

FY17 RESULTS

Results for the year ended 30 June 2017



PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOUR STATEMENT

This presentation contains forward-looking statements within the meaning of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. These include all statements other than statements of historical fact, including, without limitation, any statements preceded by, followed by, or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “should”, “could”, “estimates”, “forecast”, “predict”, “continue” or similar expressions or the negative thereof.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, wherever they may occur in this report and the exhibits to this report, are essentially estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this presentation. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere, estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices, estimates of future gold and other metals production and sales, estimates of future cash costs, estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices, statements regarding future debt repayments, estimates of future capital expenditures, the success of our business strategy, development activities and other initiatives, estimates of reserves statements regarding future exploration results and the replacement of reserves, the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, fluctuations in the market price of gold, the occurrence of hazards associated with underground and surface gold mining, the occurrence of labor disruptions, power cost increases as well as power stoppages, fluctuations and usage constraints, supply chain shortages and increases in the prices of production imports, availability, terms and deployment of capital, changes in government regulation, particularly mining rights and environmental regulation, fluctuations in exchange rates, the adequacy of the Group’s insurance coverage and socio-economic or political instability in South Africa and Papua New Guinea and other countries in which we operate.

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the Company’s latest Integrated Annual Report and Form 20-F which is on file with the Securities and Exchange Commission, as well as the Company’s other Securities and Exchange Commission filings. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by law.



KEY FEATURES FOR FY17

- ✓ Milestone fatality free quarter
- ✓ Met production guidance - second consecutive year
- ✓ Secure cash margins through hedging strategy
- ✓ 35% increase in headline earnings per share
- ✓ Flexible balance sheet that allows for growth
- ✓ Progress made in growing to 1.5Moz
- ✓ Sustainable and inclusive solutions sought to address silicosis claims
- ✓ 70% y-on-y increase in dividend - final dividend declared

SAFETY. FLEXIBILITY. PREDICTABILITY.



AGENDA

- 1 Growing Harmony
- 2 Operational excellence: South Africa and Papua New Guinea
- 3 Financial results and performance
- 4 Conclusion



GROWING HARMONY

Peter Steenkamp, CEO

DELIVERED ON STRATEGIC OBJECTIVES IN FY17

Our strategy

Mining safe,
profitable
ounces

Increasing
margins

Our strategic pillars



Delivered

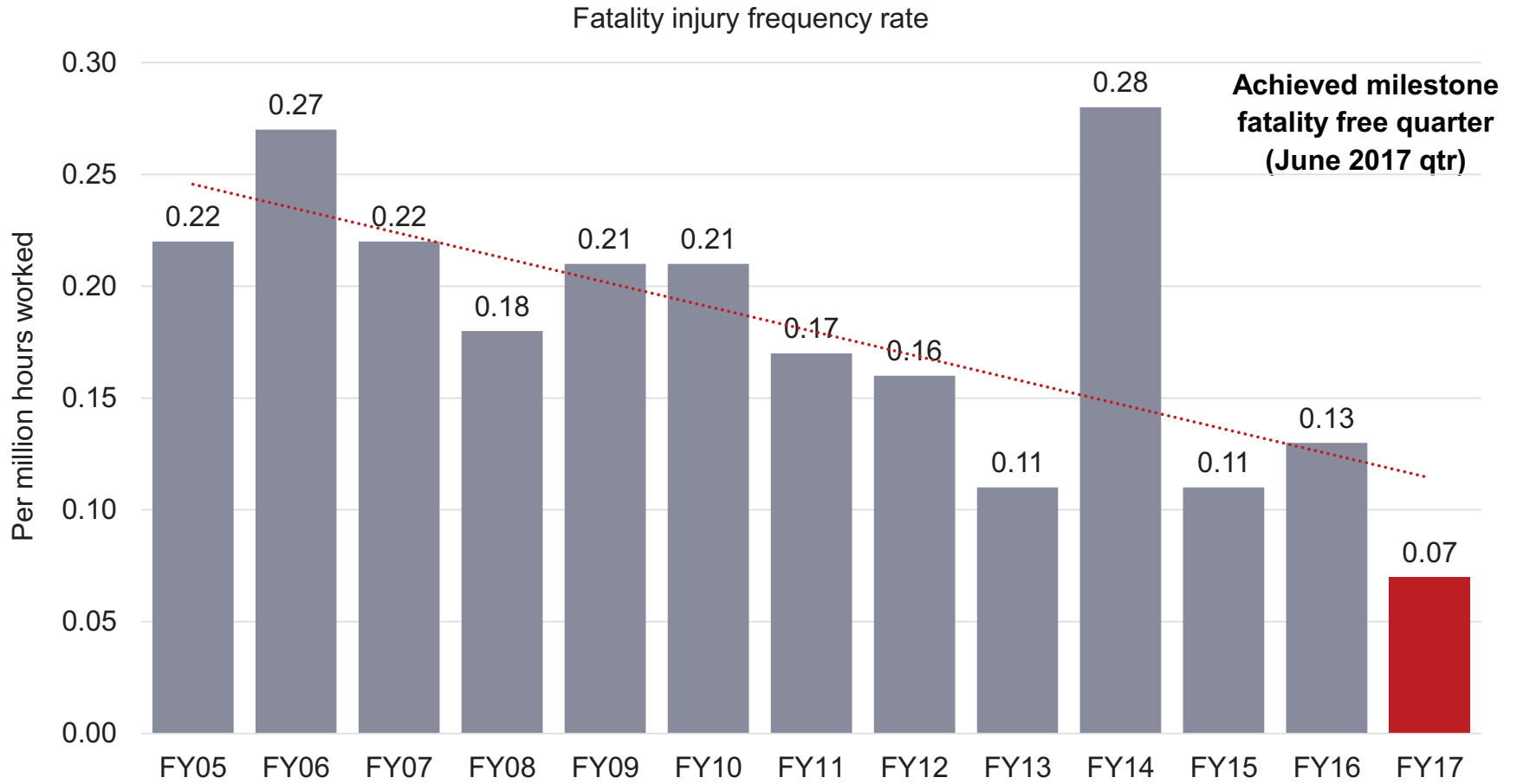
- Fatality rates improved
- Met FY17 production guidance - 2nd consecutive year
- Increase in underground recovery grade
- Creating a legacy fund for silicosis claims

- Hedging strategy – secured cash flow margins
- Low net debt – balance sheet flexibility

- Interim and final dividend declared
- Hidden Valley investment
- Organic growth



SAFETY REMAINS OUR TOP PRIORITY



SILICOSIS – SUSTAINABLE AND INCLUSIVE SOLUTION

Progress made by the industry and government

- Actively involved with certification process to address backlogs
- Efficiency of current operating compensation system
- Process to integrate occupational health compensation legislation underway

Harmony Project Ku-riha* initiative

- Phased approach assisting with the backlog of unclaimed benefits and updating records

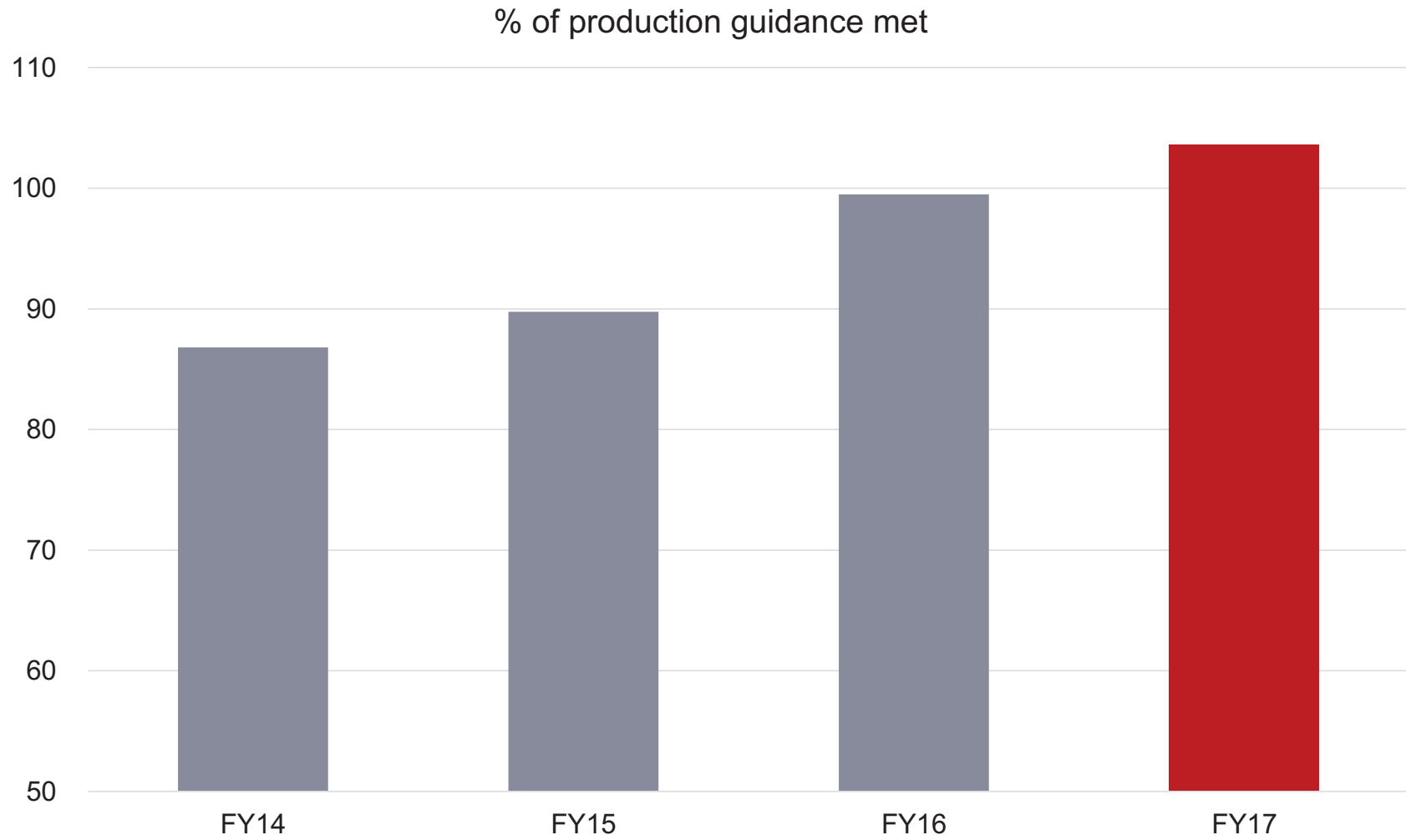


Silicosis legal claims

- Negotiations between working group and affected stakeholders progressing – legacy fund to be established – provision estimate made

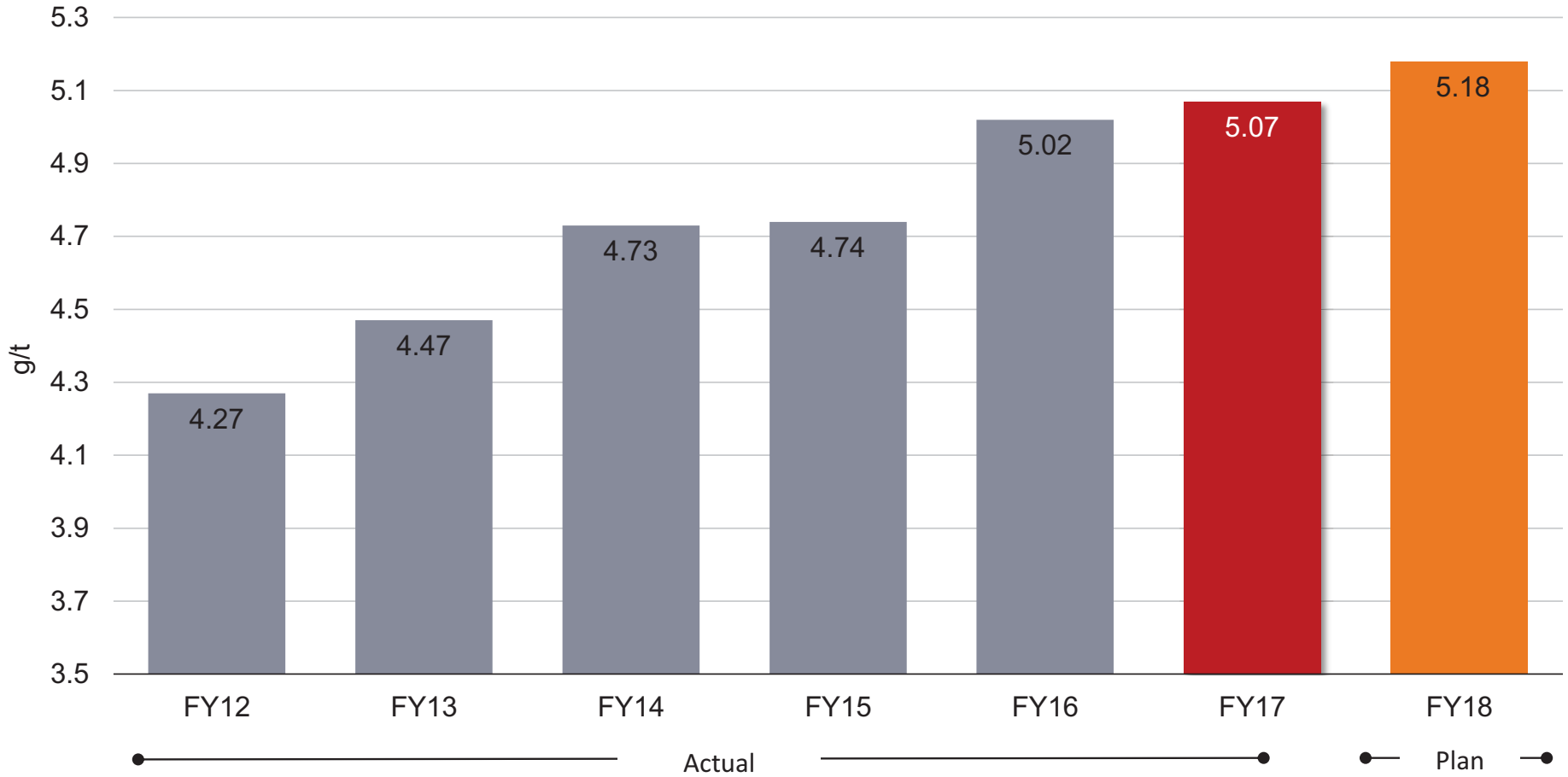
*Tsonga word for “compensation”

DELIVERING ON GUIDANCE





CONSISTENTLY IMPROVING UNDERGROUND GRADE Y-ON-Y



QUALITY GRADE MANAGEMENT

Grade code:

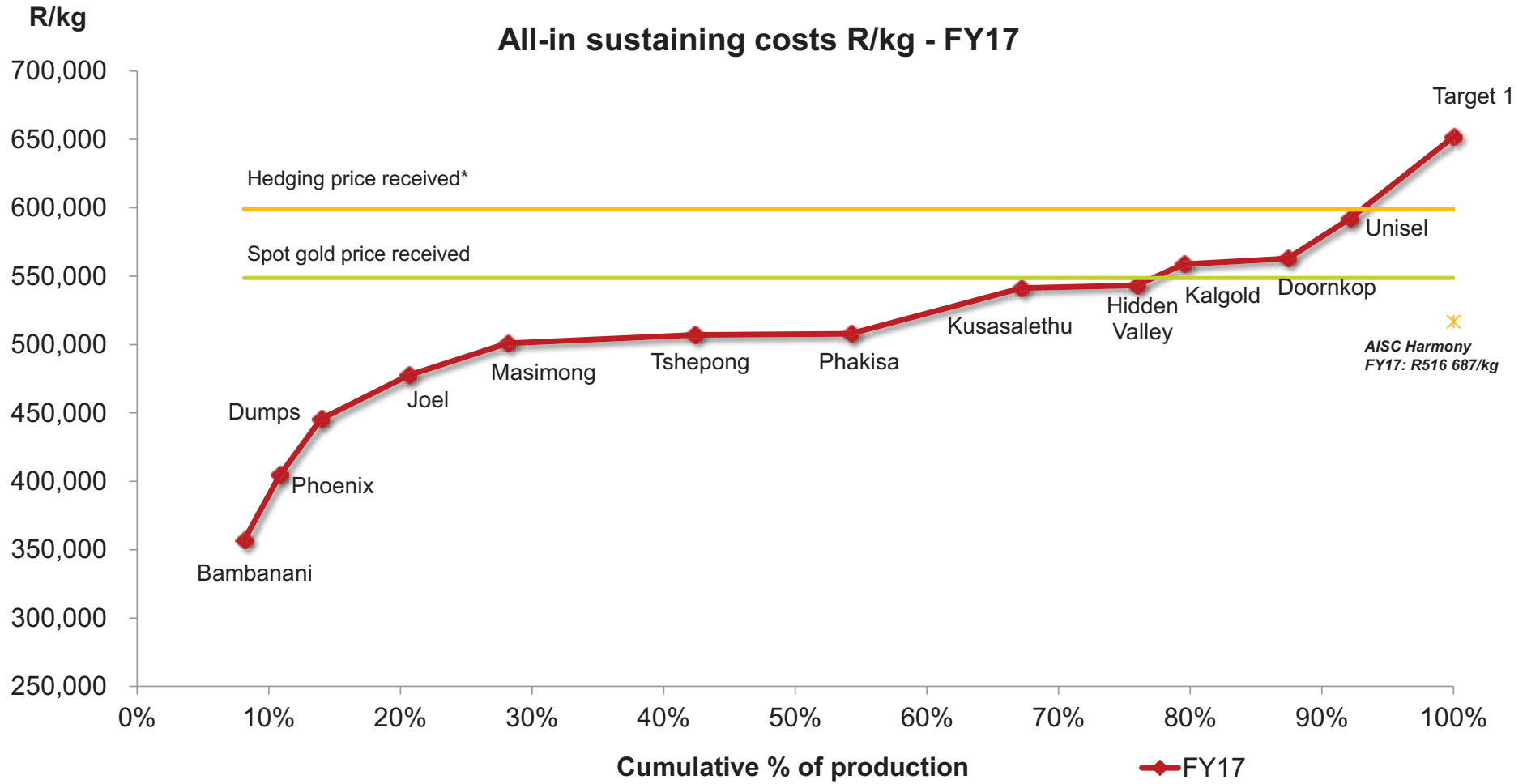
- Grade discipline is key
- No mining below cut-off
- Mining to average reserve grade (no high grading)
- No grade dilution despite higher gold price

Projects deliver increased grade:

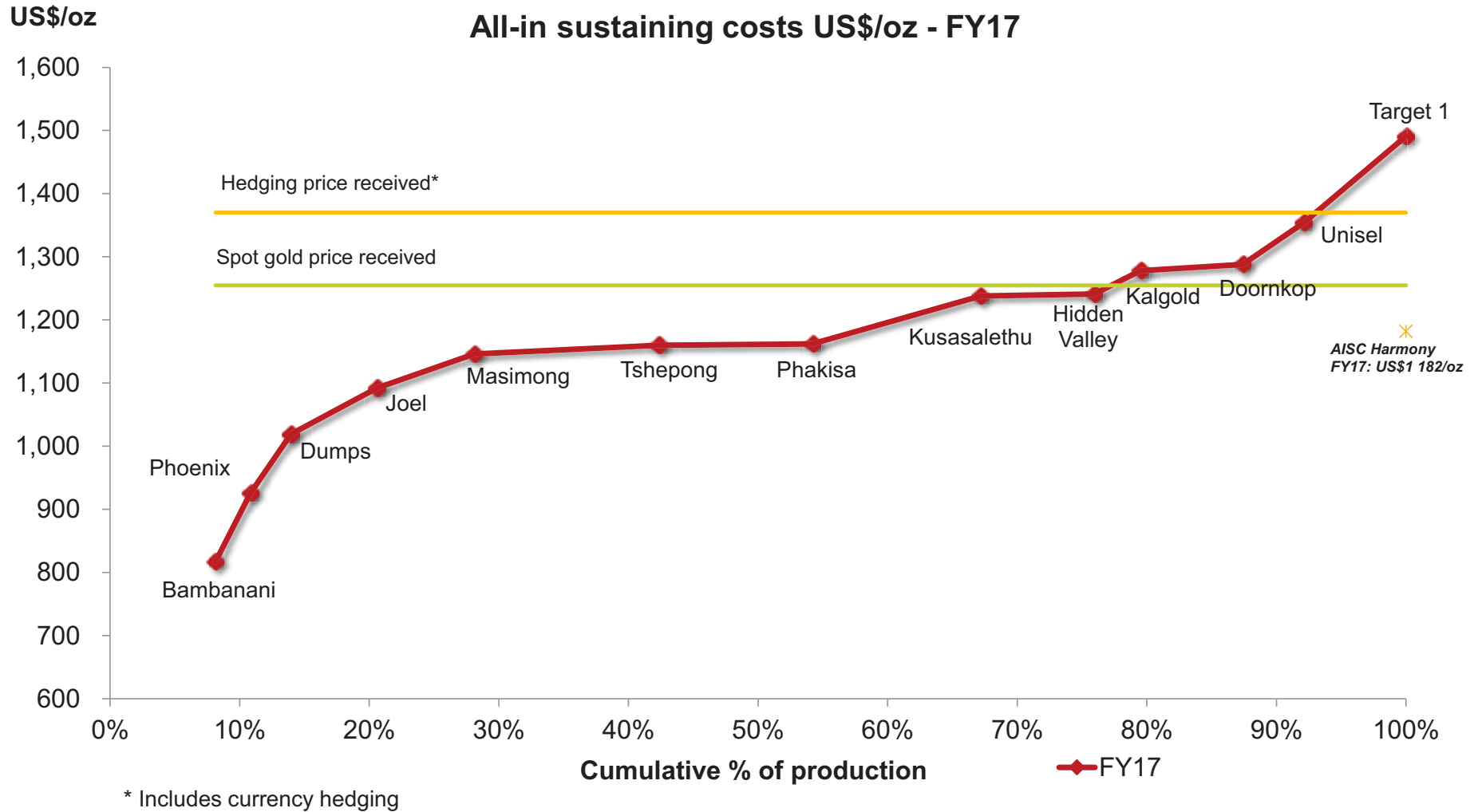
- Phakisa/Tshepong declines on track with grades
- Kusasalethu's plan focuses on higher grade areas – leads to increased profitability
- Mining the Bambanani high grade shaft pillar
- Completion of the Joel decline in FY18 will deliver additional higher grade ore



HEDGING STRENGTHENS MARGINS (RAND)



HEDGING STRENGTHENS MARGINS (US\$)



WHERE WE OPERATE

South Africa

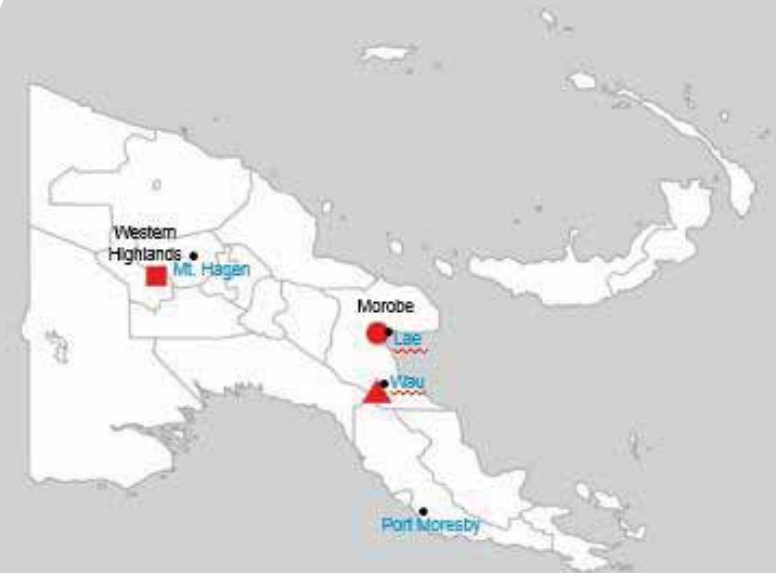


9 underground operations ■●

1 open pit mine ▲

Multiple surface sources ●

Papua New Guinea



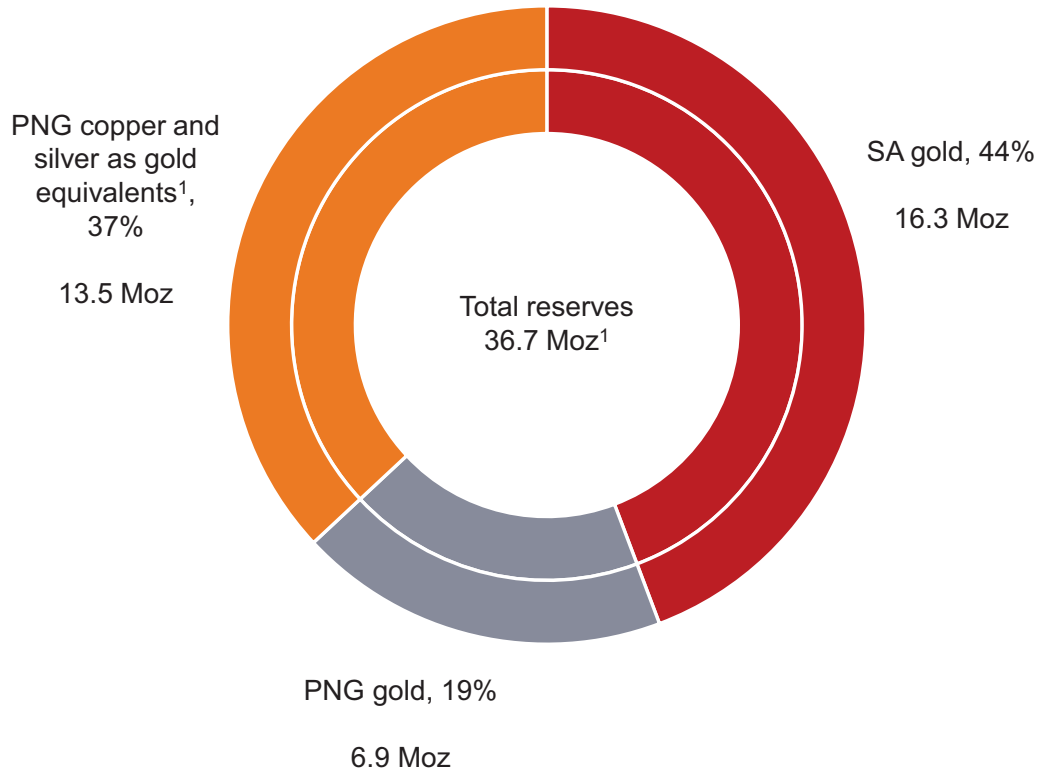
1 open pit mine ▲

Golpu project (50:50 JV) ●

Multiple exploration areas (50% and 100%)

Kili Teke discovery (100% owned) ■

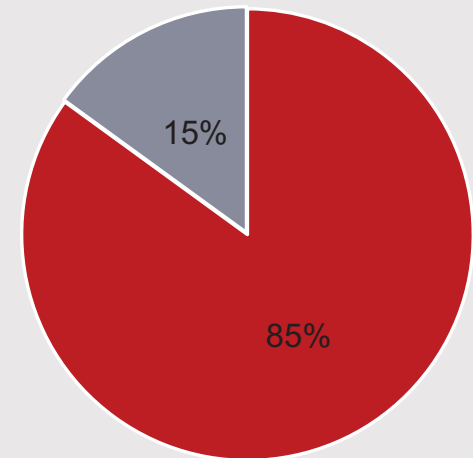
DIVERSIFIED RESERVES – GOLD AND COPPER



Golpu copper reserves*

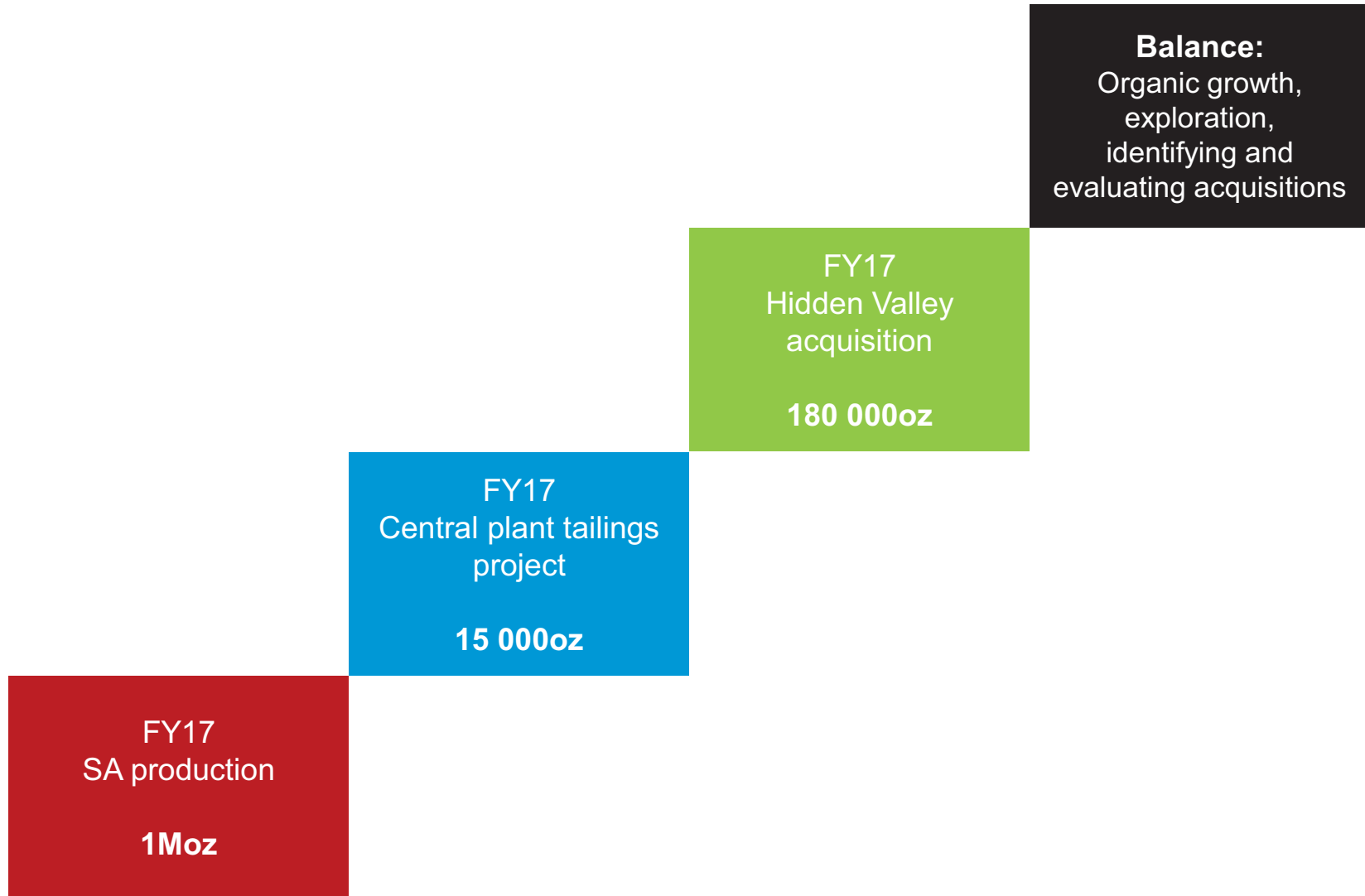
Tonnes (Mt)	Grade %	Cu 'Mlb
189.6	1.26	5 269

Gold production split FY19 (estimate)



¹Refer www.harmony.co.za for detail,
 Gold equivalents based on US\$1 200/oz Au, and US\$3.0/lb Cu
 * Represents Harmony's equity portion of 50%

PROGRESS MADE TOWARDS ASPIRATION OF 1.5MOZ BY FY19



FOCUSED AND STREAMLINED OPERATIONAL STRUCTURE TO SUPPORT THE STRATEGY





OPERATIONAL EXCELLENCE SOUTH AFRICA

Beyers Nel



OPERATIONAL EXCELLENCE – STRATEGY AND APPROACH

Create an enabling environment



Safety and health

Safety campaign and road to critical controls



Infrastructure management

Asset management and maintenance



Grade management

No mining below cut-off



Capital allocation

Focused capital allocation and prioritisation



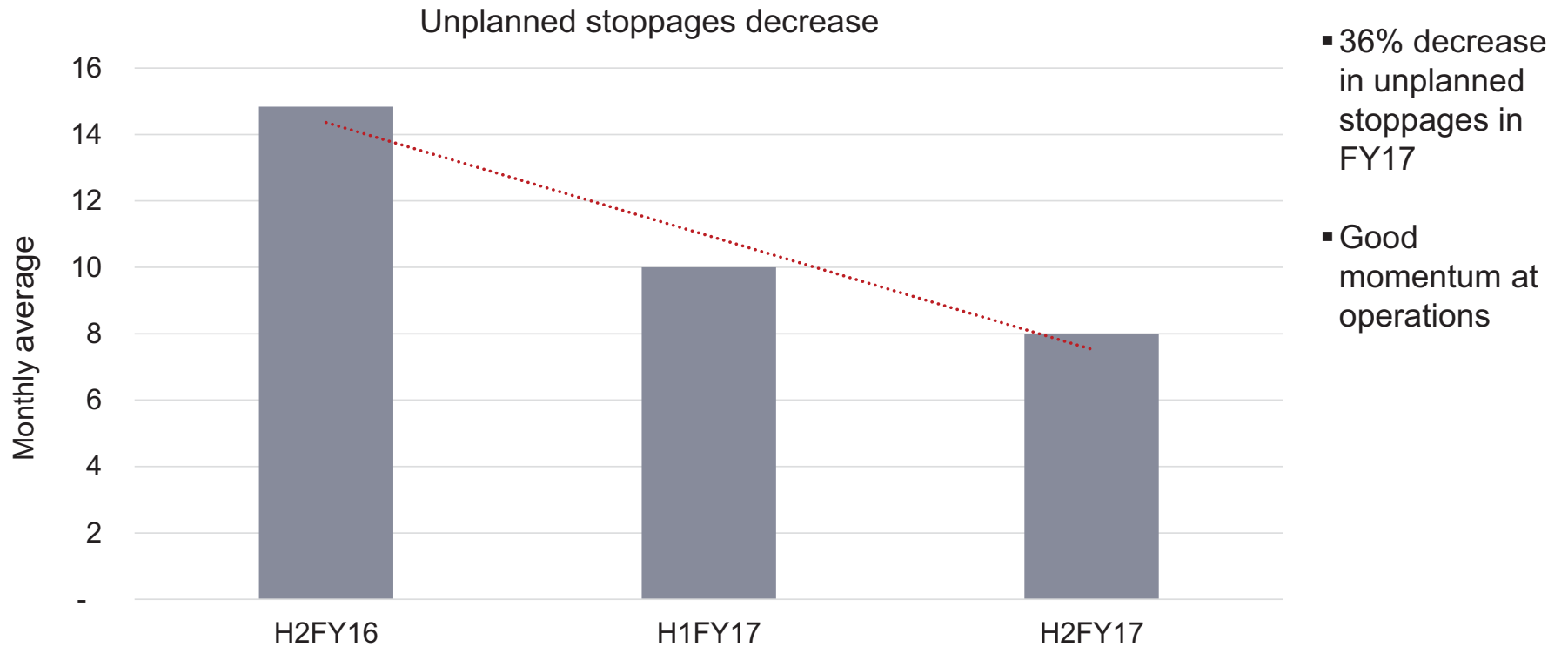
Realistic production plans

Consistent, predictable production

INFRASTRUCTURE MANAGEMENT



Improved asset and maintenance management to drive infrastructure reliability

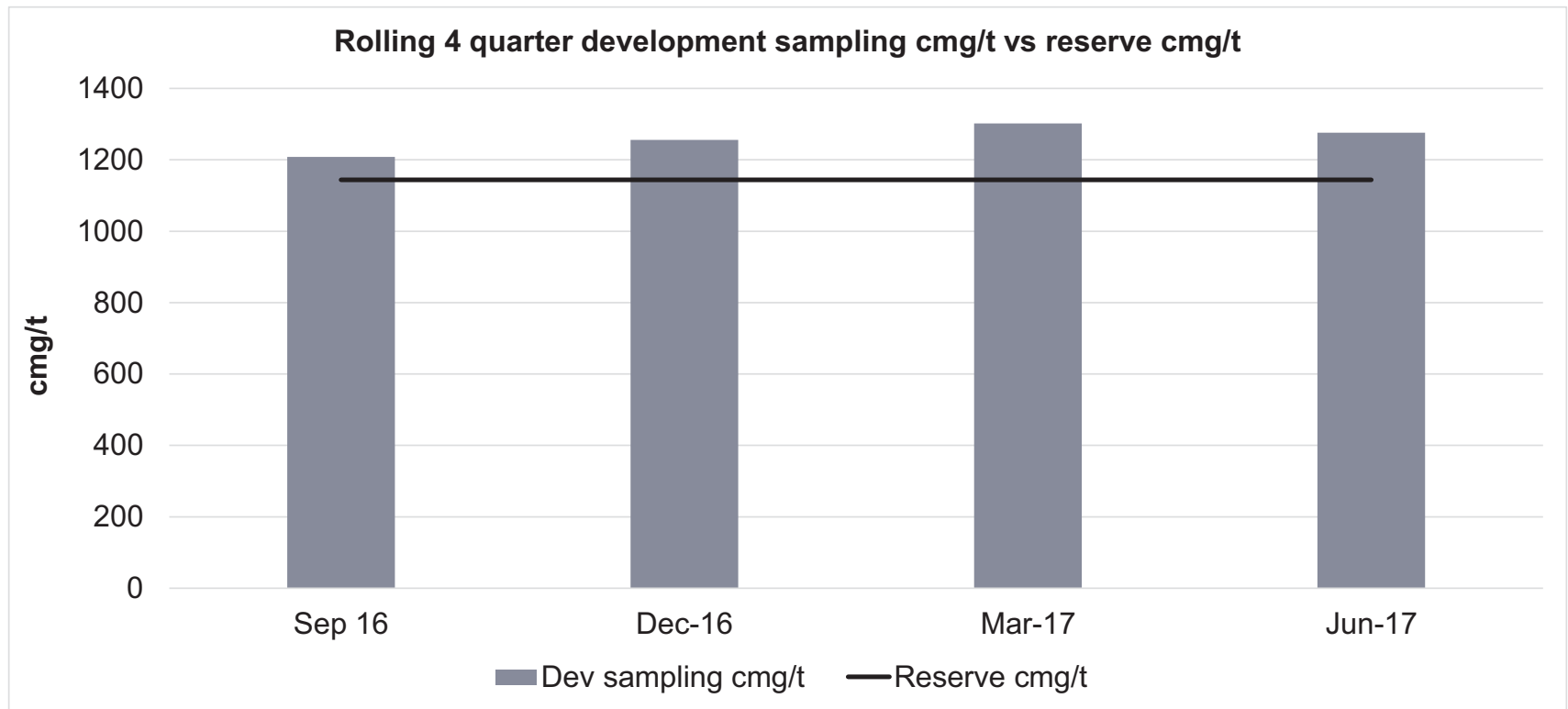


GRADE MANAGEMENT



Grade
management

Development grade exceeding the mineral reserve grade is a strong indication that Harmony will meet grade guidance.

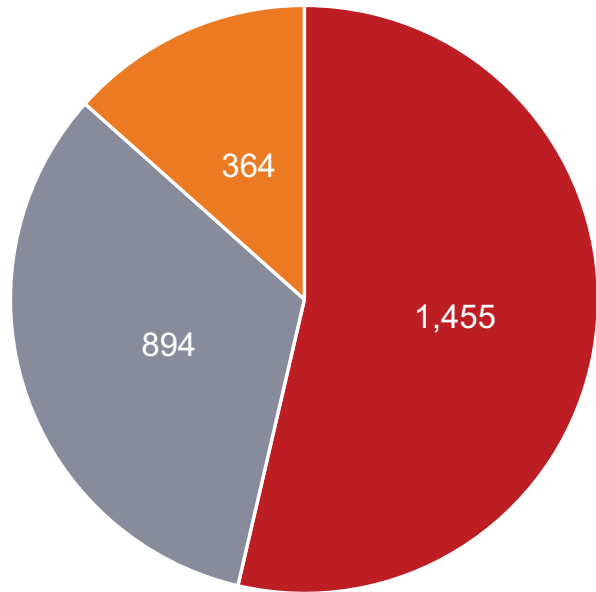


FOCUSED CAPITAL ALLOCATION AND PRIORITISATION



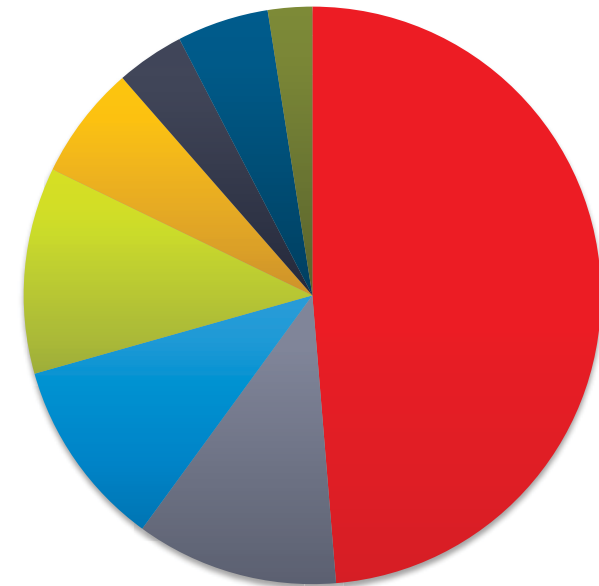
Capital and cost structure to fit the production plan

FY18 capital expenditure (R'million)



- On-going development
- Shaft capital & AE's
- Major capital

SA capital allocation



- Tshepong operations
- Kusasaletu
- Joel
- SA plants
- Target 1
- Doornkop
- SA other
- Unisel

SA FORECAST (FY18)



Opportunities	<ul style="list-style-type: none"> Operational excellence will extend life of mines Tshepong/Phakisa integration Joel decline – increase grade
Key risks	<ul style="list-style-type: none"> Cost containment Safety

	FY17	FY18 FC
Underground recovered grade (g/t)	5.07	5.18
Produced (kg)	30,871	31,275
AISC (R/kg)	514,333	520,000



OPERATIONAL EXCELLENCE PAPUA NEW GUINEA

Johannes van Heerden

OPERATIONAL EXCELLENCE – STRATEGY AND APPROACH

Success at Hidden Valley



Safety and health

Critical control verification process and changing behaviour



Infrastructure management

Upgrade projects during major shutdown
Improve maintenance systems and processes



Hidden Valley delivery

FY17 performance in line with plan and market guidance



Reduce costs

Contract renegotiations



Realistic production plans

Continuous planning process

INVESTMENT PLAN ON BUDGET AND SCHEDULE

✓ Ahead of schedule and operational performance in line with budget

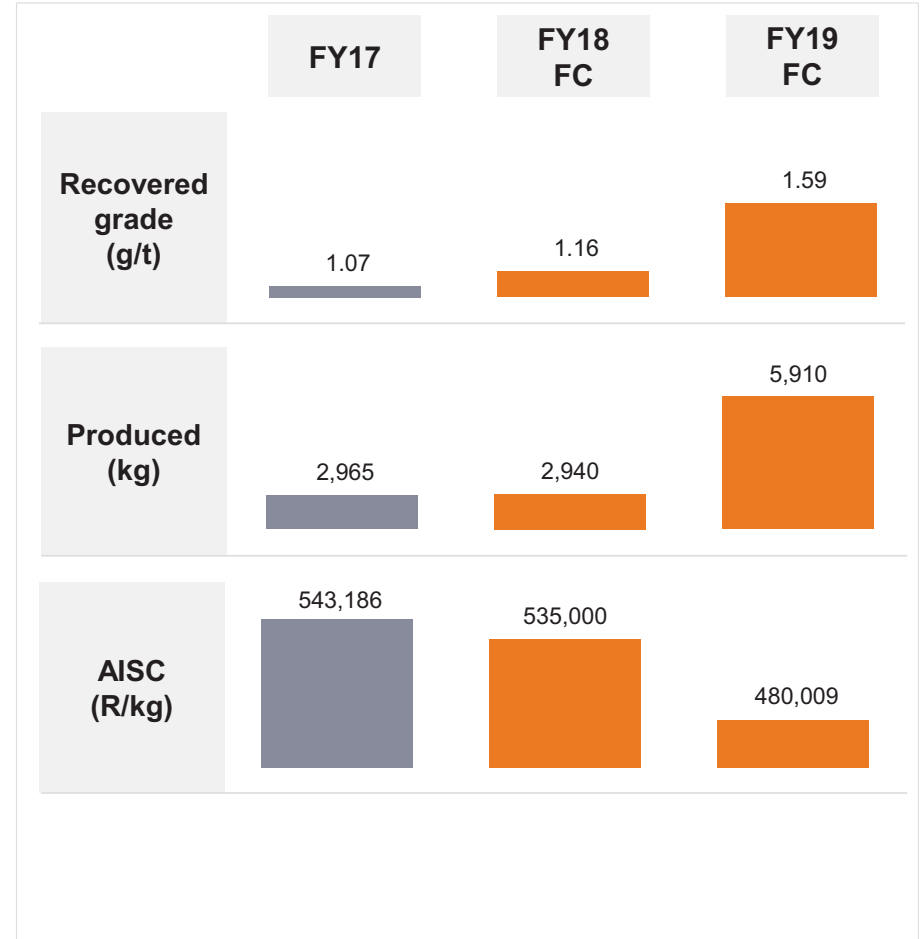
Milestones	FY17 achievements	FY18 targets
Safety	<ul style="list-style-type: none"> No safety related work stoppages Industry benchmark LTIFR achieved 	<ul style="list-style-type: none"> Work towards zero harm
Production performance	<ul style="list-style-type: none"> Operational ounces exceeded plan Waste stripping ahead of plan 	<ul style="list-style-type: none"> Achieve annualised mining rate of 26 million tonnes by Q4 Commercial levels of production: Q4FY18
Process plant shutdown, upgrade and major maintenance projects	<ul style="list-style-type: none"> Reduced from 5 months to 4 months (commenced August 2017) 	<ul style="list-style-type: none"> Achieve annualised milling rate of 4 million tonnes by Q4
Budget	<ul style="list-style-type: none"> Net investment spend in line with market guidance of US\$70 million (FY17 actual: US\$68 million) 	<ul style="list-style-type: none"> Deliver project in line with plan, net investment of US\$110m for FY18



HIDDEN VALLEY FORECAST (FY18 AND FY19)



Opportunities	<ul style="list-style-type: none"> ▪ Exploration – satellite deposits ▪ Stage 7 cutback to extend life-of-mine
Key risks	<ul style="list-style-type: none"> ▪ Safety



WAFI-GOLPU STUDY ONGOING

Work program

Progressing work plan

- Deep sea tailings placement (DSTP) study to be completed end of Q2FY18
- Hydrogeological drilling to inform updated model

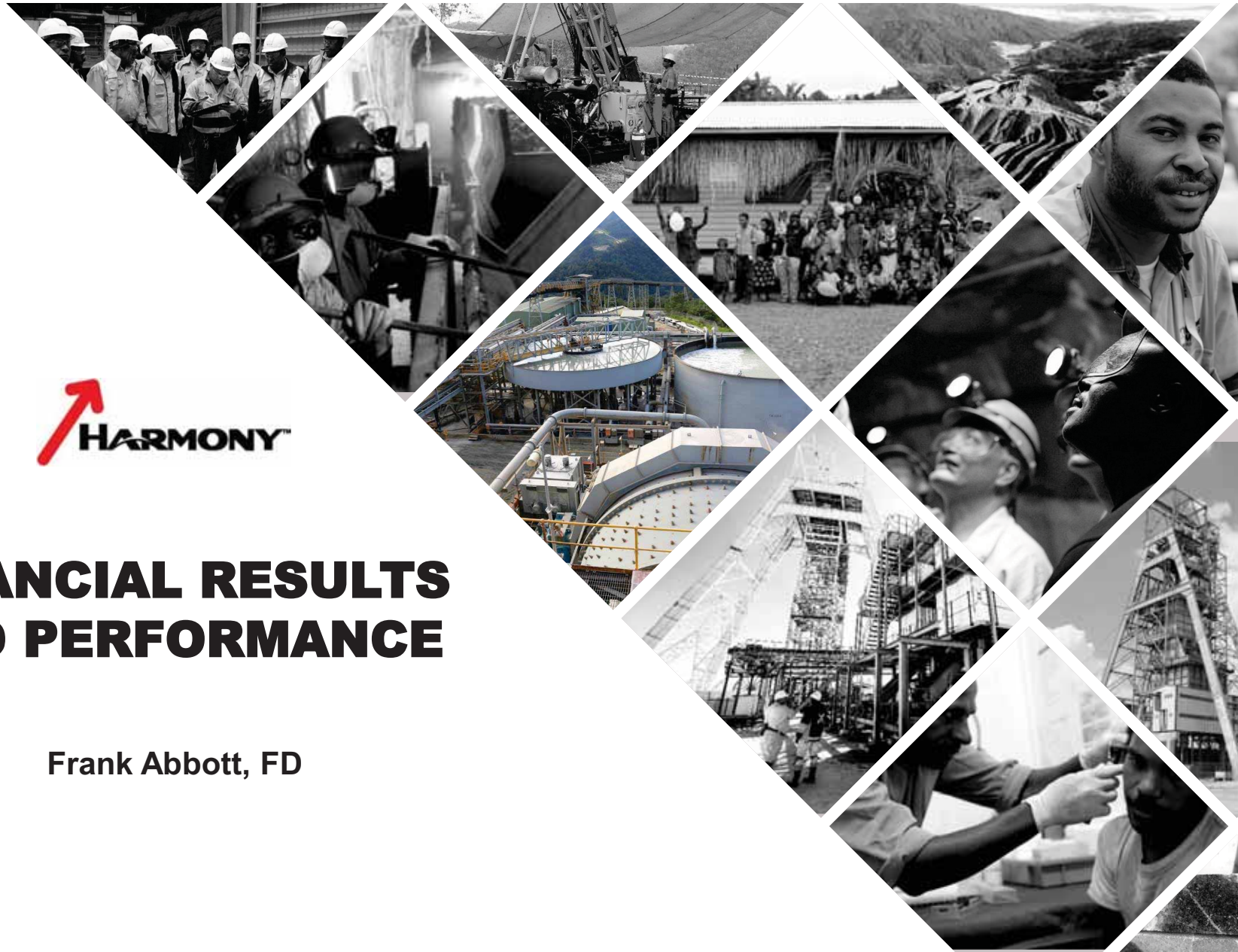
Current study focus

- Current study work focused on:
 - DSTP options
 - self-generation power supply options
 - reassessment of block cave levels and increased mining rates
- Business case to be updated and optimised
 - updated study expected to be completed end Q3FY18
- Timing of first production subject to obtaining necessary approvals

Amendment to proposal for development

- Any changes to prior studies likely to require amendment to the supporting documents for the special mining lease application

PNG government has option to buy-in up to 30%



FINANCIAL RESULTS AND PERFORMANCE

Frank Abbott, FD

EXTRACT FROM INCOME STATEMENT Y-ON-Y (RAND)

Extracts from income statement and operating results	June 2017 (Rm)	June 2016 (Rm)	% change
Revenue	19 264	18 334	5
Production costs	(14 812)	(13 250)	(12)
Cash operating costs	(14 318)	(13 194)	(9)
Inventory movements	(187)	(56)	(>100)
Production profit as per operating results	4 452	5 084	(12)
Amortisation and depreciation	(2 519)	(2 170)	(16)
(Impairment)/reversal of impairment	(1 718)	43	(>100)
Exploration expenditure	(241)	(191)	(26)
Gains on derivatives	1 025	446	>100
Silicosis liability provision	(917)	-	(>100)
Gain on purchase (on HV transaction)	848	-	>100
Taxation	510	(632)	>100
Net profit	362	949	(62)

EXTRACT FROM INCOME STATEMENT Y-ON-Y (US\$)

Extracts from income statement and operating results	June 2017 (US\$m)	June 2016 (US\$m)	% change
Revenue	1 417	1 264	12
Production costs	(1 090)	(914)	(19)
Cash operating costs	(1 052)	(910)	(16)
Inventory movements	(14)	(4)	(>100)
Production profit as per operating results	327	350	(7)
Amortisation and depreciation	(185)	(149)	(24)
(Impairment)/reversal of impairment	(131)	3	(>100)
Exploration expenditure	(18)	(13)	(38)
Gains on derivatives	75	31	>100
Silicosis liability provision	(70)	-	(>100)
Gain on purchase (on HV transaction)	61	-	>100
Taxation	37	(43)	>100
Net profit	20	66	(70)
Exchange rate (average)	13.60	14.50	(6)

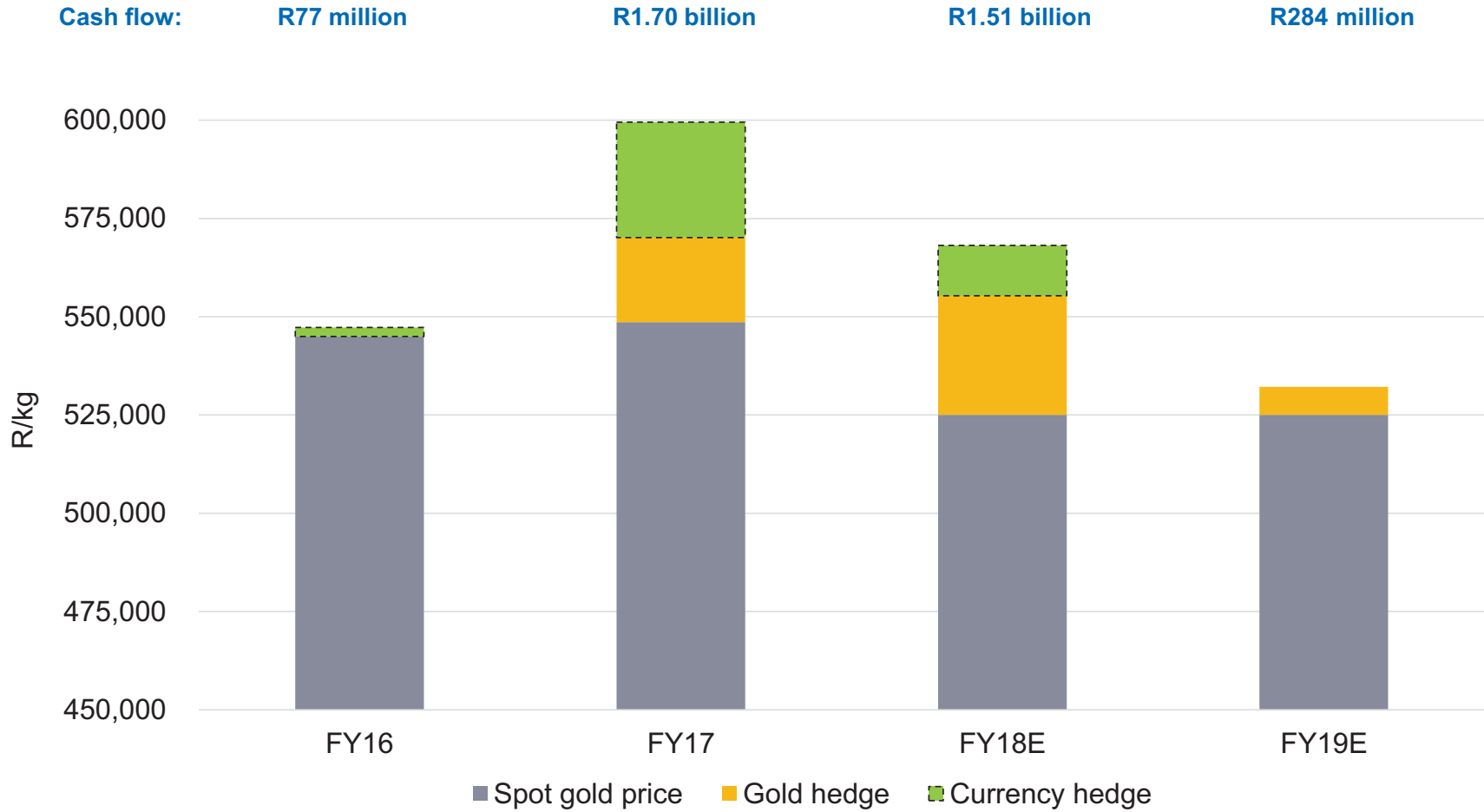
HEADLINE EARNINGS Y-ON-Y (RAND)

Reconciliation of headline earnings	June 2017 (Rm)	June 2016 (Rm)	% change
Net profit	362	949	(62)
<i>Adjusted for:</i>			
(Impairment)/Reversal of impairment	1 718	(43)	(>100)
Gain on purchase (on HV transaction)	(848)	-	>100
Other adjustments - net	74	58	28
Headline earnings	1 306	964	35

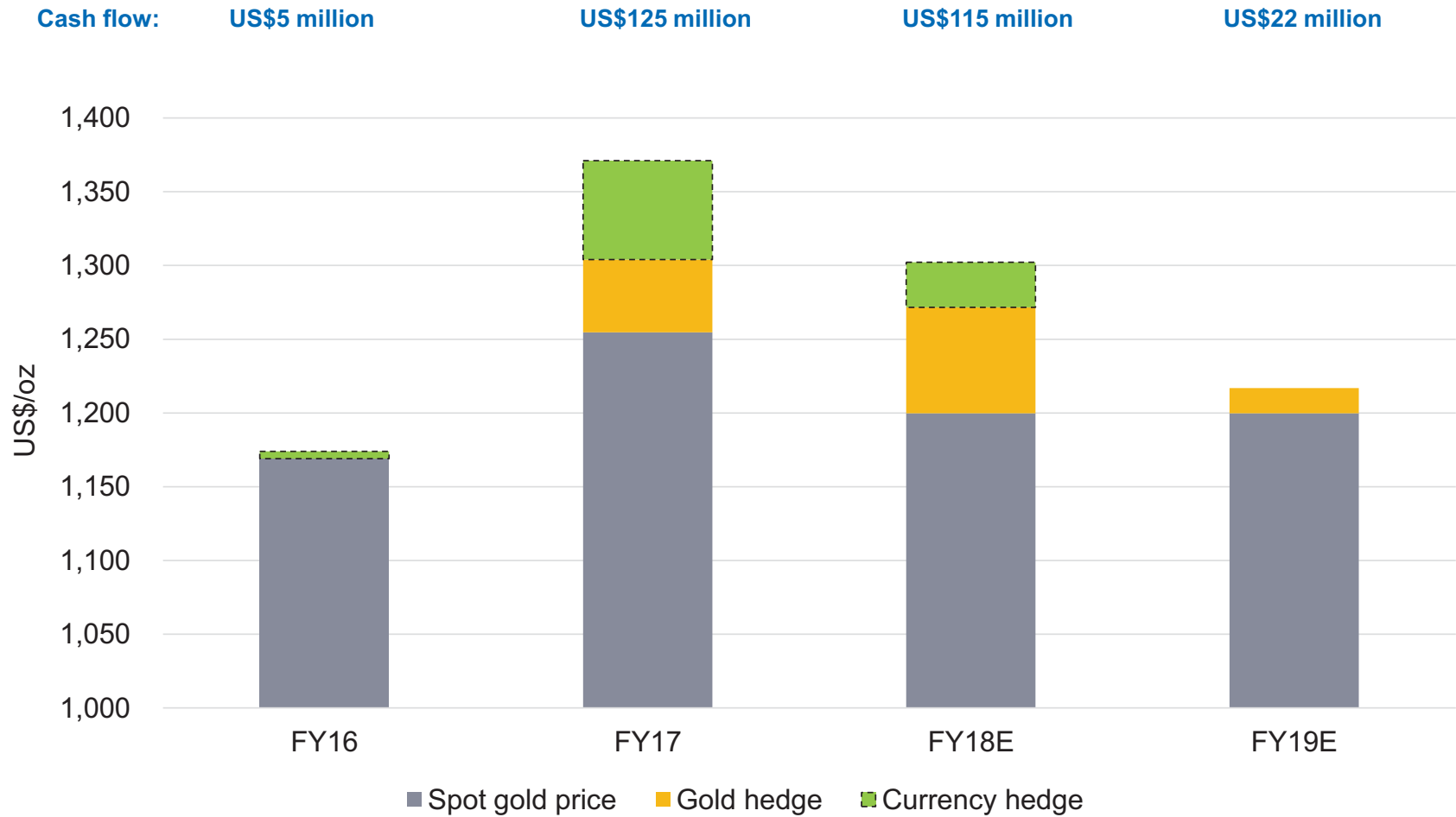
HEADLINE EARNINGS Y-ON-Y (US\$)

Reconciliation of headline earnings	June 2017 (US\$m)	June 2016 (US\$m)	% change
Net profit	20	66	(70)
<i>Adjusted for:</i>			
(Impairment)/Reversal of impairment	131	(3)	(>100)
Gain on purchase (on HV transaction)	(61)	-	>100
Other adjustments - net	5	4	28
Headline earnings	95	67	42

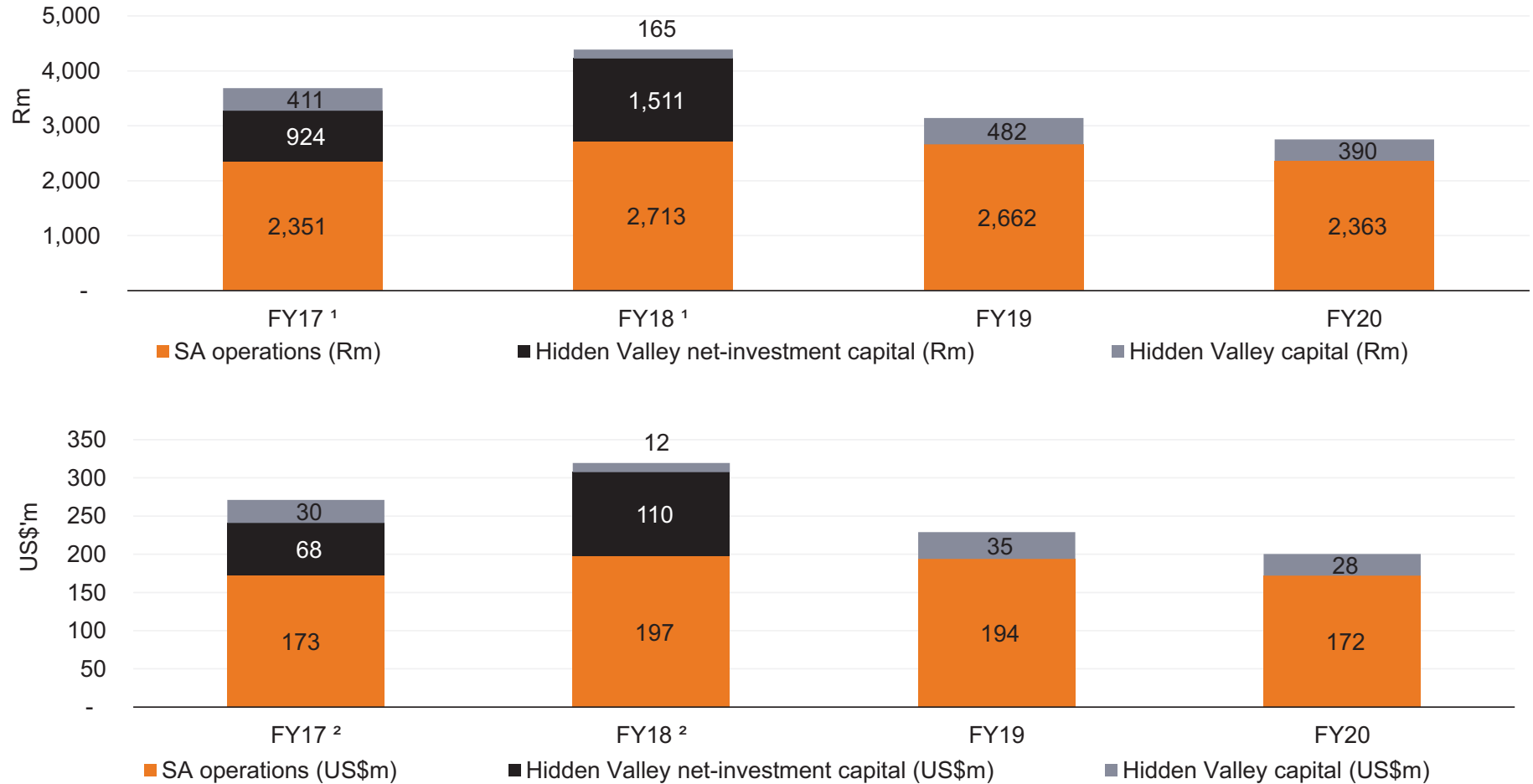
SECURED OUR CASH MARGINS THROUGH HEDGING (R/KG)



SECURED OUR CASH MARGINS THROUGH HEDGING (US\$/OZ)



INVESTING IN OUR GROWTH (CAPEX)*



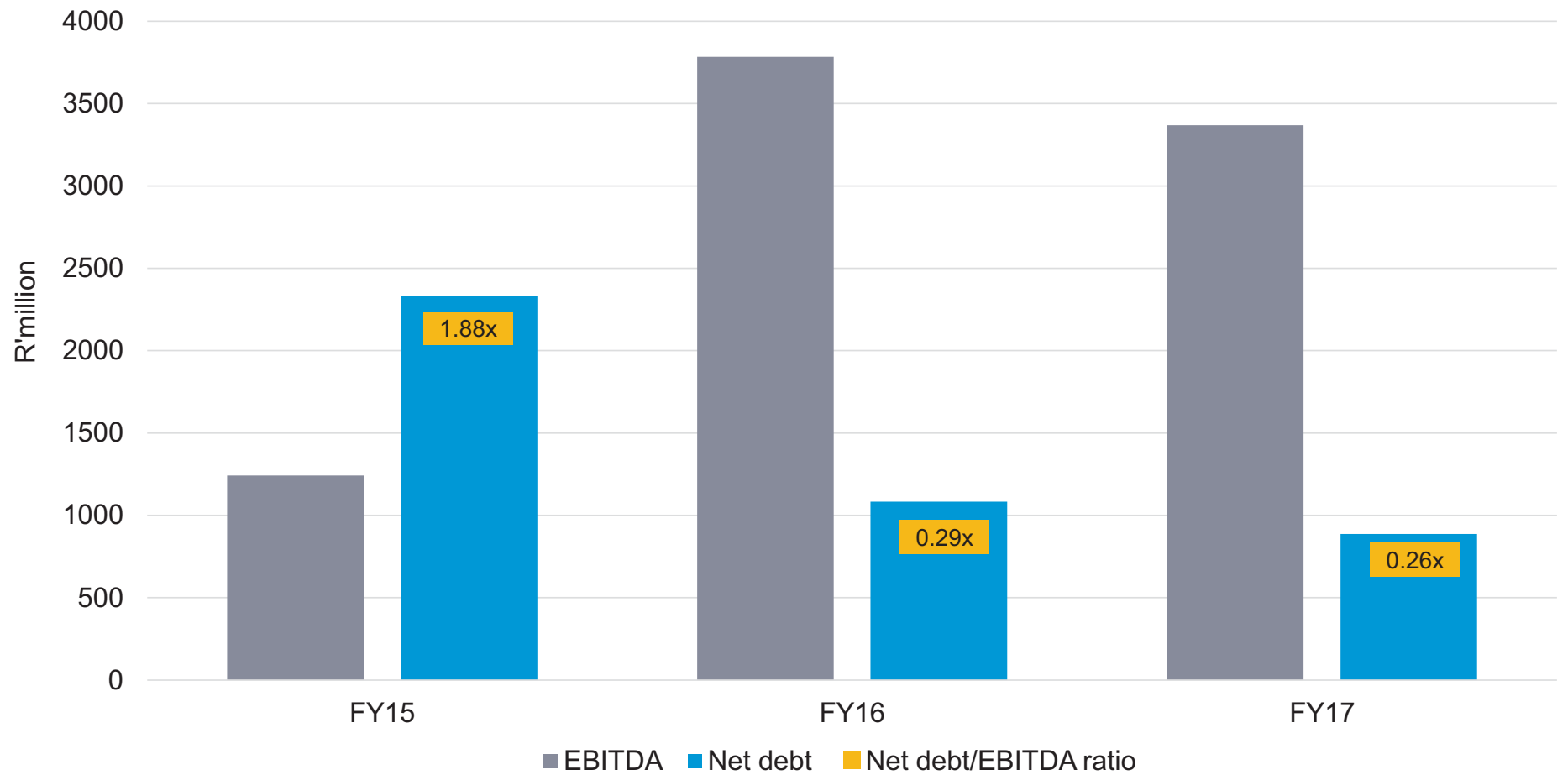
*Excluding Golpu (subject to study outcomes)

¹ - FY17 includes R156m (FY18: R3m) for the Central plant retreatment

² - FY17 includes US\$11m (FY18: US\$0.2m) for the Central plant retreatment

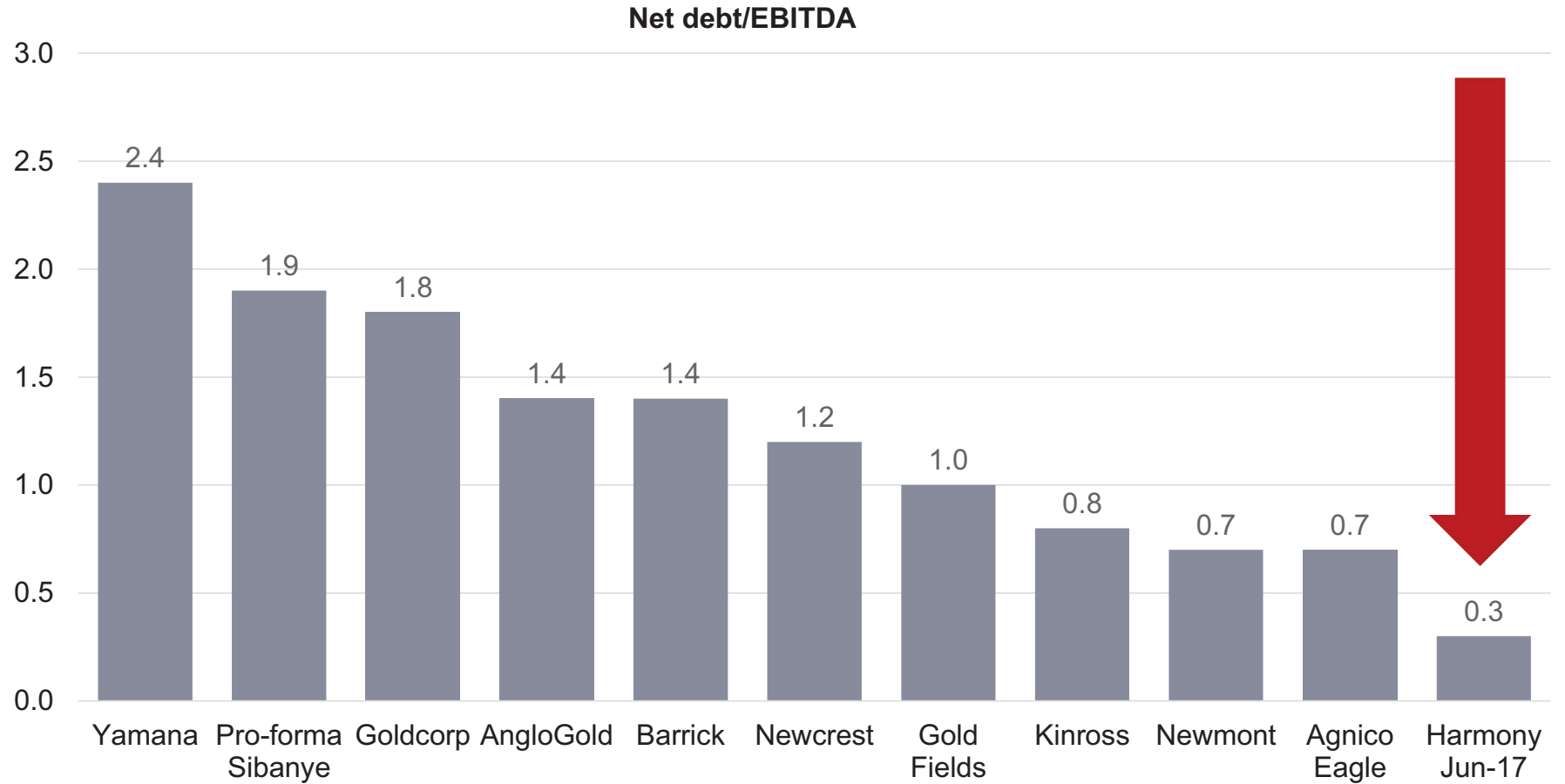
The exchange rate used for the US\$ graphs is R13.74/US\$; FY19 and FY20 excludes deferred stripping for Hidden Valley

SOLID BALANCE SHEET LEADS TO FLEXIBILITY



EBITDA: excludes impairment and loss on scrapping of property, plant and equipment

LOW NET DEBT COMPARED TO PEERS



Source: company financial statements at 31 December 2016, company market information
Harmony EBITDA excludes impairment and loss on scrapping of property, plant and equipment

FUNDING GROWTH

	US\$ facility	Rand facility
	US\$ million	Rand million
Facility	350	1 000
Drawn down	140	300
Maturity	August 2020	February 2020



CONCLUSION

Peter Steenkamp, CEO

HARMONY GIVES BACK



ENTERPRISE DEVELOPMENT

Promoting SMMEs, innovation and entrepreneurship



Developing business management, IT and other skills is vital in operating a sustainable business



EDUCATION

Promoting skills development and education



Enhancing academic performance by means of bridging programmes



ENVIRONMENT

Restoring the land for alternative economic uses



Olive trees are cultivated to establish plantations as an alternative land use



COMMUNITIES

Planning and developing projects in consultation with communities



Community projects focus on women and young people

LEADER IN MINING REHABILITATION

Rehabilitation, programme Resource efficiency, reducing carbon footprint

- 38 shafts closed to date
- created >200 jobs and local procurement through mine rehabilitation
- successful implementation of water treatment plant
- bioenergy plant commissioned from mine impacted land



Rehabilitated land used for cultivation of crops to generate bio-energy



Water conservation is conducted in tandem with agricultural projects

Recognition

- global CDP Water A list and global CDP Climate A list
- Harmony confirmed as FTSE4Good Emerging Index constituent



CDP: Carbon disclosure project

<http://www.ftse.com/products/indices/FTSE4Good>

SOLID INVESTMENT CASE

Operational
excellence



◆ Safer and more predictable production



◆ Maintain increase in grade

Cash certainty



◆ Strong balance sheet, which allows for growth



◆ Achieving production guidance (1.1Moz @ about an AISC of \$1180/oz)

Effective capital
allocation



◆ Growth

- organic, exploration
- value accretive acquisitions

Share price
uplift



◆ Rand hedge gearing, emerging market exposure



QUESTIONS



APPENDICES

YEAR ON YEAR RESULTS

		Year ended June 2017	Year ended June 2016	% change
Gold produced	kg	33 836	33 655	1
	oz	1 087 852	1 082 035	1
Gold price	R/kg	570 164	544 984	5
	US\$/oz	1 304	1 169	12
Cash operating costs	R/kg	436 917	392 026	(11)
	US\$/oz	1 000	841	(19)
Underground recovered grade	g/t	5.07	5.02	1
Production profit	Rm	4 452	5 084	(12)
	US\$m	327	350	(7)
All-in sustaining costs	R/kg	516 687	467 611	(10)
	US\$/oz	1 182	1 003	(18)
Operational free cash flow margin	%	6	16	
Average exchange rate	R/US\$	13.60	14.50	(6)

FY18 PRODUCTION GUIDANCE

Plan to produce ~1.1 Moz in FY18, at

- an average underground recovered grade of ~5.18g/t, and
- an all-in sustaining cost of ~\$1 180/oz (~R520 000/kg at an exchange rate of R13.74/US\$)

FY18 GRADE GUIDANCE

Operation	Reserve grade (g/t)	Adjusted reserve grade (-5%)	Actual grade (g/t) achieved in FY17	FY18 grade guidance (g/t)
Tshepong operations	5.82	5.53	5.21	5.38
Bambanani	11.54	10.96	11.90	10.88
Target 1	4.22	4.01	3.58	4.17
Doornkop	4.96	4.71	4.17	4.64
Joel	5.19	4.93	4.37	4.32
Kusasaletu	6.85	6.51	7.24	6.85
Masimong	4.07	3.87	3.97	3.83
Unisel	4.58	4.35	4.05	3.89
Underground operations	5.61	5.33	5.07	~5.18

FY18 PRODUCTION GUIDANCE (per operation)

Operation	FY17 production (oz)	FY18 guidance (oz)	Life of mine (years)
Tshepong operations	283 827	303 000	17
Bambanani	88 415	83 000	5
Target 1	85 809	92 000	7
Doornkop	85 939	94 500	18
Joel	72 211	66 500	9
Kusasaletu	141 270	143 000	5
Masimong	81 599	72 000	4
Unisel	51 280	55 000	5
Underground operations	890 350	909 000	
SA surface	102 175	96 500	14+
Hidden Valley*	95 327	94 500	6
Total	1 087 852	~1.1Moz	

* Ounces recovered as part of the pre-stripping of stages 5 & 6 to be capitalised.