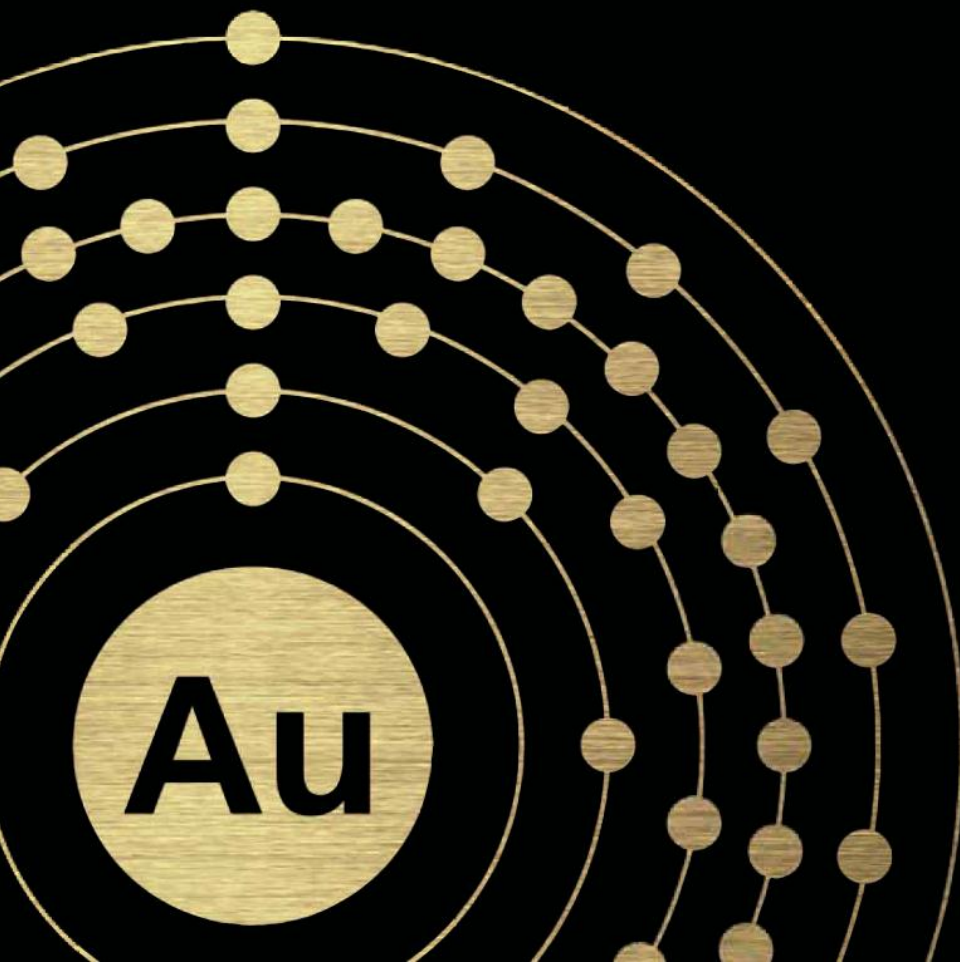


Kusasaletu: the way forward

GRAHAM BRIGGS

7 January 2013





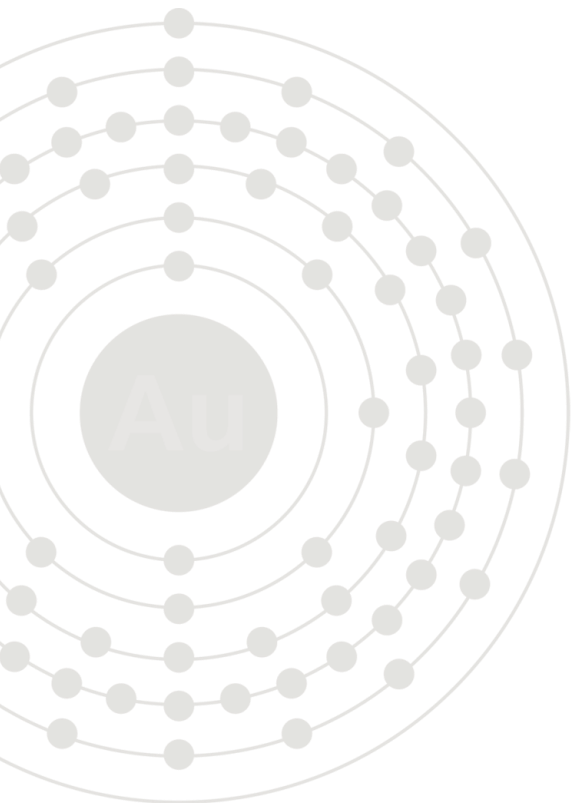
Private Securities Litigation Reform Act Safe Harbour Statement



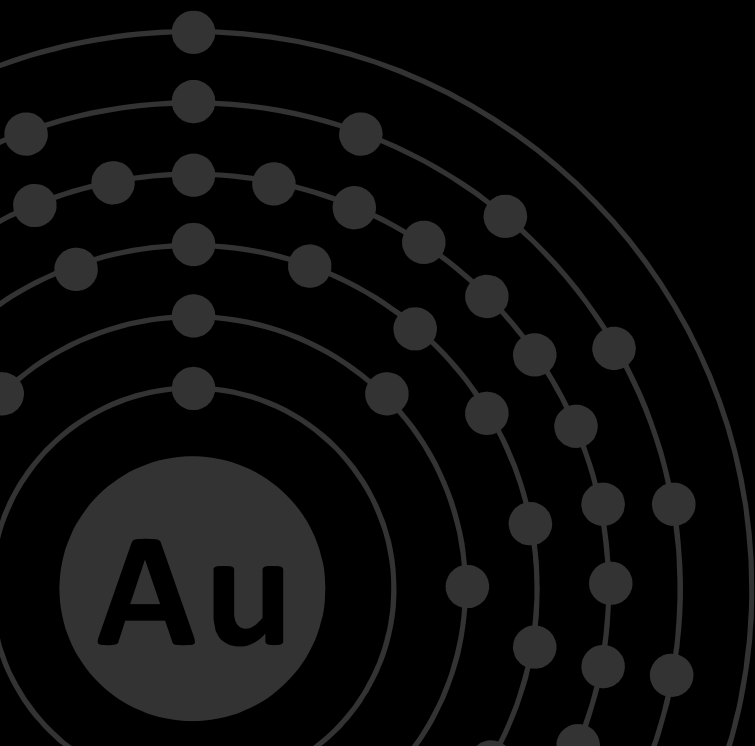
This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. These statements may be identified 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, 2012 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 Kusasaletu: History and background
- 2 Events during December 2012 quarter
- 3 Impact of recent events
- 4 The way forward
- 5 Conclusion



Kusasaletu: History and background





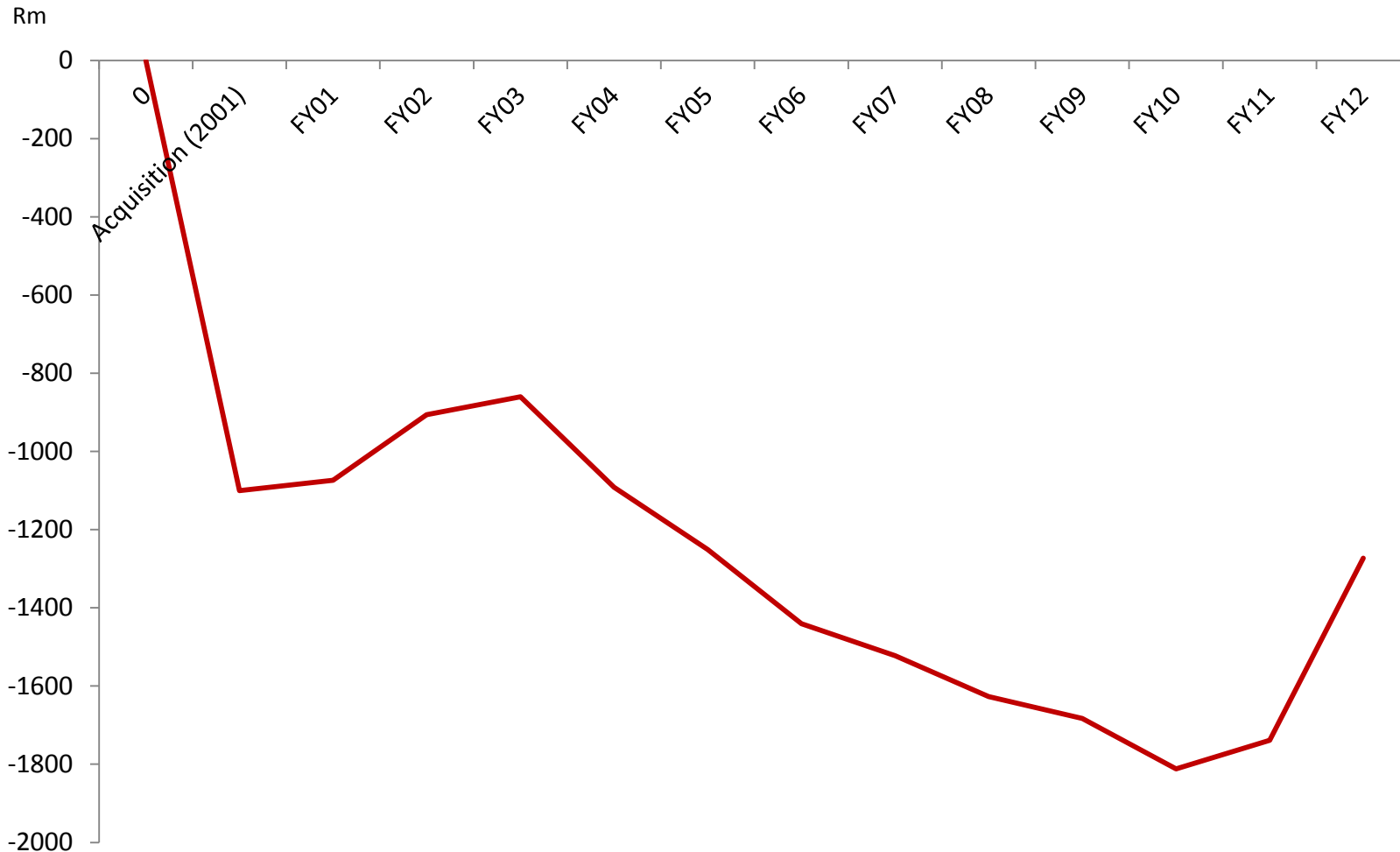
- Harmony acquired Kusasalethu (previously known as Elandsrand) in 2001
 - purchase price of R1 billion
- Harmony committed to do the deepening project and invested 12 years of capital
 - resulted in being cash positive during FY11, as the deepening project neared completion
- Mining the upper levels of the mine, which partially subsidised the capital for the deepening project
- Quarter after quarter, Kusasalethu generated free operating cash flow (after capital) as from the March 2011 quarter until the September 2012 quarter



Cumulative cash flow since acquisition (R'000)



Cumulative cash flow since acquisition





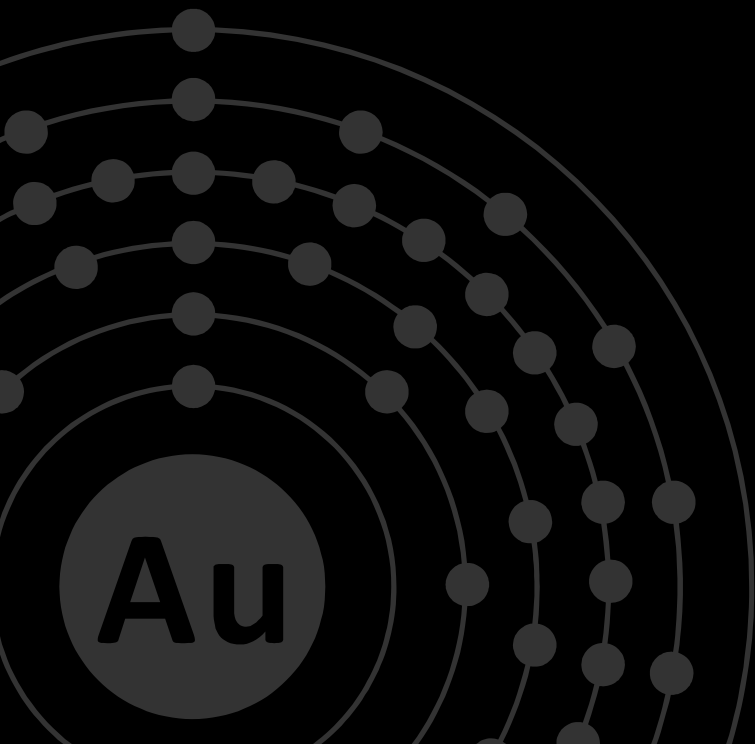
Kusasaletu's life of mine potential



| | Tonnes (Mt) | Grade (g/t) | Gold (000kg) | Gold(000oz) |
|------------------|-------------|-------------|--------------|-------------|
| Mineral Reserves | 35.1 | 6.30 | 221 | 7 112 |

- Expected potential annual production of 260 000 - 300 000 oz
- Estimated life of mine \approx 25 years

Events during the December 2012 quarter





- **3rd of October until 25th October 2012: Duration of unprotected strike at Kusasalethu**
 - Lost 35 days, including 12 days of safety start-up days (when workplace assessments, medicals and training took place)
 - Estimated production lost at the time was approximately 25 000 ounces*
 - Cost of strike was estimated at R200m* and loss of profit R125m*; total opportunity cost R325m*

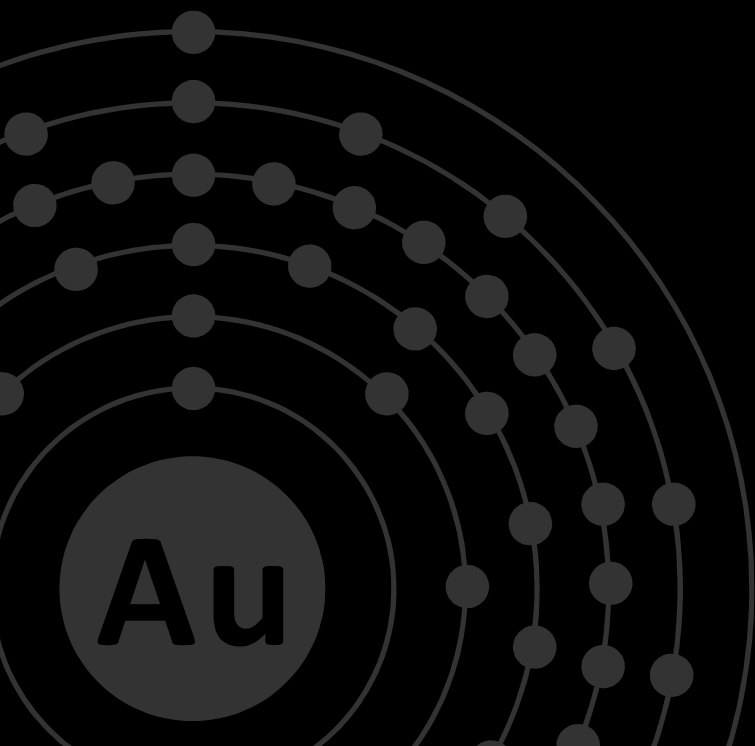
*Refer to quarterly results released on 7 November 2012



- **Between 26 October to 21 December 2012**

- violence leading to murder of 2 employees and injuring one person
- 5 illegal underground sit-ins were conducted
- mine property was damaged
- physical assault of the mine manager
- threats that members of management should be attacked or killed
- live ammunition fired at police and mine security
- non-compliance of policies and procedures of the operation
- incidents of employees refusing to comply with normal shift schedules and other work related instructions
- attempt to burn down the union offices
- illegal mass meetings and marches by AMCU

Impact of recent events at Kusasalethu





Specific impact of recent events

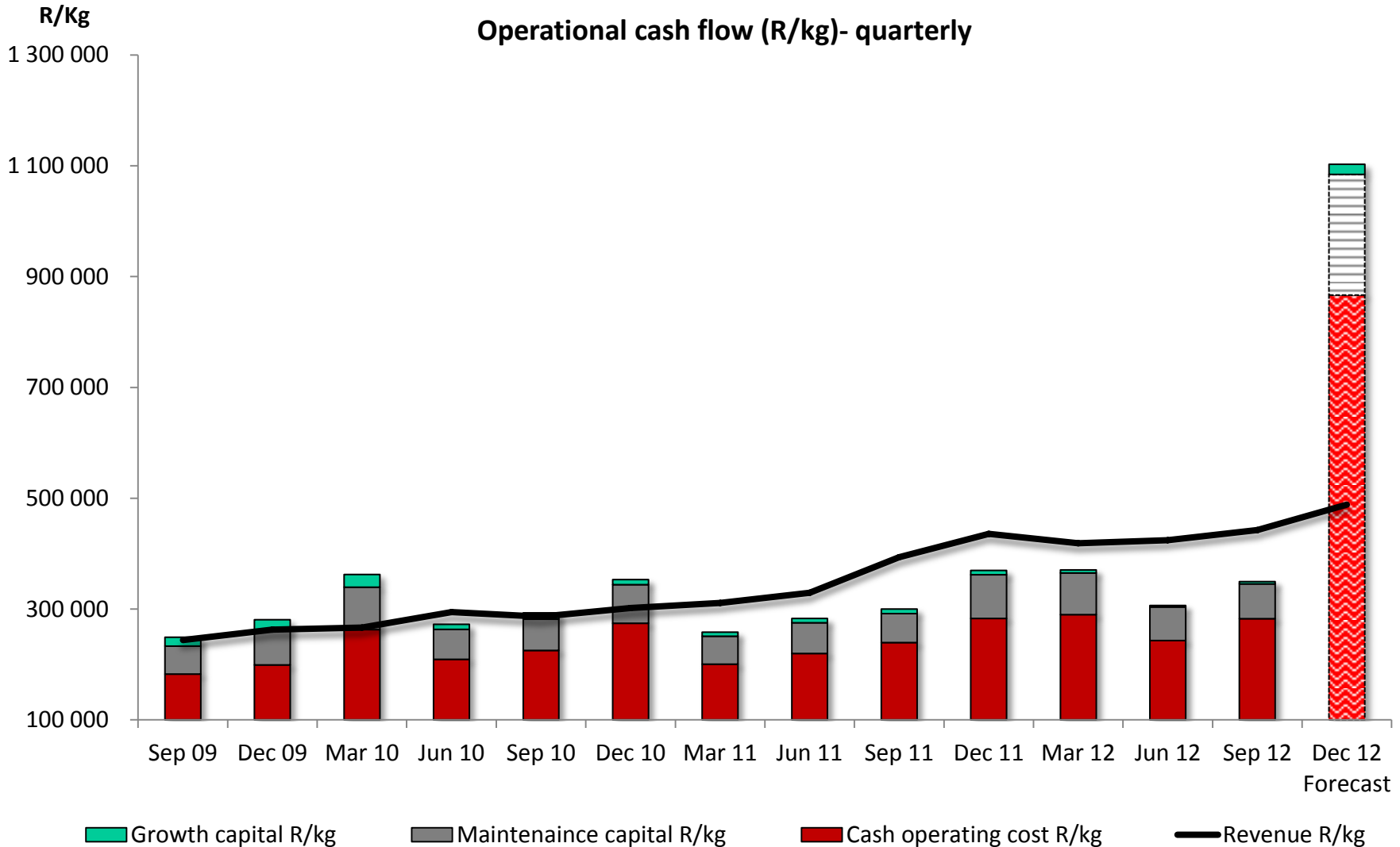


- Loss of lives
- Non-compliance of the Mine Health and Safety Act, 29 of 1996
- Extremely high risk of a safety incident as standards and procedures are not being followed
- Damage to mine infrastructure
- Poor production - only about 22%* of planned production for the December 2012 quarter was achieved
- Loss in profitability: estimated cash operational loss for the quarter of R150 million* and a negative cash flow of R252 million* (after capital) in the December 2012 quarter

*Figures used are still a forecast. Final figures will be provided on 4 February 2013.



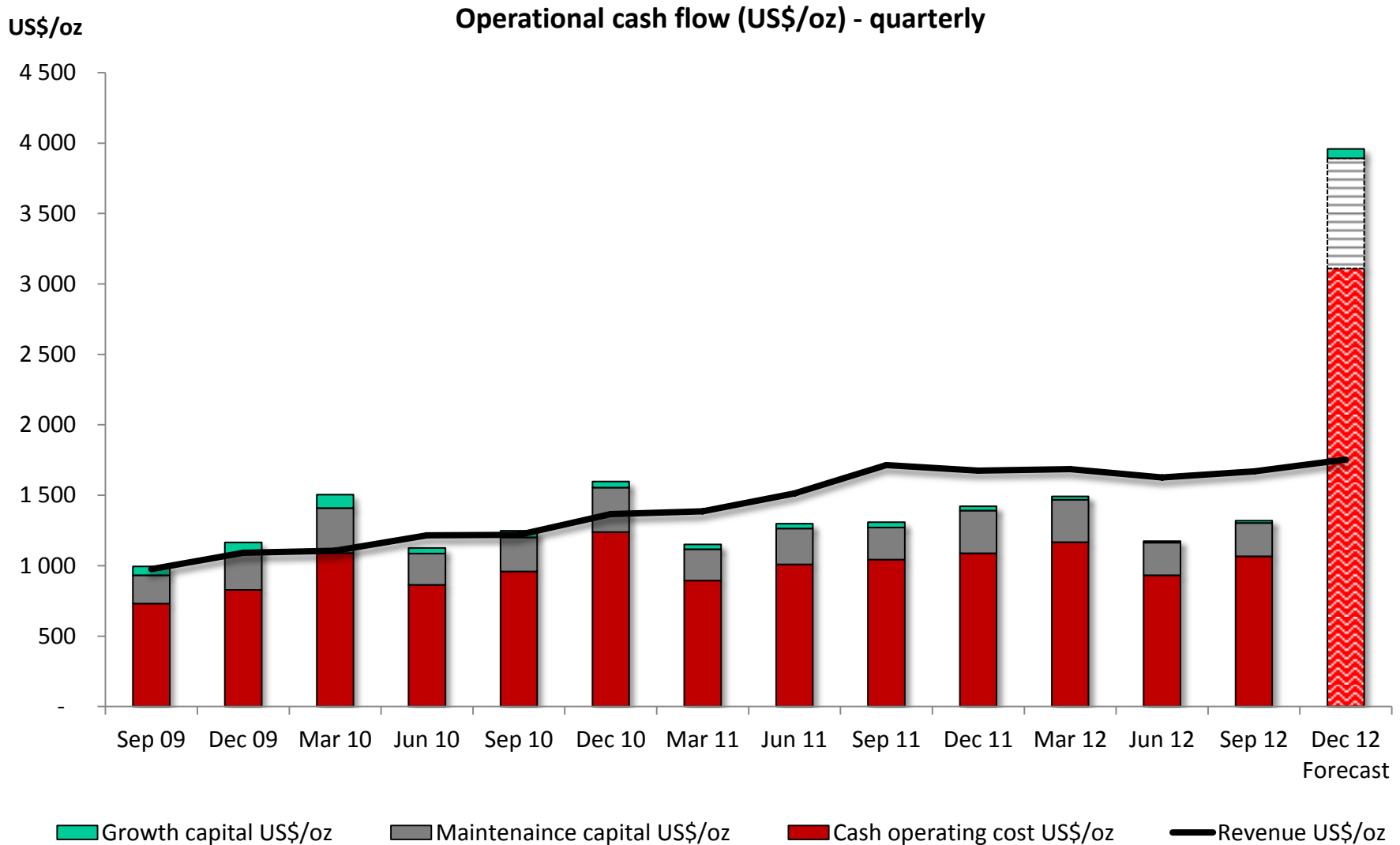
Kusasaletu: operational cash flow (R/kg)



*Figures used are still a forecast. Final figures will be provided on 4 February 2013.



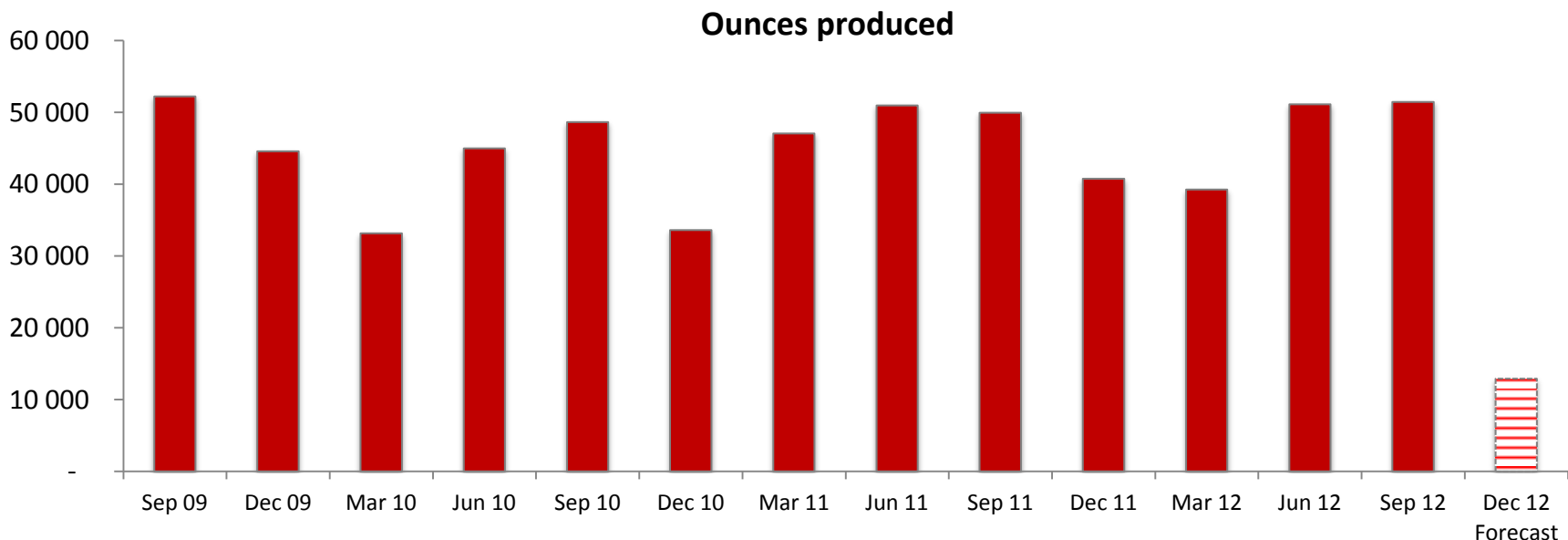
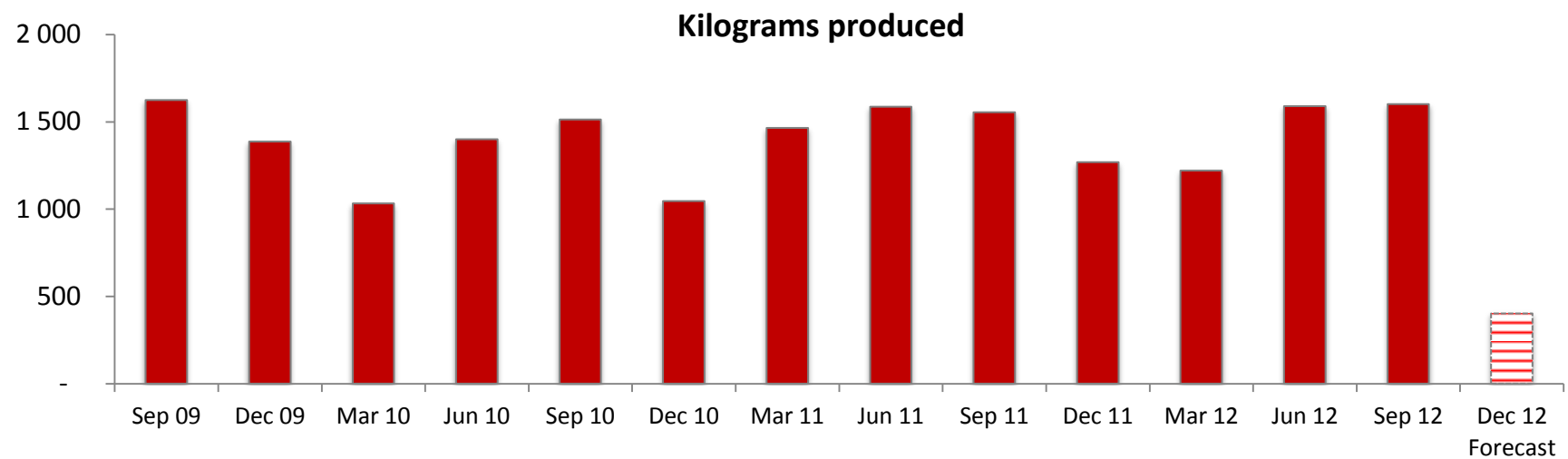
Kusasaletu: operational cash flow (US\$/oz)



*Figures used are still a forecast. Final figures will be provided on 4 February 2013.



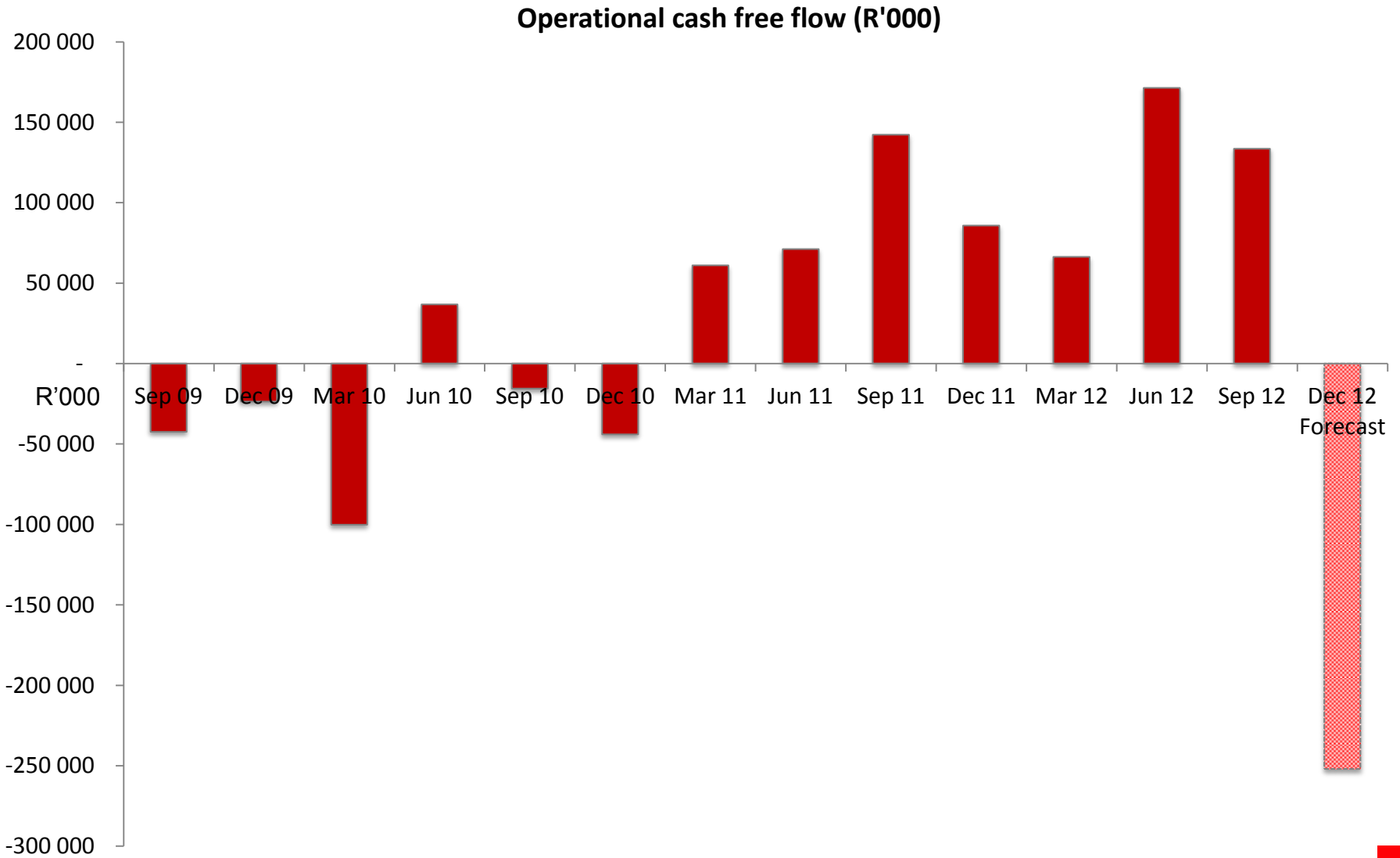
Sharp production decrease forecasted



*Figures used are still a forecast. Final figures will be provided on 4 February 2013.



Free cash flow came to an abrupt end



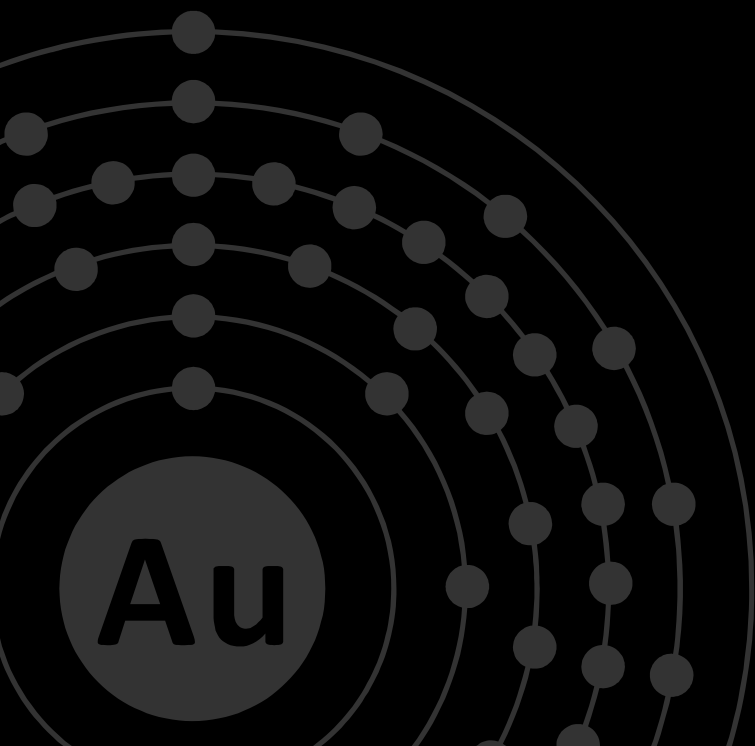
*Figures used are still a forecast. Final figures will be provided on 4 February 2013.



Various stakeholders- profitability for the Harmony group's sustainability is essential



Kusasaletu's way forward





Conditions for production to recommence



- Strict adherence by all role players to the provisions of the Mine Health and Safety Act (MHSA)
- Ensuring that the mine's standards and procedures are followed by all employees
- Employees conforming to the disciplinary code of the Mine
- No illegal sit-ins, marches or mass meetings
- No violence or destruction of property
- No violence or intimidation against any employee
- No firearms or any other weapons of any nature on the mine premises or at the hostel
- All employees' commitment to running the mine in a manner which would enable it to reach its projected profits
- All role players are to follow the normal and accepted methods of collective bargaining, disciplinary and grievance hearings in resolving any difference of opinion
- All employees must respect and adhere to the law and must respect the right to freedom of association without any fear, intimidation or coercion



- Engage with all stakeholders in order to reach a collective agreement
 - to bind all employees of the mine
 - provide sufficient assurances for a return to normal operations and production
- A sustainable and lasting solution
 - ensure that the security, safety and health situation at the mine is normalised and compliant with the all applicable laws and the policies and procedures of the mine
- Gain assurances from all stakeholders
 - that mine will be operated in a manner which would allow it to reach its projected profitability which would in turn ensure the future viability of the mine

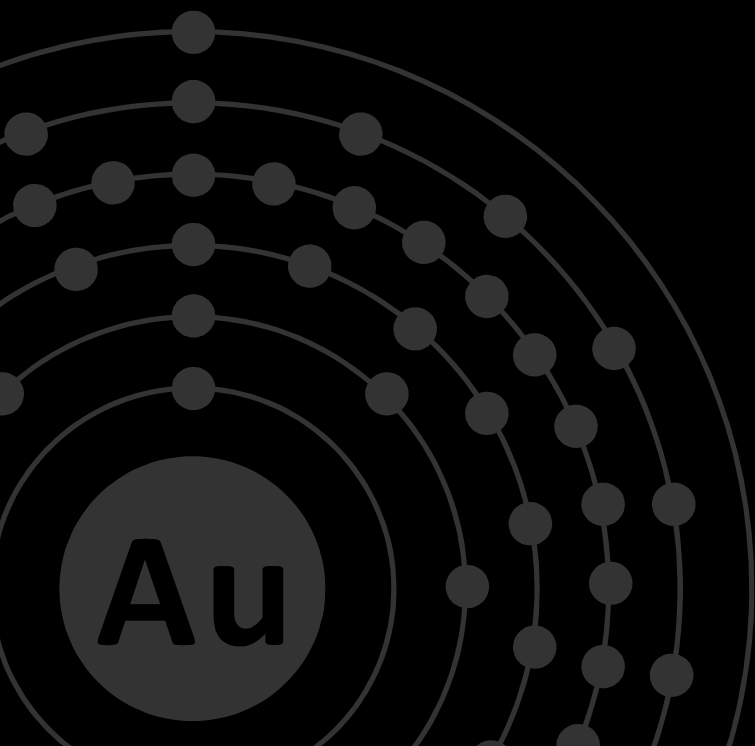


Decision points



- The major labour disruptions resulted in a breakdown in labour relations
- Secure and safe production not possible should lawlessness persist
- Management's legal and moral obligation and duty to ensure the security, safety and health of all employees and to ensure that the mine's standards and procedures as well as the provisions of the MHSA are imposed
- Seek a lasting solution that will resolve the risk to the operation and to return the operations to the potential significant future

Conclusion





Two processes have commenced



- 1. A process of discussion and consultation with labour
 - Should the aforesaid conditions and goals not be achieved by means of a consultation and discussion process then the company will have no alternative but to continue and conclude the section 189 process which might lead to the indefinite closure of Kusasaletu
- 2. Notice of Section 189 of the Labour Relations Act 66 of 1995 and other applicable legislation
 - a facilitation process will be conducted for a period of 60-days
 - a CCMA facilitator will be appointed in terms of section 189A(3)
 - after the lapse of the 60-day period, termination of service will be delivered to employees in terms of the Basic Conditions of Employment Act
 - Kusasaletu currently employs 5193 employees and 990 contract workers
 - Approximately 200 individuals will be appointed to perform care and maintenance duties (mainly engineers and artisans)



Adjusted guidance for the group



| Company production guidance | FY13¹ | FY14¹ | FY15¹ | FY16¹ |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Previously guided | 1.3 | 1.45 | 1.6 | 1.7 |
| New guidance | 1.2 | 1.45 | 1.6 | 1.7 |

¹ This guidance assumes that Kusasalethu will be back to planned production on 1 July 2013

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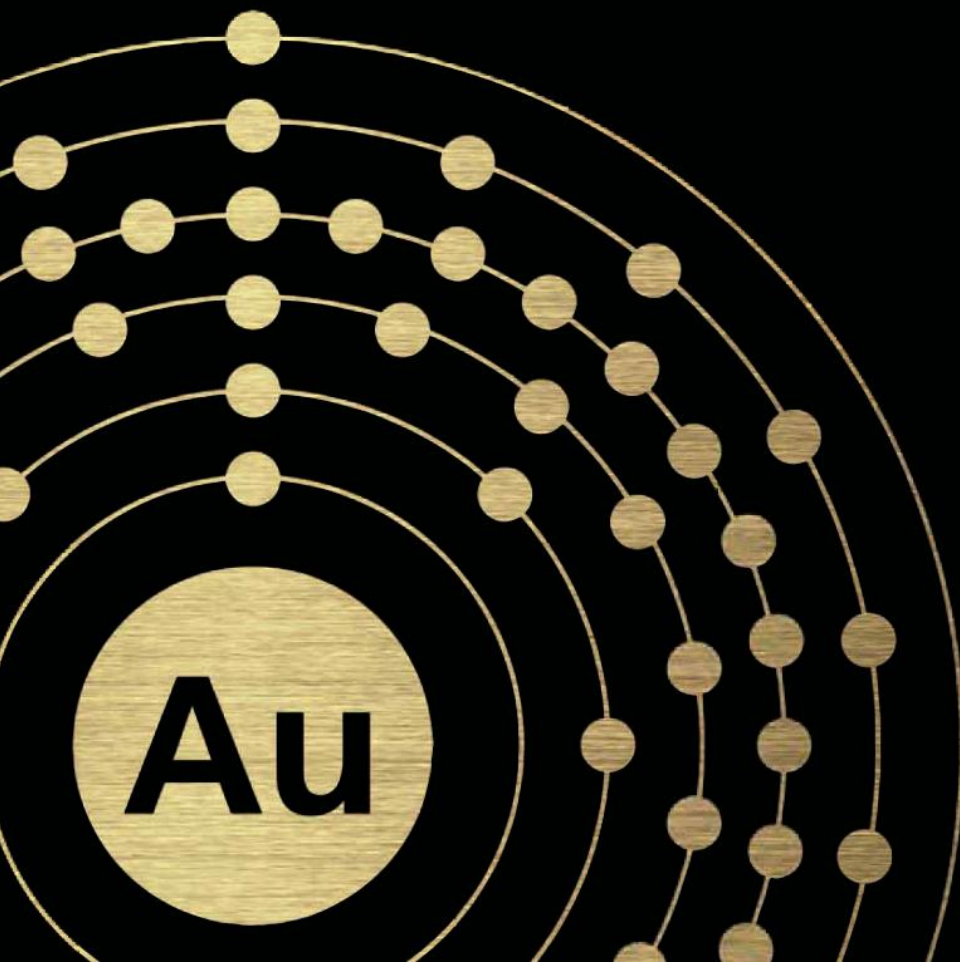
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