

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")

## **Solid annual performance - production and grades up, costs down**

Year on year

- 3% increase in gold production to 36 453kg (1.17moz)
- 4% reduction in all-in sustaining costs at R413 433/kg (US\$1242/oz)
- 5% improvement in underground recovered grade at 4.77g/t
- Responsible capital expenditure - 30% reduction year on year

Quarter on quarter

- 7% increase in gold production to 8 935kg (287 266oz)
- All-in sustaining costs remained stable at R428 383/kg (US\$1 267/oz)

Harmony Gold Mining Company Limited ("Harmony" and/or "the Company") today announced its fourth quarter and year end results for the financial year 2014 (FY14). Gold production for FY14 increased by 3% to 36 453kg (1.17moz) compared to financial year 2013, with a 4% decrease in all-in sustaining costs to R413 433/kg (US\$1 242/oz) in FY14. Production profit for FY14 was R3.8 billion (US\$367 million) compared to R4.6 billion (US\$519 million) in FY13, mainly due to a 5% decrease in the rand gold price received and a 4% (R495 million) increase in cash operating costs for FY14.

The Company's capital expenditure supports safe production and a sustainable future and it continued its responsible capital expenditure during FY14, with a 30% decrease in total capital expenditure to R2.5 billion (US\$244 million) as planned, compared to R3.6 billion (US\$ 412million) in FY13, mainly due to a decrease in capital expenditure at Hidden Valley in Papua New Guinea (PNG).

Harmony reduced its net loss of R1.27 billion (US\$123 million) for FY14, when compared to a net loss of R2.35 billion (US\$224 million) in FY13. The net loss in FY14 is mainly due to the impairment of Phakisa of R1.38 billion (US\$130 million), which reduced the net profit of the Company, but did not have an impact on reported cash balances, free cash flow or headline earnings. The Company recorded headline earnings of 26 SA cents per share (2.5 US cents) for the year.

Gold production for the June 2014 quarter increased by 7% from 8 368kg (269 035oz) in the March 2014 quarter to 8 935kg (287 266oz) in the June quarter. All-in sustaining costs remained steady at R428 383/kg (US\$1 267/oz). Production profit for the quarter was R847 million (US\$81 million) compared to R924 million (US\$85 million) in the March 2014

quarter, mainly due to a 3% decrease in the rand gold price to R435 775/kg (US\$1 289/oz). Cash operating costs increased by 6% (R180 million) in the June 2014 quarter, mainly due to an increase in consumables as well as higher winter electricity tariffs for the South African operations. Headline earnings of 30 SA cents per share (2.9 US cents) were recorded for the June 2014 quarter.

"We continue to regenerate Harmony in order to remain efficient miners, keeping costs down and funding our own capital to ensure future growth and profitability. This allows us to have low debt, financial flexibility and be highly geared against the gold price. We are experienced explorers, mine developers and operators in emerging economies. Our asset portfolio consists of a number of quality assets - including Golpu, which is a massive high-grade copper and gold resource in PNG", said Graham Briggs, chief executive officer.

"We have revised our strategy based on these key strengths. Our five year strategy is to improve our margins through safely delivering on our plans and increase free cash flow through higher grades, cost control and grow our value per share of our PNG assets by completing the Golpu studies with the intent of building the Golpu mine. We also intend identifying acquisition opportunities of open pit mines and bulk projects. We remain committed to positioning Harmony as a competitive, value focused gold mining company", Briggs added.

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