

HARMONY GOLD MINING CO LTD

Form 6-K

May 08, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO  
RULE 13a-16 OR 15d-16 UNDER THE SECURITIES  
EXCHANGE ACT OF 1934

For 8 May 2015

**Harmony Gold Mining Company  
Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

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

Form 20-F  X

Form 40-F

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

Yes

No  X

**RESULTS  
FOR THE THIRD QUARTER  
AND NINE MONTHS  
ENDED**

31 MARCH 2015

Q3 FY15

**Harmony Gold Mining Company Limited**

("Harmony" or "Company")

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

JSE share code: HAR

NYSE share code: HMY

ISIN: ZAE000015228

**FORWARD-LOOKING STATEMENTS**

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

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

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

**Quarter**

**March  
2015**

Quarter  
December  
2014

Q-on-Q  
variance  
%

**Nine  
months  
ended**

**March 2015**

Nine  
months  
ended  
March 2014

Variance  
%

Gold produced  
– kg

**7 642**

8 459  
(10)

**25 536**

27 518  
(7)

– oz

**245 697**

271 963  
(10)

**821 001**

884 721  
(7)

Cash operating costs

– R/kg

**377 901**

357 111  
(6)

**362 809**

324 731  
(12)

– US\$/oz

**1 001**

990  
(1)

**1 004**

981  
(2)

Gold sold

– kg

**7 444**

8 580

(13)

**26 011**

27 653

(6)

– oz

**239 330**

275 851

(13)

**836 270**

889 061

(6)

Underground grade

– g/t

**4.75**

4.78

(1)

**4.79**

4.81

–

Total costs and capital

– R/kg

**454 211**

437 708

(4)

**435 701**

391 622

(11)

– US\$/oz

**1 203**

1 213

1

**1 206**

1 183

(2)

All-in sustaining costs

– R/kg

**474 873**

455 202

(4)

**451 564**

408 768

(10)

– US\$/oz

**1 258**

1 262

–

**1 250**

1 234

(1)

Gold price received

– R/kg

**460 569**

432 963

6

**444 982**

431 038

3

– US\$/oz

**1 220**

1 200

2

**1 232**

1 302

(5)

Production profit

– R million

**643**

618

4

**2 174**

2 946

(26)

– US\$ million

**55**

55

–

**194**

287

32

Basic loss per share

– SAc/s

**(61)**

(197)

69

**(319)**

(11)

>(100)

– USc/s

**(5)**

(18)

72

**(28)**

(1)

>(100)

Headline loss

– Rm

**(262)**

(496)

47

**(1 023)**

(19)

>(100)  
– US\$m

**(22)**

(44)

50

**(91)**

(2)

>(100)

Headline loss per share

– SAc/s

**(60)**

(114)

(47)

**(236)**

(4)

>(100)

– USc/s

**(5)**

(10)

50

**(21)**

–

(100)

Exchange rate

– R/US\$m

**11.74**

11.22

5

**11.24**

10.30

9

“ We have responded to a lower gold price, first by rationalising our assets and then restructuring our portfolio – cutting costs, reducing labour numbers and focusing on mining only safe, profitable ounces. During the next couple of months we will continue to improve the performance of our assets and restructure Masimong, Doornkop and Hidden Valley for profitability. We are assessing ways of funding Golpu and unlocking the true value of each of our assets, which will ensure shareholder returns in the long term.”

**Graham Briggs**

*Chief Executive Officer*

1

## CONTACT DETAILS

### COMPETENT PERSON'S DECLARATION

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

*In South Africa, Harmony appoints an ore reserve manager at each of its operations who takes responsibility for the compilation and reporting of*

*mineral resources and mineral reserves at their operations. In Papua New Guinea, competent persons are appointed for the mineral resources and*

*mineral reserves for specific projects and operations.*

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

*Resources and Reserves South Africa: Jaco Boshoff, BSc (Hons), MSc, MBA, Pr. Sci. Nat., who has 19 years' relevant experience and is registered*

*with the South African Council for Natural Scientific Professions (SACNASP) and a member of the South African Institute of Mining and Metallurgy (SAIMM).*

*Resources and Reserves Papua New Guinea: Gregory Job, BSc, MSc, who has 26 years' relevant experience and is a member of the Australian*

*Institute of Mining and Metallurgy (AusIMM). Mr Job has sufficient experience relevant to the styles of mineralisation and types of deposits under*

*consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code*

*for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code").*

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

*the report of the matters based on the information in the form and context in which it appears.*

Mineral Resource and Reserve information as at 30 June 2014 has not changed.

### **Corporate Office**

Randfontein Office Park

PO Box 2, Randfontein, 1760, South Africa

Corner Main Reef Road/Ward Avenue

Randfontein, 1759, South Africa

Telephone: +27 11 411 2000

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

### **Directors**

P T Motsepe\* *Chairman*

M Motloba\*<sup>^</sup> *Deputy Chairman*

G P Briggs *Chief Executive Officer*

F Abbott *Financial Director*

H E Mashego *Executive Director*

F F T De Buck\*<sup>^</sup> *Lead independent director*

J A Chissano\*

1

<sup>^</sup>, K V Dicks\*<sup>^</sup>, Dr D S S Lushaba\*<sup>^</sup>,

C Markus\*<sup>^</sup>, M Msimang\*<sup>^</sup>, K T Nondumo\*<sup>^</sup>,

V P Pillay \*<sup>^</sup>, J L Wetton\*<sup>^</sup>, A J Wilkens\*

\* Non-executive

<sup>^</sup> Independent

1

Mozambican

**Investor relations team**

Email: HarmonyIR@harmony.co.za

Marian van der Walt

Executive: Corporate and Investor Relations

Tel: +27 (0)11 411 2037

Mobile: +27 (0)82 888 1242

Email: marian@harmony.co.za

Bobo Ndinisa

Investor Relations

Tel: +27 (0)11 411 2137 / 057 904 4023

Mobile: +27 (0)79 783 2051

Email: bobo@harmony.co.za

**Company Secretary**

Riana Bisschoff

*Telephone:* +27 (0)11 411 6020

*Mobile:* +27 (0)83 629 4706

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

**South African Share Transfer Secretaries**

Link Market Services South Africa (Proprietary) Limited

*(Registration number 2000/007239/07)*

13th Floor, Rennie House

19 Ameshoff Street

Braamfontein, 2001

PO Box 4844, Johannesburg, 2000, South Africa

*Telephone:* +27 86 154 6572

*Fax:* +27 86 674 2450

Email: meetfax@linkmarketservices.co.za

**ADR**

**2**

**Depositary**

Deutsche Bank Trust Company Americas

c/o American Stock Transfer and Trust Company

Peck Slip Station

PO Box 2050, New York, NY 10272-2050

*Email queries:* db@amstock.com

*Toll Free:* +1-800-937-5449

*Intl:* +1-718-921-8137

*Fax:* +1-718-921-8334

**2**

*ADR: American Depository Receipts*

**Sponsor**

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

1 Fricker Road, corner Hurlingham Road

Illovo

Johannesburg, 2196

Private Bag X9936, Sandton, 2146, South Africa

*Telephone:* +27 11 507 0300

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**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 Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**2**

**CONTENTS**

Contact details and competent persons' declaration

1

Chief executive officer's review

3

Operational results – quarter on quarter (Rand/Metric)  
(US\$/Imperial)

7

Condensed consolidated income statements (Rand)

9

Condensed consolidated statements of  
comprehensive income (Rand)

10

Condensed consolidated statements of changes in  
equity (Rand)

10

Condensed consolidated balance sheets (Rand)

11

Condensed consolidated cash flow statements (Rand)

12

Notes to the condensed consolidated financial  
statements

13

Segment report (Rand/Metric)

17

Condensed consolidated income statements (US\$)

19

Condensed consolidated statements of  
comprehensive income (US\$)

20

Condensed consolidated statements of changes in  
equity (US\$)

20

Condensed consolidated balance sheets (US\$)

21

Condensed consolidated cash flow statements (US\$)

22

Segment report (US\$/Imperial)

23

Development results – Metric and Imperial

24

**SHAREHOLDER INFORMATION**

Issued ordinary share capital at 31 March 2015

436 094 323

Issued ordinary share capital at 31 December 2014

436 094 323

**Market capitalisation**

At 31 March 2015 (ZARm)

9 219

At 31 March 2015 (US\$m)

761

At 31 December 2014 (ZARm)

9 424

At 31 December 2014 (US\$m)

815

**Harmony ordinary shares and ADR prices**

12-month high (1 April 2014 – 31 March 2015)

for ordinary shares

35.60

12-month low (1 April 2014 – 31 March 2015)

for ordinary shares

17.00

12-month high (1 April 2014 – 31 March 2015)

for ADRs

3.34

12-month low (1 April 2014 – 31 March 2015)

for ADRs

1.56

**Free float**

**100%**

**ADR ratio**

**1:1**

**JSE Limited**

**HAR**

Range for quarter

(2 January – 31 March 2015 closing prices)

R20.47 – R35.50

Average daily volume for the quarter

(2 January – 31 March 2015)

1 473 990 shares

Range for quarter

(1 October– 31 December 2014 closing prices)

R17.00 – R24.15

Average daily volume for the quarter

(1 October– 31 December 2014)

2 977 951 shares

**New York Stock Exchange including other**

**US trading platforms**

**HMY**

Range for quarter

(2 January 2015 – 31 March 2015 closing prices)

US\$1.69 – US\$3.14

Average daily volume for the quarter

(2 January– 31 March 2015)

3 473 101

Range for quarter

(1 October– 31 December 2014 closing prices)

US\$1.56 – US\$2.20

Average daily volume for the quarter

(1 October– 31 December 2014)

4 492 693

**Investors' calendar**

**2015**

Q3 FY15 presentation

(webcast and conference call only)

8 May 2015

Q4 FY15 live presentation from Johannesburg

18 August 2015

Q1 FY15 presentation

(webcast and conference call only)

5 November 2015

Annual General Meeting

26 November 2015

**3**

**CHIEF EXECUTIVE OFFICER'S REVIEW**

**1. Safety**

Following a fatality free December 2014 quarter in South Africa, it is with regret that I report two fatalities at our South African operations during the March 2015 quarter. Our sincere condolences go to the families and friends of Mosoeu Ntsutheleng (contractor team leader at Kusasalethu) and Michael Chobeng (development team leader at Masimong).

On 22 February 2015 we had an underground fire at Kusasalethu. I am grateful to report that all of the 486 underground employees were safely brought to surface.

**2. Gold market**

During the March 2015 quarter the average US dollar gold price received increased by 2% to US\$1 220/oz (Dec 14: US\$1 200/oz). The increase in the gold price during the March 2015 quarter combined with the weakening of the rand against the dollar to R11.74/US\$ (Dec 14: R11.22/US\$), resulted in an increase in the rand gold price received to R460 569/kg (Dec 14: R432 963/kg). We believe that the gold price will remain at current levels for some time to come.

**3. Operational results**

Gold production for the March 2015 quarter was impacted by slow start-ups after the December 2014 holidays, as well as safety stoppages. As a result, gold production was 10% (817 kilograms) lower at 7 642 kilograms in the March 2015 quarter compared to the December 2014 quarter (8 459 kilograms).

Our focus is on ensuring that our mines are safe and profitable. Target 3 has been closed, we have stopped the Phakisa decline, the restructuring of Kusasalethu was completed during the quarter and we continue to monitor each of our mines closely.

During the March 2015 quarter Kusasalethu showed an increase in grade and a reduction in costs. Tonnes mined were less than planned due to a fatal accident and a fire during the quarter.

A fatal accident early in the quarter and an underground fire at Masimong impacted negatively on volume. Following two loss-making quarters, it was decided to scale down ore body development at Masimong in an effort to restore the mine to profitability. The plan has already been partially implemented and will impact on the life of mine - we expect that the life of mine will be shortened to about 2 years.

Doornkop's performance was disappointing due to grade and volume constraints. Doornkop posted a net loss in the last three quarters and we are investigating alternatives to return the mine to profitability, which includes restructuring.

At Hiddden Valley a revised life of mine plan is being considered with reduced stripping requirements, which will enhance cash generation in the short term. Cost reduction initiatives being pursued at the mine includes revising the organisational structure. An operational improvement program has also been launched, with a specific focus on mining and maintenance discipline.

After recording three very good production quarters, unexpected low grades and poor ground conditions at Tshepong resulted in lower production during the March 2015 quarter. The crews had to be moved to mainly ledging and over-stoping areas. During the quarter new stope faces were established and the outlook for the June 2015 quarter on both volume and grade is positive.

#### 4. Financial results

Despite lower gold production, production profit increased by 4% to R643 million in the March 2015 quarter compared to R618 million in the previous quarter, mainly due to a 10% decrease in operating costs supported by a 6% increase in the average gold price received.

Cash operating cost for the March 2015 quarter decreased by 4% when compared to the previous quarter, as a result of a decrease in the costs of consumables and labour. The restructuring at Kusasalethu was completed and the full cost saving will be realised in the June 2015 quarter. Kusasalethu's cost for the March 2015 quarter decreased by 8% when compared to the December 2014 quarter. Total capital expenditure for the March 2015 quarter decreased by 15% to R583 million.

##### *Revenue*

Revenue decreased by R287 million (8%) to R3 428 million as a result of the 13% decrease in gold sold to 7 444kg, which was partially offset by a 6% increase in the rand gold price received at R460 569/kg in the March 2015 quarter.

##### *Production costs*

The decrease in production costs in the March 2015 quarter is mainly as a result of the gold stock increase of R178 million, a decrease in consumables of R91 million due to lower production and a decrease in labour costs of R26 million as a result of the restructuring of our South African operations during the quarter.

##### *Other items*

Other items included in cost of sales decreased to R63 million in the March 2015 quarter. Restructuring cost related to employee termination was largely accounted for in the December 2014 quarter.

##### *Exploration expenditure*

The decrease in exploration expenditure in the March 2015 quarter is due to the capitalisation of the Golpu feasibility study costs, following the approval of the updated prefeasibility by the Harmony board in December 2014. The

project has progressed to the final feasibility study stage.

*Other expenses – net*

The increase to R127 million in expenses in the March 2015 quarter is mainly due to the foreign exchange translation loss of R118 million recorded on the US\$ borrowings. The rand weakened from US\$/R11.57 at 31 December 2014 to US\$/R12.17 at 31 March 2015.

## Harmony Gold Mining Company Limited

Results for the third quarter FY15 and nine months ended 31 March 2015

### 4

#### *Borrowings*

Borrowings decreased by R261 million. The US\$300 million syndicated loan (US\$270 million drawn) was refinanced by a new revolving credit facility of up to US\$250 million, of which US\$205 million was committed and utilised at 31 March 2015. R400 million was drawn down on the R1.3 billion Nedbank facility.

#### 5. Employee relations

We live our 5 values – safety, accountability, achievement, being connected and being honest. Our pro-active communication campaign is focused on keeping our employees informed about the state of the mine they work at as well as the health of Harmony. We engage with all the unions – whether formally recognised or not.

##### *5.1 Section 189A restructuring processes*

The Kusasalethu Section 189A process was concluded in February 2015.

#### **Action**

##### **Employees**

Transfer to other operations

359

Voluntary retrenchments

223

Compulsory retrenchments

224

Outside contractors replacements

227

Retained to fill vacancies on the mine

195

Medical cases and other

43

#### **Total**

**1 271**

During the June 2015 quarter operational restructuring will take place at Masimong, Doornkop and Hidden Valley. These processes will most likely include a Section 189A process. Labour will be reduced by approximately 400 employees at Masimong during the June 2015 quarter.

##### *5.2 Preparations for the 2015 wage negotiations*

As the current wage agreement concludes at the end of June 2015, preparations for wage negotiations are well underway, with the primary gold producers (representing close on 80% of employees in the gold industry) bargaining centrally under the auspices of the Chamber of Mines. In addition to centralised negotiations, much emphasis has been placed on direct engagement with employees and unions during the past two years and particularly in fostering an understanding of the economic circumstances of the sector as a whole and



Harmony's mines specifically.

What is clear is that high increases and indeed industrial action will lead to downscaling of operations and even closure of vulnerable mines. Job losses would be inevitable.

In engaging with unions in the coming months, we will be proposing an Economic and Social Compact, the fundamental principles of which are partnerships, sustainability and job retention. Rather than simply tabling and acceding to demands which typically characterises positional bargaining, we will be seeking to agree a set of mutually binding principles that spells out the obligations, rights and responsibilities of the companies and organised labour. Wages and conditions of service will be only one aspect of this Compact. Stakeholders will be apprised of progress as negotiations progress.

#### 6. Mining Charter

On 31 March 2015 the Minister of Mineral Resources (DMR), Minister Advocate Ngoako Ramatlhodi, announced the Department of Mineral Resources' assessment of the mining industry's compliance with the Mining Charter.

Harmony acknowledges the DMR's account of the mining industry's success in achieving these targets and recognises the role of the mining industry as a driver of growth and development in South Africa. There is a difference of opinion, however, between the mining companies and the DMR in how some black economic empowerment (BEE) transactions are recognised. To this end, the DMR and the mining industry have agreed to jointly seek a 'declaratory order' from a South African court to ensure the correct interpretation of the rules governing the BEE component of the Charter. This is a proactive and necessary step to promote regulatory certainty for the mining industry and commenced in April 2015.

Harmony will continue its journey to cement its future in South Africa – pro-actively participating in transforming the South African mining industry – committed to identifying other opportunities to further facilitate HDSA (Historically disadvantaged South Africans) ownership, transform our workforce, invest in developing South Africans and create opportunities for small business entrepreneurs. Harmony's presence in South Africa is real and lasting and so will our legacy be.

Harmony believes that its performance in terms of each of the nine pillars set out in the Mining Charter illustrates that it does more than just comply. The nine pillars of the Charter are: reporting, ownership, housing and living conditions, procurement and enterprise development, employment equity, human resources development, mine community development, sustainable development and growth and beneficiation.

#### 7. Golpu

Work on both the Feasibility Study for stage one and the Prefeasibility Study for stage two continued during the quarter. Stage one targets the upper higher value portion of the ore body. Stage two will encompass the rest of the ore reserve. Both studies are scheduled to be completed by the end of calendar year 2015.

**5**

The organisation structure for the Wafi-Golpu team has been completed and recruitment has commenced. Negotiation of the terms of a Pre Mine Development Agreement (PDMA) is in progress with the government and is intended to cover fiscal stability, regulatory stability and a framework for the mine development contract. Commencement of advanced exploration is dependent on PDMA progress and board approval.

**8. Conclusion**

We have responded to a lower gold price, first by rationalising our assets and then restructuring our portfolio – cutting costs, reducing labour numbers and focusing on mining only safe, profitable ounces. During the next couple of months we will continue to improve the performance of our assets and restructure Masimong, Doornkop and Hidden Valley for profitability. We are assessing ways of funding Golpu and unlocking the true value of each of our assets, which will ensure shareholder returns in the long term.

**Graham Briggs**

**Chief Executive Officer**

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**6**

SA RAND RESULTS

**FOR THE THIRD QUARTER AND NINE**

**MONTHS ENDED**

31 MARCH 2015

Q3 FY15

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**8**

**7**

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

Three  
months  
ended

South Africa

Hidden

Valley

Total

Harmony

Underground production

Surface production

Total

South

Africa

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

Joel

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

**Ore milled**

**- t'000**

**Mar-15**

**197**

**156**

**158**

**211**

**144**

**175**

**55**

**127**

**96**

**-**

**1 319**

**1 500**

**751**

**346**  
**2 597**  
**3 916**  
**469**  
**4 385**  
Dec-14  
186  
162  
142  
269  
188  
203  
56  
139  
111  
9  
1 465  
1 555  
666  
366  
2 587  
4 052  
384  
4 436  
**Gold produced**  
**- kg**  
**Mar-15**  
**929**  
**650**  
**760**  
**869**  
**528**  
**827**  
**748**  
**563**  
**387**  
-  
**6 261**  
**204**  
**222**  
**270**  
**696**  
**6 957**  
**685**  
**7 642**  
Dec-14  
775  
727  
773  
1 210  
705

1 010  
664  
629  
471  
41  
7 005  
223  
218  
343  
784  
7 789  
670  
8 459  
**Gold produced**  
**- oz**  
**Mar-15**  
**29 868**  
**20 898**  
**24 435**  
**27 939**  
**16 976**  
**26 589**  
**24 049**  
**18 101**  
**12 442**  
**-**  
**201 297**  
**6 559**  
**7 137**  
**8 681**  
**22 377**  
**223 674**  
**22 023**  
**245 697**  
Dec-14  
24 917  
23 374  
24 852  
38 902  
22 666  
32 472  
21 348  
20 223  
15 143  
1 318  
225 215  
7 170  
7 009  
11 028  
25 207  
250 422

21 541

271 963

**Yield**

**– g/tonne**

**Mar-15**

**4.72**

**4.17**

**4.81**

**4.12**

**3.67**

**4.73**

**13.60**

**4.43**

**4.03**

**–**

**4.75**

**0.14**

**0.30**

**0.78**

**0.27**

**1.78**

**1.46**

**1.74**

**Dec-14**

**4.17**

**4.49**

**5.44**

**4.50**

**3.75**

**4.98**

**11.86**

**4.53**

**4.24**

**4.56**

**4.78**

**0.14**

**0.33**

**0.94**

**0.30**

**1.92**

**1.74**

**1.91**

**Cash operating**

**costs**

**– R/kg**

**Mar-15**

**453 214**

**407 286**

**377 879**

**438 522**

**436 333**



336 706  
227 365  
311 538  
435 292  
—  
379 620  
340 902  
394 122  
386 496  
375 565  
379 214  
364 561  
377 901  
Dec-14  
590 241  
360 688  
369 639  
327 527  
351 210  
283 716  
252 893  
294 693  
346 295  
386 049  
352 329  
317 238  
376 101  
362 942  
353 601  
352 457  
411 216  
357 111  
**Cash operating**  
**costs**  
— \$/oz  
**Mar-15**  
1 201  
1 079  
1 001  
1 162  
1 156  
892  
602  
825  
1 153  
—  
1 006  
903  
1 044  
1 024  
995

**1 005**

**966**

**1 001**

Dec-14

1 636

1 000

1 025

908

973

786

701

817

960

1 071

977

879

1 042

1 006

980

977

1 140

990

**Cash operating**

**costs**

**- R/tonne**

**Mar-15**

**2 137**

**1 697**

**1 818**

**1 806**

**1 600**

**1 591**

**3 092**

**1 381**

**1 755**

-

**1 802**

**46**

**117**

**302**

**101**

**674**

**532**

**659**

Dec-14

2 459

1 619

2 012

1 473

1 317

1 412

2 999  
1 334  
1 469  
1 759  
1 685  
45  
123  
340  
107  
678  
717  
681  
**Gold sold**  
**- Kg**  
**Mar-15**  
**976**  
**625**  
**755**  
**864**  
**524**  
**834**  
**743**  
**467**  
**384**  
-  
**6 172**  
**194**  
**216**  
**274**  
**684**  
**6 856**  
**588**  
**7 444**  
Dec-14  
844  
716  
774  
1 211  
705  
992  
665  
655  
472  
40  
7 074  
221  
215  
324  
760  
7 834  
746

8 580

**Gold sold**

**- oz**

**Mar-15**

**31 379**

**20 094**

**24 274**

**27 778**

**16 847**

**26 814**

**23 888**

**15 014**

**12 346**

**-**

**198 434**

**6 237**

**6 945**

**8 809**

**21 991**

**220 425**

**18 905**

**239 330**

**Dec-14**

**27 135**

**23 020**

**24 885**

**38 934**

**22 666**

**31 893**

**21 380**

**21 059**

**15 175**

**1 286**

**227 433**

**7 105**

**6 912**

**10 417**

**24 434**

**251 867**

**23 984**

**275 851**

**Revenue**

**(R'000)**

**Mar-15**

**449 192**

**286 954**

**347 963**

**397 885**

**241 539**

**383 403**

**342 479**

215 451

177 009

—

2 841 875

89 524

99 852

126 033

315 409

3 157 284

271 190

3 428 474

Dec-14

368 922

310 710

334 833

523 472

305 679

428 602

288 451

283 735

204 258

17 519

3 066 181

95 610

92 441

139 917

327 968

3 394 149

320 670

3 714 819

**Cash operating**

**costs**

**(R'000)**

**Mar-15**

**421 036**

**264 736**

**287 188**

**381 076**

**230 384**

**278 456**

**170 069**

**175 396**

**168 458**

—

2 376 799

69 544

87 495

104 354

261 393

2 638 192

249 724

**2 887 916**

Dec-14

457 437

262 220

285 731

396 308

247 603

286 553

167 921

185 362

163 105

15 828

2 468 068

70 744

81 990

124 489

277 223

2 745 291

275 515

3 020 806

**Inventory  
movement**

**(R'000)**

**Mar-15**

**22 301**

**(12 984)**

**(5 512)**

**405**

**(366)**

**(1 941)**

**(7 424)**

**(33 009)**

**(1 209)**

**-**

**(39 739)**

**(4 194)**

**(2 922)**

**(307)**

**(7 423)**

**(47 162)**

**(55 513)**

**(102 675)**

Dec-14

24 957

(5 034)

5 278

1 831

2 797

(2 277)

4 359

11 097

2 143  
(321)  
44 830  
(319)  
(393)  
(4 271)  
(4 983)  
39 847  
35 755  
75 602

**Operating costs  
(R'000)**

**Mar-15**

**443 337**  
**251 752**  
**281 676**  
**381 481**  
**230 018**  
**276 515**  
**162 645**  
**142 387**  
**167 249**

—

**2 337 060**  
**65 350**  
**84 573**  
**104 047**  
**253 970**  
**2 591 030**  
**194 211**  
**2 785 241**

Dec-14

482 394  
257 186  
291 009  
398 139  
250 400  
284 276  
172 280  
196 459  
165 248  
15 507  
2 512 898  
70 425  
81 597  
120 218  
272 240  
2 785 138  
311 270  
3 096 408

**Production profit (R'000)**

**Mar-15**

5 855

35 202

66 287

16 404

11 521

106 888

179 834

73 064

9 760

-

504 815

24 174

15 279

21 986

61 439

566 254

76 979

643 233

Dec-14

(113 472)

53 524

43 824

125 333

55 279

144 326

116 171

87 276

39 010

2 012

553 283

25 185

10 844

19 699

55 728

609 011

9 400

618 411

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

**Mar-15**

499

2 999

5 646

1 397

981

9 103

15 316

6 223

831

-

42 995



2 058  
1 302  
1 873  
5 233  
48 228  
6 556  
54 784  
Dec-14  
(10 112)  
4 770  
3 905  
11 170  
4 927  
12 862  
10 353  
7 777  
3 476  
179  
49 307  
2 244  
967  
1 756  
4 967  
54 274  
838  
55 112  
**Capital  
expenditure  
(R'000)**  
**Mar-15**  
**102 713**  
**58 658**  
**93 945**  
**69 942**  
**42 563**  
**73 715**  
**23 860**  
**41 929**  
**18 591**  
—  
**525 916**  
**1 450**  
**1 592**  
**13 519**  
**16 561**  
**542 477**  
**40 685**  
**583 162**  
Dec-14  
122 185  
73 259

127 836  
87 070  
48 441  
69 120  
39 338  
59 654  
31 380

—

658 283  
414  
2 487  
8 770  
11 671  
669 954  
11 814  
681 768

**Capital  
expenditure**

**(\$'000)**

**Mar-15**

**8 748**

**4 996**

**8 001**

**5 957**

**3 625**

**6 278**

**2 032**

**3 571**

**1 583**

—

**44 791**

**123**

**136**

**1 151**

**1 410**

**46 201**

**3 465**

**49 666**

Dec-14

10 888

6 528

11 392

7 759

4 317

6 160

3 506

5 316

2 796

—

58 662

37

222

782

1 041

59 703

1 053

60 756

**Cash operating  
cost and capital**

**– R/kg**

**Mar-15**

**563 777**

**497 529**

**501 491**

**519 008**

**516 945**

**425 842**

**259 263**

**386 012**

**483 331**

**–**

**463 618**

**348 010**

**401 293**

**436 567**

**399 359**

**457 190**

**423 955**

**454 211**

**Dec-14**

**747 899**

**461 457**

**535 016**

**399 486**

**419 921**

**352 151**

**312 137**

**389 533**

**412 919**

**386 049**

**446 303**

**319 094**

**387 509**

**388 510**

**368 487**

**438 470**

**428 849**

**437 708**

**Cash operating  
cost and capital**

**– \$/oz**

**Mar-15**

1 493

1 318

1 328

1 375

1 369

1 128

687

1 022

1 280

–

1 228

922

1 063

1 156

1 058

1 211

1 123

1 203

Dec-14

2 073

1 279

1 483

1 107

1 164

976

865

1 080

1 144

1 071

1 237

884

1 074

1 077

1 021

1 215

1 189

1 213

**All-in sustaining**

**costs**

**– R/kg**

**Mar-15**

**580 834**

**506 937**

**505 086**

**541 040**

**543 497**

**428 593**

**257 253**

**365 686**

**506 655**

–

474 925  
344 328  
405 970  
446 887  
404 878  
467 456  
561 306  
474 873

Dec-14  
743 336  
470 383  
503 210  
416 470  
443 880  
374 820  
303 254  
376 107  
435 600  
405 170  
454 139  
320 538  
404 276  
414 402  
384 243  
447 513  
535 921  
455 202

**All-in sustaining  
costs**

– \$/oz

**Mar-15**  
1 539  
1 343  
1 338  
1 433  
1 440  
1 135  
681  
969  
1 342  
–  
1 258  
912  
1 075  
1 184  
1 073  
1 238  
1 482  
1 258  
Dec-14  
2 060

1 304  
1 395  
1 154  
1 230  
1 039  
841  
1 042  
1 207  
1 123  
1 259  
889  
1 121  
1 149  
1 065  
1 240  
1 486  
1 262

9

CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)

Figures in million

Note

Quarter ended

Nine months ended

30 June

2014

(Audited)

31 March

2015

(Unaudited)

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

31 March

2015

(Unaudited)

31 March

2014

(Unaudited)

Revenue

**3 428**

3 715

3 830

**11 574**

11 919

**15 682**

Cost of sales

2

**(3 444)**

(3 970)

(3 595)

**(11 735)**

(11 147)

**(16 088)**

Production costs

**(2 785)**

(3 096)

(2 906)

**(9 400)**

(8 973)

**(11 888)**

Amortisation and depreciation

**(596)**

(602)

(475)

**(1 848)**

(1 617)

**(2 143)**

Impairment of assets

—

—

(29)

—

(29)

**(1 439)**

Other items

**(63)**

(272)

(185)

**(487)**

(528)

**(618)**

**Gross (loss)/profit**

**(16)**

(255)

235

**(161)**

772

**(406)**

Corporate, administration and other  
expenditure

**(90)**

(83)

(109)

**(284)**

(319)

**(430)**

Social investment expenditure

**(20)**

(15)

(8)

**(59)**

(67)

**(88)**

Exploration expenditure

4

**(39)**

(95)

(90)

**(219)**

(344)

**(458)**

(Loss)/profit on sale of property,  
plant and equipment

**(1)**

1

—



-	
-	
<b>30</b>	
Loss on scrapping of property, plant and equipment	
5	
-	
(430)	
-	
<b>(430)</b>	
-	
-	
Other expenses (net)	
7	
<b>(127)</b>	
(52)	
(22)	
<b>(366)</b>	
(161)	
<b>(208)</b>	
<b>Operating (loss)/profit</b>	
<b>(293)</b>	
(929)	
6	
<b>(1 519)</b>	
(119)	
<b>(1 560)</b>	
Profit/(loss) from associates	
6	
-	
-	
10	
-	
17	
<b>(109)</b>	
(Impairment)/profit on disposal of investments	
-	
-	
-	
-	
(7)	
7	
Net gain on financial instruments	
7	
8	
25	
<b>24</b>	
138	
<b>170</b>	
Investment income	

**61**  
59  
64  
**171**  
159  
**220**  
Finance cost  
**(71)**  
(67)  
(59)  
**(202)**  
(176)  
**(277)**  
**(Loss)/profit before taxation**  
**(296)**  
(929)  
46  
**(1 526)**  
12  
**(1 549)**  
Taxation  
**33**  
73  
(15)  
**142**  
(59)  
**279**  
Normal taxation  
**3**  
(4)  
24  
—  
(25)  
**(24)**  
Deferred taxation  
**30**  
77  
(39)  
**142**  
(34)  
**303**  
**Net (loss)/profit for the period**  
**(263)**  
(856)  
31  
**(1 384)**  
(47)  
**(1 270)**  
*Attributable to:*  
Owners of the parent  
**(263)**

(856)

31

**(1 384)**

(47)

**(1 270)**

**(Loss)/earnings per ordinary share**

**(cents)**

3

Basic (loss)/earnings

**(61)**

(197)

7

**(319)**

(11)

**(293)**

Diluted (loss)/earnings

**(61)**

(197)

7

**(319)**

(11)

**(293)**

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

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**10**

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (RAND)

The condensed consolidated financial statements for the nine months ended 31 March 2015 have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Herman Perry. This process was supervised

by the financial director,

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

been audited or independently reviewed.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RAND)

for the nine months ended 31 March 2015 (unaudited)

**Figures in million**

**Quarter ended**

**Nine months ended**

**30 June**

**2014**

**(Audited)**

**31 March**

**2015**

**(Unaudited)**

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

**31 March**

**2015**

**(Unaudited)**

31 March

2014

(Unaudited)

Net (loss)/profit for the period

**(263)**

(856)

31

**(1 384)**

(47)

**(1 270)**

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

**73**

(114)

(416)

**138**

(733)

**(140)**

Items that may be reclassified subsequently to profit or loss:

<b>73</b>
(114)
(416)
<b>138</b>
(733)
<b>(109)</b>
Foreign exchange translation
<b>73</b>
(114)
(421)
<b>138</b>
(745)
<b>(108)</b>
Movements on investments
-
-
5
-
12
<b>(1)</b>
Items that will not be reclassified to profit or loss:
-
-
-
-
-
<b>(31)</b>
Actuarial loss recognised during the year
-
-
-
-
-
<b>(38)</b>
Deferred taxation thereon
-
-
-
-
-
<b>7</b>
<b>Total comprehensive loss for the period</b>
<b>(190)</b>
(970)
(385)
<b>(1 246)</b>
(780)
<b>(1 410)</b>
<i>Attributable to:</i>
Owners of the parent

(190)  
 (970)  
 (385)  
**(1 246)**  
 (780)  
**(1 410)**

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

**Figures in million**

**Share  
 capital**

**Other  
 reserves**

**(Accumulated  
 loss)/retained  
 earnings**

**Total**

Balance – 30 June 2014

**28 325**

**3 539**

**(822)**

**31 042**

Share-based payments

–

**156**

–

**156**

Net loss for the period

–

–

**(1 384)**

**(1 384)**

Other comprehensive income for the period

–

**138**

–

**138**

**Balance – 31 March 2015**

**28 325**

**3 833**

**(2 206)**

**29 952**

Balance – 30 June 2013

28 325

3 442

448

32 215

Share-based payments

–

198

–

198

Net loss for the period

—

—

(47)

(47)

Other comprehensive loss for the period

—

(733)

—

(733)

Balance – 31 March 2014

28 325

2 907

401

31 633

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

**11**

CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)

**Figures in million**

Note

**At**

**31 March**

**2015**

**(Unaudited)**

At

31 December

2014

(Unaudited)

At

30 June

2014

(Audited)

**At**

**31 March**

**2014**

**(Unaudited)**

ASSETS

**Non-current assets**

Property, plant and equipment

5

**33 018**

32 843

33 069

**32 400**

Intangible assets

**885**

883

886

**2 194**

Restricted cash

**45**

42

42

**40**

Restricted investments

**2 375**

2 366

2 299

**2 225**

Deferred tax assets

**66**

71

81

**84**

Investments in associates

6

-



-	
-	
<b>125</b>	
Loan to associate	
6	
<b>124</b>	
120	
-	
-	
Investments in financial assets	
<b>5</b>	
5	
4	
<b>4</b>	
Inventories	
<b>50</b>	
50	
50	
<b>57</b>	
<b>Total non-current assets</b>	
<b>36 568</b>	
36 380	
36 431	
<b>37 129</b>	
<b>Current assets</b>	
Inventories	
<b>1 453</b>	
1 337	
1 534	
<b>1 306</b>	
Trade and other receivables	
<b>854</b>	
822	
951	
<b>900</b>	
Income and mining taxes	
<b>28</b>	
43	
110	
<b>141</b>	
Restricted cash	
<b>15</b>	
15	
15	
<b>15</b>	
Cash and cash equivalents	
<b>701</b>	
1 374	
1 829	
<b>2 008</b>	
<b>3 051</b>	

3 591

4 439

**4 370**

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

—

—

—

**51**

**Total current assets**

**3 051**

3 591

4 439

**4 421**

**Total assets**

**39 619**

39 971

40 870

**41 550**

EQUITY AND LIABILITIES

**Share capital and reserves**

Share capital

**28 325**

28 325

28 325

**28 325**

Other reserves

**3 833**

3 733

3 539

**2 907**

(Accumulated loss)/retained earnings

**(2 206)**

(1 944)

(822)

**401**

**Total equity**

**29 952**

30 114

31 042

**31 633**

**Non-current liabilities**

Deferred tax liabilities

**2 528**

2 562

2 680

**3 029**

Provision for environmental rehabilitation

**2 216**

2 170

2 098

**2 020**

Retirement benefit obligation

**258**

255

247

**205**

Other non-current liabilities

**33**

42

95

**67**

Borrowings

7

**2 860**

—

2 860

**2 843**

**Total non-current liabilities**

**7 895**

5 029

7 980

**8 164**

**Current liabilities**

Borrowings

7

—

3 121

—

—

Income and mining taxes

**8**

—

—

**3**

Trade and other payables

**1 764**

1 707

1 848

**1 750**

**Total current liabilities**

**1 772**

4 828

1 848

**1 753**

**Total equity and liabilities**

**39 619**

39 971

40 870

**41 550**

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

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**12**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (RAND)

**Figures in million**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**31 March**

**2015**

**(Unaudited)**

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

Restated\*

**31 March**

**2015**

**(Unaudited)**

31 March

2014

(Unaudited)

Restated

#

**Cash flow from operating activities**

Cash generated/(utilised) by operations

**353**

(64)

783

**1 360**

1 814

**2 247**

Interest and dividends received

**21**

30

34

**76**

92

**139**

Interest paid

**(14)**

(23)

(39)

**(60)**

(89)

**(121)**

Income and mining taxes refunded/(paid)

**26**

39

–

**90**

(28)

**3**

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

**386**

(18)

778

**1 466**

1 789

**2 268**

**Cash flow from investing activities**

Decrease/(increase) in restricted cash

**12**

(4)

(3)

**12**

(3)

**(6)**

Decrease/(increase) in restricted investments

**19**

–

–

**20**

–

**(24)**

Proceeds on disposal of investments

–

–

–

–

–

**51**

Loan to associate

–

(120)

–

**(120)**

–

–

Other investing activities

–

–

–

–

(10)

–

Net additions to property,  
plant and equipment

1

**(710)**

(748)

(627)

**(2 109)**

(1 962)

**(2 661)**

**Cash utilised by investing activities**

**(679)**

(872)

(630)

**(2 197)**

(1 975)

**(2 640)**

**Cash flow from financing activities**

Borrowings raised

**400**

–

–

**400**

612

**612**

Borrowings repaid

**(782)**

–

(462)

**(782)**

(468)

**(468)**

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

**(382)**

–

(462)

**(382)**

144

**144**

**Foreign currency translation  
adjustments**

**2**

(17)

(1)

**(15)**

(39)

**(32)**

Net decrease in cash and cash equivalents

**(673)**

(907)

(315)

**(1 128)**

(81)

**(260)**

Cash and cash equivalents

– beginning of period

**1 374**

2 281

2 323

**1 829**

2 089

**2 089**

**Cash and cash equivalents**

**– end of period**

**701**

1 374

2 008

**701**

2 008

**1 829**

*1*

*Net additions to property, plant and equipment includes:*

**Figures in million**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**31 March**

**2015**

31 December

2014

31 March

2014

**31 March**

**2015**

31 March

2014

Capital and capitalised exploration and evaluation  
expenditure for Wafi-Golpu

40

–

–

54

–

12

Additions resulting from stripping activities  
at Hidden Valley

85

65

28

183

112

120

*\* For the March 2014 quarter: Cash generated by operating activities previously reported as R750 million restated to R778 million. Cash utilised by investing activities previously reported as (R602 million) restated to (R630 million). This is mainly related to the change in accounting policy for IFRIC 20.*

*#*

*For the nine months ended 31 March 2014: Cash generated by operating activities previously reported as R1 668 million restated to R1 789 million. Cash utilised by investing activities previously reported as (R1 854 million) restated to (R1 975 million). This is mainly related to the change in accounting policy for IFRIC 20.*

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



**13**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the nine months ended 31 March 2015 (Rand)

**1.**

**Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the nine months ended 31 March 2015 have been prepared in accordance with IAS 34, Interim Financial Reporting, JSE Listings Requirements, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2014, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements, except for the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

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

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

IFRSs

Annual Improvements 2010 – 2012 Cycle

IAS 32

Amendment – Presentation – Offsetting Financial Assets and Financial Liabilities

IAS 36

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

IFRIC 21

Levies

**2.**

**Cost of sales**

**Figures in million**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**31 March**

**2015**

**(Unaudited)**

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

**31 March**

**2015**

**(Unaudited)**

31 March

2014

(Unaudited)

Production costs – excluding royalty

**2 759**

3 074

2 881

**9 320**

8 871

**11 761**

Royalty expense

**26**

22

25

**80**

102

**127**

Amortisation and depreciation

**596**

602

475

**1 848**

1 617

**2 143**

Impairment of assets

–

–

29

–

29

**1 439**

Rehabilitation expenditure

1

**15**

5

17

**34**

17

**8**

Care and maintenance cost of restructured shafts

**20**

20

16

**57**

51

**66**

Employment termination and restructuring (credit)/costs

2
<b>(3)</b>
182
90
<b>227</b>
234
<b>274</b>
Share-based payments
<b>32</b>
66
62
<b>171</b>
227
<b>270</b>
Other
<b>(1)</b>
(1)
–
<b>(2)</b>
(1)
–
<b>Total cost of sales</b>
<b>3 444</b>
3 970
3 595
<b>11 735</b>
11 147
<b>16 088</b>

1

*Included in the December 2014 quarter is a credit of R11 million as a result of work performed in the Free State and at Deelkraal, resulting in a reduction in the rehabilitation liability.*

2

*The March 2015 quarter total includes a credit for Kusasalethu following the conclusion of the Section 189A process during the quarter. The December 2014 quarter total includes amounts relating to management retrenchments and retrenchment of employees at Target 3, Ernest Oppenheimer Hospital and a provision for Kusasalethu.*

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**14**

**3.**

**(Loss)/earnings per share**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**31 March**

**2015**

**(Unaudited)**

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

**31 March**

**2015**

**(Unaudited)**

31 March

2014

(Unaudited)

Weighted average number of shares

(million)

**434.4**

434.2

433.3

**434.2**

433.0

**433.2**

Weighted average number of diluted

shares (million)

**439.5**

435.2

434.3

**437.3**

434.4

**434.7**

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

**(cents):**

Basic (loss)/earnings

**(61)**

(197)

7

**(319)**

(11)

**(293)**

Diluted (loss)/earnings

**(61)**

(197)

7

**(319)**

(11)

**(293)**

Headline (loss)/earnings

**(60)**

(114)

12

**(236)**

(4)

**26**

Diluted headline (loss)/earnings

**(60)**

(114)

12

**(236)**

(4)

**26**

Figures in million

**Reconciliation of headline**

**(loss)/earnings:**

Net (loss)/profit

**(263)**

(856)

31

**(1 384)**

(47)

**(1 270)**

*Adjusted for:*

Impairment/(profit on disposal)

of investments

1

–

–

–

–

7

**(7)**

Impairment of assets

–

–

29

–

29

**1 439**

Taxation effect on impairment

of assets

–

-	
(8)	
-	
(8)	
<b>(24)</b>	
Loss/(profit) on sale of property, plant and equipment	
<b>1</b>	
(1)	
-	
-	
-	
<b>(30)</b>	
Taxation effect of profit on sale of property, plant and equipment	
-	
-	
-	
-	
-	
<b>6</b>	
Loss on scrapping of property, plant and equipment	
-	
430	
-	
<b>430</b>	
-	
-	
Taxation effect on loss of scrapping of property, plant and equipment	
-	
(69)	
-	
<b>(69)</b>	
-	
-	
<b>Headline (loss)/earnings</b>	
<b>(262)</b>	
(496)	
52	
<b>(1 023)</b>	
(19)	
<b>114</b>	
<i>1</i>	
<i>There is no taxation effect on these items.</i>	

**4.**

**Exploration expenditure**

The Harmony board approved the updated Golpu project prefeasibility study in December 2014. The approval and the progression to the final feasibility study stage, demonstrates the technical and commercial viability of the Golpu project and as a

result Harmony started capitalising project exploration and evaluation expenditure in respect of the Golpu project in the March 2015 quarter.

**5.**

**Loss on scrapping of property, plant and equipment**

As reported last quarter, management embarked on a life-of-mine optimisation process in respect of the South African operations which was finalised at the end of the December 2014 quarter. The optimisation ensured greater focus on mining profitable and higher grade areas at our operations and therefore resulted in the abandonment of lower grade and unprofitable areas from the life-of-mine plan for most of the operations.

In the case of Kusasalethu and Masimong, the optimisation led to the abandonment of levels and areas with a carrying value. The abandonment of these areas resulted in the derecognition of property, plant and equipment as no future economic benefits are expected from their use or disposal and a loss on scrapping of property, plant and equipment of R214 million on Kusasalethu and R216 million on Masimong was recorded in the December 2014 quarter.

**6.**

**Investment in associate**

Harmony holds a 10.38% share in Rand Refinery Proprietary Limited (Rand Refinery). Due to the issues experienced at Rand Refinery following the implementation of a new Enterprise Resource Planning (ERP) system on 1 April 2013, Harmony provided for its full share of loss for the inventory discrepancy and recognised a R127 million loss in the June 2014 quarter.

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. The facility is convertible to equity after a period of two years. The agreements relating to the facility were signed on 23 July 2014. During the December 2014 quarter, Rand Refinery Proprietary Limited drew down R1.02 billion on the shareholders loan. Harmony's portion of the shareholders' loan was R120 million. Interest on the facility is JIBAR plus a margin of 3.5%.

15

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the nine months ended 31 March 2015 (Rand)

**7. Borrowings**

During the March 2015 quarter, the US\$300 million syndicated revolving credit facility (US\$270 million drawn) was refinanced by a

new revolving credit facility of US\$250 million. R400 million was drawn down on the R1.3 billion Nedbank revolving credit facility

during the March 2015 quarter.

**US\$ facility**

**Rand facility**

**Figures in million**

**US dollar**

**SA rand**

**Borrowings summary**

Facility

250

1 300

Drawn down

205

400

Undrawn committed borrowing facilities

45

900

Maturity

February 2018

December 2016

A foreign exchange translation loss of R118 million was recorded in the March 2015 quarter (December 2014 quarter: R69 million)

increasing the borrowings balance and Other expenses (net).

**8.**

**Financial risk management activities**

*Fair value determination*

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

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

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

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

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

**Figures in million**

**At**

**31 March**

**2015**

**(Unaudited)**

At

31 December

2014

(Unaudited)

At

30 June



2014

(Audited)

At

**31 March**

**2014**

(Unaudited)

**Available-for-sale financial assets**

**1**

Level 1

–

–

–

**51**

Level 2

–

–

–

–

Level 3

**5**

5

4

**4**

**Fair value through profit or loss**

**2**

Level 1

–

–

–

–

Level 2

**155**

375

798

**768**

Level 3

–

–

–

–

1

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

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

2

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

**9.**

**Commitments and contingencies**

**Figures in million**

At

**31 March  
2015  
(Unaudited)**

At  
31 December  
2014  
(Unaudited)

At  
30 June  
2014  
(Audited)

**At  
31 March  
2014  
(Unaudited)**

**Capital expenditure commitments:**

Contracts for capital expenditure

**196**

172

157

**245**

Authorised by the directors but not contracted for

**877**

1 646

519

**491**

**1 073**

1 818

676

**736**

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

**Contingent liabilities**

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

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

30 June 2014.

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**16**

**10. Related parties**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group. There were no transactions with related parties during the nine months ended 31 March 2015.

**11. Subsequent events**

There were no subsequent events to report.

**12. Segment report**

The segment report follows on page 17.

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

**Figures in million**

**Nine months ended**

**31 March**

**2015**

**(Unaudited)**

31 March

2014

**(Unaudited)**

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

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

**Reconciliation of production profit to gross (loss)/profit**

Total segment revenue

**11 574**

11 919

Total segment production costs

**(9 400)**

(8 973)

Production profit per segment report

**2 174**

2 946

Depreciation

**(1 848)**

(1 617)

Other cost of sales items

**(487)**

(557)

**Gross (loss)/profit as per income statements**

**1**

**(161)**

772

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**

**31 March**

**2015**

**(Unaudited)**

At

31 March

2014

(Unaudited)

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

Property, plant and equipment not allocated to a segment

Mining assets

**765**

821

Undeveloped property

**5 139**

5 139

Other non-mining assets

**194**

133

Wafi-Golpu assets

**1 155**

971

**7 253**

7 064

17

SEGMENT REPORT (RAND/METRIC)

for the nine months ended 31 March 2015 (unaudited)

**Revenue**

**31 March**

**Production cost**

**31 March**

**Production**

**(loss)/profit**

**31 March**

**Mining assets**

**31 March**

**Capital**

**expenditure**

**#**

**31 March**

**Kilograms**

**produced**

**31 March**

**Tonnes milled**

**31 March**

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**R million**

**R million**

**R million**

**R million**

**R million**

**kg**

**t'000**

**South Africa**

**Underground**

Kusasaletu

**1 454**

1 466

**1 508**

1 363

**(54)**

103

**3 583**

3 539

**349**

366

**3 038**

3 341

**673**

857

Doornkop

**907**

930

**818**

854

**89**

76

**3 304**

3 385

**187**

178

**1 996**

2 071

**454**

576

Phakisa

**1 068**

952

**871**

786

**197**

166

**4 609**

4 622

**307**

264

**2 388**

2 213

**458**

431

Tshepong

**1 408**

1 305

**1 187**

1 024

**221**

281

**4 022**

3 914

**241**

218

**3 157**

3 035

**739**  
700  
Masimong  
**862**  
903  
**738**  
742  
**124**  
161  
**900**  
1 040  
**132**  
122  
**1 931**  
2 102  
**517**  
514  
Target 1  
**1 296**  
1 466  
**872**  
747  
**424**  
719  
**2 816**  
2 736  
**216**  
214  
**2 879**  
3 495  
**561**  
565  
Bambanani  
(a)  
**959**  
1 040  
**509**  
513  
**450**  
527  
**839**  
844  
**88**  
88  
**2 139**  
2 419  
**170**  
190  
Joel  
**779**  
756

**561**  
508  
**218**  
248  
**539**  
379  
**132**  
108  
**1 725**  
1 716  
**412**  
396  
Unisel  
**597**  
622  
**510**  
452  
**87**  
170  
**608**  
662  
**79**  
62  
**1 335**  
1 446  
**321**  
310  
Target 3  
(b)  
**222**  
459  
**177**  
407  
**45**  
52  
**540**  
525  
**20**  
99  
**483**  
1 102  
**90**  
230  
**Surface**  
All other surface operations  
**1 022**  
961  
**837**  
735  
**185**  
226



**481**  
469  
**36**  
33  
**2 261**  
2 215  
**7 822**  
7 841  
**Total South Africa**  
**10 574**  
10 860  
**8 588**  
8 131  
**1 986**  
2 729  
**22 241**  
22 115  
**1 787**  
1 752  
**23 332**  
25 155  
**12 217**  
12 610  
**International**  
Hidden Valley  
**1 000**  
1 059  
**812**  
842  
**188**  
217  
**3 524**  
3 221  
**74**  
89  
**2 204**  
2 363  
**1 374**  
1 476  
**Total international**  
**1 000**  
1 059  
**812**  
842  
**188**  
217  
**3 524**  
3 221  
**74**  
89  
**2 204**

2 363

**1 374**

1 476

**Total operations**

**11 574**

11 919

**9 400**

8 973

**2 174**

2 946

**25 765**

25 336

**1 861**

1 841

**25 536**

27 518

**13 591**

14 086

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

**7 253**

7 064

**11 574**

11 919

**9 400**

8 973

**33 018**

32 400

#

*Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of R54 million (2014: Rnil).*

*(a)*

*Includes Steyn 2 for the March 2014 amounts.*

*(b)*

*Target 3 was placed on care and maintenance at the beginning of the December 2014 quarter.*

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**18**

US\$ RESULTS

**FOR THE THIRD QUARTER**

**AND NINE MONTHS**

**ENDED**

31 MARCH 2015

Q3 FY15

**19**

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation)

**Figures in million**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**31 March**

**2015**

**(Unaudited)**

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

**31 March**

**2015**

**(Unaudited)**

31 March

2014

(Unaudited)

Revenue

**292**

327

354

**1 030**

1 158

**1 515**

Cost of sales

**(293)**

(354)

(332)

**(1 043)**

(1 082)

**(1 549)**

Production costs

**(237)**

(276)

(268)

**(836)**

(871)

**(1 148)**

Amortisation and depreciation

**(51)**

(54)

(44)

**(164)**

(157)

**(207)**

Impairment of assets

—

—

(3)

—

(3)

**(135)**

Other items

**(5)**

(24)

(17)

**(43)**

(51)

**(59)**

**Gross (loss)/profit**

**(1)**

(27)

22

**(13)**

76

**(34)**

Corporate, administration and  
other expenditure

**(8)**

(8)

(10)

**(25)**

(31)

**(42)**

Social investment expenditure

**(2)**

(1)

(1)

**(5)**

(7)

**(9)**

Exploration expenditure

**(3)**

(8)

(8)

**(19)**

(33)

**(44)**

Profit on sale of property,  
plant and equipment

—

—

—

—

-  
**3**  
 Loss on scrapping of property,  
 plant and equipment  
 -  
 (38)  
 -  
**(38)**  
 -  
 -  
 Other expenses (net)  
**(11)**  
 (5)  
 (2)  
**(33)**  
 (16)  
**(20)**  
**Operating (loss)/profit**  
**(25)**  
 (87)  
 1  
**(133)**  
 (11)  
**(146)**  
 Profit/(loss) from associates  
 -  
 -  
 1  
 -  
 2  
**(10)**  
 (Impairment)/profit on disposal  
 of investments  
 -  
 -  
 -  
 -  
 (1)  
**1**  
 Net gain on financial instruments  
**1**  
 1  
 2  
**2**  
 13  
**16**  
 Investment income  
**5**  
 6  
 6  
**15**

15  
**21**  
 Finance cost  
 (6)  
 (6)  
 (5)  
**(18)**  
 (17)  
**(27)**  
**(Loss)/profit before taxation**  
**(25)**  
 (86)  
 5  
**(134)**  
 1  
**(145)**  
 Taxation  
**3**  
 7  
 (2)  
**13**  
 (5)  
**27**  
 Normal taxation  
 -  
 -  
 2  
 -  
 (2)  
**(2)**  
 Deferred taxation  
**3**  
 7  
 (4)  
**13**  
 (3)  
**29**  
**Net (loss)/profit for the period**  
**(22)**  
 (79)  
 3  
**(121)**  
 (4)  
**(118)**  
*Attributable to:*  
 Owners of the parent  
**(22)**  
 (79)  
 3  
**(121)**  
 (4)

**(118)**

**(Loss)/profit per ordinary share (cents)**

Basic (loss)/earnings

**(5)**

(18)

1

**(28)**

(1)

**(27)**

Diluted (loss)/earnings

**(5)**

(18)

1

**(28)**

(1)

**(27)**

The currency conversion average rates for the quarter ended: March 2015: US\$1 = R11.74 (December 2014: US\$1 = R11.22,

March 2014: US\$1 = R10.83). For year ended: June 2014: US\$1 = R10.35. Nine months ended: March 2015: US\$1 = R11.24

(March 2014: US\$1 = R10.30).

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



**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**20**

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$)

(Convenience translation)

**Note on convenience translations**

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

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

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

for the nine months ended 31 March 2015 (Convenience translation) (unaudited)

**Figures in million**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**31 March**

**2015**

**(Unaudited)**

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

**31 March**

**2015**

**(Unaudited)**

31 March

2014

(Unaudited)

Net (loss)/profit for the period

**(22)**

(79)

3

**(121)**

(4)

**(118)**

Other comprehensive income/(loss)

for the period, net of income tax

**6**

(11)

(39)

**12**

(71)

**(209)**

Items that may be reclassified subsequently to profit or loss:

**6**

(11)

(39)

**12**

(71)

**(206)**

Foreign exchange translation

**6**

(11)

(39)

**12**

(72)

**(206)**

Movements on investments

—

—

—

—

1

—

Items that will not be reclassified to  
profit or loss:

—

—

—

—

—

**(3)**

Actuarial loss recognised during the year

—

—

—

—

—

**(4)**

Deferred taxation thereon

—

—

—

—

—

**1**

**Total comprehensive  
loss for the period**

**(16)**

(90)

(36)

**(109)**

(75)

**(327)**

*Attributable to:*

Owners of the parent

**(16)**

(90)

(36)

**(109)**

(75)

**(327)**

The currency conversion average rates for the quarter ended: March 2015: US\$1 = R11.74 (December 2014: US\$1 = R11.22,

March 2014: US\$1 = R10.83). For year ended: June 2014: US\$1 = R10.35. Nine months ended: March 2015: US\$1 = R11.24

(March 2014: US\$1 = R10.30).

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

**Figures in million**

**Share  
capital**

**Other  
reserves**

**(Accumulated  
loss)/retained  
earnings**

**Total**

Balance – 30 June 2014

**2 327**

**291**

**(68)**

**2 550**

Share-based payments

–

**13**

–

**13**

Net loss for the period

–

–

**(114)**

**(114)**

Other comprehensive income for the period

–

**11**

–

**11**

**Balance – 31 March 2015**

**2 327**

**315**

**(182)**

**2 460**

Balance – 30 June 2013

2 682

326

42

3 050

Share-based payments

–

19

–

19

Net loss for the period

–

–

(4)

(4)

Other comprehensive loss for the period

–

(69)

–

(69)

**Balance – 31 March 2014**

2 682

276

38

2 996

The currency conversion closing rates for the nine months ended 31 March 2015: US\$1 = R12.17 (March 2014: US\$1 = R10.56).

**21**

CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)

(Convenience translation)

**Figures in million**

**At**

**31 March**

**2015**

**(Unaudited)**

At

31 December

2014

(Unaudited)

At

30 June

2014

(Audited)

**At**

**31 March**

**2014**

**(Unaudited)**

ASSETS

**Non-current assets**

Property, plant and equipment

**2 712**

2 839

3 116

**3 068**

Intangible assets

**73**

76

84

**208**

Restricted cash

**4**

4

4

**4**

Restricted investments

**195**

205

217

**211**

Deferred tax assets

**5**

6

8

**8**

Investments in associates

—

—

—

**12**

Loan to associate

**10**

10

–

–

Inventories

**4**

4

5

**5**

**Total non-current assets**

**3 003**

3 144

3 434

**3 516**

**Current assets**

Inventories

**119**

116

145

**124**

Trade and other receivables

**70**

71

90

**85**

Income and mining taxes

**2**

4

10

**13**

Restricted cash

**1**

1

1

**1**

Cash and cash equivalents

**58**

119

172

**190**

**250**

311

418

**413**

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

–

–

–

**5**

**Total current assets**

**250**

311

418

**418**

**Total assets**

**3 253**

3 455

3 852

**3 934**

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

**2 327**

2 448

4 035

**2 682**

Other reserves

**315**

323

(887)

**276**

(Accumulated loss)/retained earnings

**(182)**

(168)

(223)

**38**

**Total equity**

**2 460**

2 603

2 925

**2 996**

**Non-current liabilities**

Deferred tax liabilities

**207**

221

253

**287**

Provision for environmental rehabilitation

**182**

188

198

**191**

Retirement benefit obligation

**21**

22

23

**19**

Other non-current liabilities

**2**

4

9	
<b>6</b>	
Borrowings	
<b>235</b>	
–	
270	
<b>269</b>	
<b>Total non-current liabilities</b>	
<b>647</b>	
435	
753	
<b>772</b>	
<b>Current liabilities</b>	
Borrowings	
–	
270	
–	
–	
Income and mining taxes	
<b>1</b>	
–	
–	
–	
Trade and other payables	
<b>145</b>	
147	
174	
<b>166</b>	
<b>Total current liabilities</b>	
<b>146</b>	
417	
174	
<b>166</b>	
<b>Total equity and liabilities</b>	
<b>3 253</b>	
3 455	
3 852	
<b>3 934</b>	

The balance sheet for March 2015 converted at a conversion rate of US\$1 = R12.17 (December 2014 : US\$1 = R11.57, June 2014:

US\$1 = R10.61, March 2014 : US\$1 = R10.56).

The balance sheet at 30 June 2014 has been extracted from the 2014 annual financial statements.



**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**22**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation)

**Figures in million**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**(Audited)**

**31 March**

**2015**

**(Unaudited)**

31 December

2014

(Unaudited)

31 March

2014

(Unaudited)

Restated\*

**31 March**

**2015**

**(Unaudited)**

31 March

2014

(Unaudited)

Restated

#

**Cash flow from operating activities**

Cash generated/(utilised) by operations

**30**

(6)

73

**121**

176

**218**

Interest and dividends received

**2**

3

3

**7**

9

**13**

Interest paid

**(1)**

(2)

(4)

**(5)**

(9)

**(12)**  
Income and mining taxes refunded/(paid)

**2**

3

–

**8**

(3)

–

**Cash generated/(utilised)**

**by operating activities**

**33**

(2)

72

**131**

173

**219**

**Cash flow from investing activities**

Decrease/(increase) in restricted cash

**1**

–

–

**1**

–

**(1)**

Decrease/(increase) in restricted  
investments

**2**

–

–

**2**

–

**(2)**

Proceeds on disposal of investments

–

–

–

–

–

**5**

Loan to associate

–

(11)

–

**(11)**

–

–

Other investing activities

–

–

–

–

(1)

—

Net additions to property,  
plant and equipment

1

**(60)**

(67)

(58)

**(188)**

(191)

**(257)**

**Cash utilised by investing activities**

**(57)**

(78)

(58)

**(196)**

(192)

**(255)**

**Cash flow from financing activities**

Borrowings raised

**34**

—

—

**36**

59

**60**

Borrowings repaid

**(67)**

—

(43)

**(70)**

(45)

**(44)**

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

**(33)**

—

(43)

**(34)**

14

**16**

**Foreign currency translation  
adjustments**

**(4)**

(3)

(3)

**(15)**

(14)

**(17)**

Net decrease in cash and cash equivalents

**(61)**

(83)  
 (32)  
**(114)**  
 (19)  
**(37)**  
 Cash and cash equivalents  
 – beginning of period

**119**

202

222

**172**

209

**209**

**Cash and cash equivalents**

**– end of period**

**58**

119

190

**58**

190

**172**

*1*

*Net additions to property, plant and equipment includes:*

**Figures in million**

**Quarter ended**

**Nine months ended**

**Year ended**

**30 June**

**2014**

**31 March**

**2015**

31 December

2014

31 March

2014

**31 March**

**2015**

31 March

2014

Capital and capitalised exploration and evaluation  
 expenditure for Wafi-Golpu

3

–

–

5

–

1

Additions resulting from stripping activities  
 at Hidden Valley

7

6

3  
16  
11  
12

*\* For the March 2014 quarter: Cash generated by operating activities previously reported as US\$69 million restated to US\$72 million. Cash utilised by investing activities previously reported as (US\$55 million) restated to (US\$58 million). This is mainly related to the change in accounting policy for IFRIC 20.*

#

*For the nine months ended 31 March 2014: Cash generated by operating activities previously reported as US\$161 million restated to US\$173 million. Cash utilised by investing activities previously reported as (US\$180 million) restated to (US\$192 million). This is mainly related to the change in accounting policy for IFRIC 20.*

The currency conversion average rates for the quarter ended: March 2015: US\$1 = R11.74 (December 2014: US\$1 = R11.22, March 2014: US\$1 = R10.83). For year ended: June 2014: US\$1 = R10.35. Nine months ended: March 2015: US\$1 = R11.24 (March 2014: US\$1 = R10.30).

Closing balance translated at closing rates of: March 2015: US\$1 = R12.17 (December 2014: US\$1 = R11.57, June 2014: US\$1 = R10.61, March 2014: US\$1 = R10.56).

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

**23**

SEGMENT REPORT (US\$/IMPERIAL)

for the nine months ended 31 March 2015 (unaudited)

**Revenue**

**31 March**

**Production cost**

**31 March**

**Production**

**(loss)/profit**

**31 March**

**Mining assets**

**31 March**

**Capital**

**expenditure**

**#**

**31 March**

**Ounces**

**produced**

**31 March**

**Tons milled**

**31 March**

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**US\$ million**

**US\$ million**

**US\$ million**

**US\$ million**

**US\$ million**

**oz**

**t'000**

**South Africa**

**Underground**

Kusasaletu

**129**

142

**134**

132

**(5)**

10

**294**  
335  
**30**  
36  
**97 674**  
107 416  
**742**  
945  
Doornkop  
**81**  
90  
**73**  
83  
**8**  
7  
**271**  
320  
**17**  
17  
**64 173**  
66 583  
**501**  
634  
Phakisa  
**95**  
92  
**77**  
76  
**18**  
16  
**379**  
438  
**27**  
26  
**76 776**  
71 149  
**505**  
475  
Tshepong  
**125**  
127  
**106**  
99  
**19**  
28  
**330**  
371  
**21**  
21  
**101 499**  
97 577

**816**  
772  
Masimong  
**77**  
88  
**66**  
72  
**11**  
16  
**74**  
98  
**12**  
12  
**62 083**  
67 580  
**570**  
567  
Target 1  
**115**  
142  
**78**  
73  
**37**  
69  
**231**  
259  
**19**  
21  
**92 562**  
112 367  
**619**  
624  
Bambanani  
(a)  
**85**  
101  
**45**  
50  
**40**  
51  
**69**  
80  
**8**  
9  
**68 771**  
77 773  
**188**  
209  
Joel  
**69**  
73



**50**

49

**19**

24

**44**

36

**12**

10

**55 460**

55 171

**454**

436

Unisel

**53**

60

**45**

44

**8**

16

**50**

63

7

6

**42 921**

46 490

**354**

342

Target 3

(b)

**20**

45

**16**

40

**4**

5

**44**

50

**2**

10

**15 529**

35 430

**99**

254

**Surface**

All other surface operations

**92**

94

**74**

71

**18**

23

**40**  
44  
**3**  
3  
**72 693**  
71 213  
**8 625**  
8 647  
**Total South Africa**  
**941**  
1 054  
**764**  
789  
**177**  
265  
**1 826**  
2 094  
**158**  
171  
**750 141**  
808 749  
**13 473**  
13 905  
**International**  
Hidden Valley  
**89**  
104  
**72**  
82  
**17**  
22  
**289**  
305  
7  
9  
**70 860**  
75 972  
**1 515**  
1 628  
**Total international**  
**89**  
104  
**72**  
82  
**17**  
22  
**289**  
305  
7  
9  
**70 860**

75 972

**1 515**

1 628

**Total operations**

**1 030**

1 158

**836**

871

**194**

287

**2 115**

2 399

**165**

180

**821 001**

884 721

**14 988**

15 533

#

*Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$5 million (2014: US\$nil).*

*(a)*

*Includes Steyn 2 for the March 2014 amounts.*

*(b)*

*Target 3 was placed on care and maintenance at the beginning of the December 2014 quarter.*

**Harmony Gold Mining Company Limited**

Results for the third quarter FY15 and nine months ended 31 March 2015

**24**

DEVELOPMENT RESULTS (METRIC)

Quarter ending March 2015

DEVELOPMENT RESULTS (IMPERIAL)

Quarter ending March 2015

**Channel**

**Reef**

**Meters**

**Sampled**

**Meters**

**Width**

**(Cm's)**

**Value**

**(g/t)**

**Gold**

**(Cmg/t)**

Tshepong

Basal

236

196

9.88

139.64

1 380

B Reef

173

178

129.31

4.82

624

**All Reefs**

**409**

**374**

**66.72**

**15.29**

**1 020**

Phakisa

Basal

520

540

60.13

21.45

1 290

**All Reefs**

**520**

**540**

**60.13**

**21.45**

**1 290**

Doornkop

Main Reef

—  
72  
66.00  
3.41

226  
South Reef

466  
459  
50.00  
13.68

684  
**All Reefs**

**466**  
**531**  
**52.17**  
**11.92**

**622**  
Kusasaletu

VCR Reef  
328  
292  
89.00

6.19  
551  
**All Reefs**

**328**  
**292**  
**89.00**  
**6.19**

**551**  
Total Target

(Incl. Target 1 & Target 3)

Elsburg

103  
120  
243.00  
3.03

737  
**All Reefs**

**103**  
**120**  
**243.00**  
**3.03**

**737**  
Masimong 5

Basal  
351  
306  
43.37  
14.81

642  
B Reef  
123  
147  
55.59  
14.33  
797  
**All Reefs**  
**474**  
**453**  
**47.34**  
**14.62**  
**692**  
Unisel  
Basal  
317  
236  
181.67  
8.15  
1 481  
Leader  
451  
340  
226.82  
6.65  
1 509  
**All Reefs**  
**768**  
**576**  
**208.32**  
**7.19**  
**1 497**  
Joel  
Beatrix  
257  
276  
110.00  
11.99  
1 319  
**All Reefs**  
**257**  
**276**  
**110.00**  
**11.99**  
**1 319**  
Total Harmony  
Basal  
1 424  
1 278  
70.86  
16.71

1 184  
Beatrix  
257  
276  
110.00  
11.99  
1 319  
Leader  
451  
340  
226.82  
6.65  
1 509  
B Reef  
296  
325  
95.97  
7.31  
702  
Elsburg  
103  
120  
243.00  
3.03  
737  
South Reef  
466  
459  
50.00  
13.68  
684  
VCR  
328  
292  
89.00  
6.19  
551  
Main Reef  
—  
72  
66.00  
3.42  
226  
**All Reefs**  
**3 325**  
**3 162**  
**98.70**  
**10.25**  
**1 011**  
Channel  
Reef

**Feet  
Sampled  
Feet  
Width  
(Inch)  
Value  
(oz/t)  
Gold  
(In.oz/t)**

Tshepong

Basal

774

643

4.00

3.96

16

B Reef

566

584

51.00

0.14

7

**All Reefs**

**1 341**

**1 227**

**26.00**

**0.45**

**12**

Phakisa

Basal

1 707

1 772

24.00

0.62

15

**All Reefs**

**1 707**

**1 772**

**24.00**

**0.62**

**15**

Doornkop

Main Reef

—

236

26.00

0.10

3

South Reef

1 528

1 506



20.00

0.39

8

**All Reefs**

**1 528**

**1 742**

**21.00**

**0.34**

7

Kusasaletu

VCR Reef

1 075

958

35.00

0.18

6

**All Reefs**

**1 075**

**958**

**35.00**

**0.18**

**6**

Total Target

(Incl. Target 1 & Target 3)

Elsburg

337

394

96.00

0.09

8

**All Reefs**

**337**

**394**

**96.00**

**0.09**

**8**

Masimong 5

Basal

1 152

1 004

17.00

0.43

7

B Reef

405

482

22.00

0.42

9

**All Reefs**

**1 556**

**1 486**

**19.00**

**0.42**

**8**

Unisel

Basal

1 039

774

72.00

0.24

17

Leader

1 480

1 115

89.00

0.19

17

**All Reefs**

**2 519**

**1 890**

**82.00**

**0.21**

**17**

Joel

Beatrix

844

906

43.00

0.35

15

**All Reefs**

**844**

**906**

**43.00**

**0.35**

**15**

Total Harmony

Basal

4 672

4 193

28.00

0.49

14

Beatrix

844

906

43.00

0.35

15

Leader

1 480

1 115  
89.00  
0.19  
17  
B Reef  
971  
1 066  
38.00  
0.21  
8  
Elsburg  
337  
394  
96.00  
0.09  
8  
South Reef  
1 528  
1 506  
20.00  
0.39  
8  
VCR  
1 075  
958  
35.00  
0.18  
6  
Main Reef  
—  
236  
26.00  
0.10  
3  
**All Reefs**  
**10 907**  
**10 374**  
**39.00**  
**0.30**  
**12**

**SIGNATURES**

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

Dated: May 8, 2015

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director