

Harmony Gold Mining Company Limited
Registration number 1950/038232/06
Incorporated in the Republic of South Africa
ISIN: ZAE000015228
JSE share code: HAR
("Harmony" or "the company")

Harmony's Kusasalethu and Masimong mines receive strike notice from AMCU

Harmony Gold Mining Company Limited ("Harmony" and/or "the Company") confirms that it has received a notice from the Association of Mineworkers and Construction Union (AMCU) that the union will embark on a strike as from 23 January 2014 at its Kusasalethu and Masimong mines.

The strike has been called in respect of the 2013 wage negotiations and involves a number of other South African gold producers covered by the industry's collective bargaining structure.

Wage negotiations were concluded on 10 September 2013 when a two-year wage agreement was reached with three of the four unions (NUM, UASA and Solidarity), representing 72% of employees at the time. While AMCU (representing 17% of employees at that time), participated in the central level negotiations, it refused to accept the agreement.

The September 2013 agreement was made applicable to all employees who form part of the bargaining unit, irrespective of trade union affiliation. These wage increases were backdated to 1 July 2013. AMCU members have therefore benefited from the outcome of the wage negotiations as well as additional bonus structures that were introduced by Harmony since then.

In terms of the 'peace clause' contained in the agreement, there can be no strike action about terms and conditions of employment during the existence of the agreement; the issue of conditions of employment has been settled for the duration of the agreement; and no demands may be made during the course of the agreement. Accordingly, any strike action about terms and conditions of employment during the existence of the agreement will be in contravention of the 'peace clause' and thus unprotected.

Any strike action by AMCU against the gold producers covered in the wage agreement will be opposed and a court interdict will be sought to prevent AMCU from embarking upon strike action. The Chamber of Mines will request that the court rule that the union should be held responsible for any and all damages suffered as a result of strike action.

"We believe that we have reached an agreement that is fair to all and this belief is supported by the fact that all individual employees accepted the increases implemented without rejection. We have made good progress in turning around our operations since the events of 2012 and early 2013, and in ensuring that all employees share in the benefits. We appeal to all AMCU members to continue producing safe, profitable ounces," said Graham Briggs, chief executive officer of Harmony.

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