

HARMONY GOLD MINING CO LTD

Form 6-K

May 03, 2013

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 3 May 2013

y

**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  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

**KEY FEATURES**

**FINANCIAL SUMMARY FOR THE THIRD QUARTER FY13 AND NINE MONTHS ENDED 31 MARCH 2013**

Quarter

March

2013#

Quarter

December

2012#

Q-on-Q

variance

%

9 months

YTD<sup>2</sup>

March

2013#

9 months

YTD<sup>2</sup>

March

2012#

Variance

%

Gold produced

– kg

7 699

9 074

(15)

26 786

27 004

(1)

– oz

247 529

291 734

(15)

861 188

868 230

(1)

Cash operating costs

– R/kg

362 491

310 858

(17)

319 548

273 625

(17)

– US\$/oz

1 264

1 115

(13)

1 154

1 112

(4)  
Gold sold  
– kg  
7 506  
9 614  
(22)  
26 824  
26 849  
–  
– oz  
241 322  
309 097  
(22)  
862 379  
863 247  
–  
Underground grade  
– g/t  
4.50  
4.77  
(6)  
4.60  
4.28  
7  
Gold price received  
– R/kg  
470 030  
479 801  
(2)  
462 982  
419 007  
10  
– US\$/oz  
1 639  
1 722  
(5)  
1 672  
1 703  
(2)  
Operating profit<sup>1</sup>  
– R million  
821  
1 633  
(50)  
3 863  
3 964  
(3)  
– US\$ million  
92  
188  
(51)

449  
519  
(13)  
Basic (loss)/earnings  
per share\*  
– SAc/s  
(29)  
169  
>(100)  
262  
589  
(56)  
– USc/s  
(3)  
19  
>(100)  
30  
77  
(62)  
Headline (loss)/profit\*  
– Rm  
(202)  
680  
>(100)  
1 008  
2 460  
(59)  
– US\$m  
(23)  
78  
>(100)  
117  
322  
(64)  
Headline (loss)/earnings  
per share\*  
– SAc/s  
(47)  
158  
>(100)  
234  
571  
(59)  
– USc/s  
(5)  
18  
>(100)  
27  
75  
(64)  
Exchange rate

– R/US\$

8.92

8.67

3

8.61

7.65

13

# *Figures represent continuing operations unless stated otherwise*

<sup>1</sup> *Operating profit is comparable to the term production profit in the segment report in the financial statements and not to the*

*operating profit line in the income statement*

\* *Includes discontinued operations*

<sup>2</sup>

*YTD: year to date*

***Shareholder information***

Issued ordinary share capital at

31 March 2013

435 257 691

Issued ordinary share capital at

31 December 2012

435 257 691

***Market capitalisation***

At 31 March 2013

(ZARm) 25 728

At 31 March 2013

(US\$m)

2 804

At 31 December 2012

(ZARm) 32 209

At 31 December 2012

(US\$m)

3 796

***Harmony ordinary share and ADR prices***

12-month high (1 April 2012 –

31 March 2013) for ordinary shares

89.00

12-month low (1 April 2012 –

31 March 2013) for ordinary shares

53.40

12-month high (1 April 2012 –

31 March 2013) for ADRs

10.78

12-month low (1 April 2012 –

31 March 2013) for ADRs

5.94

***Free float***

100%

***ADR ratio***

1:1

***JSE Limited***

HAR

Range for quarter (1 January –  
31 March 2013 closing prices)  
R53.40 – R75.64

Average daily volume for the quarter  
(1 January – 31 March 2013)  
1 580 745 shares

Range for quarter (1 October –  
31 December 2012 closing prices)  
R65.20 – R74.05

Average daily volume for the quarter  
(1 October – 31 December 2012)  
1 577 597 shares

***New York Stock Exchange, Inc  
including other US trading platforms***  
HMY

Range for quarter (1 January –  
31 March 2013 closing prices)  
US\$5.94 – US\$8.88

Average daily volume for the quarter  
(1 January – 31 March 2013)  
2 423 016

Range for quarter (1 October –  
31 December 2012 closing prices)  
US\$7.50 – US\$8.96

Average daily volume for the quarter  
(1 October – 31 December 2012)  
2 392 671

***Investors' calendar***

**2013**

Q4 FY13 results

14 August 2013

#

Investor Day

28 August 2013

#

Q1 FY14

8 November 2013

#

#

*These dates may change in future*

**Quarter on quarter**

Lowest recorded quarterly LTIFR

2

Evander sale transaction completed

6% decrease in underground grade – after increasing

3 consecutive quarters

Gold production decreased by 15% to 7 699kg (247 529oz)

Headline loss per share\* of 47 SA cents (5 US cents)

Operating profit<sup>1</sup> lower at R821 million (US\$92 million)

Substantial reduction in services costs, corporate costs and  
capital expenditure planned

Watershed agreement signed with Kusasalethu labour

*All figures represent continuing operations unless stated otherwise*

\* *Includes discontinued operations*

1. *Operating profit is comparable to the term production profit in the segment report in the financial statements and not to the*

*operating profit line in the income statement*

2. *LTIFR = Lost Time Injury Frequency Rate*

**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

**Q3 FY13**

**RESULTS FOR THE THIRD QUARTER FY13 AND NINE MONTHS ENDED 31 MARCH 2013**

2  
2  
2

### **Forward-looking statements**

*This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's 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. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbour provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts.*

*These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements.*

*These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgement of the senior management of Harmony 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 quarterly 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 the countries in which we operate; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions; increases or decreases in the market price of gold; the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions; availability, terms and deployment of capital; changes in government regulations, particularly mining rights and environmental regulations; fluctuations in exchange rates; currency devaluations and other macro-economic monetary policies; and socio-economic instability in the countries in which we operate.*

Harmony's Integrated Annual Report,  
Notice of Annual General Meeting, its  
Sustainable Development Report and its Annual  
Report filed on a Form 20F with the United



States' Securities and Exchange Commission  
for the year ended 30 June 2012  
are available on our website:

[www.harmony.co.za](http://www.harmony.co.za)

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**Competent person's declaration**

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC). Harmony employs an ore reserve manager at each of its operations who takes responsibility for reporting mineral resources and mineral reserves at his operation.

The mineral resources and mineral reserves in this report are based on information compiled by the following competent persons:

Reserves and resources South Africa:

Jaco Boshoff, Pri Sci Nat, who has 16 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP).

Reserves and resources PNG:

Gregory Job for the Wafi-Golpu and Hidden Valley mineral resources, German Flores for the Golpu mineral reserve and Anton Kruger for the Hidden Valley mineral reserve. Messers Job, Francis and Kruger are corporate members of the Australian Institute of Mining and Metallurgy. All have relevant experience in the type and style of mineralisation for which they are reporting, and are competent persons as defined by the code.

These competent persons consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. Mr Boshoff and Mr Job are full-time employees of Harmony Gold Mining Company Limited. Mr Flores and Mr Kruger are full-time employees of Newcrest Mining Limited (Newcrest). Newcrest is Harmony's joint venture partner in the Morobe Mining Joint Venture on the Hidden Valley mine and Wafi-Golpu project.

**There has been no material changes in the mineral reserves declared as at 30 June 2012.**

**There has been no material changes in the mineral reserves declared as at 30 June 2012.**

### 3

Chief executive officer's review

*"My message to employees is a simple one – produce safe, profitable gold ounces in line with our company values. Keep your eyes off the gold price and on your plans. We continue to focus on what we can control – production and costs. We knew that the March 2013 quarter may be difficult and our results reaffirmed that we need to do more to meet expectations", said Graham Briggs, chief executive officer of Harmony.*

#### **1. SAFETY**

It is with regret that I report that two people were fatally injured during the quarter. They are John Naile, a contractor at the Saaiplaas demolition site and Rameno Steven Tapolosi, a driller at Masimong. We extend our deepest sympathy to their families and colleagues.

All quarter on quarter and year on year safety parameters showed improvement, with some significant safety achievements, which includes the lowest quarterly lost time injury frequency rate of 5.15 in Harmony's history. See page 4 for more details.

#### **2. OPERATIONAL AND FINANCIAL RESULTS**

Gold production for the March 2013 quarter was 15% lower compared to the December 2012 quarter at 7 699kg, mainly as a result of the temporary closure of Kusasalethu due to safety and security reasons, the damage to the ventilation shaft at Phakisa and a slow start-up at the other operations post the festive season.

Cash operating cost in the March 2013 quarter decreased by R30 million when compared to the previous quarter. This was mainly as a result of a decrease in consumables, due to lower volumes, as well as a saving in electricity at Kusasalethu.

The rand per kilogram unit cost for the March 2013 quarter increased by 17% to R362 491/kg. The costs are however skewed, as Kusasalethu was not in production during the March 2013 quarter. If we were to exclude Kusasalethu from both the second and the third quarters, the cash cost would have been R322 767/kg (US\$1 125/oz) in quarter 3 versus R285 498/kg (US\$1 024/oz) in quarter 2 of financial year 2013. Capital expenditure for the March 2013 quarter was R677 million, R189 million less than the December 2012 quarter.

#### **3. EMPLOYEE RELATIONS**

##### **3.1 Kusasalethu**

The temporary closure of Kusasalethu, due to safety and security reasons, was resolved after a watershed agreement was signed with all the unions on 14 February 2013, which facilitated the re-opening of the mine. The process of returning Kusasalethu to production is underway and remains peaceful.

A pre-condition for reopening the mine was the acceptance by all employees of various conditions, all broadly relating to employees committing to full compliance with policies and procedures and safe and orderly conduct. These conditions were agreed to by the unions. In terms of the agreement, it was also agreed that each employee would sign a code of conduct to show their individual commitment to ensuring that Kusasalethu is mined in a safe and secure way with full respect for the rule of law.

Closing the mine was a difficult and costly decision, but we believe that it has re-established our employer-employee relationship and gave us an opportunity to ensure that the mine is operated in a safe and profitable manner, supported by healthy employee relations.

The Association of Mineworkers and Construction Union (AMCU) has gained the majority union status at Kusasaletu, representing close to 60% of the workforce at the mine and as a result, approximately 10% of Harmony's total workforce.

### **3.2 Wage negotiations**

It is envisaged that the wage negotiations in the gold sector will start early in June 2013. This is amidst uncertainties due to new role players (companies as well as unions) and union rivalry.

Harmony has implemented measures to ensure stable industrial relations, such as engaging unions on the Harmony reality, obtaining agreement on a code of conduct similar to that of Kusasaletu and to continue building strong relationships with both our employees and the unions.

### **4. BENEFICIATION**

All of Harmony's South African gold is currently refined and sold by Rand Refinery (Pty) Limited (Rand Refinery). Rand Refinery plays a key role in gold beneficiation. With access to gold within a secure environment, they have established an initiative called the Gold Zone. The aim is for the Gold Zone to become a major hub for precious metal fabrication in South Africa for global export, while at the same time assisting local communities with skills development. Entrepreneurs, start-up businesses, jewellery manufacturers and tourism will all benefit from this initiative in the future.

Up to November 2012, Harmony held only 1.8% of the total shares in Rand Refinery, even though all our South African gold production is refined there. Rand Refinery has been and will continue to have good returns and is thus a good investment. We therefore decided to increase our holding in Rand Refinery to 9%, not only from an investment point of view, but also from a beneficiation perspective.

### **5. WAFI-GOLPU**

The drill fleet at Wafi-Golpu in Papua New Guinea (PNG) achieved 14 664m for the quarter – the best quarterly drill production ever recorded by the project. The gold recovery test work program determined a material improvement in both gold and copper recoveries.

The drilling has increased and improved the orebody knowledge, showing an increase in the content of both gold and copper.

In the current gold market climate, the project team was given a revised project development brief, which is aimed at optimising capital cost and improving the risk profile to align with owner and investor expectations, prior to starting with the feasibility study phase. The revised approach presents an opportunity to reconsider a new strategic approach for the project, possibly a staged approach. The project team is in the process of defining the scope, cost and schedule to complete an optimisation study.

### **6. PROPOSED CHANGE IN MOROBE MINING JOINT VENTURE (MMJV) MANAGEMENT STRUCTURE (Harmony holds 50%)**

The MMJV has been in operation since August 2008, based on a management model agreed to as part of the joint venture agreement with Newcrest Limited (Newcrest). At that stage, in-country activity was mainly focused on the Hidden Valley mine development, with a limited exploration program that incorporated Wafi-Golpu. The management structure consisted of various general managers in the business reporting through various operating committees to the joint venture committee, which had representatives of Harmony and Newcrest as members.

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

The scope of the business has dramatically changed since then. With the Hidden Valley mine in operation, the world-class Golpu project on the development track and a significant exploration portfolio, a rethink of an appropriate management structure for the MMJV was required. It was agreed to establish a unified and empowered management team responsible for managing all MMJV activities under the direction of a chief executive officer who is responsible to the Operating Committee and ultimately the Joint Venture Committee. The MMJV (incorporating Hidden Valley operations, Wafi-Golpu project, Morobe exploration and related support services) will be managed by an empowered unified in-country management team led by its own chief executive officer as one integrated, independent Papua New Guinean business. This business will be supported by an integrated centralised support service.

**7. EVANDER TRANSACTION**

The agreement in terms of which Harmony disposed of its 100% interest in Evander Gold Mines Limited (“Evander”) to Pan African Resources Plc (“PAR”) became unconditional on 14 February 2013 and closed on 28 February 2013. Harmony is in receipt of the full consideration price.

**8. DOWNTURN IN THE GOLD PRICE**

The rand gold price received during the March 2013 quarter decreased by 2% to R470 030/kg (R479 801/kg in the December 2012 quarter). The rand average weakened by 3%, from R8.67/US\$ in the December 2012 quarter to R8.92/US\$ in the March 2013 quarter. The US dollar gold price decreased by 5% from US\$1 722/oz to US\$1 639/oz in the quarter under review.

However, since the end of the March 2013 quarter, the gold price has been fluctuating dramatically. Harmony is a high cost producer with our total all-in cost (cash costs and capital costs) for the first six months of financial year 2013 being R393 354/kg (or U\$1 446/oz), excluding exploration and corporate costs. We have therefore initiated action to reduce costs and capital using a planned gold price of R400 000/kg. Immediate actions to reduce costs were implemented during April 2013. Some of the actions include: reducing services and corporate cost, various labour initiatives and renewing/re negotiating all external consultants and supply contracts. Our aim is to reduce services and corporate costs in South Africa by R400 million and overall capital expenditure in both South Africa and PNG by R1.4 billion for the financial year 2014. Larger cost-cutting measures such as shaft or mine closures are not envisaged at present.

Hidden Valley in PNG has been underperforming. Three areas of improvement are being focused on to return the mine to profitability:

1. the primary crusher is being replaced, which will allow full use of the overland conveyor, this will result in a huge cost saving, as ore will no longer have to be hauled to the plant and will also enable the ramp-up of mining and improved mining grades;
2. improvement projects in the plant and improvement of mobile equipment; and

3. restructuring the operations and removing 20% or more of the cost and returning the mine to profitability.

## **9. CONCLUSION**

We cannot influence or predict the future price of gold. For the past year the high gold price has assisted us in producing strong margins. With the gold price decreasing to levels close to \$1 400/oz, it means that we have to do more to improve production while reducing costs at the same time. We are using our annual budgeting sessions, which takes place from April to June every year, to find ways of doing just that. Harmony has been able to fund its capital, exploration and dividends while maintaining its balance sheet strength. Our aim is to continue to focus on strengthening our earnings per share and pay dividends.

### **Graham Briggs**

*Chief executive officer*

#### **Health and Safety**

At Harmony we are dedicated to providing and maintaining a safe and healthy work environment for our employees, who deserve to work in the safest possible environment. We regard their safety, health and well-being as a core value of our business success. Safety is Harmony's first priority and it is in no way compromised.

Despite our best efforts to curb fatalities, it is with deep regret that we report two fatalities which occurred in two separate incidences at the Saaiplaas demolition site and Masimong in South Africa. We continually pursue improvements in health and safety by regularly reviewing our policies, setting objectives and targets and providing the resources to uphold and advance our health and safety performance.

All safety parameters showed improvements quarter on quarter and several operations have recorded significant safety achievements. Fall of ground free shifts have increased and we have achieved a number of consecutive injury free days during the quarter. The year to date Fatality Injury Frequency Rate (FIFR) improved by 25% from 0.16 to 0.12 when compared to the previous year and by 23% quarter on quarter to 0.10 (from 0.13 in the preceding quarter).

The Lost Time Frequency Rate (LTIFR) for the year to date improved by 22% when compared to the actual figure in the previous year (from 5.73 to 5.15). The quarter on quarter LTIFR improved by 10% (from 5.73 to 5.15) – the lowest recorded quarterly rate in Harmony's history.

During the quarter, high level safety audits were conducted at Bambanani, Steyn 2 and Masimong by the chief executive officer and various other executives. These on-going audits by the chief executive officer and his executive team illustrate the commitment to safety at all levels.

Other significant achievements during the quarter were:

Masimong and Free State Metallurgy achieved 1 500 000 fatality free shifts respectively;

Target 3 achieved 1 000 000 fatality free shifts;

Doornkop achieved 6 000 000 fall of ground fatality free shifts; and

Bambanani and Target 3 achieved 1 000 000 fall of ground fatality free shifts respectively.

**5**

Financial overview

**Net loss**

The net loss for the March 2013 quarter was R124 million compared to a net profit of R731 million in the previous quarter. This was as a result of a 22% decrease in gold sold and 2% decrease in the rand gold price received in the March 2013 quarter. The decrease in gold sold was due to a 15% decrease in gold production as well as an increase in gold inventory.

**Other expenses – net**

Included in other expenses – net in the March 2013 quarter, is a foreign exchange loss of R150 million (December 2012: R35 million) on the US\$ denominated loan, resulting from the Rand weakening from R8.50/\$1 to R9.22/\$1 during the quarter.

**Impairment of investments**

The impairment of investments amounting to R39 million in the March 2013 quarter relates to the reduction in the fair market value on the investment in Witwatersrand Consolidated Gold Resources Limited (Wits Gold).

**Discontinued operations**

In February 2013, following the fulfilment of all conditions precedent, the Evander sale to Pan African Resources plc was completed. Profit from discontinued operations includes the group profit of R102 million recorded on the sale of Evander. The remaining R41 million represents profits for Evander for the two months ended February 2013.

**Loss per share**

Total basic loss per share was 29 SA cents per share in the March 2013 quarter compared with earnings of 169 SA cents in the December 2012 quarter. Total headline loss was 47 SA cents per share (December 2012: earnings of 158 SA cents).

**Investment in financial assets**

Investment in financial assets decreased from R159 million to R139 million at 31 March 2013, following the downward fair value movement in the investment in Wits Gold. This was offset by the purchase of additional shares in Rand Refinery for R33 million.

**Borrowings and cash**

Borrowings increased by R152 million to R2 525 million due to the effect of translating the US dollar denominated borrowings into Rand. Cash and cash equivalents increased by R588 million to R3 099 million at 31 March 2013. This was mainly as a result of the receipt of proceeds of R1 264 million on the sale of Evander. The net surplus cash position of the group improved to R574 million.

**Employee Share Option Plan (ESOP) shares vesting**

In August 2012, qualifying employees were awarded Scheme Shares (SS) and Share Appreciation Rights (SARs). The vesting of the first tranche of SS and SARs in the ESOP took place at the end of March 2013 and the payments to all eligible employees were made in April 2013. All qualifying employees received a minimum of R1 912 before tax, amounting to a total of R58 million.

Operational overview

**GROUP OPERATIONAL RESULTS**



**Continuing operations (excludes Evander)**

Indicator

Units

March

2013

December

2012

%

variance

Underground tonnes

000

1 381

1 594

(13)

Surface tonnes

000

3 005

2 866

5

**Total tonnes**

**000**

**4 386**

**4 460**

(2)

Underground grade

g/t

4.50

4.77

(6)

Surface grade

g/t

0.49

0.51

(4)

**Total grade**

**g/t**

**1.76**

**2.03**

(13)

**Gold produced**

**Kg**

**7 699**

**9 074**

(15)

**Cash operating costs**

**R/kg**

**362 491**

**310 858**

(17)

**Operating profit**

**R'000**

821 283 1 633 173

(50)

Gold production was 15% lower quarter on quarter at 7 699kg in the March 2013 quarter, compared to 9 074kg of gold in the December 2012 quarter, due to a 13% decrease in underground tonnes and a 6% decline in underground grade to 4.50g/t. The reduction in gold production is due to the temporary closure of Kusasalethu (due to safety and security reasons), the damage to the ventilation shaft at Phakisa and the impact of a slow start-up post the festive season break.

Lower production resulted in a much lower operating profit of R821 million for the March 2013 quarter in comparison to R1.6 billion in the previous quarter. A higher unit cash operating cost of R362 491/kg, compared to R310 858/kg in the December 2012 quarter, was recorded as a result of lower gold production. The costs are however skewed, as Kusasalethu was not in production during the March 2013 quarter.

If we were to exclude Kusasalethu from both the second and the third quarters, the cash cost would have been R322 767/kg (US\$1 125/oz) in quarter 3 versus R285 498/kg (US\$1 024/oz) in quarter 2 of financial year 2013.

Total cash operating costs was slightly lower at R2.79 billion.

**Kusasalethu**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

33

138

(76)

Grade

g/t

1.48

2.91

(49)

Gold produced

Kg

49

402

(88)

Cash operating costs

R/kg

6 564 347

857 928

(&gt;100)

Operating loss

R'000

(285 680)

(113 450)

(>100)

Kusasaletu's re-opening was announced on 14 February 2013, since its temporary closure on 20 December 2012, following the successful conclusion of an agreement with the various trade unions representing the majority of all employees at the mine.

The start-up plan for the mine started on 15 February 2013. To ensure a safe and smooth start-up process, employees were called back to the mine in a phased process. Employees signed the code of conduct, received training on the guarantees and undertakings agreed to in the agreement, and underwent health and safety inductions. To date, a majority of the employees have returned to Kusasaletu.

**6****Results for the third quarter FY13  
and nine months ended 31 March 2013**

A limited amount of waste rock dumps was milled during the quarter to commence backfill production for the start-up and 49kg of gold were recovered from the surface sources and the plant inventory. The temporary closure of Kusasalethu did however result in an 88% decrease in gold production and lower recovered grade of 1.48g/t, impacting Harmony's overall gold production for the quarter.

Cash operating costs for the quarter were significantly higher due to the lower gold production and the fact that all employees were paid basic salaries despite the closure. This resulted in a R286 million operating loss.

Kusasalethu is expected to return to normal production levels only after June 2013.

**Doornkop**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

249

272

(8)

Grade

g/t

3.60

3.69

(2)

Gold produced

Kg

897

1 004

(11)

Cash operating costs

R/kg

295 429

269 449

(10)

Operating profit

R'000

150 231

217 794

(31)

Gold production at Doornkop decreased by 11% quarter on quarter to 897kg of gold due to a slower than expected start-up after the Christmas break. Tonnes milled were 8% lower at 249 000t, while

recovered grade was marginally lower at 3.60g/t.

An operating profit of R150 million was recorded, compared to R218 million in the previous quarter. Due to the lower gold production, the operating costs increased to R295 429/kg (from R269 449/kg in the December quarter).

**Phakisa**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

109

128

(15)

Grade

g/t

4.44

5.38

(17)

Gold produced

Kg

484

688

(30)

Cash operating costs

R/kg

505 324

338 233

(49)

Operating (loss)/profit

R'000

(18 147)

99 575

(>100)

The damage to the Freddie's No. 3 ventilation shaft continued to have an adverse effect on gold production at Phakisa. It forced stoppages in certain working areas on account of adverse environmental conditions. The rehabilitation of the ventilation shaft is critical and good progress was made during the quarter under review. Remedial work is on track and should be completed by the end of calendar year 2013.

Tonnes milled decreased quarter on quarter by 15% to 109 000t.

Recovered grade for the quarter was also lower at 4.44g/t (from 5.38g/t in the previous quarter), due to higher grade areas that could not be mined as a result of higher temperatures in those mining areas. The lower tonnes milled and the decrease in recovered grade resulted in a 30% decrease in gold production from 688kg to 484kg quarter on

quarter.

Phakisa recorded an operating loss of R18 million for the March 2013 quarter and a 49% increase in cash operating costs at R505 324/kg. Higher electricity costs were incurred due to additional fans that were used for ventilation purposes and other costs related to the rehabilitation on the ventilation shaft.

### **Tshepong**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

262

254

3

Grade

g/t

3.93

4.53

(13)

Gold produced

Kg

1 029

1 151

(11)

Cash operating costs

R/kg

340 586

309 081

(10)

Operating profit

R'000

131 961

199 169

(34)

Tonnes milled for the quarter increased from 254 000t in the December 2012 quarter to 262 000t in the quarter under review. Gold production at Tshepong decreased by 11% quarter on quarter to 1 029kg, due to a 13% decrease in recovered grade to 3.93g/t.

Cash operating costs for the quarter increased by 10% to R340 586/kg (from R309 081/kg in the December 2012 quarter) as a result of lower gold production.

Operating profits were 34% lower at R132 million.

### **Masimong**

Indicator

Units

March  
 2013  
 December  
 2012  
 %  
 variance  
 Tonnes  
 000  
 181  
 216  
 (16)  
 Grade  
 g/t  
 4.41  
 4.59  
 (4)  
 Gold produced  
 Kg  
 799  
 991  
 (19)  
 Cash operating costs  
 R/kg  
 287 596  
 252 109  
 (14)  
 Operating profit  
 R'000  
 144 950  
 228 129  
 (36)

Gold production for the quarter decreased by 19% to 799kg, when compared to the December 2012 quarter, mainly due to lower volumes produced. Tonnes milled decreased from 216 000t in the December 2012 quarter to 181 000t in the March 2013 quarter, as a result of the slow start-up after the Christmas break, as well as safety stoppages following the fatality at the mine.

Recovery grade was 4% lower at 4.41g/t (from 4.59g/t in the December 2012 quarter), mainly due to a 4% decrease in the plant call factor for the quarter.

Lower gold production and a 14% increase in cash operating costs from R252 109/kg in the December 2012 quarter to R287 596/kg in the March 2013 quarter, resulted in a 36% decrease in operating profit to R145 million.

**Hidden Valley (held in Morobe Mining Joint Ventures – 50% of attributable production reflected)**

Indicator  
 Units  
 March  
 2013  
 December

2012

%

variance

Tonnes

000

440

456

(4)

Grade

g/t

1.34

1.41

(5)

Gold produced

Kg

591

642

(8)

Cash operating costs

R/kg

515 012

451 424

(14)

Operating (loss)/profit

R'000

(20 924)

32 246

(>100)



7

Tonnes milled at Hidden Valley decreased by 4%, recovered grade for the quarter was 1.34g/t – 5% lower than the preceding quarter, due to the lack of high grade ore mined and lower grade stockpiles treated during the quarter. Lower grade and the decrease in tonnes milled resulted in an 8% decrease in gold production to 591kg of gold (from 642kg of gold in the December 2012 quarter), while silver production also decreased quarter on quarter to 205 651oz (from 470 623oz in the December quarter).

The overland conveyer (OLC) suffered a cut to the belt during the quarter and ore transport was supplemented by truck haulage. The OLC and crusher project are nearing completion and commissioning is scheduled to start at the end of May 2013.

Cash operating costs were 14% higher when compared to the previous quarter at R515 012/kg, due to higher mobile maintenance costs, the OLC failure, the impact of its repair and lower gold and silver production. Hidden Valley recorded an operating loss of R21 million for the March 2013 quarter.

**Target 1**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

182

178

2

Grade

g/t

5.02

6.10

(18)

Gold produced

Kg

913

1 086

(16)

Cash operating costs

R/kg

248 585

212 656

(17)

Operating profit

R'000

195 795

295 282

(34)

Tonnes milled at Target 1 were 2% higher for the March 2013 quarter at 182 000t when compared to the previous quarter. Recovered grade decreased by 18% to 5.02g/t, however, Target had exceeded its reserve grade in previous quarters. Gold production was 16% lower quarter on quarter at 913kg.

Operating profit for Target 1 decreased by 34% quarter on quarter to R196 million (in comparison to R295 million in the December 2012 quarter). The lower gold production and higher overtime costs following the Christmas break, resulted in a 17% increase in the cash operating costs to R248 585/kg.

**Bambanani**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

34

42

(19)

Grade

g/t

8.76

8.50

3

Gold produced

Kg

298

357

(17)

Cash operating costs

R/kg

388 477

332 224

(17)

Operating profit

R'000

23 983

53 493

(55)

Recovered grade at Bambanani increased quarter on quarter by 3% to 8.76g/t. Tonnes milled decreased by 19% from 42 000t in the December 2012 quarter to 34 000t in the March 2013 quarter, due to some infrastructural issues. As a result, gold production was 17% lower at 298kg during the March 2013 quarter.

Cash operating costs were 17% higher at R388 477/kg when compared to the preceding quarter, due to lower gold production and higher contractor costs. Operating profit of R24 million quarter on quarter was much lower as a result.

**Joel**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

139

154

(10)

Grade

g/t

5.60

5.52

1

Gold produced

kg

779

850

(8)

Cash operating costs

R/kg

207 107

194 233

(7)

Operating profit

R'000

186 638

265 772

(30)

Gold production at Joel was lower at 779kg quarter-on-quarter, due to a 10% decrease in tonnes milled at 139 000t. Recovered grade remained fairly steady at 5.60g/t.

Joel remains the lowest cost producer in the company at R207 107/kg, compared to R194 233/kg in the previous quarter. Lower gold production however resulted in a lower operating profit quarter on quarter of R187 million.

**Unisel**

Indicator

Units

March

2013

December

2012  
 %  
 variance  
 Tonnes milled  
 000  
 99  
 117  
 (15)  
 Grade  
 g/t  
 4.28  
 4.55  
 (6)  
 Gold produced  
 Kg  
 424  
 532  
 (20)  
 Cash operating costs  
 R/kg  
 318 934  
 280 244  
 (14)  
 Operating profit  
 R'000  
 63 267  
 109 414  
 (42)

Unisel's gold production decreased by 20% to 424kg, due to a slower than expected start-up post the festive season. Tonnes milled quarter on quarter declined by 15% to 99 000t, while recovered grade was lower at 4.28g/t.

The 42% decrease in operating profit to R63 million, is attributable to the lower gold production, as a result the cash operating costs increased from R280 244/kg in the December 2012 quarter to R318 934/kg in the March 2013 quarter.

**Target 3**

Indicator  
 Units  
 March  
 2013  
 December  
 2012  
 %  
 variance  
 Tonnes  
 000  
 81  
 82  
 (1)  
 Grade

g/t

5.05

5.26

(4)

Gold produced

Kg

409

431

(5)

Cash operating costs

R/kg

308 220

305 935

(1)

Operating profit

R'000

65 148

75 569

(14)

Tonnes milled at Target 3 remained stable quarter on quarter at 81 000t.

Gold production for the quarter was 5% lower at 409kg, mainly due the 4% decline in recovered grade at 5.05g/t. However, despite the lower grade, the mine is on track to improving the quality of ore mined.

Cash operating costs for the quarter were slightly higher at R308 220/kg, from R305 935/kg in the December 2012 quarter. Operating profit was 14% lower quarter on quarter at R65 million.

8

**Results for the third quarter FY13  
and nine months ended 31 March 2013**

**Steyn 2**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes

000

12

13

(8)

Grade

g/t

11.58

8.92

30

Gold produced

Kg

139

116

20

Cash operating costs

R/kg

228 295

300 069

24

Operating profit/(loss)

R'000

33 485

21 282

57

Gold production for the quarter was 20% higher at 139kg, despite the 8% decrease in tonnes milled (from 13 000t in the preceding quarter to 12 000t in the quarter under review). The improvement in gold production is due to a significant increase in recovered grade of 30% to 11.58g/t.

Steyn 2 recorded a 57% increase in the operating profit for the quarter at R33 million. Cash operating costs were 24% lower quarter on quarter at R228 295/kg, due to the increase in production.

***TOTAL SOUTH AFRICAN SURFACE OPERATIONS***

**Continuing Operations (excluding Evander surface sources)**

Indicator

Units

March

2013

December  
2012

%  
variance

Tonnes  
000

2 565  
2 410

6  
Grade

g/t  
0.35

0.34  
3

Gold produced

Kg  
888

824  
8

Cash operating costs

R/kg  
312 931

299 511  
(4)

Operating profit

R'000  
150 576

148 898  
1

Tonnes milled at the South African surface operations improved by 6% to 2 565 000t, which resulted in an 8% increase in gold production quarter on quarter from 824kg of gold to 888kg of gold. Surface tonnes increased, as the plants used the additional capacity created by lower reef deliveries from the underground operations to treat the surface tonnes. Grade also improved from 0.34g/t for the December 2012 quarter to 0.35g/t for the March 2013 quarter.

Cash operating costs for the March 2013 quarter were 4% higher at R312 931/kg quarter on quarter, while operating profits remained steady quarter on quarter at R151 million.

**Kalgold**

Indicator

Units

March

2013

December

2012

%  
variance

Tonnes 000

332

309

7  
 Grade  
 g/t  
 0.93  
 1.06  
 (12)  
 Gold produced  
 Kg  
 309  
 326  
 (5)  
 Cash operating costs  
 R/kg  
 354 346  
 291 991  
 (21)  
 Operating profit  
 R'000  
 45 459  
 61 733  
 (26)

Tonnes milled increased by 7% quarter on quarter. Recovered grade decreased by 12% quarter on quarter to 0.93g/t, resulting in a 5% decrease in gold production from 326kg of gold in the December 2012 quarter to 309kg in the March 2013 quarter. Operating profit was 26% lower at R45 million, due to the higher quarter on quarter cash operating costs of R354 346/kg.

**Phoenix (tailings)**

Indicator  
 Units  
 March  
 2013  
 December  
 2012  
 %  
 variance  
 Tonnes  
 000  
 1 325  
 1 276  
 4  
 Grade  
 g/t  
 0.16  
 0.16  
 –  
 Gold produced  
 Kg  
 216  
 208  
 4



Cash operating costs

R/kg

254 986

261 135

2

Operating profit

R'000

45 371

44 970

1

Recovered grade remained steady at 0.16g/t, whilst tonnes milled increased by 4% quarter-on-quarter to 1 325 000t due to the early commissioning of St Helena 1, 2 and 3 cyclone dams. Gold production also increased as a result of increased tonnes to 216kg.

Operating profits were slightly higher at R45 million, due to the 2% improvement in cash operating costs to R254 986/kg and the higher gold production.

**Surface dumps (excluding Evander surface sources)**

Indicator

Units

March

2013

December

2012

%

variance

Tonnes 000

908

825

10

Grade

g/t

0.40

0.35

14

Gold produced

Kg

363

290

25

Cash operating costs

R/kg

312 157

335 490

7

Operating profit

R'000

59 746

42 195

42

Gold production was 25% higher for the quarter at 363kg of gold, due to the 14% improvement in recovered grade at 0.40g/t and a 10% increase in tonnes milled from 825 000t in the December 2012 quarter to 908 000t in the March 2013 quarter.

The increase in gold production contributed to a 7% improvement in cash operating costs from R335 490/kg to R312 157/kg quarter on quarter. Operating profit was 42% higher for the quarter at R60 million.

**9**

**Development**

The main purpose of development is to open up ore for future mining operations. A development programme is vital to the life of a mine. The on-reef development grade of a shaft is an indication of the grades that will be mined in future. Important information such as expected geological structures, dip of the orebody and channel width is derived. Depending on the shaft layout – such as the length of the raise line and spacing – ledging and stoping will take place approximately 18 to 36 months after on-reef development. Therefore the target areas for development are extremely important to prove the existence of ore of sufficient mineral content to be profitably mined and to continuously upgrade resources to reserves.

The March quarter development grade for Harmony combined is higher than the 2012 average Mineral Reserve Block grades, although some individual shafts are lower.

**Mineral Reserves Block Grades vs Development Grades**

**March 2013 (Quarter 3)**

**Note:** The ore reserve block grades reflect the grades of the blocks in the 2012 life-of-mine plans for the various operations. These blocks are to a large degree the blocks above a certain cut-off grade that has been targeted for mining. The development grades are those as sampled in the on-going on-reef development at the operations and no selectivity has been applied from a grade point of view.

**Kusasaletu**

No development was done during the March 2013 quarter due to the temporary closure of the operation. Production will commence during the June 2013 quarter, following the re-opening of the mine on 14 February 2013.

**Doornkop**

The development grade is lower due to more on-reef development on 202 level where lower grades were expected. Reef meters were lower than the previous quarter due to a slow start-up after the Christmas break. Grades are expected to increase over the next two quarters.

**Phakisa**

Development grades increased 13% to 1 116 cmg/t quarter on quarter as expected. The grade is expected to increase further as development progress towards the Northern side of the mine into the high grade Black Chert facies.

**Tshepong**

The Basal Reef continues to return good results from the areas in the decline section and the western area of the mine. This is very encouraging in terms of the future grade profile of Tshepong. The development grade from the B Reef project area is still very erratic.

**Masimong**

The development grade increased slightly from the previous quarter mainly due to an increase in the B Reef grades, which is encouraging. Little changed in the quarter on quarter Basal Reef development grades. However, grades did improve in the south western section of the mine while there was a decrease in the southern part of the mine.

**Target 1 (narrow reef mining)**

The raises developed for narrow reef mining on the Dreyerskuil formation continue to return good values, exceeding expectations.

**Bambanani**

All development is taking place in the shaft pillar. Although the quarter shows a drop in grade, 11 meters were developed on-reef which went through a localised lower grade localised zone. The overall development grade remains in line with expectations and continues to support the high grade profile of the mine.

**Joel**

Development grades decreased significantly during this quarter, however the average grades for the last three quarters are still higher than the Mineral Reserve grade which will have a positive impact on the future grade profile of the mine.

**Unisel**

The Leader Reef, as per the previous quarter, continues to deliver encouraging results above 1 000 cmg/t. Although the Basal Reef decreased during the quarter, the year to date grade is still much higher than the Mineral Reserve grade.

**Target 3 (narrow reef mining)**

The grades were exceptionally high for the quarter mainly due to very high grades on the B Reef. Basal and Elsburg Reef development grades were in line with expectations around 1 000 cmg/t. The focus is remains now on the Basal Reef as it is more consistent and the primary ore body at the mine.

*\* No reef development was done at Steyn 2 during this period, only shaft extraction.*

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

Exploration highlights

**International (Papua New Guinea)**

**Morobe Mining Joint Venture (MMJV) (50% Harmony)**

***Wafi-Golpu***

Drilling remains an important focus for the project, with geotechnical data acquisition and additional mineral resources definition being key priorities. Resource definition work has focused on the upper levels of the deposit (Lift 1 area) and results have been highly encouraging on a number of fronts:

Continuity of the high-grade mineralised hornblende porphyry has improved significantly from the current model. This will have an overall positive impact on the grade and also on the metallurgical recoveries.

The advanced argillic alteration overprints shallows to the north. These alteration types negatively affect the metallurgy of the deposit but the drilling demonstrates that the recent northern and up-dip extensions of the deposit are largely unaffected by the overprint.

Intercepts from this work include:

WR449:

588m @ 0.43 g/t Au, 0.97% Cu from 333m

Incl

198m @ 0.97 g/t Au, 2.14% Cu from 798m

WR452W\_1\*:

156m @ 0.35 g/t Au, 1.19% Cu from 322m

Incl

84m @ 0.52 g/t Au, 2.01% Cu from 544m

WR459\*:

584m @ 0.32g/t Au, 1.24% Cu from 62m

(\*partial result)

**Figure 1: Lift 1**

Copper grade shells in relation to the pre-feasibility study lift 1 infrastructure.

**Orange** = 1.5% Cu from 2012 resource model

**Pink** =

1.5% Cu leapfrog shell incorporating latest drill results

**Blue** =

100ppm As zone (This approximates the advanced argillic alteration which results in poorer metallurgy).

**Note:** As = Arsenic; Au= gold; Cu = copper

## 11

Drill results received for Lift 2 continue to firm up the model with some very encouraging intercepts:

WR429W\_3:

664.3m @ 0.85 g/t Au, 1.09% Cu from 1 240m including 246m @ 1.68 g/t Au, 1.97% Cu from 1 398m

WR444W\_1\*:

984.4m @ 0.78 g/t Au, 0.93% Cu from 980m including 278m @ 2.32 g/t Au, 2.41% Cu from 1 238m

(\*partial result)

Spiky gold grades up to 110 g/t Au were encountered in WR444 in the core of the orebody. The grade spikes were evident in drill core, associated with late crosscutting veins containing blebs of visible gold.

This particular gold rich vein event has not been recorded previously.

Brownfields exploration work has also outlined a new area of high grade gold mineralisation located between Golpu and the A zone mineralisation, off the eastern margin of the diatreme.

WR457: 66m @ 2.56 g/t Au from 114m. This intercept includes a discrete high grade zone of 30m @ 4 g/t Au from 150m.

The intercept further highlights the potential for additional high grade Au resources within the Wafi system. Follow-up work has been approved to test both this and the high grade Northern zone intercepts in Q4.

*The future of Golpu*

Project optimisation work will be focused on modular, staged project delivery with lower capital intensity. Optimisation work is likely to continue during the whole of financial year 2014. Project activities in FY14 will be focused on better project definition through a drill program, whilst studies continue. The gold recovery improvement testwork program has shown material improvements in both gold and copper recoveries.

Limited early works is scheduled to take place in FY14 (post current camp and road construction), which will result in lower capital expenditure ramp-up rates than previously communicated. The Project schedule and first production will be revisited based on the outcomes of these activities.

***Hidden Valley Satellite deposit exploration***

Work to delineate additional resources and delineate high-grade feedstock for Hidden Valley has been refocused onto the Escarpment fault system. The hanging wall alteration of the Escarpment fault hosts the Wau epithermal gold lodes.

Broad spaced systematic surface geochemical sampling is in progress.

**Note:** As = Arsenic; Au= gold; Cu = copper

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

***Mt Tonn (EL1316)***

Drilling at Mt Tonn was completed during the quarter and comprised two holes for 783m. The drilling was undertaken to test a coincident copper-gold surface geochemical anomaly with an underlying magnetic target.

Geology encountered in the drilling outlined a sequence of pervasively propylitic altered conglomerates and sandstones of the Langimar formation overthrust over unaltered sediments and volcanics of the Babuaf Formation.

Mineralisation was disappointing with best results received to date from MTTDH003: 4m @ 1.55 g/t from 60m. Interpretation to put geology and results in the context of a regional structural model for the Wafi Transfer is in progress.

***Garawaria (EL1629)***

Regional work focused on EL1629 with drilling at the Garawaria prospect. Drilling comprised three holes for 1 478m. The drilling was designed to test a major surface Au anomaly with mineralised hydrothermal breccia exposed in surface trenches. Assays obtained from the trenches included 62m @ 4.01 g/t Au and 55m @ 1.41 g/t Au were obtained (reported previously).

Downhole geology has outlined a sequence of interbedded limestone and metasediments. The sequence is faulted and intruded by a number of late feldspar porphyries with disseminated pyrite and pervasive sericite alteration. Several relatively narrow mineralised breccia zones have also been intersected.

Results have been encouraging with broad low grade intercepts confirming prospectivity for a major mineralised system. These include:

ALNDH002:

27m @ 0.85 g/t Au from 26m

15m @ 1.08 g/t Au from 63m

ALNDH003:

50m @ 1.08 g/t Au from 93m

18m @ 1.02 g/t Au from 181m

Gold mineralisation is also accompanied by elevated levels of arsenic up to 0.26% As. Results remain incomplete with assays for several significant intervals of base-metal carbonate vein mineralisation from ALNDH003 outstanding. Results for ALNDH004 are also awaited.

Interpretation to put results in context with geology continues.

**PNG exploration (Harmony 100%)**

***Mt Hagen Project (EL1611 & EL1596)***

Drilling of the final hole PNDD010 targeting the Penamb East prospect was completed early in the quarter and all assay results received. Best result from the program included 5m @ 1 g/t Au in PNDD008. Although the prospect was defined by a coherent 100 ppb Au soil anomaly the results from the drilling indicate only patchy development of gold mineralisation associated with structural zones in the core.

Preliminary modelling of the Penamb West porphyry indicated a potential low grade resource of 582Mt @ 0.08% Cu and 90ppm Mo

however, it is considered unlikely that a higher grade potassic core is associated with this system within 500m of the surface.

A toll gate review was completed for the Mt Hagen project and concluded the drilling completed to date had tested the key targets in the western half of the project area (the Kurunga Intrusive Complex prospects in particular) and the potential for an economic mineral deposit was unlikely. A recommendation for full withdrawal from the project was approved in March 2013.

**Southern Highlands project (EL1786)**

Mobilisation of two drill rigs to Lake Kopiago was completed in January and two of the initial seven hole drill program were completed for 1 370.5m. The drilling was designed predominantly to outline broad sections (roughly 800m apart) to identify large scale alteration and mineralisation vectors below cover, but also to test critical lithological contacts and the Au-base metal skarns identified from the mapping. The initial holes targeted the depth extent of outcropping skarn mineralisation at Bisamu Hill. Geology comprised magnetite bearing diorite porphyry intruding limestone. Several encouraging zones of skarn alteration and mineralisation were intersected however assays have not yet been received.

**Figure 2:** Lake Kopiago exploration drilling; KPDD002.

**Amanab (EL1708)**

Follow-up field mapping and surface sampling at the Yup East prospect was completed during the quarter. Over 300 samples were collected. Work focused on extending the mapped bedrock mineralisation and outlining the tenor and size of the associated surface Au geochemical anomaly. Work to date has outlined a northwest trending gold anomaly +0.1 g/t Au anomaly in excess of 1km long and 500m wide with individual soil samples ranging up to 13.8 g/t Au. Assays are pending but data on hand suggests potential for a second sub-parallel zone of mineralisation located to the south.

**Note:** As = Arsenic; Au= gold; Cu = copper



**13**

**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

**Q3 FY13**

**Results for the**

**third quarter FY13**

**and nine months ended**

**31 March 2013**

**(Rand/US\$)**

14

15

**Results for the third quarter FY13  
and nine months ended 31 March 2013**

Operating results

(Rand/Metric) (US\$/Imperial)

South Africa

Hidden

Valley

Total

Continuing

Operations

Underground production

Surface production

Other

Total

South

Africa

Three

months

ended

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bamba-

nani

Joel

Unisel

Target 3

Steyn 2

Total

Under-

ground

Phoenix

Dumps

Kalgold

Total

Surface

**Ore milled**

**- t'000**

**Mar-13**

**33**

**249**

**109**

**262**

**181**

**182**

34  
139  
99  
81  
12  
1 381  
1 325  
908  
332  
2 565  
-  
3 946  
440  
4 386  
Dec-12  
138  
272  
128  
254  
216  
178  
42  
154  
117  
82  
13  
1 594  
1 276  
825  
309  
2 410  
-  
4 004  
456  
4 460  
**Gold produced**  
**- kg**  
**Mar-13**  
49  
897  
484  
1 029  
799  
913  
298  
779  
424  
409  
139  
6 220  
216

363  
309  
888  
—  
7 108  
591  
7 699  
Dec-12  
402  
1 004  
688  
1 151  
991  
1 086  
357  
850  
532  
431  
116  
7 608  
208  
290  
326  
824  
—  
8 432  
642  
9 074  
**Gold produced**  
— oz  
**Mar-13**  
1 575  
28 839  
15 561  
33 083  
25 688  
29 354  
9 581  
25 045  
13 632  
13 150  
4 469  
199 977  
6 945  
11 671  
9 935  
28 551  
—  
228 528  
19 001  
247 529

Dec-12  
12 925  
32 279  
22 120  
37 005  
31 861  
34 916  
11 478  
27 328  
17 104  
13 857  
3 729  
244 602  
6 687  
9 323  
10 481  
26 491  
-  
271 093  
20 641  
291 734  
**Yield –  
g/tonne**  
**Mar-13**  
**1.48**  
**3.60**  
**4.44**  
**3.93**  
**4.41**  
**5.02**  
**8.76**  
**5.60**  
**4.28**  
**5.05**  
**11.58**  
**4.50**  
**0.16**  
**0.40**  
**0.93**  
**0.35**  
-  
**1.80**  
**1.34**  
**1.76**  
Dec-12  
2.91  
3.69  
5.38  
4.53  
4.59  
6.10

8.50  
5.52  
4.55  
5.26  
8.92  
4.77  
0.16  
0.35  
1.06  
0.34

–

2.11  
1.41  
2.03

**Cash operating  
costs**

**– R/kg**

**Mar-13**

**6 564 347**

**295 429**

**505 324**

**340 586**

**287 596**

**248 585**

**388 477**

**207 107**

**318 934**

**308 220**

**228 295**

**355 075**

**254 986**

**312 157**

**354 346**

**312 931**

–

**349 810**

**515 012**

**362 491**

Dec-12

857 928

269 449

338 233

309 081

252 109

212 656

332 224

194 233

280 244

305 935

300 069

300 225

261 135  
335 490  
291 991  
299 511

—

300 155  
451 424  
310 858

**Cash operating  
costs**

— \$/oz

**Mar-13**

**22 891**

**1 030**

**1 762**

**1 187**

**1 003**

**867**

**1 354**

**722**

**1 112**

**1 075**

**796**

**1 238**

**889**

**1 088**

**1 235**

**1 091**

—

**1 220**

**1 795**

**1 264**

Dec-12

3 078

967

1 214

1 109

905

763

1 192

697

1 006

1 098

1 077

1 077

937

1 204

1 048

1 075

—

1 077

1 620

1 115

**Cash operating**

**costs**

**– R/tonne**

**Mar-13**

**9 747**

**1 064**

**2 244**

**1 338**

**1 270**

**1 247**

**3 405**

**1 161**

**1 366**

**1 556**

**2 644**

**1 599**

**42**

**125**

**330**

**108**

**–**

**630**

**692**

**636**

**Dec-12**

**2 499**

**995**

**1 818**

**1 401**

**1 157**

**1 297**

**2 824**

**1 072**

**1 274**

**1 608**

**2 678**

**1 433**

**43**

**118**

**308**

**102**

**–**

**632**

**636**

**632**

**Gold sold**

**– Kg**

**Mar-13**

**129**



839  
470  
1 000  
777  
865  
290  
703  
412  
388  
135  
6 008  
210  
360  
329  
899  
-  
6 907  
599  
7 506  
Dec-12  
597  
1 070  
707  
1 184  
1 019  
1 118  
367  
933  
547  
444  
119  
8 105  
211  
291  
317  
819  
-  
8 924  
690  
9 614  
**Gold sold**  
- oz  
Mar-13  
4 147  
26 974  
15 111  
32 151  
24 981  
27 810  
9 324  
22 602

13 246  
12 474  
4 340  
193 160  
6 752  
11 574  
10 578  
28 904  
-  
222 064  
19 258  
241 322  
Dec-12  
19 194  
34 401  
22 731  
38 066  
32 762  
35 944  
11 799  
29 997  
17 586  
14 275  
3 826  
260 581  
6 784  
9 356  
10 192  
26 332  
-  
286 913  
22 184  
309 097  
**Revenue**  
**(R'000)**  
**Mar-13**  
61 084  
393 842  
221 319  
469 867  
365 507  
406 147  
136 233  
330 439  
193 643  
181 969  
63 311  
2 823 361  
98 617  
169 435  
154 844

**422 896**

—

**3 246 257**

**281 787**

**3 528 044**

Dec-12

292 482

511 124

339 811

567 915

488 974

536 138

175 758

446 403

262 752

213 106

57 136

3 891 599

101 280

139 392

151 485

392 157

—

4 283 756

329 052

4 612 808

**Cash operating**

**costs**

**(R'000)**

**Mar-13**

**321 653**

**265 000**

**244 577**

**350 463**

**229 789**

**226 958**

**115 766**

**161 336**

**135 228**

**126 062**

**31 733**

**2 208 565**

**55 077**

**113 313**

**109 493**

**277 883**

—

**2 486 448**

**304 372**

**2 790 820**

Dec-12

344 887  
270 527  
232 704  
355 752  
249 840  
230 944  
118 604  
165 098  
149 090  
131 858  
34 808  
2 284 112  
54 316  
97 292  
95 189  
246 797

—  
2 530 909  
289 814  
2 820 723

**Inventory  
movement  
(R'000)**

**Mar-13  
25 111**

**(21 389)**

**(5 111)**

**(12 557)**

**(9 232)**

**(16 606)**

**(3 516)**

**(17 535)**

**(4 852)**

**(9 241)**

**(1 907)**

**(76 835)**

**(1 831)**

**(3 624)**

**(108)**

**(5 563)**

—  
**(82 398)**

**(1 661)**

**(84 059)**

Dec-12

61 045

22 803

7 532

12 994

11 005

9 912

3 661  
 15 533  
 4 248  
 5 679  
 1 046  
 155 458  
 1 994  
 (95)  
 (5 437)  
 (3 538)

—  
 151 920  
 6 992  
 158 912

**Operating costs**

**(R'000)**

**Mar-13**

**346 764**

**243 611**

**239 466**

**337 906**

**220 557**

**210 352**

**112 250**

**143 801**

**130 376**

**116 821**

**29 826**

**2 131 730**

**53 246**

**109 689**

**109 385**

**272 320**

—

**2 404 050**

**302 711**

**2 706 761**

Dec-12

405 932

293 330

240 236

368 746

260 845

240 856

122 265

180 631

153 338

137 537

35 854

2 439 570

56 310

97 197  
89 752  
243 259

—

2 682 829  
296 806  
2 979 635

**Operating profit**

**(R'000)**

**Mar-13**

**(285 680)**

**150 231**

**(18 147)**

**131 961**

**144 950**

**195 795**

**23 983**

**186 638**

**63 267**

**65 148**

**33 485**

**691 631**

**45 371**

**59 746**

**45 459**

**150 576**

—

**842 207**

**(20 924)**

**821 283**

Dec-12

(113 450)

217 794

99 575

199 169

228 129

295 282

53 493

265 772

109 414

75 569

21 282

1 452 029

44 970

42 195

61 733

148 898

—

1 600 927

32 246

1 633 173

**Operating profit**

**(\$'000)**

**Mar-13**

**(32 021)**

**16 838**

**(2 034)**

**14 792**

**16 247**

**21 946**

**2 687**

**20 919**

**7 091**

**7 302**

**3 754**

**77 521**

**5 086**

**6 696**

**5 095**

**16 877**

**-**

**94 398**

**(2 346)**

**92 052**

**Dec-12**

**(13 087)**

**25 126**

**11 487**

**22 976**

**26 317**

**34 065**

**6 171**

**30 660**

**12 623**

**8 719**

**2 454**

**167 511**

**5 188**

**4 867**

**7 123**

**17 178**

**-**

**184 689**

**3 720**

**188 409**

**Capital**

**expenditure**

**(R'000)**

**Mar-13**

**55 038**

**70 686**

**84 169**

78 011

44 020

73 877

20 937

37 419

21 442

35 551

847

521 997

19 068

2 360

1 426

22 854

—

544 851

132 378

677 229

Dec-12

100 148

73 320

80 095

73 376

44 158

101 454

36 811

40 663

19 924

40 044

1 224

611 217

56 381

4 754

26 127

87 262

19 845

718 324

148 371

866 695

**Capital  
expenditure**

**(\$'000)**

**Mar-13**

**6 169**

**7 923**

**9 434**

**8 744**

**4 934**

**8 281**

**2 347**

**4 194**

**2 403**



3 985  
95  
58 509  
2 137  
264  
160  
2 561  
-  
61 070  
14 838  
75 908  
Dec-12  
11 553  
8 458  
9 240  
8 465  
5 094  
11 704  
4 247  
4 691  
2 298  
4 620  
141  
70 511  
6 504  
548  
3 014  
10 066  
2 289  
82 866  
17 117  
99 983

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Rand)

Figures in million

Notes

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

**Continuing operations**

Revenue

3 528

4 613

3 222

12 419

11 235

15 169

Cost of sales

2

(3 283)

(3 524)

(2 721)

(10 295)

(8 811)

(12 137)

Production costs

(2 707)

(2 980)

(2 273)

(8 556)

(7 271)

(9 911)

Amortisation and depreciation

(459)

(501)

(431)

(1 441)

(1 373)

(1 921)

Other items

(117)

(43)

(17)

(298)

(167)

(305)

**Gross profit**

**245**

**1 089**

**501**

**2 124**

**2 424**

**3 032**

Corporate, administration and other  
expenditure

(121)

(111)

(96)

(338)

(261)

(352)

Social investment expenditure

(25)

(25)

(22)

(70)

(50)

(72)

Exploration expenditure

(157)

(160)

(143)

(454)

(339)

(500)

Profit on sale of property,  
plant and equipment

4

15

69

—

139

28

63  
 Other (expenses)/income – net  
 5  
 (138)  
 (47)  
 (5)  
 (182)  
 24  
 (50)  
**Operating (loss)/profit**  
**(181)**  
**815**  
**235**  
**1 219**  
**1 826**  
**2 121**  
 Reversal of impairment of investment  
 in associate  
 –  
 –  
 6  
 –  
 56  
 56  
 Impairment of investments  
 6  
 (39)  
 –  
 –  
 (88)  
 –  
 (144)  
 Net gain on financial instruments  
 15  
 92  
 36  
 181  
 73  
 86  
 Investment income  
 47  
 38  
 25  
 118  
 64  
 97  
 Finance cost  
 (65)  
 (75)  
 (65)  
 (198)

(214)  
(286)  
**(Loss)/profit before taxation**  
**(223)**  
**870**  
**237**  
**1 232**  
**1 805**  
**1 930**  
Taxation  
(44)  
(221)  
636  
(416)  
323  
123  
Normal taxation  
(124)  
(115)  
(16)  
(349)  
(115)  
(199)  
Deferred taxation  
80  
(106)  
652  
(67)  
438  
322  
**Net (loss)/profit from continuing operations**  
**(267)**  
**649**  
**873**  
**816**  
**2 128**  
**2 053**  
**Discontinued operations**  
Profit from discontinued operations  
7  
143  
82  
141  
314  
410  
592  
**Net (loss)/profit for the period**  
**(124)**  
**731**  
**1 014**

**1 130**

**2 538**

**2 645**

*Attributable to:*

Owners of the parent

(124)

731

1 014

1 130

2 538

2 645

**(Loss)/earnings per ordinary share**

**(cents)**

8

(Loss)/earnings from continuing

operations

(62)

150

202

189

494

477

Earnings from discontinued operations

33

19

33

73

95

137

**Total (loss)/earnings**

**(29)**

**169**

**235**

**262**

**589**

**614**

**Diluted (loss)/earnings per ordinary**

**share (cents)**

8

(Loss)/earnings from continuing

operations

(62)

150

202

188

492

476

Earnings from discontinued operations

33

19

32

73

95

136

**Total (loss)/diluted earnings**

**(29)**

**169**

**234**

**261**

**587**

**612**

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

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The condensed consolidated financial statements have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry, supervised by the financial director, Mr Frank Abbott. They have been approved by the Board of Harmony Gold Mining Company Limited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Rand)

Figures in million

Note

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

Net (loss)/profit for the period

(124)

731

1 014

1 130

2 538

2 645

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

510

197

(153)

733

981

1 587

Foreign exchange translation

523

174

(157)

723

979



1 485

(Loss)/gain on fair value movement of  
available-for-sale investments

6

(52)

23

4

(29)

2

(42)

Impairment of available-for-sale  
investments recognised in profit or loss

6

39

—

—

39

—

144

**Total comprehensive income for the period**

**386**

**928**

**861**

**1 863**

**3 519**

**4 232**

*Attributable to:*

Owners of the parent

386

928

861

1 863

3 519

4 232

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

All items in Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met.

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

CONDENSED CONSOLIDATED BALANCE SHEETS

(Rand)

Figures in million

Notes

At

31 March

2013

(Unaudited)

At

31 December

2012

At

30 June

2012

(Audited)

At

31 March

2012

(Unaudited)

**ASSETS**

**Non-current assets**

Property, plant and equipment

34 911

34 028

32 853

31 949

Intangible assets

2 190

2 192

2 196

2 194

Restricted cash

38

37

36

30

Restricted investments

2 050

2 020

1 842

1 808

Deferred tax assets

652

554

486

1 042

Investments in financial assets

9

139
159
146
187
Inventories
57
57
58
165
Trade and other receivables
6
13
28
35
<b>Total non-current assets</b>
<b>40 043</b>
<b>39 060</b>
<b>37 645</b>
<b>37 410</b>
<b>Current assets</b>
Inventories
1 206
1 085
996
1 086
Trade and other receivables
1 482
1 292
1 245
1 259
Income and mining taxes
3
—
118
142
Cash and cash equivalents
3 099
2 511
1 773
1 427
5 790
4 888
4 132
3 914
Assets of disposal groups classified as held for sale
7
—
1 822
1 423
1 326
<b>Total current assets</b>

5 790

6 710

5 555

5 240

**Total assets**

45 833

45 770

43 200

42 650

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

28 331

28 331

28 331

28 329

Other reserves

3 392

2 797

2 444

1 815

Retained earnings

4 002

4 342

3 307

3 200

**Total equity**

35 725

35 470

34 082

33 344

**Non-current liabilities**

Deferred tax liabilities

3 244

3 270

3 106

3 568

Provision for environmental rehabilitation

1 961

1 912

1 865

1 905

Retirement benefit obligation

188

184

177

177

Other provisions

48

40

30

4
Borrowings
10
2 238
2 072
1 503
1 277
<b>Total non-current liabilities</b>
<b>7 679</b>
<b>7 478</b>
<b>6 681</b>
<b>6 931</b>
<b>Current liabilities</b>
Borrowings
10
287
301
313
318
Income and mining taxes
92
16
1
7
Trade and other payables
2 050
2 050
1 747
1 543
2 429
2 367
2 061
1 868
Liabilities of disposal groups classified as held for sale
7
—
455
376
507
<b>Total current liabilities</b>
<b>2 429</b>
<b>2 822</b>
<b>2 437</b>
<b>2 375</b>
<b>Total equity and liabilities</b>
<b>45 833</b>
<b>45 770</b>
<b>43 200</b>
<b>42 650</b>

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

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Rand) (Unaudited)

for the nine months ended 31 March 2013

Figures in million

Share

capital

Other

reserves

Retained

earnings

Total

Balance – 30 June 2012

28 331

2 444

3 307

34 082

Share-based payments

–

215

–

215

Net profit for the period

–

–

1 130

1 130

Other comprehensive income for the period

–

733

–

733

Dividends paid <sup>1</sup>

–

–

(435)

(435)

**Balance – 31 March 2013**

**28 331**

**3 392**

**4 002**

**35 725**

Balance – 30 June 2011

28 305

762

1 093

30 160

Issue of shares

24

–

–

24
Share-based payments
–
72
–
72
Net profit for the period
–
–
2 538
2 538
Other comprehensive income for the period
–
981
–
981
Dividends paid <sup>2</sup>
–
–
(431)
(431)
<b>Balance – 31 March 2012</b>
<b>28 329</b>
<b>1 815</b>
<b>3 200</b>
<b>33 344</b>

*1. Dividend of 50 SA cents declared on 13 August 2012 and 50 SA cents on 1 February 2013*

*2. Dividend of 60 SA cents declared on 12 August 2011 and 40 SA cents on 2 February 2012*

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

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

(Rand)

**Quarter ended**

**Nine months ended**

**Year ended**

Figures in million

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

**Cash flow from operating activities**

Cash generated by operations

204

1 392

682

2 933

3 340

4 551

Interest and dividends received

34

30

32

90

60

80

Interest paid

(27)

(29)

(26)

(85)

(103)

(141)

Income and mining taxes (paid)/refunded

(70)



(221)

35

(183)

(114)

(277)

**Cash generated by operating activities**

**141**

**1 172**

**723**

**2 755**

**3 183**

**4 213**

**Cash flow from investing activities**

Restricted cash transferred from/(to)

disposal group

252

(90)

–

–

–

–

Proceeds on disposal of Evander

1 264

–

–

1 264

–

–

Proceeds on disposal of investment in associate

–

–

193

–

193

222

Proceeds on disposal of Evander 6 and Twistdraai

–

–

–

–

–

125

Proceeds on disposal of Merriespruit South

–

61

–

61

–

–

Purchase of investments in financial assets

(33)

(39)
—
(72)
—
—
Other investing activities
3
(6)
(33)
(3)
(30)
(85)
Net additions to property, plant and equipment
1
(835)
(1 047)
(740)
(2 775)
(2 187)
(3 140)
<b>Cash generated/(utilised) by investing activities</b>
<b>651</b>
<b>(1 121)</b>
<b>(580)</b>
<b>(1 525)</b>
<b>(2 024)</b>
<b>(2 878)</b>
<b>Cash flow from financing activities</b>
Borrowings raised
—
348
302
678
1 101
1 443
Borrowings repaid
(4)
(164)
(17)
(177)
(1 087)
(1 248)
Ordinary shares issued - net of expenses
—
—
3
—
23
26
Dividends paid

(217)

—

(173)

(435)

(431)

(431)

**Cash (utilised)/generated by financing activities**

(221)

**184**

**115**

**66**

(394)

(210)

**Foreign currency translation adjustments**

17

**10**

(36)

**30**

(31)

(45)

Net increase in cash and cash equivalents

588

245

222

1 326

734

1 080

Cash and cash equivalents - beginning of period

2 511

2 266

1 205

1 773

693

693

**Cash and cash equivalents - end of period**

**3 099**

**2 511**

**1 427**

**3 099**

**1 427**

**1 773**

*1. Includes capital expenditure for Wafi-Golpu and other international projects of R148 million in the March 2013 quarter (December 2012: R124 million) (March 2012: R78 million) and R403 million in the nine months ended 31 March 2013 (March 2012: R192 million)*

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 period ended 31 March 2013 (Rand)

**1. Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the nine months ended 31 March 2013 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, JSE Listings Requirements 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 2012, 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**

**Nine months ended**

**Year ended**

Figures in million

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

Production costs – excluding royalty

2 658

2 912

2 244

8 384

7 166

9 791

Royalty expense

49

68

29

172  
105  
120  
Amortisation and depreciation  
459  
501  
431  
1 441  
1 373  
1 921  
Reversal of impairment of assets  
—  
—  
—  
—  
(60)  
Rehabilitation expenditure/(credit)  
10  
(1)  
(43)  
16  
(37)  
(17)  
Care and maintenance cost of  
restructured shafts  
16  
16  
20  
52  
69  
88  
Employment termination and  
restructuring costs  
1  
—  
—  
19  
7  
70  
81  
Share-based payments  
2  
95  
21  
21  
221  
66  
87  
Other  
(4)

7

-

2

(1)

126

**Total cost of sales****3 283****3 524****2 721****10 295****8 811****12 137**

1. *The amounts for the 2012 financial year relates to restructuring at the Bambanani shaft*

2. *Refer to note 3 for details*

**3. Share-based payments**

This includes the cost relating to the new Employee Share Ownership Plan (ESOP) awards that were granted in August 2012. In terms of the ESOP rules, all employees other than management were awarded a minimum of 100 Scheme Shares and 200 Share Appreciation Rights (SARs), with employees with service longer than ten years receiving an additional ten percent. Both the Scheme Shares and SARs vest in five equal portions on each anniversary of the award. In addition these employees qualify for an additional cash bonus under the SARs in the event that the share price growth is less than R18 per share. The effect of the bonus puts the employees in the position they would have been in had the share price increased by R18 per share since issue date. Harmony issued 3.5 million shares to the Tlhakanelo Share Trust on 31 August 2012. In addition, 6 817 880 SARs were issued. In terms of IFRS 2, *Share-based Payment*, the SARs includes an equity-settled portion as well as a cash-settled portion related to the cash bonus. The cash-settled portion has been recognised in the balance sheet, the fair value of which will be re-measured at each reporting date. At the annual general meeting on 28 November 2012, the shareholders authorised the acceleration of the vesting from August to March each year. During the March 2013 quarter, the first portion of the Scheme Shares and SARs awarded in August 2012 vested, resulting in all qualifying employees receiving a minimum of R1 912 before tax, amounting to a total of R58 million paid in April 2013. During March 2013, new qualifying employees who have not previously received an offer were awarded 80 Scheme Shares and 160 SARs which will vest in four equal portions on each anniversary of the award. A total of 97 040 Scheme Shares and 194 080 SARs were issued by the Tlhakanelo Share Trust.

**4.****Profit on sale of property, plant and equipment**

During December 2012, the transaction for the sale of the Merriespruit South mining right to Witwatersrand Consolidated Gold Resources Limited (Wits Gold) was completed, resulting in a profit of R60 million.

**5.****Other expenses – net**

Included in the March 2013 quarter is a foreign exchange loss of R150 million (December 2012: R35 million) on the US dollar denominated loan.

**6.**

**Impairment of investments**

A decline in the fair value of the investment in Witwatersrand Consolidated Gold Resource Limited (Wits Gold) during the March 2013 quarter resulted in a loss of R52 million. This was offset against the fair value increase that was recognised in the fair value reserve during the December 2012 quarter. The net cumulative loss of R39 million was reclassified to the income statement.

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

7.

**Disposal groups classified as held for sale and discontinued operations**

*Evander Gold Mines Limited*

Harmony entered into an agreement to sell its 100% interest in Evander Gold Mines Limited (Evander) to a wholly owned subsidiary of

Pan African Resources Plc for R1.5 billion, less certain distributions, during May 2012. On 14 February 2013

Harmony received the necessary

consent of the Minister of Mineral Resources to transfer the interest in accordance with section 11 of the Mineral and Petroleum Resources

Development Act, the last remaining condition precedent. The transaction was completed on 28 February 2013. In terms of the agreement

Harmony received a distribution of R210 million and a purchase consideration of R1 314 million. A group profit of R102 million was recorded

in the March 2013 quarter.

8.

**Earnings and net asset value per share**

**Quarter ended**

**Nine months ended**

**Year ended**

Figures in million

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

Weighted average number of shares

(million)

431.8

431.6

431.3

431.6

430.6

430.8

Weighted average number of diluted shares

(million)



432.8

432.6

432.8

432.8

432.2

432.0

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

Basic (loss)/earnings

(29)

169

235

262

589

614

Diluted (loss)/earnings

(29)

169

234

261

587

612

Headline (loss)/earnings

(47)

158

234

234

571

565

– from continuing operations

(56)

139

201

185

477

465

– from discontinued operations

9

19

33

49

94

100

Diluted headline (loss)/earnings

(47)

157

233

233

569

563

– from continuing operations

(56)

138  
 200  
 184  
 475  
 463  
 – from discontinued operations

9  
 19  
 33  
 49  
 94  
 100

Figures in million

**Reconciliation of headline**

**(loss)/earnings:**

**Continuing operations**

Net (loss)/profit

(267)  
 649  
 873  
 816  
 2 128  
 2 053

*Adjusted for:*

Reversal of impairment of investment in  
 associate\*

–  
 –  
 (6)  
 –  
 (55)

(56)  
 Impairment of investments\*

39  
 –  
 –  
 88  
 –  
 144

Reversal of impairment of assets

–  
 –  
 –  
 –  
 –  
 (60)

Taxation effect on reversal of impairment of  
 assets

–  
 –  
 –

—  
—  
(34)  
Profit on sale of property, plant and  
equipment  
(15)  
(69)  
—  
(139)  
(28)  
(63)  
Taxation effect of profit on sale of property,  
plant and equipment  
—  
18  
(1)  
31  
7  
16  
**Headline (loss)/earnings**  
**(243)**  
**598**  
**866**  
**796**  
**2 052**  
**2 000**  
**Discontinued operations**  
Net profit  
143  
82  
141  
314  
410  
592  
*Adjusted for:*  
Profit on sale of property, plant and  
equipment  
—  
—  
—  
—  
(2)  
(232)  
Taxation effect of profit on sale of property,  
plant and equipment  
—  
—  
—  
—  
—  
72

Profit on sale of investment in subsidiary\*

(102)

—

—

(102)

—

—

**Headline earnings**

**41**

**82**

**141**

**212**

**408**

**432**

**Total headline (loss)/earnings**

**(202)**

**680**

**1 007**

**1 008**

**2 460**

**2 432**

*\* There is no taxation effect on these items.*

**23**

**Net asset value per share**

At

31 March

2013

(Unaudited)

At

31 December

2012

At

30 June

2012

(Audited)

At

31 March

2012

(Unaudited)

Number of shares in issue

435 257 691

435 257 691

431 564 236

431 471 444

Net asset value per share (cents)

8 208

8 150

7 897

7 728

**9.**

**Investments in financial assets**

During the March 2013 quarter, an additional 3.25% interest in Rand Refinery was purchased for R33 million in addition to the 3.9% interest purchased for R39 million during the December 2012 quarter. The investment is classified as an available-for-sale investment and subsequent changes in fair value will be recorded in reserves.

**10. Borrowings**

The Nedbank revolving credit facility was repaid in full during the December 2011 quarter and the full R850 million facility is available until December 2013. The balance on Nedbank term facilities at the end of March 2013 quarter is R610 million. Two drawdowns of US\$40 million each (R330 million and R348 million) were made from the US\$300 million syndicated revolving credit facility during the September and December 2012 quarters, respectively. This takes the drawn level to US\$210 million. The facility is repayable by September 2015.

The weakening of the Rand against the US dollar resulted in a foreign exchange loss of R150 million being recorded against the borrowings balance in the March 2013 quarter. The effect of foreign exchange changes for the nine months totals a loss of R190 million.

**11. Commitments and contingencies**

Figures in million

At

31 March

2013  
(Unaudited)  
At  
31 December  
2012  
At  
30 June  
2012  
(Audited)  
At  
31 March  
2012  
(Unaudited)

**Capital expenditure commitments:**

Contracts for capital expenditure

594

576

519

391

Authorised by the directors but not contracted for

958

1 572

2 257

3 032

**1 552**

**2 148**

**2 776**

**3 423**

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

**Contingent liability**

For a detailed disclosure on contingent liabilities refer to Harmony's annual report for the financial year ended 30 June 2012, available on the group's website ([www.harmony.co.za](http://www.harmony.co.za)). There were no significant changes in contingencies since 30 June 2012, with the exception of the items discussed below.

Following the disclosure made in Harmony's annual report for the financial year ended 30 June 2012 relating to silicosis, Harmony and its subsidiaries, alongside other mining companies operating in South Africa (other respondents) were served with another application to certify a class during January 2013. Harmony, its subsidiaries and other respondents are awaiting a consolidated and supplemented certification application of the two separate applications served.

**12. Subsequent events**

There are no subsequent events to report.

**13. Segment report**

The segment report follows on page 25.

24

**Results for the third quarter FY13  
and nine months ended 31 March 2013**

**14. Reconciliation of segment information to consolidated income statements**

Figures in million

Nine months ended

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

The "Reconciliation of segment information to consolidated income statements" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the income statement and segment report:

**Reconciliation of production profit to gross profit**

Total segment revenue

13 293

12 341

Total segment production costs

(9 089)

(7 834)

Production profit per segment report

4 204

4 507

Discontinued operations

(341)

(543)

Production profit from continuing operations

3 863

3 964

Cost of sales items, other than production costs and royalty expense

(1 739)

(1 540)

Gross profit as per income statements \*

**2 124**

**2 424**

*\* The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.*

**15. 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. During the September 2012 quarter, Harmony shares were purchased by certain directors as set out below:

Graham Briggs

14 347 shares

Frank Abbott

73 900 shares

Ken Dicks

12 500 shares

**25**

Segment report

(Rand/Metric) (Unaudited)

for the nine months ended 31 March 2013

**Revenue**

**Production cost**

**Production profit/(loss)**

**Capital expenditure**

**#**

**Kilograms produced**

**Tonnes milled**

31 March

31 March

31 March

31 March

31 March

31 March

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

R million

R million

R million

R million

kg

t'000

Continuing operations

**South Africa**

**Underground**

Kusasaletu

1 037

1 678

1 186

1 072

(149)

606

272

312

2 052

4 043

499



860  
Doornkop  
1 279  
939  
786  
626  
493  
313  
222  
201  
2 772  
2 263  
766  
667  
Phakisa  
860  
753  
730  
585  
130  
168  
242  
227  
1 851  
1 800  
379  
368  
Tshepong  
1 547  
1 694  
1 089  
935  
458  
759  
227  
199  
3 339  
4 035  
829  
916  
Masimong  
1 290  
1 032  
740  
635  
550  
397  
124  
166  
2 777  
2 466

658  
702  
Target 1  
1 385  
1 157  
675  
608  
710  
549  
262  
187  
3 070  
2 822  
538  
608  
Bambanani  
626  
421  
448  
480  
178  
(59)  
92  
212  
1 348  
1 068  
144  
163  
Joel  
1 152  
773  
487  
406  
665  
367  
116  
42  
2 529  
1 873  
460  
410  
Unisel  
647  
479  
429  
366  
218  
113  
57  
51  
1 386

1 134

332

282

Target 3

546

340

379

308

167

32

104

58

1 207

833

250

236

**Surface**

All other surface operations

1 152

1 074

747

678

405

396

222

96

2 533

2 569

7 365

6 997

**Total South Africa**

**11 521**

**10 340**

**7 696**

**6 699**

**3 825**

**3 641**

**1 940**

**1 751**

**24 864**

**24 906**

**12 220**

**12 209**

**International**

Hidden Valley

898

895

860

572

38

323

368  
175  
1 922  
2 098  
1 387  
1 307  
**Total international**  
**898**  
**895**  
**860**  
**572**  
**38**  
**323**  
**368**  
**175**  
**1 922**  
**2 098**  
**1 387**  
**1 307**  
**Total continuing operations**  
**12 419**  
**11 235**  
**8 556**  
**7 271**  
**3 863**  
**3 964**  
**2 308**  
**1 926**  
**26 786**  
**27 004**  
**13 607**  
**13 516**  
Discontinued operations  
Evander  
874  
1 106  
533  
563  
341  
543  
140  
131  
1 955  
2 674  
390  
491  
**Total discontinued operations**  
**874**  
**1 106**  
**533**  
**563**

**341**  
**543**  
**140**  
**131**  
**1 955**  
**2 674**  
**390**  
**491**  
**Total operations**

**13 293**  
**12 341**  
**9 089**  
**7 834**  
**4 204**  
**4 507**  
**2 448**  
**2 057**  
**28 741**  
**29 678**  
**13 997**  
**14 007**

Reconciliation of the segment  
information to the consolidated  
income statement (refer to note 14)

(874)  
(1 106)  
(533)  
(563)  
**12 419**  
**11 235**  
**8 556**  
**7 271**

*# Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of R403 million (2012: R192 million).*

26

27

**Results for the third quarter FY13  
and nine months ended 31 March 2013**

Operating results

(US\$/Imperial)

South Africa

Hidden

Valley

Total

Continuing

Operations

Underground production

Surface production

Other

Total

South

Africa

Three

months

ended

Kusasa-

lethu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bamba-

nani

Joel

Unisel

Target 3

Steyn 2

Total

Under-

ground

Phoenix

Dumps

Kalgold

Total

Surface

**Ore milled**

**- t'000**

**Mar-13**

**36**

**275**

**120**

**289**

**200**

**201**

37  
153  
109  
89  
13  
1 522  
1 461  
1 001  
366  
2 828  
-  
4 350  
485  
4 835  
Dec-12  
152  
300  
141  
280  
238  
196  
46  
170  
129  
90  
14  
1 756  
1 407  
910  
341  
2 658  
-  
4 414  
503  
4 917  
**Gold produced**  
**- oz**  
**Mar-13**  
1 575  
28 839  
15 561  
33 083  
25 688  
29 354  
9 581  
25 045  
13 632  
13 150  
4 469  
199 977  
6 945

**11 671**  
**9 935**  
**28 551**  
—  
**228 528**  
**19 001**  
**247 529**  
Dec-12  
12 925  
32 279  
22 120  
37 005  
31 861  
34 916  
11 478  
27 328  
17 104  
13 857  
3 729  
244 602  
6 687  
9 323  
10 481  
26 491  
—  
271 093  
20 641  
291 734  
**Yield –**  
**oz/t**  
**Mar-13**  
**0.044**  
**0.105**  
**0.130**  
**0.114**  
**0.128**  
**0.146**  
**0.259**  
**0.164**  
**0.125**  
**0.148**  
**0.344**  
**0.131**  
**0.005**  
**0.012**  
**0.027**  
**0.010**  
—  
**0.053**  
**0.039**  
**0.051**



Dec-12  
 0.085  
 0.108  
 0.157  
 0.132  
 0.134  
 0.178  
 0.250  
 0.161  
 0.133  
 0.154  
 0.266  
 0.139  
 0.005  
 0.010  
 0.031  
 0.010  
 -  
 0.061  
 0.041  
 0.059  
**Cash operating**  
**costs**  
 - \$/oz  
**Mar-13**  
**22 891**  
**1 030**  
**1 762**  
**1 187**  
**1 003**  
**867**  
**1 354**  
**722**  
**1 112**  
**1 075**  
**796**  
**1 238**  
**889**  
**1 088**  
**1 235**  
**1 091**  
 -  
**1 220**  
**1 795**  
**1 264**  
 Dec-12  
 3 078  
 967  
 1 214  
 1 109  
 905

763  
1 192  
697  
1 006  
1 098  
1 077  
1 077  
937  
1 204  
1 048  
1 075

-

1 077  
1 620  
1 115

**Cash operating**

**costs**

**- \$/t**

**Mar-13**

**1 001**

**108**

**228**

**136**

**129**

**127**

**351**

**118**

**139**

**159**

**274**

**163**

**4**

**13**

**34**

**11**

-

**64**

**70**

**65**

Dec-12

262

104

190

147

121

136

297

112

133

169

287

150  
4  
12  
32  
11  
—  
66  
66  
66  
**Gold sold**  
**— oz**  
**Mar-13**  
**4 147**  
**26 974**  
**15 111**  
**32 151**  
**24 981**  
**27 810**  
**9 324**  
**22 602**  
**13 246**  
**12 474**  
**4 340**  
**193 160**  
**6 752**  
**11 574**  
**10 578**  
**28 904**  
—  
**222 064**  
**19 258**  
**241 322**  
Dec-12  
19 194  
34 401  
22 731  
38 066  
32 762  
35 944  
11 799  
29 997  
17 586  
14 275  
3 826  
260 581  
6 784  
9 356  
10 192  
26 332  
—  
286 913

22 184

309 097

**Revenue (\$'000)**

**Mar-13**

**6 847**

**44 144**

**24 807**

**52 666**

**40 968**

**45 523**

**15 270**

**37 038**

**21 705**

**20 396**

**7 096**

**316 460**

**11 054**

**18 991**

**17 356**

**47 401**

—

**363 861**

**31 584**

**395 445**

Dec-12

33 742

58 965

39 202

65 516

56 409

61 850

20 276

51 498

30 312

24 585

6 591

448 946

11 684

16 080

17 476

45 240

—

494 186

37 960

532 146

**Cash operating**

**costs**

**(\$'000)**

**Mar-13**

**36 053**

**29 703**

27 414  
39 281  
25 756  
25 438  
12 977  
18 084  
15 158  
14 130  
3 556  
247 550  
6 173  
12 701  
12 273  
31 147  
—  
278 697  
34 116  
312 813  
Dec-12  
39 787  
31 208  
26 846  
41 041  
28 822  
26 642  
13 683  
19 046  
17 199  
15 211  
4 016  
263 501  
6 266  
11 224  
10 980  
28 470  
—  
291 971  
33 433  
325 404  
**Inventory  
movement  
(\$'000)**  
Mar-13  
2 815  
(2 397)  
(573)  
(1 407)  
(1 035)  
(1 861)  
(394)  
(1 965)

(544)  
(1 036)  
(214)  
(8 611)  
(205)  
(406)  
(12)  
(623)

-  
(9 234)  
(186)  
(9 420)

Dec-12

7 042  
2 631  
869  
1 499  
1 270  
1 143  
422  
1 792  
490  
655  
121  
17 934  
230  
(11)  
(627)  
(408)

-  
17 526  
807  
18 333

**Operating costs**

**(\$'000)**

**Mar-13**

**38 868**  
**27 306**  
**26 841**  
**37 874**  
**24 721**  
**23 577**  
**12 583**  
**16 119**  
**14 614**  
**13 094**  
**3 342**  
**238 939**  
**5 968**  
**12 295**  
**12 261**

**30 524**

—

**269 463**

**33 930**

**303 393**

Dec-12

46 829

33 839

27 715

42 540

30 092

27 785

14 105

20 838

17 689

15 866

4 137

281 435

6 496

11 213

10 353

28 062

—

309 497

34 240

343 737

**Operating profit**

**(\$'000)**

**Mar-13**

**(32 021)**

**16 838**

**(2 034)**

**14 792**

**16 247**

**21 946**

**2 687**

**20 919**

**7 091**

**7 302**

**3 754**

**77 521**

**5 086**

**6 696**

**5 095**

**16 877**

—

**94 398**

**(2 346)**

**92 052**

Dec-12

(13 087)

25 126  
11 487  
22 976  
26 317  
34 065  
6 171  
30 660  
12 623  
8 719  
2 454  
167 511  
5 188  
4 867  
7 123  
17 178

—  
184 689

3 720  
188 409

**Capital  
expenditure  
(\$'000)**

**Mar-13**

**6 169**

**7 923**

**9 434**

**8 744**

**4 934**

**8 281**

**2 347**

**4 194**

**2 403**

**3 985**

**95**

**58 509**

**2 137**

**264**

**160**

**2 561**

—

**61 070**

**14 838**

**75 908**

Dec-12

11 553

8 458

9 240

8 465

5 094

11 704

4 247



4 691  
2 298  
4 620  
141  
70 511  
6 504  
548  
3 014  
10 066  
2 289  
82 866  
17 117  
99 983

28

**Results for the third quarter FY13  
and nine months ended 31 March 2013**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(US\$)

(Convenience translation)

Figures in million

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

**Continuing operations**

Revenue

395

532

417

1 442

1 469

1 953

Cost of sales

(367)

(407)

(351)

(1 195)

(1 151)

(1 561)

Production costs

(303)

(344)

(294)

(993)

(950)

(1 276)

Amortisation and depreciation

(51)  
(58)  
(55)  
(167)  
(179)  
(247)  
Other items  
(13)  
(5)  
(2)  
(35)  
(22)  
(38)  
**Gross profit**  
**28**  
**125**  
**66**  
**247**  
**318**  
**392**  
Corporate, administration and other expenditure  
(14)  
(13)  
(13)  
(39)  
(34)  
(45)  
Social investment expenditure  
(3)  
(3)  
(3)  
(8)  
(7)  
(9)  
Exploration expenditure  
(18)  
(18)  
(18)  
(53)  
(44)  
(64)  
Profit on sale of property, plant and equipment  
2  
8  
—  
16  
4  
8  
Other (expenses)/income – net  
(15)  
(5)

(1)	
(21)	
3	
(6)	
<b>Operating (loss)/profit</b>	
<b>(20)</b>	
<b>94</b>	
<b>31</b>	
<b>142</b>	
<b>240</b>	
<b>276</b>	
Reversal of impairment of investment in associate	
-	
-	
1	
-	
7	
7	
Impairment of investments	
(4)	
-	
-	
(10)	
-	
(19)	
Net gain on financial instruments	
2	
11	
5	
21	
10	
11	
Investment income	
5	
4	
3	
14	
8	
12	
Finance cost	
(7)	
(9)	
(8)	
(22)	
(28)	
(37)	
<b>(Loss)/profit before taxation</b>	
<b>(24)</b>	
<b>100</b>	
<b>32</b>	
<b>145</b>	

**237**

**250**

Taxation

(5)

(25)

82

(49)

42

16

Normal taxation

(14)

(13)

(2)

(41)

(15)

(25)

Deferred taxation

9

(12)

84

(8)

57

41

**Net (loss)/profit from continuing operations**

**(29)**

**75**

**114**

**96**

**279**

**266**

**Discontinued operations**

Profit from discontinued operations

16

9

18

36

53

75

**Net (loss)/profit for the period**

**(13)**

**84**

**132**

**132**

**332**

**341**

*Attributable to:*

Owners of the parent

(13)

84

132

132

332  
 341  
**(Loss)/earnings per ordinary share (cents)**

(Loss)/earnings from continuing operations

(7)

17

26

21

65

61

Earnings from discontinued operations

4

2

4

8

12

18

**Total (loss)/earnings**

**(3)**

**19**

**30**

**29**

**77**

**79**

**Diluted (loss)/earnings per ordinary share (cents)**

(Loss)/earnings from continuing operations

(7)

17

26

21

64

61

Earnings from discontinued operations

4

2

4

8

12

18

**Total (loss)/diluted earnings**

**(3)**

**19**

**30**

**29**

**76**

**79**

*The currency conversion average rates for the quarter ended: March 2013: US\$1 = R8.92 (December 2012: US\$1 = R8.67, March 2012: US\$1 = R7.73). For year ended: June 2012: US\$1 = R7.77. Nine months ended: March 2013: US\$1 = R8.61 (March 2012: US\$1 = R7.65).*

*The income statement for the year ended 30 June 2012 has been extracted from the 2012 Annual Report.*

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(US\$)

(Convenience translation)

Figures in million

**Quarter ended**

**Nine months ended**

**Year ended**

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

Net (loss)/profit for the period

(13)

84

132

132

332

341

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

58

23

(19)

85

128

(595)

Foreign exchange translation

59

20

(20)

84

128

(607)

(Loss)/gain on fair value movement of  
available-for-sale investments

(5)



3  
 1  
 (3)  
 –  
 (7)  
 Impairment of available-for-sale investments  
 recognised in profit or loss

4  
 –  
 –  
 4  
 –  
 19  
**Total comprehensive income/(loss) for the  
 period**

**45**  
**107**  
**113**  
**217**  
**460**  
**(254)**

*Attributable to:*

Owners of the parent

45  
 107  
 113  
 217  
 460  
 (254)

*The currency conversion average rates for the quarter ended: March 2013: US\$1 = R8.92 (December 2012: US\$1 = R8.67, March 2012: US\$1 = R7.73). For year ended: June 2012: US\$1 = R7.77. Nine months ended: March 2013: US\$1 = R8.61 (March 2012: US\$1 = R7.65).*

*The statement of comprehensive income for the year ended 30 June 2012 has been extracted from the 2012 Annual Report.*

*All items in Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met.*

**Note on convenience translations**

Except where specific statements have been extracted from the 2012 Annual Report, 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 28 to 33.

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

CONDENSED CONSOLIDATED BALANCE SHEETS

(US\$)

(Convenience translation)

Figures in million

At

31 March

2013

(Unaudited)

At

31 December

2012

At

30 June

2012

(Audited)

At

31 March

2012

(Unaudited)

**ASSETS**

**Non-current assets**

Property, plant and equipment

3 787

4 003

4 003

4 161

Intangible assets

238

258

268

286

Restricted cash

4

4

4

4

Restricted investments

222

238

224

235

Deferred tax assets

71

65

59

136

Investments in financial assets

15

19	
18	
24	
Inventories	
6	
7	
7	
21	
Trade and other receivables	
1	
2	
3	
5	
<b>Total non-current assets</b>	
<b>4 344</b>	
<b>4 596</b>	
<b>4 586</b>	
<b>4 872</b>	
<b>Current assets</b>	
Inventories	
131	
128	
121	
141	
Trade and other receivables	
161	
152	
152	
164	
Income and mining taxes	
—	
—	
14	
18	
Cash and cash equivalents	
336	
295	
216	
186	
628	
575	
503	
509	
Assets of disposal groups classified as held for sale	
—	
215	
174	
173	
<b>Total current assets</b>	
<b>628</b>	
<b>790</b>	

677

682

**Total assets**

4 972

5 386

5 263

5 554

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

3 074

3 333

4 036

3 689

Other reserves

368

329

(64)

236

Retained earnings

434

511

180

417

**Total equity**

3 876

4 173

4 152

4 342

**Non-current liabilities**

Deferred tax liabilities

352

385

378

465

Provision for environmental rehabilitation

213

225

227

248

Retirement benefit obligation

20

22

22

24

Other provisions

5

5

4

—

Borrowings

243  
244  
183  
166

**Total non-current liabilities**

**833**  
**881**  
**814**  
**903**

**Current liabilities**

Borrowings

31  
35  
38  
41

Income and mining taxes

10  
2  
—  
1

Trade and other payables

222  
241  
213  
201  
263  
278  
251  
243

Liabilities of disposal groups classified as held for sale

—  
54  
46  
66

**Total current liabilities**

**263**  
**332**  
**297**  
**309**

**Total equity and liabilities**

**4 972**  
**5 386**  
**5 263**  
**5 554**

*The balance sheet for March 2013 converted at a conversion rate of US\$1 = R9.22 (December 2012: US\$1 = R8.50, March 2012: US\$1 = R7.68, June 2012: US\$1 = R8.21).*

*The balance sheet as at 30 June 2012 has been extracted from the 2012 Annual Report.*

**31**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(US\$) (Unaudited)

for the nine months ended 31 March 2013 (Convenience translation)

Figures in million

Share

capital

Other

reserves

Retained

earnings

Total

Balance – 30 June 2012

3 074

265

359

3 698

Share-based payments

–

23

–

23

Net profit for the period

–

–

122

122

Other comprehensive income for the period

–

80

–

80

Dividends paid

–

–

(47)

(47)

**Balance – 31 March 2013**

**3 074**

**368**

**434**

**3 876**

Balance – 30 June 2011

3 686

99

142

3 927

Issue of shares

3

–

–

3
Share-based payments
–
9
–
9
Net profit for the period
–
–
331
331
Other comprehensive income for the period
–
128
–
128
Dividends paid
–
–
(56)
(56)
<b>Balance – 31 March 2012</b>
<b>3 689</b>
<b>236</b>
<b>417</b>
<b>4 342</b>

The currency conversion closing rates for the period ended 31 March 2013: US\$1 = R9.22 (March 2012: US\$1 = R7.68).

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**Results for the third quarter FY13  
and nine months ended 31 March 2013**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

(US\$)

(Convenience translation)

**Quarter ended**

**Nine months ended**

**Year ended**

Figures in million

31 March

2013

(Unaudited)

31 December

2012

(Unaudited)

31 March

2012

(Unaudited)

31 March

2013

(Unaudited)

31 March

2012

(Unaudited)

30 June

2012

(Audited)

**Cash flow from operating activities**

Cash generated by operations

23

161

88

341

437

586

Interest and dividends received

4

4

4

10

8

10

Interest paid

(3)

(4)

(3)

(10)

(13)

(18)

Income and mining taxes (paid)/refunded



(8)  
 (25)  
 5  
 (21)  
 (15)  
 (33)  
**Cash generated by operating activities**  
**16**  
**136**  
**94**  
**320**  
**417**  
**545**  
**Cash flow from investing activities**  
 Restricted cash transferred from/(to)  
 disposal group  
 28  
 (10)  
 –  
 –  
 –  
 –  
 Proceeds on disposal of Evander  
 142  
 –  
 –  
 146  
 –  
 –  
 Proceeds on disposal of investment in associate  
 –  
 –  
 25  
 –  
 25  
 28  
 Proceeds on disposal of Evander 6 and Twistdraai  
 –  
 –  
 –  
 –  
 15  
 Proceeds on disposal of Merriespruit South  
 –  
 7  
 –  
 7  
 –  
 –  
 Purchase of investments in financial assets

(4)  
 (4)  
 -  
 (8)  
 -  
 -  
 Other investing activities  
 -  
 (1)  
 (4)  
 -  
 (4)  
 (10)  
 Net additions to property, plant and equipment  
 1  
 (94)  
 (121)  
 (96)  
 (322)  
 (286)  
 (404)  
**Cash generated/(utilised) by investing activities**  
**72**  
**(129)**  
**(75)**  
**(177)**  
**(265)**  
**( 371)**  
**Cash flow from financing activities**  
 Borrowings raised  
 -  
 40  
 40  
 79  
 143  
 188  
 Borrowings repaid  
 -  
 (19)  
 (2)  
 (21)  
 (142)  
 (159)  
 Ordinary shares issued - net of expenses  
 -  
 -  
 -  
 -  
 3  
 3

Dividends paid

(24)

–

(23)

(51)

(57)

(57)

**Cash (utilised)/generated by financing activities**

(24)

21

15

7

(53)

(25)

**Foreign currency translation adjustments**

(23)

(8)

(4)

(30)

(4)

(35)

Net increase in cash and cash equivalents

41

20

30

120

95

114

Cash and cash equivalents - beginning of period

295

275

156

216

91

102

**Cash and cash equivalents - end of period**

**336**

**295**

**186**

**336**

**186**

**216**

*1. Includes capital expenditure for Wafi-Golpu and other international projects of US\$17 million in the March 2013 quarter (December 2012: US\$14 million) (March 2012:*

*US\$10 million) and US\$47 million in the nine months ended 31 March 2013 (March 2012: US\$25 million)*

*The currency conversion average rates for the quarter ended: March 2013: US\$1 = R8.92 (December 2012: US\$1 = R8.67, March 2012: US\$1 =*

*R7.73). For year ended: June 2012: US\$1 = R7.77. Nine months ended: March 2013: US\$1 = R8.61 (March 2012: US\$1 = R7.65).*

*Closing balance translated at closing rates of: March 2013: US\$1 = R9.22 (December 2012: US\$1 = R8.50, March 2012: US\$1 = R7.68).*

*The cash flow statement for the year ended 30 June 2012 has been extracted from the 2012 Annual Report.*

**33**

Segment report

(US\$/Imperial) (Unaudited)

for the nine months ended 31 March 2013

**Revenue**

**Production cost**

**Production profit/(loss)**

**Capital expenditure**

#

**Ounces produced**

**Tons milled**

31 March

31 March

31 March

31 March

31 March

31 March

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

2013

2012

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

Continuing operations

**South Africa**

**Underground**

Kusasaletu

120

219

138

140

(18)

79

32

41

65 973

129 985

550

948

Doornkop

149

123

91

82

58

41

26

26

89 121

72 757

845

735

Phakisa

100

98

85

76

15

22

28

30

59 511

57 871

418

406

Tshepong

180

221

126

122

54

99

26

26

107 351

129 727

914

1 009

Masimong

150

135

86

83

64

52

14

22

89 282

79 284

726  
774  
Target 1  
161  
151  
78  
80  
83  
71  
30  
24  
98 703  
90 730  
593  
671  
Bambanani  
73  
55  
52  
63  
21  
(8)  
11  
28  
43 339  
34 336  
157  
180  
Joel  
134  
101  
57  
53  
77  
48  
13  
6  
81 309  
60 219  
507  
452  
Unisel  
75  
63  
50  
48  
25  
15  
7  
7  
44 561

36 459

366

310

Target 3

63

45

44

40

19

5

12

8

38 806

26 782

275

260

**Surface**

All other surface operations

133

141

86

88

47

53

26

9

81 438

82 628

8 122

7 717

**Total South Africa**

**1 338**

**1 352**

**893**

**875**

**445**

**477**

**225**

**227**

**799 394**

**800 778**

**13 473**

**13 462**

**International**

Hidden Valley

104

117

100

75

4

42



43  
23  
61 794  
67 452  
1 529  
1 442  
**Total international**  
**104**  
**117**  
**100**  
**75**  
**4**  
**42**  
**43**  
**23**  
**61 794**  
**67 452**  
**1 529**  
**1 442**  
**Total continuing operations**  
**1 442**  
**1 469**  
**993**  
**950**  
**449**  
**519**  
**268**  
**250**  
**861 188**  
**868 230**  
**15 002**  
**14 904**  
Discontinued operations  
Evander  
101  
145  
62  
74  
39  
71  
16  
17  
62 855  
85 939  
430  
539  
**Total discontinued operations**  
**101**  
**145**  
**62**  
**74**

39

71

16

17

62 855

85 939

430

539

**Total operations**

1 543

1 614

1 055

1 024

488

590

284

267

924 043

954 169

15 432

15 443

*# Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of US\$47 million (2012: US\$25 million).*

**34**

**Results for the third quarter FY13  
and nine months ended 31 March 2013**

DEVELOPMENT RESULTS

(Metric)

Quarter ending March 2013

Channel

Reef

Meters

Sampled

Meters

Width

(Cm's)

Value

(g/t)

Gold

(Cmg/t)

Tshepong

Basal

471

456

8.82

223.39

1 970

B Reef

220

190

56.30

16.60

935

**All Reefs**

**691**

**646**

**22.78**

**73.11**

**1 666**

Phakisa

Basal

268

284

108.80

10.26

1 116

**All Reefs**

**268**

**284**

**108.80**

**10.26**

**1 116**

Total Bambanani

(Incl. Bambanani. Steyn 2)

Basal

11

11

94.20

14.03

1 322

**All Reefs**

**11**

**11**

**94.20**

**14.03**

**1 322**

Doornkop

South Reef

243

210

40.74

14.84

605

**All Reefs**

**243**

**210**

**40.74**

**14.84**

**605**

Total Target

(Incl. Target 1 & Target 3)

Elsburg

198

96

247.38

4.38

1 083

Basal

57

24

13.92

62.80

874

B Reef

309

134

60.72

50.32

3 055

**All Reefs**

**563**

**254**

**126.84**

**16.59**

**2 104**

Masimong 5  
Basal  
344  
288  
58.19  
15.00  
873  
B Reef  
49  
75  
47.60  
23.14  
1 101  
**All Reefs**  
**393**  
**363**  
**56.00**  
**16.43**  
**920**  
Unisel  
Basal  
302  
190  
193.80  
5.06  
981  
Leader  
476  
404  
184.91  
5.73  
1 060  
Middle  
25  
34  
262.00  
8.03  
2 105  
**All Reefs**  
**803**  
**628**  
**191.77**  
**5.70**  
**1 093**  
Joel  
Beatrix  
185  
174  
218.00  
4.42  
964

**All Reefs**

185

174

218.00

4.42

964

Total Harmony

Basal

1 453

1 253

71.72

18.79

1 348

Beatrix

185

174

218.00

4.42

964

Leader

476

404

184.91

5.73

1 060

B Reef

578

399

56.15

29.89

1 678

Middle

25

34

262.00

8.03

2 105

Elsburg

198

96

247.38

4.38

1 083

South Reef

243

210

40.74

14.84

605

**All Reefs**

**3 158**

**2 570**

**103.55**

**12.24**

**1 267**

DEVELOPMENT RESULTS

(Imperial)

Quarter ending March 2013

Channel

Reef

Meters

Sampled

Meters

Width

(Cm's)

Value

(g/t)

Gold

(Cmg/t)

Tshepong

Basal

1 545

1 496

3.00

7.54

23

B Reef

722

623

22.00

0.49

11

**All Reefs**

**2 267**

**2 119**

**9.00**

**2.13**

**19**

Phakisa

Basal

880

932

43.00

0.30

13

**All Reefs**

**880**

**932**

**43.00**

**0.30**

**13**

Total Bambanani

(Incl. Bambanani, Steyn 2)

Basal

36

36

37.00

0.41

15

**All Reefs**

**36**

**36**

**37.00**

**0.41**

**15**

Doornkop

South Reef

799

689

16.00

0.43

7

**All Reefs**

**799**

**689**

**16.00**

**0.43**

**7**

Total Target

(Incl. Target 1 & Target 3)

Elsburg

649

315

97.00

0.13

12

Basal

186

79

5.00

2.01

10

B Reef

1 013

440

24.00

1.46

35

**All Reefs**

**1 848**

**833**

**50.00**

**0.48**



**24**

Masimong 5

Basal

1 129

945

23.00

0.44

10

B Reef

160

246

19.00

0.67

13

**All Reefs**

**1 289**

**1 191**

**22.00**

**0.48**

**11**

Unisel

Basal

991

623

76.00

0.15

11

Leader

1 563

1 325

73.00

0.17

12

Middle

82

112

103.00

0.23

24

**All Reefs**

**2 636**

**2 060**

**76.00**

**0.17**

**13**

Joel

Beatrix

606

571

86.00

0.13

11  
**All Reefs**  
**606**  
**571**  
**86.00**  
**0.13**  
**11**  
Total Harmony  
Basal  
4 767  
4 111  
28.00  
0.55  
15  
Beatrix  
606  
571  
86.00  
0.13  
11  
Leader  
1 563  
1 325  
73.00  
0.17  
12  
B Reef  
1 896  
1 309  
22.00  
0.88  
19  
Middle  
82  
112  
103.00  
0.23  
24  
Elsburg  
649  
315  
97.00  
0.13  
12  
South Reef  
799  
689  
16.00  
0.43  
7  
**All Reefs**

**10 361**

**8 432**

**41.00**

**0.35**

**15**

**35**  
NOTES

36

36

6

36

3

## **CONTACT DETAILS**

### ***Corporate Office***

Randfontein Office Park

PO Box 2, Randfontein, 1760, South Africa

Corner Main Reef Road/Ward Avenue, Randfontein, 1759, South Africa

*Telephone:* +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\*

1

^, K V Dicks\*^, Dr D S Lushaba\*^, C Markus\*^,

M Msimang\*^, J Wetton\*^, A J Wilkens\*

\* Non-executive

^ Independent

1

Mozambican

### ***Investor relations team***

Henrika Basterfield

Investor Relations Manager

*Telephone:* +27 11 411 2314

*Fax:* +27 11 692 3879

*Mobile:* +27 82 759 1775

*E-mail:* henrika@harmony.co.za

Marian van der Walt

Executive: Corporate and Investor Relations

*Telephone:* +27 11 411 2037

*Fax:* +27 86 614 0999

*Mobile:* +27 82 888 1242

*E-mail:* marian@harmony.co.za

### ***Company Secretary***

Riana Bisschoff

*Telephone:* +27 11 411 6020

*Mobile:* +27 83 629 4706

*E-mail:* 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

*Telephone:* +27 86 154 6572

*Fax: +27 86 674 4381*

***United Kingdom Registrars***

Capita Registrars

The Registry, 34 Beckenham Road, Beckenham

Kent BR3 4TU, United Kingdom

*Telephone: 0871 664 0300 (UK) (calls cost 10p a minute plus network extras, lines are open 09:00 am – 17:30 pm, Monday to Friday)*

*or +44 (0) 20 8639 3399 (calls from overseas)*

*E-mail: shareholder.services@capitaregistrars.com*

***ADR 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

*E-mail queries: db@amstock.com*

*Toll Free: +1-800-937-5449*

*Intl: +1-718-921-8137*

*Fax: +1-718-921-8334*

***Sponsor***

JP Morgan Equities Limited

1 Fricker Road, corner Hurlingham Road, Illovo, Johannesburg, 2196

Private Bag X9936, Sandton, 2146, South Africa

*Telephone: +27 11 507 0300*

*Fax: +27 11 507 0503*

***Trading Symbols***

*JSE Limited: HAR*

*New York Stock Exchange, Inc: HMY*

*Euronext, Brussels: HMY*

*Berlin Stock Exchange: HAM1*

***Registration number***

1950/038232/06

*Incorporated in the Republic of South Africa*

***ISIN***

ZAE000015228

**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: May 3, 2013

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director