

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 refocuses assets for long term sustainability

- Target 3 to be placed on care and maintenance
- Consultation with labour has begun - job loss avoidance measures a priority
- Engagement with relevant stakeholders at all levels
- Production guidance provided for FY2015

Further to the announcements made during the reporting of Harmony Gold Mining Company Limited's ("Harmony" and/or "the Company") results for the quarter and year ended 30 June 2014 on Thursday, 14 August 2014, the Company advises of the following:

Target 3 to be placed on care and maintenance

Despite numerous initiatives by both management and organised labour to return Target 3 to profitability, this operation has continued to record cash flow losses. Given the current gold price environment, and the significant capital investment required to sustain operations at this shaft, Target 3 is predicted to continue to make a loss in the foreseeable future. Target 3 made a cumulative loss of approximately R260 million in the past 4,5 years. Additional development and equipping is required to access the targeted South Block to sustain operations at Target 3 and, in particular the build-up in Basal reef stoping. While the targeted South Block remains a valuable resource, the shaft will be placed on care and maintenance once the requirements of a section 189 process have been fulfilled. Target 3 currently employs approximately 1 500 people.

Consultation and engagement

The cessation of operations at Target 3 will have an impact on employees and contractors. As far as it is possible to do so, measures will be taken to minimise and/or avoid job losses. Such measures include offering voluntary separation packages to eligible employees, early retirements, transferring employees where skills match current vacancies at other Harmony operations and re-skilling employees for redeployment into alternative jobs where possible within the company.

Engagement with the Department of Mineral Resources, the Matjhabeng Local Municipality and the Free State Provincial government has begun.

Harmony CEO Graham Briggs, said: "In developing our safe and realistic operational plans for FY15, we were informed by the need to improve our margins, carefully assessing the ability of each of our assets to be profitable at current gold prices."

Production guidance

Harmony's guidance of approximately 1.2 million ounces at an all-in sustaining cost of R410 000- R430 000/kg (~US\$1 150 - 1 300oz¹) for FY15 supports the Company's medium and long-term objective of positioning it as a competitive, value-focused gold mining company. Below is the production guidance for each of Harmony's operations for FY15:

¹ An exchange rate of R10.50/US\$ was used

Operation	FY14 - gold production results (oz)	Range for FY15 production (oz)
Kusasaletu	150 916	190 000 - 200 000
Doornkop	83 687	95 000 - 105 000
Phakisa	95 680	95 000 - 105 000
Tshepong	135 772	135 000 - 145 000
Masimong	87 385	85 000 - 90 000
Hidden Valley	105 840	100 000 - 110 000
Target 1	144 453	120 000 - 130 000
Bambanani	82 821	80 000 - 90 000
Joel	75 072	70 000 - 80 000
Unisel	59 093	55 000 - 60 000
Target 3	45 429	11 000 - 14 500
Various surface	55 878	60 000 - 70 000
Kalgold	37 358	40 000 - 45 000
Total	1.17moz	~ 1.2moz

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