

HARMONY GOLD MINING CO LTD

Form 6-K

February 04, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

RULE 13a-16 OR 15d-16 UNDER THE SECURITIES

EXCHANGE ACT OF 1934

For 04 February 2016

**Harmony Gold Mining Company**

**Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  X

Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes

No  X

## RESULTS

### **FOR THE SECOND QUARTER FY16 AND SIX MONTHS ENDED 31 DECEMBER 2015**

#### **Harmony Gold Mining Company Limited**

("Harmony" or "Company")

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

JSE share code: HAR | NYSE share code: HMY | ISIN: ZAE000015228

#### KEY FEATURES

##### **Quarter on quarter**

Safety parameters improving; working towards zero harm

7% increase in underground recovered grade

2% increase in production

AISC down by 7% at R434 834/kg (down 15% to US\$950/oz)

84% increase in production profit to R1.29 billion (up 68% to US\$91 million)

Headline earnings of R74 million (US\$5 million)

Net debt reduction of R127 million (US\$29 million)

##### **Q2 FY16**

#### **HARMONY'S ANNUAL REPORTS**

Harmony's Integrated Annual Report and the Form 20-F filed with the United States' Securities and Exchange Commission

for the financial year ended 30 June 2015 are available on our website at

<http://www.harmony.co.za/investors/reporting/annual-reports>.

#### **FORWARD-LOOKING STATEMENTS**

#### **PRIVATE SECURITIES LITIGATION REFORM ACT**

##### **Safe Harbour Statement**

This report contains forward-looking statements within the meaning of the safe harbour 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" "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 judgement 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 report.

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 labour disruptions, power cost increases as well as power stoppages, fluctuations and usage constraints, supply chain shortages and increases in the prices of production inputs, 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 on 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 annual report or to reflect the occurrence of unanticipated events, except as required by law.

**Q-on-Q**

**Quarter**

**Quarter**

**variance**

**Dec-15**

**Sep-15**

%

Gold produced

– kg

**8 929**

8 752

2

– oz

**287 074**

281 385

2

Cash operating costs

– R/kg

**360 153**

384 810

6

– US\$/oz

**787**

921

15

Gold sold

– kg

**8 999**

8 743

3

– oz

**289 323**

281 094

3

Underground grade

– g/t

**5.33**  
 4.99  
 7  
 Total costs and capital  
 – R/kg  
**417 368**  
 443 730  
 6  
 – US\$/oz  
**912**  
 1 062  
 14  
 All-in sustaining costs  
 – R/kg  
**434 834**  
 466 061  
 7  
 – US\$/oz  
**950**  
 1 115  
 15  
 Gold price received  
 – R/kg  
**507 490**  
 473 567  
 7  
 – US\$/oz  
**1 109**  
 1 133  
 (2)  
 Production profit  
 – R million  
**1 292**  
 701  
 84  
 – US\$ million  
**91**  
 54  
 68  
 Basic profit/(loss) per share  
 – SAc/s  
**17**  
 (120)  
 >100  
 – USc/s  
**1**  
 (9)  
 >100  
 Headline earnings/(loss)  
 – Rm  
**74**

(523)

>100

– US\$m

**5**

(40)

>100

Headline earnings/(loss) per share

– SAc/s

**17**

(120)

>100

– USc/s

**1**

(9)

>100

Exchange rate

– R/US\$

**14.24**

13.00

10

1

**CONTACT DETAILS**  
**CORPORATE OFFICE**

Randfontein Office Park  
PO Box 2, Randfontein, 1760, South Africa  
Corner Main Reef Road/Ward Avenue  
Randfontein, 1759, South Africa  
Tel: +27 11 411 2000  
Website: [www.harmony.co.za](http://www.harmony.co.za)

**DIRECTORS**

P T Motsepe\* *Chairman*  
M Motloba\*^ *Deputy chairman*  
P W Steenkamp *Chief executive officer*  
F Abbott *Financial director*  
H E Mashego *Executive director*  
F F T De Buck\*^ *Lead independent director*  
J A Chissano\*

1

^, K V Dicks\*^, Dr D S S Lushaba\*^,  
C Markus\*^, M Msimang\*^, K T Nondumo\*^,  
V P Pillay \*^, J L Wetton\*^, A J Wilkens\*

\* Non-executive

^ Independent

1

Mozambican

**INVESTOR RELATIONS TEAM**

Email: [HarmonyIR@harmony.co.za](mailto:HarmonyIR@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](mailto:marian@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](mailto:henrika@harmony.co.za)

**COMPANY SECRETARY**

Riana Bisschoff  
Tel: +27 (0)11 411 6020  
Mobile: +27 (0)83 629 4706  
Email: [riana.bisschoff@harmony.co.za](mailto:riana.bisschoff@harmony.co.za)

**SOUTH AFRICAN SHARE TRANSFER SECRETARIES**

Link Market Services South Africa (Proprietary) Limited  
(Registration number 2000/007239/07)  
13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein, 2001  
PO Box 4844, Johannesburg, 2000, South Africa  
Tel: +27 86 154 6572  
Fax: +27 86 674 2450

Email: meetfax@linkmarketservices.co.za

**ADR**

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**DEPOSITARY**

Deutsche Bank Trust Company Americas  
c/o American Stock Transfer and Trust Company  
Peck Slip Station  
PO Box 2050, New York, NY 10272-2050  
Email queries: db@amstock.com  
Toll Free: +1-800-937-5449  
Intl: +1-718-921-8137  
Fax: +1-718-921-8334

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ADR: American Depository Receipts

**SPONSOR**

J.P. Morgan Equities South Africa (Pty) Ltd  
1 Fricker Road, corner Hurlingham Road  
Illovo  
Johannesburg, 2196  
Private Bag X9936, Sandton, 2146, South Africa  
Tel: +27 11 507 0300  
Fax: +27 11 507 0503

**TRADING SYMBOLS**

JSE Limited: HAR  
New York Stock Exchange, Inc: HMY  
Berlin Stock Exchange: HAM1

**REGISTRATION NUMBER**

1950/038232/06  
Incorporated in the Republic of South Africa

**ISIN**

ZAE000015228

**COMPETENT PERSON'S DECLARATION**

In South Africa, Harmony employs an ore reserve manager at each of its operations who takes responsibility for the compilation and reporting of mineral resources and mineral reserves at their operations. In Papua New Guinea, competent persons are appointed for the mineral resources and mineral reserves for specific projects and operations.

These competent persons, who are full-time employees of Harmony, consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

**• Resources and reserves of South Africa:**

Jaco Boshoff, BSc (Hons), MSc, MBA, Pr. Sci. Nat, MSAIMM, MGSSA, who has 20 years' relevant experience, is registered with the South African Council for Natural Scientific Professions (SACNASP) and is a member of the South African Institute of Mining and Metallurgy (SAIMM).

Mr Boshoff is Harmony's Lead Competent Person.

**• Resources and reserves of Papua New Guinea:**

Gregory Job, BSc, MSc, who has 27 years' relevant experience and is a member of the Australian Institute of Mining and Metallurgy

(AusIMM).

For more information on Harmony's reserves and resources as at 30 June 2015, please refer to <https://www.harmony.co.za/investors/reporting/annual-reports>.

***Mineral resource and reserve information as at 30 June 2015 has not changed.***



**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

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**SHAREHOLDER INFORMATION**

Issued ordinary share capital at 31 December 2015

436 789 929

Issued ordinary share capital at 30 September 2015

436 187 133

**MARKET CAPITALISATION**

At 31 December 2015 (ZARm)

6 814

At 31 December 2015 (US\$m)

440

At 30 September 2015 (ZARm)

3 764

At 30 September 2015 (US\$m)

272

**HARMONY ORDINARY SHARES AND**

**ADR PRICES**

12-month high (1 January 2015 – 31 December 2015)

for ordinary shares

16.25

12-month low (1 January 2015 – 31 December 2015)

for ordinary shares

8.13

12-month high (1 January 2015 – 31 December 2015)

for ADRs

1.34

12-month low (1 January 2015 – 31 December 2015)

for ADRs

0.53

**FREE FLOAT**

100%

**ADR RATIO**

1:1

**JSE LIMITED**

HAR

Range for quarter (1 October – 31 December 2015  
closing prices)

R16.25 – R8.13

Average daily volume for the quarter (1 October –  
31 December 2015)

1,740,583 shares

Range for quarter (1 July – 30 September 2015  
closing prices)

R15.99 – R8.40

Average daily volume for the quarter (1 July –  
30 September 2015)

2,196,866 shares

**NEW YORK STOCK EXCHANGE**

**including other US trading platforms**

HMY

Range for quarter (1 October – 31 December 2015  
closing prices)

US\$1.03 – US\$0.53

Average daily volume for the quarter (1 October –  
31 December 2015)

1,991,128

Range for quarter (1 July – 30 September 2015  
closing prices)

US\$1.34 – US\$0.60

Average daily volume for the quarter (1 July –  
30 September 2015)  
3,565,559 shares

**INVESTORS' CALENDAR**

Q3 FY16 presentation (webcast and conference  
calls only)

27 May 2016

Q4 FY16 live presentation from Johannesburg  
17 August 2016

Release of FY16 Integrated Report and Form 20-F  
26 October 2016

Q1 FY17 presentation (webcast and conference  
calls only)

14 November 2016

Annual General Meeting

25 November 2016

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**MESSAGE FROM THE CHIEF EXECUTIVE OFFICER**

During my first five weeks at Harmony, I have spent time with senior management, visited the various operations and met with the operational teams in both South Africa and Papua New Guinea. I am very impressed with the quality of our management and mining teams. The company owns excellent ore bodies. I have no doubt that the teams can deliver on their plans during financial year 2016.

Harmony recorded another solid set of results for the second quarter of financial year 2016 – three consecutive quarters of increased delivery. Underground grade was 7% higher, the majority of our operations produced higher kilograms with most of the operations generating net free operational cash flow except for Kalgold, Kusasalethu and Hidden Valley. Combined with a 7% increase in the average R/kg gold price received from R473 567/kg in the September 2015 quarter to R507 490/kg during the quarter under review, revenue increased by 10% to R4.57 billion (to US\$321 million).

Higher production, combined with an increase in the R/kg gold price, means that Harmony's cash flow is strengthened, our margins are growing, we are able to repay our debt and able to fund Golpu. During December 2015 we repaid R1.12 billion (US\$78 million) of our debt. At quarter end our net debt was at R2.52 billion (US\$162 million).

Despite the gold price trading around multi-year lows in US dollar terms, Harmony, with 94% of its operating revenue generated in South Africa, benefits from the weak rand which more than offsets the impact of the low US dollar gold price.

**SAFETY**

Harmony's safety statistics are improving – both quarter on quarter as well as year on year. Regrettably the South African operations did report two fatalities during the quarter. The men who lost their lives were Carlos Siteo (stoper at Masimong) and Moeketsi Mongoako (rock drill operator at Target). Our heartfelt condolences go to the families, friends and colleagues of these men. We will continue to work towards zero harm.

**OPERATIONAL**

After a good performance in gold production in Q1FY16, gold production for the December 2015 quarter increased by a further 2% to 8 929 kilograms/287 074 ounces. The increase was mainly due to our mines keeping their momentum most notably Hidden Valley recovering after the previous quarter and the improved results flowing through from Doornkop post its restructuring. Overall, Harmony's production profit increased by 84% to R1.29 billion (68% to US\$91 million) quarter on quarter, mainly due to a 7% increase in the gold price received and supported by a 2% increase in gold production.

All-in sustaining costs for all operations decreased by 7% to R434 834/kg in the December 2015 quarter, compared

to R466 061/kg in the September 2015 quarter (15% decrease to US\$950/oz). Cash operating costs for the December 2015 quarter decreased by 6% to R360 153/kg (15% decrease to US\$787/oz). Gold production at the following operations increased during the December 2015 quarter:

- *Hidden Valley (+189kg)(+ 6 077oz)*. Tonnes milled increased by 103 000t (33%) whilst recovered grade improved by 17% to 1.28g/t, resulting in a 55% improvement in gold produced. Hidden Valley's performance during the December 2015 quarter is not in line with plan as yet, as it was adversely affected by poor grade and road closures which restricted mining activity. Although an improvement on the prior quarter, which had significant production stoppages due to a fatality, the continued high cost nature of this operation has resulted in the suspension of pre-strip activities until metal prices significantly improve. Currently accessible ore sources remain available for the remainder of calendar year 2016, with the site remaining focused on safely operating at a free cash flow neutral or better position. The joint venture partners are concurrently assessing all strategic options in relation to the future of the asset.

- *Joel (+112kg) (+3 601oz)* improved gold production by 21%, due to a 21% increase in recovered grade to 4.69g/t;

- *Target 1 (+76kg) (+2 443oz)* increased tonnes milled by 8% resulting in an 8% increase in gold produced;

- *Phakisa (+62kg) (+1 993oz)* increased gold production by 6%, due to a 6% improvement in the recovered grade to 5.87g/t;

- *Dumps (+45kg) (+1 447oz)* increased tonnes milled by 11% and recovered grade improved by 5% to 0.39g/t, resulting in an 18% increase in gold produced;

- *Doornkop (+44kg) (+1 415oz)* recorded a 7% increase in gold produced post the restructuring of the mine, as a result of a 7% improvement in the recovered grade to 4.73g/t, partially offset by a 9% decrease in tonnes milled resulting in a 7% increase in gold produced;

- *Kalgold (+33kg) (+1 061oz)* increased gold production by 12% when compared to the September 2015 quarter. This was mainly due to an 8% improvement in the recovery grade to 0.81g/t and a 4% increase in tonnes milled.

The following operations recorded a decrease in production quarter on quarter:

- *Masimong (-122kg) (-3 923oz)* was impacted by the fatal

accident and milled 29 000 tonnes (15%) less than in the September 2015 quarter which was the main reason for the 17% decrease in gold production;

•

*Tshepong (-113kg) (-3 633oz)* recorded a 6% decrease in the recovery grade to 4.43g/t and a 3% decrease in tonnes milled. Production results were however in line with the operation's plan;

•

*Bambanani's (-82kg) (-2 637oz)* recovered grade decreased by 6% to 13.82g/t for the quarter under review, but still higher than the 11.5g/t guided for the year and tonnes milled decreased by 3%;

•

*Kusasaletu (-51kg) (-1 640oz)* milled 72 000 (32%) tonnes less than in the September 2015 quarter. This was mainly due to the reduction of waste after the re-commissioning of the waste pass system. The reduction of the waste to reef ratio combined with a 7% increase in the face grade for the December 2015 quarter, resulted in a 39% increase in the recovered grade to 6.25g/t.

## **Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

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The infrastructure related problems at this mine are however continuing and management is in the process of assessing the best way in which to address these issues.

I anticipate that the third quarter will show lower production due to late start-ups post the December 2015 quarter and the Easter holidays which also fall within the March quarter. I believe our annual guidance of approximately 1.1 million ounces will not be affected.

### **FINANCIAL RESULTS**

#### *Revenue*

Revenue increased by 10% as a result of the 3% increase in gold sold to 8 999kg/289 323 oz and a 7% increase in the average gold price received at R507 490/kg (decrease of 2% to US\$1 109/oz) in the December 2015 quarter.

#### *Production costs*

Production costs decreased by 5% to R3.28 billion (decreased by 13% to US\$230 million) in the December 2015 quarter. The decrease is mainly a result of the decrease in electricity cost of R189 million (US\$13 million) due to the higher winter electricity price tariffs included in the September 2015 quarter.

#### *Exploration expenditure*

The increase in exploration expenditure quarter on quarter can be attributed to an additional drill rig commissioned at Kili Teke.

#### *Other expenses – net*

The total of R369 million (US\$26 million) in the December 2015 quarter is mainly due to a foreign exchange translation loss of R374 million (US\$26 million) recorded on the US\$ borrowings. The rand weakened by 13% from US\$/R13.87 at 30 September 2015 to US\$/R15.62 at 31 December 2015.

#### *Profit/(loss) per share*

We are pleased to report a 17 SA cents (1 US cents) profit per share for the December 2015 quarter, improved from the loss per share of 120 SA cents (9 US cents) for September 2015 quarter.

#### *Cash and cash equivalents*

Cash and cash equivalents decreased by R611 million (US\$51 million) due to the debt repayment of R1.12 billion (US\$78 million), offset by net cash generated of R501 million (US\$33 million).

#### *Borrowings*

Harmony repaid R1.12 billion (US\$78 million) of its debt during the December 2015 quarter. Repayments consisted of US\$50 million on its US\$250 million Revolving Credit Facility and R400 million on its R1.3 billion facility. The repayments were partially offset by the foreign translation loss recorded due to the weakening of the rand exchange rate against the US dollar.

### **GOLPU**

Harmony, together with our joint venture partner Newcrest Mining Limited, continued discussions with the Papua New Guinean

government on the appropriate terms on which to progress the pre-mining development agreement.

Golpu is a fantastic asset, which the feasibility study confirms. The study was completed in December 2015 and is subject to both joint venture partners' approval before we will be able to share the results in mid-February 2016.

#### **EXPLORATION**

Harmony is one of the few gold mining companies that continue to spend on exploration. Kili Teke – which is 100% held by Harmony – is a gold-copper asset which we discovered. A maiden gold equivalent resource of 4 million ounces was declared for the Kili Teke copper-gold deposit in November 2015; containing 506 000 tonnes of copper, 1.2 million ounces of gold and 22 000 tonnes of molybdenum.

The Mineral Resource comprises 128 million tonnes at 0.4% copper, 0.3 g/t Au, 170 ppm molybdenum and was completed in accordance with the guidelines of the SAMREC and JORC (2012 edition) codes. The Mineral Resource is classified as Inferred, and has been defined over a zone 600m long, 300m wide and 400m deep. A second rig was mobilised to site to accelerate the resource definition and conversion process.

#### **CONCLUSION**

Harmony's share price responded following a weaker rand at the beginning of December 2015 and Harmony's announcement that it started repaying its debt. It continued its upward trend throughout January 2016. Each of our mines has been positioned to deliver safe, profitable ounces and my focus will be to deal with the ones that aren't, to ensure that Harmony benefits from a higher gold price.

**Peter Steenkamp**

*Chief Executive Officer*



**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

**6**

**5**

Three  
months  
ended  
South Africa  
Hidden  
Valley  
Total  
Harmony

Underground production  
Surface production  
Total  
South  
Africa

Kusasaletu  
Doornkop  
Phakisa  
Tshepong  
Masimong  
Target 1  
Bambanani  
Joel  
Unisel  
Total  
Underground  
Phoenix  
Dumps  
Kalgold  
Total  
Surface

**Ore milled**

**- t'000**

**Dec-15**

**155**

**150**

**178**

**272**

**160**

**197**

**62**

139  
110  
1 423  
1 660  
753  
374  
2 787  
4 210  
419  
4 629  
Sep-15  
227  
164  
178  
281  
189  
183  
64  
139  
112  
1 537  
1 644  
676  
360  
2 680  
4 217  
316  
4 533  
**Gold produced**  
**– kg**  
**Dec-15**  
969  
709  
1 044  
1 206  
606  
1 082  
857  
652  
462  
7 587  
209  
296  
302  
807  
8 394  
535  
8 929  
Sep-15  
1 020  
665

982  
1 319  
728  
1 006  
939  
540  
477  
7 676  
210  
251  
269  
730  
8 406  
346  
8 752  
- oz  
**Dec-15**  
**31 154**  
**22 795**  
**33 565**  
**38 774**  
**19 483**  
**34 787**  
**27 553**  
**20 962**  
**14 854**  
**243 927**  
**6 719**  
**9 517**  
**9 710**  
**25 946**  
**269 873**  
**17 201**  
**287 074**  
Sep-15  
32 794  
21 380  
31 572  
42 407  
23 406  
32 344  
30 190  
17 361  
15 336  
246 790  
6 752  
8 070  
8 649  
23 471  
270 261  
11 124

281 385

**Yield**

– g/tonne

**Dec-15**

**6.25**

**4.73**

**5.87**

**4.43**

**3.79**

**5.49**

**13.82**

**4.69**

**4.20**

**5.33**

**0.13**

**0.39**

**0.81**

**0.29**

**1.99**

**1.28**

**1.93**

Sep-15

4.49

4.05

5.52

4.69

3.85

5.50

14.67

3.88

4.26

4.99

0.13

0.37

0.75

0.27

1.99

1.09

1.93

**Cash**

**operating**

**costs**

– R/kg

**Dec-15**

**447 254**

**356 415**

**316 269**

**362 768**

**418 186**

**286 296**

**229 501**

**321 026**  
**404 123**  
**343 965**  
**372 742**  
**355 578**  
**441 887**  
**392 322**  
**348 614**  
**541 196**  
**360 153**  
Sep-15  
479 826  
409 116  
348 017  
347 719  
365 380  
314 830  
222 508  
389 857  
388 352  
358 168  
393 214  
385 948  
515 428  
435 751  
364 906  
868 384  
384 810  
– \$/oz  
**Dec-15**  
**977**  
**779**  
**691**  
**793**  
**914**  
**626**  
**501**  
**701**  
**883**  
**752**  
**814**  
**777**  
**965**  
**857**  
**762**  
**1 182**  
**787**  
Sep-15  
1 148  
979  
833

832  
874  
753  
532  
933  
929  
857  
941  
923  
1 233  
1 043  
873  
2 078  
921  
**- R/tonne**  
**Dec-15**  
**2 796**  
**1 685**  
**1 855**  
**1 608**  
**1 584**  
**1 572**  
**3 172**  
**1 506**  
**1 697**  
**1 834**  
**47**  
**140**  
**357**  
**114**  
**695**  
**691**  
**695**  
Sep-15  
2 156  
1 659  
1 920  
1 632  
1 407  
1 731  
3 265  
1 515  
1 654  
1 789  
50  
143  
385  
119  
727  
951  
743

**Gold sold**

**- kg**

**Dec-15**

**944**

**718**

**1 070**

**1 236**

**621**

**1 126**

**879**

**682**

**474**

**7 750**

**197**

**288**

**270**

**755**

**8 505**

**494**

**8 999**

**Sep-15**

**1 072**

**680**

**966**

**1 297**

**716**

**970**

**924**

**555**

**470**

**7 650**

**212**

**263**

**266**

**741**

**8 391**

**352**

**8 743**

**- oz**

**Dec-15**

**30 350**

**23 084**

**34 401**

**39 738**

**19 966**

**36 202**

**28 260**

**21 927**

**15 239**

**249 167**

**6 334**

**9 259**

**8 681**

**24 274**

**273 441**

**15 882**

**289 323**

Sep-15

34 466

21 862

31 058

41 699

23 020

31 186

29 707

17 844

15 111

245 953

6 816

8 456

8 552

23 824

269 777

11 317

281 094

**Revenue**

**(R'000)**

**Dec-15**

**475 337**

**364 032**

**544 357**

**628 933**

**315 875**

**570 371**

**447 580**

**347 220**

**241 147**

**3 934 852**

**99 887**

**146 543**

**137 278**

**383 708**

**4 318 560**

**248 345**

**4 566 905**

Sep-15

508 322

322 224

457 404

613 671

339 013

462 161



435 752  
262 500  
222 241  
3 623 288  
100 421  
124 576  
125 932  
350 929  
3 974 217  
166 176  
4 140 393

**Cash operating  
costs**

**(R'000)**

**Dec-15**

**433 389**  
**252 698**  
**330 185**  
**437 498**  
**253 421**  
**309 772**  
**196 682**  
**209 309**  
**186 705**  
**2 609 659**  
**77 903**  
**105 251**  
**133 450**  
**316 604**  
**2 926 263**  
**289 540**  
**3 215 803**

Sep-15

489 423  
272 062  
341 753  
458 642  
265 997  
316 719  
208 935  
210 523  
185 244  
2 749 298  
82 575  
96 873  
138 650  
318 098  
3 067 396  
300 461  
3 367 857

**Inventory  
movement**

**(R'000)**

**Dec-15**

**(13 278)**

**8 918**

**8 183**

**12 020**

**6 948**

**17 234**

**8 573**

**13 949**

**4 218**

**66 765**

**(4 055)**

**(3 580)**

**(13 824)**

**(21 459)**

**45 306**

**13 755**

**59 061**

Sep-15

25 452

5 400

(5 714)

(6 134)

(4 334)

(10 296)

(4 696)

5 656

(2 725)

2 609

589

5 155

(2 201)

3 543

6 152

65 767

71 919

**Operating costs**

**(R'000)**

**Dec-15**

**420 111**

**261 616**

**338 368**

**449 518**

**260 369**

**327 006**

**205 255**

**223 258**

**190 923**

**2 676 424**  
**73 848**  
**101 671**  
**119 626**  
**295 145**  
**2 971 569**  
**303 295**  
**3 274 864**  
Sep-15  
514 875  
277 462  
336 039  
452 508  
261 663  
306 423  
204 239  
216 179  
182 519  
2 751 907  
83 164  
102 028  
136 449  
321 641  
3 073 548  
366 228  
3 439 776  
**Production**  
**profit**  
**(R'000)**  
Dec-15  
**55 226**  
**102 416**  
**205 989**  
**179 415**  
**55 506**  
**243 365**  
**242 325**  
**123 962**  
**50 224**  
**1 258 428**  
**26 039**  
**44 872**  
**17 652**  
**88 563**  
**1 346 991**  
**(54 950)**  
**1 292 041**  
Sep-15  
(6 553)  
44 762  
121 365

161 163  
77 350  
155 738  
231 513  
46 321  
39 722  
871 381  
17 257  
22 548  
(10 517)  
29 288  
900 669  
(200 052)  
700 617  
**(\$'000)**  
**Dec-15**  
**3 880**  
**7 194**  
**14 469**  
**12 603**  
**3 899**  
**17 095**  
**17 022**  
**8 707**  
**3 528**  
**88 397**  
**1 830**  
**3 151**  
**1 240**  
**6 221**  
**94 618**  
**(3 860)**  
**90 758**  
Sep-15  
(504)  
3 444  
9 337  
12 399  
5 951  
11 982  
17 811  
3 563  
3 056  
67 039  
1 328  
1 735  
(810)  
2 253  
69 292  
(15 392)  
53 900

**Capital  
expenditure**

**(R'000)**

**Dec-15**

**73 426**

**45 130**

**75 634**

**73 790**

**25 362**

**82 027**

**29 526**

**58 723**

**14 212**

**477 830**

**469**

**1 686**

**7 007**

**9 162**

**486 992**

**23 888**

**510 880**

Sep-15

89 877

46 623

84 984

65 588

27 599

79 317

23 780

53 186

15 590

486 544

107

1 511

11 021

12 639

499 183

16 481

515 664

**(\$'000)**

**Dec-15**

**5 158**

**3 170**

**5 313**

**5 183**

**1 782**

**5 762**

**2 074**

**4 125**

**998**

**33 565**

33  
118  
492  
643  
34 208  
1 678  
35 886  
Sep-15  
6 914  
3 587  
6 538  
5 046  
2 123  
6 102  
1 829  
4 092  
1 199  
37 430  
8  
116  
848  
972  
38 402  
1 268  
39 670  
**Cash Operating  
Cost and Capital**  
– R/kg  
Dec-15  
523 029  
420 068  
388 716  
423 954  
460 038  
362 106  
263 953  
411 092  
434 885  
406 945  
374 986  
361 274  
465 089  
403 675  
406 630  
585 847  
417 368  
Sep-15  
567 941  
479 226  
434 559  
397 445

403 291  
393 674  
247 833  
488 350  
421 036  
421 553  
393 724  
391 968  
556 398  
453 064  
424 290  
916 017  
443 730  
– \$/oz  
**Dec-15**  
**1 143**  
**918**  
**849**  
**926**  
**1 005**  
**791**  
**577**  
**898**  
**950**  
**889**  
**819**  
**789**  
**1 016**  
**882**  
**888**  
**1 280**  
**912**  
Sep-15  
1 359  
1 147  
1 040  
951  
965  
942  
593  
1 169  
1 007  
1 009  
942  
938  
1 331  
1 084  
1 015  
2 192  
1 062

**All-in  
sustaining  
costs**

**– R/kg**

**Dec-15**

**543 262**

**439 592**

**403 492**

**439 798**

**491 644**

**378 399**

**274 976**

**382 904**

**459 895**

**420 131**

**378 183**

**369 575**

**496 491**

**417 208**

**419 322**

**702 167**

**434 834**

**Sep-15**

**581 984**

**490 361**

**450 652**

**413 998**

**428 847**

**412 106**

**250 346**

**451 236**

**443 126**

**434 829**

**393 684**

**404 837**

**574 506**

**462 553**

**436 751**

**1 163 868**

**466 061**

**– \$/oz**

**Dec-15**

**1 187**

**960**

**882**

**961**

**1 074**

**827**

**601**

**837**

**1 005**



918

826

808

1 085

912

916

1 547

950

Sep-15

1 393

1 173

1 078

991

1 026

986

599

1 080

1 060

1 040

942

969

1 375

1 107

1 045

2 836

1 115

**OPERATING RESULTS – QUARTER ON QUARTER (RAND/METRIC) (US\$/IMPERIAL)**

7

**CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)**

**Year ended**

**31 December**

30 September 31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

Note

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Revenue

**4 567**

4 140

3 715

**8 707**

8 146

15 435

Cost of sales

2

**(3 918)**

(4 088)

(3 970)

**(8 006)**

(8 289)

(19 053)

Production costs

**(3 275)**

(3 439)

(3 096)

**(6 715)**

(6 614)

(12 632)

Amortisation and depreciation

**(531)**

(555)

(602)

**(1 086)**

(1 252)

(2 472)

Impairment of assets

-  
-  
-  
-

(3 471)

Other items

**( 112)**

(94)

(272)

**(205)**

(423)

(478)

**Gross profit/(loss)**

**649**

52

( 255)

**701**

(143)

(3 618)

Corporate, administration and other expenditure

**(93)**

(89)

(83)

**(182)**

(194)

(378)

Social investment expenditure

**(14)**

(11)

(15)

**(25)**

(39)

(71)

Exploration expenditure

**(60)**

(43)

(95)

**(103)**

(180)

(263)

Profit on sale of property, plant and equipment

**2**

2

1

**4**

1

6

Other expenses (net)

5

**(369)**

(443)

(52)

**(813)**

(239)

(378)

**Operating profit/(loss)**

**115**

(532)

(929)

**(418)**

(1 224)

(5 193)

Profit/(loss) from associates

4

**35**

-

-

**35**

-

(25)

Profit on disposal of investments

-

-

-

-

-

4

Net gain/(loss) on financial instruments

**(5)**

( 8)

8

**( 13)**

15

9

Investment income

**57**

57

59

**114**

110

229

Finance cost

**(70)**

(71)

(67)

**(141)**

(132)

(264)

**Profit/(loss) before taxation**

**132**

(554)

(929)

**(423)**

(1 231)

(5 240)

Taxation

**(56)**

33

73

**( 22)**

109

704

Normal taxation

**( 1)**

(1)

(4)

**( 1)**

(3)

5

Deferred taxation

**(55)**

34

77

**( 21)**

112

699

**Net profit/(loss) for the period**

**76**

(521)

(856)

**(445)**

(1 122)

(4 536)

*Attributable to:*

Owners of the parent

**76**

(521)

(856)

**(445)**

(1 122)

(4 536)

**Profit/(loss) per ordinary share (cents)**

3

Basic profit/(loss)

**17**

(120)

(197)

**(102)**

(258)

(1 044)

Diluted profit/(loss)

17

(120)

(197)

**(102)**

(258)

(1 044)

*Figures may not cross-cast as they are rounded independently.*

The accompanying notes are an integral part of these condensed consolidated financial statements.

The condensed consolidated financial statements for the six months ended 31 December 2015 have been prepared by Harmony Gold Mining Company

Limited's corporate reporting team headed by Herman Perry. This process was supervised by the financial director, Frank Abbott and approved by the board of

Harmony Gold Mining Company Limited. These financials have not been audited or independently reviewed.

**Quarter ended**

**Six months ended**

Loss on scrapping of property, plant and equipment

-

-

(430)

-

(430)

(491)

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

**8**

**Year ended**

**31 December**

30 September 31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Net profit/(loss) for the period

**76**

(521)

(856)

**(445)**

(1 122)

(4 536)

Foreign exchange translation

**256**

216

(114)

**472**

65

54

Items that will not be reclassified to profit or loss:

-

-

-

-

-

5

Remeasurement of retirement benefit obligation

Actuarial gain recognised during the year

-

-

-

-

-

8

Deferred taxation thereon

-  
-  
-  
-  
-

(3)

**Total comprehensive income/(loss) for the period**

**332**

(305)

(970)

**27**

(1 057)

(4 477)

*Attributable to:*

Owners of the parent

**332**

(305)

(970)

**27**

(1 057)

(4 477)

The accompanying notes are an integral part of these condensed consolidated financial statements.  
for the six months ended 31 December 2015 (Unaudited)

Balance - 30 June 2015

**28 324**

**3 787**

**(5 358)**

**26 753**

Share-based payments

-

**99**

-

**99**

Net loss for the period

-

-

**(445)**

**(445)**

Other comprehensive income for the period

-

**472**

-

**472**

**Balance - 31 December 2015**

**28 324**

**4 358**

**(5 803)**

**26 879**

Balance - 30 June 2014

28 325



3 539  
 (822)  
 31 042  
 Share-based payments  
 -  
 129  
 -  
 129  
 Net loss for the period  
 -  
 -  
 (1 122)  
 (1 122)  
 Other comprehensive income for the period  
 -  
 65  
 -  
 65

**Balance - 31 December 2014**

28 325  
 3 733  
 (1 944)  
 30 114

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (RAND)**

(114)

**472**

65

54

Items that may be reclassified subsequently to profit or loss:

**Quarter ended**

**Six months ended**

Other comprehensive income/(loss) for the period, net of income tax

**256**

216

(114)

**472**

65

59

**256**

216

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RAND)**

**Accumulated**

**loss**

**Total**

**Other**

**reserves**

**Share capital**  
**Figures in million**

9

**CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)**

At

At

At

At

**31 December**

30 September

30 June 31 December

**2015**

2015

2015

2014

**Figures in million**

Note

**(Unaudited)**

(Unaudited)

(Audited)

(Unaudited)

ASSETS

**Non-current assets**

Property, plant and equipment

**30 101**

29 808

29 548

32 843

Intangible assets

**878**

882

885

883

Restricted cash

**55**

52

48

42

Restricted investments

**2 434**

2 408

2 384

2 366

Investments in associates

4

**10**

-

-

-

Investments in financial assets

**5**

5

5

5
Inventories
<b>36</b>
36
36
50
Trade and other receivables
4
<b>74</b>
80
80
120
<b>Total non-current assets</b>
<b>33 593</b>
33 271
32 986
36 380
<b>Current assets</b>
Inventories
<b>1 260</b>
1 263
1 292
1 337
Trade and other receivables
<b>658</b>
754
746
822
Income and mining taxes
<b>11</b>
28
30
43
Restricted cash
<b>16</b>
16
16
15
Cash and cash equivalents
<b>876</b>
1 487
1 067
1 374
<b>Total current assets</b>
<b>2 821</b>
3 548
3 151
3 591
<b>Total assets</b>
<b>36 414</b>
36 819

36 137

39 971

EQUITY AND LIABILITIES

**Share capital and reserves**

Share capital

**28 324**

28 324

28 324

28 325

Other reserves

**4 358**

4 045

3 787

3 733

Accumulated loss

**(5 803)**

(5 879)

(5 358)

(1 944)

**Total equity**

**26 879**

26 490

26 753

30 114

**Non-current liabilities**

Deferred tax liabilities

**1 926**

1 871

1 906

2 562

Provision for environmental rehabilitation

**2 364**

2 292

2 218

2 170

Retirement benefit obligation

**170**

167

163

255

Other non-current liabilities

**41**

39

37

42

Borrowings

5

**3 092**

4 129

3 399

-

**Total non-current liabilities**

**7 593**

8 498

7 723

5 029

**Current liabilities**

Borrowings

5

**299**

-

-

3 121

Income and mining taxes

**1**

1

1

-

Trade and other payables

**1 642**

1 830

1 660

1 707

**1 942**

1 831

1 661

4 828

Liabilities of disposal groups classified as held for sale

-

-

-

-

**Total current liabilities**

**1 942**

1 831

1 661

4 828

**Total equity and liabilities**

**36 414**

36 819

36 137

39 971

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

**10**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (RAND)**

**Year ended**

**31 December**

30 September

31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

Note

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

**1 040**

696

(64)

**1 736**

1 007

1 928

**24**

23

30

**47**

55

101

Interest paid

**(39)**

-

(23)

**(39)**

(46)

(108)

**18**

-

39

**18**

64

85

**Cash generated/(utilised) by operating activities**

**1 043**  
 719  
 ( 18)  
**1 762**  
 1 080  
 2 006  
 (Increase)/decrease in restricted cash  
**(4)**  
 (3)  
 (4)  
**(7)**  
 -  
 8  
 Decrease in restricted investments  
**2**  
 1  
 -  
**3**  
 1  
 31  
 Loan to associate  
**7**  
 -  
 (120)  
**7**  
 (120)  
 (120)  
**(568)**  
 (597)  
 (872)  
**(1 165)**  
 (1 518)  
 (2 908)  
 Borrowings raised  
 -  
 300  
 -  
**300**  
 -  
 941  
 Borrowings repaid  
**(1 117)**  
 -  
 -  
**(1 117)**  
 -  
 (793)  
**Cash generated/(utilised) by financing activities**  
**(1 117)**  
 300  
 -



( 817)  
 -  
 148  
**31**  
 (2)  
 (17)  
**29**  
 (17)  
 (8)  
 Net increase/(decrease) in cash and cash equivalents

**(611)**  
 420  
 (907)  
**( 191)**  
 (455)  
 (762)  
 Cash and cash equivalents - beginning of period

**1 487**  
 1 067  
 2 281  
**1 067**  
 1 829  
 1 829  
**Cash and cash equivalents - end of period**

**876**  
 1 487  
 1 374  
**876**  
 1 374  
 1 067

*Figures may not cross-cast as they are rounded independently.*

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Six months ended**

**Quarter ended**

**Cash flow from operating activities**

Cash generated/(utilised) by operations

Interest and dividends received

Income and mining taxes refunded

**Foreign currency translation adjustments**

**Cash flow from investing activities**

(2 827)

(1 399)

**(1 168)**

**Cash utilised by investing activities**

**Cash flow from financing activities**

Net additions to property, plant and equipment

7

**(573)**

(595)

(748)

11

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the six months ended 31 December 2015 (Rand)

**1 Accounting policies**

*Basis of accounting*

**2 Cost of sales**

**Year ended**

**31 December**

30 September

31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Production costs - excluding royalty

**3 237**

3 414

3 074

**6 652**

6 560

12 537

Royalty expense

**38**

25

22

**63**

54

95

Amortisation and depreciation

**531**

555

602

**1 086**

1 252

2 472

Impairment of assets

-

-

-

-	
-	
3 471	
Rehabilitation expenditure/(credit)	
<b>16</b>	
13	
5	
<b>28</b>	
19	
(6)	
Care and maintenance cost of restructured shafts <sup>1</sup>	
<b>37</b>	
22	
20	
<b>58</b>	
37	
106	
Employment termination and restructuring costs	
-	
15	
182	
<b>15</b>	
230	
251	
Share-based payments	
<b>60</b>	
45	
66	
<b>105</b>	
139	
208	
Other	
<b>(1)</b>	
(1)	
(1)	
<b>(1)</b>	
(2)	
(81)	
<b>Total cost of sales</b>	
<b>3 918</b>	
4 088	
3 970	
<b>8 006</b>	
8 289	
19 053	
<sup>1</sup> Included in the September 2015 quarter is a credit of R15 million relating to an insurance claim approved on the Brand 1A vent shaft explosion.	
<b>3 Earnings/(loss) per share</b>	
<b>Year ended</b>	
<b>31 December</b>	
30 September	

31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Weighted average number of shares (million)

**435.3**

435.1

434.2

**435.2**

434.1

434.4

Weighted average number of diluted shares (million)

**436.9**

435.7

435.2

**436.9**

436.1

438.1

**Total earnings/(loss) per share (cents):**

Basic loss

**17**

(120)

(197)

**(102)**

(258)

(1 044)

Diluted loss

**17**

(120)

(197)

**(102)**

(258)

(1 044)

Headline earnings/(loss)

**17**

(120)

(114)

**(103)**

(175)

(189)

Diluted headline earnings/(loss)

**17**

(120)

(114)

**(103)**

(175)

(189)

**Figures in million**

**Reconciliation of headline earnings/(loss):**

Net profit/(loss)

**76**

(521)

(856)

**(445)**

(1 122)

(4 536)

*Adjusted for:*

Profit on disposal of investments <sup>1</sup>

-

-

-

-

-

(4)

Impairment of assets

-

-

-

-

-

3 471

Taxation effect on impairment of assets

-

-

-

-

-

(169)

Profit on sale of property, plant and equipment

**(2)**

(2)

(1)

**(4)**

(1)

(6)

Loss on scrapping of property, plant and equipment

-

-

430

-

430

491

**Headline earnings/(loss)**

**74**

(523)

(496)

**( 449)**

(763)

(821)

<sup>1</sup> *There is no taxation effect on this item.*

-

(1)

Taxation effect of (loss)/profit on sale of property,  
plant and equipment

-

-

-

-

-

-

(69)

-

(69)

The condensed consolidated financial statements for the six months ended 31 December 2015 have been prepared in accordance with IAS 34, *Interim*

*Financial Reporting*, JSE Listings Requirements, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial

Pronouncements as issued by the Financial Reporting Standards Council, and in the manner required by the Companies Act of South Africa. They should

be read in conjunction with the annual financial statements for the year ended 30 June 2015, which have been prepared in accordance with International

Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those

described in the annual financial statements, except for the adoption of applicable revised and/or new standards issued by the International Accounting

Standards Board.

**Quarter ended**

**Six months ended**

**Quarter ended**

**Six months ended**

Taxation effect on loss of scrapping of property, plant  
and equipment

(67)

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

**12**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the six months ended 31 December 2015 (Rand)

**4 Investment in associate**

**5 Borrowings**

US\$ facility

Rand facility

Figures in million

US dollar

SA rand

**Borrowings summary at 31 December 2015**

Facility

250

1 300

Drawn down

200

300

Undrawn committed borrowing facilities

50

1 000

February

2018

Interest rate

LIBOR + 3%

JIBAR + 3.5%

The drawn amount of R300 million on the Nedbank facility is repayable during December 2016 and has been reclassified as current.

**6 Financial risk management activities**

*Fair value determination*

The fair value levels of hierarchy are as follows:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets;

Level 2:

Level 3:

Inputs for the asset that are not based on observable market data (that is unobservable inputs).

The following table presents the group's assets and liabilities that are measured at fair value by level:

**At**

At

At

At

**31 December**

30 September

30 June

31 December

**2015**

2015

2015

2014

**Figures in million**

**(Unaudited)**

(Unaudited)

(Audited)

(Unaudited)

**Available-for-sale financial assets <sup>1</sup>**

Level 1

-  
-  
-  
-

Level 2

-  
-  
-  
-

Level 3

**5**  
5  
5  
5

**Fair value through profit or loss <sup>2</sup>**

Level 1

-  
-  
-  
-

Level 2

**614**  
532  
538  
375

Level 3

-  
-  
-  
-

<sup>1</sup> Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis.

<sup>2</sup> The majority of the level 2 fair values are directly derived from the Top 40 index on the JSE, and are discounted at market interest rate. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds (included in restricted investments).

December

2016

Maturity

Harmony's portion of the subordinated shareholders' loan extended to Rand Refinery Proprietary Limited (Rand Refinery) in December 2014 amounts to

R120 million. This loan forms part of the net investment in associate. At 30 June 2015, Harmony recorded R25 million against the loan for its share of

losses, as well as a provision for impairment of R15 million.

Harmony's share of profits for the six months to end of December 2015 totalled R35 million. This profit effectively reversed the loss of R25 million



recognised against the loan in June 2015 and an investment in associate of R10 million has been recognised on the balance sheet at 31 December 2015.

The net investment's recoverability was assessed and a provision for impairment of R25 million was recognised in "Other expenses (net)" against the loan.

The fair value measurement of the net investment is classified as level 3 and is non-recurring.

During the December 2015 quarter, R400 million was repaid on the R1.3 billion Nedbank revolving credit facility and US\$50 million on the US\$ revolving

credit facility. During the September 2015 quarter, R300 million was drawn down on the R1.3 billion Nedbank revolving credit facility. The weakening of the

Rand against the US\$ resulted in a foreign exchange translation loss of R374 million being recorded in the December 2015 quarter (September 2015

quarter: R426 million), increasing the Borrowings balance and Other expenses (net) total.

Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (that is, as prices) or

indirectly (that is derived from prices);

13

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the six months ended 31 December 2015 (Rand)

**7 Net additions to property, plant and equipment**

**Year ended**

**31 December**

30 September

31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Capital expenditure - operations

**511**

516

682

**1 027**

1 278

2 470

Other

-

(1)

(1)

**(1)**

-

2

**Net additions**

**573**

595

748

**1 168**

1 399

2 827

**8 Commitments and contingencies**

**At**

At

At

At

**31 December**

30 September  
 30 June  
 31 December

**2015**  
 2015  
 2015  
 2014

**Figures in million**

**(Unaudited)**

(Unaudited)

(Audited)

(Unaudited)

**Capital expenditure commitments:**

Contracts for capital expenditure

**166**

126

158

172

Authorised by the directors but not contracted for

**1 607**

1 980

257

1 646

**1 773**

2 106

415

1 818

This expenditure will be financed from existing resources and, where appropriate, borrowings.

**Contingent liabilities**

**9**

**Related parties**

Movement in shares owned by directors/prescribed officers for the six months ended 31 December 2015:

**Name of director/prescribed officer**

**Shares**

**purchased in**

**open market**

**Performance**

**shares vested**

**and retained**

Frank Abbott (Financial director) <sup>1</sup>

300 000

18 547

Graham Briggs (Chief executive officer)

-

46 874

Harry "Mashego" Mashego (Executive director)

-

7 760

Ken Dicks (Independent non-executive director) <sup>2</sup>

15 000

n/a

Johannes van Heerden

-

13 153

<sup>1</sup> Purchased on 15 December 2015.

<sup>2</sup> Purchased on 8 December 2015.

**10 Subsequent events**

**11 Segment report**

The segment report follows on page 15.

236

1

**114**

16

119

**Six months ended**

Additions resulting from stripping activities at Hidden Valley

**9**

19

66

**28**

105

For a detailed disclosure on contingent liabilities refer to Harmony's annual financial statements for the financial year ended 30 June 2015. There were no significant changes in contingencies since 30 June 2015.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group.

Harmony has signed a R150 million guarantee for the ARM Broad Based Economic Empowerment (BBEE) Trust, a member of the African Rainbow

Minerals (ARM) group. The guarantee is for additional security for the ARM BEE Trust loan due to Nedbank Limited. The fair value of the guarantee was

R15 million at 31 December 2015, and has been recorded in Other expenses (net) and Trade and other payables.

Peter Steenkamp was appointed as chief executive officer (CEO) on 1 January 2016, replacing Graham Briggs who resigned as the CEO on 31 December 2015.

Capital and capitalised exploration and evaluation expenditure for Golpu

**53**

61

**Quarter ended**

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

**14**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the six months ended 31 December 2015 (Rand)

**12 Reconciliation of segment information to condensed consolidated income statements and balance sheets**

**31 December**

31 December

**2015**

2014

**Figures in million**

**(Unaudited)**

(Unaudited)

**Reconciliation of production profit to gross profit**

Total segment revenue

**8 707**

8 146

Total segment production costs

**(6 715)**

(6 614)

Production profit per segment report

**1 992**

1 532

Depreciation

**(1 086)**

(1 252)

Other cost of sales items

**(205)**

(423)

**Gross profit as per income statements <sup>1</sup>**

**701**

(143)

**At**

At

**31 December**

31 December

**2015**

2014

**Figures in million**

**(Unaudited)**

(Unaudited)

**Reconciliation of total segment mining assets to consolidated property, plant and equipment**

Property, plant and equipment not allocated to a segment

Mining assets

**749**

791

Undeveloped property

**5 139**

5 139

Other non-mining assets

**183**

162

Wafi-Golpu assets

**1 814**

1 105

**7 885**

7 197

<sup>1</sup> *The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.*

**Six months ended**

The "Reconciliation of segment information to condensed consolidated financial statements" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the financial

statements and segment report:

15

**SEGMENT REPORT (RAND/METRIC)**

for the six months ended 31 December 2015 (Unaudited)

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**South Africa**

**Underground**

Kusasaletu

**984**

1 005

**935**

1 065

**49**

(60)

**3 661**

3 526

**163**

247

**1 989**

2 109

**382**

476

Doornkop

**686**

620

**539**

566

**147**

54

**2 237**

3 332

**92**

129

**1 374**

1 346

**314**

298

Phakisa

**1 002**

720

**674**

589

**328**

131

**4 274**

4 625

**161**

213

**2 026**

1 628

**356**

300

Tshepong

**1 243**

1 010

**902**

805

**341**

205

**4 079**

3 997

**139**

171

**2 525**

2 288

**553**

528

Masimong

**655**

620

**522**

508

**133**

112

**797**

879

**53**

89

**1 334**

1 403

**349**

373

Target 1

**1 032**

912

**633**

596

**399**

316

**2 840**



2 799

**161**

143

**2 088**

2 052

**380**

386

Bambanani

**883**

617

**410**

347

**473**

270

**810**

842

**53**

64

**1 796**

1 391

**126**

115

Joel

**610**

563

**439**

419

**171**

144

**673**

513

**112**

90

**1 192**

1 162

**278**

285

Unisel

**463**

420

**374**

342

**89**

78

**567**

625

**30**

61

**939**

948

**222**

225

Target 3 <sup>(a)</sup>

-

222

-

177

-

45

**528**

546

-

20

-

483

-

90

**Surface**

All other surface operations

**734**

709

**617**

582

**117**

127

**474**

475

**22**

19

**1 537**

1 565

**5 467**

5 225

**Total South Africa**

**8 292**

7 418

**6 045**

5 996

**2 247**

1 422

**20 940**

22 159

**986**

1 246

**16 800**

16 375

**8 427**

8 301

**International**

Hidden Valley

**415**

728

**670**  
618  
**(255)**  
110  
**1 276**  
3 487  
**40**  
33  
**881**  
1 519  
**735**  
905  
**Total international**  
**415**  
728  
**670**  
618  
**(255)**  
110  
**1 276**  
3 487  
**40**  
33  
**881**  
1 519  
**735**  
905  
**Total operations**  
**8 707**  
8 146  
**6 715**  
6 614  
**1 992**  
1 532  
**22 216**  
25 646  
**1 026**  
1 279  
**17 681**  
17 894  
**9 162**  
9 206  
-  
-  
-  
-  
**7 885**  
7 197  
**8 707**  
8 146  
**6 715**

6 614

**30 101**

32 843

# *Capital expenditure for international operations excludes expenditure spend on Golpu of R114 million (2014: R16 million).*

*(a) Target 3 was placed on care and maintenance in October 2014.*

**Mining assets**

**31 December**

**Capital expenditure #**

**31 December**

**Kilograms produced**

**31 December**

Reconciliation of the segment information to the condensed consolidated financial statements (refer to note 12)

**Tonnes milled**

**31 December**

**R million**

**R million**

**R million**

**R million**

**R million**

**kg**

**t'000**

**Revenue**

**31 December**

**Production cost**

**31 December**

**Production profit/(loss)**

**31 December**

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

**16**

**Q2 FY16**

US\$ RESULTS

**FOR THE SECOND QUARTER**

**FY16 AND SIX MONTHS ENDED**

**31 DECEMBER 2015**

**Harmony Gold Mining Company Limited**

("Harmony" or "Company")

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

JSE share code: HAR | NYSE share code: HMY | ISIN: ZAE000015228

17

**CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)**

(Convenience translation)

**Year ended**

**31 December**

30 September 31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Revenue

**321**

319

327

**639**

739

1 348

Cost of sales

**(275)**

(315)

(354)

**(588)**

(753)

(1 645)

Production costs

**(230)**

(265)

(276)

**(493)**

(601)

(1 103)

Amortisation and depreciation

**(37)**

(43)

(54)

**(80)**

(114)

(216)

Impairment of assets

-
-
-
-
-
(285)
Other items
<b>(8)</b>
(7)
(24)
<b>(15)</b>
(38)
(41)
<b>Gross profit/(loss)</b>
<b>46</b>
4
(27)
<b>51</b>
(14)
(297)
Corporate, administration and other expenditure
<b>(7)</b>
(7)
(8)
<b>(13)</b>
(18)
(33)
Social investment expenditure
<b>(1)</b>
(1)
(1)
<b>(2)</b>
(3)
(6)
Exploration expenditure
<b>(4)</b>
(3)
(8)
<b>(7)</b>
(16)
(23)
Profit on sale of property, plant and equipment
-
-
-
-
1
Other expenses (net)
<b>(26)</b>
(34)

(5)  
**(60)**  
(23)  
(33)  
**Operating profit/(loss)**  
**8**  
(41)  
(87)  
**(31)**  
(112)  
(433)  
Profit/(loss) from associates  
**2**  
-  
-  
**3**  
-  
(2)  
Net gain/(loss) on financial instruments  
-  
(1)  
1  
**(1)**  
2  
1  
Investment income  
**4**  
4  
6  
**8**  
10  
20  
Finance cost  
**(5)**  
(5)  
(6)  
**(10)**  
(12)  
(22)  
**Profit/(loss) before taxation**  
**9**  
(43)  
(86)  
**(31)**  
(112)  
(436)  
Taxation  
**(4)**  
3  
7  
**(2)**



10
62
Normal taxation
-
-
-
-
-
Deferred taxation
<b>(4)</b>
3
7
<b>(2)</b>
10
62
<b>Net profit/(loss) for the period</b>
<b>5</b>
(40)
(79)
<b>(33)</b>
(102)
(374)
<i>Attributable to:</i>
Owners of the parent
<b>5</b>
(40)
(79)
<b>(33)</b>
(102)
(374)
<b>Profit/(loss) per ordinary share (cents)</b>
Basic profit/(loss)
<b>1</b>
(9)
(18)
<b>(7)</b>
(23)
(86)
Diluted profit/(loss)
<b>1</b>
(9)
(18)
<b>(7)</b>
(23)
(86)

**Note on convenience translations**

Except where specific statements have been extracted from 2015 annual financial statements, the requirements of IAS 21, *The Effects of the Changes in Foreign Exchange Rates*, have not necessarily been applied in the translation of the US Dollar financial statements presented on page 17 to 21.

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The currency conversion average rates for the quarter ended: December 2015: US\$1 = R14.24 (September 2015: US\$1 = R13.00, December 2014: US\$1 = R11.22). For year ended: June 2015: US\$1 = R11.45. Six months ended: December 2015: US\$1 = R13.62 (December 2014: US\$1 = R10.99).

The income statement for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

**Quarter ended**

**Six months ended**

Loss on scrapping of property, plant and equipment

-

-

(38)

-

(38)

(42)

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

**18**

(Convenience translation)

**Year ended**

**31 December**

30 September

31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Net profit/(loss) for the period

**5**

(40)

(79)

**(33)**

(102)

(374)

Foreign exchange translation

**18**

17

(11)

**35**

6

(368)

Items that will not be reclassified to profit or loss:

-

-

-

-

-

1

Remeasurement of retirement benefit obligation

Actuarial gain recognised during the year

-

-

-

-

-  
 1  
 Deferred taxation thereon  
 -  
 -  
 -  
 -  
 -  
**Total comprehensive income/(loss) for the period**

**23**

(23)

(90)

**2**

(96)

(741)

*Attributable to:*

Owners of the parent

**23**

(23)

(90)

**2**

(96)

(741)

The statement of comprehensive income for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

for the six months ended 31 December 2015 (Convenience translation) (Unaudited)

**Figures in million**

Balance - 30 June 2015

**1 813**

**242**

**(343)**

**1 712**

Share-based payments

-

**6**

-

**6**

Net loss for the period

-

-

**(28)**

**(28)**

Other comprehensive income for the period

-

**30**

-

**30**

**Balance - 31 December 2015**

**1 813**

**278**

**(371)**

**1 720**

Balance - 30 June 2014

2 448

306

(71)

2 683

Share-based payments

-

11

-

11

Net loss for the period

-

-

(97)

(97)

Other comprehensive income for the period

-

6

-

6

**Balance - 31 December 2014**

2 448

323

(168)

2 603

The currency conversion closing rates for the period ended 31 December 2015: US\$1 = R15.62 (December 2014: US\$1 = R11.57).

The statement of changes in equity for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

**Share capital**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$)**

(368)

**Quarter ended**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US\$)**

The currency conversion average rates for the quarter ended: December 2015: US\$1 = R14.24 (September 2015: US\$1 = R13.00, December 2014: US\$1 =

R11.22). For year ended: June 2015: US\$1 = R11.45. Six months ended: December 2015: US\$1 = R13.62 (December 2014: US\$1 = R10.99).

**Six months ended**

Other comprehensive income/(loss) for the period, net of income tax

**18**

17

(11)

**35**

6

(367)

Items that may be reclassified subsequently to profit or

loss:

**18**

17

**Total**

**Accumulated**

**loss**

**Other**

**reserves**

(11)

**35**

6

**19**

**CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)**

(Convenience translation)

**At**

At

At

At

**31 December**

30 September

30 June 31 December

**2015**

2015

2015

2014

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

(Unaudited)

ASSETS

**Non-current assets**

Property, plant and equipment

**1 927**

2 150

2 430

2 839

Intangible assets

**56**

64

73

76

Restricted cash

**4**

4

4

4

Restricted investments

**156**

174

196

205

Deferred tax assets

-

-

-

6

Inventories

**2**

3

3

4

Trade and other receivables

**5**

6

7

10

**Total non-current assets**

**2 150**

2 401

2 713

3 144

**Current assets**

Inventories

**81**

91

106

116

Trade and other receivables

**42**

54

62

71

Income and mining taxes

**1**

2

2

4

Restricted cash

**1**

1

1

1

Cash and cash equivalents

**56**

107

88

119

**Total current assets**

**181**

255

259

311

**Total assets**

**2 331**

2 656

2 972

3 455

**EQUITY AND LIABILITIES**

**Share capital and reserves**

Share capital

**1 813**

2 043



2 329
2 448
Other reserves
<b>278</b>
291
311
323
Accumulated loss
<b>(371)</b>
(423)
(440)
(168)
<b>Total equity</b>
<b>1 720</b>
1 911
2 200
2 603
<b>Non-current liabilities</b>
Deferred tax liabilities
<b>123</b>
135
157
221
Provision for environmental rehabilitation
<b>151</b>
165
182
188
Retirement benefit obligation
<b>11</b>
12
13
22
Other non-current liabilities
<b>3</b>
3
3
4
Borrowings
<b>198</b>
298
280
-
<b>Total non-current liabilities</b>
<b>486</b>
613
635
435
<b>Current liabilities</b>
Borrowings
<b>20</b>

-
-
270
Trade and other payables
<b>105</b>
132
137
147
<b>Total current liabilities</b>
<b>125</b>
132
137
417
<b>Total equity and liabilities</b>
<b>2 331</b>
2 656
2 972
3 455

The balance sheet for December 2015 converted at a conversion rate of US\$1 = R15.62 (September 2015 : US\$1 = R13.87, June 2015 : US\$1 = R12.16, December 2014 : US\$1 = R11.57).

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)**

(Convenience translation)

**Year ended**

**31 December**

30 September

31 December

**31 December**

31 December

30 June

**2015**

2015

2014

**2015**

2014

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Unaudited)

(Audited)

Cash generated/(utilised) by operations

**73**

54

(6)

**127**

92

168

Interest and dividends received

**2**

2

3

**3**

5

9

Interest paid

**(3)**

-

(2)

**(3)**

(4)

(9)

Income and mining taxes refunded

**1**

-

3

**1**

6

8

**Cash flow from investing activities**

(Increase)/decrease in restricted cash

-

-

-

-

-

1

Decrease in restricted investments

-

-

-

-

-

2

Loan to associate

-

-

(11)

**1**

(11)

(10)

**(40)**

(46)

(78)

**(85)**

(138)

(253)

Borrowings raised

-

23

-

**22**

-

80

Borrowings repaid

**(78)**

-

-

**(82)**

-

(65)

**(6)**

(14)

(3)

**(15)**

(14)

(22)

**56**

107

119

**56**

119

88

The cash flow statement for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

**Six months ended**

**Quarter ended**

**Cash flow from financing activities**

**Cash utilised by investing activities**

**Cash flow from operating activities**

**(86)**

(127)

99

Net additions to property, plant and equipment

**(40)**

(46)

(67)

**(32)**

(53)

(84)

Cash and cash equivalents - beginning of period

**107**

88

**Cash and cash equivalents - end of period**

Net increase/(decrease) in cash and cash equivalents

**( 51)**

19

(83)

-

**(60)**

-

15

**Foreign currency translation adjustments**

176

The currency conversion average rates for the quarter ended: December 2015: US\$1 = R14.24 (September 2015: US\$1 = R13.00, December 2014: US\$1 =

R11.22). For year ended: June 2015: US\$1 = R11.45. Six months ended: December 2015: US\$1 = R13.62 (December 2014: US\$1 = R10.99).

Closing balance translated at closing rates of: December 2015 : US\$1 = R15.62 (September 2015 : US\$1 = R13.87, June 2015 : US\$1 = R12.16, December 2014 : US\$1 = R11.57).

172

172

202

**88**

**Cash generated/(utilised) by operating activities**

73

56

(2)

**128**

(246)

**Cash generated/(utilised) by financing activities**

**( 78)**

23

**21**

**SEGMENT REPORT (US\$/IMPERIAL)**

for the six months ended 31 December 2015 (Unaudited)

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**2015**

2014

**South Africa**

**Underground**

Kusasaletu

**72**

91

**69**

97

**3**

(6)

**234**

305

**12**

21

**63 948**

67 806

**421**

525

Doornkop

**50**

56

**40**

51

**10**

5

**143**

288

**7**

12

**44 175**

43 275

**346**

329

Phakisa

**74**

66  
**50**  
54  
**24**  
12  
**274**  
400  
**12**  
19  
**65 137**  
52 341  
**392**  
331  
Tshepong  
**91**  
92  
**66**  
73  
**25**  
19  
**261**  
346  
**10**  
15  
**81 181**  
73 560  
**610**  
583  
Masimong  
**48**  
56  
**38**  
46  
**10**  
10  
**51**  
76  
**4**  
8  
**42 889**  
45 107  
**384**  
411  
Target 1  
**76**  
83  
**47**  
54  
**29**  
29  
**182**



242  
**12**  
13  
**67 131**  
65 973  
**419**  
426  
Bambanani  
**65**  
56  
**30**  
32  
**35**  
24  
**52**  
73  
**4**  
6  
**57 743**  
44 722  
**139**  
127  
Joel  
**45**  
51  
**32**  
38  
**13**  
13  
**43**  
44  
**8**  
8  
**38 323**  
37 359  
**306**  
314  
Unisel  
**34**  
38  
**27**  
31  
7  
7  
**36**  
54  
**2**  
6  
**30 190**  
30 479  
**245**

248

Target 3 <sup>(a)</sup>

-

20

-

16

-

4

**34**

47

-

2

-

15 529

-

99

**Surface**

All other surface operations

**54**

64

**45**

53

**9**

11

**30**

41

**2**

2

**49 417**

50 316

**6 028**

5 761

**Total South Africa**

**609**

673

**444**

545

**165**

128

**1 340**

1 916

**73**

112

**540 134**

526 467

**9 290**

9 154

**International**

Hidden Valley

**30**

66

**49**  
 56  
**(19)**  
 10  
**82**  
 301  
**3**  
 3  
**28 325**  
 48 837  
**810**  
 998  
**Total international**  
**30**  
 66  
**49**  
 56  
**(19)**  
 10  
**82**  
 301  
**3**  
 3  
**28 325**  
 48 837  
**810**  
 998  
**Total operations**  
**639**  
 739  
**493**  
 601  
**146**  
 138  
**1 422**  
 2 217  
**76**  
 115  
**568 459**  
 575 304  
**10 100**  
 10 152  
*# Capital expenditure for international operations excludes expenditure spend on Golpu of US\$8 million (2014: US\$1 million).*  
 (a) *Target 3 was placed on care and maintenance in October 2014.*  
**Tons milled**  
**31 December**  
**US\$ million**  
**US\$ million**  
**US\$ million**  
**US\$ million**

**US\$ million**

**oz**

**t'000**

**Revenue**

**31 December**

**Production cost**

**31 December**

**Production profit/(loss)**

**31 December**

**Mining assets**

**31 December**

**Capital expenditure #**

**31 December**

**Ounces produced**

**31 December**

**Harmony Gold Mining Company Limited**

Results for the second quarter FY16 and six months ended 31 December 2015

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**DEVELOPMENT RESULTS (IMPERIAL)**

Quarter ending December 2015

**Channel  
Reef Sampled  
Width  
Value  
Gold  
Meters  
Meters  
(Cm's)  
(g/t) (Cmg/t)**

Tshepong

Basal

184

168

9.59

234.46

2 248

B Reef

114

82

81.79

6.04

494

**All Reefs**

299

250

33.27

50.27

1 672

Phakisa

Basal

448

456

63.90

21.64

1 383

**All Reefs**

448

456

63.90

21.65

1 383

Bambabani

Basal

43  
16  
256.00  
8.77  
2 244  
**All Reefs**  
43  
16  
256.00  
8.77  
2 244  
Doornkop  
South Reef  
512  
585  
64.00  
13.97  
892  
**All Reefs**  
512  
585  
64.00  
13.93  
892  
Kusasaletu  
VCR Reef  
477  
390  
101.00  
6.92  
699  
**All Reefs**  
477  
390  
101.00  
6.92  
699  
Target 1  
Elsburg  
-  
-  
-  
-  
-  
**All Reefs**  
-  
-  
-  
-  
-  
Masimong 5

Basal

224

134

81.37

17.38

1 414

B Reef

199

231

52.74

19.11

1 008

**All Reefs**

423

365

63.25

18.29

1 157

Unisel

Basal

127

102

154.43

5.27

814

Leader

262

254

223.80

4.69

1 049

Middle

—

—

—

—

—

**All Reefs**

390

356

203.93

4.81

982

Joel

Beatrix

720

708

151.00

7.71

1 164

**All Reefs**

720  
708  
151.00  
7.71  
1 164  
Total Harmony  
Basal  
1 027  
876  
70.21  
21.41  
1 503  
Beatrix  
720  
708  
151.00  
7.71  
1 164  
Leader  
262  
254  
223.80  
4.69  
1 049  
B Reef  
313  
313  
60.35  
14.47  
873  
Middle  
—  
—  
—  
—  
—  
Elsburg  
—  
—  
—  
—  
—  
South Reef  
512  
585  
64.00  
13.93  
892  
VCR  
477  
390



101.00

6.92

699

**All Reefs**

3 311

3 126

102.68

10.83

1 112

**DEVELOPMENT RESULTS (METRIC)**

Quarter ending December 2015

**Channel**

**Reef Sampled**

**Width**

**Value**

**Gold**

**Feet**

**Feet**

**(Inch)**

**(oz/t) (In.oz/t)**

Tshepong

Basal

605

551

4.00

6.45

26

B Reef

374

269

32.00

0.18

6

**All Reefs**

979

820

13.00

1.48

19

Phakisa

Basal

1 469

1 496

25.00

0.64

16

**All Reefs**

1 469

1 496

25.00

0.64

16

Bambabani

Basal

142

52

101.00

0.26

26

**All Reefs**

142

52

101.00

0.26

26

Doornkop

South Reef

1 681

1 919

25.00

0.41

10

**All Reefs**

1 681

1 919

25.00

0.41

10

Kusasaletu

VCR Reef

1 565

1 280

40.00

0.20

8

**All Reefs**

1 565

1 280

40.00

0.20

8

Target 1

Elsburg

—

—

—

—

—

**All Reefs**

-  
-  
-  
-  
-

Masimong 5

Basal

735

440

32.00

0.51

16

B Reef

652

758

21.00

0.55

12

**All Reefs**

1 387

1 198

25.00

0.53

13

Unisel

Basal

417

335

61.00

0.15

9

Leader

861

833

88.00

0.14

12

Middle

-  
-  
-  
-  
-

**All Reefs**

1 278

1 168

80.00

0.14

11

Joel

Beatrix

2 362  
2 323  
59.00  
0.23  
13

**All Reefs**

2 362  
2 323  
59.00  
0.23  
13

**Total Harmony**

**Basal**  
3 368  
2 874  
28.00  
0.62  
17

**Beatrix**

2 362  
2 323  
59.00  
0.23  
13

**Leader**

861  
833  
88.00  
0.14  
12

**B Reef**

1 027  
1 027  
24.00  
0.42  
10

**Middle**

—  
—  
—  
—  
—

**Elsburg**

—  
—  
—  
—  
—

**South Reef**

1 681  
1 919

25.00

0.41

10

VCR

1 565

1 280

40.00

0.20

8

**All Reefs**

10 863

10 256

40.00

0.32

13

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 4, 2016

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director