



## 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

### HALF YEAR ACHIEVEMENTS

- Improved safety performance – best ever, quarterly lost time injury frequency rate of 4.84 achieved by the South African operations in the December 2018 quarter
- 7% increase in underground recovered grade to 5.65g/t
- 34% increase in production – boosted by full six months of Moab Khotsonong and Hidden Valley
- R1.1 billion (US\$81 million) operational free cash flow generated by operations (more than 100% increase)
- Net debt reduced by R333 million (US\$39 million) to R4.6 billion (US\$317 million)
- Wafi-Golpu memorandum of understanding agreement signed – key to progressing the grant of the special mining lease

### OPERATING RESULTS

|                                      |              | Six months ended December 2018 | Six months ended December 2017 | Variance % | Six months ended June 2018 | Variance* % |
|--------------------------------------|--------------|--------------------------------|--------------------------------|------------|----------------------------|-------------|
| Gold produced                        | kg           | 23 359                         | 17 418                         | 34         | 20 775                     | 12          |
|                                      | oz           | 751 008                        | 560 003                        | 34         | 667 931                    | 12          |
| Underground grade                    | g/t          | 5.65                           | 5.26                           | 7          | 5.69                       | (1)         |
| Gold price received                  | R/kg         | 572 898                        | 580 672                        | (1)        | 561 689                    | 2           |
|                                      | US\$/oz      | 1 258                          | 1 348                          | (7)        | 1 418                      | (11)        |
| Cash operating costs                 | R/kg         | 429 860                        | 419 440                        | (2)        | 422 880                    | (2)         |
|                                      | US\$/oz      | 944                            | 974                            | 3          | 1 068                      | 12          |
| Total costs and capital <sup>1</sup> | R/kg         | 525 674                        | 494 369                        | (6)        | 503 178                    | (4)         |
|                                      | US\$/oz      | 1 154                          | 1 148                          | (1)        | 1 270                      | 9           |
| All-in sustaining costs <sup>2</sup> | R/kg         | 528 265                        | 500 248                        | (6)        | 516 865                    | (2)         |
|                                      | US\$/oz      | 1 160                          | 1 161                          | –          | 1 307                      | 11          |
| Production profit                    | R million    | 3 385                          | 2 712                          | 25         | 2 644                      | 28          |
|                                      | US\$ million | 239                            | 203                            | 18         | 214                        | 12          |
| Exchange rate                        | R/US\$       | 14.17                          | 13.40                          | 6          | 12.30                      | 15          |

\* December 2018 six months and June 2018 six months comparison

<sup>1</sup> Excludes investment capital for Hidden Valley

<sup>2</sup> Excludes share-based payment charge

### FINANCIAL RESULTS

|                             |              | Six months ended December 2018 | Six months ended December 2017 | Variance % |
|-----------------------------|--------------|--------------------------------|--------------------------------|------------|
| Basic earnings per share    | SA cents     | 15                             | 203                            | (93)       |
|                             | US cents     | 1                              | 15                             | (93)       |
| Headline earnings           | R million    | 73                             | 990                            | (93)       |
|                             | US\$ million | 5                              | 74                             | (93)       |
| Headline earnings per share | SA cents     | 14                             | 224                            | (94)       |
|                             | US cents     | 1                              | 17                             | (94)       |

### HARMONY'S ANNUAL REPORTS

Harmony's Integrated Annual Report, Financial Report, Mineral Reserves and Resource Report and its annual report filed on a Form 20F with the United States' Securities and Exchange Commission for the financial year ended 30 June 2018 is available on our website ([www.harmony.co.za/invest](http://www.harmony.co.za/invest))

**FY19**  
**INTERIM RESULTS**  
FOR THE SIX MONTHS ENDED  
**31 DECEMBER 2018**

## SHAREHOLDER INFORMATION

|                                                                                  |                     |
|----------------------------------------------------------------------------------|---------------------|
| Issued ordinary share capital at 31 December 2018                                | 532 281 170         |
| Issued ordinary share capital at 30 June 2018                                    | 500 251 751         |
| Issued ordinary share capital at 31 December 2017                                | 444 724 878         |
| <b>MARKET CAPITALISATION</b>                                                     |                     |
| At 31 December 2018 (ZARm)                                                       | 13 413              |
| At 31 December 2018 (US\$m)                                                      | 932                 |
| At 30 June 2018 (ZARm)                                                           | 10 615              |
| At 30 June 2018 (US\$m)                                                          | 774                 |
| At 31 December 2017 (ZARm)                                                       | 10 627              |
| At 31 December 2017 (US\$m)                                                      | 858                 |
| <b>HARMONY ORDINARY SHARES AND ADR PRICES</b>                                    |                     |
| 12-month high (1 January 2018 – 31 December 2018) for ordinary shares            | R31.50              |
| 12-month low (1 January 2018 – 31 December 2018) for ordinary shares             | R19.00              |
| 12-month high (1 January 2018 – 31 December 2018) for ADRs                       | US\$2.53            |
| 12-month low (1 January 2018 – 31 December 2018) for ADRs                        | US\$1.43            |
| <b>FREE FLOAT</b>                                                                | 100%                |
| <b>ADR RATIO</b>                                                                 | 1:1                 |
| <b>JSE LIMITED</b>                                                               | HAR                 |
| Range for six months (1 July 2018 – 31 December 2018 closing prices)             | R20.63 – R31.27     |
| Average daily volume for the six months (1 July 2018 – 31 December 2018)         | 1 765 694           |
| Range for previous six months (1 January 2018 – 30 June 2018 closing prices)     | R19.24 – R28.80     |
| Average daily volume for the previous six months (1 January 2018 – 30 June 2018) | 1 799 874           |
| <b>NEW YORK STOCK EXCHANGE</b><br>including other US trading platforms           | HMY                 |
| Range for six months (1 July 2018 – 31 December 2018 closing prices)             | US\$1.44 – US\$2.12 |
| Average daily volume for the six months (1 July 2018 – 31 December 2018)         | 3 071 356           |
| Range for previous six months (1 January 2018 – 30 June 2018 closing prices)     | US\$1.52 – US\$2.50 |
| Average daily volume for the previous six months (1 January 2018 – 30 June 2018) | 5 016 078           |
| <b>Investors' calendar</b>                                                       |                     |
| H2 FY19 live presentation from Johannesburg                                      | 20 August 2019      |
| Annual General Meeting                                                           | 22 November 2019    |

## CONTACT DETAILS

### CORPORATE OFFICE

Randfontein Office Park  
PO Box 2, Randfontein, 1760, South Africa  
Corner Main Reef Road and Ward Avenue  
Randfontein, 1759, South Africa  
Telephone: +27 11 411 2000  
Website: www.harmony.co.za

### DIRECTORS

PT Motsepe\* (*chairman*)  
M Msimang\*\* (*lead independent director*)  
JM Motloba\*\* (*deputy chairman*)  
PW Steenkamp (*chief executive officer*)  
F Abbott (*financial director*)  
JA Chissano\*<sup>1</sup>, FFT De Buck\*<sup>^</sup>, KV Dicks\*<sup>^</sup>, Dr DSS Lushaba\*<sup>^</sup>  
HE Mashego\*\*<sup>^</sup>, KT Nondumo\*<sup>^</sup>  
VP Pillay\*<sup>^</sup>, MV Sisulu\*<sup>^</sup>, JL Wetton\*<sup>^</sup>, AJ Wilkens\*  
\* Non-executive  
\*\* Executive  
<sup>^</sup> Independent  
<sup>1</sup> Mozambican

### INVESTOR RELATIONS

E-mail: HarmonyIR@harmony.co.za  
Mobile: +27 82 759 1775  
Telephone: +27 11 411 2314  
Website: www.harmony.co.za

### COMPANY SECRETARY

Telephone: +27 11 411 6020  
E-mail: companysecretariat@harmony.co.za

### TRANSFER SECRETARIES

**Link Market Services South Africa (Proprietary) Limited**  
(Registration number 2000/007239/07)  
13th Floor, Rennie House, Ameshoff Street, Braamfontein  
PO Box 4844, Johannesburg, 2000, South Africa  
Telephone: 0861 546 572  
E-mail: info@linkmarketservices.co.za  
Fax: +27 86 674 4381

### ADR\* DEPOSITORY

**Deutsche Bank Trust Company Americas**  
**c/o American Stock Transfer and Trust Company**  
Peck Slip Station  
PO Box 2050, New York, NY 10272-2050  
E-mail queries: db@amstock.com  
Toll free (within US): +1-886-249-2593  
Int: +1-718-921-8124  
Fax: +1-718-921-8334  
\*ADR: American Depositary Receipts

### SPONSOR

**JP Morgan Equities South Africa (Pty) Ltd**  
1 Fricker Road, corner Hurlingham Road  
Illovo, Johannesburg, 2196  
Private Bag X9936, Sandton, 2146  
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### TRADING SYMBOLS

JSE Limited: HAR  
New York Stock Exchange, Inc.: HMY

### REGISTRATION NUMBER:

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

### ISIN:

ZAE 000015228

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), 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 forward-looking statements, including, among others, those relating to our future business prospects, revenues, and the potential benefit of acquisitions (including statements regarding growth and cost savings) wherever they may occur in this report and the exhibits, are necessarily 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 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 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; estimates of provision for silicosis settlement; statements regarding future debt repayments; estimates of future capital expenditures; the success of our business strategy, development activities and other initiatives; future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans; 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, as well as at existing operations; 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 and the availability, terms and deployment of capital; changes in government regulation and the political environment, particularly tax, mining rights, environmental regulation and business ownership including any interpretation thereof; fluctuations in exchange rates and currency devaluations and other macroeconomic monetary policies; the adequacy of the Group's insurance coverage; and socio-economic or political instability in South Africa, Papua New Guinea, Australia 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 report or to reflect the occurrence of unanticipated events, except as required by law. The foregoing factors and others described under "Risk Factors" should not be construed as exhaustive.

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## 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.

The mineral resources and mineral reserves in this report are based on information compiled by the following competent persons:

### Resources and reserves of South Africa:

Jaco Boshoff, BSc (Hons), MSc, MBA, Pr. Sci. Nat, MSAIMM, MGSSA, who has 23 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP) and a member of the South African Institute of Mining and Metallurgy (SAIMM).

Mr Boshoff is Harmony's Lead Competent Person.

#### Jaco Boshoff

##### Physical address:

Randfontein Office park  
Corner of Main Reef Road and Ward Avenue  
Randfontein  
South Africa

##### Postal address:

PO Box 2  
Randfontein  
1760  
South Africa

### Resources and reserves of Papua New Guinea:

Gregory Job, BSc, MSc, who has 30 years' relevant experience and is a member of the Australian Institute of Mining and Metallurgy (AusIMM).

#### Greg Job

##### Physical address:

Level 2  
189 Coronation Drive  
Milton, Queensland 4064  
Australia

##### Postal address:

PO Box 1562  
Milton, Queensland  
4064  
Australia

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

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The inclusion of Moab Khotsong and Hidden Valley in our asset portfolio has boosted Harmony's production and cash flow in the first half of the 2019 financial year (FY19), demonstrating the quality of these assets in line with our investment strategy.

We remain committed to our strategy of producing safe, profitable ounces and increasing our margins to ensure our operations benefit from the positive sentiment in the gold market.

### SAFETY

Sadly, the South African operations had four fatalities. The employees who lost their lives were Michael Plaatjies (team leader at Kusasalethu), Tsepo Libate (scraper winch operator at Tshepong), Tsietsi Manoto (artisan at Kusasalethu) and Mvuyisi Mayekiso (locomotive operator at Moab Khotsong). Our heartfelt condolences go to their families, friends and colleagues.

Harmony's risk management approach enables our people to understand and appropriately manage hazards, risks and controls. Critical control management, positive safety behaviour reinforcement and pro-active risk management are key components of our safety approach.

The group achieved a notable improvement in its safety performance measure of the lost time injury frequency rate (LTIFR) of 5.52 (per 1 million hours) (12% improvement compared to 6.26 in the previous comparative period).

As part of the Minerals Council of South Africa's campaign to recommit to the shared goal of zero harm, safety days were held at each South African operation during October 2018. This successful industry initiative reinforced Harmony's approach to safe behaviour and the rights and responsibilities that all employees have in ensuring a safe workplace.

### OPERATIONAL RESULTS – H1FY18 TO H1FY19

Gold production for the group for the six months ended 31 December 2018 increased by 5 941kg (34%) to 23 359kg (751 008oz), compared to 17 418kg (560 003oz) for the six months ended 31 December 2017. Gold production in the first half of FY19 was significantly boosted by the acquisition of Moab Khotsong (effective 1 March 2018 in FY18) and Hidden Valley (which achieved commercial levels of production in June 2018).

The performance from our operations is summarised below:

- **Moab Khotsong:** the first full six month inclusion of Moab Khotsong in our portfolio resulted in gold production of 4 418kg (142 042oz), achieving a recovered grade of 8.30g/t. Safety enhancements in the middle mine during the first half of FY19 resulted in lower production from this section. The planned upgrade to split reef and waste to the plant will improve future grade recoveries;
- **Hidden Valley:** safety, good operational momentum and disciplined cost management contributed to Hidden Valley achieving gold production of 3 111kg (100 021oz) and generating operational free cash flow of R196 million (US\$14 million) (at a margin of 11%). The mine is on track to achieve production guidance of 200 000oz. Stripping of the cutbacks will continue for the next two and a half years to deliver an average life of mine all-in sustaining cost of below US\$950/oz;
- **Kusasalethu:** gold production increased by 8%, as a result of a 10% increase in tonnes milled to 358 000t, offsetting the 2% decrease in recovered grade to 6.74g/t. The operation has achieved operational free cash flow for the fifth consecutive six month period;
- **Doornkop:** achieved 3.75 million fatality free shifts in December 2018 (achievement of more than 4 years). Gold production increased by 7% to 1 766kg (56 778oz), as a result of a 12% increase in tonnes milled offsetting the 4% decrease in recovered grade 4.54g/t;

- **Unisel:** the operation was successfully restructured in the second half of FY18 where mining is focused on targeted high grade areas of the shaft pillar. Operational free cash flow increased by 197% to R77 million (183% to US\$5 million) as a result of the 61% increase in recovered grade to 5.12g/t. Gold production decreased by 7% to 665kg (21 380oz);
- **Waste rock dumps:** gold production increased by 80%, as a result of a 116% increase in tonnes milled to 2.2 Mt. Higher production is mainly due to the treatment of Moab Khotsong rock dumps (not included in Harmony's portfolio in the comparative six month period) and increased production from processing of the Doornkop waste rock dumps which only commenced in November 2017;
- **Central plant reclamation:** gold production increased by 16% to 283kg (9 098oz), due to a 14% increase in grade recovered to 0.146g/t and 2% increase in tonnes processed to 1 936 000t;
- **Kalgold:** gold production increased by 4% to 630kg (20 255oz), due to a 7% increase in tonnes milled, offsetting the 4% decrease in grade recovered;
- **Phoenix (tailings retreatment):** gold production increased by 2% to 393kg (12 635oz), due to a 3% increase in tonnes processed to 3 151 000t;
- **Target 1:** gold production decreased by 4%, due to a 16% decrease in tonnes milled, offsetting the 14% increase in recovered grade to 4.81g/t;
- **Tshepong operations:** gold production decreased by 17%, due to a 11% decrease in recovered grade to 5.04g/t and a 7% decrease in tonnes milled. The performance and the momentum of the Tshepong Operations have been impacted by a lack of flexibility due to a reduction in the availability of stoping panels to mine, safety related stoppages and measures taken to deal with the spate of illegal mining incidents. The management team are working on improving the performance of the mine, focusing on speeding up development and improving overall mining and grade discipline;
- **Joel:** In line with Joel's operational plan, gold production decreased by 18%, as a result of a 9% decrease in recovered grade to 3.28g/t, and a 10% decrease in tonnes milled. The Joel decline project is nearing completion and development in the footwall areas is continuing. Grades are expected to improve towards the end of FY19;
- **Masimong:** gold production decreased by 23% to 1 152kg (37 038oz), mainly due to the 19% decrease in recovered grade to 3.69g/t as mining of the higher grade B reef was impacted by an underground fire. Tonnes milled decreased by 5%.

The December six month period for our South African operations is seasonally impacted by two months of higher winter electricity tariffs and annual wage (bargaining unit) increases. The production from Moab Khotsong aided in managing unit costs. Cash operating unit costs increased by 2% to R429 860/kg in the six months ended 31 December 2018 (R419 440/kg for the six months ended 31 December 2017). In US dollar terms, cash operating unit costs were impacted by the weaker average Rand/US\$ exchange rate, resulting in a decrease of 3% to US\$944/oz.

All-in sustaining unit costs for the group increased by 6% to R528 265/kg in the six months ended 31 December 2018 when compared to the previous comparable period of 31 December 2017. Lower production at Tshepong, deferred stripping at Hidden Valley and increased capital development expenditure at Tshepong, Joel, Doornkop and Target 1 increased all-in sustaining unit cost for the December 2018 six months. In US dollar terms all-in sustaining unit costs remained flat at US\$1 160/oz, mainly due to the weakening of the Rand against the US dollar in the six months ended 31 December 2018.

Total capital expenditure decreased by 6% to R2.24 billion (11% to US\$158 million). The comparative December 2017 six month period included R1.1 billion (US\$82 million) related to the Hidden Valley reinvestment.

## FINANCIAL RESULTS – H1FY18 TO H1FY19

### Revenue

Revenue increased by R3.9 billion or 40% (US\$237 million or 32%) mainly due to the inclusion of the Moab Khotsoeng operations (R2.7 billion (US\$190 million)) and Hidden Valley's production (R1.7 billion (US\$123 million) increase) for the full six month period to 31 December 2018. The average gold price received declined by 1% to R572 898/kg from R580 672/kg in December 2017.

Forward gold sale contracts of 3 577kg (115 000oz) with an average price of R654 245/kg matured during the period.

### Production costs

Production costs increased by R3.2 billion or 45% (US\$200 million or 37%) during the December 2018 six months mainly due to the addition of Moab Khotsoeng (R1.8 billion (US\$125 million)) and Hidden Valley's return to full production (R836 million (US\$59 million)).

### Amortisation and depreciation

Depreciation is higher in the December 2018 six months owing mainly to Hidden Valley's return to full production which contributed R896 million (US\$63 million) of the increase.

### Net profit

The net profit for the six months ended 31 December 2018 was R75 million (US\$5 million), compared to a profit of R897 million (US\$65 million) for the comparative period. Headline earnings amounted to 14 SA cents per share (1 US cents per share) compared to 224 SA cents per share (17 US cents) for the December 2017 period.

### Borrowings

During November 2018, Harmony concluded a new four-year R2.0 billion term and revolving credit facility with Nedbank Limited (Nedbank) and ABSA Bank Limited, to replace the Nedbank R1 billion revolving credit facility. The debt covenants remained unchanged except for the tangible net worth to total debt covenant ratio, which shall not be less than 4.5 times to June 2019, thereafter, not less than 5 times.

Net debt decreased to R4 575 million (US\$317 million) at the end of December 2018 from R4 908 million (US\$356 million) at the end of June 2018.

For further details refer to note 11 on page 22.

### Hedging activity

The hedging programmes realised gains from all hedging programmes of R480 million for the December 2018 period. Management continues to top-up these programmes when the market presents attractive opportunities to do so.

Refer to note 9 on page 20 for further detail.

## WAFI-GOLPU UPDATE

As announced on 11 December 2018, the Wafi-Golpu Joint Venture (WGJV) signed a Memorandum of Understanding (MOU) with the Independent State of Papua New Guinea (PNG) which affirmed the parties' intent to proceed with the Wafi-Golpu Project, subject to finalisation of the permitting process and Harmony and Newcrest Mining Limited board approvals. The MOU also re-affirmed the intention of the parties to complete the permitting process and achieve the grant of a Special Mining Lease (SML) by 30 June 2019.

The WGJV is completing an approval process with the relevant PNG authorities to commence a substantial work program, including establishment of underground access for further drilling of the Golpu deposit and the construction of a bridge over the Markham River, which is an integral feature of the proposed new Northern Access road from the Highlands Highway to the mine site.

Golpu continues to be a potential game-changer for Harmony.

## ORGANIC GROWTH OPPORTUNITIES

Exploration and project studies continued and R234 million (US\$17 million) was spent in H1FY19. We recognise that disciplined capital allocation is essential in generating shareholder return.

Key components of our capital allocation approach include:

- Safety – safety and surface projects are prioritised. Mining rates and technical aspects of pillar mining are intensely scrutinised.
- Projects to generate high returns – project internal rates of return (IRR) to exceed 15%.
- Affordability – project cash flows and capital intensity is weighed against group and operational cash flow projections and requirements. Once replacement and growth are aimed at securing healthy margins.
- Project management – focused project management is crucial to enhancing project return and ensuring operational momentum. Most recently, excellent project management was fundamental to the Hidden Valley re-investment project and Central Plant Reclamation tailings plant conversion – both projects delivered safely, below budget and on schedule.

Summary of Harmony's pipeline of organic growth opportunities:

| Permitting phase                                                                                                           | Feasibility                                                                                                               | Pre-feasibility                                                                                                                                                                                                          | Concept/exploration phase                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Wafi-Golpu <ul style="list-style-type: none"> <li>• Copper-gold project</li> <li>• PNG, mechanised block-caving</li> </ul> | Central Plant Reclamation <ul style="list-style-type: none"> <li>• Tailings expansion</li> <li>• SA, surface</li> </ul>   | Mispah Tailings <ul style="list-style-type: none"> <li>• Tailings retreatment</li> <li>• SA, surface</li> </ul>                                                                                                          | Kalgold <ul style="list-style-type: none"> <li>• Near mine brownfields exploration</li> <li>• SA, open pit</li> </ul> |
|                                                                                                                            | Great Noligwa <ul style="list-style-type: none"> <li>• High grade pillar extraction</li> <li>• SA, underground</li> </ul> | Hidden Valley <ul style="list-style-type: none"> <li>• Extension</li> <li>• PNG, open pit</li> </ul> Zaaiplaats <ul style="list-style-type: none"> <li>• High grade mine extension</li> <li>• SA, underground</li> </ul> | Target North <ul style="list-style-type: none"> <li>• Greenfields exploration</li> <li>• SA, underground</li> </ul>   |

An update on the various studies will be provided in the second half of FY19.

## SILICOSIS CLASS ACTION UPDATE

The Gold Working Group (of which Harmony is a member) continue to focus on a comprehensive and sustainable solution for the compensation of occupational lung diseases in the mining industry.

On 13 December 2018, the High Court of South Africa (High Court) heard the Gold Mineworkers' Class Action Settlement Agreement (Settlement Agreement) signed on 3 May 2018.

A court order was granted setting out the process the Working Group should follow in which the settlement will be made a final order of the High Court.

The return date hearing for objections to a final order has been set for 29 May 2019 to 31 May 2019. Should there be no objections to the settlement, the High Court will sit on 3 April 2019.

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

(CONTINUED)

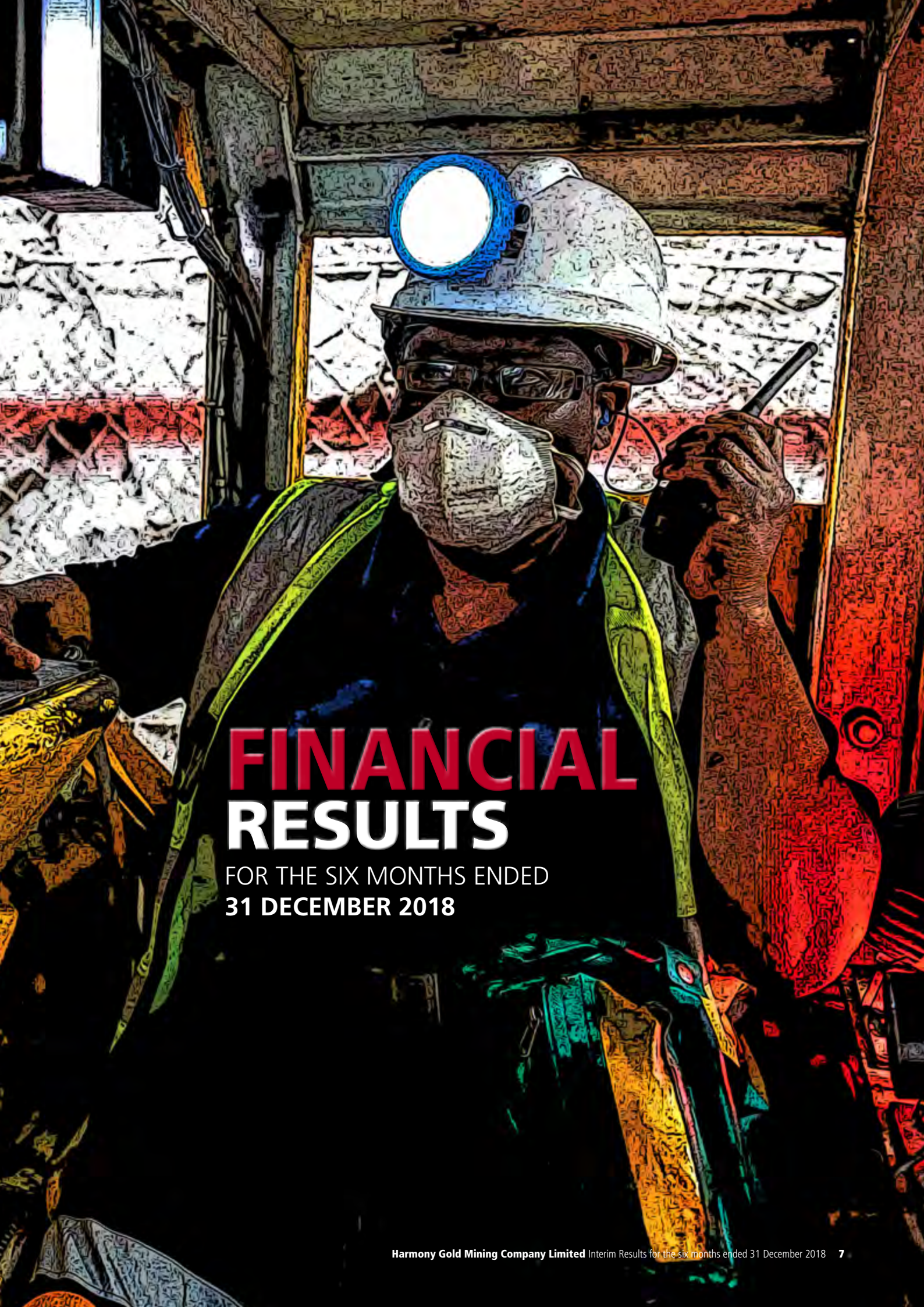
Previous gold mine workers and their families are encouraged to visit [www.silicosissettlement.co.za](http://www.silicosissettlement.co.za) or [www.harmonyreconnecting.co.za](http://www.harmonyreconnecting.co.za) or contacting 0801 000 240 for more details.

### CONCLUSION

Continuous focus on safety, production and cost management – inputs within our control – are critical to generating operational free cash flow. We have seen significant improvements at our mines in terms of safety, with the best ever LTIFR being recorded in Harmony's history. Capital allocation that supports our strategy remains a priority.

The group is on track to achieving production guidance of 1.45 million ounces. The first half performance from certain South African operations has resulted in revising our all-in sustaining unit cost guidance for FY19 to range between R520 000/kg and R530 000/kg, instead of R515 000/kg previously guided.





# FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED  
**31 DECEMBER 2018**

## OPERATING RESULTS – SIX MONTHLY (RAND/METRIC)

|                                                  |           |        | South Africa           |               |           |          |           |          |            |          |          |                    |                    |                           |         |          |               |                    |           | Hidden Valley¹ |  | Total Harmony |  |
|--------------------------------------------------|-----------|--------|------------------------|---------------|-----------|----------|-----------|----------|------------|----------|----------|--------------------|--------------------|---------------------------|---------|----------|---------------|--------------------|-----------|----------------|--|---------------|--|
|                                                  |           |        | Underground production |               |           |          |           |          |            |          |          |                    | Surface production |                           |         |          |               |                    |           |                |  |               |  |
|                                                  |           |        | Tshepong operations    | Moab Khotsong | Bambanani | Joel     | Doornkop  | Target 1 | Kusasaletu | Masimong | Unisel   | Total Under-ground | Phoenix            | Central plant reclamation | Dumps   | Kalgold  | Total Surface | Total South Africa |           |                |  |               |  |
| Ore milled                                       | – t'000   | Dec-18 | 838                    | 532           | 118       | 226      | 389       | 312      | 358        | 312      | 130      | 3 215              | 3 151              | 1 936                     | 2 222   | 827      | 8 136         | 11 351             | 2 037     | 13 388         |  |               |  |
|                                                  |           | Dec-17 | 897                    | –             | 122       | 251      | 347       | 371      | 325        | 330      | 225      | 2 868              | 3 073              | 1 900                     | 1 030   | 770      | 6 773         | 9 641              | 723       | 10 364         |  |               |  |
| Yield                                            | – g/tonne | Dec-18 | 5.04                   | 8.30          | 10.82     | 3.28     | 4.54      | 4.81     | 6.74       | 3.69     | 5.12     | 5.65               | 0.125              | 0.146                     | 0.354   | 0.76     | 0.26          | 1.78               | 1.53      | 1.74           |  |               |  |
|                                                  |           | Dec-17 | 5.68                   | –             | 11.56     | 3.62     | 4.74      | 4.22     | 6.91       | 4.56     | 3.18     | 5.26               | 0.125              | 0.128                     | 0.423   | 0.79     | 0.25          | 1.74               | 1.12      | 1.72           |  |               |  |
| Gold produced                                    | – kg      | Dec-18 | 4 222                  | 4 418         | 1 277     | 742      | 1 766     | 1 500    | 2 414      | 1 152    | 665      | 18 156             | 393                | 283                       | 786     | 630      | 2 092         | 20 248             | 3 111     | 23 359         |  |               |  |
|                                                  |           | Dec-17 | 5 093                  | –             | 1 410     | 908      | 1 646     | 1 564    | 2 245      | 1 504    | 715      | 15 085             | 384                | 243                       | 436     | 608      | 1 671         | 16 756             | 662       | 17 418         |  |               |  |
| Gold sold                                        | – kg      | Dec-18 | 4 250                  | 4 449         | 1 284     | 756      | 1 774     | 1 513    | 2 506      | 1 157    | 672      | 18 361             | 387                | 286                       | 772     | 647      | 2 092         | 20 453             | 3 062     | 23 515         |  |               |  |
|                                                  |           | Dec-17 | 5 087                  | –             | 1 412     | 936      | 1 570     | 1 580    | 2 200      | 1 502    | 715      | 15 002             | 388                | 247                       | 437     | 572      | 1 644         | 16 646             | 551       | 17 197         |  |               |  |
| Gold price received                              | – R/kg    | Dec-18 | 580 735                | 556 383       | 581 450   | 581 413  | 583 439   | 581 461  | 579 209    | 581 584  | 580 263  | 575 061            | 560 845            | 582 175                   | 574 679 | 582 329  | 575 511       | 575 107            | 558 142   | 572 898        |  |               |  |
|                                                  |           | Dec-17 | 581 912                | –             | 582 493   | 580 839  | 585 845   | 580 493  | 581 545    | 580 936  | 580 827  | 581 958            | 550 634            | 583 619                   | 579 410 | 586 521  | 575 725       | 581 343            | 543 805   | 580 672        |  |               |  |
| Gold revenue                                     | (R'000)   | Dec-18 | 2 468 125              | 2 475 349     | 746 582   | 439 548  | 1 035 020 | 879 751  | 1 451 499  | 672 893  | 389 937  | 10 558 704         | 217 047            | 166 502                   | 443 652 | 376 767  | 1 203 968     | 11 762 672         | 1 709 032 | 13 471 704     |  |               |  |
|                                                  |           | Dec-17 | 2 960 184              | –             | 822 480   | 543 665  | 919 777   | 917 179  | 1 279 398  | 872 566  | 415 291  | 8 730 540          | 213 646            | 144 154                   | 253 202 | 335 490  | 946 492       | 9 677 032          | 164 773   | 9 841 805      |  |               |  |
| Cash operating cost (net of by-product credits)* | (R'000)   | Dec-18 | 2 016 856              | 1 587 279     | 488 266   | 485 507  | 803 536   | 769 217  | 1 193 581  | 621 814  | 291 049  | 8 257 105          | 174 677            | 115 754                   | 354 949 | 346 315  | 991 695       | 9 248 800          | 792 289   | 10 041 089     |  |               |  |
|                                                  |           | Dec-17 | 1 970 594              | –             | 452 451   | 464 715  | 687 247   | 674 980  | 1 049 926  | 591 135  | 437 507  | 6 328 555          | 163 428            | 93 354                    | 174 170 | 275 605  | 706 557       | 7 035 112          | 104 184   | 7 139 296      |  |               |  |
| Inventory movement                               | (R'000)   | Dec-18 | 11 327                 | (6 367)       | 3 453     | 7 038    | (1 884)   | 4 782    | 43 247     | 3 071    | (1 516)  | 63 151             | (2 881)            | 1 889                     | (6 434) | 6 670    | (756)         | 62 395             | (16 467)  | 45 928         |  |               |  |
|                                                  |           | Dec-17 | (348)                  | –             | (1 038)   | 15 302   | (33 780)  | 8 792    | (21 736)   | 234      | (272)    | (32 846)           | 1 171              | 3 024                     | 122     | (18 195) | (13 878)      | (46 724)           | 37 694    | (9 030)        |  |               |  |
| Operating costs                                  | (R'000)   | Dec-18 | 2 028 183              | 1 580 912     | 491 719   | 492 545  | 801 652   | 773 999  | 1 236 828  | 624 885  | 289 533  | 8 320 256          | 171 796            | 117 643                   | 348 515 | 352 985  | 990 939       | 9 311 195          | 775 822   | 10 087 017     |  |               |  |
|                                                  |           | Dec-17 | 1 970 246              | –             | 451 413   | 480 017  | 653 467   | 683 772  | 1 028 190  | 591 369  | 437 235  | 6 295 709          | 164 599            | 96 378                    | 174 292 | 257 410  | 692 679       | 6 988 388          | 141 878   | 7 130 266      |  |               |  |
| Production profit                                | (R'000)   | Dec-18 | 439 942                | 894 437       | 254 863   | (52 997) | 233 368   | 105 752  | 214 671    | 48 008   | 100 404  | 2 238 448          | 45 251             | 48 859                    | 95 137  | 23 782   | 213 029       | 2 451 477          | 933 210   | 3 384 687      |  |               |  |
|                                                  |           | Dec-17 | 989 938                | –             | 371 067   | 63 648   | 266 310   | 233 407  | 251 208    | 281 197  | (21 944) | 2 434 831          | 49 047             | 47 776                    | 78 910  | 78 080   | 253 813       | 2 688 644          | 22 895    | 2 711 539      |  |               |  |
| Capital expenditure                              | (R'000)   | Dec-18 | 583 574                | 286 019       | 32 030    | 97 021   | 144 407   | 152 287  | 157 953    | 54 052   | 22 388   | 1 529 731          | 1 667              | 2 622                     | 5 334   | 28 265   | 37 888        | 1 567 619          | 670 515   | 2 238 134      |  |               |  |
|                                                  |           | Dec-17 | 476 946                | –             | 33 326    | 128 194  | 126 919   | 166 571  | 150 025    | 62 563   | 56 984   | 1 201 528          | 1 000              | 7 672                     | –       | 57 040   | 65 712        | 1 267 240          | 1 107 987 | 2 375 227      |  |               |  |
| Cash operating costs                             | – R/kg    | Dec-18 | 477 702                | 359 275       | 382 354   | 654 322  | 455 003   | 512 811  | 494 441    | 539 769  | 437 668  | 454 787            | 444 471            | 409 025                   | 451 589 | 549 706  | 474 042       | 456 776            | 254 673   | 429 860        |  |               |  |
|                                                  |           | Dec-17 | 386 922                | –             | 320 887   | 511 801  | 417 526   | 431 573  | 467 673    | 393 042  | 611 898  | 419 526            | 425 594            | 384 173                   | 399 472 | 453 298  | 422 835       | 419 856            | 393 147   | 419 440        |  |               |  |
| Cash operating costs                             | – R/tonne | Dec-18 | 2 407                  | 2 984         | 4 138     | 2 148    | 2 066     | 2 465    | 3 334      | 1 993    | 2 239    | 2 568              | 55                 | 60                        | 160     | 419      | 122           | 815                | 389       | 750            |  |               |  |
|                                                  |           | Dec-17 | 2 197                  | –             | 3 709     | 1 851    | 1 981     | 1 819    | 3 231      | 1 791    | 1 944    | 2 207              | 53                 | 49                        | 169     | 358      | 104           | 730                | 440       | 723            |  |               |  |
| Cash operating cost and Capital²                 | – R/kg    | Dec-18 | 615 924                | 424 015       | 407 436   | 785 078  | 536 774   | 614 336  | 559 873    | 586 689  | 471 334  | 539 041            | 448 712            | 418 290                   | 458 375 | 594 571  | 492 152       | 534 197            | 470 204   | 525 674        |  |               |  |
|                                                  |           | Dec-17 | 480 569                | –             | 344 523   | 652 983  | 494 633   | 538 076  | 534 499    | 434 640  | 691 596  | 499 177            | 428 198            | 415 745                   | 399 472 | 547 113  | 462 160       | 495 485            | 423 804   | 494 369        |  |               |  |
| All-in sustaining cost                           | – R/kg    | Dec-18 | 601 206                | 424 491       | 424 467   | 757 922  | 537 394   | 605 434  | 573 049    | 602 209  | 478 444  | 538 390            | 448 225            | 417 000                   | 458 354 | 606 924  | 496 775       | 533 241            | 495 022   | 528 265        |  |               |  |
|                                                  |           | Dec-17 | 483 982                | –             | 359 282   | 590 571  | 510 253   | 539 615  | 550 625    | 450 373  | 691 636  | 503 809            | 426 802            | 405 814                   | 398 838 | 565 847  | 464 593       | 499 900            | 519 338   | 500 248        |  |               |  |
| Operating free cash flow margin³                 | %         | Dec-18 | (5)                    | 24            | 30        | (33)     | 8         | (5)      | 7          | –        | 20       | 7                  | 19                 | 29                        | 19      | –        | 14            | 8                  | 11        | 8              |  |               |  |
|                                                  |           | Dec-17 | 17                     | –             | 41        | (9)      | 11        | 8        | 6          | 25       | (19)     | 14                 | 23                 | 30                        | 31      | –        | 18            | 14                 | (89)      | 12             |  |               |  |

¹No production for Hidden Valley was capitalised during the six months ending December 2018. Ore milled for the six month ended December 2017 includes 486 000 tonnes that was capitalised as part of the pre-stripping of stages 5 and 6. Gold produced for the six months ended December 2017 includes 397 kilograms and gold sold 248 kilograms that was capitalised.

²Excludes investment capital for Hidden Valley included in the June 2018 quarter of R1 100 million.

³Excludes run of mine costs for Kalgold (Dec-18: R-1.288 million, Dec-17: R-4.333 million) and Hidden Valley (Dec-18: R-50.59 million, Dec-17: R10.016 million) as well as Hidden Valley's investment capital as per note 2.

\*Reconciliation of revenue and production cost to the Income Statement is performed in reconciliation of segment information note in the financial statements.:

## OPERATING RESULTS – SIX MONTHLY (US\$/IMPERIAL)

|                                                  |          |        | South Africa           |               |           |         |          |          |            |          |         |                    |                    |                           |        |         |               |                    |         | Hidden Valley¹ |  | Total Harmony |  |
|--------------------------------------------------|----------|--------|------------------------|---------------|-----------|---------|----------|----------|------------|----------|---------|--------------------|--------------------|---------------------------|--------|---------|---------------|--------------------|---------|----------------|--|---------------|--|
|                                                  |          |        | Underground production |               |           |         |          |          |            |          |         |                    | Surface production |                           |        |         |               |                    |         |                |  |               |  |
|                                                  |          |        | Tshepong operations    | Moab Khotsong | Bambanani | Joel    | Doornkop | Target 1 | Kusasaletu | Masimong | Unisel  | Total Under-ground | Phoenix            | Central plant reclamation | Dumps  | Kalgold | Total Surface | Total South Africa |         |                |  |               |  |
| Ore milled                                       | – t'000  | Dec-18 | 924                    | 586           | 130       | 249     | 429      | 345      | 394        | 344      | 144     | 3 545              | 3 474              | 2 135                     | 2 450  | 912     | 8 971         | 12 516             | 2 246   | 14 762         |  |               |  |
|                                                  |          | Dec-17 | 990                    | –             | 134       | 277     | 383      | 409      | 358        | 364      | 248     | 3 163              | 3 389              | 2 095                     | 1 136  | 849     | 7 469         | 10 632             | 798     | 11 430         |  |               |  |
| Yield                                            | – oz/ton | Dec-18 | 0.147                  | 0.242         | 0.316     | 0.096   | 0.132    | 0.140    | 0.197      | 0.108    | 0.148   | 0.165              | 0.004              | 0.004                     | 0.010  | 0.022   | 0.007         | 0.052              | 0.045   | 0.051          |  |               |  |
|                                                  |          | Dec-17 | 0.165                  | –             | 0.338     | 0.105   | 0.138    | 0.123    | 0.202      | 0.133    | 0.093   | 0.153              | 0.004              | 0.004                     | 0.012  | 0.023   | 0.007         | 0.051              | 0.032   | 0.050          |  |               |  |
| Gold produced                                    | – oz     | Dec-18 | 135 741                | 142 042       | 41 057    | 23 855  | 56 778   | 48 226   | 77 612     | 37 038   | 21 380  | 583 729            | 12 635             | 9 098                     | 25 270 | 20 255  | 67 258        | 650 987            | 100 021 | 751 008        |  |               |  |
|                                                  |          | Dec-17 | 163 745                | –             | 45 333    | 29 193  | 52 920   | 50 284   | 72 178     | 48 355   | 22 987  | 484 995            | 12 346             | 7 812                     | 14 018 | 19 548  | 53 724        | 538 719            | 21 284  | 560 003        |  |               |  |
| Gold sold                                        | – oz     | Dec-18 | 136 641                | 143 039       | 41 281    | 24 306  | 57 035   | 48 644   | 80 569     | 37 198   | 21 606  | 590 319            | 12 442             | 9 195                     | 24 820 | 20 801  | 67 258        | 657 577            | 98 445  | 756 022        |  |               |  |
|                                                  |          | Dec-17 | 163 550                | –             | 45 397    | 30 093  | 50 476   | 50 798   | 70 732     | 48 291   | 22 988  | 482 325            | 12 474             | 7 942                     | 14 050 | 18 390  | 52 856        | 535 181            | 17 715  | 552 896        |  |               |  |
| Gold price received                              | – \$/oz  | Dec-18 | 1 275                  | 1 221         | 1 276     | 1 276   | 1 281    | 1 276    | 1 272      | 1 277    | 1 274   | 1 262              | 1 231              | 1 278                     | 1 262  | 1 278   | 1 263         | 1 263              | 1 225   | 1 258          |  |               |  |
|                                                  |          | Dec-17 | 1 351                  | –             | 1 352     | 1 349   | 1 360    | 1 348    | 1 350      | 1 349    | 1 349   | 1 351              | 1 278              | 1 355                     | 1 345  | 1 362   | 1 337         | 1 350              | 1 263   | 1 348          |  |               |  |
| Gold revenue                                     | (\$'000) | Dec-18 | 174 201                | 174 710       | 52 694    | 31 023  | 73 052   | 62 093   | 102 447    | 47 493   | 27 522  | 745 235            | 15 319             | 11 752                    | 31 313 | 26 592  | 84 976        | 830 211            | 120 624 | 950 835        |  |               |  |
|                                                  |          | Dec-17 | 220 974                | –             | 61 397    | 40 584  | 68 660   | 68 466   | 95 505     | 65 136   | 31 001  | 651 723            | 15 948             | 10 761                    | 18 901 | 25 044  | 70 654        | 722 377            | 12 300  | 734 677        |  |               |  |
| Cash operating cost (net of by-product credits)* | (\$'000) | Dec-18 | 142 350                | 112 031       | 34 462    | 34 267  | 56 714   | 54 291   | 84 243     | 43 888   | 20 542  | 582 788            | 12 329             | 8 170                     | 25 052 | 24 443  | 69 994        | 652 782            | 55 920  | 708 702        |  |               |  |
|                                                  |          | Dec-17 | 147 102                | –             | 33 774    | 34 691  | 51 302   | 50 386   | 78 376     | 44 128   | 32 660  | 472 419            | 12 200             | 6 968                     | 13 001 | 20 573  | 52 742        | 525 161            | 7 777   | 532 938        |  |               |  |
| Inventory movement                               | (\$'000) | Dec-18 | 799                    | (449)         | 244       | 497     | (133)    | 338      | 3 052      | 217      | (107)   | 4 458              | (203)              | 133                       | (454)  | 471     | (53)          | 4 405              | (1 162) | 3 243          |  |               |  |
|                                                  |          | Dec-17 | (26)                   | –             | (77)      | 1 142   | (2 522)  | 656      | (1 623)    | 17       | (20)    | (2 453)            | 87                 | 226                       | 9      | (1 358) | (1 036)       | (3 489)            | 2 814   | (675)          |  |               |  |
| Operating costs                                  | (\$'000) | Dec-18 | 143 149                | 111 582       | 34 706    | 34 764  | 56 581   | 54 629   | 87 295     | 44 105   | 20 435  | 587 246            | 12 126             | 8 303                     | 24 598 | 24 914  | 69 941        | 657 187            | 54 758  | 711 945        |  |               |  |
|                                                  |          | Dec-17 | 147 076                | –             | 33 697    | 35 833  | 48 780   | 51 042   | 76 753     | 44 145   | 32 640  | 469 966            | 12 287             | 7 194                     | 13 010 | 19 215  | 51 706        | 521 672            | 10 591  | 532 263        |  |               |  |
| Production profit                                | (\$'000) | Dec-18 | 31 052                 | 63 128        | 17 988    | (3 741) | 16 471   | 7 464    | 15 152     | 3 388    | 7 087   | 157 989            | 3 193              | 3 449                     | 6 715  | 1 678   | 15 035        | 173 024            | 65 866  | 238 890        |  |               |  |
|                                                  |          | Dec-17 | 73 898                 | –             | 27 700    | 4 751   | 19 880   | 17 424   | 18 752     | 20 991   | (1 639) | 181 757            | 3 661              | 3 567                     | 5 891  | 5 829   | 18 948        | 200 705            | 1 709   | 202 414        |  |               |  |
| Capital expenditure                              | (\$'000) | Dec-18 | 41 187                 | 20 187        | 2 262     | 6 848   | 10 193   | 10 748   | 11 149     | 3 815    | 1 580   | 107 969            | 118                | 185                       | 376    | 1 995   | 2 674         | 110 643            | 47 325  | 157 968        |  |               |  |
|                                                  |          | Dec-17 | 35 603                 | –             | 2 488     | 9 569   | 9 474    | 12 434   | 11 199     | 4 670    | 4 254   | 89 691             | 75                 | 573                       | –      | 4 258   | 4 906         | 94 597             | 82 709  | 177 306        |  |               |  |
| Cash operating costs                             | – \$/oz  | Dec-18 | 1 049                  | 789           | 839       | 1 436   | 999      | 1 126    | 1 085      | 1 185    | 961     | 998                | 976                | 898                       | 991    | 1 207   | 1 041         | 1 003              | 559     | 944            |  |               |  |
|                                                  |          | Dec-17 | 898                    | –             | 745       | 1 188   | 969      | 1 002    | 1 086      | 913      | 1 421   | 974                | 988                | 892                       | 927    | 1 052   | 982           | 975                | 914     | 974            |  |               |  |
| Cash operating costs                             | – \$/t   | Dec-18 | 154                    | 191           | 265       | 138     | 132      | 157      | 214        | 128      | 143     | 164                | 4                  | 4                         | 10     | 27      | 8             | 52                 | 25      | 48             |  |               |  |
|                                                  |          | Dec-17 | 149                    | –             | 252       | 125     | 134      | 123      | 219        | 121      | 132     | 149                | 4                  | 3                         | 11     | 24      | 7             | 49                 | 30      | 49             |  |               |  |
| Cash operating cost and Capital²                 | – \$/oz  | Dec-18 | 1 352                  | 931           | 894       | 1 724   | 1 178    | 1 349    | 1 229      | 1 288    | 1 035   | 1 183              | 985                | 918                       | 1 006  | 1 305   | 1 080         | 1 173              | 1 032   | 1 154          |  |               |  |
|                                                  |          | Dec-17 | 1 116                  | –             | 800       | 1 516   | 1 148    | 1 249    | 1 241      | 1 009    | 1 606   | 1 159              | 994                | 965                       | 927    | 1 270   | 1 073         | 1 150              | 986     | 1 148          |  |               |  |
| All-in sustaining cost                           | – \$/oz  | Dec-18 | 1 320                  | 932           | 932       | 1 664   | 1 180    | 1 329    | 1 258      | 1 322    | 1 050   | 1 182              | 984                | 915                       | 1 006  | 1 332   | 1 091         | 1 171              | 1 084   | 1 160          |  |               |  |
|                                                  |          | Dec-17 | 1 124                  | –             | 834       | 1 371   | 1 185    | 1 253    | 1 278      | 1 046    | 1 606   | 1 170              | 991                | 942                       | 926    | 1 314   | 1 079         | 1 161              | 1 209   | 1 161          |  |               |  |
| Operating free cash flow margin³                 | %        | Dec-18 | (5)                    | 24            | 30        | (33)    | 8        | (5)      | 7          | –        | 20      | 7                  | 19                 | 29                        | 19     | –       | 14            | 8                  | 11      | 8              |  |               |  |
|                                                  |          | Dec-17 | 17                     | –             | 41        | (9)     | 11       | 8        | 6          | 25       | (19)    | 14                 | 23                 | 30                        | 31     | –       | 18            | 14                 | (89)    | 12             |  |               |  |

¹No production for Hidden Valley was capitalised during the six months ending December 2018. Ore milled for the six months ended December 2017 includes 536 000 tonnes that was capitalised as part of the pre-stripping of stages 5 and 6. Gold produced for the six months ended December 2017 includes 12 778 ounces and gold sold 7 973 ounces that was capitalised.

²Excludes investment capital for Hidden Valley included in the December 2017 quarter of US\$82 million.

³Excludes run of mine costs for Kalgold (Dec-18: US\$-0.09 million, Dec-17: US\$-0.324 million) and Hidden Valley (Dec-18: US\$-3.571 million, Dec-17: US\$0.748 million) as well as Hidden Valley's investment capital as per note 2.

\*Reconciliation of revenue and production cost to the Income Statement is performed in reconciliation of segment information note in the financial statements:

## CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)

| Figures in million                              | Notes | Six months ended               |                                             | Year ended                             |
|-------------------------------------------------|-------|--------------------------------|---------------------------------------------|----------------------------------------|
|                                                 |       | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed)<br>Restated* | 30 June 2018<br>(Audited)<br>Restated* |
| Revenue                                         | 2     | 13 789                         | 9 875                                       | 20 452                                 |
| Cost of sales                                   | 3     | (12 919)                       | (8 838)                                     | (23 596)                               |
| Production costs                                |       | (10 404)                       | (7 163)                                     | (15 084)                               |
| Amortisation and depreciation                   |       | (2 119)                        | (1 253)                                     | (2 570)                                |
| Impairment of assets                            |       | —                              | (116)                                       | (5 336)                                |
| Other items                                     |       | (396)                          | (306)                                       | (606)                                  |
| <b>Gross profit/(loss)</b>                      |       | <b>870</b>                     | <b>1 037</b>                                | <b>(3 144)</b>                         |
| Corporate, administration and other expenditure |       | (388)                          | (303)                                       | (813)                                  |
| Exploration expenditure                         |       | (72)                           | (81)                                        | (135)                                  |
| Gains on derivatives                            | 4     | 20                             | 337                                         | 99                                     |
| Other operating income/(expenses)               | 5     | (264)                          | 208                                         | (667)                                  |
| <b>Operating profit/(loss)</b>                  |       | <b>166</b>                     | <b>1 198</b>                                | <b>(4 660)</b>                         |
| Acquisition related costs                       |       | —                              | (44)                                        | (98)                                   |
| Share of profits from associates                |       | 24                             | 33                                          | 38                                     |
| Investment income                               |       | 141                            | 226                                         | 343                                    |
| Finance costs                                   |       | (208)                          | (157)                                       | (330)                                  |
| <b>Profit/(loss) before taxation</b>            |       | <b>123</b>                     | <b>1 256</b>                                | <b>(4 707)</b>                         |
| Taxation                                        | 6     | (48)                           | (359)                                       | 234                                    |
| Current taxation                                |       | (31)                           | (335)                                       | (204)                                  |
| Deferred taxation                               |       | (17)                           | (24)                                        | 438                                    |
| <b>Net profit/(loss) for the period</b>         |       | <b>75</b>                      | <b>897</b>                                  | <b>(4 473)</b>                         |
| Attributable to:                                |       |                                |                                             |                                        |
| Owners of the parent                            |       | 75                             | 897                                         | (4 473)                                |
| <b>Earnings per ordinary share (cents)</b>      | 7     |                                |                                             |                                        |
| Basic earnings                                  |       | 15                             | 203                                         | (1 003)                                |
| Diluted earnings                                |       | 13                             | 197                                         | (1 004)                                |

\* Refer to note 1 for detail. The restated amounts are unaudited.

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 2018 have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Boipelo Lekubo CA(SA). This process was supervised by the financial director, Frank Abbott CA(SA) and approved by the board of Harmony Gold Mining Company Limited on 12 February 2019. These condensed consolidated financials have been reviewed by the group's external auditors, PricewaterhouseCoopers Incorporated (see note 20).

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (RAND)

| Figures in million                                             | Six months ended               |                                | Year ended                |
|----------------------------------------------------------------|--------------------------------|--------------------------------|---------------------------|
|                                                                | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) | 30 June 2018<br>(Audited) |
| Net profit/(loss) for the period                               | 75                             | 897                            | (4 473)                   |
| Other comprehensive income for the period, net of income tax   | (207)                          | (475)                          | (660)                     |
| Items that may be reclassified subsequently to profit or loss: | (207)                          | (475)                          | (647)                     |
| Foreign exchange translation gain/(loss)                       | 81                             | (400)                          | 83                        |
| Remeasurement of rand gold hedging contracts                   | 3                              | 407                            | 273                       |
| Unrealised gain on Rand gold contracts                         | (365)                          | (503)                          | (1 197)                   |
| Released to revenue                                            | 74                             | 21                             | 194                       |
| Deferred taxation thereon                                      | —                              | —                              | (13)                      |
| Items that will not be reclassified to profit or loss:         | —                              | —                              | (11)                      |
| Remeasurement of retirement benefit obligation                 | —                              | —                              | (11)                      |
| Actuarial loss recognised during the period                    | —                              | —                              | (2)                       |
| Deferred taxation thereon                                      | —                              | —                              | (2)                       |
| <b>Total comprehensive income for the period</b>               | <b>(132)</b>                   | <b>422</b>                     | <b>(5 133)</b>            |
| Attributable to:                                               |                                |                                |                           |
| Owners of the parent                                           | (132)                          | 422                            | (5 133)                   |

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

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

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (REVIEWED)

| Figures in million                            | Share capital | Accumulated loss | Other reserves | Total         |
|-----------------------------------------------|---------------|------------------|----------------|---------------|
| Balance - 30 June 2018                        | 29 340        | (9 103)          | 5 145          | 25 382        |
| Impact of adopting IFRS 9 (refer to note 1)   | —             | —                | 82             | 82            |
| <b>Restated opening balance - 1 July 2018</b> | <b>29 340</b> | <b>(9 103)</b>   | <b>5 227</b>   | <b>25 464</b> |
| Issue of shares                               | 211           | —                | —              | 211           |
| Share-based payments                          | —             | —                | 143            | 143           |
| Net profit for the period                     | —             | 75               | —              | 75            |
| Other comprehensive income for the period     | —             | —                | (207)          | (207)         |
| <b>Balance - 31 December 2018</b>             | <b>29 551</b> | <b>(9 028)</b>   | <b>5 163</b>   | <b>25 686</b> |
| Balance - 30 June 2017                        | 28 336        | (4 486)          | 5 441          | 29 291        |
| Share-based payments                          | 1             | —                | 190            | 191           |
| Net profit for the period                     | —             | 897              | —              | 897           |
| Other comprehensive income for the period     | —             | —                | (475)          | (475)         |
| Dividends paid <sup>1</sup>                   | —             | (154)            | —              | (154)         |
| <b>Balance - 31 December 2017</b>             | <b>28 337</b> | <b>(3 743)</b>   | <b>5 156</b>   | <b>29 750</b> |

<sup>1</sup> Dividend of 35 SA cents declared on 13 August 2017.

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

## CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)

|                                            |       | At<br>31 December<br>2018<br>(Reviewed) | At<br>30 June<br>2018<br>(Audited) | At<br>31 December<br>2017<br>(Reviewed) |
|--------------------------------------------|-------|-----------------------------------------|------------------------------------|-----------------------------------------|
| Figures in million                         | Notes |                                         |                                    |                                         |
| <b>ASSETS</b>                              |       |                                         |                                    |                                         |
| <b>Non-current assets</b>                  |       |                                         |                                    |                                         |
| Property, plant and equipment              |       | 31 538                                  | 31 001                             | 30 954                                  |
| Intangible assets                          |       | 515                                     | 515                                | 600                                     |
| Restricted cash                            |       | 85                                      | 77                                 | 70                                      |
| Restricted investments                     |       | 3 359                                   | 3 271                              | 2 822                                   |
| Investments in associates                  |       | 75                                      | 84                                 | 79                                      |
| Inventories                                |       | 46                                      | 46                                 | 38                                      |
| Trade and other receivables                |       | 259                                     | 253                                | 240                                     |
| Derivative financial assets                | 9     | 123                                     | 84                                 | 258                                     |
| Other non-current assets                   |       | 61                                      | 11                                 | 5                                       |
| <b>Total non-current assets</b>            |       | <b>36 061</b>                           | <b>35 342</b>                      | <b>35 066</b>                           |
| <b>Current assets</b>                      |       |                                         |                                    |                                         |
| Inventories                                |       | 1 795                                   | 1 759                              | 1 370                                   |
| Restricted cash                            |       | 41                                      | 38                                 | 36                                      |
| Trade and other receivables                |       | 1 188                                   | 1 139                              | 993                                     |
| Derivative financial assets                | 9     | 206                                     | 539                                | 1 595                                   |
| Cash and cash equivalents                  |       | 1 388                                   | 706                                | 1 055                                   |
| <b>Total current assets</b>                |       | <b>4 618</b>                            | <b>4 181</b>                       | <b>5 049</b>                            |
| <b>Total assets</b>                        |       | <b>40 679</b>                           | <b>39 523</b>                      | <b>40 115</b>                           |
| <b>EQUITY AND LIABILITIES</b>              |       |                                         |                                    |                                         |
| <b>Share capital and reserves</b>          |       |                                         |                                    |                                         |
| Share capital                              | 12    | 29 551                                  | 29 340                             | 28 337                                  |
| Other reserves                             |       | 5 163                                   | 5 145                              | 5 156                                   |
| Accumulated loss                           |       | (9 028)                                 | (9 103)                            | (3 743)                                 |
| <b>Total equity</b>                        |       | <b>25 686</b>                           | <b>25 382</b>                      | <b>29 750</b>                           |
| <b>Non-current liabilities</b>             |       |                                         |                                    |                                         |
| Deferred tax liabilities                   |       | 1 093                                   | 1 147                              | 1 704                                   |
| Provision for environmental rehabilitation |       | 3 436                                   | 3 309                              | 2 661                                   |
| Provision for silicosis settlement         | 10    | 964                                     | 925                                | 953                                     |
| Retirement benefit obligation              |       | 191                                     | 186                                | 183                                     |
| Borrowings                                 | 11    | 5 871                                   | 4 924                              | 2 566                                   |
| Other non-current liabilities              |       | 41                                      | 41                                 | 9                                       |
| Derivative financial liabilities           | 9     | 55                                      | 10                                 | 5                                       |
| <b>Total non-current liabilities</b>       |       | <b>11 651</b>                           | <b>10 542</b>                      | <b>8 081</b>                            |
| <b>Current liabilities</b>                 |       |                                         |                                    |                                         |
| Borrowings                                 | 11    | 92                                      | 690                                | —                                       |
| Trade and other payables                   |       | 2 947                                   | 2 704                              | 2 258                                   |
| Derivative financial liabilities           | 9     | 303                                     | 205                                | 26                                      |
| <b>Total current liabilities</b>           |       | <b>3 342</b>                            | <b>3 599</b>                       | <b>2 284</b>                            |
| <b>Total equity and liabilities</b>        |       | <b>40 679</b>                           | <b>39 523</b>                      | <b>40 115</b>                           |

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

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (RAND)

| Figures in million                                                 | Notes | Six months ended               |                                | Year ended                |
|--------------------------------------------------------------------|-------|--------------------------------|--------------------------------|---------------------------|
|                                                                    |       | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) | 30 June 2018<br>(Audited) |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                         |       |                                |                                |                           |
| Cash generated by operations                                       |       | 2 810                          | 2 044                          | 4 289                     |
| Interest received                                                  |       | 34                             | 44                             | 82                        |
| Interest paid                                                      |       | (190)                          | (60)                           | (180)                     |
| Income and mining taxes paid                                       |       | (4)                            | (196)                          | (307)                     |
| <b>Cash generated from operating activities</b>                    |       | <b>2 650</b>                   | <b>1 832</b>                   | <b>3 884</b>              |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |       |                                |                                |                           |
| Increase in restricted cash                                        |       | (8)                            | (22)                           | (32)                      |
| Decrease in amounts invested in restricted investments             |       | 3                              | 2                              | —                         |
| Consideration paid for the acquisition of Moab Khotsong operations | 8     | —                              | —                              | (3 474)                   |
| Redemption of preference shares from associates                    |       | 32                             | —                              | —                         |
| Capital distributions from investments                             |       | 30                             | —                              | —                         |
| Proceeds from disposal of property, plant and equipment            |       | 2                              | 1                              | 2                         |
| Additions to property, plant and equipment                         | 14    | (2 400)                        | (2 565)                        | (4 571)                   |
| <b>Cash utilised by investing activities</b>                       |       | <b>(2 341)</b>                 | <b>(2 584)</b>                 | <b>(8 075)</b>            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |       |                                |                                |                           |
| Borrowings raised                                                  | 11    | 1 122                          | 2 856                          | 6 937                     |
| Borrowings repaid                                                  | 11    | (982)                          | (2 147)                        | (4 063)                   |
| Proceeds from the issue of shares                                  | 12    | 211                            | —                              | 1 003                     |
| Dividends paid                                                     |       | —                              | (154)                          | (154)                     |
| <b>Cash generated from financing activities</b>                    |       | <b>351</b>                     | <b>555</b>                     | <b>3 723</b>              |
| <b>Foreign currency translation adjustments</b>                    |       | <b>22</b>                      | <b>6</b>                       | <b>(72)</b>               |
| Net increase/(decrease) in cash and cash equivalents               |       | 682                            | (191)                          | (540)                     |
| Cash and cash equivalents - beginning of year                      |       | 706                            | 1 246                          | 1 246                     |
| <b>Cash and cash equivalents - end of year</b>                     |       | <b>1 388</b>                   | <b>1 055</b>                   | <b>706</b>                |

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 1. ACCOUNTING POLICIES

### *Basis of accounting*

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous consolidated annual financial statements except for the changes discussed below.

The group adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* on 1 July 2018. The group has also changed its accounting policy in respect of by-product income. The impact of the changes are disclosed below.

### **Impact of the adoption of IFRS 15 – Revenue from Contracts with Customers**

#### *Scope of IFRS 15*

The group's contracts that are in scope of the new revenue standard include gold, silver and uranium contracts. Income derived from all of these products are presented in revenue.

#### *Revenue measurement*

Under IAS 18 revenue was measured at the fair value of the consideration received and discounted to the present value of consideration due if payment extended beyond normal credit terms. Historically payments have not extended beyond normal credit terms and the amount of revenue recognised equated to the transaction price.

Under IFRS 15, revenue is measured at the amount of consideration to which an entity expects to be entitled in exchange for transferring goods to a customer. The group's contracts do not contain elements of variable consideration, non-cash consideration or significant financing components and therefore the amount of revenue recognised equates to the transaction price.

#### *Revenue recognition*

Under IAS 18, revenue was recognised for the South African operations when the goods were delivered and a certificate of sale for gold and confirmation of transfer for uranium was issued. At Hidden Valley, the point of recognition was when the metal account was credited. This was taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred.

IFRS 15 requires revenue to be recognised when a customer obtains control of the goods. The group has assessed that the drivers for revenue recognition are unchanged as this is the point when control of the goods effectively transfers to the customer.

#### *Hedge accounting*

The effective portion of gains or losses on the derivatives designated as cash flow hedging items (forecast sales transactions) are recognised in revenue when the forecast sales transactions occur. The adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* did not have an impact on the amount or timing of the hedging gains or losses recognised in revenue.

### **Change in accounting policy - accounting for by-products**

Previously, income from silver and uranium sales were considered by-product revenue and were recorded as a credit to cost of sales. The increasing significance of by-product income warrants the by-products to be considered an output of the group's ordinary activities and therefore income from these products are considered to be part of the group's revenue.

The change in accounting policy results in an increase in revenue and a consequential increase in costs of sales and therefore does not have an impact on previously reported gross profit or loss.

The group has applied the change retrospectively to each prior reporting period presented in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

|                                      | <b>Six months ended</b><br>31 December 2017 | <b>Year ended</b><br>30 June 2018 |
|--------------------------------------|---------------------------------------------|-----------------------------------|
| <b>Figures in million</b>            |                                             |                                   |
| Revenue as previously reported       | 9 842                                       | 20 359                            |
| By-product revenue                   | 33                                          | 93                                |
| <b>Revenue (restated)</b>            | <b>9 875</b>                                | <b>20 452</b>                     |
| Cost of sales as previously reported | 8 805                                       | 23 503                            |
| By-product revenue                   | 33                                          | 93                                |
| <b>Cost of sales (restated)</b>      | <b>8 838</b>                                | <b>23 596</b>                     |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 1. ACCOUNTING POLICIES continued

### *Basis of accounting* continued

#### **Impact of the adoption of IFRS 9 – Financial Instruments**

##### *Classification and measurement*

This standard replaces IAS 39, *Financial Instruments: Recognition and Measurement*. In terms of IFRS 9 financial instruments are measured either at amortised cost or at fair value. Movements in fair value are presented in either profit or loss or other comprehensive income (OCI), subject to certain criteria being met.

The new guidance did not have a significant impact on the classification and measurement of the group's financial assets for the following reasons:

- An election was made to classify the equity instruments previously classified as available-for-sale as at fair value through other comprehensive income (FVOCI);
- Equity investments previously measured at fair value through profit or loss (FVTPL) are classified and measured on the same basis under IFRS 9;
- Debt instruments previously classified as held-to-maturity and measured at amortised cost are classified and measured at amortised cost under IFRS 9;
- Derivative financial instruments continue to be classified and measured at FVTPL and
- Loans and other receivables previously classified as at amortised cost continue to be classified as at amortised cost as the group's business model is to hold these instruments in order to collect contractual cash flows, which is solely payments of principal and interest.

There was no impact on the group's accounting for financial liabilities as the new requirements only affected the accounting for financial liabilities that are designated at FVTPL and currently the group's does not have any such liabilities.

##### *Impairment*

The change from the "incurred loss" model to the "expected credit loss" model did not have a material impact on the measurement of financial assets.

##### *Hedge accounting*

Except for assessing hedge effectiveness, accounting for the group's defined hedge relationships remained unchanged under IFRS 9. The new requirements will be applied prospectively.

##### *Transition*

On 1 July 2018 management classified its financial instruments into the appropriate IFRS 9 categories. In line with the transitional provisions of IFRS 9, the group has applied the standard retrospectively without restating any comparative figures. IFRS 9 eliminates the exemption provided under IAS 39 where unquoted equity investments were measured at cost when fair value could not be reliably measured. This change resulted in revaluing one of our unlisted investments from cost of R0 million to fair value of R82 million. The difference between the carrying amounts of financial instruments before the adoption of IFRS 9 and the new carrying amount calculated in accordance with the standard at 1 July 2018 was recognised directly in the opening balance of equity. Refer to the statements of changes in equity.

#### **Impact of IFRS 16 – Leases (issued but not yet adopted)**

The new standard on leases, effective for financial periods beginning on or after 1 January 2019, requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts (with limited exceptions), whereas previously, lessees were required to make a distinction between a finance lease (on-balance sheet) and an operating lease (off-balance sheet).

The guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts) has been updated, affecting both lessees and lessors, although the accounting requirements by lessors remain largely unchanged.

The group is still assessing the impact of the new standard. In general, it is expected that assets and liabilities will increase as right of use assets and lease liabilities will be recognised for most of the group's operating leases where the group is the lessee. This is expected to lead to an increase in depreciation and finance costs and a change in the classification of cash flows. The group will adopt the standard on 1 July 2019.

No other standards, amendments or interpretations became effective during the current reporting period that had a material impact on the group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 2. REVENUE

| Figures in million               | Six months ended               |                                            | Year ended                            |
|----------------------------------|--------------------------------|--------------------------------------------|---------------------------------------|
|                                  | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed)<br>Restated | 30 June 2018<br>(Audited)<br>Restated |
| Gold                             | 13 107                         | 9 339                                      | 19 162                                |
| Hedging gain <sup>1</sup>        | 365                            | 503                                        | 1 197                                 |
| Other metal sales                | 317                            | 33                                         | 93                                    |
| Silver                           | 227                            | 33                                         | 74                                    |
| Uranium                          | 90                             | —                                          | 19                                    |
| <b>Total revenue<sup>2</sup></b> | <b>13 789</b>                  | <b>9 875</b>                               | <b>20 452</b>                         |

<sup>1</sup> Relates to the realised effective portion of the Rand gold hedge.

<sup>2</sup> The increase in revenue for the December 2018 period related to the addition of the Moab Khotsong operations (R2.7 billion) and Hidden Valley's return to commercial levels of production (R1.7 billion increase).

### Disaggregation of revenue

A geographical analysis of gold revenue is provided in the segment report. A reconciliation of the segment revenue to the condensed consolidated income statement is provided in note 18. Revenue from silver sales is derived largely from Hidden Valley while revenue from the sale of uranium is derived from the Moab Khotsong operations.

### Major customer

Total revenue from Hidden Valley represents 12% of the group's total revenue and is derived from one customer. Gold revenue from the South African operations is derived from multiple customers.

## 3. COST OF SALES

| Figures in million                                 | Six months ended               |                                            | Year ended                            |
|----------------------------------------------------|--------------------------------|--------------------------------------------|---------------------------------------|
|                                                    | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed)<br>Restated | 30 June 2018<br>(Audited)<br>Restated |
| Production costs - excluding royalty (a)           | 10 308                         | 7 072                                      | 14 933                                |
| Royalty expense                                    | 96                             | 91                                         | 151                                   |
| Amortisation and depreciation (b)                  | 2 119                          | 1 253                                      | 2 570                                 |
| Impairment of assets (c)                           | —                              | 116                                        | 5 336                                 |
| Rehabilitation expenditure                         | 51                             | 47                                         | 67                                    |
| Care and maintenance cost of restructured shafts   | 62                             | 60                                         | 128                                   |
| Employment termination and restructuring costs (d) | 162                            | 92                                         | 208                                   |
| Share-based payments                               | 92                             | 123                                        | 244                                   |
| Other                                              | 29                             | (16)                                       | (41)                                  |
| <b>Total cost of sales</b>                         | <b>12 919</b>                  | <b>8 838</b>                               | <b>23 596</b>                         |

- (a) Production costs for the six months ended 31 December 2018 increased mainly due to the addition of the Moab Khotsong operations (R1.8 billion) and Hidden Valley's return to commercial levels of production (R836 million increase).
- (b) Depreciation for the six months ending 31 December 2018 increased mainly due to Hidden Valley's return to commercial levels of production which contributed to a R896 million increase.
- (c) At 31 December 2018, management assessed the potential triggers for impairment. All key assumptions disclosed remained the same as at 30 June 2018, with the exception of the gold price on the South African operations which was increased from R535 000/kg to R550 000/kg, and the discount rate on Tshepong Operations which increased from 8.7% to 9.2%. The recoverable amounts of the cash generating units were determined on a fair value less cost to sell basis. This is a fair value measurement classified as level 3. The impairment test performed did not result in any impairments or reversals at any of the operations.
- (d) The increase for the six months ended 31 December 2018 relates to the extension of the voluntary severance programme in an effort to curtail costs.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 4. GAINS ON DERIVATIVES

Gains on derivatives include the fair value movements of derivatives which have not been designated as hedging instruments for hedge accounting purposes and the amortisation of day one gains and losses for hedging instruments.

| Figures in million                | Six months ended               |                                | Year ended                |
|-----------------------------------|--------------------------------|--------------------------------|---------------------------|
|                                   | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) | 30 June 2018<br>(Audited) |
| Derivative gains <sup>1</sup>     | 35                             | 360                            | 136                       |
| Day one loss amortisation         | (15)                           | (23)                           | (37)                      |
| <b>Total gains on derivatives</b> | <b>20</b>                      | <b>337</b>                     | <b>99</b>                 |

<sup>1</sup> Refer to note 9 for further information.

## 5. OTHER OPERATING INCOME/(EXPENSES)

| Figures in million                                    | Six months ended               |                                | Year ended                |
|-------------------------------------------------------|--------------------------------|--------------------------------|---------------------------|
|                                                       | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) | 30 June 2018<br>(Audited) |
| Social investment expenditure                         | (56)                           | (26)                           | (73)                      |
| Foreign exchange translation gain/(loss) <sup>1</sup> | (164)                          | 177                            | (682)                     |
| Silicosis settlement reversal of provision            | —                              | —                              | 68                        |
| Reversal of provision for ARM BEE loan                | —                              | 40                             | 43                        |
| Bad debts provision                                   | (38)                           | (5)                            | (7)                       |
| Other operating income/(expenses)                     | (6)                            | 22                             | (16)                      |
| <b>Total other operating income/(expenses)</b>        | <b>(264)</b>                   | <b>208</b>                     | <b>(667)</b>              |

<sup>1</sup> Refer to note 11 for the foreign exchange translation gain/(loss) on the US\$ borrowings.

## 6. TAXATION

The taxation expense for the six months ended 31 December 2018 is lower than the comparative period due to higher foreign exchange gains on the USD loans, higher derivative gains and mining profits earned during the six months ended 31 December 2017.

## 7. EARNINGS PER ORDINARY SHARE

|                                                     | Six months ended               |                                | Year ended                |
|-----------------------------------------------------|--------------------------------|--------------------------------|---------------------------|
|                                                     | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) | 30 June 2018<br>(Audited) |
| Weighted average number of shares (million)         | 515                            | 441                            | 446                       |
| Weighted average number of diluted shares (million) | 537                            | 454                            | 465                       |
| <b>Total earnings/(loss) per share (cents):</b>     |                                |                                |                           |
| Basic earnings/(loss)                               | 15                             | 203                            | (1 003)                   |
| Diluted earnings/(loss)                             | 13                             | 197                            | (1 004)                   |
| Headline earnings                                   | 14                             | 224                            | 171                       |
| Diluted headline earnings                           | 13                             | 218                            | 163                       |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 7. EARNINGS PER ORDINARY SHARE continued

### Reconciliation of headline earnings:

| Figures in million                                 | Six months ended               |                                | Year ended                |
|----------------------------------------------------|--------------------------------|--------------------------------|---------------------------|
|                                                    | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) | 30 June 2018<br>(Audited) |
| Net profit                                         | 75                             | 897                            | (4 473)                   |
| Adjusted for:                                      |                                |                                |                           |
| Impairment of assets                               | —                              | 116                            | 5 336                     |
| Taxation effect on impairment of assets            | —                              | (22)                           | (99)                      |
| Profit on sale of property, plant and equipment    | (2)                            | (1)                            | (2)                       |
| Loss on scrapping of property, plant and equipment | —                              | —                              | 1                         |
| <b>Headline earnings</b>                           | <b>73</b>                      | <b>990</b>                     | <b>763</b>                |

## 8. ACQUISITION OF MOAB KHOTSONG

Effective 1 March 2018 the group acquired the Moab Khotsong and Great Nologwa mines and related infrastructure as well as goldbearing tailings and the Nufcor uranium plant (collectively the Moab Khotsong operations) from AngloGold Ashanti Limited on a going concern basis. The combined assets acquired and liabilities assumed constitute a business as defined by IFRS 3 *Business Combinations*. The purchase price allocation (PPA) has been prepared on a provisional basis in accordance with IFRS 3. If new information is obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date, then the accounting for the acquisition will be revised.

The cash consideration paid to acquire the Moab Khotsong operations amounted to R3 474 million (US\$300 million).

## 9. DERIVATIVE FINANCIAL INSTRUMENTS

| Figures in million                            | At<br>31 December<br>2018<br>(Reviewed) | At<br>30 June<br>2018<br>(Audited) | At<br>31 December<br>2017<br>(Reviewed) |
|-----------------------------------------------|-----------------------------------------|------------------------------------|-----------------------------------------|
| <b>Financial assets</b>                       |                                         |                                    |                                         |
| <b>Non-current</b>                            | <b>123</b>                              | <b>84</b>                          | <b>258</b>                              |
| Rand gold forward sale contracts (a)          | 47                                      | 70                                 | 258                                     |
| US\$ commodity contracts (b)                  | —                                       | 11                                 | —                                       |
| Foreign exchange hedging contracts (c)        | 76                                      | 3                                  | —                                       |
| <b>Current</b>                                | <b>206</b>                              | <b>539</b>                         | <b>1 595</b>                            |
| Rand gold forward sale contracts (a)          | 119                                     | 412                                | 1 032                                   |
| US\$ commodity contracts (b)                  | 41                                      | 63                                 | 5                                       |
| Foreign exchange hedging contracts (c)        | 46                                      | 64                                 | 558                                     |
| <b>Total derivative financial assets</b>      | <b>329</b>                              | <b>623</b>                         | <b>1 853</b>                            |
| <b>Financial liabilities</b>                  |                                         |                                    |                                         |
| <b>Non-current</b>                            | <b>55</b>                               | <b>10</b>                          | <b>5</b>                                |
| Rand gold forward sale contracts (a)          | 29                                      | 10                                 | —                                       |
| US\$ commodity contracts (b)                  | —                                       | —                                  | 5                                       |
| Foreign exchange hedging contracts (c)        | 26                                      | —                                  | —                                       |
| <b>Current</b>                                | <b>303</b>                              | <b>205</b>                         | <b>26</b>                               |
| Rand gold forward sale contracts (a)          | 57                                      | 2                                  | —                                       |
| US\$ commodity contracts (b)                  | —                                       | —                                  | 26                                      |
| Foreign exchange hedging contracts (c)        | 246                                     | 203                                | —                                       |
| <b>Total derivative financial liabilities</b> | <b>358</b>                              | <b>215</b>                         | <b>31</b>                               |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 9. DERIVATIVE FINANCIAL INSTRUMENTS continued

- (a) Harmony has entered into rand gold forward sale derivative contracts to hedge the risk of lower rand/gold prices at its South African operations. Cash flow hedge accounting is applied to the majority of these contracts, resulting in the effective portion of the unrealised gains and losses being recorded in other comprehensive income (other reserves). During the six months ended 31 December 2018, the contracts that matured realised a gain of R365 million (June 2018: R1 197 million; December 2017: R503 million), which has been included in revenue. There were no ineffective portions in the periods presented. The unamortised portion of the day one gain or loss amounted to R30 million on 31 December 2018 (June 2018: R11 million; December 2017: R24 million). Losses from non-hedge accounted rand gold forward sale contracts amounted to R30 million and are included in gains on derivatives.
- (b) Harmony entered into commodity hedging contracts to secure sales prices for its Hidden Valley operations. The contracts comprise US\$ gold forward sale derivative contracts as well as silver zero cost collars which establish a minimum (floor) and maximum (cap) silver sales price. Hedge accounting is not applied and the resulting gains and losses are recorded in gains on derivatives in the income statement. The gain amounted to R36 million (June 2018: R35 million gain; December 2017: R43 million loss).
- (c) Harmony maintains a foreign exchange hedging programme in the form of zero cost collars, which establish a floor and cap US\$/Rand exchange rate at which to convert US dollars to Rands, and foreign exchange forward contracts. As hedge accounting is not applied, the resulting gains and losses have been recorded in gains on derivatives in the income statement. These gains amounted to R29 million (June 2018: R113 million; December 2017: R403 million).

The following table shows the volume of open positions at the reporting date:

|                    | FY19  |       | FY20  |       |       |       | FY21  |       | TOTAL |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    |       |
| <b>US\$ZAR</b>     |       |       |       |       |       |       |       |       |       |
| Zero cost collars  |       |       |       |       |       |       |       |       |       |
| US\$m              | 88    | 89    | 55    | 46    | 39    | 35    | 26    | —     | 378   |
| Floor              | 13.78 | 13.52 | 14.5  | 14.7  | 14.92 | 15.15 | 15.43 | —     | 14.29 |
| Cap                | 14.41 | 14.17 | 15.12 | 15.34 | 15.55 | 15.79 | 16.09 | —     | 14.93 |
| Forward contracts  |       |       |       |       |       |       |       |       |       |
| US\$m              | 75    | 72    | 57    | 54    | 50    | 48    | 35    | 2     | 393   |
| FEC                | 13.70 | 13.81 | 14.73 | 15.05 | 15.36 | 15.51 | 16.12 | 16.55 | 14.72 |
| <b>R/gold</b>      |       |       |       |       |       |       |       |       |       |
| '000 oz            | 66    | 66    | 66    | 66    | 65    | 64    | 64    | 28    | 485   |
| R'000/kg           | 626   | 610   | 621   | 638   | 642   | 657   | 668   | 667   | 639   |
| <b>US\$/gold</b>   |       |       |       |       |       |       |       |       |       |
| '000 oz            | 20    | 18    | 6     | 4     | —     | —     | —     | —     | 48    |
| US\$/oz            | 1 335 | 1 338 | 1 370 | 1 400 | —     | —     | —     | —     | 1 346 |
| <b>Total gold</b>  |       |       |       |       |       |       |       |       |       |
| '000 oz            | 86    | 84    | 72    | 70    | 65    | 64    | 64    | 28    | 533   |
| <b>US\$/silver</b> |       |       |       |       |       |       |       |       |       |
| '000 oz            | 90    | 90    | 90    | —     | —     | —     | —     | —     | 270   |
| Floor              | 17.30 | 17.30 | 17.40 | —     | —     | —     | —     | —     | 17.33 |
| Cap                | 18.30 | 18.30 | 18.40 | —     | —     | —     | —     | —     | 18.33 |

Refer to note 13 for details on the fair value measurements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 10. PROVISION FOR SILICOSIS

Harmony and certain of its subsidiaries (Harmony group), together with other mining companies, are named in a class action for silicosis and tuberculosis which was certified by the Johannesburg High Court in May 2016.

A gold mining industry working group which includes Harmony (the working group) was formed in November 2014 to address issues relating to the compensation and medical care for occupational lung diseases in the gold mining industry in South Africa. The working group engaged all stakeholders on these matters and on 3 May 2018, the working group announced that they have reached an agreement with the lawyers representing the claimants in the silicosis class action litigation. The settlement is subject to certain suspensive conditions, including the agreement being approved by the South Gauteng High Court.

Harmony has provided for the estimated cost of the settlement based on actuarial assessments. For detailed disclosure refer to Harmony's annual financial statements for the financial year ended 30 June 2018. The time value of money recognised for the period ended 31 December 2018 is R39 million and there was no change in the estimate.

## 11. BORROWINGS

During the six months ended 31 December 2018:

- The remaining outstanding balance of US\$50 million (R670 million) was repaid on the US\$200 million bridge loan.
- Harmony entered into a four-year loan with Westpac Bank of US\$24 million (R322 million) to finance the acquisition of fleet equipment for the group's PNG operations. The loan is repayable in quarterly instalments and bears interest at a rate of LIBOR + 3.2%. During October 2018 US\$2 million (R22 million) was repaid on the loan.
- US\$20 million (R273 million) was repaid on the US\$350 million syndicated facility.
- Harmony drew down the remaining R500 million on the R1 billion Nedbank revolving credit facility (RCF).
- During November 2018, Harmony concluded a new four-year R2.0 billion facility with Nedbank and ABSA which consists of a R600 million term facility and a R1.4 billion RCF to replace the Nedbank R1 billion RCF. The facility bears interest at a rate of JIBAR + the applicable margin. Harmony drew down R300 million on the new facility during December 2018.

Harmony's lending group relaxed the tangible net worth to total debt covenant ratio (which is tested quarterly) during the period under review as follows:

Period until June 2019: Ratio to be tested at 4.5 times.  
Thereafter: Ratio to be tested at 5 times.

The group complied with all the debt covenants as at 31 December 2018.

| Figures in million                            | Westpac<br>fleet loan<br>US dollar | US\$ term<br>loan<br>US dollar | US\$ RCF<br>US dollar | Rand term<br>loan<br>SA rand | Rand RCF<br>SA rand |
|-----------------------------------------------|------------------------------------|--------------------------------|-----------------------|------------------------------|---------------------|
| <b>Borrowings summary at 31 December 2018</b> |                                    |                                |                       |                              |                     |
| Original facility                             | 24                                 | 175                            | 175                   | 600                          | 1 400               |
| Drawn down                                    | 23                                 | 175                            | 130                   | 600                          | 700                 |
| Undrawn committed borrowing facilities        | N/A                                | —                              | 45                    | —                            | 700                 |
| Maturity                                      | June<br>2022                       | July<br>2020                   | July<br>2020          | November<br>2022             | November<br>2022    |
| Interest rate                                 | LIBOR +<br>3.20%                   | LIBOR +<br>3.15%               | LIBOR +<br>3.00%      | JIBAR +<br>2.90%             | JIBAR +<br>2.80%    |

The foreign exchange translation movements on the US\$ loans are as follows:

| Figures in million                         | Six months ended                  |                                   | Year ended                   |
|--------------------------------------------|-----------------------------------|-----------------------------------|------------------------------|
|                                            | 31 December<br>2018<br>(Reviewed) | 31 December<br>2017<br>(Reviewed) | 30 June<br>2018<br>(Audited) |
| Translation gain/(loss) on US\$ facilities | (180)                             | 196                               | (669)                        |
| Rand/US\$ exchange rate:                   |                                   |                                   |                              |
| Closing/spot                               | 14.38                             | 12.32                             | 13.81                        |
| Average                                    | 14.17                             | 13.40                             | 12.85                        |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 12. SHARE CAPITAL

Harmony conducted a placement of new ordinary shares to qualifying investors during June 2018. For detailed disclosure refer to Harmony's annual financial statements for the financial year ended 30 June 2018.

African Rainbow Minerals Limited (ARM) subscribed for 11 032 623 shares at R19.12 a share to maintain its shareholding of 14.29% post the placement of shares issued during the 2018 financial year.

Additional share capital movements relate to shares issued as part of the group's employee share schemes.

## 13. FINANCIAL RISK MANAGEMENT ACTIVITIES

### Foreign exchange risk

Harmony's revenues are sensitive to the R/US\$ exchange rate as all revenues are generated by gold sales denominated in US\$. Harmony maintains a foreign currency hedging programme to manage foreign exchange risk. The limit currently set by the Board is 25% of the group's foreign exchange risk exposure for a period of 24 months. Refer to note 9 for the details of the contracts. The audit and risk committee reviews the details of the programme quarterly.

### Commodity price sensitivity

The profitability of the group's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold, and in the case of Hidden Valley, silver as well. Harmony entered into derivative contracts to manage the variability in cash flows from the group's production, in order to create cash certainty and protect the group against lower commodity prices. The limits currently set by the Board are for 20% of the production from gold and 50% from silver over a 24-month period. Management continues to top-up these programmes as and when opportunities arise to lock in attractive margins for the business, but are not required to maintain hedging at these levels. The audit and risk committee reviews the details of the programme quarterly.

Refer to note 9 and the fair value determination section below for further detail on these contracts.

### Fair value determination

The fair value levels of hierarchy are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: 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);

Level 3: Inputs for the asset that are not based on observable market data (that is unobservable inputs).

| Figures in million                                                         | Fair value hierarchy level | At 31 December 2018 (Reviewed) | At 30 June 2018 (Audited) | At 31 December 2017 (Reviewed) |
|----------------------------------------------------------------------------|----------------------------|--------------------------------|---------------------------|--------------------------------|
| <b>Fair value through other comprehensive income financial instruments</b> |                            |                                |                           |                                |
| Investment in financial assets <sup>1</sup>                                | Level 3                    | 61                             | 8                         | 5                              |
| <b>Fair value through profit or loss financial instruments</b>             |                            |                                |                           |                                |
| Restricted investments <sup>2</sup>                                        | Level 2                    | 1 215                          | 913                       | 893                            |
| Derivative financial assets <sup>3</sup>                                   | Level 2                    | 329                            | 623                       | 1 853                          |
| Derivative financial liabilities <sup>3</sup>                              | Level 2                    | (358)                          | (215)                     | (31)                           |

<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. The balance of the environmental trust funds are carried at amortised cost and therefore not disclosed here.

<sup>3</sup>The mark-to-market remeasurement of the following contracts is derived from:

- Forex hedging contracts (zero cost collars): a Black-Scholes valuation technique, derived from spot rand/US\$ exchange rate inputs, implied volatilities on the rand/US\$ exchange rate, rand/US\$ inter-bank interest rates and discounted at market interest rate (zero-coupon interest rate curve). FECs are derived from the forward rand/US\$ exchange rate and discounted at market interest rate (zero-coupon interest rate curve).
- Rand gold hedging contracts (forward sale contracts): spot Rand/US\$ exchange rate, Rand and dollar interest rates (forward points), spot US\$ gold price, differential between the US interest rate and gold lease interest rate which is discounted at market interest rate.
- US\$ gold hedging contracts (forward sale contracts): spot US\$ gold price, differential between the US interest rate and gold lease interest rate and discounted at market interest rate.
- Silver hedging contracts (zero cost collars): a Black-Scholes valuation technique, derived from spot US\$ silver price, strike price, implied volatilities, time to maturity and interest rates and discounted at market interest rate.

For all other financial instruments, fair value approximates carrying value.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 14. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

| Figures in million                                                            | Six months ended               |                                | Year ended                |
|-------------------------------------------------------------------------------|--------------------------------|--------------------------------|---------------------------|
|                                                                               | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) | 30 June 2018<br>(Audited) |
| Capital expenditure - operations                                              | 1 738                          | 1 214                          | 2 619                     |
| Additions resulting from development at Hidden Valley <sup>1</sup>            | —                              | 1 108                          | 1 563                     |
| Capital and capitalised exploration and evaluation expenditure for Wafi-Golpu | 162                            | 187                            | 288                       |
| Additions resulting from stripping activities                                 | 500                            | 53                             | 98                        |
| Other                                                                         | —                              | 3                              | 3                         |
| <b>Total additions to property, plant and equipment</b>                       | <b>2 400</b>                   | <b>2 565</b>                   | <b>4 571</b>              |

<sup>1</sup> Hidden Valley reached commercial levels of production in June 2018 and halted the capitalisation of development costs related to stage 5 and 6.

## 15. COMMITMENTS AND CONTINGENCIES

| Figures in million                                 | At<br>31 December<br>2018<br>(Reviewed) | At<br>30 June<br>2018<br>(Audited) | At<br>31 December<br>2017<br>(Reviewed) |
|----------------------------------------------------|-----------------------------------------|------------------------------------|-----------------------------------------|
|                                                    |                                         |                                    |                                         |
| Capital expenditure commitments:                   |                                         |                                    |                                         |
| Contracts for capital expenditure                  | 475                                     | 273                                | 459                                     |
| Authorised by the directors but not contracted for | 1 370                                   | 1 719                              | 1 880                                   |
| <b>Total capital commitments</b>                   | <b>1 845</b>                            | <b>1 992</b>                       | <b>2 339</b>                            |

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

### Contingent liabilities

For a detailed disclosure on contingent liabilities refer to Harmony's annual financial statements for the financial year ended 30 June 2018.

## 16. RELATED PARTIES

| Name of director/prescribed officer                             | Shares<br>purchased<br>in open<br>market | Shares sold<br>in open<br>market | Performance<br>shares<br>vested and<br>retained |
|-----------------------------------------------------------------|------------------------------------------|----------------------------------|-------------------------------------------------|
| Frank Abbott (Financial director)                               | —                                        | —                                | 394 193                                         |
| Phillip Tobias (Chief Operating Officer: New business)          | —                                        | —                                | 126 378                                         |
| Johannes van Heerden (Chief Executive Officer: South-east Asia) | —                                        | —                                | 85 000                                          |

## 17. SEGMENT REPORT

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM).

The segment report follows on page 26.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (RAND)

## 18. RECONCILIATION OF SEGMENT INFORMATION

| Figures in million                                                      | Six months ended               |                                |
|-------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                         | 31 December 2018<br>(Reviewed) | 31 December 2017<br>(Reviewed) |
| <b>Reconciliation of production profit to gross profit</b>              |                                |                                |
| Revenue                                                                 | 13 789                         | 9 875                          |
| – Per segment report                                                    | 13 472                         | 9 842                          |
| – Other metal sales treated as by-product credits in the segment report | 317                            | 33                             |
| Production costs                                                        | (10 404)                       | (7 163)                        |
| – Per segment report                                                    | (10 087)                       | (7 130)                        |
| – Other metal sales treated as by-product credits in the segment report | (317)                          | (33)                           |
| Production profit per segment report                                    | 3 385                          | 2 712                          |
| Impairment of assets                                                    | —                              | (116)                          |
| Amortisation and depreciation                                           | (2 119)                        | (1 253)                        |
| Other cost of sales items                                               | (396)                          | (306)                          |
| <b>Gross profit as per income statements<sup>1</sup></b>                | <b>870</b>                     | <b>1 037</b>                   |

<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.

| Figures in million                                                                                 | At<br>31 December 2018<br>(Reviewed) | At<br>31 December 2017<br>(Reviewed) |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Reconciliation of total segment mining assets to consolidated property, plant and equipment</b> |                                      |                                      |
| Property, plant and equipment not allocated to a segment                                           |                                      |                                      |
| Mining assets                                                                                      | 972                                  | 1 217                                |
| Undeveloped property                                                                               | 3 681                                | 5 139                                |
| Other non-mining assets                                                                            | 111                                  | 184                                  |
| Wafi-Golpu assets                                                                                  | 2 325                                | 1 842                                |
|                                                                                                    | <b>7 089</b>                         | <b>8 382</b>                         |

## 19. SUBSEQUENT EVENTS

On 15 January 2019 the group issued and allocated 6.7 million ordinary shares to its employee share trust as part of a new employee share option plan (ESOP). The shares are expected to be granted to the employees by the end of February 2019 and the determination of their value for accounting purposes will be done subsequently.

## 20. REVIEW CONCLUSION

These condensed consolidated financial statements for the year ended 31 December 2018 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion thereon. A copy of the auditor's review conclusion is available for inspection at the company's registered office, together with the financial statements identified in the auditor's report.

# SEGMENT REPORT (RAND/METRIC)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (REVIEWED)

|                                                                                                                     | Revenue<br>31 December |              | Production cost<br>31 December |              | Production profit/<br>(loss)<br>31 December |              | Mining assets<br>31 December |               | Capital expenditure <sup>#</sup><br>31 December |              | Kilograms<br>produced*<br>31 December |               | Tonnes milled*<br>31 December |               |
|---------------------------------------------------------------------------------------------------------------------|------------------------|--------------|--------------------------------|--------------|---------------------------------------------|--------------|------------------------------|---------------|-------------------------------------------------|--------------|---------------------------------------|---------------|-------------------------------|---------------|
|                                                                                                                     | 2018                   | 2017         | 2018                           | 2017         | 2018                                        | 2017         | 2018                         | 2017          | 2018                                            | 2017         | 2018                                  | 2017          | 2018                          | 2017          |
|                                                                                                                     | R million              |              | R million                      |              | R million                                   |              | R million                    |               | R million                                       |              | kg                                    |               | t'000                         |               |
| <b>South Africa Underground</b>                                                                                     |                        |              |                                |              |                                             |              |                              |               |                                                 |              |                                       |               |                               |               |
| Tshepong operations                                                                                                 | 2 468                  | 2 960        | 2 028                          | 1 970        | 440                                         | 990          | 8 325                        | 8 575         | 584                                             | 477          | 4 222                                 | 5 093         | 838                           | 897           |
| Moab Khotsoeng                                                                                                      | 2 475                  | —            | 1 581                          | —            | 894                                         | —            | 3 842                        | —             | 286                                             | —            | 4 418                                 | —             | 532                           | —             |
| Bambanani                                                                                                           | 747                    | 822          | 492                            | 451          | 255                                         | 371          | 612                          | 706           | 32                                              | 33           | 1 277                                 | 1 410         | 118                           | 122           |
| Joel                                                                                                                | 440                    | 544          | 493                            | 480          | (53)                                        | 64           | 1 067                        | 998           | 97                                              | 128          | 742                                   | 908           | 226                           | 251           |
| Doornkop                                                                                                            | 1 035                  | 920          | 802                            | 653          | 233                                         | 267          | 2 725                        | 3 007         | 144                                             | 127          | 1 766                                 | 1 646         | 389                           | 347           |
| Target 1                                                                                                            | 880                    | 917          | 774                            | 684          | 106                                         | 233          | 1 317                        | 1 975         | 152                                             | 167          | 1 500                                 | 1 564         | 312                           | 371           |
| Kusasaletu                                                                                                          | 1 451                  | 1 279        | 1 237                          | 1 028        | 214                                         | 251          | 2 075                        | 2 790         | 158                                             | 150          | 2 414                                 | 2 245         | 358                           | 325           |
| Masimong                                                                                                            | 673                    | 873          | 625                            | 591          | 48                                          | 282          | 85                           | 393           | 54                                              | 63           | 1 152                                 | 1 504         | 312                           | 330           |
| Unisel                                                                                                              | 390                    | 415          | 290                            | 437          | 100                                         | (22)         | 47                           | 411           | 22                                              | 57           | 665                                   | 715           | 130                           | 225           |
| <b>Surface</b>                                                                                                      |                        |              |                                |              |                                             |              |                              |               |                                                 |              |                                       |               |                               |               |
| All other surface operations                                                                                        | 1 204                  | 947          | 989                            | 694          | 215                                         | 253          | 557                          | 524           | 38                                              | 65           | 2 092                                 | 1 671         | 8 136                         | 6 773         |
| <b>Total South Africa</b>                                                                                           | <b>11 763</b>          | <b>9 677</b> | <b>9 311</b>                   | <b>6 988</b> | <b>2 452</b>                                | <b>2 689</b> | <b>20 652</b>                | <b>19 379</b> | <b>1 567</b>                                    | <b>1 267</b> | <b>20 248</b>                         | <b>16 756</b> | <b>11 351</b>                 | <b>9 641</b>  |
| <b>International</b>                                                                                                |                        |              |                                |              |                                             |              |                              |               |                                                 |              |                                       |               |                               |               |
| Hidden Valley <sup>(a)</sup>                                                                                        | 1 709                  | 165          | 776                            | 142          | 933                                         | 23           | 3 796                        | 3 193         | 671                                             | 1 108        | 3 111                                 | 662           | 2 037                         | 723           |
| <b>Total international</b>                                                                                          | <b>1 709</b>           | <b>165</b>   | <b>776</b>                     | <b>142</b>   | <b>933</b>                                  | <b>23</b>    | <b>3 796</b>                 | <b>3 193</b>  | <b>671</b>                                      | <b>1 108</b> | <b>3 111</b>                          | <b>662</b>    | <b>2 037</b>                  | <b>723</b>    |
| <b>Total operations</b>                                                                                             | <b>13 472</b>          | <b>9 842</b> | <b>10 087</b>                  | <b>7 130</b> | <b>3 385</b>                                | <b>2 712</b> | <b>24 448</b>                | <b>22 572</b> | <b>2 238</b>                                    | <b>2 375</b> | <b>23 359</b>                         | <b>17 418</b> | <b>13 388</b>                 | <b>10 364</b> |
| Reconciliation of the segment information to the consolidated income statement and balance sheet (refer to note 18) | 317                    | 33           | 317                            | 33           |                                             |              | 7 089                        | 8 382         |                                                 |              |                                       |               |                               |               |
|                                                                                                                     | <b>13 789</b>          | <b>9 875</b> | <b>10 404</b>                  | <b>7 163</b> | <b>3 385</b>                                | <b>2 712</b> | <b>31 538</b>                | <b>30 954</b> | <b>2 238</b>                                    | <b>2 375</b> | <b>23 359</b>                         | <b>17 418</b> | <b>13 388</b>                 | <b>10 364</b> |

<sup>#</sup> Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of R161 million (2017: R187 million).

<sup>(a)</sup> Capital expenditure for the six months ended 31 December 2017 comprises of expenditure of R1 267 million net of capitalised revenue of R159 million.

\* Production statistics are unaudited and not reviewed.

# CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(CONVENIENCE TRANSLATION)

| Figures in million                              | Six months ended                |                                              | Year ended                             |
|-------------------------------------------------|---------------------------------|----------------------------------------------|----------------------------------------|
|                                                 | 31 December 2018<br>(Unaudited) | 31 December 2017<br>(Unaudited)<br>Restated* | 30 June 2018<br>(Audited)<br>Restated* |
| Revenue                                         | 973                             | 737                                          | 1 591                                  |
| Cost of sales                                   | (912)                           | (660)                                        | (1 807)                                |
| Production costs                                | (734)                           | (534)                                        | (1 174)                                |
| Amortisation and depreciation                   | (150)                           | (94)                                         | (200)                                  |
| Impairment of assets                            | —                               | (9)                                          | (386)                                  |
| Other items                                     | (28)                            | (23)                                         | (47)                                   |
| <b>Gross profit/(loss)</b>                      | <b>61</b>                       | <b>77</b>                                    | <b>(216)</b>                           |
| Corporate, administration and other expenditure | (27)                            | (23)                                         | (63)                                   |
| Exploration expenditure                         | (5)                             | (6)                                          | (11)                                   |
| Gains on derivatives                            | 1                               | 25                                           | 8                                      |
| Other operating income/(expenses)               | (19)                            | 15                                           | (53)                                   |
| <b>Operating profit/(loss)</b>                  | <b>11</b>                       | <b>88</b>                                    | <b>(335)</b>                           |
| Acquisition related costs                       | —                               | (3)                                          | (8)                                    |
| Share of profits from associates                | 2                               | 2                                            | 3                                      |
| Investment income                               | 10                              | 17                                           | 27                                     |
| Finance costs                                   | (15)                            | (12)                                         | (26)                                   |
| <b>Profit/(loss) before taxation</b>            | <b>8</b>                        | <b>92</b>                                    | <b>(339)</b>                           |
| Taxation                                        | (3)                             | (27)                                         | 18                                     |
| Current taxation                                | (2)                             | (25)                                         | (16)                                   |
| Deferred taxation                               | (1)                             | (2)                                          | 34                                     |
| <b>Net profit/(loss) for the period</b>         | <b>5</b>                        | <b>65</b>                                    | <b>(321)</b>                           |
| Attributable to:                                |                                 |                                              |                                        |
| Owners of the parent                            | 5                               | 65                                           | (321)                                  |
| <b>Earnings per ordinary share (cents)</b>      |                                 |                                              |                                        |
| Basic earnings                                  | 1                               | 15                                           | (72)                                   |
| Diluted earnings                                | 1                               | 15                                           | (72)                                   |

\* Refer to note 1 for detail. The restated amounts are unaudited.

The currency conversion average rates for the six months ended 31 December 2018: US\$1 = 14.17 (31 December 2017: US\$1 = R13.40) (30 June 2018: US\$1 = R12.85).

The income statement for the year ended 30 June 2018 has been extracted from the 2018 annual financial statements.

## Note on convenience translations

Except where specific statements have been extracted from the 2018 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 27 to 31.

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

(CONVENIENCE TRANSLATION)

| Figures in million                                             | Six month ended                 |                                 | Year ended                |
|----------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------|
|                                                                | 31 December 2018<br>(Unaudited) | 31 December 2017<br>(Unaudited) | 30 June 2018<br>(Audited) |
| Net profit/(loss) for the period                               | 5                               | 65                              | (321)                     |
| Other comprehensive income for the period, net of income tax   | (15)                            | (28)                            | (175)                     |
| Items that may be reclassified subsequently to profit or loss: | (15)                            | (28)                            | (174)                     |
| Foreign exchange translation gain/(loss)                       | 6                               | (23)                            | (117)                     |
| Remeasurement of rand gold hedging contracts                   | —                               | 31                              | 21                        |
| Unrealised gain on Rand gold contracts                         | (26)                            | (38)                            | (93)                      |
| Released to revenue                                            | 5                               | 2                               | 15                        |
| Deferred taxation thereon                                      | —                               | —                               | (1)                       |
| Items that will not be reclassified to profit or loss:         | —                               | —                               | (1)                       |
| Remeasurement of retirement benefit obligation                 | —                               | —                               | (1)                       |
| Actuarial loss recognised during the period                    | —                               | —                               | —                         |
| Deferred taxation thereon                                      | —                               | —                               | —                         |
| <b>Total comprehensive income for the period</b>               | <b>(10)</b>                     | <b>37</b>                       | <b>(496)</b>              |
| Attributable to:                                               |                                 |                                 |                           |
| Owners of the parent                                           | (10)                            | 37                              | (496)                     |

The currency conversion average rates for the six month ended 31 December 2018: US\$1 = 14.17 (31 December 2017: US\$1 = R13.40) (30 June 2018: US\$1 = R12.85).

The statement of comprehensive income for the year ended 30 June 2018 has been extracted from the 2018 annual financial statements.

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

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (CONVENIENCE TRANSLATION) (UNAUDITED)

| Figures in million                            | Share capital | Accumulated loss | Other reserves | Total        |
|-----------------------------------------------|---------------|------------------|----------------|--------------|
| Balance - 30 June 2018                        | 2 040         | (633)            | 359            | 1 766        |
| Impact of adopting IFRS 9 (refer to note 1)   | —             | —                | 6              | 6            |
| <b>Restated opening balance - 1 July 2018</b> | <b>2 040</b>  | <b>(633)</b>     | <b>365</b>     | <b>1 772</b> |
| Issue of shares                               | 15            | —                | —              | 15           |
| Share-based payments                          | —             | —                | 10             | 10           |
| Net profit for the period                     | —             | 5                | —              | 5            |
| Other comprehensive income for the period     | —             | —                | (15)           | (15)         |
| <b>Balance - 31 December 2018</b>             | <b>2 055</b>  | <b>(628)</b>     | <b>360</b>     | <b>1 787</b> |
| Balance - 30 June 2017                        | 2 300         | (364)            | 442            | 2 378        |
| Share-based payments                          | —             | —                | 14             | 14           |
| Net profit for the period                     | —             | 65               | —              | 65           |
| Other comprehensive income for the period     | —             | —                | (28)           | (28)         |
| Dividends paid                                | —             | (13)             | —              | (13)         |
| <b>Balance - 31 December 2017</b>             | <b>2 300</b>  | <b>(312)</b>     | <b>428</b>     | <b>2 416</b> |

The currency conversion closing rates for the year ended 31 December 2018: US\$1 = R14.38 (31 December 2017: US\$1 = R12.32).

# CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)

(CONVENIENCE TRANSLATION)

| Figures in million                         | At<br>31 December<br>2018<br>(Unaudited) | At<br>30 June<br>2018<br>(Audited) | At<br>31 December<br>2017<br>(Unaudited) |
|--------------------------------------------|------------------------------------------|------------------------------------|------------------------------------------|
| <b>ASSETS</b>                              |                                          |                                    |                                          |
| <b>Non-current assets</b>                  |                                          |                                    |                                          |
| Property, plant and equipment              | 2 193                                    | 2 245                              | 2 513                                    |
| Intangible assets                          | 36                                       | 37                                 | 49                                       |
| Restricted cash                            | 6                                        | 6                                  | 6                                        |
| Restricted investments                     | 234                                      | 237                                | 229                                      |
| Investments in associates                  | 5                                        | 6                                  | 6                                        |
| Inventories                                | 3                                        | 3                                  | 3                                        |
| Trade and other receivables                | 18                                       | 18                                 | 19                                       |
| Derivative financial assets                | 9                                        | 6                                  | 21                                       |
| Other non-current assets                   | 4                                        | 1                                  | —                                        |
| <b>Total non-current assets</b>            | <b>2 508</b>                             | <b>2 559</b>                       | <b>2 846</b>                             |
| <b>Current assets</b>                      |                                          |                                    |                                          |
| Inventories                                | 125                                      | 127                                | 111                                      |
| Restricted cash                            | 3                                        | 3                                  | 3                                        |
| Trade and other receivables                | 83                                       | 83                                 | 81                                       |
| Derivative financial assets                | 14                                       | 39                                 | 129                                      |
| Cash and cash equivalents                  | 97                                       | 51                                 | 86                                       |
| <b>Total current assets</b>                | <b>322</b>                               | <b>303</b>                         | <b>410</b>                               |
| <b>Total assets</b>                        | <b>2 830</b>                             | <b>2 862</b>                       | <b>3 256</b>                             |
| <b>EQUITY AND LIABILITIES</b>              |                                          |                                    |                                          |
| <b>Share capital and reserves</b>          |                                          |                                    |                                          |
| Share capital                              | 2 055                                    | 4 115                              | 2 300                                    |
| Other reserves                             | 360                                      | (1 402)                            | 428                                      |
| Accumulated loss                           | (628)                                    | (878)                              | (312)                                    |
| <b>Total equity</b>                        | <b>1 787</b>                             | <b>1 835</b>                       | <b>2 416</b>                             |
| <b>Non-current liabilities</b>             |                                          |                                    |                                          |
| Deferred tax liabilities                   | 77                                       | 83                                 | 138                                      |
| Provision for environmental rehabilitation | 239                                      | 240                                | 216                                      |
| Provision for silicosis settlement         | 67                                       | 67                                 | 77                                       |
| Retirement benefit obligation              | 13                                       | 13                                 | 15                                       |
| Borrowings                                 | 408                                      | 357                                | 208                                      |
| Other non-current liabilities              | 3                                        | 3                                  | 1                                        |
| Derivative financial liabilities           | 4                                        | 1                                  | —                                        |
| <b>Total non-current liabilities</b>       | <b>811</b>                               | <b>764</b>                         | <b>655</b>                               |
| <b>Current liabilities</b>                 |                                          |                                    |                                          |
| Borrowings                                 | 6                                        | 50                                 | —                                        |
| Trade and other payables                   | 205                                      | 198                                | 183                                      |
| Derivative financial liabilities           | 21                                       | 15                                 | 2                                        |
| <b>Total current liabilities</b>           | <b>232</b>                               | <b>263</b>                         | <b>185</b>                               |
| <b>Total equity and liabilities</b>        | <b>2 830</b>                             | <b>2 862</b>                       | <b>3 256</b>                             |

The balance sheet for 31 December 2018 converted at a conversion rate of US\$1 = R14.38 (30 June 2018: US\$1 = R13.81) (31 December 2017: US\$1 = R12.32).

The balance sheet at 30 June 2018 has been extracted from the 2018 annual financial statements.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(CONVENIENCE TRANSLATION)

| Figures in million                                                 | Six months ended                |                                 | Year ended                |
|--------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------|
|                                                                    | 31 December 2018<br>(Unaudited) | 31 December 2017<br>(Unaudited) | 30 June 2018<br>(Audited) |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                                 |                                 |                           |
| Cash generated by operations                                       | 198                             | 153                             | 334                       |
| Interest and dividends received                                    | 2                               | 3                               | 6                         |
| Interest paid                                                      | (13)                            | (4)                             | (14)                      |
| Income and mining taxes paid                                       | —                               | (15)                            | (23)                      |
| <b>Cash generated from operating activities</b>                    | <b>187</b>                      | <b>137</b>                      | <b>303</b>                |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                                 |                                 |                           |
| Increase in restricted cash                                        | (1)                             | (2)                             | (2)                       |
| Consideration paid for the acquisition of Moab Khotsong operations | —                               | —                               | (300)                     |
| Redemption of preference shares from associates                    | 2                               | —                               | —                         |
| Capital distributions from investments                             | 2                               | —                               | —                         |
| Additions to property, plant and equipment                         | (169)                           | (191)                           | (355)                     |
| <b>Cash utilised by investing activities</b>                       | <b>(166)</b>                    | <b>(193)</b>                    | <b>(658)</b>              |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                                 |                                 |                           |
| Borrowings raised                                                  | 79                              | 213                             | 565                       |
| Borrowings repaid                                                  | (69)                            | (160)                           | (312)                     |
| Proceeds from the issue of shares                                  | 15                              | —                               | 79                        |
| Dividends paid                                                     | —                               | (11)                            | (12)                      |
| <b>Cash generated from financing activities</b>                    | <b>25</b>                       | <b>42</b>                       | <b>320</b>                |
| <b>Foreign currency translation adjustments</b>                    | <b>—</b>                        | <b>5</b>                        | <b>(9)</b>                |
| Net increase/(decrease) in cash and cash equivalents               | <b>46</b>                       | <b>(9)</b>                      | <b>(44)</b>               |
| Cash and cash equivalents - beginning of year                      | <b>51</b>                       | <b>95</b>                       | <b>95</b>                 |
| <b>Cash and cash equivalents - end of year</b>                     | <b>97</b>                       | <b>86</b>                       | <b>51</b>                 |

The currency conversion average rates for the six months ended 31 December 2018: US\$1 = 14.17 (31 December 2017: US\$1 = R13.40) (30 June 2018: US\$1 = R12.85).

The closing balance translated at closing rates of 31 December 2018: US\$1 = R14.38 (30 June 2018: US\$1 = R13.81) (31 December 2017: US\$1 = R12.32).

The cash flow statement for the year ended 30 June 2018 has been extracted from the 2018 annual financial statements.

## SEGMENT REPORT (US\$/IMPERIAL)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018 (CONVENIENCE TRANSLATION) (UNAUDITED)

|                                 | Revenue<br>31 December |            | Production cost<br>31 December |            | Production profit/<br>(loss)<br>31 December |            | Mining assets<br>31 December |              | Capital expenditure <sup>#</sup><br>31 December |            | Ounces produced*<br>31 December |                | Tonnes milled*<br>31 December |               |
|---------------------------------|------------------------|------------|--------------------------------|------------|---------------------------------------------|------------|------------------------------|--------------|-------------------------------------------------|------------|---------------------------------|----------------|-------------------------------|---------------|
|                                 | 2018                   | 2017       | 2018                           | 2017       | 2018                                        | 2017       | 2018                         | 2017         | 2018                                            | 2017       | 2018                            | 2017           | 2018                          | 2017          |
|                                 | US\$ million           |            | US\$ million                   |            | US\$ million                                |            | US\$ million                 |              | US\$ million                                    |            | oz                              |                | t'000                         |               |
| <b>South Africa Underground</b> |                        |            |                                |            |                                             |            |                              |              |                                                 |            |                                 |                |                               |               |
| Tshepong operations             | 174                    | 221        | 143                            | 147        | 31                                          | 74         | 579                          | 696          | 41                                              | 36         | 135 741                         | 163 745        | 924                           | 990           |
| Moab Khotsoeng                  | 175                    | —          | 112                            | —          | 63                                          | —          | 267                          | —            | 20                                              | —          | 142 042                         | —              | 586                           | —             |
| Bambanani                       | 53                     | 61         | 35                             | 34         | 18                                          | 27         | 43                           | 57           | 2                                               | 2          | 41 057                          | 45 333         | 130                           | 134           |
| Joel                            | 31                     | 41         | 35                             | 36         | (4)                                         | 5          | 74                           | 81           | 7                                               | 10         | 23 855                          | 29 193         | 249                           | 277           |
| Doornkop                        | 73                     | 69         | 57                             | 49         | 16                                          | 20         | 189                          | 244          | 10                                              | 9          | 56 778                          | 52 920         | 429                           | 383           |
| Target 1                        | 62                     | 68         | 55                             | 51         | 7                                           | 17         | 92                           | 160          | 11                                              | 12         | 48 226                          | 50 284         | 345                           | 409           |
| Kusasaletu                      | 102                    | 96         | 87                             | 77         | 15                                          | 19         | 144                          | 226          | 11                                              | 11         | 77 612                          | 72 178         | 394                           | 358           |
| Masimong                        | 47                     | 65         | 44                             | 44         | 3                                           | 21         | 6                            | 32           | 4                                               | 5          | 37 038                          | 48 355         | 344                           | 364           |
| Unisel                          | 28                     | 31         | 20                             | 33         | 8                                           | (2)        | 3                            | 33           | 2                                               | 4          | 21 380                          | 22 987         | 144                           | 248           |
| <b>Surface</b>                  |                        |            |                                |            |                                             |            |                              |              |                                                 |            |                                 |                |                               |               |
| All other surface operations    | 85                     | 71         | 69                             | 50         | 16                                          | 21         | 39                           | 43           | 3                                               | 5          | 67 258                          | 53 724         | 8 971                         | 7 469         |
| <b>Total South Africa</b>       | <b>830</b>             | <b>723</b> | <b>657</b>                     | <b>521</b> | <b>173</b>                                  | <b>202</b> | <b>1 436</b>                 | <b>1 572</b> | <b>111</b>                                      | <b>94</b>  | <b>650 987</b>                  | <b>538 719</b> | <b>12 516</b>                 | <b>10 632</b> |
| <b>International</b>            |                        |            |                                |            |                                             |            |                              |              |                                                 |            |                                 |                |                               |               |
| Hidden Valley <sup>(a)</sup>    | 121                    | 12         | 55                             | 11         | 66                                          | 1          | 264                          | 259          | 47                                              | 83         | 100 021                         | 21 284         | 2 246                         | 798           |
| <b>Total international</b>      | <b>121</b>             | <b>12</b>  | <b>55</b>                      | <b>11</b>  | <b>66</b>                                   | <b>1</b>   | <b>264</b>                   | <b>259</b>   | <b>47</b>                                       | <b>83</b>  | <b>100 021</b>                  | <b>21 284</b>  | <b>2 246</b>                  | <b>798</b>    |
| <b>Total operations</b>         | <b>951</b>             | <b>735</b> | <b>712</b>                     | <b>532</b> | <b>239</b>                                  | <b>203</b> | <b>1 700</b>                 | <b>1 831</b> | <b>158</b>                                      | <b>177</b> | <b>751 008</b>                  | <b>560 003</b> | <b>14 762</b>                 | <b>11 430</b> |

<sup>#</sup>Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of US\$11 million (2017: US\$14 million).

<sup>(a)</sup>Capital expenditure for the six months ended 31 December 2017 comprises of expenditure of US\$95 million net of capitalised revenue of US\$12 million.

\*Production statistics are unaudited and not reviewed.

# DEVELOPMENT RESULTS

6 Month average

July 2018 – December 2018

## METRIC

|                  | Reef<br>Meters | Sampled<br>Meters | Channel         |                |                 |
|------------------|----------------|-------------------|-----------------|----------------|-----------------|
|                  |                |                   | Width<br>(Cm's) | Value<br>(g/t) | Gold<br>(Cmg/t) |
| Tshepong         |                |                   |                 |                |                 |
| Basal            | 547            | 620               | 9,03            | 191,66         | 1 730           |
| B Reef           | 457            | 340               | 131,61          | 28,48          | 3 749           |
| All Reefs        | 1 003          | 960               | 52,44           | 46,62          | 2 445           |
| Phakisa          |                |                   |                 |                |                 |
| Basal            | 634            | 624               | 45,38           | 26,95          | 1 223           |
| All Reefs        | 634            | 624               | 45,38           | 26,95          | 1 223           |
| Doornkop         |                |                   |                 |                |                 |
| South Reef       | 779            | 825               | 73,37           | 10,79          | 791             |
| All Reefs        | 779            | 825               | 73,37           | 10,79          | 791             |
| Kusasaletu       |                |                   |                 |                |                 |
| VCR Reef         | 444            | 432               | 74,84           | 20,06          | 1 501           |
| All Reefs        | 444            | 432               | 74,84           | 20,06          | 1 501           |
| Target 1         |                |                   |                 |                |                 |
| Elsburg          | 55             | 40                | 296,00          | 0,54           | 159             |
| All Reefs        | 55             | 40                | 296,00          | 0,54           | 159             |
| Masimong 5       |                |                   |                 |                |                 |
| Basal            | 476            | 432               | 75,35           | 16,25          | 1 224           |
| B Reef           | 232            | 282               | 90,49           | 21,07          | 1 906           |
| All Reefs        | 708            | 714               | 81,33           | 18,37          | 1 494           |
| Unisel           |                |                   |                 |                |                 |
| Basal            | 880            | 692               | 175,66          | 9,63           | 1 692           |
| All Reefs        | 880            | 692               | 175,66          | 9,63           | 1 692           |
| Joel             |                |                   |                 |                |                 |
| Beatrix          | 758            | 768               | 94,65           | 9,42           | 891             |
| All Reefs        | 758            | 768               | 94,65           | 9,42           | 891             |
| Moab<br>Khotsong |                |                   |                 |                |                 |
| VRF              | 562            | 524               | 95,20           | 33,80          | 3 218           |
| C REEF           | 100            | 130               | 11,34           | 40,47          | 459             |
| All Reefs        | 662            | 654               | 78,53           | 33,99          | 2 669           |
| Total Harmony    |                |                   |                 |                |                 |
| Basal            | 2 536          | 2 368             | 79,40           | 18,80          | 1 493           |
| Beatrix          | 758            | 768               | 94,65           | 9,42           | 891             |
| B Reef           | 689            | 622               | 112,97          | 25,79          | 2 913           |
| Elsburg          | 55             | 40                | 296,00          | 0,54           | 159             |
| VRF              | 562            | 524               | 95,20           | 33,80          | 3 218           |
| South Reef       | 779            | 825               | 73,37           | 10,79          | 791             |
| VCR              | 444            | 432               | 74,84           | 20,06          | 1 501           |
| C Reef           | 100            | 130               | 11,34           | 40,47          | 459             |
| All Reefs        | 5 923          | 5 709             | 85,31           | 18,65          | 1 591           |

## IMPERIAL

|                  | Reef<br>Feet | Sampled<br>Feet | Channel         |                 |                   |
|------------------|--------------|-----------------|-----------------|-----------------|-------------------|
|                  |              |                 | Width<br>(Inch) | Value<br>(oz/t) | Gold<br>(In.oz/t) |
| Tshepong         |              |                 |                 |                 |                   |
| Basal            | 1 793        | 2 034           | 4,00            | 4,97            | 20                |
| B Reef           | 1 498        | 1 115           | 52,00           | 0,83            | 43                |
| All Reefs        | 3 291        | 3 150           | 21,00           | 1,34            | 28                |
| Phakisa          |              |                 |                 |                 |                   |
| Basal            | 2 078        | 2 047           | 18,00           | 0,78            | 14                |
| All Reefs        | 2 078        | 2 047           | 18,00           | 0,78            | 14                |
| Doornkop         |              |                 |                 |                 |                   |
| South Reef       | 2 555        | 2 707           | 29,00           | 0,31            | 9                 |
| All Reefs        | 2 555        | 2 707           | 29,00           | 0,31            | 9                 |
| Kusasaletu       |              |                 |                 |                 |                   |
| VCR Reef         | 1 455        | 1 417           | 29,00           | 0,59            | 17                |
| All Reefs        | 1 455        | 1 417           | 29,00           | 0,59            | 17                |
| Target 1         |              |                 |                 |                 |                   |
| Elsburg          | 181          | 131             | 117,00          | 0,02            | 2                 |
| All Reefs        | 181          | 131             | 117,00          | 0,02            | 2                 |
| Masimong 5       |              |                 |                 |                 |                   |
| Basal            | 1 562        | 1 417           | 30,00           | 0,47            | 14                |
| B Reef           | 762          | 925             | 36,00           | 0,61            | 22                |
| All Reefs        | 2 324        | 2 343           | 32,00           | 0,54            | 17                |
| Unisel           |              |                 |                 |                 |                   |
| Basal            | 2 886        | 2 270           | 69,00           | 0,28            | 19                |
| All Reefs        | 2 886        | 2 270           | 69,00           | 0,28            | 19                |
| Joel             |              |                 |                 |                 |                   |
| Beatrix          | 2 488        | 2 520           | 37,00           | 0,28            | 10                |
| All Reefs        | 2 488        | 2 520           | 37,00           | 0,28            | 10                |
| Moab<br>Khotsong |              |                 |                 |                 |                   |
| VRF              | 1 845        | 1 719           | 37,00           | 1,00            | 37                |
| C REEF           | 328          | 427             | 4,00            | 1,32            | 5                 |
| All Reefs        | 2 173        | 2 146           | 31,00           | 0,99            | 31                |
| Total Harmony    |              |                 |                 |                 |                   |
| Basal            | 8 319        | 7 769           | 31,00           | 0,55            | 17                |
| Beatrix          | 2 488        | 2 520           | 37,00           | 0,28            | 10                |
| B Reef           | 2 261        | 2 041           | 44,00           | 0,76            | 33                |
| Elsburg          | 181          | 131             | 117,00          | 0,02            | 2                 |
| VRF              | 1 845        | 1 719           | 37,00           | 1,00            | 37                |
| South Reef       | 2 555        | 2 707           | 29,00           | 0,31            | 9                 |
| VCR              | 1 455        | 1 417           | 29,00           | 0,59            | 17                |
| C Reef           | 328          | 427             | 4,00            | 1,32            | 5                 |
| All Reefs        | 19 432       | 18 730          | 34,00           | 0,54            | 18                |

## NOTES

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## NOTES

[illegible]

## NOTES

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