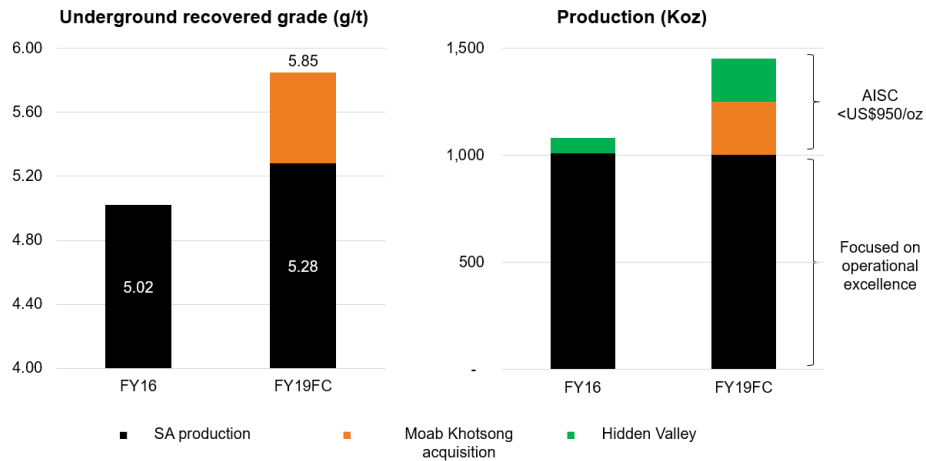
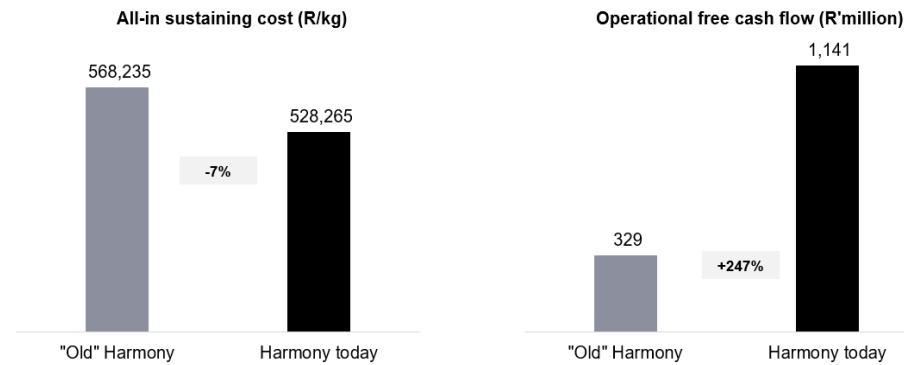


## HARMONY TODAY

### Growing the quality of our portfolio



### Cash flow boosted by Moab Khotsong and Hidden Valley



Notes:  
 i) "Old" Harmony: H1FY19 performance of South African operations excluding Moab Khotsong Operations and Hidden Valley  
 ii) Harmony today: H1FY19 group performance  
 iii) Operational free cash flow = Revenue – cash operating cost – capital expenditure

### Operational excellence philosophy – safe, predictable production

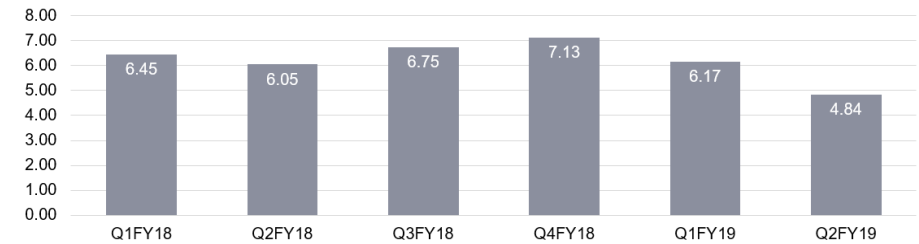
- Risk-based safety approach delivers improvement in safety rates
- On track to achieve annual production guidance of 1.45Moz at an AISC of R520,000/Kg- R530,000/Kg

## OPERATIONAL PERFORMANCE

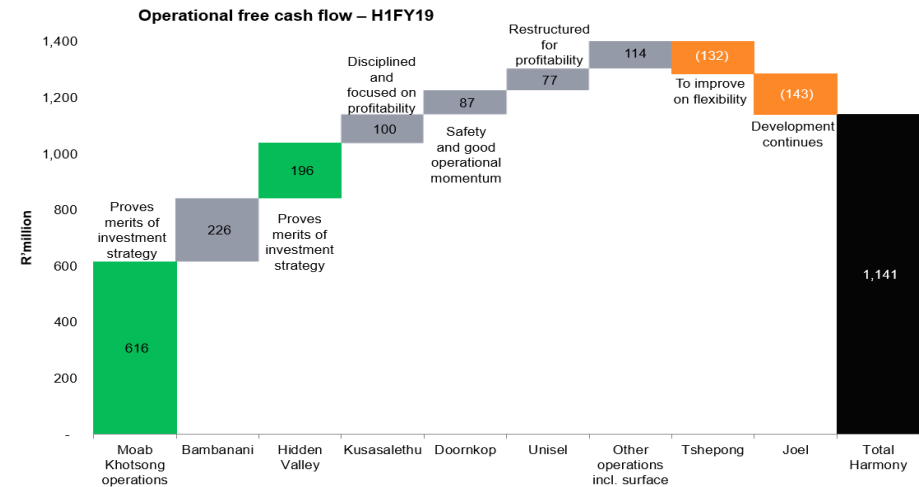
### Focus on safety remains a priority

Four layered risk based approach	Key outcome
Baseline risk assessment	Identification of key controls to prevent significant unwanted events
Issue-based risk assessment	Control monitoring and assessments
Task-based risk assessment	Systems, structures and audit process
Continuous risk assessment	Pro-active and behavioural change to safety
Safety awareness and responsibility embedded with all employees	

### Lost time injury frequency rate (LTIFR) (per million hours) – SA operations



### Focused on generating free cash flow

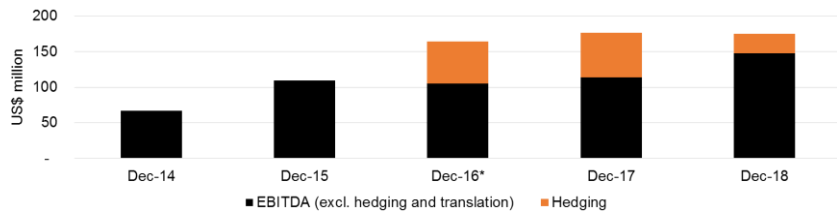


## FINANCIAL PERFORMANCE

### Key financial features

		Dec-18 Six months	Dec-17 Six months	% change
Gold produced	oz	751 008	560 003	34
Production profit	US\$m	239	203	18
Amortisation and depreciation	US\$m	(150)	(94)	(60)
Gains on derivatives	US\$m	1	25	(96)
Translation gain/(loss) on US\$ borrowings	US\$m	(13)	15	>(100)
Net profit	US\$m	5	65	(92)
Headline earnings	US\$m	5	74	(93)
All-in sustaining unit costs	US\$/oz	1 160	1 161	-
Cash generated from operating activities	US\$m	187	137	36
Cash utilised by investing activities	US\$m	(166)	(193)	14
Net debt	US\$	317	122	>(100)
Net debt/EBITDA ratio	Times	1.0x	0.4x	
Average exchange rate	R/US\$	14.17	13.40	6

### Increased operational EBITDA



Earnings before interest, tax, depreciation and amortisation (EBITDA) for the six months ended to December  
EBITDA excludes translation impact on US\$ credit facilities, impairment and loss on scrapping of assets  
\* Excludes gain on bargain purchase of \$60 million (non-cash)

### Hedging programme at 31 December 2018

		FY 2019		FY 2020		FY2021		TOTAL		
		Q3	Q4	Q1	Q2	Q3	Q4		Q1	Q2
<b>Rand Gold</b>										
Forward Contracts	koz	66	66	66	66	65	64	64	28	485
	R'000/kg	626	610	621	638	642	657	668	667	639
<b>Dollar Gold</b>										
Forward Contracts	koz	20	18	6	4	-	-	-	-	48
	US\$/oz	1,335	1,338	1,370	1,400	-	-	-	-	1,346
<b>Total Gold</b>	koz	<b>86</b>	<b>84</b>	<b>72</b>	<b>70</b>	<b>65</b>	<b>64</b>	<b>64</b>	<b>28</b>	<b>533</b>
<b>Currency Hedges</b>										
<b>Rand Dollar</b>										
Zero Cost Collars	\$m	88	89	55	46	39	35	26	-	378
	Floor R/\$	13.78	13.52	14.50	14.70	14.92	15.15	15.43	-	14.29
	Cap R/\$	14.41	14.17	15.12	15.34	15.55	15.79	16.09	-	14.93
Forward Contracts	\$m	75	72	57	54	50	48	35	2	393
	R/US\$	13.70	13.81	14.73	15.05	15.36	15.51	16.12	16.55	14.72
<b>Total Rand Dollar</b>	\$m	<b>163</b>	<b>161</b>	<b>112</b>	<b>100</b>	<b>89</b>	<b>83</b>	<b>61</b>	<b>2</b>	<b>771</b>
<b>Dollar Silver</b>										
Zero Cost Collars	koz	90	90	90	-	-	-	-	-	270
	Floor \$/oz	17.30	17.30	17.40	-	-	-	-	-	17.33
	Cap \$/oz	18.30	18.30	18.40	-	-	-	-	-	18.33

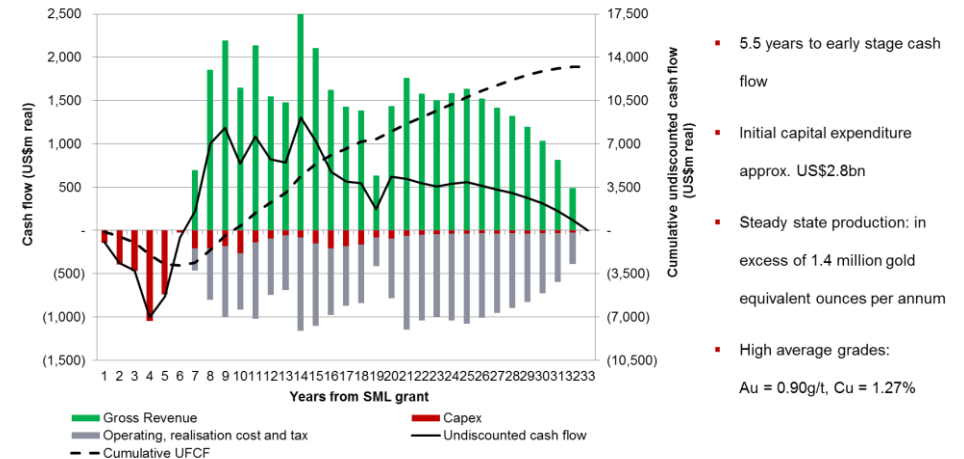
Hedging programmes topped-up as and when opportunities arise to lock in attractive margins for the business  
Board approved hedging limits: 25% currency (R/US\$) over a 24 month period, 20% gold over a 24 month period, 50% silver over a 24 month period

## LOOKING FORWARD

### Disciplined project evaluation and management

Key areas	Rationale
<b>Lower risk profile</b>	- Safety a priority - Surface projects ranked higher - Pillar mining is intensely scrutinized
<b>Improving margins</b>	- Ounce replacement and growth are aimed at increasing margins
<b>Generating returns</b>	- Project internal rates of return (IRR) to exceed 15%
<b>Affordability</b>	- Capital intensity is weighed against group cash flow projections and requirements
<b>Project management</b>	- Crucial for enhancing project return and ensuring operational momentum (Hidden Valley re-investment, Central Plant Reclamation – delivered safely, below budget and on schedule)

### Wafi-Golpu\* is a game changer – significant free cash flow



All figures are quoted on a 100% basis. The Wafi-Golpu project is held in a JV with Newcrest Mining Limited (Newcrest). For full resource and reserve declarations please refer to either [www.harmony.co.za](http://www.harmony.co.za) or to Newcrest's Annual Statement of Mineral Resources and Ore Reserves as at [www.newcrest.com.au](http://www.newcrest.com.au).

- NPV:US\$2.6bn, IRR (real):18.2%, Project capital:US\$2.8bn
- Government of PNG and JV partners entered into MOU (11 December 2018)
- Permitting process underway, negotiations encouraging, targeting June 2019 grant date