

HARMONY GOLD MINING CO LTD

Form 6-K

February 04, 2016

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 04 February 2016

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 SECOND QUARTER FY16 AND SIX MONTHS ENDED 31 DECEMBER 2015

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

KEY FEATURES

Quarter on quarter

Safety parameters improving; working towards zero harm

7% increase in underground recovered grade

2% increase in production

AISC down by 7% at R434 834/kg (down 15% to US\$950/oz)

84% increase in production profit to R1.29 billion (up 68% to US\$91 million)

Headline earnings of R74 million (US\$5 million)

Net debt reduction of R127 million (US\$29 million)

Q2 FY16

HARMONY'S ANNUAL REPORTS

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 2015 are available on our website at

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

FORWARD-LOOKING STATEMENTS

PRIVATE SECURITIES LITIGATION REFORM ACT

Safe Harbour Statement

This report contains forward-looking statements within the meaning of the safe harbour provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, with respect to our 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. These include all statements other than statements of historical fact, including, without limitation, any statements preceded by, followed by, or that include the words "targets", "believes", "expects", "aims" "intends" "will", "may", "anticipates", "would" "could", "estimates", "forecast", "predict", "continue" or similar expressions or the negative thereof.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, wherever they may occur in this report and the exhibits to this report, are essentially estimates reflecting the best judgement of our senior management 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 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 South Africa, Papua New Guinea, Australia and elsewhere, estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices, estimates of future gold and other metals production and sales, estimates of future cash costs, estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices, statements regarding future debt repayments, estimates of future capital expenditures, the success of our business strategy, development activities and other initiatives, estimates of reserves statements regarding future exploration

results and the replacement of reserves, the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, fluctuations in the market price of gold, the occurrence of hazards associated with underground and surface gold mining, the occurrence of labour disruptions, power cost increases as well as power stoppages, fluctuations and usage constraints, supply chain shortages and increases in the prices of production inputs, availability, terms and deployment of capital, changes in government regulation, particularly mining rights and environmental regulation, fluctuations in exchange rates, the adequacy of the Group's insurance coverage and socio-economic or political instability in South Africa and Papua New Guinea and other countries in which we operate.

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the Company's latest Integrated Annual Report on Form 20-F which is on file with the Securities and Exchange Commission, as well as the Company's other Securities and Exchange Commission filings. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except as required by law.

Q-on-Q

Quarter

Quarter

variance

Dec-15

Sep-15

%

Gold produced

– kg

8 929

8 752

2

– oz

287 074

281 385

2

Cash operating costs

– R/kg

360 153

384 810

6

– US\$/oz

787

921

15

Gold sold

– kg

8 999

8 743

3

– oz

289 323

281 094

3

Underground grade

– g/t

5.33
 4.99
 7
 Total costs and capital
 – R/kg
417 368
 443 730
 6
 – US\$/oz
912
 1 062
 14
 All-in sustaining costs
 – R/kg
434 834
 466 061
 7
 – US\$/oz
950
 1 115
 15
 Gold price received
 – R/kg
507 490
 473 567
 7
 – US\$/oz
1 109
 1 133
 (2)
 Production profit
 – R million
1 292
 701
 84
 – US\$ million
91
 54
 68
 Basic profit/(loss) per share
 – SAc/s
17
 (120)
 >100
 – USc/s
1
 (9)
 >100
 Headline earnings/(loss)
 – Rm
74

(523)

>100

– US\$m

5

(40)

>100

Headline earnings/(loss) per share

– SAc/s

17

(120)

>100

– USc/s

1

(9)

>100

Exchange rate

– R/US\$

14.24

13.00

10

1

CONTACT DETAILS
CORPORATE OFFICE

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

DIRECTORS

P T Motsepe* *Chairman*
M Motloba*^ *Deputy chairman*
P W Steenkamp *Chief executive officer*
F Abbott *Financial director*
H E Mashego *Executive director*
F F T De Buck*^ *Lead independent director*
J A Chissano*

1

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

* Non-executive

^ Independent

1

Mozambican

INVESTOR RELATIONS TEAM

Email: HarmonyIR@harmony.co.za
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
Henrika Ninham
Investor Relations Manager
Tel: +27 (0)11 411 2314
Mobile: +27 (0)82 759 1775
Email: henrika@harmony.co.za

COMPANY SECRETARY

Riana Bisschoff
Tel: +27 (0)11 411 6020
Mobile: +27 (0)83 629 4706
Email: 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
Tel: +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
Tel: +27 11 507 0300
Fax: +27 11 507 0503

TRADING SYMBOLS

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

REGISTRATION NUMBER

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

ISIN

ZAE000015228

COMPETENT PERSON'S DECLARATION

In South Africa, Harmony employs 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.

These competent persons, who are full-time employees of Harmony, consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

• Resources and reserves of South Africa:

Jaco Boshoff, BSc (Hons), MSc, MBA, Pr. Sci. Nat, MSAIMM, MGSSA, who has 20 years' relevant experience, is registered with the South African Council for Natural Scientific Professions (SACNASP) and is a member of the South African Institute of Mining and Metallurgy (SAIMM).

Mr Boshoff is Harmony's Lead Competent Person.

• Resources and reserves of Papua New Guinea:

Gregory Job, BSc, MSc, who has 27 years' relevant experience and is a member of the Australian Institute of Mining and Metallurgy

(AusIMM).

For more information on Harmony's reserves and resources as at 30 June 2015, please refer to <https://www.harmony.co.za/investors/reporting/annual-reports>.

Mineral resource and reserve information as at 30 June 2015 has not changed.

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

2

CONTENTS

1

Contact details and competent person's declaration

3

Message from the chief executive officer

5

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

7

Condensed consolidated income statements (Rand)

8

Condensed consolidated statements of
comprehensive income (Rand)

8

Condensed consolidated statements of changes in
equity (Rand)

9

Condensed consolidated balance sheets (Rand)

10

Condensed consolidated cash flow statements (Rand)

11

Notes to the condensed consolidated financial
statements

15

Segment report (Rand/Metric)

17

Condensed consolidated income statements (US\$)

18

Condensed consolidated statements of
comprehensive income (US\$)

18

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

19

Condensed consolidated balance sheets (US\$)

20

Condensed consolidated cash flow statements (US\$)

21

Segment report (US\$/Imperial)

22

Development results – Metric and Imperial

SHAREHOLDER INFORMATION

Issued ordinary share capital at 31 December 2015

436 789 929

Issued ordinary share capital at 30 September 2015

436 187 133

MARKET CAPITALISATION

At 31 December 2015 (ZARm)

6 814

At 31 December 2015 (US\$m)

440

At 30 September 2015 (ZARm)

3 764

At 30 September 2015 (US\$m)

272

**HARMONY ORDINARY SHARES AND
ADR PRICES**

12-month high (1 January 2015 – 31 December 2015)
for ordinary shares

16.25

12-month low (1 January 2015 – 31 December 2015)
for ordinary shares

8.13

12-month high (1 January 2015 – 31 December 2015)
for ADRs

1.34

12-month low (1 January 2015 – 31 December 2015)
for ADRs

0.53

FREE FLOAT

100%

ADR RATIO

1:1

JSE LIMITED

HAR

Range for quarter (1 October – 31 December 2015
closing prices)

R16.25 – R8.13

Average daily volume for the quarter (1 October –
31 December 2015)

1,740,583 shares

Range for quarter (1 July – 30 September 2015
closing prices)

R15.99 – R8.40

Average daily volume for the quarter (1 July –
30 September 2015)

2,196,866 shares

NEW YORK STOCK EXCHANGE

including other US trading platforms

HMY

Range for quarter (1 October – 31 December 2015
closing prices)

US\$1.03 – US\$0.53

Average daily volume for the quarter (1 October –
31 December 2015)

1,991,128

Range for quarter (1 July – 30 September 2015
closing prices)

US\$1.34 – US\$0.60

Average daily volume for the quarter (1 July –
30 September 2015)
3,565,559 shares

INVESTORS' CALENDAR

Q3 FY16 presentation (webcast and conference
calls only)

27 May 2016

Q4 FY16 live presentation from Johannesburg

17 August 2016

Release of FY16 Integrated Report and Form 20-F

26 October 2016

Q1 FY17 presentation (webcast and conference
calls only)

14 November 2016

Annual General Meeting

25 November 2016

3

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

During my first five weeks at Harmony, I have spent time with senior management, visited the various operations and met with the operational teams in both South Africa and Papua New Guinea. I am very impressed with the quality of our management and mining teams. The company owns excellent ore bodies. I have no doubt that the teams can deliver on their plans during financial year 2016.

Harmony recorded another solid set of results for the second quarter of financial year 2016 – three consecutive quarters of increased delivery. Underground grade was 7% higher, the majority of our operations produced higher kilograms with most of the operations generating net free operational cash flow except for Kalgold, Kusasalethu and Hidden Valley. Combined with a 7% increase in the average R/kg gold price received from R473 567/kg in the September 2015 quarter to R507 490/kg during the quarter under review, revenue increased by 10% to R4.57 billion (to US\$321 million).

Higher production, combined with an increase in the R/kg gold price, means that Harmony's cash flow is strengthened, our margins are growing, we are able to repay our debt and able to fund Golpu. During December 2015 we repaid R1.12 billion (US\$78 million) of our debt. At quarter end our net debt was at R2.52 billion (US\$162 million).

Despite the gold price trading around multi-year lows in US dollar terms, Harmony, with 94% of its operating revenue generated in South Africa, benefits from the weak rand which more than offsets the impact of the low US dollar gold price.

SAFETY

Harmony's safety statistics are improving – both quarter on quarter as well as year on year. Regrettably the South African operations did report two fatalities during the quarter. The men who lost their lives were Carlos Siteo (stoper at Masimong) and Moeketsi Mongoako (rock drill operator at Target). Our heartfelt condolences go to the families, friends and colleagues of these men. We will continue to work towards zero harm.

OPERATIONAL

After a good performance in gold production in Q1FY16, gold production for the December 2015 quarter increased by a further 2% to 8 929 kilograms/287 074 ounces. The increase was mainly due to our mines keeping their momentum most notably Hidden Valley recovering after the previous quarter and the improved results flowing through from Doornkop post its restructuring. Overall, Harmony's production profit increased by 84% to R1.29 billion (68% to US\$91 million) quarter on quarter, mainly due to a 7% increase in the gold price received and supported by a 2% increase in gold production.

All-in sustaining costs for all operations decreased by 7% to R434 834/kg in the December 2015 quarter, compared

to R466 061/kg in the September 2015 quarter (15% decrease to US\$950/oz). Cash operating costs for the December 2015 quarter decreased by 6% to R360 153/kg (15% decrease to US\$787/oz). Gold production at the following operations increased during the December 2015 quarter:

- *Hidden Valley (+189kg)(+ 6 077oz)*. Tonnes milled increased by 103 000t (33%) whilst recovered grade improved by 17% to 1.28g/t, resulting in a 55% improvement in gold produced. Hidden Valley's performance during the December 2015 quarter is not in line with plan as yet, as it was adversely affected by poor grade and road closures which restricted mining activity. Although an improvement on the prior quarter, which had significant production stoppages due to a fatality, the continued high cost nature of this operation has resulted in the suspension of pre-strip activities until metal prices significantly improve. Currently accessible ore sources remain available for the remainder of calendar year 2016, with the site remaining focused on safely operating at a free cash flow neutral or better position. The joint venture partners are concurrently assessing all strategic options in relation to the future of the asset.

- *Joel (+112kg) (+3 601oz)* improved gold production by 21%, due to a 21% increase in recovered grade to 4.69g/t;

- *Target 1 (+76kg) (+2 443oz)* increased tonnes milled by 8% resulting in an 8% increase in gold produced;

- *Phakisa (+62kg) (+1 993oz)* increased gold production by 6%, due to a 6% improvement in the recovered grade to 5.87g/t;

- *Dumps (+45kg) (+1 447oz)* increased tonnes milled by 11% and recovered grade improved by 5% to 0.39g/t, resulting in an 18% increase in gold produced;

- *Doornkop (+44kg) (+1 415oz)* recorded a 7% increase in gold produced post the restructuring of the mine, as a result of a 7% improvement in the recovered grade to 4.73g/t, partially offset by a 9% decrease in tonnes milled resulting in a 7% increase in gold produced;

- *Kalgold (+33kg) (+1 061oz)* increased gold production by 12% when compared to the September 2015 quarter. This was mainly due to an 8% improvement in the recovery grade to 0.81g/t and a 4% increase in tonnes milled.

The following operations recorded a decrease in production quarter on quarter:

- *Masimong (-122kg) (-3 923oz)* was impacted by the fatal

accident and milled 29 000 tonnes (15%) less than in the September 2015 quarter which was the main reason for the 17% decrease in gold production;

•

Tshepong (-113kg) (-3 633oz) recorded a 6% decrease in the recovery grade to 4.43g/t and a 3% decrease in tonnes milled. Production results were however in line with the operation's plan;

•

Bambanani's (-82kg) (-2 637oz) recovered grade decreased by 6% to 13.82g/t for the quarter under review, but still higher than the 11.5g/t guided for the year and tonnes milled decreased by 3%;

•

Kusasaletu (-51kg) (-1 640oz) milled 72 000 (32%) tonnes less than in the September 2015 quarter. This was mainly due to the reduction of waste after the re-commissioning of the waste pass system. The reduction of the waste to reef ratio combined with a 7% increase in the face grade for the December 2015 quarter, resulted in a 39% increase in the recovered grade to 6.25g/t.

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

4

The infrastructure related problems at this mine are however continuing and management is in the process of assessing the best way in which to address these issues.

I anticipate that the third quarter will show lower production due to late start-ups post the December 2015 quarter and the Easter holidays which also fall within the March quarter. I believe our annual guidance of approximately 1.1 million ounces will not be affected.

FINANCIAL RESULTS

Revenue

Revenue increased by 10% as a result of the 3% increase in gold sold to 8 999kg/289 323 oz and a 7% increase in the average gold price received at R507 490/kg (decrease of 2% to US\$1 109/oz) in the December 2015 quarter.

Production costs

Production costs decreased by 5% to R3.28 billion (decreased by 13% to US\$230 million) in the December 2015 quarter. The decrease is mainly a result of the decrease in electricity cost of R189 million (US\$13 million) due to the higher winter electricity price tariffs included in the September 2015 quarter.

Exploration expenditure

The increase in exploration expenditure quarter on quarter can be attributed to an additional drill rig commissioned at Kili Teke.

Other expenses – net

The total of R369 million (US\$26 million) in the December 2015 quarter is mainly due to a foreign exchange translation loss of R374 million (US\$26 million) recorded on the US\$ borrowings. The rand weakened by 13% from US\$/R13.87 at 30 September 2015 to US\$/R15.62 at 31 December 2015.

Profit/(loss) per share

We are pleased to report a 17 SA cents (1 US cents) profit per share for the December 2015 quarter, improved from the loss per share of 120 SA cents (9 US cents) for September 2015 quarter.

Cash and cash equivalents

Cash and cash equivalents decreased by R611 million (US\$51 million) due to the debt repayment of R1.12 billion (US\$78 million), offset by net cash generated of R501 million (US\$33 million).

Borrowings

Harmony repaid R1.12 billion (US\$78 million) of its debt during the December 2015 quarter. Repayments consisted of US\$50 million on its US\$250 million Revolving Credit Facility and R400 million on its R1.3 billion facility. The repayments were partially offset by the foreign translation loss recorded due to the weakening of the rand exchange rate against the US dollar.

GOLPU

Harmony, together with our joint venture partner Newcrest Mining Limited, continued discussions with the Papua New Guinean

government on the appropriate terms on which to progress the pre-mining development agreement.

Golpu is a fantastic asset, which the feasibility study confirms. The study was completed in December 2015 and is subject to both joint venture partners' approval before we will be able to share the results in mid-February 2016.

EXPLORATION

Harmony is one of the few gold mining companies that continue to spend on exploration. Kili Teke – which is 100% held by Harmony – is a gold-copper asset which we discovered. A maiden gold equivalent resource of 4 million ounces was declared for the Kili Teke copper-gold deposit in November 2015; containing 506 000 tonnes of copper, 1.2 million ounces of gold and 22 000 tonnes of molybdenum.

The Mineral Resource comprises 128 million tonnes at 0.4% copper, 0.3 g/t Au, 170 ppm molybdenum and was completed in accordance with the guidelines of the SAMREC and JORC (2012 edition) codes. The Mineral Resource is classified as Inferred, and has been defined over a zone 600m long, 300m wide and 400m deep. A second rig was mobilised to site to accelerate the resource definition and conversion process.

CONCLUSION

Harmony's share price responded following a weaker rand at the beginning of December 2015 and Harmony's announcement that it started repaying its debt. It continued its upward trend throughout January 2016. Each of our mines has been positioned to deliver safe, profitable ounces and my focus will be to deal with the ones that aren't, to ensure that Harmony benefits from a higher gold price.

Peter Steenkamp

Chief Executive Officer

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

6

5

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
Total
Underground
Phoenix
Dumps
Kalgold
Total
Surface

Ore milled

- t'000

Dec-15

155

150

178

272

160

197

62

139
110
1 423
1 660
753
374
2 787
4 210
419
4 629
Sep-15
227
164
178
281
189
183
64
139
112
1 537
1 644
676
360
2 680
4 217
316
4 533
Gold produced
– kg
Dec-15
969
709
1 044
1 206
606
1 082
857
652
462
7 587
209
296
302
807
8 394
535
8 929
Sep-15
1 020
665

982
1 319
728
1 006
939
540
477
7 676
210
251
269
730
8 406
346
8 752
- oz
Dec-15
31 154
22 795
33 565
38 774
19 483
34 787
27 553
20 962
14 854
243 927
6 719
9 517
9 710
25 946
269 873
17 201
287 074
Sep-15
32 794
21 380
31 572
42 407
23 406
32 344
30 190
17 361
15 336
246 790
6 752
8 070
8 649
23 471
270 261
11 124

281 385

Yield

– g/tonne

Dec-15

6.25

4.73

5.87

4.43

3.79

5.49

13.82

4.69

4.20

5.33

0.13

0.39

0.81

0.29

1.99

1.28

1.93

Sep-15

4.49

4.05

5.52

4.69

3.85

5.50

14.67

3.88

4.26

4.99

0.13

0.37

0.75

0.27

1.99

1.09

1.93

Cash

operating

costs

– R/kg

Dec-15

447 254

356 415

316 269

362 768

418 186

286 296

229 501

321 026
404 123
343 965
372 742
355 578
441 887
392 322
348 614
541 196
360 153
Sep-15
479 826
409 116
348 017
347 719
365 380
314 830
222 508
389 857
388 352
358 168
393 214
385 948
515 428
435 751
364 906
868 384
384 810
– \$/oz
Dec-15
977
779
691
793
914
626
501
701
883
752
814
777
965
857
762
1 182
787
Sep-15
1 148
979
833

832
874
753
532
933
929
857
941
923
1 233
1 043
873
2 078
921
- R/tonne
Dec-15
2 796
1 685
1 855
1 608
1 584
1 572
3 172
1 506
1 697
1 834
47
140
357
114
695
691
695
Sep-15
2 156
1 659
1 920
1 632
1 407
1 731
3 265
1 515
1 654
1 789
50
143
385
119
727
951
743

Gold sold
– kg
Dec-15
944
718
1 070
1 236
621
1 126
879
682
474
7 750
197
288
270
755
8 505
494
8 999
Sep-15
1 072
680
966
1 297
716
970
924
555
470
7 650
212
263
266
741
8 391
352
8 743
– oz
Dec-15
30 350
23 084
34 401
39 738
19 966
36 202
28 260
21 927
15 239
249 167
6 334

9 259
8 681
24 274
273 441
15 882
289 323
Sep-15
34 466
21 862
31 058
41 699
23 020
31 186
29 707
17 844
15 111
245 953
6 816
8 456
8 552
23 824
269 777
11 317
281 094
Revenue
(R'000)
Dec-15
475 337
364 032
544 357
628 933
315 875
570 371
447 580
347 220
241 147
3 934 852
99 887
146 543
137 278
383 708
4 318 560
248 345
4 566 905
Sep-15
508 322
322 224
457 404
613 671
339 013
462 161

435 752
262 500
222 241
3 623 288
100 421
124 576
125 932
350 929
3 974 217
166 176
4 140 393

**Cash operating
costs**

(R'000)

Dec-15

433 389
252 698
330 185
437 498
253 421
309 772
196 682
209 309
186 705
2 609 659
77 903
105 251
133 450
316 604
2 926 263
289 540
3 215 803

Sep-15

489 423
272 062
341 753
458 642
265 997
316 719
208 935
210 523
185 244
2 749 298
82 575
96 873
138 650
318 098
3 067 396
300 461
3 367 857

**Inventory
movement**

(R'000)

Dec-15

(13 278)

8 918

8 183

12 020

6 948

17 234

8 573

13 949

4 218

66 765

(4 055)

(3 580)

(13 824)

(21 459)

45 306

13 755

59 061

Sep-15

25 452

5 400

(5 714)

(6 134)

(4 334)

(10 296)

(4 696)

5 656

(2 725)

2 609

589

5 155

(2 201)

3 543

6 152

65 767

71 919

Operating costs

(R'000)

Dec-15

420 111

261 616

338 368

449 518

260 369

327 006

205 255

223 258

190 923

2 676 424
73 848
101 671
119 626
295 145
2 971 569
303 295
3 274 864
Sep-15
514 875
277 462
336 039
452 508
261 663
306 423
204 239
216 179
182 519
2 751 907
83 164
102 028
136 449
321 641
3 073 548
366 228
3 439 776
Production
profit
(R'000)
Dec-15
55 226
102 416
205 989
179 415
55 506
243 365
242 325
123 962
50 224
1 258 428
26 039
44 872
17 652
88 563
1 346 991
(54 950)
1 292 041
Sep-15
(6 553)
44 762
121 365

161 163
77 350
155 738
231 513
46 321
39 722
871 381
17 257
22 548
(10 517)
29 288
900 669
(200 052)
700 617
(\$'000)
Dec-15
3 880
7 194
14 469
12 603
3 899
17 095
17 022
8 707
3 528
88 397
1 830
3 151
1 240
6 221
94 618
(3 860)
90 758
Sep-15
(504)
3 444
9 337
12 399
5 951
11 982
17 811
3 563
3 056
67 039
1 328
1 735
(810)
2 253
69 292
(15 392)
53 900

**Capital
expenditure
(R'000)**

Dec-15

73 426

45 130

75 634

73 790

25 362

82 027

29 526

58 723

14 212

477 830

469

1 686

7 007

9 162

486 992

23 888

510 880

Sep-15

89 877

46 623

84 984

65 588

27 599

79 317

23 780

53 186

15 590

486 544

107

1 511

11 021

12 639

499 183

16 481

515 664

(\$'000)

Dec-15

5 158

3 170

5 313

5 183

1 782

5 762

2 074

4 125

998

33 565

33
118
492
643
34 208
1 678
35 886
Sep-15
6 914
3 587
6 538
5 046
2 123
6 102
1 829
4 092
1 199
37 430
8
116
848
972
38 402
1 268
39 670
**Cash Operating
Cost and Capital**
– R/kg
Dec-15
523 029
420 068
388 716
423 954
460 038
362 106
263 953
411 092
434 885
406 945
374 986
361 274
465 089
403 675
406 630
585 847
417 368
Sep-15
567 941
479 226
434 559
397 445

403 291
393 674
247 833
488 350
421 036
421 553
393 724
391 968
556 398
453 064
424 290
916 017
443 730
– \$/oz
Dec-15
1 143
918
849
926
1 005
791
577
898
950
889
819
789
1 016
882
888
1 280
912
Sep-15
1 359
1 147
1 040
951
965
942
593
1 169
1 007
1 009
942
938
1 331
1 084
1 015
2 192
1 062

**All-in
sustaining
costs**

- R/kg

Dec-15

543 262

439 592

403 492

439 798

491 644

378 399

274 976

382 904

459 895

420 131

378 183

369 575

496 491

417 208

419 322

702 167

434 834

Sep-15

581 984

490 361

450 652

413 998

428 847

412 106

250 346

451 236

443 126

434 829

393 684

404 837

574 506

462 553

436 751

1 163 868

466 061

- \$/oz

Dec-15

1 187

960

882

961

1 074

827

601

837

1 005

918

826

808

1 085

912

916

1 547

950

Sep-15

1 393

1 173

1 078

991

1 026

986

599

1 080

1 060

1 040

942

969

1 375

1 107

1 045

2 836

1 115

OPERATING RESULTS – QUARTER ON QUARTER (RAND/METRIC) (US\$/IMPERIAL)

7

CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)

Year ended

31 December

30 September 31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

Note

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Revenue

4 567

4 140

3 715

8 707

8 146

15 435

Cost of sales

2

(3 918)

(4 088)

(3 970)

(8 006)

(8 289)

(19 053)

Production costs

(3 275)

(3 439)

(3 096)

(6 715)

(6 614)

(12 632)

Amortisation and depreciation

(531)

(555)

(602)

(1 086)

(1 252)

(2 472)

Impairment of assets

-
-
-
-

(3 471)

Other items

(112)

(94)

(272)

(205)

(423)

(478)

Gross profit/(loss)

649

52

(255)

701

(143)

(3 618)

Corporate, administration and other expenditure

(93)

(89)

(83)

(182)

(194)

(378)

Social investment expenditure

(14)

(11)

(15)

(25)

(39)

(71)

Exploration expenditure

(60)

(43)

(95)

(103)

(180)

(263)

Profit on sale of property, plant and equipment

2

2

1

4

1

6

Other expenses (net)

5

(369)

(443)

(52)

(813)

(239)

(378)

Operating profit/(loss)

115

(532)

(929)

(418)

(1 224)

(5 193)

Profit/(loss) from associates

4

35

-

-

35

-

(25)

Profit on disposal of investments

-

-

-

-

-

4

Net gain/(loss) on financial instruments

(5)

(8)

8

(13)

15

9

Investment income

57

57

59

114

110

229

Finance cost

(70)

(71)

(67)

(141)

(132)

(264)

Profit/(loss) before taxation

132

(554)

(929)

(423)

(1 231)

(5 240)

Taxation

(56)

33

73

(22)

109

704

Normal taxation

(1)

(1)

(4)

(1)

(3)

5

Deferred taxation

(55)

34

77

(21)

112

699

Net profit/(loss) for the period

76

(521)

(856)

(445)

(1 122)

(4 536)

Attributable to:

Owners of the parent

76

(521)

(856)

(445)

(1 122)

(4 536)

Profit/(loss) per ordinary share (cents)

3

Basic profit/(loss)

17

(120)

(197)

(102)

(258)

(1 044)

Diluted profit/(loss)

17

(120)

(197)

(102)

(258)

(1 044)

Figures may not cross-cast as they are rounded independently.

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

The condensed consolidated financial statements for the six months ended 31 December 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 financials have not been audited or independently reviewed.

Quarter ended

Six months ended

Loss on scrapping of property, plant and equipment

-

-

(430)

-

(430)

(491)

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

8

Year ended

31 December

30 September 31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Net profit/(loss) for the period

76

(521)

(856)

(445)

(1 122)

(4 536)

Foreign exchange translation

256

216

(114)

472

65

54

Items that will not be reclassified to profit or loss:

-

-

-

-

-

5

Remeasurement of retirement benefit obligation

Actuarial gain recognised during the year

-

-

-

-

-

8

Deferred taxation thereon

-
-
-
-
-

(3)

Total comprehensive income/(loss) for the period

332

(305)

(970)

27

(1 057)

(4 477)

Attributable to:

Owners of the parent

332

(305)

(970)

27

(1 057)

(4 477)

The accompanying notes are an integral part of these condensed consolidated financial statements.
for the six months ended 31 December 2015 (Unaudited)

Balance - 30 June 2015

28 324

3 787

(5 358)

26 753

Share-based payments

-

99

-

99

Net loss for the period

-

-

(445)

(445)

Other comprehensive income for the period

-

472

-

472

Balance - 31 December 2015

28 324

4 358

(5 803)

26 879

Balance - 30 June 2014

28 325

3 539
 (822)
 31 042
 Share-based payments
 -
 129
 -
 129
 Net loss for the period
 -
 -
 (1 122)
 (1 122)
 Other comprehensive income for the period
 -
 65
 -
 65

Balance - 31 December 2014

28 325
 3 733
 (1 944)
 30 114

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (RAND)

(114)

472

65

54

Items that may be reclassified subsequently to profit or loss:

Quarter ended

Six months ended

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

256

216

(114)

472

65

59

256

216

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RAND)

Accumulated

loss

Total

Other

reserves

Share capital
Figures in million

9

CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)

At

At

At

At

31 December

30 September

30 June 31 December

2015

2015

2015

2014

Figures in million

Note

(Unaudited)

(Unaudited)

(Audited)

(Unaudited)

ASSETS

Non-current assets

Property, plant and equipment

30 101

29 808

29 548

32 843

Intangible assets

878

882

885

883

Restricted cash

55

52

48

42

Restricted investments

2 434

2 408

2 384

2 366

Investments in associates

4

10

-

-

-

Investments in financial assets

5

5

5

5
Inventories
36
36
36
50
Trade and other receivables
4
74
80
80
120
Total non-current assets
33 593
33 271
32 986
36 380
Current assets
Inventories
1 260
1 263
1 292
1 337
Trade and other receivables
658
754
746
822
Income and mining taxes
11
28
30
43
Restricted cash
16
16
16
15
Cash and cash equivalents
876
1 487
1 067
1 374
Total current assets
2 821
3 548
3 151
3 591
Total assets
36 414
36 819

36 137

39 971

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

28 324

28 324

28 324

28 325

Other reserves

4 358

4 045

3 787

3 733

Accumulated loss

(5 803)

(5 879)

(5 358)

(1 944)

Total equity

26 879

26 490

26 753

30 114

Non-current liabilities

Deferred tax liabilities

1 926

1 871

1 906

2 562

Provision for environmental rehabilitation

2 364

2 292

2 218

2 170

Retirement benefit obligation

170

167

163

255

Other non-current liabilities

41

39

37

42

Borrowings

5

3 092

4 129

3 399

-

Total non-current liabilities

7 593

8 498

7 723

5 029

Current liabilities

Borrowings

5

299

-

-

3 121

Income and mining taxes

1

1

1

-

Trade and other payables

1 642

1 830

1 660

1 707

1 942

1 831

1 661

4 828

Liabilities of disposal groups classified as held for sale

-

-

-

-

Total current liabilities

1 942

1 831

1 661

4 828

Total equity and liabilities

36 414

36 819

36 137

39 971

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

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

10

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (RAND)

Year ended

31 December

30 September

31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

Note

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

1 040

696

(64)

1 736

1 007

1 928

24

23

30

47

55

101

Interest paid

(39)

-

(23)

(39)

(46)

(108)

18

-

39

18

64

85

Cash generated/(utilised) by operating activities

1 043

719

(18)

1 762

1 080

2 006

(Increase)/decrease in restricted cash

(4)

(3)

(4)

(7)

-

8

Decrease in restricted investments

2

1

-

3

1

31

Loan to associate

7

-

(120)

7

(120)

(120)

(568)

(597)

(872)

(1 165)

(1 518)

(2 908)

Borrowings raised

-

300

-

300

-

941

Borrowings repaid

(1 117)

-

-

(1 117)

-

(793)

Cash generated/(utilised) by financing activities

(1 117)

300

-

(817)
-
148
31
(2)
(17)
29
(17)
(8)
Net increase/(decrease) in cash and cash equivalents
(611)
420
(907)
(191)
(455)
(762)
Cash and cash equivalents - beginning of period
1 487
1 067
2 281
1 067
1 829
1 829
Cash and cash equivalents - end of period
876
1 487
1 374
876
1 374
1 067

Figures may not cross-cast as they are rounded independently.

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

Six months ended

Quarter ended

Cash flow from operating activities

Cash generated/(utilised) by operations

Interest and dividends received

Income and mining taxes refunded

Foreign currency translation adjustments

Cash flow from investing activities

(2 827)

(1 399)

(1 168)

Cash utilised by investing activities

Cash flow from financing activities

Net additions to property, plant and equipment

7

(573)

(595)

(748)

11

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 December 2015 (Rand)

1 Accounting policies

Basis of accounting

2 Cost of sales

Year ended

31 December

30 September

31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Production costs - excluding royalty

3 237

3 414

3 074

6 652

6 560

12 537

Royalty expense

38

25

22

63

54

95

Amortisation and depreciation

531

555

602

1 086

1 252

2 472

Impairment of assets

-

-

-

-	
-	
3 471	
Rehabilitation expenditure/(credit)	
16	
13	
5	
28	
19	
(6)	
Care and maintenance cost of restructured shafts ¹	
37	
22	
20	
58	
37	
106	
Employment termination and restructuring costs	
-	
15	
182	
15	
230	
251	
Share-based payments	
60	
45	
66	
105	
139	
208	
Other	
(1)	
(1)	
(1)	
(1)	
(2)	
(81)	
Total cost of sales	
3 918	
4 088	
3 970	
8 006	
8 289	
19 053	
¹ Included in the September 2015 quarter is a credit of R15 million relating to an insurance claim approved on the Brand 1A vent shaft explosion.	
3 Earnings/(loss) per share	
Year ended	
31 December	
30 September	

31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Weighted average number of shares (million)

435.3

435.1

434.2

435.2

434.1

434.4

Weighted average number of diluted shares (million)

436.9

435.7

435.2

436.9

436.1

438.1

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

Basic loss

17

(120)

(197)

(102)

(258)

(1 044)

Diluted loss

17

(120)

(197)

(102)

(258)

(1 044)

Headline earnings/(loss)

17

(120)

(114)

(103)

(175)

(189)

Diluted headline earnings/(loss)

17

(120)

(114)

(103)

(175)

(189)

Figures in million

Reconciliation of headline earnings/(loss):

Net profit/(loss)

76

(521)

(856)

(445)

(1 122)

(4 536)

Adjusted for:

Profit on disposal of investments ¹

-

-

-

-

-

(4)

Impairment of assets

-

-

-

-

-

3 471

Taxation effect on impairment of assets

-

-

-

-

-

(169)

Profit on sale of property, plant and equipment

(2)

(2)

(1)

(4)

(1)

(6)

Loss on scrapping of property, plant and equipment

-

-

430

-

430

491

Headline earnings/(loss)

74

(523)

(496)

(449)

(763)

(821)

¹ *There is no taxation effect on this item.*

-

(1)

Taxation effect of (loss)/profit on sale of property,
plant and equipment

-

-

-

-

-

-

(69)

-

(69)

The condensed consolidated financial statements for the six months ended 31 December 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 2015, 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.

Quarter ended

Six months ended

Quarter ended

Six months ended

Taxation effect on loss of scrapping of property, plant
and equipment

(67)

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

12

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 December 2015 (Rand)

4 Investment in associate

5 Borrowings

US\$ facility

Rand facility

Figures in million

US dollar

SA rand

Borrowings summary at 31 December 2015

Facility

250

1 300

Drawn down

200

300

Undrawn committed borrowing facilities

50

1 000

February

2018

Interest rate

LIBOR + 3%

JIBAR + 3.5%

The drawn amount of R300 million on the Nedbank facility is repayable during December 2016 and has been reclassified as current.

6 Financial risk management activities

Fair value determination

The fair value levels of hierarchy are as follows:

Level 1:

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

Level 2:

Level 3:

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

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

At

At

At

At

31 December

30 September

30 June

31 December

2015

2015

2015

2014

Figures in million

(Unaudited)

(Unaudited)

(Audited)

(Unaudited)

Available-for-sale financial assets ¹

Level 1

-
-
-
-

Level 2

-
-
-
-

Level 3

5
5
5
5

Fair value through profit or loss ²

Level 1

-
-
-
-

Level 2

614
532
538
375

Level 3

-
-
-
-

¹ 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 Top 40 index on the JSE, and are discounted at market interest rate. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds (included in restricted investments).

December

2016

Maturity

Harmony's portion of the subordinated shareholders' loan extended to Rand Refinery Proprietary Limited (Rand Refinery) in December 2014 amounts to

R120 million. This loan forms part of the net investment in associate. At 30 June 2015, Harmony recorded R25 million against the loan for its share of

losses, as well as a provision for impairment of R15 million.

Harmony's share of profits for the six months to end of December 2015 totalled R35 million. This profit effectively reversed the loss of R25 million

recognised against the loan in June 2015 and an investment in associate of R10 million has been recognised on the balance sheet at 31 December 2015.

The net investment's recoverability was assessed and a provision for impairment of R25 million was recognised in "Other expenses (net)" against the loan.

The fair value measurement of the net investment is classified as level 3 and is non-recurring.

During the December 2015 quarter, R400 million was repaid on the R1.3 billion Nedbank revolving credit facility and US\$50 million on the US\$ revolving

credit facility. During the September 2015 quarter, R300 million was drawn down on the R1.3 billion Nedbank revolving credit facility. The weakening of the

Rand against the US\$ resulted in a foreign exchange translation loss of R374 million being recorded in the December 2015 quarter (September 2015

quarter: R426 million), increasing the Borrowings balance and Other expenses (net) total.

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);

13

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 December 2015 (Rand)

7 Net additions to property, plant and equipment

Year ended

31 December

30 September

31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Capital expenditure - operations

511

516

682

1 027

1 278

2 470

Other

-

(1)

(1)

(1)

-

2

Net additions

573

595

748

1 168

1 399

2 827

8 Commitments and contingencies

At

At

At

At

31 December

30 September
 30 June
 31 December

2015
 2015
 2015
 2014

Figures in million

(Unaudited)

(Unaudited)

(Audited)

(Unaudited)

Capital expenditure commitments:

Contracts for capital expenditure

166

126

158

172

Authorised by the directors but not contracted for

1 607

1 980

257

1 646

1 773

2 106

415

1 818

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

Contingent liabilities

9

Related parties

Movement in shares owned by directors/prescribed officers for the six months ended 31 December 2015:

Name of director/prescribed officer

Shares

purchased in

open market

Performance

shares vested

and retained

Frank Abbott (Financial director) ¹

300 000

18 547

Graham Briggs (Chief executive officer)

-

46 874

Harry "Mashego" Mashego (Executive director)

-

7 760

Ken Dicks (Independent non-executive director) ²

15 000

n/a

Johannes van Heerden

-

13 153

¹ Purchased on 15 December 2015.

² Purchased on 8 December 2015.

10 Subsequent events

11 Segment report

The segment report follows on page 15.

236

1

114

16

119

Six months ended

Additions resulting from stripping activities at Hidden Valley

9

19

66

28

105

For a detailed disclosure on contingent liabilities refer to Harmony's annual financial statements for the financial year ended 30 June 2015. There were no significant changes in contingencies since 30 June 2015.

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.

Harmony has signed a R150 million guarantee for the ARM Broad Based Economic Empowerment (BBEE) Trust, a member of the African Rainbow

Minerals (ARM) group. The guarantee is for additional security for the ARM BEE Trust loan due to Nedbank Limited. The fair value of the guarantee was

R15 million at 31 December 2015, and has been recorded in Other expenses (net) and Trade and other payables.

Peter Steenkamp was appointed as chief executive officer (CEO) on 1 January 2016, replacing Graham Briggs who resigned as the CEO on 31 December 2015.

Capital and capitalised exploration and evaluation expenditure for Golpu

53

61

Quarter ended

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

14

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 December 2015 (Rand)

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

31 December

31 December

2015

2014

Figures in million

(Unaudited)

(Unaudited)

Reconciliation of production profit to gross profit

Total segment revenue

8 707

8 146

Total segment production costs

(6 715)

(6 614)

Production profit per segment report

1 992

1 532

Depreciation

(1 086)

(1 252)

Other cost of sales items

(205)

(423)

Gross profit as per income statements ¹

701

(143)

At

At

31 December

31 December

2015

2014

Figures in million

(Unaudited)

(Unaudited)

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

Property, plant and equipment not allocated to a segment

Mining assets

749

791

Undeveloped property

5 139

5 139

Other non-mining assets

183

162

Wafi-Golpu assets

1 814

1 105

7 885

7 197

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.*

Six months ended

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:

15

SEGMENT REPORT (RAND/METRIC)

for the six months ended 31 December 2015 (Unaudited)

2015

2014

2015

2014

2015

2014

2015

2014

2015

2014

2015

2014

2015

2014

South Africa

Underground

Kusasaletu

984

1 005

935

1 065

49

(60)

3 661

3 526

163

247

1 989

2 109

382

476

Doornkop

686

620

539

566

147

54

2 237

3 332

92

129

1 374

1 346

314

298

Phakisa

1 002

720

674

589

328

131

4 274

4 625

161

213

2 026

1 628

356

300

Tshepong

1 243

1 010

902

805

341

205

4 079

3 997

139

171

2 525

2 288

553

528

Masimong

655

620

522

508

133

112

797

879

53

89

1 334

1 403

349

373

Target 1

1 032

912

633

596

399

316

2 840

2 799

161

143

2 088

2 052

380

386

Bambanani

883

617

410

347

473

270

810

842

53

64

1 796

1 391

126

115

Joel

610

563

439

419

171

144

673

513

112

90

1 192

1 162

278

285

Unisel

463

420

374

342

89

78

567

625

30

61

939

948

222

225

Target 3 ^(a)

-

222

-

177

-

45

528

546

-

20

-

483

-

90

Surface

All other surface operations

734

709

617

582

117

127

474

475

22

19

1 537

1 565

5 467

5 225

Total South Africa

8 292

7 418

6 045

5 996

2 247

1 422

20 940

22 159

986

1 246

16 800

16 375

8 427

8 301

International

Hidden Valley

415

728

670
618
(255)
110
1 276
3 487
40
33
881
1 519
735
905
Total international
415
728
670
618
(255)
110
1 276
3 487
40
33
881
1 519
735
905
Total operations
8 707
8 146
6 715
6 614
1 992
1 532
22 216
25 646
1 026
1 279
17 681
17 894
9 162
9 206
-
-
-
-
7 885
7 197
8 707
8 146
6 715

6 614

30 101

32 843

Capital expenditure for international operations excludes expenditure spend on Golpu of R114 million (2014: R16 million).

(a) Target 3 was placed on care and maintenance in October 2014.

Mining assets

31 December

Capital expenditure #

31 December

Kilograms produced

31 December

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

Tonnes milled

31 December

R million

R million

R million

R million

R million

kg

t'000

Revenue

31 December

Production cost

31 December

Production profit/(loss)

31 December

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

16

Q2 FY16

US\$ RESULTS

FOR THE SECOND QUARTER

FY16 AND SIX MONTHS ENDED

31 DECEMBER 2015

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

17

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation)

Year ended

31 December

30 September 31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Revenue

321

319

327

639

739

1 348

Cost of sales

(275)

(315)

(354)

(588)

(753)

(1 645)

Production costs

(230)

(265)

(276)

(493)

(601)

(1 103)

Amortisation and depreciation

(37)

(43)

(54)

(80)

(114)

(216)

Impairment of assets

-
-
-
-
-
(285)
Other items
(8)
(7)
(24)
(15)
(38)
(41)
Gross profit/(loss)
46
4
(27)
51
(14)
(297)
Corporate, administration and other expenditure
(7)
(7)
(8)
(13)
(18)
(33)
Social investment expenditure
(1)
(1)
(1)
(2)
(3)
(6)
Exploration expenditure
(4)
(3)
(8)
(7)
(16)
(23)
Profit on sale of property, plant and equipment
-
-
-
-
-
1
Other expenses (net)
(26)
(34)

(5)
(60)
(23)
(33)
Operating profit/(loss)
8
(41)
(87)
(31)
(112)
(433)
Profit/(loss) from associates
2
-
-
3
-
(2)
Net gain/(loss) on financial instruments
-
(1)
1
(1)
2
1
Investment income
4
4
6
8
10
20
Finance cost
(5)
(5)
(6)
(10)
(12)
(22)
Profit/(loss) before taxation
9
(43)
(86)
(31)
(112)
(436)
Taxation
(4)
3
7
(2)

10
62
Normal taxation
-
-
-
-
-
Deferred taxation
(4)
3
7
(2)
10
62
Net profit/(loss) for the period
5
(40)
(79)
(33)
(102)
(374)
<i>Attributable to:</i>
Owners of the parent
5
(40)
(79)
(33)
(102)
(374)
Profit/(loss) per ordinary share (cents)
Basic profit/(loss)
1
(9)
(18)
(7)
(23)
(86)
Diluted profit/(loss)
1
(9)
(18)
(7)
(23)
(86)

Note on convenience translations

Except where specific statements have been extracted from 2015 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 page 17 to 21.

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The currency conversion average rates for the quarter ended: December 2015: US\$1 = R14.24 (September 2015: US\$1 = R13.00, December 2014: US\$1 = R11.22). For year ended: June 2015: US\$1 = R11.45. Six months ended: December 2015: US\$1 = R13.62 (December 2014: US\$1 = R10.99).

The income statement for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

Quarter ended

Six months ended

Loss on scrapping of property, plant and equipment

-

-

(38)

-

(38)

(42)

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

18

(Convenience translation)

Year ended

31 December

30 September

31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Net profit/(loss) for the period

5

(40)

(79)

(33)

(102)

(374)

Foreign exchange translation

18

17

(11)

35

6

(368)

Items that will not be reclassified to profit or loss:

-

-

-

-

-

1

Remeasurement of retirement benefit obligation

Actuarial gain recognised during the year

-

-

-

-

-
 1
 Deferred taxation thereon
 -
 -
 -
 -
 -
Total comprehensive income/(loss) for the period

23

(23)

(90)

2

(96)

(741)

Attributable to:

Owners of the parent

23

(23)

(90)

2

(96)

(741)

The statement of comprehensive income for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

for the six months ended 31 December 2015 (Convenience translation) (Unaudited)

Figures in million

Balance - 30 June 2015

1 813

242

(343)

1 712

Share-based payments

-

6

-

6

Net loss for the period

-

-

(28)

(28)

Other comprehensive income for the period

-

30

-

30

Balance - 31 December 2015

1 813

278

(371)

1 720

Balance - 30 June 2014

2 448

306

(71)

2 683

Share-based payments

-

11

-

11

Net loss for the period

-

-

(97)

(97)

Other comprehensive income for the period

-

6

-

6

Balance - 31 December 2014

2 448

323

(168)

2 603

The currency conversion closing rates for the period ended 31 December 2015: US\$1 = R15.62 (December 2014: US\$1 = R11.57).

The statement of changes in equity for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

Share capital

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$)

(368)

Quarter ended

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

The currency conversion average rates for the quarter ended: December 2015: US\$1 = R14.24 (September 2015: US\$1 = R13.00, December 2014: US\$1 =

R11.22). For year ended: June 2015: US\$1 = R11.45. Six months ended: December 2015: US\$1 = R13.62 (December 2014: US\$1 = R10.99).

Six months ended

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

18

17

(11)

35

6

(367)

Items that may be reclassified subsequently to profit or

loss:

18

17

Total

Accumulated

loss

Other

reserves

(11)

35

6

19

CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)

(Convenience translation)

At

At

At

At

31 December

30 September

30 June 31 December

2015

2015

2015

2014

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

ASSETS

Non-current assets

Property, plant and equipment

1 927

2 150

2 430

2 839

Intangible assets

56

64

73

76

Restricted cash

4

4

4

4

Restricted investments

156

174

196

205

Deferred tax assets

-

-

-

6

Inventories

2

3

3

4

Trade and other receivables

5

6

7

10

Total non-current assets

2 150

2 401

2 713

3 144

Current assets

Inventories

81

91

106

116

Trade and other receivables

42

54

62

71

Income and mining taxes

1

2

2

4

Restricted cash

1

1

1

1

Cash and cash equivalents

56

107

88

119

Total current assets

181

255

259

311

Total assets

2 331

2 656

2 972

3 455

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

1 813

2 043

2 329
2 448
Other reserves
278
291
311
323
Accumulated loss
(371)
(423)
(440)
(168)
Total equity
1 720
1 911
2 200
2 603
Non-current liabilities
Deferred tax liabilities
123
135
157
221
Provision for environmental rehabilitation
151
165
182
188
Retirement benefit obligation
11
12
13
22
Other non-current liabilities
3
3
3
4
Borrowings
198
298
280
-
Total non-current liabilities
486
613
635
435
Current liabilities
Borrowings
20

-
-
270
Trade and other payables
105
132
137
147
Total current liabilities
125
132
137
417
Total equity and liabilities
2 331
2 656
2 972
3 455

The balance sheet for December 2015 converted at a conversion rate of US\$1 = R15.62 (September 2015 : US\$1 = R13.87, June 2015 : US\$1 = R12.16, December 2014 : US\$1 = R11.57).

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

20

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation)

Year ended

31 December

30 September

31 December

31 December

31 December

30 June

2015

2015

2014

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Cash generated/(utilised) by operations

73

54

(6)

127

92

168

Interest and dividends received

2

2

3

3

5

9

Interest paid

(3)

-

(2)

(3)

(4)

(9)

Income and mining taxes refunded

1

-

3

1

6

8

Cash flow from investing activities

(Increase)/decrease in restricted cash

-

-

-

-

-

1

Decrease in restricted investments

-

-

-

-

-

2

Loan to associate

-

-

(11)

1

(11)

(10)

(40)

(46)

(78)

(85)

(138)

(253)

Borrowings raised

-

23

-

22

-

80

Borrowings repaid

(78)

-

-

(82)

-

(65)

(6)

(14)

(3)

(15)

(14)

(22)

56

107

119

56

119

88

The cash flow statement for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

Six months ended

Quarter ended

Cash flow from financing activities

Cash utilised by investing activities

Cash flow from operating activities

(86)

(127)

99

Net additions to property, plant and equipment

(40)

(46)

(67)

(32)

(53)

(84)

Cash and cash equivalents - beginning of period

107

88

Cash and cash equivalents - end of period

Net increase/(decrease) in cash and cash equivalents

(51)

19

(83)

-

(60)

-

15

Foreign currency translation adjustments

176

The currency conversion average rates for the quarter ended: December 2015: US\$1 = R14.24 (September 2015: US\$1 = R13.00, December 2014: US\$1 =

R11.22). For year ended: June 2015: US\$1 = R11.45. Six months ended: December 2015: US\$1 = R13.62 (December 2014: US\$1 = R10.99).

Closing balance translated at closing rates of: December 2015 : US\$1 = R15.62 (September 2015 : US\$1 = R13.87, June 2015 : US\$1 = R12.16, December 2014 : US\$1 = R11.57).

172

172

202

88

Cash generated/(utilised) by operating activities

73

56

(2)

128

(246)

Cash generated/(utilised) by financing activities

(78)

23

21

SEGMENT REPORT (US\$/IMPERIAL)

for the six months ended 31 December 2015 (Unaudited)

2015

2014

2015

2014

2015

2014

2015

2014

2015

2014

2015

2014

2015

2014

South Africa

Underground

Kusasaletu

72

91

69

97

3

(6)

234

305

12

21

63 948

67 806

421

525

Doornkop

50

56

40

51

10

5

143

288

7

12

44 175

43 275

346

329

Phakisa

74

66
50
54
24
12
274
400
12
19
65 137
52 341
392
331
Tshepong
91
92
66
73
25
19
261
346
10
15
81 181
73 560
610
583
Masimong
48
56
38
46
10
10
51
76
4
8
42 889
45 107
384
411
Target 1
76
83
47
54
29
29
182

242
12
13
67 131
65 973
419
426
Bambanani
65
56
30
32
35
24
52
73
4
6
57 743
44 722
139
127
Joel
45
51
32
38
13
13
43
44
8
8
38 323
37 359
306
314
Unisel
34
38
27
31
7
7
36
54
2
6
30 190
30 479
245

248

Target 3 ^(a)

-

20

-

16

-

4

34

47

-

2

-

15 529

-

99

Surface

All other surface operations

54

64

45

53

9

11

30

41

2

2

49 417

50 316

6 028

5 761

Total South Africa

609

673

444

545

165

128

1 340

1 916

73

112

540 134

526 467

9 290

9 154

International

Hidden Valley

30

66

49
 56
(19)
 10
82
 301
3
 3
28 325
 48 837
810
 998
Total international
30
 66
49
 56
(19)
 10
82
 301
3
 3
28 325
 48 837
810
 998
Total operations
639
 739
493
 601
146
 138
1 422
 2 217
76
 115
568 459
 575 304
10 100
 10 152
Capital expenditure for international operations excludes expenditure spend on Golpu of US\$8 million (2014: US\$1 million).
 (a) *Target 3 was placed on care and maintenance in October 2014.*
Tons milled
31 December
US\$ million
US\$ million
US\$ million
US\$ million

US\$ million

oz

t'000

Revenue

31 December

Production cost

31 December

Production profit/(loss)

31 December

Mining assets

31 December

Capital expenditure #

31 December

Ounces produced

31 December

Harmony Gold Mining Company Limited

Results for the second quarter FY16 and six months ended 31 December 2015

22

DEVELOPMENT RESULTS (IMPERIAL)

Quarter ending December 2015

**Channel
Reef Sampled
Width
Value
Gold
Meters
Meters
(Cm's)
(g/t) (Cmg/t)**

Tshepong

Basal

184

168

9.59

234.46

2 248

B Reef

114

82

81.79

6.04

494

All Reefs

299

250

33.27

50.27

1 672

Phakisa

Basal

448

456

63.90

21.64

1 383

All Reefs

448

456

63.90

21.65

1 383

Bambabani

Basal

43
16
256.00
8.77
2 244
All Reefs
43
16
256.00
8.77
2 244
Doornkop
South Reef
512
585
64.00
13.97
892
All Reefs
512
585
64.00
13.93
892
Kusasaletu
VCR Reef
477
390
101.00
6.92
699
All Reefs
477
390
101.00
6.92
699
Target 1
Elsburg
-
-
-
-
-
All Reefs
-
-
-
-
-
Masimong 5

Basal

224

134

81.37

17.38

1 414

B Reef

199

231

52.74

19.11

1 008

All Reefs

423

365

63.25

18.29

1 157

Unisel

Basal

127

102

154.43

5.27

814

Leader

262

254

223.80

4.69

1 049

Middle

—

—

—

—

—

All Reefs

390

356

203.93

4.81

982

Joel

Beatrix

720

708

151.00

7.71

1 164

All Reefs

720
708
151.00
7.71
1 164
Total Harmony
Basal
1 027
876
70.21
21.41
1 503
Beatrix
720
708
151.00
7.71
1 164
Leader
262
254
223.80
4.69
1 049
B Reef
313
313
60.35
14.47
873
Middle
—
—
—
—
—
Elsburg
—
—
—
—
—
South Reef
512
585
64.00
13.93
892
VCR
477
390

101.00

6.92

699

All Reefs

3 311

3 126

102.68

10.83

1 112

DEVELOPMENT RESULTS (METRIC)

Quarter ending December 2015

Channel

Reef Sampled

Width

Value

Gold

Feet

Feet

(Inch)

(oz/t) (In.oz/t)

Tshepong

Basal

605

551

4.00

6.45

26

B Reef

374

269

32.00

0.18

6

All Reefs

979

820

13.00

1.48

19

Phakisa

Basal

1 469

1 496

25.00

0.64

16

All Reefs

1 469

1 496
25.00
0.64
16
Bambabani
Basal
142
52
101.00
0.26
26
All Reefs
142
52
101.00
0.26
26
Doornkop
South Reef
1 681
1 919
25.00
0.41
10
All Reefs
1 681
1 919
25.00
0.41
10
Kusasaletu
VCR Reef
1 565
1 280
40.00
0.20
8
All Reefs
1 565
1 280
40.00
0.20
8
Target 1
Elsburg
—
—
—
—
—
All Reefs

-
-
-
-
-

Masimong 5

Basal

735

440

32.00

0.51

16

B Reef

652

758

21.00

0.55

12

All Reefs

1 387

1 198

25.00

0.53

13

Unisel

Basal

417

335

61.00

0.15

9

Leader

861

833

88.00

0.14

12

Middle

-
-
-
-
-

All Reefs

1 278

1 168

80.00

0.14

11

Joel

Beatrix

2 362
2 323
59.00
0.23
13

All Reefs

2 362
2 323
59.00
0.23
13

Total Harmony

Basal
3 368
2 874
28.00
0.62
17

Beatrix

2 362
2 323
59.00
0.23
13

Leader

861
833
88.00
0.14
12

B Reef

1 027
1 027
24.00
0.42
10

Middle

—
—
—
—
—

Elsburg

—
—
—
—
—

South Reef

1 681
1 919

25.00

0.41

10

VCR

1 565

1 280

40.00

0.20

8

All Reefs

10 863

10 256

40.00

0.32

13

SIGNATURES

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

Dated: February 4, 2016

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director