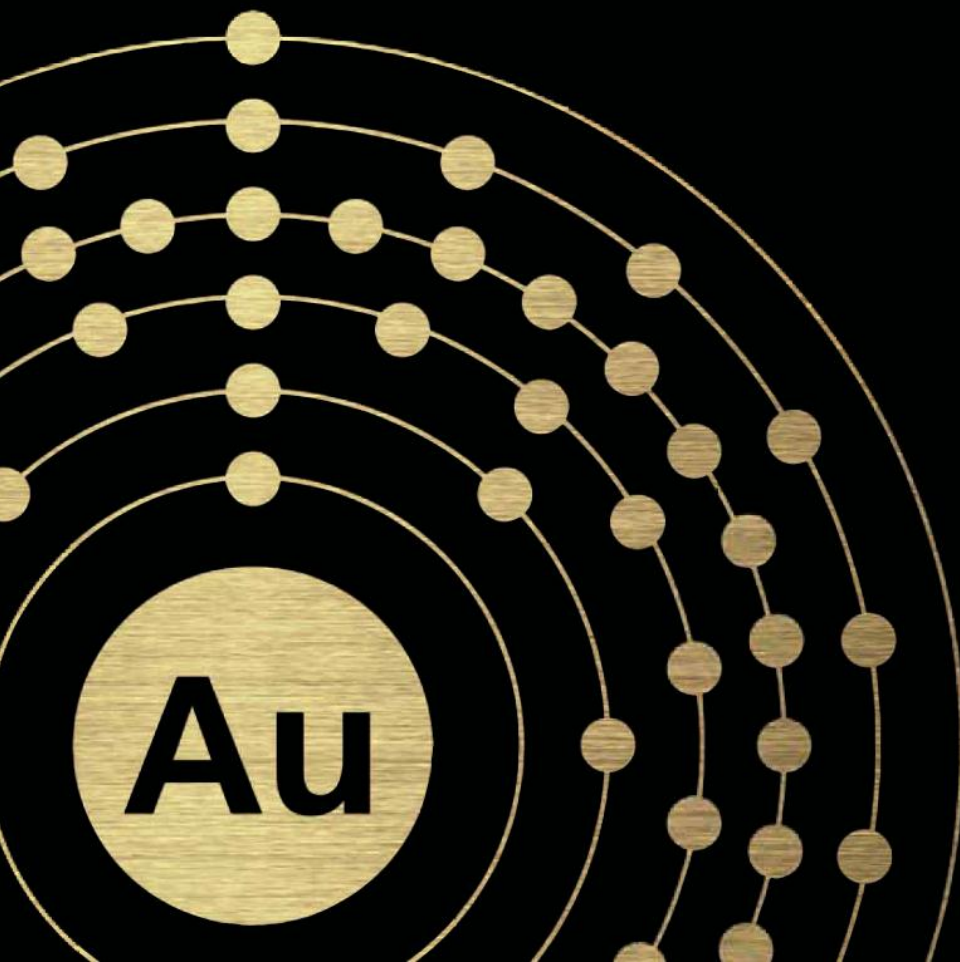


# Q1 FY14

**GRAHAM BRIGGS**

**FRANK ABBOTT**

**8 November 2013**





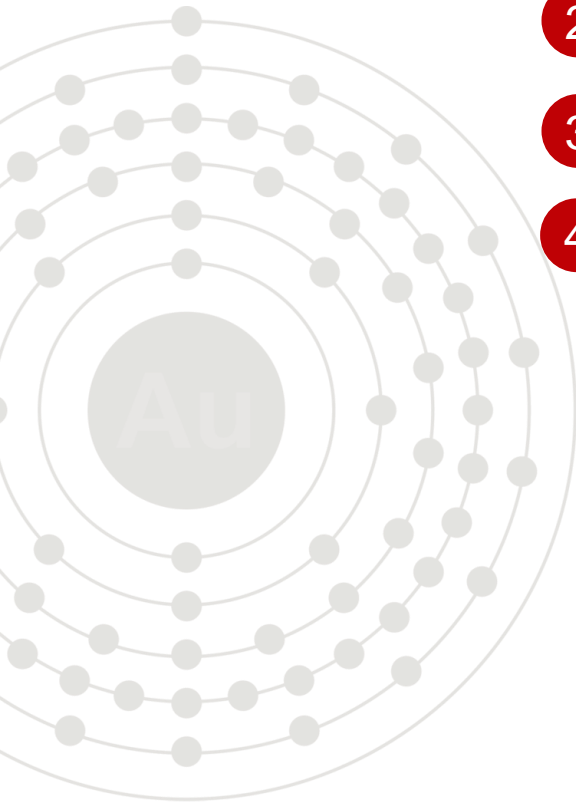
# Private Securities Litigation Reform Act Safe Harbour Statement



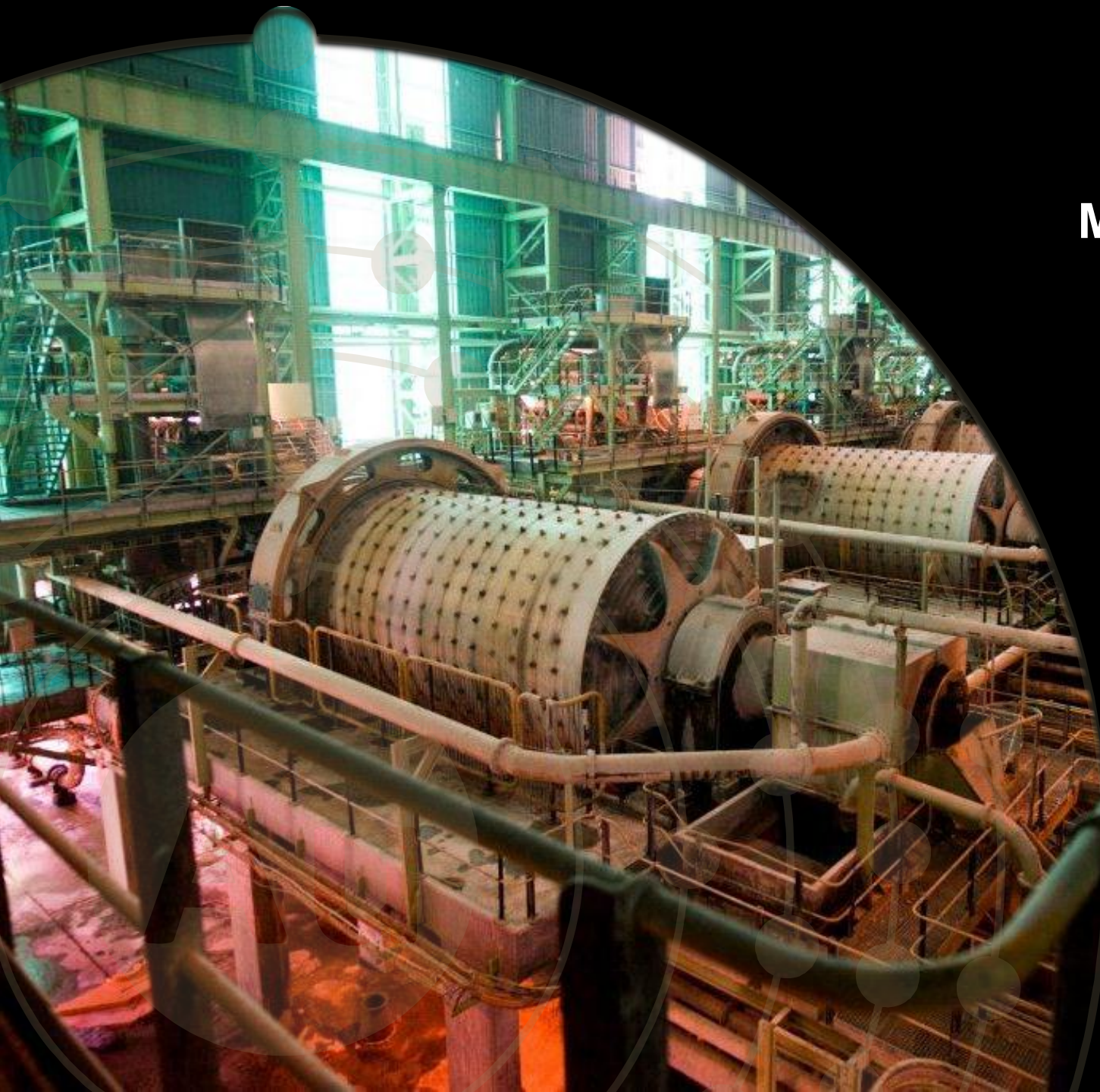
This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. These statements may be identified by words such as "expects", "looks forward to", "anticipates", "intends", "believes", "seeks", "estimates", "will", "project" or words of similar meaning. All statements other than those of historical facts included in this presentation are forward-looking statements, including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales, (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; and (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, project cost overruns, as well as political, economic and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the Company's latest Annual Report on Form 20-F for the year ended June 30, 2013 which is on file with the Securities and Exchange Commission, as well as the Company's other SEC filings. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



- 1 Measuring up
- 2 Quarterly results
- 3 Financial results
- 4 Conclusion

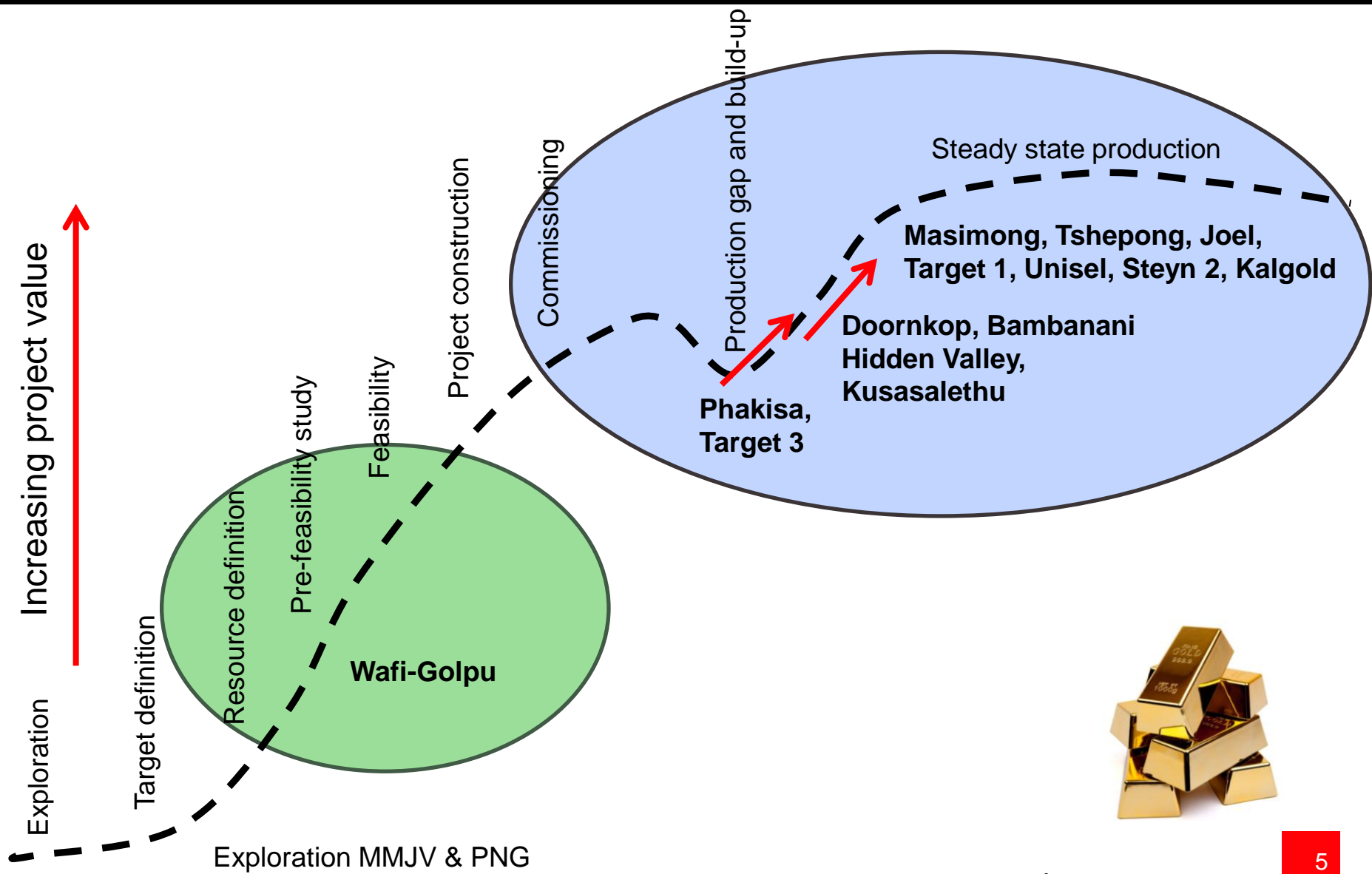


# Measuring up





# Asset portfolio – long life, quality ounces





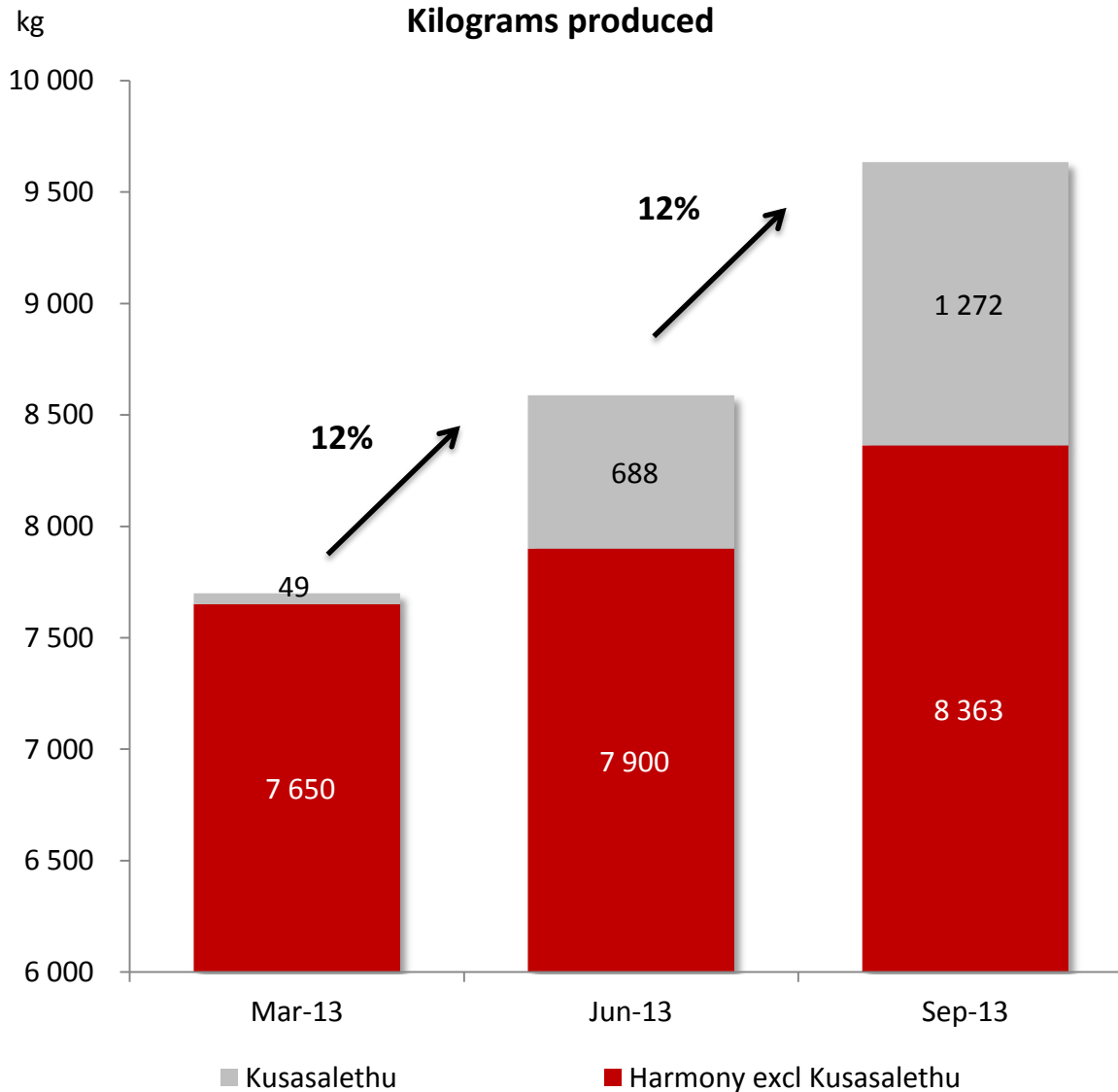
# Have you noticed the change?



- All the original, marginal Harmony assets have been closed
  - new mine developed at Kusasalethu - productivity improvements
  - shaft sinking at Phakisa and Doornkop have been completed
  - decline shafts completed at Tshepong; in progress at Joel and Bambanani
- All about growth in margin
  - reduce costs
  - improve productivity
  - increase gold production
- Major capital expenditure spent
- Strong balance sheet and low debt
- Golpu remains one of the world's best copper-gold porphyry deposits

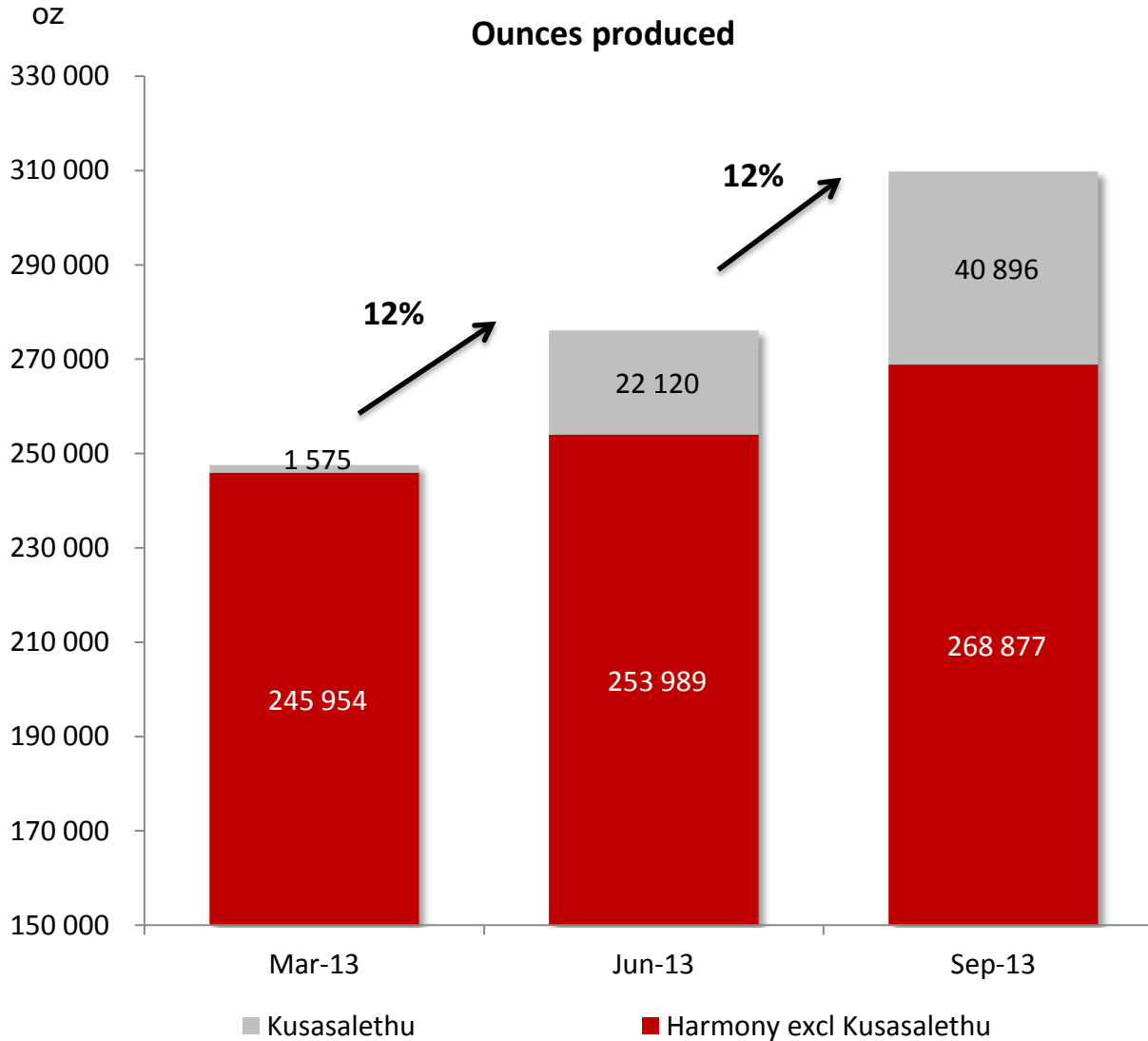


# 12% increase in gold production for two consecutive quarters (kg)

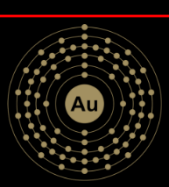




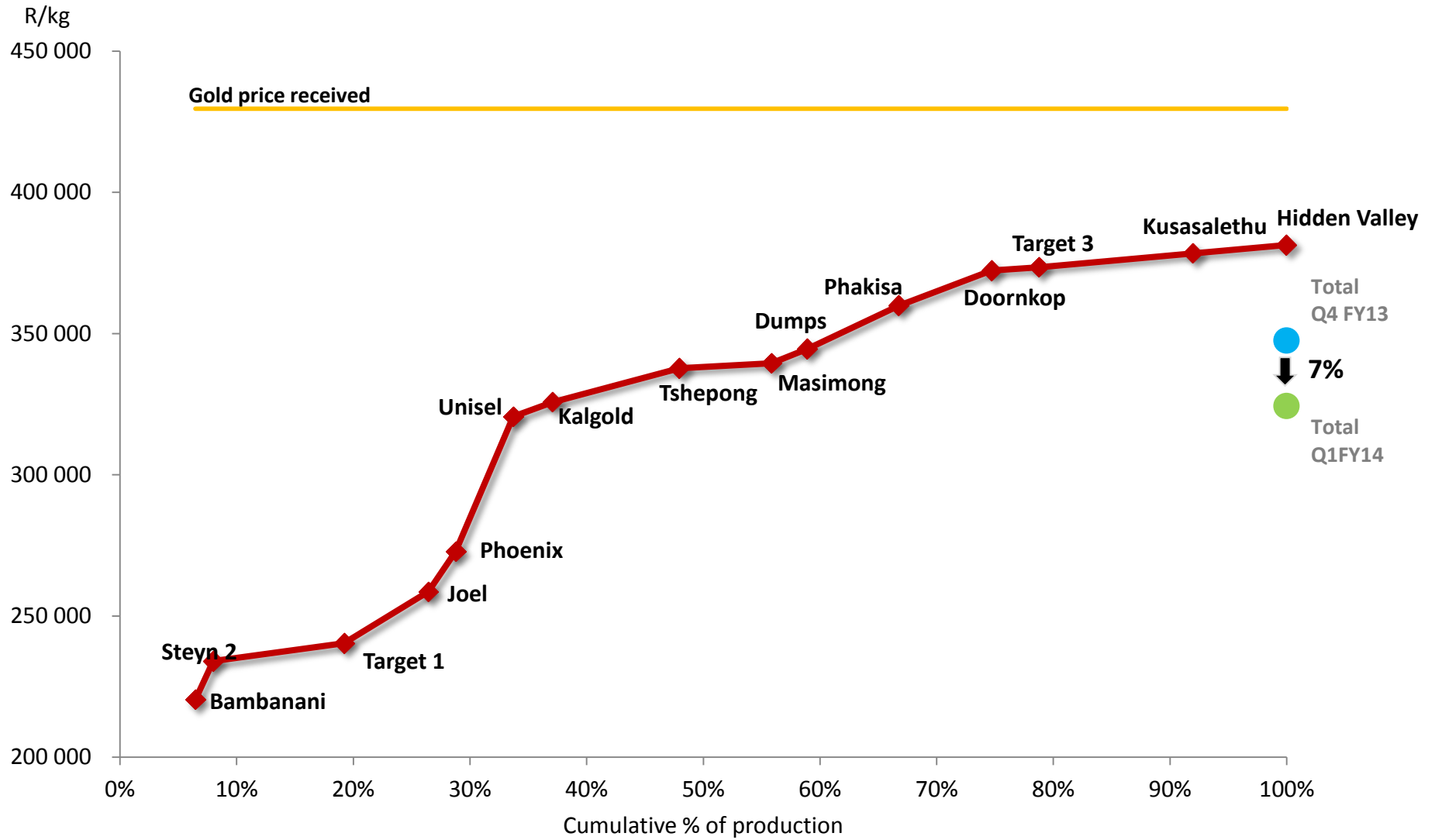
# 12% increase in gold production for two consecutive quarters (oz)







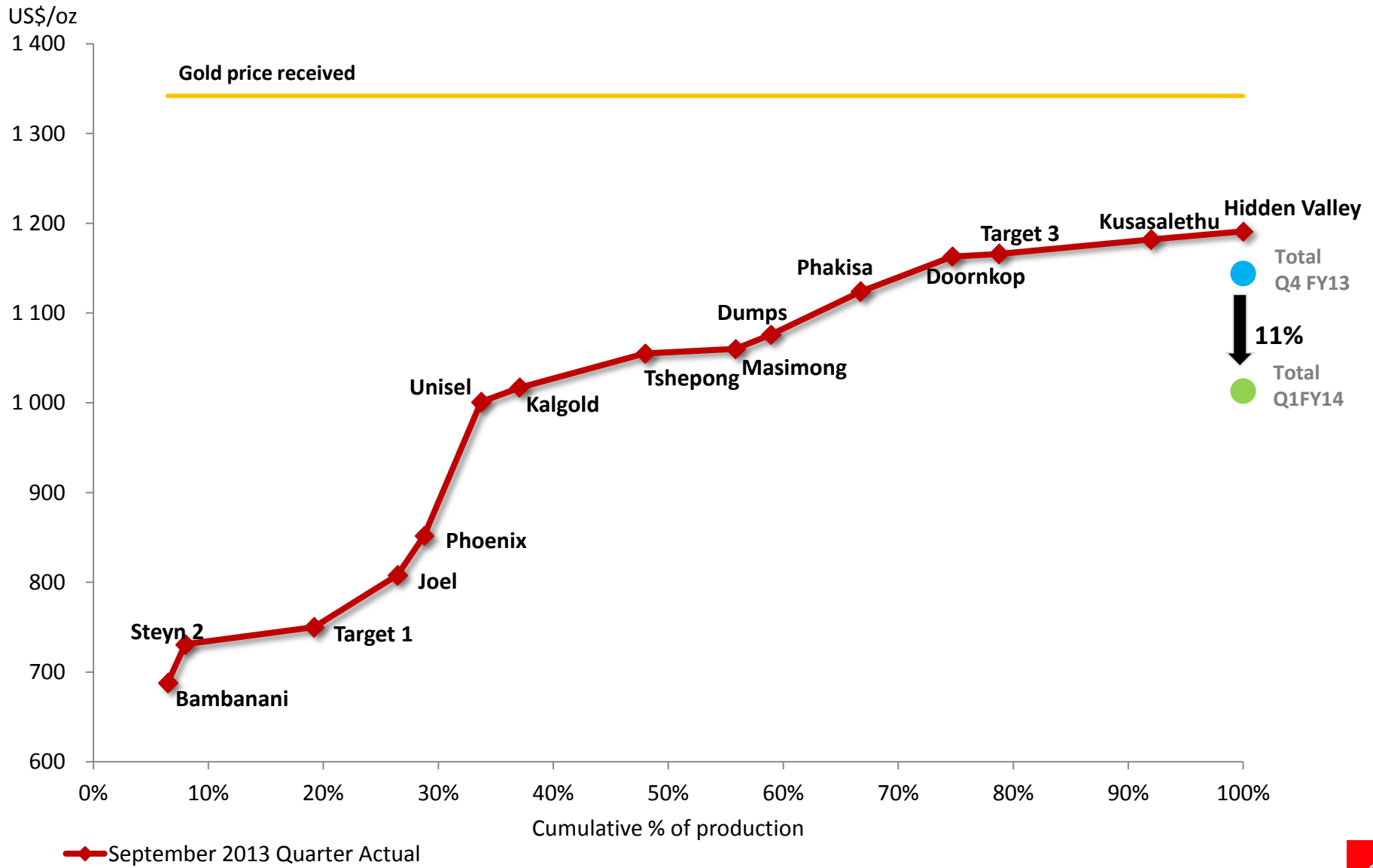
# 7% decrease in cash operating costs (R/kg)



◆ September 2013 Quarter Actual



# 11% decrease in cash operating costs (US\$/oz)





# Significant reduction in all-in sustaining costs\* (R/kg)



		Sep 2013	Jun 2013	% change
Gold sold <sup>1</sup>	kg	9 353	8 146	15
Operating costs	R/kg	318 702	345 214	8
Local economic development	R/kg	3 906	6 189	37
Share based remuneration cost	R/kg	3 707	4 393	16
Corporate, administration and other cost	R/kg	10 789	13 635	21
Rehabilitation - accretion & amortisation	R/kg	986	1 528	35
On-site exploration expenditure	R/kg	263	976	73
Capitalised stripping & underground development	R/kg	46 142	53 318	13
Sustaining capital expenditure	R/kg	20 199	45 893	56
<b>All-in sustaining costs</b>	<b>R/kg</b>	<b>404 694</b>	<b>471 146</b>	<b>14</b>

## R66 452/kg reduction

\*As per the guidance from the World Gold Council (WGC)

<sup>1</sup> Gold sold has been used to calculate the R/kg as guided by the WGC



# Significant reduction in all-in sustaining costs\* (US\$/oz) HARMONY

		Sep 2013	Jun 2013	% change
Gold sold <sup>1</sup>	oz	300 703	261 901	15
Operating costs	US\$/oz	995	1 136	12
Local economic development	US\$/oz	12	20	40
Share based remuneration cost	US\$/oz	12	15	20
Corporate, administration and other cost	US\$/oz	34	45	24
Rehabilitation - accretion & amortisation	US\$/oz	3	5	40
On-site exploration expenditure	US\$/oz	1	3	67
Capitalised stripping & underground development	US\$/oz	144	176	18
Sustaining capital expenditure	US\$/oz	63	151	58
<b>All-in sustaining costs</b>	<b>US\$/oz</b>	<b>1 264</b>	<b>1 551</b>	<b>19</b>

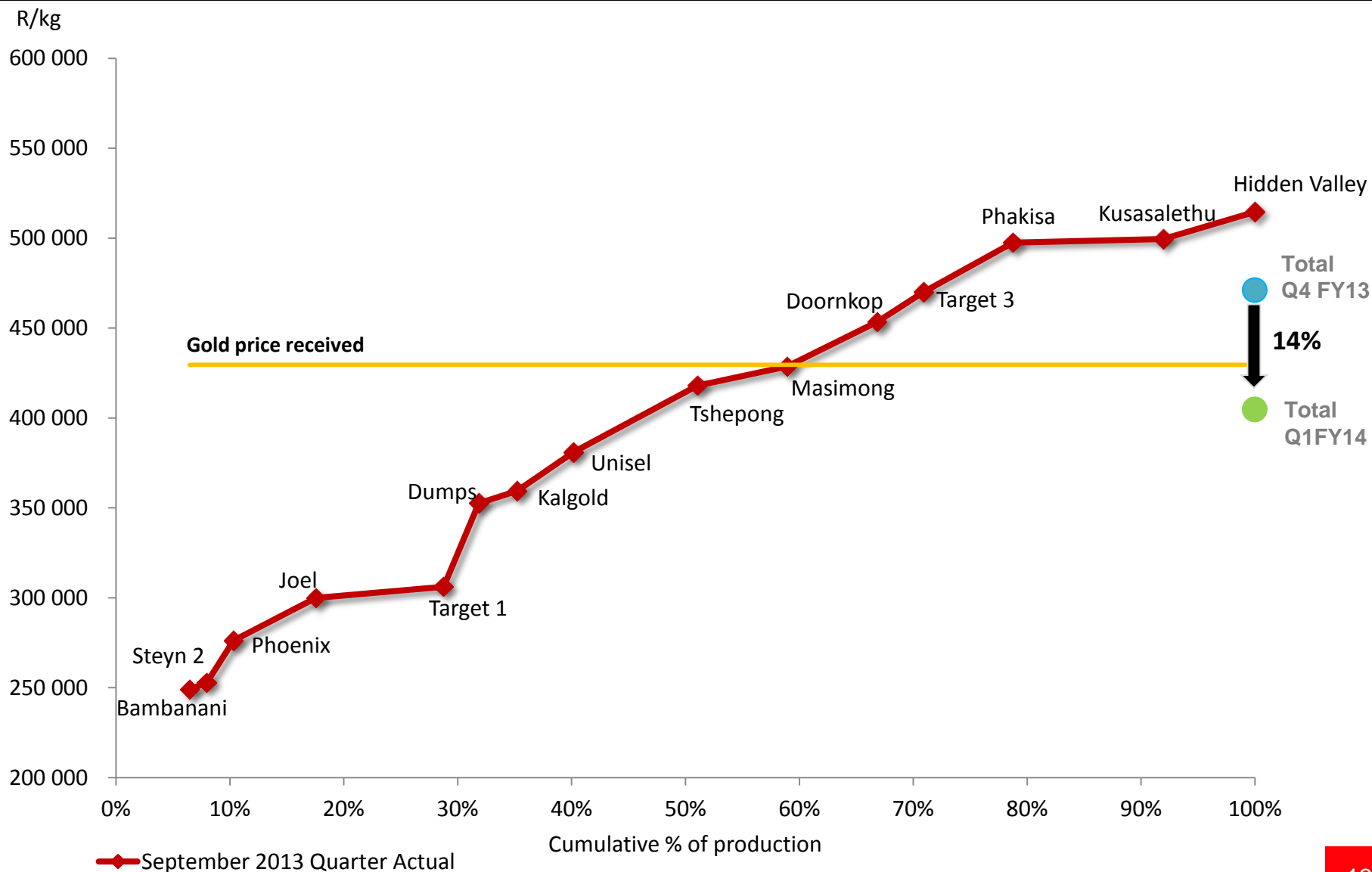
## US\$287/oz reduction

\*As per the guidance from the World Gold Council (WGC)

<sup>1</sup> Gold sold has been used to calculate the US\$/oz as guided by the WGC

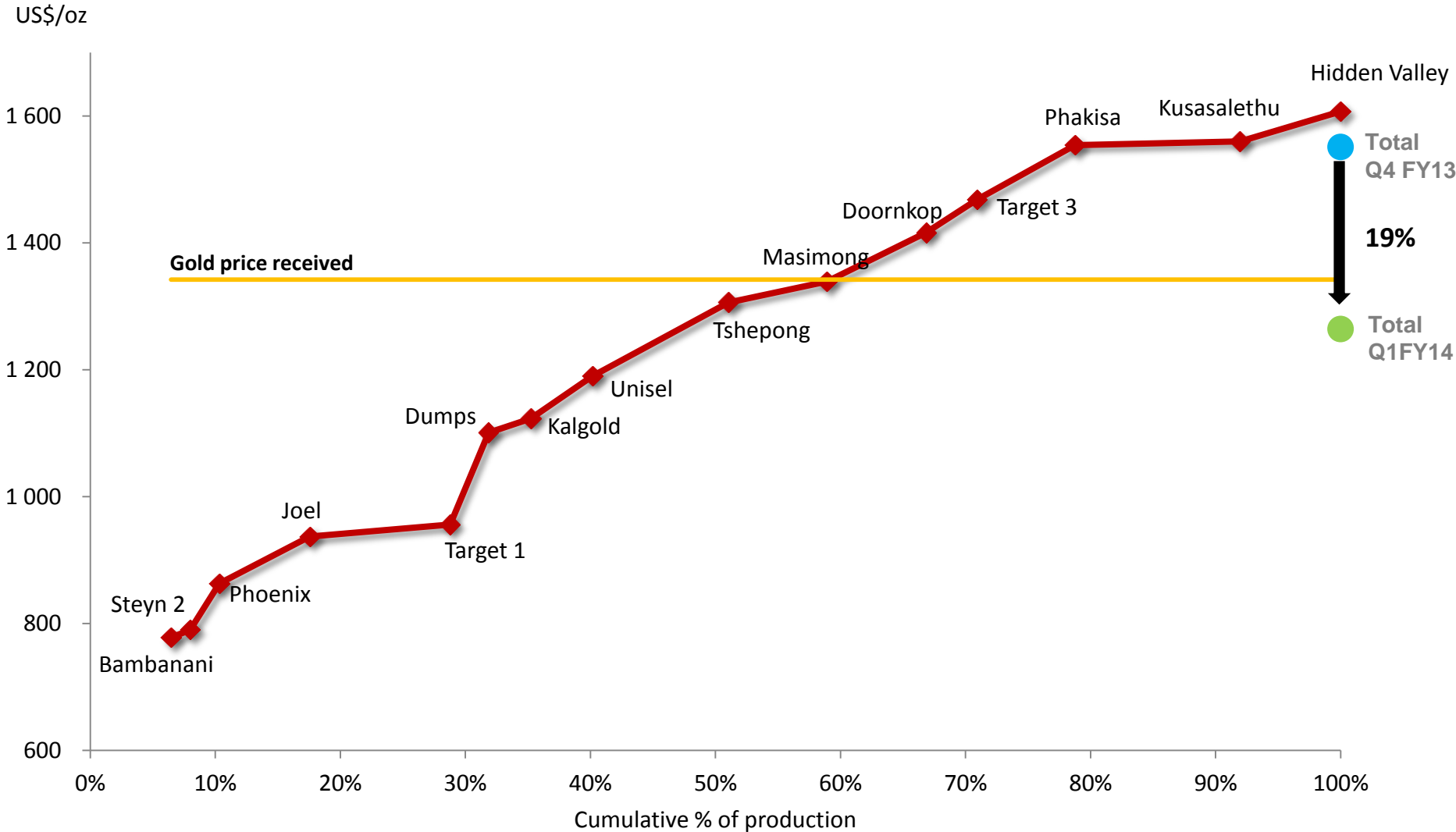


# All-in sustaining costs 14% lower q-on-q (R/kg)



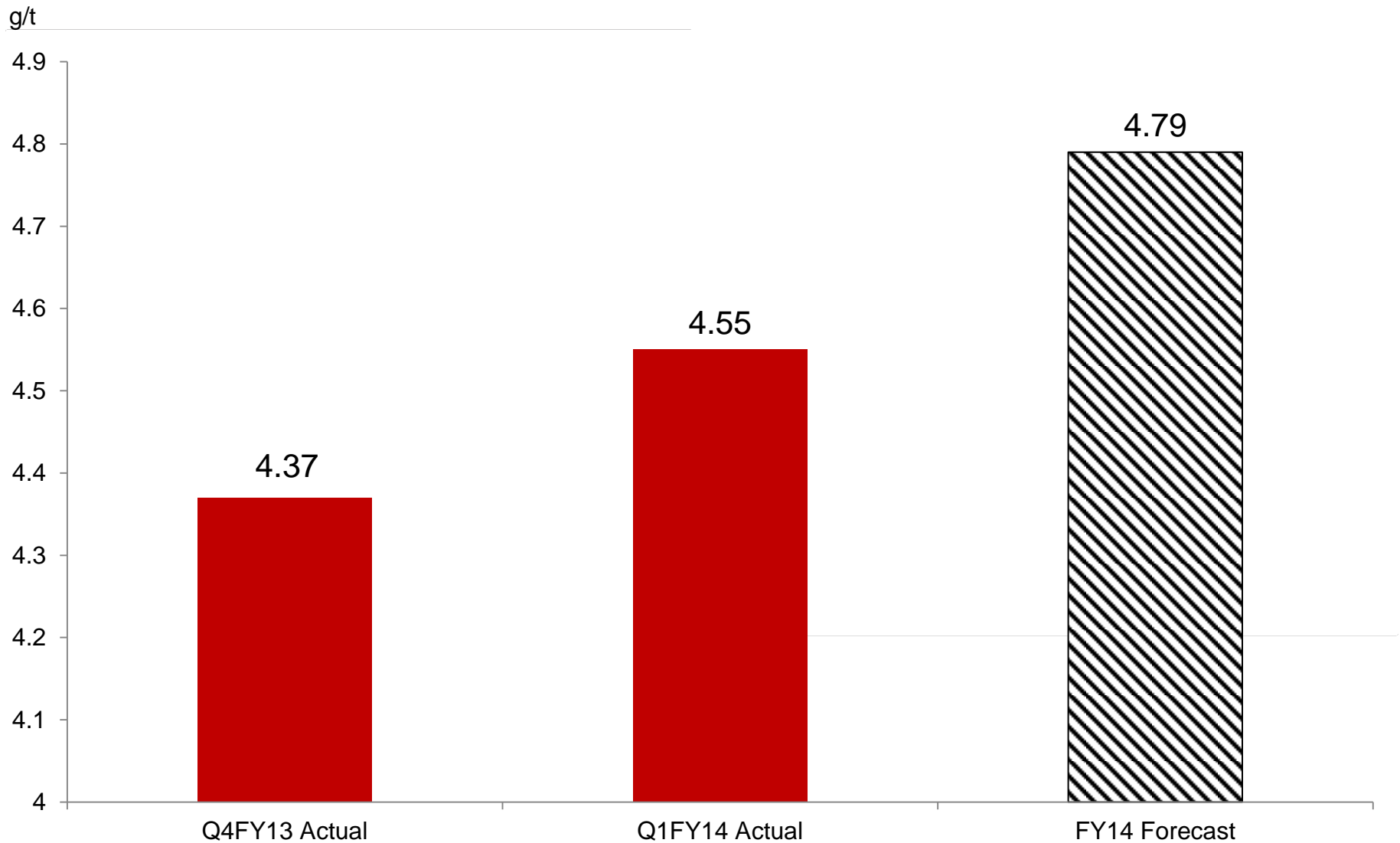


# All-in sustaining costs 19% lower q-on-q (US\$/oz) HARMONY

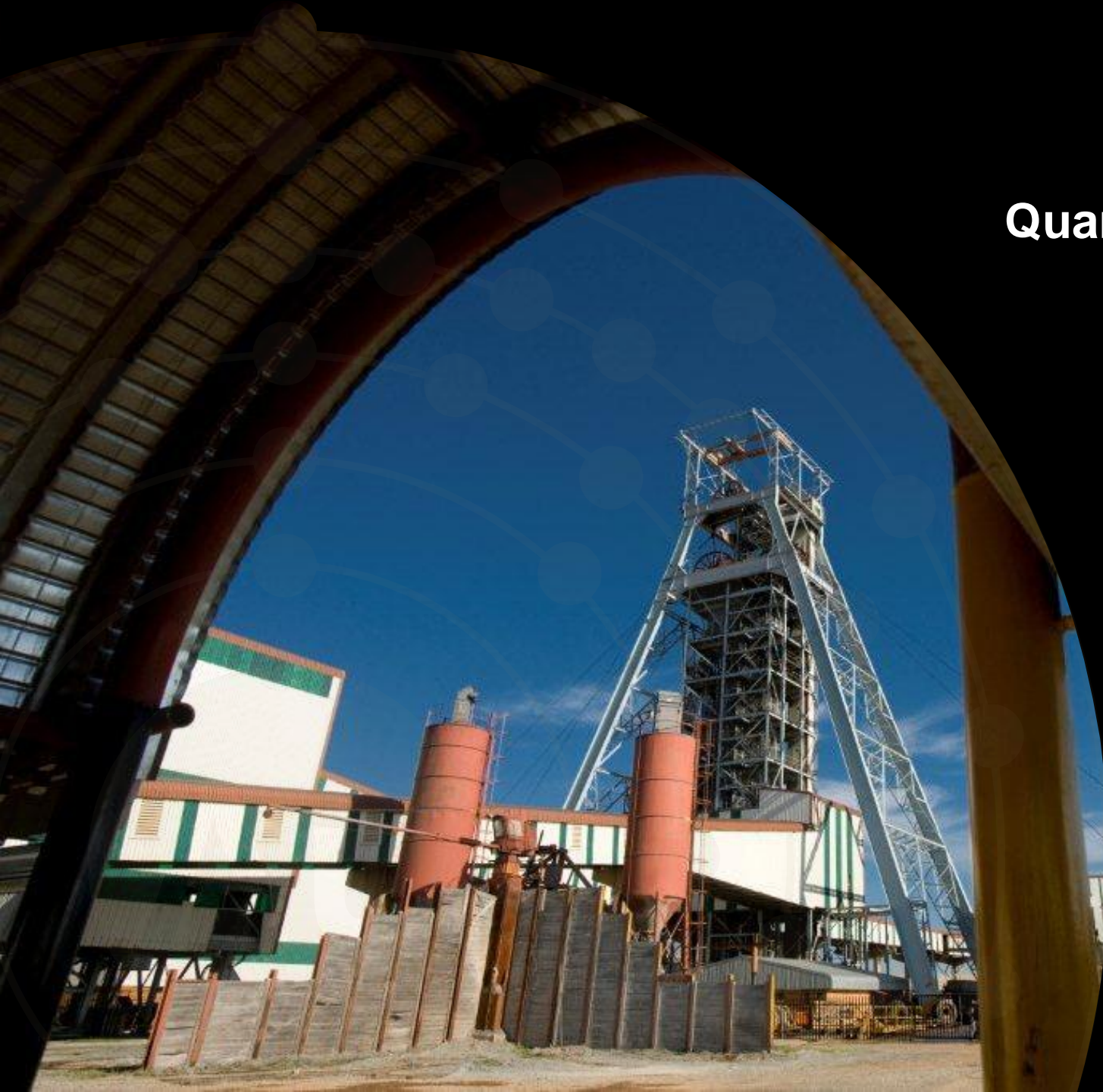




# Continued increase in underground grade



# Quarterly results







- Two year gold wage agreement signed
- Significant increase in gold production for a 2<sup>nd</sup> consecutive quarter
  - increase in gold production of 12% to 9 635kg (309 773oz)
  - 6% increase in tonnes milled
  - 4% increase in underground recovered grade
  - Kusasaletu close to normal production levels
- Reducing costs quarter on quarter
  - cash operating costs decreased by 7% to R324 272/kg (US\$1 013/oz)
  - 14% decrease in all-in sustaining costs from R471 146/kg to R404 694/kg (19% decrease from US\$1 551/oz to US\$1 264/oz)
- 55% increase in operating profit<sup>1</sup> from R671 million to more than R1 billion (46% increase from US\$71 million to US\$104 million)

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



# Group operating results (q-on-q)



		Sep 2013	Jun 2013	% change
Gold produced	kg	9 635	8 588	12
	oz	309 773	276 109	12
Gold price	R/kg	429 566	427 534	0.4
	US\$/oz	1 342	1 407	(5)
Cash operating costs	R/kg	324 272	347 456	7
	US\$/oz	1 013	1 144	11
Underground recovery grade	g/t	4.55	4.37	4
Operating profit <sup>1</sup>	Rm	1 037	671	55
	US\$m	104	71	46
All-in sustaining costs	R/kg	404 694	471 146	14
	US\$/oz	1 264	1 551	19
Exchange rate	R/US\$	9.96	9.45	5

<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



- Harmony and Sibanye exchange mining rights
  - two mining areas of Joel will be exchanged for 2 mining areas of Beatrix for the same value
  - Joel will acquire two additional Beatrix mining areas and will pay a 3% royalty on gold revenue when mining from these areas
  - subject to approval from Department of Mineral Resources

## Financial results





# Turning losses into profits (q-on-q) – Rand



Extracts from income statement and operating results	Sep 2013 (Rm)	Jun 2013 (Rm)	% change
Revenue	4 018	3 483	15
Production costs	(2 981)	(2 812)	(6)
Cash operating costs	(3 124)	(2 984)	(5)
Inventory movements	144	172	(16)
Operating profit as per operational results	1 037	671	55
Amortisation and depreciation	(577)	(531)	(9)
Impairment of assets	-	(2 733)	100
Exploration expenditure	(142)	(219)	35
Taxation	(38)	(239)	84
<b>Net profit / (loss)</b>	<b>13</b>	<b>(3 497)</b>	<b>&gt;100</b>

Note: Comparative figures have been restated in accordance with IFRIC 20



# Turning losses into profits (q-on-q) – US\$



Extracts from income statement and operating results	Sep 2013 (US\$m)	Jun 2013 (US\$m)	% change
Revenue	403	369	9
Production costs	(299)	(298)	-
Cash operating costs	(314)	(316)	1
Inventory movements	15	18	(17)
Operating profit as per operational results	104	71	47
Amortisation and depreciation	(58)	(56)	(4)
Impairment of assets	-	(289)	100
Exploration expenditure	(14)	(23)	39
Taxation	(4)	(26)	84
<b>Net profit/(loss)</b>	<b>1</b>	<b>(370)</b>	<b>&gt;100</b>
Exchange rate (R/US\$)	9.96	9.45	5

Note: Comparative figures have been restated in accordance with IFRIC 20



# Higher production = stronger margins (Rm)



	Sep 2013 (Rm)	Jun 2013 (Rm)	% change
Revenue	4 018	3 483	15
Cash operating costs	2 981	2 812	(6)
<b>Cash operating profit</b>	<b>1 037</b>	<b>671</b>	<b>55</b>
Other sustaining costs including capital	804	1 026	22
<b>All-in sustaining margin</b>	<b>233</b>	<b>(355)</b>	<b>&gt;100</b>



# Higher production = stronger margins (US\$m)



	Sep 2013 (US\$m)	Jun 2013 (US\$m)	% change
Revenue	403	369	9
Cash operating costs	299	298	-
<b>Cash operating profit</b>	<b>104</b>	<b>71</b>	<b>46</b>
Other sustaining costs including capital	81	109	26
<b>All-in sustaining margin</b>	<b>23</b>	<b>(38)</b>	<b>&gt;100</b>



# Conclusion





- Long term fundamentals for continued growth in gold demand remain in place
- Static short term gold price, means that we have to continue
  - reducing costs
  - improving our productivity
  - producing more gold
- Harmony is well placed to meet these challenges



- ✓ Increasing grade
- ✓ Lowest R/tonne SA gold producer
- ✓ Greater capital discipline
- ✓ Free cash flow
- ✓ No hedging
- ✓ Balance sheet strength – low debt
- ✓ Geared to SA currency
- ✓ Earnings growth

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