8.08  
127.83

1 033

A Reef

120

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

**150.38**

**8.84**

**1 329**

Joel

Beatrix

118

111

118.00

10.14

1 197

**All Reefs**

**118**

**111**

**118.00**

**10.15**

**1 197**

Total Harmony

Basal

1 679

1 468

62.70

19.53

1 224

Beatrix

118

111

118.00

10.15

1 197

Leader

476

344

179.97

4.56

821

B Reef

455

376

79.14

10.03

794

A Reef

120

50

120.16

7.50

901

Elsburg

336

289

147.33

6.75  
994  
South Reef

187  
201  
46.00  
18.18  
836

VCR  
480  
292  
96.00  
8.18

785  
**All Reefs**

**3 852**

**3 131**

**90.28**

**11.46**

**1 035**

DEVELOPMENT RESULTS (Imperial)

Quarter ending March 2014

Channel

Reef

(feet)

Sampled

(feet)

Width

(inch)

Value

(oz/t)

Gold

(In.oz/t)

Tshepong

Basal

1 085

958

3.00

4.69

14

B Reef

508

420

42.00

0.05

2

**All Reefs**

**1 593**

**1 378**

**15.00**

**0.69**

**10**

Phakisa

Basal

1 077

1 089

36.00

0.35

13

**All Reefs**

**1 077**

**1 089**

**36.00**

**0.35**

**13**

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal

–

–

–

–

–

**All Reefs**

–

–

–

–

–

Doornkop

South Reef

614

659

18.00

0.53

10

**All Reefs**

**614**

**659**

**18.00**

**0.53**

**10**

Kusasaletu

VCR Reef

1 576

958

38.00

0.24

9

**All Reefs**

**1 576**

**958**



**38.00**

**0.24**

**9**

Total Target

(incl. Target 1 & Target 3)

Elsburg

1 101

948

58.00

0.20

11

Basal

441

243

3.00

3.95

12

A Reef

395

164

47.00

0.22

10

B Reef

554

341

24.00

0.53

13

**All Reefs**

**2 490**

**1 696**

**42.00**

**0.28**

**12**

Masimong 5

Basal

1 578

1 411

16.00

0.62

10

B Reef

431

472

27.00

0.47

13

**All Reefs**

**2 009**

**1 883**

**19.00**

**0.56**

**11**

Unisel

Basal

1 327

1 115

47.00

0.45

21

Leader

1 562

1 129

71.00

0.13

9

**All Reefs**

**2 889**

**2 244**

**59.00**

**0.26**

**15**

Joel

Beatrix

388

364

46.00

0.30

14

**All Reefs**

**388**

**364**

**46.00**

**0.30**

**14**

Total Harmony

Basal

5 509

4 816

25.00

0.56

14

Beatrix

388

364

46.00

0.30

14

Leader

1 562

1 129

71.00

0.13

9

B Reef

1 492

1 234

31.00

0.29

9

A Reef

395

164

47.00

0.22

10

Elsburg

1 101

948

58.00

0.20

11

South Reef

614

659

18.00

0.53

10

VCR

1 576

958

38.00

0.24

9

**All Reefs**

**12 636**

**10 272**

**36.00**

**0.33**

**12**

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**SIGNATURES**

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

Dated: May 6, 2014

Harmony Gold Mining Company Limited

By: /s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director