



# FY18 OPERATIONAL UPDATE

23 JULY 2018



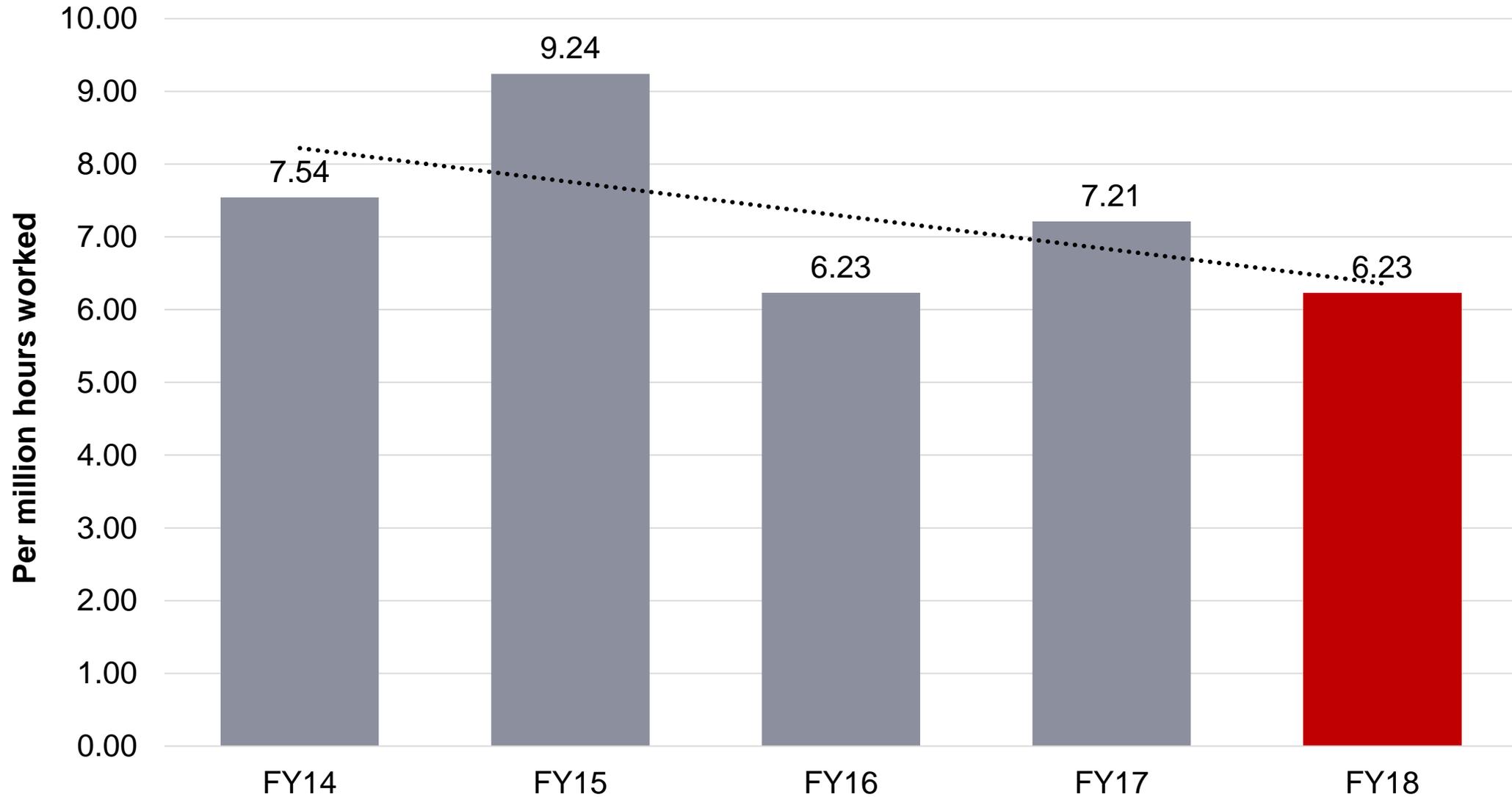
# HARMONY DELIVERS OPERATIONAL EXCELLENCE

- Production guidance achieved – third consecutive year
  - Gold production of 1.228 million ounces achieved, exceeding annual production guidance of 1.180 million ounces
  - 14% increase in gold production from South African (SA) operations
  - Moab Khotsong produced 105 900 ounces (contributing 10% to the increase in SA gold production) for the four months the operation has been included in Harmony's asset portfolio
- 8% increase in underground recovered grade – sixth consecutive year of achieving an increase in grade
  - Underground recovered grade of 5.48g/t achieved (FY17: 5.07g/t)
- All-in sustaining cost (AISC) is expected to be below FY18 guidance of R520 000/kg

**\* Annual operating and financial results for the year ended 30 June 2018 (FY18) to be announced on Tuesday 21 August 2018**

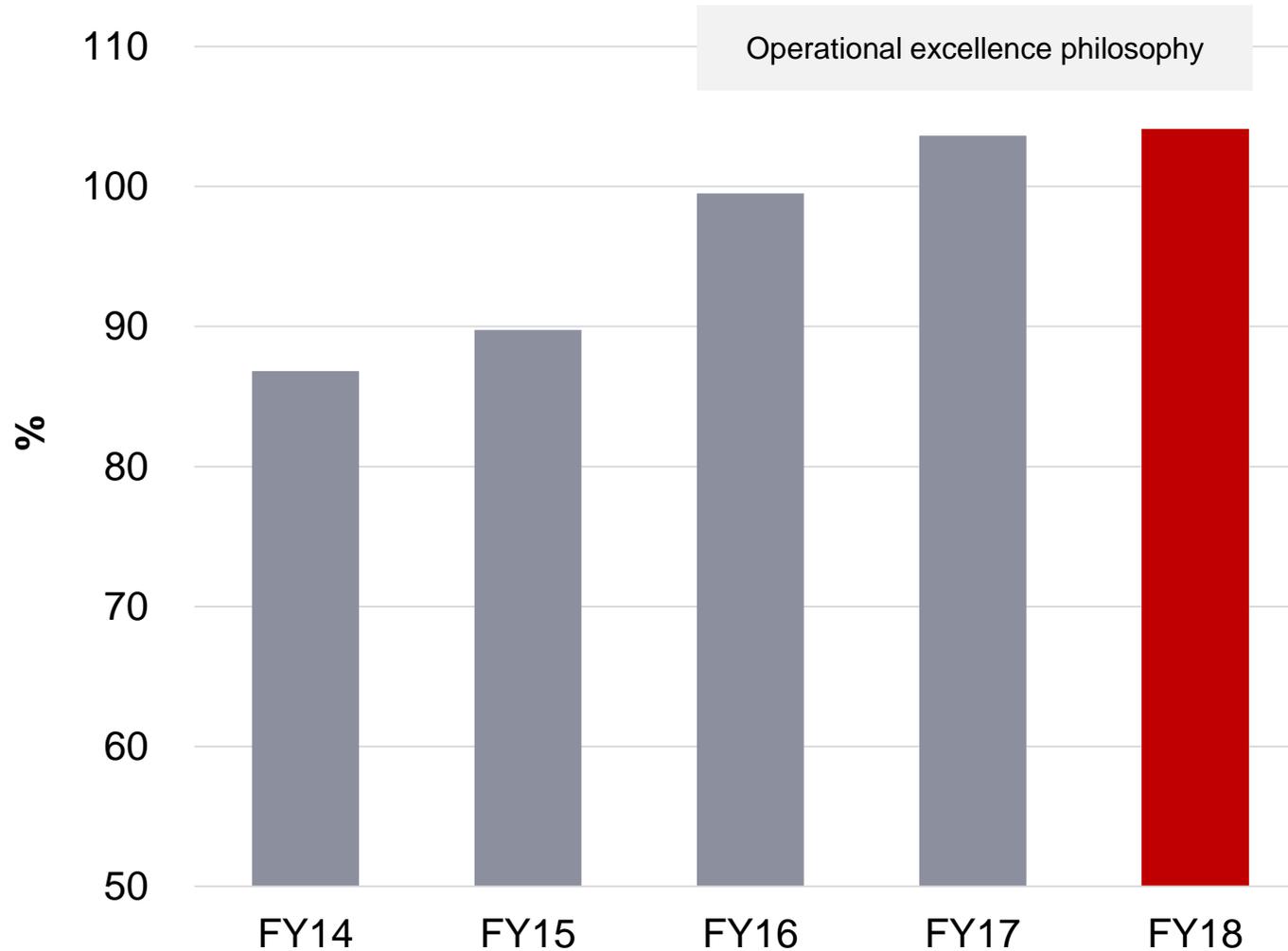
# SAFETY OUR FIRST PRIORITY – MORE TO BE DONE

## Group lost time injury frequency rate (LTIFR)



# TRACK RECORD OF DELIVERING ON GUIDANCE

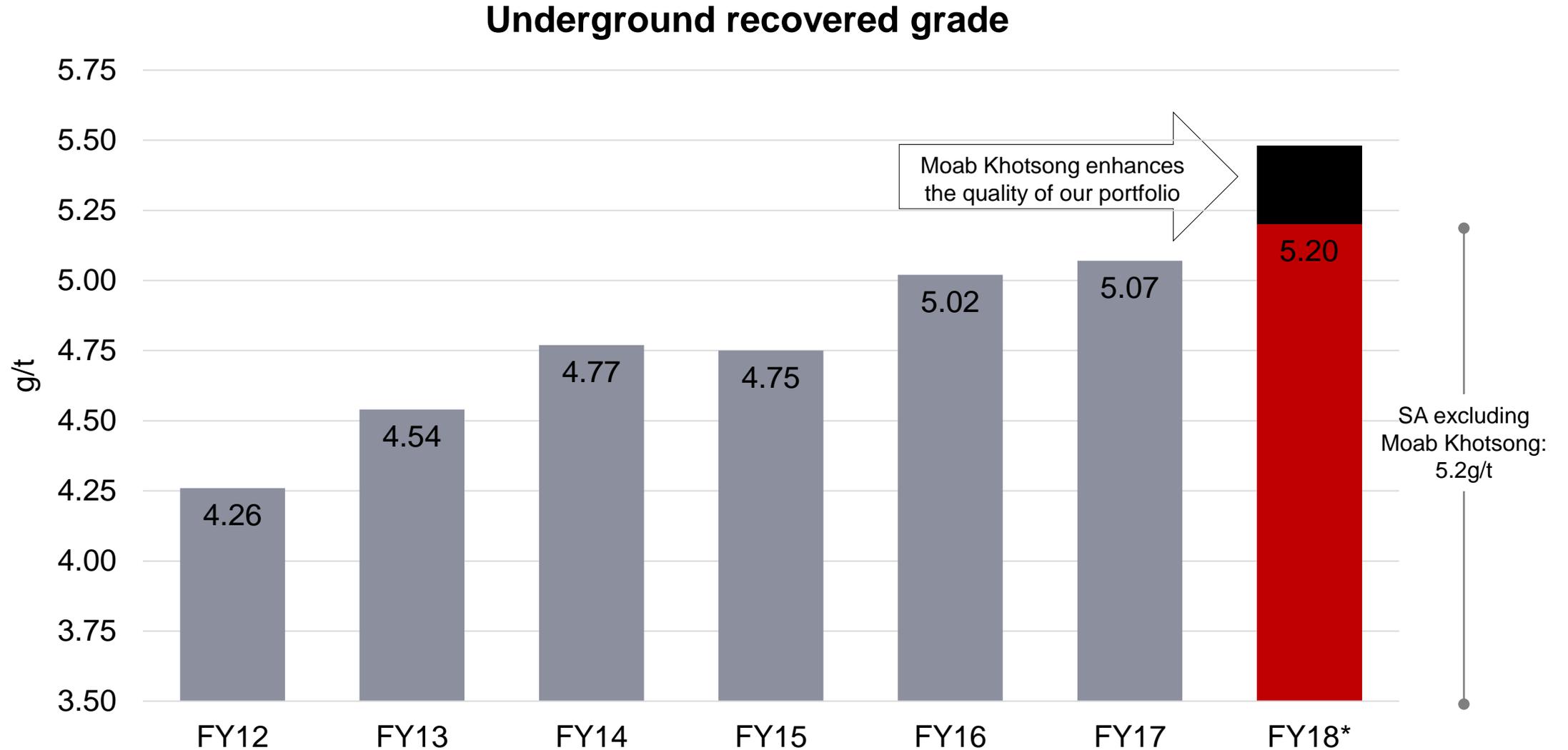
## % Production guidance met



## Operational excellence philosophy

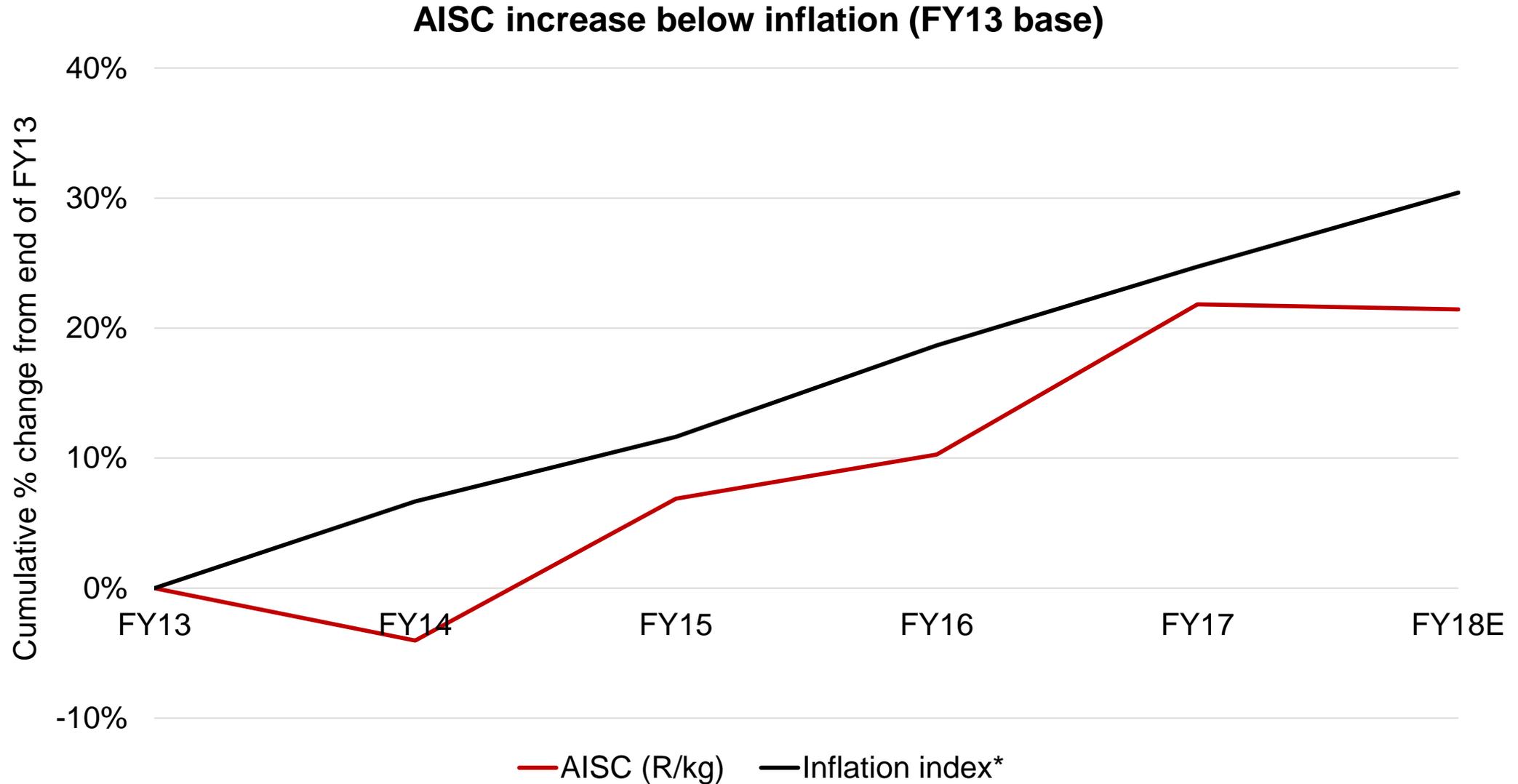
- Safe, predictable production
- Asset management and maintenance approach reduces unplanned stoppages
- Grade management

# CONSISTENTLY IMPROVING UNDERGROUND GRADE



\* The 8% increase in underground grade includes the four month results of Moab Khotsong from 1 March 2018. The increase in underground recovered grade excluding Moab Khotsong was 2.5%.

# ACHIEVING PLAN AND INCREASING GRADE BEATS INFLATION



\* South African Consumer Price Index (CPI) (Source: STATS SA)



## HEDGING UPDATE

# HEDGING PROGRAMME TOPPED UP

- Hedging programme summary at 30 June 2018:

	FY 2019		FY2020		TOTAL	
	H1	H2	H1	H2		
<b>Rand Gold</b>						
Forward Contracts	koz	105	94	77	24	<b>300</b>
	R'000/kg	660	623	631	640	<b>639</b>
<b>Dollar Gold</b>						
Forward Contracts	koz	48	38	10	-	<b>96</b>
	US\$/oz	1,290	1,336	1,382	-	<b>1,318</b>
<b>Total Gold Contracts</b>	<b>koz</b>	<b>153</b>	<b>132</b>	<b>87</b>	<b>24</b>	<b>396</b>
<b>Currency Hedges</b>						
<b>Rand Dollar</b>						
Zero Cost Collars	\$m	147	105	-	-	<b>252</b>
	Floor (R/US\$)	14.11	13.11	-	-	<b>13.69</b>
	Cap (R/US\$)	15.09	13.78	-	-	<b>14.54</b>
Forward Contracts	\$m	67	134	36	36	<b>273</b>
	R/US\$	13.51	13.69	14.68	15.03	<b>13.95</b>
<b>Total Rand Dollar</b>	<b>\$m</b>	<b>214</b>	<b>239</b>	<b>36</b>	<b>36</b>	<b>525</b>
<b>Dollar Silver</b>						
Zero Cost Collars	koz	480	180	90	-	<b>750</b>
	Floor (US\$/oz)	17.10	17.30	17.40	-	<b>17.19</b>
	Cap (US\$/oz)	18.10	18.30	18.40	-	<b>18.19</b>

Hedging programmes topped-up as and when opportunities arise to lock in attractive margins for the business.

# PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOUR STATEMENT

## FORWARD LOOKING STATEMENTS

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.

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