

HARMONY GOLD MINING CO LTD

Form 6-K

November 05, 2015

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 05 November 2015

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 FIRST QUARTER ENDED

30 SEPTEMBER 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

Quarter

Quarter

Q-on-Q

variance

Sep-15

Jun-15

%

Gold produced

– kg

8 752

7 977

10

– oz

281 385

256 465

10

Cash operating costs

– R/kg

384 810

389 671

1

– US\$/oz

921

1 003

8

Gold sold

– kg

8 743

8 321

5

– oz

281 094

267 523

5

Underground grade

– g/t

4.99

4.61

8

Total costs and capital
 – R/kg
443 730
 465 923
 5
 – US\$/oz
1 062
 1 200
 12
 All-in sustaining costs
 – R/kg
466 061
 478 746
 3
 – US\$/oz
1 115
 1 233
 10
 Gold price received
 – R/kg
473 567
 463 910
 2
 – US\$/oz
1 133
 1 195
 (5)
 Production profit
 – R million
701
 627
 12
 – US\$ million
54
 52
 4
 Basic loss per share
 – SAc/s
(120)
 (725)
 83
 – USc/s
(9)
 (60)
 85
 Headline earnings/(loss)
 – Rm
(523)
 191
 >(100)
 – US\$m

(40)

16

>(100)

Headline earnings/(loss) per share

– SAc/s

(120)

44

>(100)

– USc/s

(9)

4

>(100)

Exchange rate

– R/US\$

13.00

12.08

8

KEY FEATURES

17% increase in SA underground gold production

8% increase in underground recovered grade

Restructuring yielding results

SA operations are profitable

We are on track to meet our FY16 guidance

Excellent drilling results at Kili Teke

Golpu's feasibility results to be completed December 2015

Q1 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 judgment 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 imports, 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.

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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*
G P Briggs *Chief executive officer*
F Abbott *Financial director*
H E Mashego *Executive director*
F F T De Buck*^ *Lead independent director*
J A Chissano*

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^, 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

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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

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ADR: American Depositary 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 first quarter FY16 ended 30 September 2015

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SHAREHOLDER INFORMATION

Issued ordinary share capital at 30 September 2015

436 187 133

Issued ordinary share capital at 30 June 2015

436 187 133

MARKET CAPITALISATION

At 30 September 2015 (ZARm)

3 764

At 30 September 2015 (US\$m)

272

At 30 June 2015 (ZARm)

6 800

At 30 June 2015 (US\$m)

560

**HARMONY ORDINARY SHARES AND
ADR PRICES**

12-month high (1 October 2014 – 30 September
2015) for ordinary shares

15.99

12-month low (1 October 2014 – 30 September 2015)
for ordinary shares

8.40

12-month high (1 October 2014 – 30 September 2015)
for ADRs

1.34

12-month low (1 October 2014 – 30 September 2015)
for ADRs

0.60

FREE FLOAT

100%

ADR RATIO

1:1

JSE LIMITED

HAR

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

R15.99 – R8.40

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

2,196,866 shares

Range for quarter (1 April 2015 – 30 June 2015
closing prices)

R24.34 – R15.59

Average daily volume for the quarter (1 April 2015 –
30 June 2015)

1,677,721 shares

NEW YORK STOCK EXCHANGE

including other US trading platforms

HMY

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

US\$1.34 – US\$0.60

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

3,565,559 shares

Range for quarter (1 April 2015 – 30 June 2015
closing prices)

US\$2.07 – US\$1.31

Average daily volume for the quarter (1 April 2015 –
30 June 2015)

2,212,229 shares

INVESTORS' CALENDAR

Q1 FY16 presentation (webcast and conference
calls only)

5 November 2015

Annual General Meeting

23 November 2015

Q2 FY16 live presentation from Johannesburg

4 February 2016

Q3 FY16 presentation (webcast and conference
calls only)

9 May 2016

Q4 FY16 live presentation from Johannesburg

17 August 2016

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

During the first quarter of financial year 2016, we saw the benefits of restructuring and optimising our operations. Gold produced by our underground South African operations increased by 17%, with an 8% increase in recovered grade. A further increase in gold production is expected in the second quarter.

Higher production during the quarter assisted in maintaining our solid balance sheet. The strong cash flows generated from our operations allows us to fund our capital expenditure and the Golpu project in Papua New Guinea.

Harmony is well-positioned to benefit from higher gold prices at an all-in sustaining cost of R434 829/kg (US\$1 040/oz) at our South African underground operations. We believe the gold price will remain flat in the medium term. In the long term, we may see an increase in the gold price, as gold has a long history as an investment tool and a store of value. It remains a fairly secure investment and while the price may fluctuate, gold will always be in demand in some form.

SAFETY

At Harmony, the safety and health of our employees and contractors is not only a moral imperative but essential for creating a sustainable, responsible business. Safety, one of our five values, is a key priority. Without a safe and healthy workforce, we cannot be productive and profitable. We aim to eliminate and prevent all fatalities and work-related injuries and illnesses by promoting a culture that gives priority to health and safety.

We aspire to zero harm. To achieve this goal, continuous improvement in our safety performance is required. It is with great sadness that I report the loss of the lives of four of our colleagues. They were: Pheelo William Ramohlokoane (security officer at Target), Ezekiel Nonkevu (tramming supervisor at Kusasalethu), Cancel Nurse Malungane (engineering assistant at Joel) and Piwas Kesa (truck driver, Hidden Valley).

OPERATIONAL RESULTS

Quarter on quarter total gold production increased by 10% to 8 752 kilograms (281 385oz), largely due to an 8% improvement in underground tonnes milled and an 8% improvement in the underground recovered grade.

Gold production increased at the following operations when compared to the June 2015 quarter:

- Bambanani (+170kg)(+5 466oz): recorded a 22% increase in gold production, due to a 13% increase in recovered grade and an 8% increase in tonnes milled

- Masimong (+196kg)(+6 302oz): a 24% increase in tonnes milled, combined with an 11% increase in recovered grade, resulted in a 37% increase in gold production

-

Kusasaletu (+105kg)(+3 376oz): following the restructuring of the mine, its recovered grade increased by 15%, resulting in a 11% increase in gold produced

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Phakisa (+252kg)(+8 102oz): kilograms produced increased by 35%, due to a 16% increase in tonnes milled combined with a 16% increase in the recovered grade

Target 1 (+61kg)(+1 962oz): the recovered grade increased by 9% and gold production by 6%

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Tshepong (+198kg)(+6 366oz): an 18% increase in kilograms produced was as a result of an 11% increase in tonnes milled and a 6% increase in recovered grade

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Unisel (+117kg)(+3 762oz): a 14% increase in recovered grade and a 17% increase in tonnes milled, resulted in a 33% increase in gold produced

Dumps (+51kg)(+1 640oz): gold production was 26% higher, due to a 19% increase in recovered grade and a 4% increase in tonnes milled.

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Hidden Valley had a very disappointing production quarter.

The operation was suspended due to the fatality in July 2015 and lost 33 production days as a result. An investigation was completed and all critical controls for high-risk tasks were identified and reviewed. As a result of this event, production decreased significantly in the September 2015 quarter, with lower gold grades and recoveries reflecting the processing of stockpile material once operations recommenced. Following the fatality, all pre-stripping activities at Hidden Valley stage 5 have been deferred. Overall, the increase in Harmony's total gold production resulted in a 12% increase in production profit and a 7% increase in revenue quarter on quarter. Higher production was supported by a 2% increase in the rand gold price. The rand gold price received increased from R463 910/kg in the June 2015 quarter to R473 567/kg, due to an 8% weakening of the rand against the dollar. During the September 2015 quarter the US dollar gold price received decreased by 5% to US\$1 133/oz (Jun 15: US\$1 195/oz). Quarter on quarter, the cash operating costs for the September 2015 quarter increased by 8% or R260 million (1% or US\$2 million), due to an increase in labour and electricity costs (winter tariffs). Operational capital expenditure for the September 2015 quarter decreased by 15% to R516 million (21% to US\$40 million). All-in sustaining costs for all operations decreased by 3% to R466 061/kg in the September 2015 quarter, compared to R478 746/kg in the June 2015 quarter (decreased 10% from US\$1 233/oz to US\$1 115/oz), while our total South African operations' all-in sustaining costs decreased by 7% to R436 751/kg (14% to US\$1 045/oz).

FINANCIAL RESULTS

Revenue

Revenue increased by 7% as a result of the 5% increase in gold sold to 8 743kg and a 2% increase in the average gold price received at R473 567/kg (decrease of 5% to US\$1 133/oz) in the September 2015 quarter. At the South African operations, revenue increased by 13% to R4 billion (increase by 5% to US\$306 million).

Production costs

Production costs increased by 6% to R3.4 billion (decrease by 1% to US\$265 million) in the September 2015 quarter. The increase is mainly due to the increase in electricity costs (due to two months of higher winter tariffs) and an increase in labour costs from 1 July 2015.

Other expenses – net

The increase to R443 million (US\$34 million) in the September 2015 quarter is mainly due to the foreign exchange translation loss of R426 million (US\$33 million) recorded on the US\$ borrowings. The rand weakened from US\$/R12.16 at 30 June 2015 to US\$/R13.87 at 30 September 2015.

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

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Loss per share

The loss per share of 120 SA cents (9 US cents) for the September 2015 quarter reduced from the loss per share of 725 SA cents (60 US cents) for the June 2015 quarter. If it was not for the translation loss, Harmony would have recorded a smaller loss of 22 SA cents (2 US cents) per share.

Cash and cash equivalents

Cash balances increased by R420 million to R1.5 billion (US\$19 million to US\$107 million). During the September 2015 quarter, positive cash was generated by operating activities net of investing activities of R122 million (US\$10 million).

Borrowings

R300 million (US\$23 million) was drawn down on the R1.3 billion (US\$93.7 million) Nedbank facility during the September 2015 quarter. The drawn down amount on the US\$ revolving credit facility remained unchanged at US\$250 million. The increase in the balance in rand terms was due to the weakening of the rand exchange rate against the dollar.

WAGE NEGOTIATIONS

Harmony reached a three-year wage agreement with the National Union of Mineworkers, United Association of South Africa and Solidarity, effective from 1 July 2015. Increases range from 6% for miners, artisans and officials to 10.4% for category 4 employees. The average wage increase on the total South African wage bill for FY16 is approximately 6.5%.

We believe that we have achieved what we set out to do – reaching an agreement which ensures that we remain sustainable as a company and at the same time limiting job losses.

GOLPU

Sustaining and growing quality, profitable assets is key to our long-term strategy. In contrast to South Africa where our mines are all mature operations, we are in the process of developing a greenfields project in Papua New Guinea (Golpu). The feasibility study on stage 1 and the prefeasibility on stage 2 are due to be completed in December 2015. This, together with the completion of a pre-development agreement with the Papua New Guinean government, will add more certainty to the development of a mine at Golpu.

EXPLORATION

Our exploration programme has enjoyed, and continues to enjoy, considerable success in locating copper-gold mineralisation. A demonstration of this is that between the years 2005 and 2014, the Golpu resource grew from 100 million tonnes to 1 billion tonnes (a ten fold increase). In an environment where very little is being spent on exploration and with the scarcity of new major copper and gold discoveries, the results from the Kili Teke grassroots prospect are very encouraging. As the extent of the surface copper-gold geochemical footprint is yet to be

tested, there is potential to develop this find into a major copper-gold deposit similar to Golpu, Ok Tedi or Frieda River which have resource cut-off grades of around 0.2% copper. New discoveries are one of the best avenues to create shareholder value.

Drill results received for the quarter were highly encouraging and continued to expand the mineralised zone at Kili Teke:

KTDD013: 542m @ 0.58% Cu, 0.41 g/t Au from 90m

KTDD014:

509m @ 0.38% Cu, 0.2 g/t Au from 358m including

144m @ 0.53% Cu, 0.23 g/t Au from 610m

KTDD015:

466m @ 0.34% Cu, 0.25 g/t Au from 128m including

290m @ 0.44% Cu, 0.34 g/t Au from 129m.

GLOBAL RECOGNITION FOR BEING ENVIRONMENTALLY RESPONSIBLE

Post quarter end, Harmony was advised that it is one of only eight companies globally that was awarded an A grade for its water security and water management efforts by the CDP, formerly the Carbon Disclosure Project. Information provided by 405 listed companies was independently assessed against the CDP's scoring methodology, developed in collaboration with leading peers and experts in corporate water stewardship and ranked accordingly.

We recognise that our business and business processes have, and can have, a negative effect on surrounding communities and the natural environment, and that it is our responsibility to avoid, mitigate, manage and limit these impacts. It is very rewarding to be acknowledged for our efforts to secure and manage water.

INTEGRATED ANNUAL REPORT AND FORM 20F

Harmony posted its suite of reports for the financial year ended 30 June 2015 (FY15) on 23 October 2015. Our reports tell the story of Harmony. We aim to show readers what Harmony has done and achieved, what we plan to do and achieve in the future and how we intend to get there. The report reflects on our journey in FY15 – we explain our external and internal environments, our strategy and business model, together with our objectives and how we performed against these.

Harmony's Report to Shareholders, which includes the company's notice of its annual general meeting and summarised consolidated annual financial statements, is available at

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

The annual general meeting of the company will be held at the Hilton Hotel, 138 Rivonia Road, Sandton, Johannesburg, South Africa, on Monday, 23 November 2015, at 11:00 (SA time) to transact the business as stated in the notice of the annual general meeting.

HARMONY'S FUTURE

Unlocking the value in each of our assets – which is crucial to our strategy – involves positioning each operation to be profitable by driving production and limiting cost increases to create free cash flow. We believe our plans are realistic and achievable and we are on track to achieve our annual guidance.

We are one of the few companies that continue to spend on exploration and to find excellent deposits. Our company has an exciting future and is worth investing in.

Harmony is led by a competent and well-experienced executive team, supported by first-rate operational teams. The process to find a suitable candidate to fill my position as chief executive officer is ongoing.

Graham Briggs

Chief Executive Officer

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

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5

Three
months
ended
South Africa
Hidden
Valley
Total
Harmony

Underground production
Surface production
Total
South
Africa

Kusasalethu
Doornkop
Phakisa
Tshepong
Masimong
Target 1
Bambanani
Joel
Unisel
Total
Underground
Phoenix
Dumps
Kalgold
Total
Surface

Ore milled

– t'000

Sep-15

227

164

178

281

189

183

64

139
112
1 537
1 644
676
360
2 680
4 217
316
4 533
Jun-15
235
149
153
253
153
188
59
139
96
1 425
1 581
648
367
2 596
4 021
451
4 472
Gold produced
– kg
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
Jun-15
915
667

730
1 121
532
945
769
533
360
6 572
207
200
259
666
7 238
739
7 977
– oz
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
Jun-15
29 418
21 445
23 470
36 041
17 104
30 382
24 724
17 136
11 574
211 294
6 655
6 430
8 327
21 412
232 706
23 759

256 465

Yield

– g/tonne

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

Jun-15

3.89

4.48

4.77

4.43

3.48

5.03

13.03

3.83

3.75

4.61

0.13

0.31

0.71

0.26

1.80

1.64

1.78

Cash

operating

costs

– R/kg

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
Jun-15
475 130
405 966
406 418
367 940
458 677
334 152
237 464
369 006
459 372
383 311
376 024
375 125
392 251
382 065
383 197
453 077
389 671
– \$/oz
Sep-15
1 148
979
833
832
874
753
532
933
929
857
941
923
1 233
1 043
873
2 078
921
Jun-15
1 223
1 045
1 047

947
1 181
860
611
950
1 183
987
968
966
1 010
984
987
1 167
1 003
- R/tonne
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
Jun-15
1 850
1 817
1 939
1 630
1 595
1 680
3 095
1 415
1 723
1 768
49
116
277
98
690
742
695

Gold sold

– kg

Sep-15

1 072

680

966

1 297

716

970

924

555

470

7 650

212

263

266

741

8 391

352

8 743

Jun-15

1 044

673

759

1 166

553

952

800

578

374

6 899

208

194

274

676

7 575

746

8 321

– oz

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

Jun-15

33 565

21 637

24 402

37 488

17 779

30 607

25 721

18 583

12 024

221 806

6 687

6 237

8 809

21 733

243 539

23 984

267 523

Revenue

(R'000)

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

Jun-15

484 792

312 460

351 852

540 523

256 344

442 291

370 676
267 615
173 455
3 200 008
96 678
89 965
126 733
313 376
3 513 384
346 809
3 860 193

**Cash operating
costs**

(R'000)

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

Jun-15

434 744
270 779
296 685
412 461
244 016
315 774
182 610
196 680
165 374
2 519 123
77 837
75 025
101 593
254 455
2 773 578
334 824
3 108 402

**Inventory
movement**

(R'000)

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

Jun-15

52 944

3 851

13 463

12 268

9 071

2 758

12 702

11 327

6 981

125 365

(160)

(2 417)

5 463

2 886

128 251

(3 657)

124 594

Operating costs

(R'000)

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

Jun-15

487 688

274 630

310 148

424 729

253 087

318 532

195 312

208 007

172 355

2 644 488

77 677

72 608

107 056

257 341

2 901 829

331 167

3 232 996

Production

profit

(R'000)

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

Jun-15

(2 896)

37 830

41 704

115 794
3 257
123 759
175 364
59 608
1 100
555 520
19 001
17 357
19 677
56 035
611 555
15 642
627 197
(\$'000)
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
Jun-15
(239)
3 132
3 453
9 586
270
10 246
14 518
4 934
91
45 991
1 573
1 437
1 629
4 639
50 630
1 295
51 925

**Capital
expenditure
(R'000)**

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

Jun-15

113 597

57 673

96 529

72 792

34 140

79 055

22 172

49 878

20 228

546 064

1 143

1 397

12 189

14 729

560 793

47 469

608 262

(\$'000)

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
 Jun-15
 9 405
 4 775
 7 992
 6 026
 2 826
 6 545
 1 836
 4 129
 1 675
 45 209
 95
 116
 1 009
 1 220
 46 429
 3 930
 50 359
Cash Operating
Cost and Capital
– R/kg
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
 Jun-15
 599 280
 492 432
 538 649
 432 875

522 850
417 808
266 296
462 585
515 561
466 401
381 546
382 110
439 313
404 180
460 676
517 311
465 923
– \$/oz
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
Jun-15
1 543
1 268
1 387
1 115
1 346
1 076
686
1 191
1 328
1 201
983
984
1 131
1 041
1 186
1 332
1 200

**All-in
sustaining
costs**

– R/kg

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

Jun-15

593 635

516 120

550 617

441 458

543 746

435 177

278 032

413 206

538 079

475 031

379 144

408 253

451 333

416 758

469 467

573 007

478 746

– \$/oz

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

Jun-15

1 529

1 329

1 418

1 137

1 400

1 121

716

1 064

1 386

1 223

976

1 051

1 162

1 073

1 209

1 467

1 233

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

7

Quarter ended

Year ended

30 September

30 June

30 September

30 June

2015

2015

2014

2015

Figures in million

Note

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Revenue

4 140

3 860

4 431

15 435

Cost of sales

2

(4 088)

(7 316)

(4 319)

(19 053)

Production costs

(3 439)

(3 233)

(3 518)

(12 632)

Amortisation and depreciation

(555)

(624)

(650)

(2 472)

Impairment of assets

—

(3 471)

—

(3 471)

Other items

(94)

12

(151)

(478)

Gross profit/(loss)

52

(3 456)

112
 (3 618)
 Corporate, administration and other expenditure
(89)
 (95)
 (111)
 (378)
 Social investment expenditure
(11)
 (12)
 (24)
 (71)
 Exploration expenditure
(43)
 (44)
 (85)
 (263)
 Profit on sale of property, plant and equipment
2
 6
 —
 6
 Loss on scrapping of property, plant and equipment
 —
 (61)
 —
 (491)
 Other expenses (net)
 5
(443)
 (12)
 (187)
 (378)
Operating loss
(532)
 (3 674)
 (295)
 (5 193)
 Loss from associates
 —
 (25)
 —
 (25)
 Profit on disposal of investments
 —
 4
 —
 4
 Net gain/(loss) on financial instruments
(8)
 (15)

7
9
Investment income
57
57
51
229
Finance cost
(71)
(61)
(65)
(264)
Loss before taxation
(554)
(3 714)
(302)
(5 240)
Taxation
3
33
562
36
704
Normal taxation
(1)
4
1
5
Deferred taxation
34
558
35
699
Net loss for the period
(521)
(3 152)
(266)
(4 536)
Attributable to:
Owners of the parent
(521)
(3 152)
(266)
(4 536)
Loss per ordinary share (cents)
4
Basic loss
(120)
(725)
(61)
(1 044)

Diluted loss

(120)

(725)

(61)

(1 044)

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

CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)

The condensed consolidated financial statements for the three months ended 30 September 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.

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

8

Figures in million

Share

capital

Other

reserves

Accumulated

loss

Total

Balance – 30 June 2015

28 324

3 787

(5 358)

26 753

Share-based payments

–

42

–

42

Net loss for the period

–

–

(521)

(521)

Other comprehensive income for the period

–

216

–

216

Balance – 30 September 2015

28 324

4 045

(5 879)

26 490

Balance – 30 June 2014

28 325

3 539

(822)

31 042

Share-based payments

–

69

–

69

Net loss for the period

–

–

(266)

(266)

Other comprehensive income for the period

—

179

—

179

Balance – 30 September 2014

28 325

3 787

(1 088)

31 024

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (RAND)

Quarter ended

Year ended

30 September

30 June

30 September

30 June

2015

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Net loss for the period

(521)

(3 152)

(266)

(4 536)

Other comprehensive income/(loss) for the period,

net of income tax

216

(79)

179

59

Items that may be reclassified subsequently to profit or loss:

216

(84)

179

54

Foreign exchange translation

216

(84)

179

54

Items that will not be reclassified to profit or loss:

—

5

—
5
Remeasurement of retirement benefit obligation
Actuarial gain recognised during the year

—
8
—
8
Deferred taxation thereon

—
(3)

—
(3)
Total comprehensive loss for the period

(305)
(3 231)
(87)
(4 477)

Attributable to:

Owners of the parent

(305)
(3 231)
(87)
(4 477)

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RAND)
for the three months ended 30 September 2015 (Unaudited)

9

At

At

At

30 September

30 June

30 September

2015

2015

2014

Figures in million

Note

(Unaudited)

(Audited)

(Unaudited)

ASSETS

Non-current assets

Property, plant and equipment

29 808

29 548

33 232

Intangible assets

882

885

885

Restricted cash

52

48

38

Restricted investments

2 408

2 384

2 329

Deferred tax assets

3

—

—

76

Investments in financial assets

5

5

4

Inventories

36

36

50

Trade and other receivables

80

80

—

Total non-current assets

33 271

32 986

36 614

Current assets

Inventories

1 263

1 292

1 390

Trade and other receivables

754

746

693

Income and mining taxes

28

30

94

Restricted cash

16

16

15

Cash and cash equivalents

1 487

1 067

2 281

Total current assets

3 548

3 151

4 473

Total assets

36 819

36 137

41 087

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

28 324

28 324

28 325

Other reserves

4 045

3 787

3 787

Accumulated loss

(5 879)

(5 358)

(1 088)

Total equity

26 490

26 753

31 024

Non-current liabilities

Deferred tax liabilities

3

1 871

1 906

2 640

Provision for environmental rehabilitation

2 292

2 218

2 148

Retirement benefit obligation

2

167

163

251

Other non-current liabilities

39

37

40

Borrowings

5

4 129

3 399

—

Total non-current liabilities

8 498

7 723

5 079

Current liabilities

Borrowings

5

—

—

3 052

Income and mining taxes

1

1

9

Trade and other payables

1 830

1 660

1 923

Total current liabilities

1 831

1 661

4 984

Total equity and liabilities

36 819

36 137

41 087

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

CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (RAND)

Quarter ended

Year ended

30 September

30 June

30 September

30 June

2015

2015

2014

2015

Figures in million

Note

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Cash flow from operating activities

Cash generated by operations

696

568

1 071

1 928

Interest and dividends received

23

25

25

101

Interest paid

—

(48)

(23)

(108)

Income and mining taxes (paid)/refunded

—

(5)

25

85

Cash generated by operating activities

719

540

1 098

2 006

Cash flow from investing activities

(Increase)/decrease in restricted cash

(3)

(4)

4

8	
Decrease in restricted investments	
1	
11	
1	
31	
Loan to associate	
—	
—	
—	
(120)	
Net additions to property, plant and equipment	
7	
(595)	
(718)	
(651)	
(2 827)	
Cash utilised by investing activities	
(597)	
(711)	
(646)	
(2 908)	
Cash flow from financing activities	
Borrowings raised	
300	
541	
—	
941	
Borrowings repaid	
—	
(11)	
—	
(793)	
Cash generated by financing activities	
300	
530	
—	
148	
Foreign currency translation adjustments	
(2)	
7	
—	
(8)	
Net increase/(decrease) in cash and cash equivalents	
420	
366	
452	
(762)	
Cash and cash equivalents – beginning of period	
1 067	
701	

1 829

1 829

Cash and cash equivalents – end of period

1 487

1 067

2 281

1 067

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the three months ended 30 September 2015 (Rand)

1.

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the three months ended 30 September 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.

2.

Cost of sales

Quarter ended

Year ended

30 September

30 June

30 September

30 June

2015

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Production costs – excluding royalty

3 414

3 217

3 486

12 537

Royalty expense

25

16

32

95

Amortisation and depreciation

555

624

650
2 472
Impairment of assets ¹
—
3 471
—
3 471
Rehabilitation expenditure/(credit) ²
13
(41)
14
(6)
Care and maintenance cost of restructured shafts ³
22
49
17
106
Employment termination and restructuring costs
15
24
48
251
Share-based payments
45
36
73
208
Other
4
(1)
(80)
(1)
(81)
Total cost of sales
4 088
7 316
4 319
19 053

1

The impairment in the June 2015 quarter consists of an impairment of R2.11 billion on Hidden Valley, R1.04 billion on Doornkop, R278 million on Phakisa and R43 million on Freddie's 9.

2

Included in the total for the June 2015 quarter is a credit of R61 million relating to the change in estimate following the annual reassessment.

3

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. Included in the total for the June 2015 quarter is R20 million reparation costs relating to the Brand 1A vent shaft explosion.

4

Included in the total for the June 2015 quarter is a credit of R87 million relating to the reduction in employees qualifying for post-retirement benefits.

3.

Taxation

The deferred tax credit for the June 2015 quarter includes a credit of R558 million following the net decrease in the deferred tax rates

year on year for the South African companies and impairments recognised on property, plant and equipment. Included in the total

is also a debit of R64 million relating to the derecognition of the Australian deferred tax asset.

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

12

4.

Earnings/(loss) per share

Quarter ended

Year ended

30 September

30 June

30 September

30 June

2015

2015

2014

2015

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Weighted average number of shares (million)

435.1

435.0

434.1

434.4

Weighted average number of diluted shares (million)

435.7

438.2

435.4

438.1

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

Basic loss

(120)

(725)

(61)

(1 044)

Diluted loss

(120)

(725)

(61)

(1 044)

Headline earnings/(loss)

(120)

44

(61)

(189)

Diluted headline earnings/(loss)

(120)

44

(61)

(189)

Figures in million

Reconciliation of headline earnings/(loss):

Net loss

(521)

(3 152)

(266)

(4 536)

Adjusted for:

Profit on disposal of investments¹

—

(4)

—

(4)

Impairment of assets

—

3 471

—

3 471

Taxation effect on impairment of assets

—

(169)

—

(169)

Profit on sale of property, plant and equipment

(2)

(6)

—

(6)

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

—

(1)

—

(1)

Loss on scrapping of property, plant and equipment

—

61

—

491

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

—

(9)

—

(67)

Headline earnings/(loss)

(523)

191

(266)

(821)

1

There is no taxation effect on this item.

5.

Borrowings

During the September 2015 quarter, R300 million was drawn down on the R1.3 billion Nedbank revolving credit facility. During the June 2015 quarter, US\$45 million (R541 million) was drawn down on the US\$ revolving credit facility. The weakening of the Rand against the US\$ resulted in a foreign exchange translation loss of R426 million being recorded in the September 2015 quarter (June 2015 quarter: R4 million), increasing the Borrowings balance and Other expenses (net) total.

US\$ facility

Rand facility

Figures in million

US dollar

SA rand

Borrowings summary

Facility

250

1 300

Drawn down

250

700

Undrawn committed borrowing facilities

—

600

Maturity

February 2018 December 2016

Interest rate

LIBOR + 3%

JIBAR + 3.5%

13

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the three months ended 30 September 2015 (Rand)

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: 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);

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

30 September

30 June

30 September

2015

2015

2014

Figures in million

(Unaudited)

(Audited)

(Unaudited)

Available-for-sale financial assets¹

Level 1

—

—

—

Level 2

—

—

—

Level 3

5

5

4

Fair value through profit or loss²

Level 1

—

—

—

Level 2

532

538

632

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).

7.

Net additions to property, plant and equipment

Quarter ended

Year ended

30 September

30 June

30 September

30 June

2015

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Capital expenditure – operations

516

608

598

2 470

Capital and capitalised exploration and evaluation
expenditure for Wafi-Golpu

61

65

14

119

Additions resulting from stripping activities at Hidden Valley

19

53

34

236

Other

(1)

(8)

5

2

Net additions

595

718

651

2 827

8.

Commitments and contingencies

At

At

At

30 September

30 June

30 September

2015

2015

2014

Figures in million

(Unaudited)

(Audited)

(Unaudited)

Capital expenditure commitments:

Contracts for capital expenditure

126

158

206

Authorised by the directors but not contracted for

1 980

257

2 359

2 106

415

2 565

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

Contingent liabilities

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.

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

14

9.

Related parties

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.

On 27 September 2015, 2 259 performance shares (ordinary shares) vested in the name of the chief executive officer, Graham Briggs.

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 30 September 2015, and has been recorded in Other expenses (net) and Trade

and other payables.

10. Subsequent events

There were no subsequent events to be disclosed.

11. Segment report

The segment report follows on page 15.

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

Three months ended

30 September

30 September

2015

2014

Figures in million

(Unaudited)

(Unaudited)

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:

Reconciliation of production profit to gross profit

Total segment revenue

4 140

4 431

Total segment production costs

(3 439)

(3 518)

Production profit per segment report

701

913

Depreciation

(555)

(650)

Other cost of sales items

(94)

(151)

Gross profit as per income statements¹

52

112	
1	
<i>The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.</i>	
At	
At	
30 September	
30 September	
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	
752	
779	
Undeveloped property	
5 139	
5 139	
Other non-mining assets	
192	
143	
Wafi-Golpu assets	
1 621	
1 140	
7 704	
7 201	

Revenue
30 September
Production cost
30 September
Production
profit/(loss)
30 September
Mining assets
30 September
Capital
expenditure#
30 September
Kilograms
produced
30 September
Tonnes milled
30 September
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
R million
R million
R million
R million
R million
kg
t'000
South Africa
Underground
 Kusasalethu
508
 636
515
 582
(7)
 54
3 648
 3 666
90
 124

1 020

1 334

227

290

Doornkop

322

309

277

309

45

—

2 236

3 343

47

55

665

619

164

136

Phakisa

457

385

336

298

121

87

4 290

4 611

85

85

982

855

178

158

Tshepong

614

486

452

407

162

79

4 051

3 959

65

83

1 319

1 078

281

259

Masimong

339

315
262
258
77
57
841
1 068
28
41
728
698
189
185
Target 1
462
484
306
312
156
172
2 818
2 785
79
74
1 006
1 042
183
183
Bambanani
436
328
204
174
232
154
814
834
24
25
939
727
64
59
Joel
263
279
216
223
47
56
624

468

53

31

540

533

139

146

Unisel

222

215

183

177

39

38

580

635

16

29

477

477

112

114

Target 3^(a)

—

205

—

162

—

43

531

551

—

20

—

442

—

81

Surface

All other surface operations

351

381

322

310

29

71

484

475

12

8

730

781

2 680
2 638
Total South Africa
3 974
4 023
3 073
3 212
901
811
20 917
22 395
499
575
8 406
8 586
4 217
4 249
International
Hidden Valley
166
408
366
306
(200)
102
1 187
3 636
17
21
346
849
316
521
Total international
166
408
366
306
(200)
102
1 187
3 636
17
21
346
849
316
521
Total operations
4 140
4 431

3 439

3 518

701

913

22 104

26 031

516

596

8 752

9 435

4 533

4 770

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

—

—

—

—

7 704

7 201

4 140

4 431

3 439

3 518

29 808

33 232

#

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of R61 million (2014: R15 million).

(a)

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

SEGMENT REPORT (RAND/METRIC)

for the three months ended 30 September 2015 (Unaudited)

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

16

US\$ RESULTS

FOR THE FIRST QUARTER ENDED

30 SEPTEMBER 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

Q1 FY16

17

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation)

Figures in million

Quarter ended

Year ended

30 September

2015

(Unaudited)

30 June

2015

(Unaudited)

30 September

2014

(Unaudited)

30 June

2015

(Audited)

Revenue

319

320

412

1 348

Cost of sales

(315)

(606)

(401)

(1 645)

Production costs

(265)

(268)

(327)

(1 103)

Amortisation and depreciation

(43)

(52)

(60)

(216)

Impairment of assets

—

(287)

—

(285)

Other items

(7)

1

(14)

(41)

Gross profit/(loss)

4

(286)

11
 (297)
 Corporate, administration and other expenditure
 (7)
 (8)
 (10)
 (33)
 Social investment expenditure
 (1)
 (1)
 (2)
 (6)
 Exploration expenditure
 (3)
 (4)
 (8)
 (23)
 Profit on sale of property, plant and equipment
 –
 –
 –
 1
 Loss on scrapping of property, plant and equipment
 –
 (5)
 –
 (42)
 Other expenses (net)
 (34)
 (1)
 (18)
 (33)
Operating loss
 (41)
 (305)
 (27)
 (433)
 Loss from associates
 –
 (2)
 –
 (2)
 Net gain/(loss) on financial instruments
 (1)
 (1)
 1
 1
 Investment income
 4
 5
 4

20	
Finance cost	
(5)	
(5)	
(6)	
(22)	
Loss before taxation	
(43)	
(308)	
(28)	
(436)	
Taxation	
3	
47	
3	
62	
Normal taxation	
—	
—	
—	
—	
Deferred taxation	
3	
47	
3	
62	
Net loss for the period	
(40)	
(261)	
(25)	
(374)	
<i>Attributable to:</i>	
Owners of the parent	
(40)	
(261)	
(25)	
(374)	
Loss per ordinary share (cents)	
Basic loss	
(9)	
(60)	
(6)	
(86)	
Diluted loss	
(9)	
(60)	
(6)	
(86)	

The currency conversion average rates for the quarter ended: September 2015: US\$1 = R13.00 (June 2015: US\$1 = R12.08, September 2014: US\$1 = R10.77). For year ended: June 2015: US\$1 = R11.45.

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

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 pages 17 to 21.

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

18

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$)

(Convenience translation)

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

for the three months ended 30 September 2015 (Convenience translation) (Unaudited)

Figures in million

Quarter ended

Year ended

30 September

2015

(Unaudited)

30 June

2015

(Unaudited)

30 September

2014

(Unaudited)

30 June

2015

(Audited)

Net loss for the period

(40)

(261)

(25)

(374)

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

17

(7)

17

(367)

Items that may be reclassified subsequently to profit or loss:

17

(7)

17

(368)

Foreign exchange translation

17

(7)

17

(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 loss for the period

(23)
(268)
(8)
(741)

Attributable to:

Owners of the parent

(23)
(268)
(8)
(741)

The currency conversion average rates for the quarter ended: September 2015: US\$1 = R13.00 (June 2015: US\$1 = R12.08, September

2014: US\$1 = R10.77). For year ended: June 2015: US\$1 = R11.45.

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

Figures in million

Share

capital

Other

reserves

Accumulated

loss

Total

Balance – 30 June 2015

2 043

273

(385)

1 931

Share-based payments

—
2
—
2

Net loss for the period

—
—
(38)
(38)

Other comprehensive income for the period

—
16
—
16

Balance – 30 September 2015

2 043

291

(423)

1 911

Balance – 30 June 2014

2 503

313

(73)

2 743

Share-based payments

–

6

–

6

Net loss for the period

–

–

(23)

(23)

Other comprehensive income for the period

–

16

–

16

Balance – 30 September 2014

2 503

335

(96)

2 742

The currency conversion closing rates for the three months ended 30 September 2015: US\$1 = R13.87 (September 2014: US\$1 = R11.32).

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

19

CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)

(Convenience translation)

Figures in million

At

30 September

2015

(Unaudited)

At

30 June

2015

(Unaudited)

At

30 September

2014

(Unaudited)

ASSETS

Non-current assets

Property, plant and equipment

2 150

2 430

2 937

Intangible assets

64

73

78

Restricted cash

4

4

3

Restricted investments

174

196

206

Deferred tax assets

—

—

7

Inventories

3

3

4

Trade and other receivables

6

7

—

Total non-current assets

2 401

2 713

3 235

Current assets

Inventories

91

106

123

Trade and other receivables

54

62

61

Income and mining taxes

2

2

8

Restricted cash

1

1

1

Cash and cash equivalents

107

88

202

Total current assets

255

259

395

Total assets

2 656

2 972

3 630

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

2 043

2 329

2 503

Other reserves

291

311

335

Accumulated loss

(423)

(440)

(96)

Total equity

1 911

2 200

2 742

Non-current liabilities

Deferred tax liabilities

135

157

233
Provision for environmental rehabilitation

165

182

190

Retirement benefit obligation

12

13

22

Other non-current liabilities

3

3

4

Borrowings

298

280

—

Total non-current liabilities

613

635

449

Current liabilities

Borrowings

—

—

270

Income and mining taxes

—

—

1

Trade and other payables

132

137

168

Total current liabilities

132

137

439

Total equity and liabilities

2 656

2 972

3 630

The balance sheet for September 2015 converted at a conversion rate of US\$1 = R13.87 (June 2015: US\$1 = R12.16, September 2014: US\$1 = R11.32).

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation)

Quarter ended

Year ended

30 September

30 June 30 September

30 June

2015

2015

2014

2015

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Cash flow from operating activities

Cash generated by operations

54

47

99

168

Interest and dividends received

2

2

2

9

Interest paid

—

(4)

(2)

(9)

Income and mining taxes refunded

—

—

2

8

Cash generated by operating activities

56

45

101

176

Cash flow from investing activities

Decrease in restricted cash

—

—

—

1

Decrease in restricted investments	
—	
1	
—	
2	
Loan to associate	
—	
—	
—	
(10)	
Net additions to property, plant and equipment	
(46)	
(59)	
(60)	
(246)	
Cash utilised by investing activities	
(46)	
(58)	
(60)	
(253)	
Cash flow from financing activities	
Borrowings raised	
23	
45	
—	
80	
Borrowings repaid	
—	
(1)	
—	
(65)	
Cash generated by financing activities	
23	
44	
—	
15	
Foreign currency translation adjustments	
(14)	
(1)	
(11)	
(22)	
Net increase/(decrease) in cash and cash equivalents	
19	
30	
30	
(84)	
Cash and cash equivalents – beginning of period	
88	
58	
172	
172	

Cash and cash equivalents – end of period

107

88

202

88

The currency conversion average rates for the quarter ended: September 2015: US\$1 = R13.00 (June 2015: US\$1 = R12.08, September 2014:

US\$1 = R10.77). For year ended: June 2015: US\$1 = R11.45.

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

US\$1 = R11.32).

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

Revenue
30 September
Production cost
30 September
Production
profit/(loss)
30 September
Mining assets
30 September
Capital
expenditure#
30 September
Ounces
produced
30 September
Tons milled
30 September
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
2015
 2014
US\$ million
US\$ million
US\$ million
US\$ million
US\$ million
oz
t'000
South Africa
Underground
 Kusasalethu
39
 59
40
 54
(1)
 5
263
 324
7
 11

32 794

42 889

250

320

Doornkop

25

29

21

29

4

—

161

295

4

5

21 380

19 901

181

149

Phakisa

35

36

26

28

9

8

309

408

7

8

31 572

27 489

196

174

Tshepong

47

45

35

38

12

7

292

350

5

7

42 407

34 658

310

286

Masimong

26

29
20
24
6
5
61
94
2
4
23 406
22 441
208
204
Target 1
36
45
24
29
12
16
203
246
6
7
32 344
33 501
202
203
Bambanani
34
30
16
16
18
14
59
74
2
2
30 190
23 374
71
65
Joel
20
26
17
21
3
5
45

41
4
3
17 361
17 136
153
161
Unisel
17
20
14
16
3
4
42
56
1
3
15 336
15 336
124
126
Target 3^(a)
—
19
—
15
—
4
38
49
—
2
—
14 211
—
88
Surface
All other surface operations
27
36
24
29
3
7
35
42
1
1
23 471
25 109

2 955

2 909

Total South Africa

306

374

237

299

69

75

1 508

1 979

39

53

270 261

276 045

4 650

4 685

International

Hidden Valley

13

38

28

28

(15)

10

86

321

1

2

11 124

27 296

348

575

Total international

13

38

28

28

(15)

10

86

321

1

2

11 124

27 296

348

575

Total operations

319

412

265

327

54

85

1 594

2 300

40

55

281 385

303 341

4 998

5 260

#

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$5 million (2014: US\$1 million).

(a)

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

SEGMENT REPORT (US\$/IMPERIAL)

for the three months ended 30 September 2015 (Unaudited)

Harmony Gold Mining Company Limited

Results for the first quarter FY16 ended 30 September 2015

22

DEVELOPMENT RESULTS (IMPERIAL)

Quarter ending September 2015

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

Basal
 196
 160
 9.44
 120.23
 1 135
 B Reef
 249
 224
 167.19
 13.70
 2 290
All Reefs
 445
 384
 101.46
 17.83
 1 809
 Phakisa

Basal
 515
 516
 56.72

24.52

1 391

All Reefs

515

516

56.72

24.52

1 391

Doornkop

South Reef

551

588

64.00

12.79

817

All Reefs

551

588

64.00

12.76

817

Kusasaletu

VCR Reef

465

374

89.00

10.91

971

All Reefs

465

374

89.00

10.91

971

Target 1

Elsburg

44
44
291.00
7.33
2 134
All Reefs
44
44
291.00
7.33
2 134
Masimong 5

Basal
196
162
69.22
18.93
1 311
B Reef
165
171
45.75
13.33
610
All Reefs
360
333
57.17
16.63
951
Unisel

Basal
261
174
171.26
6.80
1 164
Leader
306
346
198.98

7.50
1 493
All Reefs
568
520
189.70
7.29
1 383
Joel

Beatrix
402
439
124.00
8.61
1 067
All Reefs
402
439
124.00
8.61
1 067
Total Harmony

Basal
1 168
1 012
70.94
18.30
1 298
Beatrix
402
439
124.00
8.61
1 067
Leader
306
346
198.98
7.50
1 493
B Reef

414
 395
 114.62
 13.63
 1 563
 Elsburg
 44
 44
 291.00
 7.33
 2 134
 South Reef
 551
 588
 64.00
 12.76
 817
 VCR
 465
 374
 89.00
 10.91
 971
All Reefs
 3 350
 3 198
 101.34
 11.89
 1 205

DEVELOPMENT RESULTS (METRIC)

Quarter ending September 2015

Channel
Reef Sampled
Width
Value
Gold
Feet
Feet
(Inch)
(oz/t) (In.oz/t)
 Tshepong

Basal
 644

525
4.00
3.26
13
B Reef
818
735
66.00
0.40
26
All Reefs
1 461
1 260
40.00
0.52
21
Phakisa

Basal
1 690
1 693
22.00
0.73
16
All Reefs
1 690
1 693
22.00
0.73
16
Doornkop

South Reef
1 808
1 929
25.00
0.38
9
All Reefs
1 808
1 929
25.00
0.38

9

Kusasaletu

VCR Reef

1 525

1 227

35.00

0.32

11

All Reefs

1 525

1 227

35.00

0.32

11

Target 1

Elsburg

144

144 115.00

0.21

25

All Reefs

144

144 115.00

0.21

25

Masimong 5

Basal

642

531

27.00

0.56

15

B Reef

540

561

18.00

0.39
7
All Reefs
1 182
1 093
23.00
0.47
11
Unisel

Basal
857
571
67.00
0.20
13
Leader
1 005
1 135
78.00
0.22
17
All Reefs
1 862
1 706
75.00
0.21
16
Joel

Beatrix
1 317
1 440
49.00
0.25
12
All Reefs
1 317
1 440
49.00
0.25
12
Total Harmony

Basal
 3 833
 3 320
 28.00
 0.53
 15
 Beatrix
 1 317
 1 440
 49.00
 0.25
 12
 Leader
 1 005
 1 135
 78.00
 0.22
 17
 B Reef
 1 358
 1 296
 45.00
 0.40
 18
 Elsburg
 144
 144 115.00
 0.21
 25
 South Reef
 1 808
 1 929
 25.00
 0.38
 9
 VCR
 1 525
 1 227
 35.00
 0.32
 11
All Reefs
 10 990
 10 492
 40.00
 0.35

www.harmony.co.za

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: November 05, 2015

Harmony Gold Mining Company Limited

By: /s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director