

HARMONY GOLD MINING CO LTD

Form 6-K

August 14, 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 14 August 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-

For Form 40-F.)

Form 20-F X

Form 40-F

(Indicate by check mark whether the registrant by

furnishing the information contained in this form

is also thereby furnishing the information to the

Commission pursuant to Rule 12g3-2(b) under the

Securities Exchange Act of 1934.)

Yes

No X

Shareholder information

Issued ordinary share capital at 30 June 2014

435 825 447

Issued ordinary share capital at 31 March 2014

435 693 819

Issued ordinary share capital at 30 June 2013

435 289 890

Market capitalisation

At 30 June 2014 (ZARm)

13 576

At 30 June 2014 (US\$m)

1 276

At 31 March 2014 (ZARm)

14 247

At 31 March 2014 (US\$m)

1 355

At 30 June 2013 (ZARm)

15 562

At 30 June 2013 (US\$m)

1 568

Harmony ordinary share and ADR* prices

12-month high (1 July 2013 – 30 June 2014)

for ordinary shares

R42.47

12-month low (1 July 2013 – 30 June 2014)

for ordinary shares

R24.48

12-month high (1 July 2013 – 30 June 2014)

for ADRs

US\$4.33

12-month low (1 July 2013 – 30 June 2014)

for ADRs

US\$2.36

Free float

100%

ADR* ratio

1:1

JSE Limited

HAR

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

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 year

(1 July 2013 – 30 June 2014 closing prices)

R24.48 – R42.47

Average daily volume for the year

(1 July 2013 – 30 June 2014)

1 216 789 shares

Range for year

(1 July 2012 – 30 June 2013 closing prices)

R33.47 – R85.71

Average daily volume for the year

(1 July 2012 – 30 June 2013)

1 753 866 shares

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

HMY

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

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 year

(1 July 2013 – 30 June 2014 closing prices)

US\$2.36 – US\$4.33

Average daily volume for the year

(1 July 2013 – 30 June 2014)

2 923 933

Range for year

(1 July 2012 – 30 June 2013 closing prices)

US\$2.30 – US\$10.34

Average daily volume for the year

(1 July 2012 – 30 June 2013)

2 484 062

Investors' calendar

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 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

**ADR: American Depository Receipts*

Q4 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 fourth quarter FY14 and
year ended 30 June 2014

KEY FEATURES

Year on year

3% increase in gold production to 36 453kg (1.17moz)

5% improvement in underground recovered grade at 4.77g/t

4% reduction in all-in sustaining costs for the year from R431 745/kg to
R413 433/kg; an 18% reduction in US\$ terms from US\$1 522/oz to US\$1 242/oz

30% reduction in total capital expenditure from R3.6bn (US\$412m) to
R2.5bn in FY14 (US\$244m)

Net loss of R1.27 billion was recorded in FY14 compared to a net loss of
R2.35 billion in FY13

- an impairment of R1.44 billion mainly in respect of the Phakisa decline shaft
- employment termination and restructuring cost of R274 million in FY14

Headline earnings amounted to 26 SA cents per share (2.5 US cents)

- excluding Rand Refinery loss, headline earnings would be 55 SA cents
per share (5.3 US cents)

Quarter on quarter

7% increase in gold production to 8 935kg (287 266oz)

All-in sustaining costs remained stable at R428 383/kg (US\$ 1 267/oz)

Headline earnings of 30 SA cents per share (2.9 US cents) for the June 2014
quarter

All figures represent continuing operations unless stated otherwise

RESULTS FOR THE FOURTH QUARTER FY14 ENDED 30 JUNE 2014

Quarter

June

2014

Quarter

March

2014

Q – on– Q

variance

%

Year

ended

June

2014

Year
 ended
 June
 2013*
 %
 Variance
 Gold produced
 – kg
 8 935
 8 368
 7
 36 453
 35 374
 3
 – oz
 287 266
 269 035
 7
 1 171 987
 1 137 297
 3
 Cash operating costs
 – R/kg
 341 864
 343 527
 1
 328 931
 324 979
 (1)
 – US\$/oz
 1 011
 987
 (2)
 988
 1 146
 14
 Gold sold
 – kg
 8 635
 8 502
 2
 36 288
 34 970
 4
 – oz
 277 621
 273 344
 2
 1 166 682
 1 124 312
 4

Underground grade
– g/t
4.66
5.10
(9)
4.77
4.54
5
All-in sustaining
costs
– R/kg
428 383
426 221
(1)
413 433
431 745
4
– US\$/oz
1 267
1 224
(4)
1 242
1 522
18
Gold price received
– R/kg
435 775
450 528
(3)
432 165
454 725
(5)
– US\$/oz
1 289
1 294
–
1 299
1 603
(19)
Production profit*
– R million
847
924
(8)
3 794
4 581
(17)
–US\$ million
81
85
(5)

367
519
(29)
Basic (loss)/earnings
per share*1
– SAc/s
(282)
7
> (100)
(293)
(543)
46
– USc/s
(27)
1
> (100)
(28)
(62)
55
Headline earnings
– Rm
129
52
>100
114
224
(49)
– US\$m
12
5
>100
11
25
(56)
Headline earnings
per share*1
– SAc/s
30
12
>100
26
52
(50)
– USc/s
2.9
1.1
>100
2.5
5.9
(58)

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

¹ The year ended June 2013 include discontinued operations where indicated

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CONTACT DETAILS

Corporate Office

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PO Box 2, Randfontein, 1760, South Africa
Corner Main Reef Road/Ward Avenue
Randfontein, 1759, South Africa
Telephone: +27 (0)11 411 2000
Website: www.harmony.co.za

Directors

P T Motsepe* *Chairman*
J 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 E Markus*[^], M Msimang*[^], K T Nondumo*[^],
V P Pillay *[^], J Wetton*[^], A J Wilkens*

* Non-executive

[^] Independent

1 Mozambican

Investor relations team

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Henrika Ninham

Investor Relations Manager

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Marian van der Walt

Executive: Corporate and Investor Relations

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Email: marian@harmony.co.za

Company Secretary

Riana Bisschoff

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South African Share Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

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ADR Depositary

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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
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Sponsor

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Illovo
Johannesburg, 2196
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Fax: +27 (0)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
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 2014 will be available on our website (www.harmony.co.za/investors) on 23 October 2014.

Competent person's declaration

Harmony reports in terms of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral 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 PNG, 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 26 years relevant experience and is a member of the Australasian 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 is included in this report.

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.

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Section 45 (5) (a) compliance announcement

ANNOUNCEMENT FOR COMPLIANCE REASONS ONLY: NOTICE, AS
REQUIRED IN TERMS OF SECTION 45 (5) (a) OF THE COMPANIES ACT,
71 OF 2008 (THE ACT) FOR THE GRANTING OF FINANCIAL ASSISTANCE

Notice is hereby given, as required in terms of section 45 (5) (a) of the

Act that the Board of directors (the Board) of the company at a meeting held on 11 August 2014, authorised the company to provide financial assistance to any 1 (one) or more related or inter-related companies or corporations of the Company and/or to any 1 (one) or more juristic persons who are members of, or are related to, any such related or inter-related company or corporation in terms of section 45 of the Act, pursuant to the authority granted to the Board by shareholders at the annual general meeting of the company, held on 5 December 2013. The aggregate financial exposure of the Company in respect of any financial assistance in terms of this resolution shall not exceed R1 billion. In terms of section 45 (3) (b) of the Companies Act, the Board is satisfied that:

- immediately after providing financial assistance, the Company would satisfy the solvency and liquidity test as set out in section 4 of the Act; and
- the terms under which the financial assistance is proposed to be given under the resolution are fair and reasonable to the Company.

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

Message from the chief executive officer

1. OUR STRATEGY

We revisit our strategy throughout the year to ensure that it remains relevant and appropriate, while being responsive and adaptive to both internal and external changes. The Harmony board met early in July 2014 to revisit the company strategy.

We believe that Harmony has four key advantages:

• **We continuously regenerate ourselves in order to be efficient miners** – we keep our costs down, ensure future growth and profitability, and are willing to make difficult decisions that will serve our company in the long run. All decisions are made based on our values, with safety being our core value.

• **We are experienced explorers, mine developers and operators in emerging economies.** We have a diversified portfolio as well as a significant exploration land holding in one of the most prospective geological areas in the world (PNG). In addition, we invest time and money into building win-win relationships with our stakeholders that allow us to confidently manage our socio-political environment and earn our social license to operate.

• **We fund our own capital to ensure future growth and profitability** and invest in our assets even during lower gold price cycles, allowing us to have low debt, financial flexibility and be highly geared against the gold price.

• **Golpu is a large resource of high-grade, low cost copper and gold.** A concept study is progressing on a scalable mine, which will require less capital to start up, but has the potential for a long life that will be flexible and adaptable in multiple copper price cycles. We are also de-risking its development thanks to our project development experience, our operational base and support services in PNG and the orebody's high grade zones.

We want Harmony to be safe, highly profitable and generate the cash necessary to underpin the development of Golpu, be a sought-after investment, be robust at any gold or copper price, have a diverse risk portfolio (with exposure to South Africa, PNG, gold and copper) and to continue growing our quality ounces. Our strategy for 2015 to 2020, is to improve our margins through safely delivering on our plans and increase free cash flow through higher grades and cost control; retain a flexible balance sheet; grow our value per share of our PNG assets, complete the Golpu studies and it is our intention to build the Golpu mine. We also intend identifying acquisition opportunities of open pit mines and bulk projects outside South Africa.

Below is a graphic illustration of our pathway to delivering on our strategy – and a scorecard against which our performance can be measured in future.

2. SAFETY

Safety will continue to be Harmony's first priority. Safety workshops are ongoing and we have increased our efforts to communicate safety

messages to all employees. Our messages stress the value of each life and encourage employees to stick to safety standards, to think before they act and to act on their right to withdraw from an unsafe area.

High level audits are ongoing; regular underground visits by members of the executive team and management take place and there are full time safety representatives at each mine.

Although we manage our capital expenditure in a conservative manner, it is not done at the expense of safety. Safety comes before production.

Our executive team is involved in a number of industry initiatives in which leading practices are applied, which have the potential to improve health and safety performance significantly. Safety is taken seriously at all levels and takes priority in everything we do.

The lost time- and fatality injury frequency rates have shown an improvement quarter on quarter and a number of operations achieved excellent safety results. It is with great sadness though that three employees lost their lives in three separate accidents during the quarter. My heartfelt condolences go to the family, friends and colleagues of: Moji Augustinus Matela (team leader at Tshepong), Amos Twala (team leader at Bambanani) and Soba Mboyana (winch operator at Masimong). An independent review of the Harmony safety strategy was conducted during the quarter and actions were implemented based on the recommendations.

More information on how we approach safety can be found in our safety fact sheet at <http://www.harmony.co.za/investors/news-and-events/fact-sheets>. Details on our safety performance for the past year and our targets for the coming financial year can be found in our integrated report, which will be published towards the end of October 2014.

3. INTERNATIONAL MINING INDUSTRY UNDERWRITERS' (IMIU) RISK ASSESSMENT

Our mining assets are insured for both business interruption as well as property risk. IMIU is a globally recognised market leader in insuring all types of mining, including underground exposures and is one of the lead insurers partaking in Harmony's asset insurance programme. All our mining assets are subject to an annual risk assessment by specialist engineers and IMIU's technical team assesses the merits of each and every risk that IMIU underwrites.

Harmony commenced with the annual IMIU surveys during 2003. Of significance is the continuous improvement in our operations' scores in comparison with IMIU's global average score. IMIU's 2014 global mining average is calculated based on 390 mining operations surveyed worldwide. 93% of Harmony's operations scored higher than the global average during 2014 in respect of the measures implemented to manage property and machinery risks. Overall, based on IMIU's insurability matrix, a steep improvement in our operations' overall property risk management has been evident especially over the past 3 years. This is indicative of the continued capital investment in our infrastructure to maintain safe operating conditions.

Our South African asset portfolio is subject to routine maintenance which is facilitated through an electronic system, as well as systemised continuous condition monitoring protocols. We continue to invest in security upgrades, metallurgical plant upgrades as well as the upgrade

and continuous maintenance of our existing asset portfolio.

4. GOLD MARKET

Harmony remains bullish about gold in the long term. Following the sharp price decline during 2013, capital expenditure in the gold industry has been reduced and many projects have been stalled or delayed. This is expected to lead to a reduction in world gold production, possibly from as early as 2015. Demand from central banks, especially in the East, is increasing and the long term demand trend for gold bars and coins is rising with a notable increase in demand from the East.

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In addition, total exchange traded funds' holdings have stabilised and physical demand rebounds strongly when the price declines. This confirms gold's long history as an investment tool and store of value. It remains a secure investment and while the price may fluctuate, gold will always be in demand.

The average rand gold price received decreased from R454 725/kg in financial year 2013 (FY13) to R432 165/kg in financial year 2014 (FY14).

The decrease was the result of a 19% decrease in the US dollar gold price received for FY14 – from US\$1 603/oz to US\$1 299/oz. The decrease in the US dollar gold price was partially offset by the weakening of the rand against the US dollar in FY14 to R10.35/US\$ (R8.82/US\$ in FY13).

5. OPERATIONAL RESULTS

Year on year

Gold production for FY14 increased by 3% to 36 453kg, compared to 35 374kg for financial year 2013, with a 4% decrease in all-in sustaining costs from R431 745/kg in FY13, to R413 433/kg in FY14.

The following operations showed marked improvements year on year:

- Kusaalethu (+1 954kg) increased its recovered grade by 7% from 3.85g/t to 4.11g/t. The previous year was severely affected by strikes and the increase in gold production in FY14 indicates the beginning of a return to normal production levels.
- Bambanani (+970kg) increased its recovered grade by 28% to 12.50g/t, while tonnes milled increased by 26% year on year, as the shaft pillar mining begins to ramp up.
- Hidden Valley (+648kg) had a significant turn around in its performance during FY14. A 15% improvement in the gold recovery grade was achieved (from 1.43g/t for FY13 to 1.65g/t in the year under review), while 9% more tonnes (at 2 001 000t) were milled during the year.
- Phakisa (+542kg) continues to build up its production, with a 13% increase in tonnes milled at 577 000t year on year. The recovered grade also improved by 9%, from 4.75g/t to 5.16g/t.
- Target 1 (+526kg) had a very good year, with a 5% improvement in recovered grade to 5.83g/t, well above its reserve grade combined with an 8% increase in tonnes milled at 771 000t.

The following operations' year on year performance was less encouraging:

- Doornkop (-1 028kg) – the accident in the March 2014 quarter and the closure of the Kimberley reef section resulted in a 2% decrease in recovered grade to 3.53g/t, while tonnes milled were also adversely affected.
- Masimong (-898kg) underperformed during the year with a 3% decrease in recovered grade and a 23% decrease in tonnes milled (from 868 000t to 670 000t).
- Joel (-893kg) suffered losses due to the shaft bottom that was flooded. Although this has been rectified, Joel's recovery grade was 19% lower year on year at 4.26g/t and in FY14, tonnes milled for FY14 also decreased by 10%.
- Dumps (-376kg) milled 13% less tonnes in FY14 and recovery grade was 18% lower at 0.31g/t (FY13:0.38g/t).

- Target 3's (-213kg) recovered grade decreased by 7% year on year (from 5.03g/to to 4.69g/t) while tonnes milled decreased by 7% to 301 000t.
 - Kalgold (-170kg) recorded a lower recovery grade for FY14 at 0.79g/t and throughput increased by 5% to 1 472 000t.
- Production profit for FY14 was R3.8 billion compared to R4.6 billion in FY13, mainly due to a 5% decrease in the rand gold price received and a 4% (R495 million) increase in cash operating costs for FY14.
- Operational capital expenditure for FY14 decreased by 19% to R2.5 billion as planned, compared to R3.1 billion in FY13, mainly due to a decrease in capital expenditure at Hidden Valley in Papua New Guinea (PNG).

Quarter on quarter

Gold production for the June 2014 quarter increased by 7% (567kg) from 8 368kg in the March 2014 quarter to 8 935kg in the June quarter. All-in sustaining costs remained steady at R428 383/kg.

Production profit for the quarter was R847 million compared to R924 million in the March 2014 quarter, mainly due to a lower rand gold price. The rand gold price received decreased by 3% from R450 528/kg in the March 2014 quarter to R435 775/kg in the June 2014 quarter. The decrease was as a result of the rand dollar exchange rate strengthening by 3% against the US dollar to R10.51/US\$. The US dollar gold price received for the June 2014 quarter of \$1 289/oz, was slightly lower than in the March quarter 2014.

Cash operating costs increased by 6% (R180 million) in the June 2014 quarter, mainly due to an increase in consumables as well as higher winter electricity tariffs for the South African operations.

Capital expenditure for the June 2014 quarter increased by 17% to R676 million, compared to R579 million in the March 2014 quarter, mainly at the South African underground operations.

6. OUR FY15 BUSINESS PLANS

We completed our business plans for FY15 in August 2014. Particular focus was placed on the following:

- improving operating margins
- robust and realistic operating planning
- increasing free cash flow through higher grades and cost control
- capital expenditure which ensures returns are made within a reasonable period of time.

We believe that our FY15 business plans adhere to the factors set out above. Every effort will be made to ensure that our performance exceeds market expectations.

7. FINANCIAL RESULTS

Year on year

Revenue

The 4% increase in gold sold from 34 970kg in FY13 to 36 288kg in FY14, was more than offset by a 5% decrease in average gold price received, resulting in a decrease in revenue of R220 million year on year.

Production costs

The annual production cost increase was well contained from R11.3 billion in FY13 to R11.9 billion in FY14, or 5%, despite high electricity and labour cost increases.

Other items in cost of sales

Other items included in cost of sales for the year ended 30 June 2014 include employment termination and restructuring costs of R274 million relating mainly to the voluntary retrenchment packages offered in South Africa and the restructuring at the Hidden Valley operation.

Loss per share

The loss per share of 293 SA cents for the year ended 30 June 2014 reduced from the loss per share of 543 SA cents for the year ended 30 June 2013.

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

Borrowings

Total borrowings increased by R322 million to R2 860 million in the year ended 30 June 2014. This is due to a total drawdown of US\$60 million (R612 million) and a foreign exchange translation loss of R155 million recorded on the US\$ syndicated facility during the year. This was partially offset by the repayment of R467 million made during the year on the Nedbank revolving credit facility.

Quarter on quarter

Impairment of assets

The impairment in the June 2014 quarter consists of an impairment of R1.38 billion in respect of Phakisa (includes goodwill of R1.31 billion), R7 million on Steyn 2 and R21 million on St Helena, following the annual life-of-mine reassessment.

The impairment recorded in respect of Phakisa resulted from the combination of a number of factors, including the removal of the decline project from the business plan, new revenue and cost estimates in the business plan, and using higher discount rates as determined by market parameters.

(Loss)/profit from associates

The June 2014 quarter includes the provision of the loss related to the inventory discrepancy at Rand Refinery of R127 million.

Deferred taxation

A deferred tax credit of R337 million was recorded following the net decrease in the deferred tax rates year on year for the South African companies.

Net (loss)/profit

The net loss for the June 2014 quarter was R1.22 billion, compared to a net profit of R31 million in the March 2014 quarter, mainly due to the impairment of R1.41 billion recorded.

(Loss)/profit per share

The loss per share of 282 SA cents in the June 2014 quarter reduced from the earnings per share of 7 SA cents in the March 2014 quarter.

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

The sale of the investment in Witwatersrand Consolidated Gold Resources Limited (Wits Gold) was completed during the June 2014 quarter and the consideration for the sale of R51 million was received in April 2014. The accumulated gains of R14 million were reclassified to the income statement and resulted in a profit on disposal.

8. GOLPU

The Golpu resource definition drilling program is now complete for FY14 and there are no new assay results to report this quarter. A conceptual study report on four, high-grade, sub-level cave start-up mine options was completed which has progressed into pre-feasibility study.

Mine options at 2.5 Mtpa and 5 Mtpa were selected for progression to pre-feasibility study level which will be completed when the gated process has been completed toward the end of the calendar year.

9. EMPLOYEE RELATIONS

The labour relations climate in Harmony and in the gold sector has remained relatively stable over the quarter under review.

10. BIO-ENERGY PROJECT

Harmony is implementing a bio-energy project involving the procreation of biocrops on mine-impacted land in the Free State to generate natural gas as a substitute for fossil fuels in the company's Harmony 1 Gold Plant elution and carbon regeneration circuits. Phase 1 of the project aims to deliver 71,000GJ of energy within 18 months with production being ramped up to generate 187,000GJ within 36 months. This project aims to turn mine-impacted land to account by creating a value-adding use for it and, in so doing, promote skills development and job creation for communities and ensure a sustainable legacy in the Free State.

As part of this process, we will convert electrical and polyfuel heating of elution water at our gold plants to biogas heating.

11. IN CONCLUSION

Our strategy is to focus on improving our margins, growing the value per share of our PNG assets and we intend identifying acquisition opportunities outside South Africa. We remain committed to positioning Harmony as a competitive, value focused gold mining company.

Graham Briggs

Chief Executive Officer

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Harmony's statement of Mineral Resources and Mineral Reserves as at 30 June 2014 is produced in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC).

This report only provides a summary of the update, while the detailed statement of the Mineral Resources and Mineral Reserves will be published in the Integrated Report on 23 October 2014, which will be available at www.harmony.co.za/investors. The Mineral Resources are reported inclusive of the Mineral Reserves. We use certain terms in this summary such as 'Measured', 'Indicated' and 'Inferred' Resources, which the United States' (US) Securities and Exchange Commission (SEC) guidelines strictly prohibit US-registered companies from including in their filings with the SEC. US investors are urged to closely consider the disclosure in our Form 20-F which will also be available after 23 October 2014.

The Company's attributable gold equivalent Mineral Resources are declared as 133.8 million ounces (Moz) as at 30 June 2014, a 9.4% decrease year-on-year from the 147.7Moz declared on 30 June 2013. The 9.4% decrease collectively represents depletion during the year and geology related changes. The gold Resource ounces in South Africa represent 69%, while Papua New Guinea (PNG) gold and gold equivalent ounces represent 31% of Harmony's total gold equivalent Resources as at 30 June 2014.

As at 30 June 2014, Harmony's attributable gold equivalent Mineral Reserves amounted to 49.5Moz of gold, a 3.9% decrease from the 51.5Moz declared on 30 June 2013. The 3.9% decrease collectively represents depletion during the year, a change in Reserves from surface sources together with some scope changes at some of the underground operations. The gold Reserve ounces in South Africa represent 57% while the PNG gold and gold equivalent ounces represent 43% of Harmony's total Reserves as at 30 June 2014.

There are no changes in the Reserves of Wafi-Golpu (jointly held by Harmony and Newcrest Mining Limited in a 50/50 joint venture) since the pre-feasibility study was completed in 2012. Changes to the Resources are as a result of additional drilling and a more robust geological model. On a 100% basis, Golpu continues to host high grade, quality Reserves of 450Mt, containing 12.4Moz of gold and 5.4 million tonnes (Mt) of copper.

In converting the Mineral Resources to Mineral Reserves the following parameters were applied:

- for the South African assets a gold price of R425 000/kg;
- the Hidden Valley operations and Wafi-Golpu project in the Morobe Mining Joint Venture applied prices of US\$1 250/oz Au, US\$21/oz Ag, US\$15/lb Mo and US\$3.10/lb Cu. For Wafi-Golpu, gold equivalent ounces are calculated assuming a US\$1400/oz Au and US\$3.10/lb Cu and for Hidden Valley US\$23.00/oz Ag with 100% recovery assumed for all metals.

Harmony's South African Mineral Resources were reviewed and audited by SRK Consulting Engineers and Scientists for compliance

with SAMREC. The Golpu Mineral Resources were audited by AMC Consultants Pty Ltd for compliance with the standards set out in JORC Code. Other Harmony Papua New Guinea Mineral Resources and Ore Reserves have been reviewed in previous years, but these reviews were not updated for this declaration as there have been no material changes to calculation methodologies.

Note: Au = gold; Cu = copper; Ag = Silver, Mo = Molybdenum

Summary of Mineral Resources and Mineral Reserves as at 30 June 2014

Measured

Indicated

Inferred

Total

Resources

Tonnes

(Mt)

g/t

Gold

'000oz

Tonnes

(Mt)

g/t

Gold

'000oz

Tonnes

(Mt)

g/t

Gold

'000oz

Tonnes

(Mt)

g/t

Gold

'000oz

SA underground

77.7

9.31

23 242

83.4

9.25

24 808

155.2

7.07

35 262

316.3

8.19

83 312

SA surface incl Kalgold

391.3

0.28

3 594

680.0

0.23	
5 198	
51.3	
0.47	
769	1 122.6
0.26	
9 561	
Total South Africa	
469.0	
26 836	
763.4	
30 006	
206.5	
36 031	1 438.9
92 873	
Hidden Valley*	
1.2	
1.15	
44	
48.7	
1.59	
2 505	
2.8	
1.24	
112	
52.7	
1.57	
2 661	
Wafi-Golpu system*	
–	
484.9	
0.74	
11 580	
140.0	
0.59	
2 649	
624.9	
0.71	
14 229	
Total Papua New Guinea	
1.2	
44	
533.6	
14 085	
142.8	
2 761	
677.6	
16 890	
Total gold Resources	
470.2	
26 880	1 297.0

44 091
349.3
38 792 2 116.5
109 763
 Hidden Valley – gold
 equivalent
 ounces*
 14
 792
 45
 850
 Wafi-Golpu – gold
 equivalent ounces*
 19 521
 3 620
 23 141
**Total Gold Equivalent
 Resources**
470.2
26 894 1 297.0
64 404
349.3
42 457 2 116.5
133 754
 Proved
 Probable
 Total
 Reserves
 Tonnes
 (Mt)
 g/t
 Gold
 '000oz
 Tonnes
 (Mt)
 g/t
 Gold
 '000oz
 Tonnes
 (Mt)
 g/t
 Gold
 '000oz
 SA underground
 54.4
 5.71
 9 978
 54.4
 5.67
 9 924
 108.8

5.69
 19 902
 SA surface incl Kalgold

361.0

0.28

3 303

608.7

0.24

4 739

969.7

0.26

8 042

Total South Africa

415.4

13 281

663.1

14 663 1 078.5

27 944

Hidden Valley*

1.1

1.13

41

27.0

1.78

1 547

28.1

1.76

1 588

Wafi-Golpu system*

225.0

0.86

6 194

225

0.86

6 194

Total Papua New Guinea

1.1

41

252.0

7 741

253.1

7 782

Total gold Reserves

416.5

13 322

915.1

22 404 1 331.6

35 726

Hidden Valley – gold equivalent ounces*

11

456

466

Wafi-Golpu – gold equivalent ounces*

13 265

13 265

Total Gold Equivalent Reserves

416.5

13 333

915.1

36 125 1 331.6

49 457

**Represents Harmony's 50% portion*

Summary update of Harmony's Mineral Resources and Mineral Reserves as at 30 June 2014

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

OPERATIONAL RESULTS – Quarter on quarter
(Rand/Metric) (US\$/Imperial)

Three
months
ended
Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Steyn 2

Joel

Ore milled

– t'000

Jun-14

286

161

146

247

156

206

49

152

Mar-14

226

102

138

232

164

181

61

88

Gold produced

– kg

Jun-14

1 353

532

763

1 188

616

998

549

619

Mar-14

929

434
752
1 024
660
1 173
806
345
Gold produced
– oz
Jun-14
43 500
17 104
24 531
38 195
19 805
32 086
17 651
19 901
Mar-14
29 868
13 953
24 177
32 922
21 219
37 713
25 914
11 092
Yield
– g/tonne
Jun-14
4.73
3.30
5.23
4.81
3.95
4.84
11.20
4.07
Mar-14
4.11
4.25
5.45
4.41
4.02
6.48
13.21
3.92
Cash operating
costs
– R/kg
Jun-14

349 534

521 910

367 172

296 997

396 333

283 327

301 040

283 733

Mar-14

463 848

582 786

335 239

325 056

356 248

219 864

209 318

450 803

Cash operating

costs

– US\$/oz

Jun-14

1 034

1 544

1 086

879

1 173

838

891

839

Mar-14

1 332

1 674

963

934

1 023

632

601

1 295

Cash operating

costs

– R/tonne

Jun-14

1 654

1 725

1 919

1 428

1 565

1 373

3 373

1 155

Mar-14

1 907

2 480

1 827

1 435

1 434

1 425

2 766

1 767

Gold sold

- Kg

Jun-14

1 131

458

759

1 181

612

1 103

545

544

Mar-14

1 118

491

722

983

634

1 035

774

390

Gold sold

- oz

Jun-14

36 362

14 725

24 402

37 970

19 676

35 462

17 522

17 490

Mar-14

35 944

15 786

23 213

31 604

20 384

33 276

24 884

12 539

Revenue

(R'000)

Jun-14

493 055

195 768

332 058

516 839

268 045

482 003

238 972

238 095

Mar-14

500 510

223 445

326 249

444 215

286 428

466 477

348 599

176 285

Cash operating

costs

(R'000)

Jun-14

472 920

277 656

280 152

352 833

244 141

282 760

165 271

175 631

Mar-14

430 915

252 929

252 100

332 857

235 124

257 900

168 710

155 527

Inventory

movement

(R'000)

Jun-14

(83 364)

(33 881)

(5 436)

(11 891)

(3 134)

21 428

2 285

(15 350)

Mar-14

64 740
20 837
(11 605)
(15 785)
(9 651)
(36 805)
(11 689)
3 609

Operating costs

(R'000)

Jun-14

389 556

243 775

274 716

340 942

241 007

304 188

167 556

160 281

Mar-14

495 655

273 766

240 495

317 072

225 473

221 095

157 021

159 136

Production profit

(R'000)

Jun-14

103 499

(48 007)

57 342

175 897

27 038

177 815

71 416

77 814

Mar-14

4 855

(50 321)

85 754

127 143

60 955

245 382

191 578

17 149

Production profit

(US\$'000)

Jun-14

9 844

(4 566)

5 454

16 730

2 571

16 913

6 793

7 401

Mar-14

449

(4 647)

7 921

11 742

5 629

22 662

17 694

1 584

Capital

expenditure

(R'000)

Jun-14

142 781

59 675

96 274

82 806

46 330

75 609

39 240

36 572

Mar-14

115 731

54 634

74 573

71 374

43 154

88 100

25 121

28 339

Capital

expenditure

(US\$'000)

Jun-14

13 581

5 676

9 157

7 876

4 407

7 192

3 732

3 479

Mar-14

10 688
5 046
6 887
6 592
3 985
8 136
2 321
2 617

**Adjusted
operating costs**

- R/kg

Jun-14
348 804
548 431
368 133
294 107
395 334
279 358
312 620
299 867

Mar-14
447 045
556 494
340 244
329 294
357 868
218 341
229 506
414 909

**Adjusted
operating costs**

- US\$/oz

Jun-14
1 032
1 622
1 089
870
1 170
826
925
887

Mar-14
1 284
1 599
977
946
1 028
627
659
1 192

**All-in sustaining
costs**

– R/kg

Jun-14

489 102

688 392

491 231

375 224

485 991

358 028

362 042

344 922

Mar-14

566 448

677 873

454 007

415 208

443 606

315 767

255 333

468 583

**All-in sustaining
costs**

– US\$/oz

Jun-14

1 447

2 037

1 453

1 110

1 438

1 059

1 071

1 020

Mar-14

1 627

1 947

1 304

1 193

1 274

907

733

1 346

9
South Africa
Hidden
Valley
Total
Harmony
Surface production
Total
South
Africa
Unisel
Target 3
Total
Underground
Phoenix
Dumps
Kalgold
Total
Surface
98
71
1 572
1 564
649
388
2 601
4 173
525
4 698
95
73
1 360
1 483
620
356
2 459
3 819
467
4 286
392
311
7 321
192
225
268
685
8 006
929
8 935
458
360

6 941
201
155
255
611
7 552
816
8 368
12 603
9 999
235 375
6 173
7 234
8 616
22 023
257 398
29 868
287 266
14 725
11 574
223 157
6 462
4 983
8 198
19 643
242 800
26 235
269 035
4.00
4.38
4.66
0.12
0.35
0.69
0.26
1.92
1.77
1.90
4.82
4.93
5.10
0.14
0.25
0.72
0.25
1.98
1.75
1.95
379 821
447 550
346 871

352 250
340 707
372 201
356 264
347 675
291 793
341 864
322 395
382 311
341 644
279 746
441 426
404 459
372 810
344 166
337 621
343 527
1 124
1 324
1 026
1 042
1 008
1 101
1 054
1 029
863
1 011
926
1 098
981
804
1 268
1 162
1 071
989
970
987
1 519
1 960
1 615
43
118
257
94
667
516
650
1 554
1 885
1 744
38

110
290
93
681
590
671
390
344
7 067
204
225
273
702
7 769
866
8 635
440
317
6 904
220
158
321
699
7 603
899
8 502
12 539
11 060
227 208
6 559
7 234
8 777
22 570
249 778
27 843
277 621
14 146
10 192
221 968
7 073
5 080
10 320
22 473
244 441
28 903
273 344
170 550
149 999
3 085 384
89 208
93 668

119 767
302 643
3 388 027
374 891
3 762 918
198 666
142 729
3 113 603
97 738
71 013
142 303
311 054
3 424 657
405 728
3 830 385
148 890
139 188
2 539 442
67 632
76 659
99 750
244 041
2 783 483
271 076
3 054 559
147 657
137 632
2 371 351
56 229
68 421
103 137
227 787
2 599 138
275 499
2 874 637
(1 117)
10 593
(119 867)
786
(203)
3 388
3 971
(115 896)
(23 155)
(139 051)
(6 375)
(19 718)
(22 442)
5 483
(415)
17 747

22 815
373
30 997
31 370
147 773
149 781
2 419 575
68 418
76 456
103 138
248 012
2 667 587
247 921
2 915 508
141 282
117 914
2 348 909
61 712
68 006
120 884
250 602
2 599 511
306 496
2 906 007
22 777
218
665 809
20 790
17 212
16 629
54 631
720 440
126 970
847 410
57 384
24 815
764 694
36 026
3 007
21 419
60 452
825 146
99 232
924 378
2 167
20
63 327
1 977
1 636
1 582
5 195

68 522
12 076
80 598
5 300
2 292
70 626
3 328
277
1 978
5 583
76 209
9 165
85 374
23 209
28 923
631 419
683
3 100
7 026
10 809
642 228
33 561
675 789
20 524
27 095
548 645
696
2 877
5 478
9 051
557 696
21 225
578 921
2 208
2 751
60 059
65
295
668
1 028
61 087
3 192
64 279
1 895
2 502
50 669
64
266
506
836
51 505

1 960
53 465
385 498
444 310
347 984
335 444
339 804
396 904
360 742
349 039
288 118
342 933
328 059
378 538
345 144
280 602
430 417
381 105
360 620
346 691
335 115
345 467
1 140
1 314
1 029
992
1 005
1 174
1 067
1 033
847
1 015
942
1 087
991
806
1 236
1 095
1 036
996
955
992
459 398
538 569
442 360
338 792
363 737
434 223
383 899
437 028
350 783

428 383

391 820

476 358

434 202

283 766

465 069

411 143

383 242

429 210

400 943

426 221

1 359

1 593

1 309

1 002

1 076

1 285

1 136

1 293

1 032

1 267

1 126

1 368

1 247

815

1 336

1 181

1 101

1 233

1 143

1 224

10

**Results for the fourth quarter FY14
and year ended 30 June 2014**

OPERATING RESULTS – Year on year
(Rand/Metric) (US\$/Imperial)

Year
ended
Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

Ore milled

– t'000

Jun-14

1 143

737

577

947

670

771

206

548

Jun-13

711

1 008

512

1 040

868

717

164

611

Gold produced

– kg

Jun-14

4 694

2 603

2 976

4 223

2 718

4 493

2 576

2 335

Jun-13

2 740

3 631

2 434

4 154

3 616

3 967

1 606

3 228

Gold produced

- oz

Jun-14

150 916

83 687

95 680

135 772

87 385

144 453

82 821

75 072

Jun-13

88 093

116 738

78 255

133 554

116 256

127 542

51 635

103 782

Yield

- g/tonne

Jun-14

4.11

3.53

5.16

4.46

4.06

5.83

12.50

4.26

Jun-13

3.85

3.60

4.75

3.99

4.17

5.53

9.79

5.28

Cash operating

costs

- R/kg

Jun-14

389 762

420 617

358 995

326 498

360 006

233 487

222 764

294 493

Jun-13

553 358

296 714

405 077

343 895

272 403

238 840

292 136

206 737

Cash operating

costs

– US\$/oz

Jun-14

1 171

1 264

1 079

981

1 082

702

669

885

Jun-13

1 951

1 046

1 428

1 212

960

842

1 030

729

Cash operating

costs

– R/tonne

Jun-14

1 601

1 486

1 852

1 456

1 460

1 361

2 786

1 255

Jun-13

2 132

1 069

1 926

1 374

1 135

1 321

2 861

1 092

Gold sold

- Kg

Jun-14

4 531

2 633

2 963

4 204

2 708

4 508

2 567

2 308

Jun-13

2 698

3 550

2 423

4 135

3 598

3 925

1 591

3 192

Gold sold

- oz

Jun-14

145 673

84 653

95 263

135 161

87 064

144 936

82 530

74 204

Jun-13

86 742

114 135

77 902

132 944

115 679

126 191

51 152

102 625

Revenue

(R'000)

Jun-14

1 959 013

1 126 208

1 283 570

1 822 120

1 170 982

1 947 595

1 110 756

994 583

Jun-13

1 212 834

1 615 027

1 102 618

1 886 777

1 639 903

1 794 310

717 434

1 451 977

Cash operating

costs

(R'000)

Jun-14

1 829 543

1 094 866

1 068 368

1 378 800

978 495

1 049 059

573 839

687 640

Jun-13

1 516 201

1 077 368

985 957

1 428 541

985 011

947 479

469 171

667 347

Inventory

movement

(R'000)

Jun-14

(76 931)

3 240

(7 240)

(13 782)

4 109

1 709

59

(19 618)

Jun-13

(32 663)

(35 084)

(3 626)

(1 514)

(10 316)

(10 387)

(13 307)

(13 356)

Operating costs

(R'000)

Jun-14

1 752 612

1 098 106

1 061 128

1 365 018

982 604

1 050 768

573 898

668 022

Jun-13

1 483 538

1 042 284

982 331

1 427 027

974 695

937 092

455 864

653 991

Production profit

(R'000)

Jun-14

206 401

28 102

222 442

457 102

188 378

896 827

536 858

326 561

Jun-13

(270 704)

572 743

120 287

459 750

665 208

857 218

261 570

797 986

Production profit

(US\$'000)

Jun-14

19 940

2 715

21 490

44 160

18 200

86 642

51 865

31 549

Jun-13

(30 685)

64 922

13 635

52 113

75 402

97 167

29 649

90 453

Capital

expenditure

(R'000)

Jun-14

508 869

237 922

360 120

300 518

167 874

289 408

124 967

144 903

Jun-13

419 566

285 427

337 462

310 494

170 610

331 010

115 390

159 682

Capital

expenditure

(US\$'000)

Jun-14

49 162

22 986

34 791

29 033

16 218

27 960

12 073

13 999

Jun-13

47 559

32 354

38 252

35 195

19 339

37 521

13 080

18 100

Adjusted

operating costs

– R/kg

Jun-14

395 061

429 415

365 692

331 640

371 056

237 627

234 117

296 210

Jun-13

571 058

301 531

415 213

354 213

281 455

245 026

297 064

213 772

Adjusted

operating costs

– US\$/oz

Jun-14

1 187

1 290

1 099

997

1 115

714

703

890

Jun-13

2 013

1 063

1 464

1 249

992

864

1 047

754

All-in sustaining

costs

– R/kg

Jun-14
522 347
523 839
486 710
415 061
450 210
312 436
263 867
338 957

Jun-13
742 033
380 935
549 340
441 108
346 557
338 405
325 497
252 342

**All-in sustaining
costs**

- US\$/oz

Jun-14
1 570
1 574
1 463
1 247
1 353
939
793
1 019

Jun-13
2 616
1 343
1 937
1 555
1 222
1 193
1 148
890

11

South Africa

Hidden

Valley

Total

Harmony

Surface production

Other

Total

South

Africa

Unisel

Target 3

Steyn 2

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

408

301

33

6 341

6 073

2 897

1 472

10 442

–

16 783

2 001

18 784

446

323

47

6 447

5 358

3 326

1 398

10 082

–

16 529

1 844

18 373

1 838

1 413

392

30 261

835

903

1 162
2 900
—
33 161
3 292
36 453
1 813
1 626
477
29 292
827
1 279
1 332
3 438
—
32 730
2 644
35 374
59 093
45 429
12 603
972 911
26 846
29 032
37 358
93 236
—
1 066 147
105 840
1 171 987
58 289
52 277
15 335
941 756
26 588
41 121
42 825
110 534
—
1 052 290
85 007
1 137 297
4.50
4.69
11.88
4.77
0.14
0.31
0.79
0.28
—

1.98
1.65
1.94
4.07
5.03
10.15
4.54
0.15
0.38
0.95
0.34
—
1.98
1.43
1.93
326 466
394 522
263 893
327 866
294 408
363 568
351 670
338 887
—
328 830
329 943
328 931
315 136
316 547
286 067
317 478
279 615
337 428
288 147
304 428
—
316 108
434 796
324 979
981
1 185
793
985
885
1 092
1 057
1 018
—
988
991
988

1 111
1 116
1 009
1 119
986
1 190
1 016
1 073
—
1 114
1 533
1 146
1 471
1 852
3 135
1 565
40
113
278
94
—
650
543
638
1 281
1 594
2 903
1 442
43
130
275
104
—
626
623
626
1 834
1 409
393
30 058
825
895
1 203
2 923
—
32 981
3 307
36 288
1 804
1 613
473

29 002
805
1 278
1 263
3 346
—
32 348
2 622
34 970
58 964
45 301
12 635
966 384
26 524
28 775
38 677
93 976
—
1 060 360
106 322
1 166 682
58 000
51 859
15 207
932 436
25 882
41 088
40 607
107 577
—
1 040 013
84 299
1 124 312
792 420
608 508
167 938
12 983 693
357 467
385 899
521 812
1 265 178
—
14 248 871
1 433 545
15 682 416
824 716
737 285
215 105
13 197 986
365 212
578 805

570 694
1 514 711
—
14 712 697
1 189 031
15 901 728
600 044
557 459
103 446
9 921 559
245 831
328 302
408 640
982 773
—
10 904 332
1 086 173
11 990 505
571 341
514 705
136 454
9 299 575
231 242
431 570
383 812
1 046 624
—
10 346 199
1 149 601
11 495 800
(280)
(622)
3 268
(106 088)
(5 116)
(4 492)
10 019
411
—
(105 677)
3 520
(102 157)
(4 018)
(6 242)
(1 552)
(132 065)
(6 306)
(4 707)
(27 909)
(38 922)
—

(170 987)

(4 079)

(175 066)

599 764

556 837

106 714

9 815 471

240 715

323 810

418 659

983 184

—

10 798 655

1 089 693

11 888 348

567 323

508 463

134 902

9 167 510

224 936

426 863

355 903

1 007 702

—

10 175 212

1 145 522

11 320 734

192 656

51 671

61 224

3 168 222

116 752

62 089

103 153

281 994

—

3 450 216

343 852

3 794 068

257 393

228 822

80 203

4 030 476

140 276

151 942

214 791

507 009

—

4 537 485

43 509

4 580 994

18 613
4 992
5 914
306 080
11 279
5 999
9 965
27 243
—
333 323
33 220
366 543
29 176
25 938
9 092
456 862
15 900
17 224
24 347
57 471
—
514 333
4 932
519 265
85 613
128 197
1 739
2 350 130
2 310
8 569
33 134
44 013
—
2 394 143
122 346
2 516 489
77 930
145 073
3 830
2 356 474
156 064
14 744
52 470
223 278
26 544
2 606 296
505 888
3 112 184
8 271
12 385
168

227 046
223
828
3 201
4 252
—
231 298
11 820
243 118
8 833
16 444
434
267 111
17 690
1 671
5 948
25 309
3 009
295 429
57 343
352 772
334 795
402 113
251 681
333 975
291 815
361 798
356 360
339 808
—
334 502
329 224
334 021
329 332
320 093
293 125
326 196
280 227
339 889
282 737
303 962
—
323 931
445 555
333 048
1 006
1 208
756
1 004
877
1 087

1 071

1 021

—

1 005

985

1 004

1 161

1 129

1 033

1 150

988

1 198

997

1 072

—

1 142

1 560

1 174

397 993

503 810

272 956

418 105

294 615

383 701

397 889

364 396

—

413 270

415 068

413 433

388 617

419 004

321 340

411 584

284 911

365 401

329 652

332 542

—

403 856

775 866

431 745

1 196

1 514

820

1 256

885

1 153

1 196

1 095

—

1 242
1 244
1 242
1 370
1 477
1 133
1 451
1 005
1 288
1 162
1 172
—
1 424
2 711
1 522

12

**Results for the fourth quarter FY14
and year ended 30 June 2014**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Rand)

Figures in million

Note

Quarter ended

Year ended

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)*

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(Restated)*

Continuing operations

Revenue

3 763

3 830

3 483

15 682

15 902

Cost of sales

3

(4 941)

(3 595)

(6 171)

(16 088)

(16 448)

Production costs

(2 916)

(2 906)

(2 812)

(11 888)

(11 321)

Amortisation and depreciation

(526)

(475)

(531)

(2 143)

(2 001)
Impairment of assets
(1 410)
(29)
(2 733)
(1 439)
(2 733)
Other items
(89)
(185)
(95)
(618)
(393)
Gross (loss)/profit
(1 178)
235
(2 688)
(406)
(546)
Corporate, administration and other expenditure
(112)
(109)
(127)
(431)
(465)
Social investment expenditure
(21)
(8)
(57)
(88)
(127)
Exploration expenditure
(114)
(90)
(219)
(458)
(673)
Profit on sale of property, plant and equipment
5
30
—
—
30
139
Other expenses (net)
8
(47)
(22)
(169)
(208)
(350)

Operating (loss)/profit

(1 442)

6

(3 260)

(1 561)

(2 022)

(Loss)/profit from associates

6

(125)

10

—

(108)

—

Profit on disposal/(impairment) of investments

7

14

—

—

7

(88)

Net gain/(loss) on financial instruments

32

25

(8)

170

173

Investment income

61

64

67

220

185

Finance cost

(101)

(59)

(57)

(277)

(256)

(Loss)/profit before taxation

(1 561)

46

(3 258)

(1 549)

(2 008)

Taxation

338

(15)

(239)

279

(655)

Normal taxation

1
 24
 78
 (24)
 (271)
 Deferred taxation
 337
 (39)
 (317)
 303
 (384)
Net (loss)/profit from continuing operations
(1 223)
31
(3 497)
(1 270)
(2 663)
 Discontinued operations
 Profit from discontinued operations
 –
 –
 –
 –
 314
Net (loss)/profit for the period
(1 223)
31
(3 497)
(1 270)
(2 349)
Attributable to:
 Owners of the parent
 (1 223)
 31
 (3 497)
 (1 270)
 (2 349)
(Loss)/earnings per ordinary share (cents)
 4
 (Loss)/earnings from continuing operations
 (282)
 7
 (808)
 (293)
 (616)
 Earnings from discontinued operations
 –
 –
 –
 –
 73

Total (loss)/earnings

(282)

7

(808)

(293)

(543)

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

4

(Loss)/earnings from continuing operations

(282)

7

(808)

(293)

(616)

Earnings from discontinued operations

—

—

—

—

73

Total diluted (loss)/earnings

(282)

7

(808)

(293)

(543)

** The audited June 2013 annual results and unaudited June 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 provisional financial statements (condensed consolidated financial statements) have been prepared

by Harmony Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry, supervised by the financial

director, Mr Frank Abbott. They have been approved by the board of Harmony Gold Mining Company Limited on 11 August 2014.

The condensed consolidated financial statements for the 12 months ended 30 June 2014 were reviewed by the group's external

auditors, PricewaterhouseCoopers Incorporated (see note 15).

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Rand)

Figures in million

Quarter ended

Year ended

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)*

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(Restated)*

Net (loss)/profit for the period

(1 223)

31

(3 497)

(1 270)

(2 349)

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

624

(416)

25

(140)

737

Items that may be reclassified subsequently to profit or loss:

655

(416)

25

(109)

737

Foreign exchange translation	
668	
(421)	
26	
(108)	
742	
Movements on investments	
(13)	
5	
(1)	
(1)	
(5)	
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)/income for the period	
(599)	
(385)	
(3 472)	
(1 410)	
(1 612)	
<i>Attributable to:</i>	
Owners of the parent	
(599)	
(385)	
(3 472)	
(1 410)	
(1 612)	

** The audited June 2013 annual results and unaudited June 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.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Rand)

for the year ended 30 June 2014

Figures in million

Note
Share
capital
Other
reserves
(Accumulated
loss)/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
–
237
–
237
Net loss for the period
–
–
(1 270)
(1 270)
Other comprehensive loss for the period
–
(140)
–
(140)
Balance – 30 June 2014 (Reviewed)
28 325
3 539
(822)
31 042
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
Issue of shares
1
–
–
1
Share-based payments
(7)
274
–
267
Net loss for the period
–
–
(2 349)
(2 349)
Other comprehensive income for the period
–
737
–
737
Option premium on BEE transaction
–
2
–
2
Share of retained earnings on acquisition of associate
–
–
19
19
Dividends paid
1
–
–
(435)
(435)
Balance – 30 June 2013
28 325
3 442
448
32 215

** The audited June 2013 and 2012 annual 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

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.

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

CONDENSED CONSOLIDATED BALANCE SHEETS

(Rand)

Figures in million

Note

At

30 June

2014

(Reviewed)

At

31 March

2014

(Unaudited)

At

30 June

2013

(Audited)

(Restated)*

ASSETS

Non-current assets

Property, plant and equipment

5

33 069

32 400

32 732

Intangible assets

5

886

2 194

2 191

Restricted cash

42

40

37

Restricted investments

2 299

2 225

2 054

Deferred tax assets

81

84

104

Investments in associates

6

–

125

109

Investments in financial assets

4

4

49

Inventories

50

57

57

Total non-current assets

36 431

37 129

37 333

Current assets

Inventories

1 534

1 306

1 417

Trade and other receivables

951

900

1 162

Income and mining taxes

110

141

132

Restricted cash

15

15

—

Cash and cash equivalents

1 829

2 008

2 089

4 439

4 370

4 800

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

7

—

51

—

Total current assets

4 439

4 421

4 800

Total assets

40 870

41 550

42 133

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

28 325

28 325
28 325
Other reserves
3 539
2 907
3 442
(Accumulated loss)/retained earnings
(822)
401
448
Total equity
31 042
31 633
32 215
Non-current liabilities
Deferred tax liabilities
2 680
3 029
3 021
Provision for environmental rehabilitation
2 098
2 020
1 997
Retirement benefit obligation
247
205
194
Other non-current liabilities
95
67
55
Borrowings
8
2 860
2 843
2 252
Total non-current liabilities
7 980
8 164
7 519
Current liabilities
Borrowings
8
—
—
286
Income and mining taxes
—
3
4
Trade and other payables

1 848

1 750

2 109

Total current liabilities

1 848

1 753

2 399

Total equity and liabilities

40 870

41 550

42 133

** The audited June 2013 annual 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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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(Rand)

Figures in million

Quarter ended

Year ended

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

30 June

2014

(Reviewed)

30 June

2013

(Audited)

Cash flow from operating activities

Cash generated by operations

431

755

221

2 124

3 154

Interest and dividends received

40

34

48

132

138

Interest paid

(32)

(39)

(40)

(121)

(125)

Income and mining taxes refunded/(paid)

31

–

(129)

3

(312)

Cash generated by operating activities

470

750

100

2 138

2 855

Cash flow from investing activities

Increase in restricted cash

(3)

(3)

—

(6)

—

Increase in restricted investments

(17)

—

—

(17)

—

Proceeds on disposal of investments

51

—

—

51

—

Proceeds on disposal of investment in subsidiary

—

—

—

—

1 264

Purchase of investments

—

—

(14)

—

(86)

Other investing activities

—

—

(1)

(10)

(4)

Net additions to property, plant and equipment

1

(687)

(599)

(938)

(2 528)

(3 652)

Cash utilised by investing activities

(656)

(602)

(953)

(2 510)

(2 478)

Cash flow from financing activities

Borrowings raised

–

–

–

612

678

Borrowings repaid

–

(462)

(156)

(468)

(333)

Ordinary shares issued – net of expenses

–

–

1

–

1

Option premium on BEE transaction

–

–

2

–

2

Dividends paid

–

–

–

–

(435)

Cash (utilised)/generated by financing activities

–

(462)

(153)

144

(87)

Foreign currency translation adjustments

7

(1)

(4)

(32)

26

Net (decrease)/increase in cash and cash equivalents

(179)

(315)

(1 010)

(260)

316

Cash and cash equivalents – beginning of period

2 008

2 323

3 099

2 089

1 773

Cash and cash equivalents – end of period

1 829

2 008

2 089

1 829

2 089

1

The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of R537 million and the June 2013 quarter R133 million.

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

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2014 (Rand)

1.

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the year ended 30 June 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 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

IFRS 12

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 for the prior years.

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

The group only has a joint arrangement in PNG, through its 50% interest in mining and exploration assets located in Morobe province. These operations are classified as joint operations under IFRS 11. The joint operations were previously accounted for by proportional consolidation.

Going forward, the group will account for its interest in assets, liabilities, revenue and expenses of these unincorporated joint operations.

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 on

1 July 2011.

The comparative periods presented have been restated. The restatement had no effect on the condensed consolidated cash flow statements.

The results for the years ended 30 June 2013 and 2012 and the financial position at these dates have been audited but the restatement of the

results and balances affected by IFRIC 20 have not been audited.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

for the year ended 30 June 2014 (Rand)

Reconciliation of the effect of the change in accounting standard:

Condensed consolidated income statements

Figures in million

Quarter ended

30 June

2013

(Unaudited)

Year ended

30 June

2013

(Audited)

Cost of sales

Production costs

As previously reported

(2 844)

(11 400)

IFRIC 20 adjustment

32

79

Restated

(2 812)

(11 321)

Amortisation and depreciation

As previously reported

(501)

(1 942)

IFRIC 20 adjustment

(30)

(59)

Restated

(531)

(2 001)

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

2

20

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

Condensed consolidated statements of comprehensive income

Figures in million

Quarter ended

30 June

2013

(Unaudited)

Year ended

30 June

2013

(Audited)

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

2

20

Other comprehensive income for the period net of income tax

Foreign exchange translation

As previously reported

26

749

IFRIC 20 adjustment

–

(7)

Restated

26

742

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

2

13

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

Condensed consolidated balance sheets

Figures in million

At

30 June

2013

(Audited)

At

30 June

2012

(Audited)

Non-current assets

Property, plant and equipment

As previously reported

32 820

32 853

IFRIC 20 adjustment

(88)

(93)

Restated

32 732

32 760

Current assets

Inventories

As previously reported

1 425

996

IFRIC 20 adjustment

(8)

(16)

Restated

1 417

980

Share capital and reserves

Other reserves

As previously reported

3 464

2 444

IFRIC 20 adjustment

1

(22)

(15)

Restated

3 442

2 429

Retained earnings

As previously reported

522

3 307

IFRIC 20 adjustment

(74)

(94)

Restated

448

3 213

Decrease in total equity

(96)

(109)

1

Translation effect of the IFRIC 20 adjustments on foreign operations.

18

**Results for the fourth quarter FY14
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

for the year ended 30 June 2014 (Rand)

Loss and headline (loss)/earnings per share

Quarter ended

30 June

2013

(Unaudited)

Year ended

30 June

2013

(Audited)

Total basic and diluted loss per share (cents)

As previously reported

(809)

(548)

IFRIC 20 adjustment

1

5

Restated

(808)

(543)

Total headline (loss)/earnings

Figures in million

As previously reported

(804)

204

IFRIC 20 adjustment

2

20

Restated

(802)

224

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

As previously reported

(186)

47

IFRIC 20 adjustment

1

5

Restated

(185)

52

3.

Cost of sales

Figures in million

Quarter ended

Year ended

30 June
2014
(Unaudited)
31 March
2014
(Unaudited)
30 June
2013
(Unaudited)
(Restated)*
30 June
2014
(Reviewed)
30 June
2013
(Audited)
(Restated)*
Production costs – excluding royalty
2 891
2 881
2 767
11 761
11 104
Royalty expense
25
25
45
127
217
Amortisation and depreciation
526
475
531
2 143
2 001
Impairment of assets
1
1 410
29
2 733
1 439
2 733
Rehabilitation (credit)/expenditure
2
(9)
17
(40)
8
(24)
Care and maintenance cost of restructured shafts
13

16
16
66
68
Employment termination and restructuring costs
3
40
90
39
274
46
Share-based payments
44
62
45
270
266
Other
1
–
35
–
37
Total cost of sales
4 941
3 595
6 171
16 088
16 448

* The audited June 2013 annual results and unaudited June 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 impairment in the June 2014 quarter consists of an impairment of R1.38 billion on Phakisa, R7 million on Steyn 2 (March 2014: R29 million) and R21 million on St Helena. The June 2013 impairment consists of an impairment of R2.7 billion on Hidden Valley, R31 million on St Helena and R27 million on Steyn 2. Refer to note 5 for further details.

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 are amounts relating to the restructuring at Hidden Valley and the voluntary retrenchment packages offered in South Africa.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

for the year ended 30 June 2014 (Rand)

4.

Earnings/(loss) per share

Quarter ended

Year ended

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)*

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(Restated)*

Weighted average number of shares (million)

433.9

433.3

432.6

433.2

431.9

Weighted average number of diluted shares (million)

435.2

434.6

433.1

434.7

432.7

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

Basic (loss)/earnings

(282)

7

(808)

(293)

(543)

Diluted (loss)/earnings

(282)

7

(808)

(293)

(543)

Headline earnings/(loss)

30
 12
 (185)
 26
 52
 – from continuing operations
 30
 12
 (185)
 26
 3
 – from discontinued operations

–
 –
 –
 49
 Diluted headline earnings/(loss)

30
 12
 (185)
 26
 52
 – from continuing operations
 30
 12
 (185)
 26
 3
 – from discontinued operations

–
 –
 –
 49
 Figures in million

Reconciliation of headline earnings/(loss):

Continuing operations

Net (loss)/profit

(1 223)

31

(3 497)

(1 270)

(2 663)

Adjusted for:

(Profit on disposal)/impairment of investments

1

(14)

–

–

(7)

88

Impairment of assets

1 410

29

2 733

1 439

2 733

Taxation effect on impairment of assets

(20)

(8)

(38)

(24)

(38)

Profit on sale of property, plant and equipment

(30)

—

—

(30)

(139)

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

6

—

—

6

31

Headline earnings/(loss)

129

52

(802)

114

12

Discontinued operations

Net profit

—

—

—

—

314

Adjusted for:

Profit on sale of investment in subsidiary

1

—

—

—

—

(102)

Headline earnings

—

—

—

-
212
Total headline earnings/(loss)
129
52
(802)
114
224

1

There is no taxation effect on these items.

** The audited June 2013 annual results and unaudited June 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.*

20

**Results for the fourth quarter FY14
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

for the year ended 30 June 2014 (Rand)

5.

Property, plant and equipment and intangible assets

(a) Impairment

One of the most significant assumptions that influence the life-of-mine plans and therefore impairment is the expected gold price.

During this year's planning and testing, we used a long term gold price of US\$1 300 per ounce and exchange rates of R10.17/US\$,

A\$0.92/US\$ and PGK0.404/US\$. Post-tax real discount rates ranging between 7.03% and 11.56% (2013: 6.21% and 10.20%), depending

on the asset, were used to determine the recoverable amounts (generally fair value less costs to sell).

During the 2014 year, an impairment of R1.38 billion was recognised on Phakisa, following a change in the life-of-mine plan during the

annual planning process, combined with the factors discussed above. The change resulted after the completion of a feasibility study on the

proposed decline shaft, which showed a large amount of capital required, leading to negative cash flows in the short and medium term.

Management therefore decided not to proceed with the sinking of the decline shaft. The impairment comprises of R1.31 billion goodwill

and R0.07 billion other assets. The recoverable amount of Phakisa is R4.26 billion.

Impairments on Steyn 2 (R36 million) and St Helena (R21 million) were recognised following the decision not to mine these operations in

future. The operations were impaired to the recoverable amount of Rnil.

A 10% decrease in the gold price used in the models as well as a 10% decrease in the silver price for Hidden Valley would have resulted

in an additional impairment at Kalgold of R23 million, Phakisa R1.0 billion, Target 1 of R 704 million and Hidden Valley of R1.5 billion.

(b) Profit on sale of property, plant and equipment

During May 2014, the ground swap between Joel mine and Sibanye's Beatrix mine was completed, resulting in a non-cash profit being

recognised for the difference between carrying value of the Joel portion and the fair value of the Beatrix portion.

6.

Investment in associate

Harmony holds a 10.38% share in Rand Refinery Proprietary Limited (Rand Refinery) as at 30 June 2014 and has equity accounted for its share

of the profits based on Rand Refinery's most recent available 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 and therefore has not been able to finalise its annual financial

statements for the year. 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. Thus far a discrepancy has been noted between the actual inventory and the accounting records of approximately 87 000 ounces of gold. Due to the uncertainty surrounding the matter, Harmony has provided for its full share of the loss. 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.

7.

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 represented Harmony's fair value stake in Wits Gold was classified as a non-current asset held for sale (formerly classified as Investment in financial assets) under IFRS 5. On 14 April 2014, a total consideration of R51 million was received. The accumulated gains recognised in equity were reclassified to the income statement, resulting in a profit on disposal.

8.

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 R155 million being recorded for the year, 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 lender 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.

21NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

for the year ended 30 June 2014 (Rand)

9.**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 June

2014

(Reviewed)

At

31 March

2014

(Unaudited)

At

30 June

2013

(Audited)

Available-for-sale financial assets

1

*

Level 1

–

51

44

Level 2

–

–

–

Level 3

4

4

5

Fair value through profit or loss

2

*

Level 1

–

–

–

Level 2

798

768
1 041
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 not 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.*

10. Commitments and contingencies

Figures in million

At

30 June

2014

(Reviewed)

At

31 March

2014

(Unaudited)

At

30 June

2013

(Audited)

Capital expenditure commitments:

Contracts for capital expenditure

157

245

416

Authorised by the directors but not contracted for

519

491

1 545

676

736

1 961

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 integrated annual report for the financial year ended 30 June 2013,

available on the group's website (www.harmony.co.za). There were no significant changes in contingencies since 30 June 2013 except as discussed below.

(a) US class action

Following the dismissal of the appeal by the plaintiff in the United States Supreme Court, the case has been concluded. The matter will be settled once the administrative processes have been completed.

11. 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, financial director, purchased 65 600 shares in the company.

12. Subsequent events

(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 6 for further details.

13. Segment report

The segment report follows on page 23.

22

**Results for the fourth quarter FY14
and year ended 30 June 2014**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

for the year ended 30 June 2014 (Rand)

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

Figures in million

Year ended

30 June

2014

(Reviewed)

30 June

2013

(Audited)

(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 loss

Total segment revenue

15 682

16 776

Total segment production costs

(11 888)

(11 854)

Production profit per segment report

3 794

4 922

Discontinued operations

–

(341)

Production profit from continuing operations

3 794

4 581

Depreciation

(2 143)

(2 001)

Impairment

(1 439)

(2 733)

Other cost of sales items

(618)

(393)

Gross loss as per income statements

1

(406)

(546)

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 June

2014

(Reviewed)

At

30 June

2013

(Audited)

(Restated)*

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

Property, plant and equipment not allocated to a segment

Mining assets

787

836

Undeveloped property

5 139

5 139

Other non-mining assets

117

286

Wa -Golpu assets

1 092

1 148

7 135

7 409

** The year ended June 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.*

15. Review report

These condensed consolidated financial statements for the year ended 30 June 2014 on pages 12 to 23 have been reviewed by

PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for

inspection at the company's registered office, together with the financial statements identified in the auditor's report.

23

Segment report

(Rand/Metric)

for the year ended 30 June 2014

Revenue

30 June

Production cost*

30 June

Production

profit/(loss)*

30 June

Mining assets*

30 June

Capital expenditure#

30 June

Kilograms produced

@

30 June

Tonnes milled

@

30 June

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

1 959

1 213

1 753

1 484

206
(271)
3 616
3 435
509
420
4 694
2 740
1 143
711
Doornkop
1 126
1 615
1 098
1 042
28
573
3 386
3 378
238
285
2 603
3 631
737
1 008
Phakisa
1 284
1 103
1 061
982
223
121
4 590
4 547
360
337
2 976
2 434
577
512
Tshepong
1 822
1 887
1 365
1 427
457
460
3 941
3 877
301
310

4 223

4 154

947

1 040

Masimong

1 171

1 640

983

975

188

665

1 060

989

168

171

2 718

3 616

670

868

Target 1

1 948

1 794

1 051

937

897

857

2 770

2 704

289

331

4 493

3 967

771

717

Bambanani

(a)

1 279

932

681

591

598

341

841

882

127

119

2 968

2 083

239

211

Joel

995
1 452
668
654
327
798
450
290
145
160
2 335
3 228
548
611
Unisel
792
825
600
567
192
258
663
656
85
78
1 838
1 813
408
446
Target 3
609
737
557
508
52
229
542
457
128
145
1 413
1 626
301
323
Surface
All other surface operations
1 263
1 515
981
1 008
282

507
473
250
44
250
2 900
3 438
10 442
10 082
Total South Africa
14 248
14 713
10 798
10 175
3 450
4 538
22 332
21 465
2 394
2 606
33 161
32 730
16 783
16 529
International
Hidden Valley
1 434
1 189
1 090
1 146
344
43
3 602
3 858
122
506
3 292
2 644
2 001
1 844
Total international
1 434
1 189
1 090
1 146
344
43
3 602
3 858
122
506

3 292
2 644
2 001
1 844
Total continuing operations
15 682
15 902
11 888
11 321
3 794
4 581
25 934
25 323
2 516
3 112
36 453
35 374
18 784
18 373
Discontinued operations
Evander
—
874
—
533
—
341
—
—
—
140
—
1 955
—
390
Total discontinued operations
—
874
—
533
—
341
—
—
—
140
—
1 955
—

390

Total operations

15 682

16 776

11 888

11 854

3 794

4 922

25 934

25 323

2 516

3 252

36 453

37 329

18 784

18 763

Reconciliation of the
segment information to
the condensed consolidated
financial statements
(refer to note 14)

—

(874)

—

(533)

7 135

7 409

15 682

15 902

11 888

11 321

33 069

32 732

** The June 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.*

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of R12 million (2013: R537 million).

(a) Includes Steyn 2.

@ Production statistics are unaudited.

The segment report for the year ended 30 June 2013 has been audited. The segment report for the year ended 30 June 2014 has been reviewed.

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

OPERATIONAL RESULTS – Quarter on quarter
(US\$/Imperial)

Three
months
ended

Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Steyn 2

Joel

Ore milled

– t'000

Jun-14

315

178

161

272

172

227

54

168

Mar-14

249

112

152

256

181

200

67

97

Gold produced

– oz

Jun-14

43 500

17 104

24 531

38 195

19 805

32 086

17 651

19 901

Mar-14

29 868

13 953
24 177
32 922
21 219
37 713
25 914
11 092

Yield

– oz/tonne

Jun-14

0.138

0.096

0.152

0.140

0.115

0.141

0.327

0.118

Mar-14

0.120

0.125

0.159

0.129

0.117

0.189

0.387

0.114

Cash operating

costs

– US\$/oz

Jun-14

1 034

1 544

1 086

879

1 173

838

891

839

Mar-14

1 332

1 674

963

934

1 023

632

601

1 295

Cash operating

costs

– US\$/tonne

Jun-14

143

148

166

123

135

118

291

99

Mar-14

160

209

153

120

120

119

233

148

Gold sold

- oz

Jun-14

36 362

14 725

24 402

37 970

19 676

35 462

17 522

17 490

Mar-14

35 944

15 786

23 213

31 604

20 384

33 276

24 884

12 539

Revenue

(US\$'000)

Jun-14

46 897

18 620

31 584

49 159

25 495

45 846

22 730

22 646

Mar-14

46 225

20 636
 30 131
 41 025
 26 453
 43 081
 32 195
 16 281

Cash operating

costs

(US\$'000)

Jun-14

44 982

26 409

26 647

33 560

23 222

26 895

15 720

16 705

Mar-14

39 797

23 359

23 282

30 741

21 715

23 818

15 581

14 364

Inventory

movement

(US\$'000)

Jun-14

(7 929)

(3 223)

(517)

(1 131)

(298)

2 038

217

(1 460)

Mar-14

5 979

1 924

(1 072)

(1 458)

(891)

(3 399)

(1 080)

333

Operating costs

(US\$'000)

Jun-14

37 053

23 186

26 130

32 429

22 924

28 933

15 937

15 245

Mar-14

45 776

25 283

22 210

29 283

20 824

20 419

14 501

14 697

Production profit

(US\$'000)

Jun-14

9 844

(4 566)

5 454

16 730

2 571

16 913

6 793

7 401

Mar-14

449

(4 647)

7 921

11 742

5 629

22 662

17 694

1 584

Capital

expenditure

(US\$'000)

Jun-14

13 581

5 676

9 157

7 876

4 407

7 192

3 732

3 479

Mar-14

10 688
5 046
6 887
6 592
3 985
8 136
2 321
2 617

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

Jun-14

1 032
1 622
1 089
870
1 170
826
925
887

Mar-14

1 284
1 599
977
946
1 028
627
659
1 192

**All-in sustaining
costs**

– US\$/oz

Jun-14

1 447
2 037
1 453
1 110
1 438
1 059
1 071
1 020

Mar-14

1 627
1 947
1 304
1 193
1 274
907
733
1 346

25

South Africa

Hidden

Valley

Total

Harmony

Surface production

Total

South

Africa

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

108

78

1 733

1 725

716

428

2 869

4 602

579

5 181

105

80

1 499

1 635

684

393

2 712

4 211

515

4 726

12 603

9 999

235 375

6 173

7 234

8 616

22 023

257 398

29 868

287 266

14 725

11 574

223 157
6 462
4 983
8 198
19 643
242 800
26 235
269 035
0.117
0.128
0.136
0.004
0.010
0.020
0.008
0.056
0.052
0.055
0.140
0.145
0.149
0.004
0.007
0.021
0.007
0.058
0.051
0.057
1 124
1 324
1 026
1 042
1 008
1 101
1 054
1 029
863
1 011
926
1 098
981
804
1 268
1 162
1 071
989
970
987
131
170
139

4
10
22
8
58
45
56
130
159
146
3
9
24
8
57
49
56
12 539
11 060
227 208
6 559
7 234
8 777
22 570
249 778
27 843
277 621
14 146
10 192
221 968
7 073
5 080
10 320
22 473
244 441
28 903
273 344
16 222
14 267
293 466
8 485
8 909
11 392
28 786
322 252
35 658
357 910
18 348
13 182
287 557
9 027

6 558
13 142
28 727
316 284
37 471
353 755
14 161
13 239
241 540
6 433
7 292
9 488
23 213
264 753
25 784
290 537
13 637
12 711
219 005
5 193
6 319
9 525
21 037
240 042
25 443
265 485
(106)
1 008
(11 401)
75
(19)
322
378
(11 023)
(2 202)
(13 225)
(589)
(1 821)
(2 074)
506
(38)
1 639
2 107
33
2 863
2 896
14 055
14 247
230 139
6 508
7 273

9 810
23 591
253 730
23 582
277 312
13 048
10 890
216 931
5 699
6 281
11 164
23 144
240 075
28 306
268 381
2 167
20
63 327
1 977
1 636
1 582
5 195
68 522
12 076
80 598
5 300
2 292
70 626
3 328
277
1 978
5 583
76 209
9 165
85 374
2 208
2 751
60 059
65
295
668
1 028
61 087
3 192
64 279
1 895
2 502
50 669
64
266
506

836
51 505
1 960
53 465
1 140
1 314
1 029
992
1 005
1 174
1 067
1 033
847
1 015
942
1 087
991
806
1 236
1 095
1 036
996
955
992
1 359
1 593
1 309
1 002
1 076
1 285
1 136
1 293
1 032
1 267
1 126
1 368
1 247
815
1 336
1 181
1 101
1 233
1 143
1 224

26

**Results for the fourth quarter FY14
and year ended 30 June 2014**

OPERATING RESULTS – Year on year
(US\$/Imperial)

Year
ended
Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

Ore milled

– t'000

Jun-14

1 260

812

636

1 044

739

851

227

604

Jun-13

784

1 112

565

1 147

958

790

180

674

Gold produced

– oz

Jun-14

150 916

83 687

95 680

135 772

87 385

144 453

82 821

75 072

Jun-13

88 093

116 738

78 255

133 554

116 256

127 542

51 635

103 782

Yield

- oz/tonne

Jun-14

0.120

0.103

0.150

0.130

0.118

0.170

0.365

0.124

Jun-13

0.112

0.105

0.139

0.116

0.121

0.161

0.287

0.154

Cash operating

costs

- US\$/oz

Jun-14

1 171

1 264

1 079

981

1 082

702

669

885

Jun-13

1 951

1 046

1 428

1 212

960

842

1 030

729

Cash operating

costs

- US\$/tonne

Jun-14

140

130
162
128
128
119
244
110
Jun-13
219
110
198
141
117
136
295
112
Gold sold
- oz
Jun-14
145 673
84 653
95 263
135 161
87 064
144 936
82 530
74 204
Jun-13
86 742
114 135
77 902
132 944
115 679
126 191
51 152
102 625
Revenue
(US\$'000)
Jun-14
189 260
108 803
124 006
176 035
113 129
188 157
107 310
96 087
Jun-13
137 477
183 066
124 984

213 869

185 886

203 388

81 322

164 584

Cash operating

costs

(US\$'000)

Jun-14

176 752

105 775

103 215

133 206

94 532

101 350

55 439

66 433

Jun-13

171 864

122 121

111 760

161 928

111 653

107 398

53 181

75 645

Inventory

movement

(US\$'000)

Jun-14

(7 432)

313

(699)

(1 331)

397

165

6

(1 895)

Jun-13

(3 702)

(3 977)

(411)

(172)

(1 169)

(1 177)

(1 508)

(1 514)

Operating costs

(US\$'000)

Jun-14

169 320

106 088

102 516

131 875

94 929

101 515

55 445

64 538

Jun-13

168 162

118 144

111 349

161 756

110 484

106 221

51 673

74 131

Production profit

(US\$'000)

Jun-14

19 940

2 715

21 490

44 160

18 200

86 642

51 865

31 549

Jun-13

(30 685)

64 922

13 635

52 113

75 402

97 167

29 649

90 453

Capital

expenditure

(US\$'000)

Jun-14

49 162

22 986

34 791

29 033

16 218

27 960

12 073

13 999

Jun-13

47 559

32 354

38 252
35 195
19 339
37 521
13 080
18 100

**Adjusted
operating costs**

– \$/oz

Jun-14

1 187

1 290

1 099

997

1 115

714

703

890

Jun-13

2 013

1 063

1 464

1 249

992

864

1 047

754

**All-in sustaining
costs**

– \$/oz

Jun-14

1 570

1 574

1 463

1 247

1 353

939

793

1 019

Jun-13

2 616

1 343

1 937

1 555

1 222

1 193

1 148

890

27

South Africa

Hidden

Valley

Total

Harmony

Surface production

Other

Total

South

Africa

Unisel

Target 3

Steyn 2

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

450

331

36

6 990

6 697

3 196

1 623

11 516

–

18 506

2 207

20 713

492

355

51

7 108

5 908

3 668

1 542

11 118

–

18 226

2 033

20 259

59 093

45 429

12 603

972 911

26 846

29 032

37 358

93 236

-

1 066 147

105 840

1 171 987

58 289

52 277

15 335

941 756

26 588

41 121

42 825

110 534

-

1 052 290

85 007

1 137 297

0.131

0.137

0.350

0.139

0.004

0.009

0.023

0.008

-

0.058

0.048

0.057

0.118

0.147

0.301

0.132

0.005

0.011

0.028

0.010

-

0.058

0.042

0.056

981

1 185

793

985

885

1 092

1 057

1 018

-

988
991
988
1 111
1 116
1 009
1 119
986
1 190
1 016
1 073
—
1 114
1 533
1 146
129
163
278
137
4
10
24
8
—
57
48
56
132
164
303
148
4
13
28
11
—
64
64
64
58 964
45 301
12 635
966 384
26 524
28 775
38 677
93 976
—
1 060 360
106 322
1 166 682

58 000
51 859
15 207
932 436
25 882
41 088
40 607
107 577
—
1 040 013
84 299
1 124 312
76 556
58 788
16 224
1 254 355
34 535
37 282
50 412
122 229
—
1 376 584
138 495
1 515 079
93 483
83 573
24 383
1 496 015
41 397
65 609
64 689
171 695
—
1 667 710
134 779
1 802 489
57 970
53 856
9 994
958 522
23 750
31 717
39 479
94 946
—
1 053 468
104 935
1 158 403
64 762
58 343
15 467

1 054 122
26 212
48 919
43 506
118 637
—
1 172 759
130 309
1 303 068
(27)
(60)
316
(10 247)
(494)
(434)
968
40
—
(10 207)
340
(9 867)
(455)
(708)
(176)
(14 969)
(715)
(534)
(3 164)
(4 413)
—
(19 382)
(462)
(19 844)
57 943
53 796
10 310
948 275
23 256
31 283
40 447
94 986
—
1 043 261
105 275
1 148 536
64 307
57 635
15 291
1 039 153
25 497
48 385

40 342
114 224
—
1 153 377
129 847
1 283 224
18 613
4 992
5 914
306 080
11 279
5 999
9 965
27 243
—
333 323
33 220
366 543
29 176
25 938
9 092
456 862
15 900
17 224
24 347
57 471
—
514 333
4 932
519 265
8 271
12 385
168
227 046
223
828
3 201
4 252
—
231 298
11 820
243 118
8 833
16 444
434
267 111
17 690
1 671
5 948
25 309
3 009

295 429
57 343
352 772
1 006
1 208
756
1 004
877
1 087
1 071
1 021
- **1 005**
985
1 004
1 161
1 129
1 033
1 150
988
1 198
997
1 072
- 1 142
1 560
1 174
1 196
1 514
820
1 256
885
1 153
1 196
1 095
- **1 242**
1 244
1 242
1 370
1 477
1 133
1 451
1 005
1 288
1 162
1 172
- 1 424
2 711
1 522

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(US\$)

(Convenience translation)

Figures in million

Quarter ended

Year ended

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)*

30 June

2014

(Unaudited)

30 June

2013

(Audited)

(Restated)*

Continuing operations

Revenue

358

354

369

1 515

1 803

Cost of sales

(469)

(332)

(653)

(1 554)

(1 829)

Production costs

(277)

(268)

(298)

(1 148)

(1 283)

Amortisation and depreciation

(50)

(44)

(56)

(207)

(227)

Impairment of assets

(134)

(3)

(289)

(139)

(274)

Other items

(8)

(17)

(10)

(60)

(45)

Gross (loss)/profit

(111)

22

(284)

(39)

(26)

Corporate, administration and other expenditure

(11)

(10)

(13)

(42)

(53)

Social investment expenditure

(2)

(1)

(6)

(9)

(14)

Exploration expenditure

(11)

(8)

(23)

(44)

(76)

Profit on sale of property, plant and equipment

3

—

—

3

16

Other expenses (net)

(4)

(2)

(18)

(20)

(40)

Operating (loss)/profit

(136)

1

(344)
(151)
(193)
 Profit from associates
 (12)
 1
 –
 (10)
 –
 Profit on disposal/(impairment) of investments
 1
 –
 –
 1
 (10)
 Net gain/(loss) on financial instruments
 3
 2
 (1)
 16
 20
 Investment income
 6
 6
 7
 21
 21
 Finance cost
 (10)
 (5)
 (6)
 (27)
 (29)
(Loss)/profit before taxation
(148)
5
(344)
(150)
(191)
 Taxation
 32
 (2)
 (26)
 27
 (69)
 Normal taxation
 –
 2
 8
 (2)
 (31)

Deferred taxation	
32	
(4)	
(34)	
29	
(38)	
Net (loss)/profit from continuing operations	
(116)	
3	
(370)	
(123)	
(260)	
Discontinued operations	
Profit from discontinued operations	
–	
–	
–	
–	
36	
Net (loss)/profit for the period	
(116)	
3	
(370)	
(123)	
(224)	
<i>Attributable to:</i>	
Owners of the parent	
(116)	
3	
(370)	
(123)	
(224)	
(Loss)/earnings per ordinary share (cents)	
(Loss)/earnings from continuing operations	
(27)	
1	
(86)	
(28)	
(60)	
Earnings from discontinued operations	
–	
–	
–	
–	
8	
Total (loss)/earnings	
(27)	
1	
(86)	
(28)	
(52)	

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

(Loss)/earnings from continuing operations

(27)

1

(86)

(28)

(60)

Earnings from discontinued operations

—

—

—

—

8

Total diluted (loss)/earnings

(27)

1

(86)

(28)

(52)

** The audited June 2013 annual results and unaudited June 2013 quarter results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*

The restatements to the comparative information have not been audited.

The currency conversion average rates for the quarter ended: June 2014: US\$1 = R10.51 (March 2014: US\$1 = R10.83, June 2013: US\$1 = R9.45).

For year ended: June 2014: US\$1 = R10.35 (June 2013: US\$1 = R8.82).

The income statement for the year ended 30 June 2013 has been extracted from the 2013 Annual Report and adjusted for the change in

accounting policy, as noted above.

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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 28 to 32.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(US\$)

(Convenience translation)

Figures in million

Quarter ended

Year ended

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)*

30 June

2014

(Unaudited)

30 June

2013

(Unaudited)

(Restated)*

Net (loss)/profit for the period

(116)

3

(370)

(123)

(224)

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

59

(39)

3

(13)

83

Items that may be reclassified subsequently to profit or loss:

62

(39)

3

(10)

83

Foreign exchange translation

63

(39)	
3	
(10)	
84	
Movements on investments	
(1)	
–	
–	
–	
(1)	
Items that will not be reclassified to profit or loss:	
(3)	
–	
–	
(3)	
–	
Acturial loss recognised during the year	
(4)	
–	
–	
(4)	
–	
Deferred taxation thereon	
1	
–	
–	
1	
–	
Total comprehensive (loss)/income for the period	
(57)	
(36)	
(367)	
(136)	
(141)	

Attributable to:

Owners of the parent	
(57)	
(36)	
(367)	
(136)	
(141)	

* *The June 2013 annual results and June 2013 quarter results 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: June 2014: US\$1 = R10.51 (March 2014: US\$1 = R10.83, June 2013: US\$1 = R9.45).

For year ended: June 2014: US\$1 = R10.35 (June 2013: US\$1 = R8.82).

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(US\$)

for the year ended 30 June 2014 (Convenience translation) (Unaudited)

Figures in million

Share

capital
 Other
 reserves
 (Accumulated
 loss)/retained
 earnings
 Total
 Balance – 30 June 2013 as previously reported*
 2 670
 326
 49
 3 045
 Restatement for IFRIC 20
 –
 (2)
 (7)
 (9)
 Restated balance – 30 June 2013
 2 670
 324
 42
 3 036
 Share-based payments
 –
 22
 –
 22
 Net loss for the period
 –
 –
 (120)
 (120)
 Other comprehensive loss for the period
 –
 (13)
 –
 (13)
Balance – 30 June 2014
2 670
333
(78)
2 925
 Balance – 30 June 2012 as previously reported*
 2 838
 248
 331
 3 417
 Restatement for IFRIC 20
 –
 (2)
 (9)

(11)	
Restated balance – 30 June 2012	
2 838	
246	
322	
3 406	
Share-based payments	
(1)	
27	
–	
26	
Net loss for the period	
–	
–	
(235)	
(235)	
Other comprehensive income for the period	
–	
74	
–	
74	
Share of retained earnings on acquisition of associate	
–	
–	
2	
2	
Dividends paid	
–	
–	
(44)	
(44)	
Balance – 30 June 2013	
2 837	
347	
45	
3 229	

** The June 2013 and 2012 annual results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.*

The currency conversion closing rates for the period ended 30 June 2014: US\$1 = R10.61 (June 2013: US\$1 = R9.98).

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**Results for the fourth quarter FY14
and year ended 30 June 2014**

CONDENSED CONSOLIDATED BALANCE SHEETS

(US\$)

(Convenience translation)

Figures in million

At

30 June

2014

(Unaudited)

At

31 March

2014

(Unaudited)

At

30 June

2013

(Unaudited)

(Restated)*

ASSETS

Non-current assets

Property, plant and equipment

3 116

3 068

3 279

Intangible assets

84

208

220

Restricted cash

4

4

4

Restricted investments

217

211

206

Deferred tax assets

8

8

10

Investments in associates

–

12

11

Investments in financial assets

–

–

5

Inventories

5
5
6

Total non-current assets

3 434

3 516

3 741

Current assets

Inventories

145

124

142

Trade and other receivables

90

85

116

Income and mining taxes

10

13

13

Restricted cash

1

1

—

Cash and cash equivalents

172

190

209

418

413

480

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

—

5

—

Total current assets

418

418

480

Total assets

3 852

3 934

4 221

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

2 670

2 682

2 837

Other reserves

333

276
347
(Accumulated loss)/retained earnings
(78)
38
45
Total equity
2 925
2 996
3 229
Non-current liabilities
Deferred tax liabilities
253
287
303
Provision for environmental rehabilitation
198
191
200
Retirement benefit obligation
23
19
19
Other non-current liabilities
9
6
5
Borrowings
270
269
226
Total non-current liabilities
753
772
753
Current liabilities
Borrowings
—
—
28
Trade and other payables
174
166
211
Total current liabilities
174
166
239
Total equity and liabilities
3 852
3 934

4 221

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

The balance sheet for June 2014 converted at a conversion rate of US\$1 = R10.61 (March 2014: US\$1 = R10.56, June 2013 : US\$1 = R9.98).

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(US\$)

(Convenience translation)

Figures in million

Quarter ended

Year ended

30 June

2014

(Unaudited)

31 March

2014

(Unaudited)

30 June

2013

(Unaudited)

30 June

2014

(Unaudited)

30 June

2013

(Audited)

Cash flow from operating activities

Cash generated by operations

41

70

23

205

359

Interest and dividends received

4

3

5

13

16

Interest paid

(3)

(4)

(4)

(12)

(14)

Income and mining taxes refunded/(paid)

3

—

(14)

—

(33)

Cash generated by operating activities

45

69

10

206

328

Cash flow from investing activities

Increase in restricted cash

—

—

—

(1)

—

Increase in restricted investments

(2)

—

—

(2)

—

Proceeds on disposal of investments

5

—

—

5

—

Proceeds on disposal of investment in subsidiary

—

—

—

—

139

Purchase of investments

—

—

(1)

—

(9)

Other investing activities

—

—

—

(1)

(1)

Net additions to property, plant and equipment

1

(65)

(55)

(99)

(244)

(414)

Cash utilised by investing activities

(62)

(55)

(100)

(243)

(285)

Cash flow from financing activities

Borrowings raised

–

–

–

59

80

Borrowings repaid

–

(43)

(17)

(45)

(35)

Dividends paid

–

–

–

–

(50)

Cash (utilised)/generated by financing activities

–

(43)

(17)

14

(5)

Foreign currency translation adjustments

(1)

(3)

(20)

(14)

(45)

Net decrease in cash and cash equivalents

(18)

(32)

(127)

(37)

(7)

Cash and cash equivalents – beginning of period

190

222

336

209

216

Cash and cash equivalents – end of period

172

190

209

172

209

1

The 2013 year includes capital expenditure for Wafi-Golpu and other international projects of US\$52 million and the June 2013 quarter US\$13 million.

The currency conversion average rates for the quarter ended: June 2014: US\$1 = R10.51 (March 2014: US\$1 = R10.83, June 2013: US\$1 = R9.45).

For year ended: June 2014: US\$1 = R10.35 (June 2013: US\$1 = R8.82).

Closing balance translated at closing rates of: June 2014: US\$1 = R10.61 (March 2014: US\$1 = R10.56, June 2013: US\$1 = R9.98).

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

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Results for the fourth quarter FY14

and year ended 30 June 2014

Segment report

(US\$/Imperial)

for the year ended 30 June 2014

Revenue

30 June

Production cost*

30 June

Production

profit/(loss)*

30 June

Mining assets*

30 June

Capital expenditure#

30 June

Ounces produced

@

30 June

Tons milled

@

30 June

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

189

137

169
168
20
(31)
341
344
49
48
150 916
88 093
1 260
784
Doornkop
109
183
106
118
3
65
319
338
23
32
83 687
116 738
812
1 112
Phakisa
124
125
103
111
21
14
433
455
35
38
95 680
78 255
636
565
Tshepong
176
214
132
162
44
52
372
388

29
35
135 772
133 554
1 044
1 147
Masimong
113
186
95
110
18
76
100
99
16
19
87 385
116 256
739
958
Target 1
188
203
101
106
87
97
261
271
28
38
144 453
127 542
851
790
Bambanani
(a)
124
106
66
67
58
39
79
88
12
14
95 424
66 970
263

231
Joel
96
165
64
74
32
91
42
29
14
18
75 072
103 782
604
674
Unisel
77
93
58
64
19
29
63
66
8
9
59 093
58 289
450
492
Target 3
59
84
54
58
5
26
51
46
13
16
45 429
52 277
331
355
Surface
All other surface operations
122
172
95

115
27
57
45
25
4
28
93 236
110 534
11 516
11 118
Total South Africa
1 377
1 668
1 043
1 153
334
515
2 106
2 149
231
295 1 066 147 1 052 290
18 506
18 226
International
Hidden Valley
138
135
105
130
33
5
340
387
12
57
105 840
85 007
2 207
2 033
Total international
138
135
105
130
33
5
340
387
12
57

105 840
85 007
2 207
2 033
Total continuing operations
1 515
1 803
1 148
1 283
367
520
2 446
2 536
243
352 1 171 987 1 137 297
20 713
20 259
Discontinued operations
Evander
—
102
—
63
—
39
—
—
—
16
—
62 855
—
430
Total discontinued operations
—
102
—
63
—
—
—
—
16
—
62 855
—
430
Total operations

1 515

1 905

1 148

1 346

367

559

2 446

2 536

243

368 1 171 987 1 200 152

20 713

20 689

** The June 2013 results have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details. The restatements to the comparative information have not been audited.*

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$1 million (2013: US\$61 million).

(a) Includes Steyn 2.

@ Production statistics are unaudited.

The segment report for the year ended 30 June 2013 has been audited. The segment report for the year ended 30 June 2014 is unaudited.

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DEVELOPMENT RESULTS

(Imperial)

Quarter ending June 2014

Channel

Reef

Feet

Sampled

Feet

Width

(Inch's)

Value

(oz/t)

Gold

(In.oz/t)

Tshepong

Basal

917

906

3.00

6.38

19

B Reef

121

125

21.00

0.69

14

All Reefs

1 038

1 030

5.00

3.71

19

Phakisa

Basal

1 471

1 535

32.00

0.41

13

All Reefs

1 471

1 535

32.00

0.41

13

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal

—

-
-
-
-

All Reefs

-
-
-
-
-

Doornkop
South Reef
1 696
1 673
18.00
0.45
8

All Reefs

1 696
1 673
18.00
0.45
8

Kusasaletu
VCR Reef
1 756
1 594
42.00
0.24
10

All Reefs

1 756
1 594
42.00
0.24
10

Total Target
(incl. Target 1 & Target 3)

Elsburg
207
223
46.00
0.19
9

Basal
314
210
4.00
0.44
2

A Reef

155
26
29.00
0.57
17
B Reef
713
630
55.00
0.23
13
All Reefs
1 388
1 089
43.00
0.23
10
Masimong 5
Basal
1 604
1 319
16.00
0.63
10
B Reef
853
1 004
23.00
0.27
6
All Reefs
2 458
2 323
19.00
0.44
8
Unisel
Basal
730
650
51.00
0.35
18
Leader
1 720
1 430
87.00
0.13
11
All Reefs
2 450

2 080

76.00

0.18

13

Joel

Beatrix

718

571

30.00

0.45

13

All Reefs

718

571

30.00

0.45

13

Total Harmony

Basal

5 036

4 619

23.00

0.59

14

Beatrix

718

571

30.00

0.45

13

Leader

1 720

1 430

87.00

0.13

11

B Reef

1 687

1 759

34.00

0.27

9

A Reef

155

26

29.00

0.57

17

Elsburg

207

223

46.00

0.19

9

South Reef

1 696

1 673

18.00

0.45

8

VCR

1 756

1 594

42.00

0.24

10

All Reefs

12 975

11 896

35.00

0.32

11

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DEVELOPMENT RESULTS

(Metric)

Quarter ending June 2014

Channel

Reef

Meters

Sampled

Meters

Width

(Cm's)

Value

(g/t)

Gold

(Cmg/t)

Tshepong

Basal

280

276

8.17

203.84

1 666

B Reef

37

38

54.23

23.11

1 253

All Reefs

316

314
13.74
117.55
1 616
Phakisa
Basal
448
468
80.74
14.09
1 137
All Reefs
448
468
80.74
14.09
1 137
Total Bambanani
(Incl. Bambanani, Steyn 2)
Basal
—
—
—
—
—
All Reefs
—
—
—
—
—
Doornkop
South Reef
517
510
45.00
15.79
711
All Reefs
517
510
45.00
15.79
711
Kusasaletu
VCR Reef
535
486
107.00
8.34
892

All Reefs

535

486

107.00

8.34

892

Total Target

(incl. Target 1 & Target 3)

Elsburg

63

68

116.00

6.47

750

Basal

96

64

9.00

16.80

151

A Reef

47

8

74.00

19.53

1 445

B Reef

217

192

140.00

8.03

1 124

All Reefs

423

332

108.24

8.02

868

Masimong 5

Basal

489

402

41.74

20.95

874

B Reef

260

306

58.23

9.45

550

All Reefs

749

708

48.86

15.02

734

Unisel

Basal

223

198

128.81

12.17

1 567

Leader

524

436

221.62

4.46

987

All Reefs

747

634

192.64

6.07

1 169

Joel

Beatrix

219

174

75.00

15.51

1 163

All Reefs

219

174

75.00

15.51

1 163

Total Harmony

Basal

1 535

1 408

58.88

20.07

1 181

Beatrix

219

174

75.00

15.51

1 163

Leader

524

436

221.62

4.46

987

B Reef

514

536

87.23

9.23

806

A Reef

47

8

74.00

19.53

1 445

Elsburg

63

68

116.00

6.47

750

South Reef

517

510

45.00

15.79

711

VCR

535

486

107.00

8.34

892

All Reefs

3 955

3 626

89.01

11.11

989

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: August 14, 2014

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director