

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 focuses on free cash flow through reevaluating the development of the decline shaft at Phakisa

Harmony Gold Mining Company Limited ("Harmony" and/or "the Company") today announced that it has completed its business plans ("plans") for financial year 2015. Particular focus was placed on the following:

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

The plans form the basis for assessing whether any impairment against the carrying value of an asset is required. These values are informed by a number of factors, including estimates of future gold prices and exchange rates, life of mine plans and operating and capital cost estimates. The business plans include the write-down of the carrying value of Phakisa. A total impairment of approximately R1.4 billion will be recorded in Harmony's financial results for the year ended 30 June 2014, which will reduce the net profit of the company, but will not have an impact on reported cash balances and free cash flow.

An updated feasibility study was recently completed on the Phakisa decline project and showed that a large amount of capital was required to develop the decline project. To ensure that Phakisa meets the planning factors set out above, it has been decided not to continue with the development of the decline.

"Our planning process was specifically aimed at ensuring that Harmony is a safe, profitable and cash generative company. A portion of the Phakisa project area will be more efficiently mined from Tshepong and this has been included in the business plan of Tshepong. We will re-consider the Phakisa decline in future, as the project as a whole is worth investing in", said Graham Briggs, chief executive officer.

Harmony will release its results for Q4 FY14 and the year ended 30 June 2014, on Thursday, 14 August 2014. Please refer to the Company's website (www.harmony.co.za/investors) for more information on the results presentation, webcast link and dial-in details.

For more details contact:

Henrika Ninham
Investor Relations Manager
+27 (0) 82 759 1775 (mobile)

Marian van der Walt
Executive: Corporate and Investor Relations
+27 (0) 82 888 1242 (mobile)

8 August 2014

Sponsor:
J.P. Morgan Equities South Africa Proprietary Limited