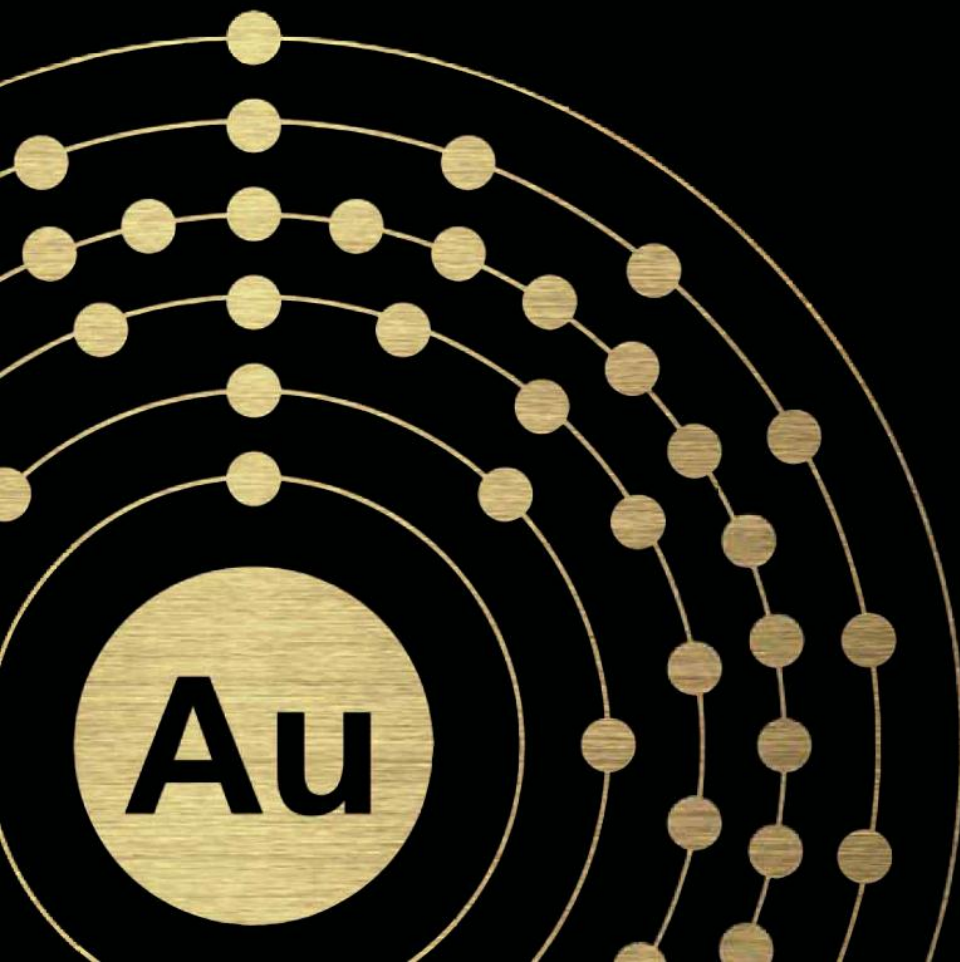


# SA - our preferred investment destination

*Investment Discovery Forum*

**Graham Briggs**  
**Chief Executive Officer**

1 February 2014





# 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.

**Proudly South African**

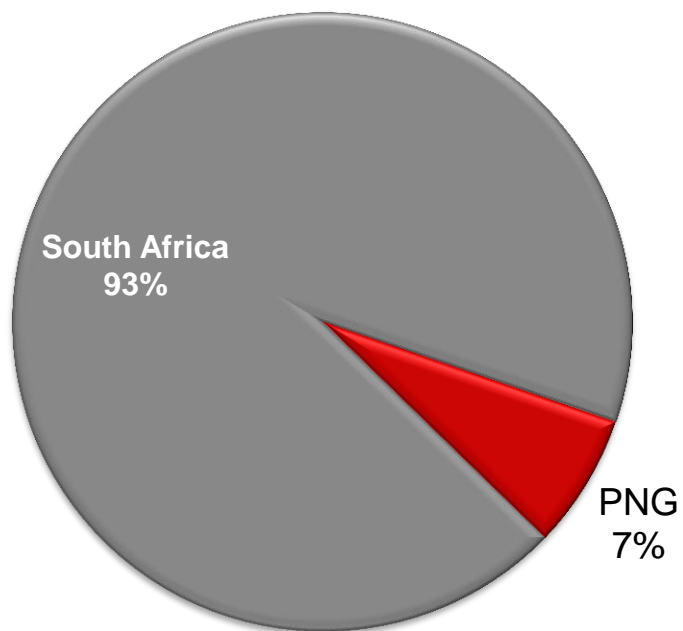




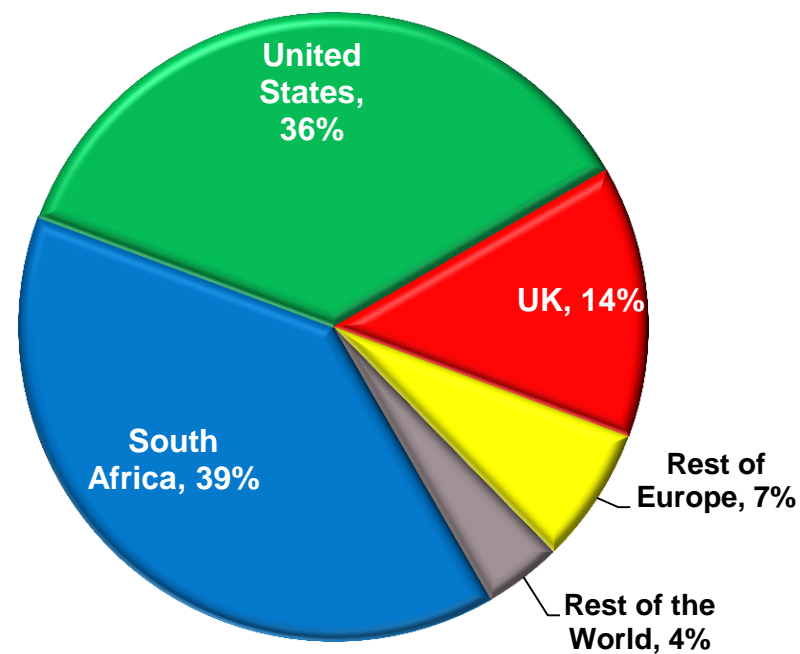
# South African exposure



Gold production FY13



Shareholding as at 31 Dec 2013





# Who we are



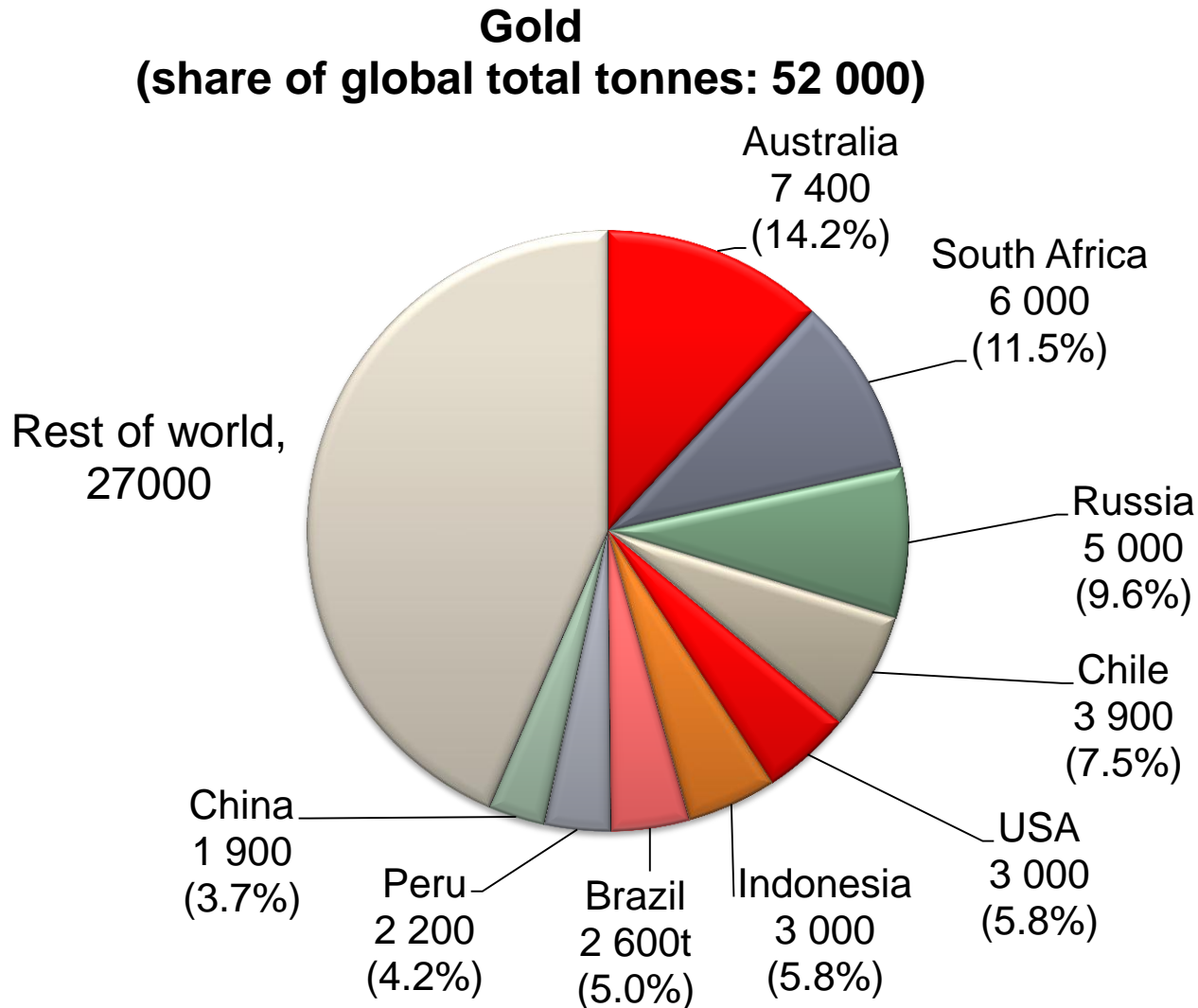
- Operating in South Africa and Papua New Guinea (PNG)
- Reserves of 51.5Moz\* and resources of 147.7Moz\*
- Empowered
  - compliant with 2014 Mining Charter requirements
- Building world class mines in South Africa and PNG
  - Produced 1.14Moz\* of gold in FY13
  - 11 underground mines, one open pit operation and several surface sources in SA
  - 50% joint venture in PNG with Newcrest Mining Ltd
  - 100% PNG exploration areas

\* Moz = million ounces





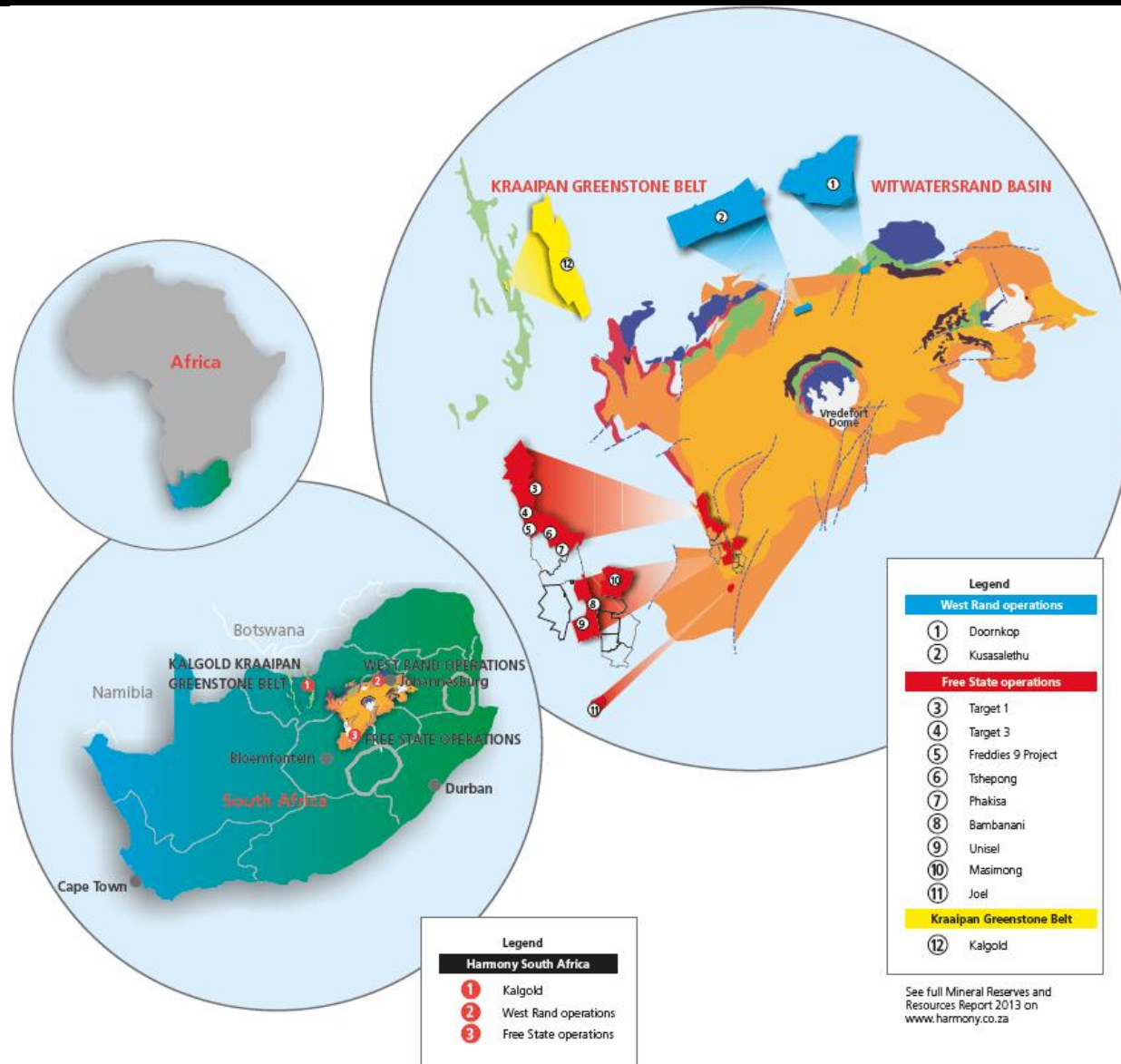
# SA's share of world's known gold reserves



Source: US Geological Survey (excludes resources and resource estimates).



# Where do SA's minerals come from?





## In 2011

- third-largest component of SA mining sector on basis of contribution to
  - GDP (1.5%)
  - export earnings (10.7%)
  - employment (145 561)

## In 2012

- largest mineral export at R72 billion (above platinum group metals and coal)
- produced 167 tons of gold valued at R77 billion
- employed 142 193 employees, paying them R22 billion in salaries/wages
- paid R2.1 billion in corporate tax
- spent R13.6 billion in capex
- paid R1.2 billion in dividends

Source: Chamber of Mines, SA





# Gold mining: a significant contributor to economy, exports, taxes, employment



		2007	2011	2012
Contribution to GDP	Rm	30 604.9	44 954.0	
% of total GDP	%	1.5	1.5	
GDP growth rate (gold)	%	19.4	23.8	
Contribution to GDP + multipliers & induced effect	%	3.0	3.1	
Share of mining GDP	%	19.5	17.5	
Production	M'oz	8 121 202.5	5 793 041.7	5 376 738.4
Production	Kgs	252 598.0	180 184.0	167 235.5
% growth in production	%	(7.0)	(4.5)	(7.2)
Total Sales	R'm	38 035 724.4	68 891 412.8	76 882 443.5
Export sales	Rm	35 953 993.3	65 258 301.7	71 961 756.6
Gold Exports- % of total merchandise exports	%	8.1	10.7	9.9
Employment	number	169 057	145 561	142 193
Wages paid	Rm	14 709 458.7	20 948 450.8	22 045 166.9
Average earnings per worker (annual)	R/a	87 009	143 915	155 037
Capex spent (CoM members)	Rm	8 141.5	11 784.1	13 553.3
Taxes paid (CoM members)	R	1 004.5	1 838.1	2 057.5

Source: Chamber of Mines, SA

## Harmony's strategy





# Growth in margin....sharing rewards



A globally competitive gold mining company – growth in profits,  
paying dividends to shareholders

Optimise operational delivery

Safely delivering on projects  
and operational plans

Growth

Growth in margin  
(free cash flow)

Sharing rewards

Sharing profits with  
stakeholders

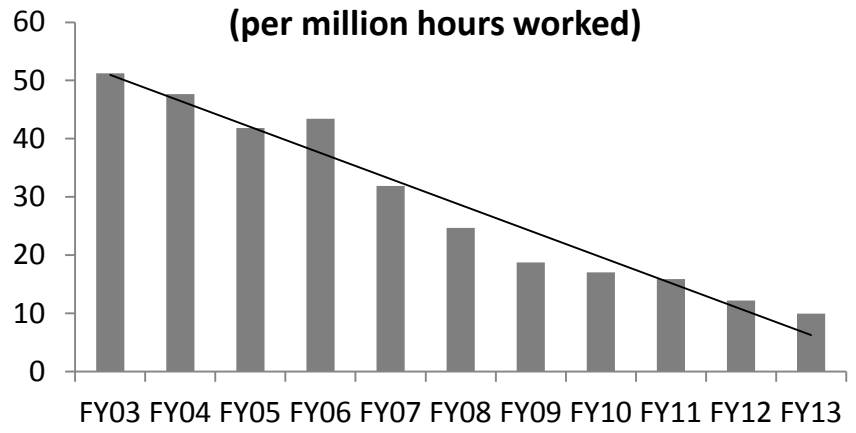
Experienced teams with strong values;  
committed to deliver



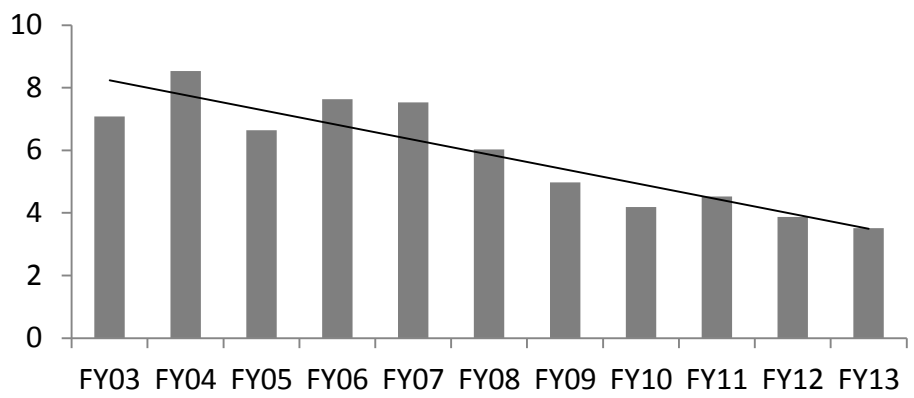
# Safety – our key priority



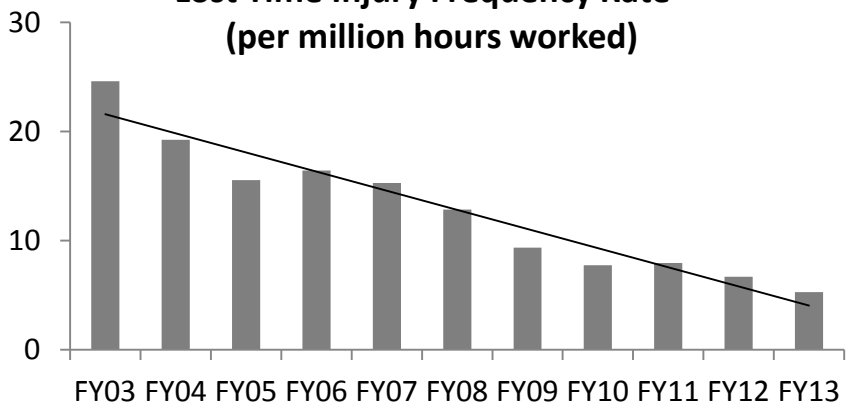
### Total Injury Accident Frequency Rate\* (per million hours worked)



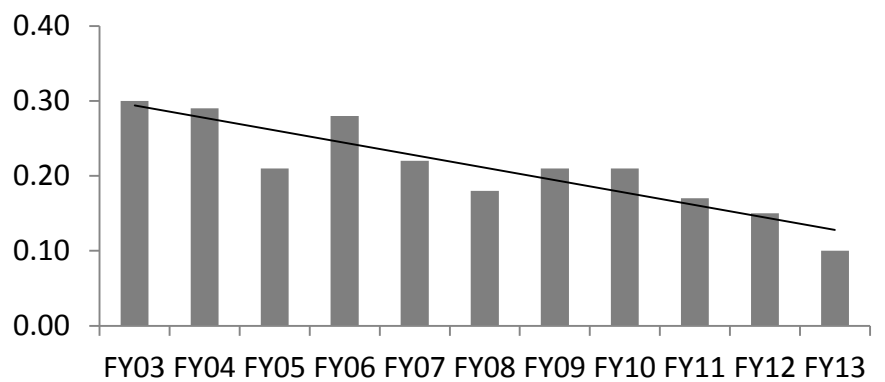
### Reportable Injury Frequency Rate\* (per million hours worked)



### Lost Time Injury Frequency Rate\* (per million hours worked)



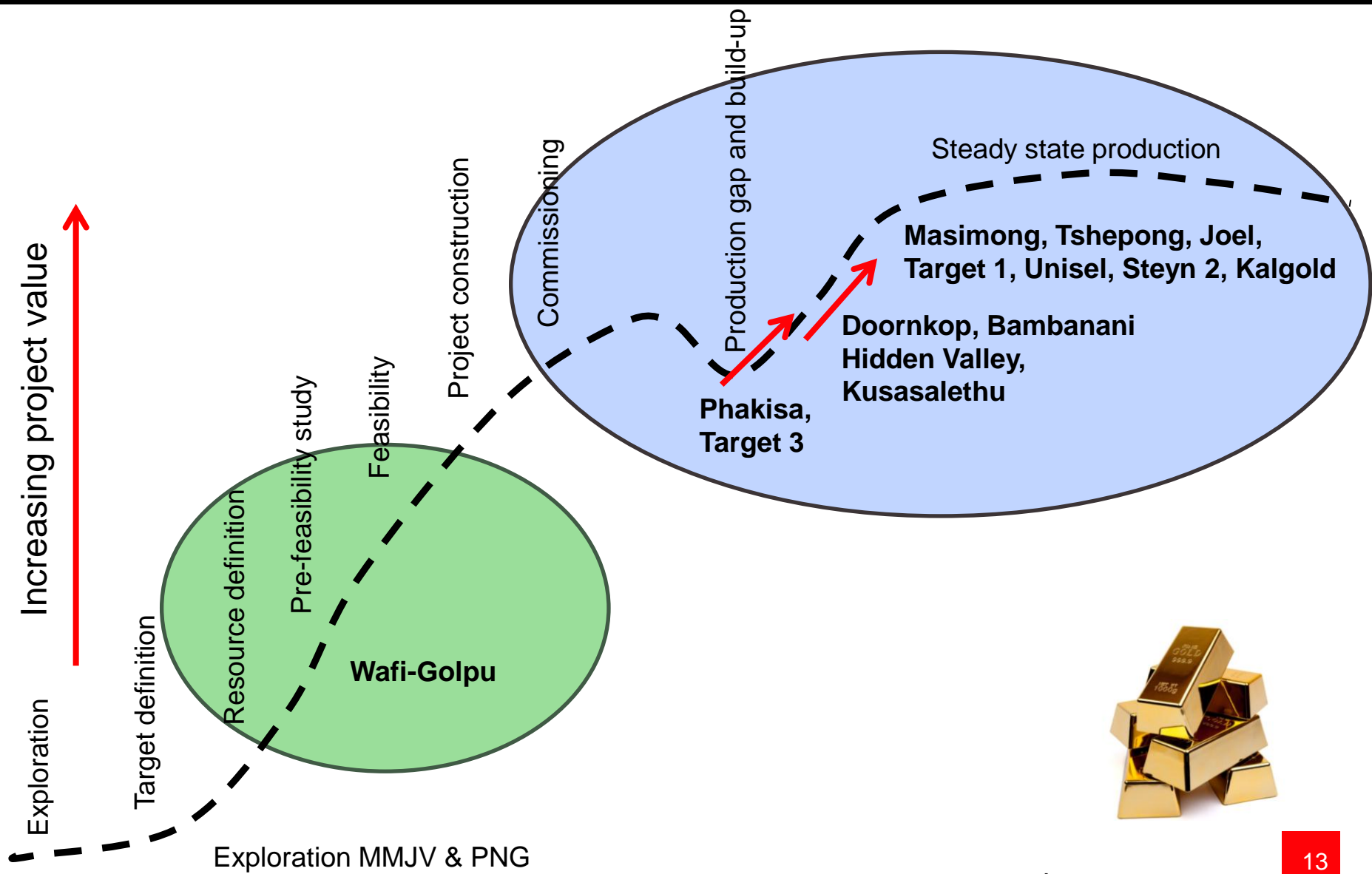
### Fatal Injury Frequency Rate\* (per million hours worked)



\* Numbers reflect SA only



# Asset portfolio – long life, quality ounces





# What is different at Harmony?



- 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

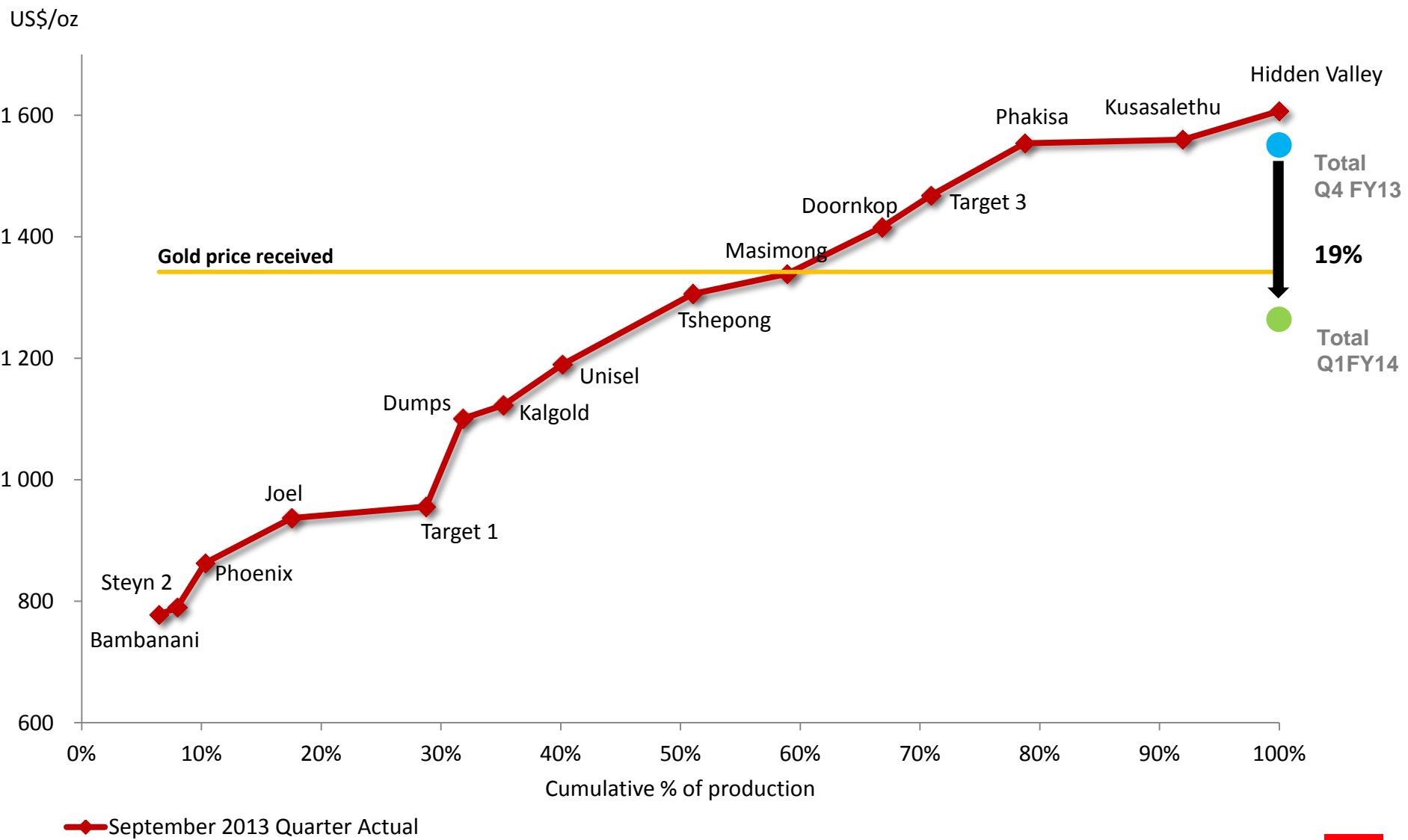




- Long term fundamentals for continued growth in gold demand remain in place
- Static short term gold price, means that we have to continue
  - reducing costs
  - improving our productivity
  - producing more gold
- Harmony is well placed to meet these challenges



# Driving costs down (US\$/oz)(Sept 2013)



## Sharing rewards

Au



# Finding a balance





- Safety and health initiatives
- Continue to contribute to social upliftment of areas surrounding our mines
- On-going efforts to manage relationships:
  - pro- active communication programme
  - workshops with unions
  - engagement on signing of the code of conduct by individual employees similar to the Kusasaletu code of conduct
  - general managers' mass meetings
  - re-introduction of the mine productivity bonus
  - continued engagement with other gold mining companies

## Conclusion



Au





# Harmony's foundations are in place



**What we say**

**What we have done**

**Going forward**

**Growth in margin**

Unprofitable areas closed

Replaced under-performing management teams

Restructured labour force

**All mines operating below R400 000/kg AISC<sup>1</sup>**

**Optimise operational delivery**

Lowest R/tonne underground gold miner in SA

Capital and costs reduced

Ore reserve flexibility

**Improve infrastructure and optimise high development return areas**

AISC: All-in sustaining cost

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

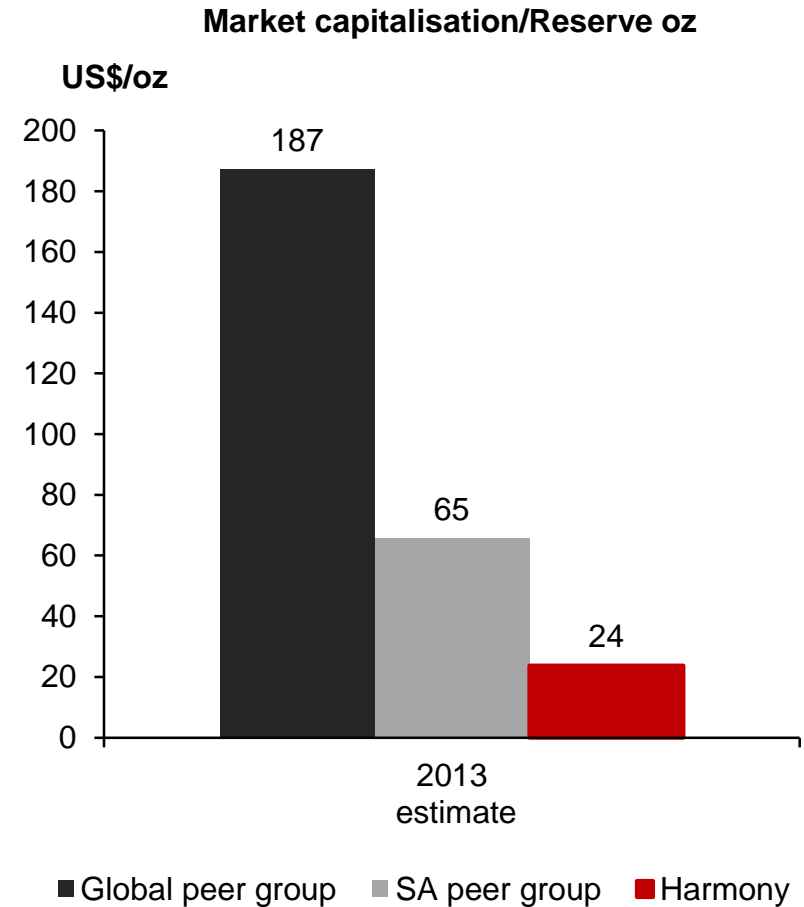
21



# Upside in share price



- ✓ 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
- ✓ Golpu – one of the top gold/copper resources in the world



Source: HSBC Bank plc



“Harmony has been in operation in South Africa for the past **63 years**.

We have positioned the company to **remain sustainable** for many years to come.

**We manage costs and production to ensure profitability**

at all gold prices. We mine profitably.

That is what our approach to management is all about.”

*CEO, Graham Briggs*

**Contact us:**

HarmonyIR@harmony.co.za

**Henrika Ninham**

Investor Relations Manager

Tel: +27 (0)11 411 2314

Mobile: +27 (0)82 759 1775

Email: henrika@harmony.co.za

**Marian van der Walt**

Executive: Corporate and Investor Relations

Tel: +27 (0)11 411 2037

Mobile: +27 (0)82 888 1242

Email: marian@harmony.co.za

**JSE (HAR)  
NYSE (HMY)**

**An exciting  
investment proposition**

