

HARMONY GOLD MINING CO LTD

Form 6-K

October 31, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

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

EXCHANGE ACT OF 1934

For 31 October 2011

**Harmony Gold Mining Company**

**Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

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

Form 20-F  Form 40-F

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

Yes  No

**Au**

**Financial review for the period ended 30 September 2011**

Quarter

Quarter

September

June

Q-on-Q

2011

2011

Variance

%

Gold produced

(1)

– kg

10 207

10 152

0.5

– oz

328 162

326 394

0.5

Cash operating costs

– R/kg

265 288

242 851

(9.2)

– US\$/oz

1 156

1 115

(3.7)

Gold sold

– kg

9 948

10 412

(4.5)

– oz

319 836

334 752

(4.5)

Gold price received

– R/kg

396 405

329 536

20.3

– US\$/oz

1 727

1 513

14.1

Operating profit

– Rm

1 306

901  
45.0  
– US\$m  
183  
133  
37.6  
Basic earnings/(loss) per share  
– SAc/s  
111  
(10)  
>100.0  
– USc/s  
16  
(1)  
>100.0  
Headline profit  
– Rm  
411  
130  
>100.0  
– \$m  
58  
19  
>100.0  
Headline earnings per share  
– SAc/s  
95  
30  
>100.0  
– USc/s  
13  
4  
>100.0  
Exchange rate  
– R/US\$  
7.14  
6.78  
5.3

*(1) Production statistics for Steyn 2 have been included. Steyn 2 is currently in a build-up phase and revenue and costs are capitalised for this period. Quarter ending September 2011: 36 kg (June 2011 – 27 kg).*

Record operating profits

- 45% increase in operating profit to R1.3 billion
- Highest ever revenue
- Headline earnings per share (HEPS) increased by 217% to 95 SA cents
- Production in line with forecast despite industrial action
- turnaround at Joel; shaft-equipping completed
-

continued build-up at Phakisa, Kusasalethu and Doornkop

- Bambanani restructured – crews transferred to build-up operations

More exciting exploration results from PNG

Wa -Golpu pre-feasibility study on track

## **KEY FEATURES**

### *Shareholder information*

Issued ordinary

share capital at

30 September 2011

430 272 715

Issued ordinary

share capital at

30 June 2011

430 084 628

### *Market capitalisation*

At 30 September 2011

ZARm

41 027

At 30 September 2011

US\$m

5 103

### *Harmony ordinary share and ADR prices*

12 month high

(1 October 2010 –

30 September 2011)

for ordinary shares

R106.00

12 month low

(1 October 2010 –

30 September 2011)

for ordinary shares

R74.77

12 month high

(1 October 2010 –

30 September 2011)

for ADRs

US\$15.57

12 month low

(1 October 2010 –

30 September 2011)

for ADRs

US\$10.56

### *Free oat*

Ordinary shares

100%

### *ADR ratio*

1:1

### *JSE Limited*

HAR

Range for quarter  
(1 July 2011 –  
30 September 2011  
closing prices)  
R85.80 – R106.00

Average daily volume  
for the quarter  
(1 July 2011 –  
30 September 2011)  
1 744 855 shares

*New York Stock Exchange,  
Inc including other  
US trading  
HMY*

Range for quarter  
(1 July 2011 –  
30 September 2011  
closing prices)  
US\$11.50 –  
US\$14.87

Average daily volume  
for the quarter  
(1 July 2011 –  
30 September 2011)  
2 915 266 shares

**RESULTS FOR THE PERIOD  
ENDED 30 SEPTEMBER 2011**

**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

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### **Forward-looking statements**

*This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's 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. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbour provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts.*

*These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements.*

*These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgment of the senior management of Harmony 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 quarterly 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 the countries in which we operate; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions; increases or decreases in the market price of gold; the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions; availability, terms and deployment of capital; changes in government regulation, particularly mining rights and environmental regulations; fluctuations in exchange rates; currency devaluations and other macroeconomic monetary policies; and socio-economic instability in the countries in which we operate.*

Harmony's Annual Report, Notice of Annual General Meeting, its Sustainable Development Report and its Annual Report

led on a form 20F with the United States' Securities and Exchange Commission for the year ended 30 June 2011 are available on our website: **www.harmony.co.za**

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**Competent person's declaration**

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC). Harmony employs an ore reserve manager at each of its operations who takes responsibility for reporting mineral resources and mineral reserves at his operation.

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

Reserves and resources South Africa:

Jaco Boshoff, Pri Sci Nat, who has 16 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP).

Reserves and resources PNG:

Stuart Hayward for the Wa -Golpu mineral resources, Gregory Job for the Golpu mineral reserve, James Francis for the Hidden Valley mineral resources and Anton Kruger for the Hidden Valley mineral reserve. Messers Job, Francis and Kruger are corporate members of the Australian Institute of Mining and Metallurgy and Mr Hayward is a member of the Australian Institute of Geoscientists. All have relevant experience in the type and style of mineralisation for which they are reporting, and are competent persons as defined by the code.

These competent persons consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. Mr Boshoff and Mr Job are full-time employees of Harmony Gold Mining Company Limited and Mr Hayward is a full-time employee of Wa -Golpu Services Limited. Mr Francis and Mr Kruger are full-time employees of Newcrest Mining Limited (Newcrest). Newcrest is Harmony's joint venture partner in the Morobe Mining Joint Venture on the Hidden Valley mine and Wa -Golpu project.



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## Chief Executive's Review

**Introduction**

The increased R/kg gold price received during the September 2011 quarter continued to strengthen Harmony's profit levels. A record operating profit was generated this quarter with production remaining steady despite industrial action. This is an indication of our improved operational efficiency and gives us confidence for the future.

As our growth projects come on stream, and our existing mines operate to tailored business plans, we remain confident of reaching our long-term targets.

**Safety**

It is with deep regret that I report that two of our colleagues died in work-related incidents during the quarter. Those who died were: Matoane Thabana, a locomotive guard at Unisel and Andries Bhambatha, water jet operator at Tshepong. I would like to extend my deepest condolences to their families, friends and colleagues.

**Operational and financial overview**

The gold price received increased by 20.3% to R396 405/kg in the September 2011 quarter from R329 536/kg received in the previous quarter. The increase in the gold price resulted in revenues increasing by 14.8% or R506.9 million. Operating profit for the September 2011 quarter increased by 45.0% (R405.7 million) to R1 306.4 million, compared to the R900.7 million recorded in the June 2011 quarter. Production for the September 2011 quarter was only slightly higher than the previous quarter. Our targeted increase in production was negatively impacted by the wage strike in August 2011, which resulted in approximately 500kg being lost. As expected, higher electricity (due to winter tariffs) and labour costs resulted in the R/kg costs being 9.2% higher at R265 288/kg compared to R242 851/kg in the June 2011 quarter.

We continue to spend in a responsible manner, with total capital expenditure for the September 2011 quarter decreasing by 16.4% (R137.5 million) to R700.1 million, compared to the previous quarter (R837.6 million).

**Exploration**

*Wafi Transfer Exploration (Morobe Mining JV Exploration (Harmony 50%))*

Prospect development work continued at Zimake, and Bavaga on the Wafi Transfer structure. Results received from Zimake have outlined a significant new high tenor Cu-Au anomaly over a 1.5 km

2

area.

The anomaly is associated with a bulls-eye magnetic target, contains surface soil results up to 0.5 g/t Au and 0.2% Cu, and is prospective for porphyry copper-gold mineralisation similar to Golpu.

*Papua New Guinea (PNG) exploration (Harmony 100%)*

Drilling at the Mt Hagen project has intersected anomalous intervals of porphyry copper style mineralisation and alteration. The drill core contains disseminated chalcopyrite and molybdenum associated with biotite-magnetite (potassic) altered metasediments and is highly

encouraging. Assays received to date resulted in 285m @ 0.1% Cu, 83 ppm Mo from 72m (PNDD001).

### **Wafi-Golpu**

The resource drilling programme continues to target orebody extension to the north and infill of deeper sections (indicatively in the Lift 2 and Lift 3 cave zones). Geotechnical investigation drilling is continuing along the access/conveyor decline route. Five drill rigs are currently at work at Wafi-Golpu with two additional drill rigs that have arrived on site that will commence drilling in the forthcoming quarter. Generally the drilling results are confirming the resource shell as outlined in the resource declaration (refer to the Integrated Annual Report at [www.harmony.co.za](http://www.harmony.co.za)).

The results of the significant borehole were:

WR406 861m @ 1.51g/t Au, 1.48% Cu including 199m @ 2.87g/t Au and 2.57% Cu from 1 286m (some assays are still pending).

### **Gold market**

We remain bullish on the gold price, despite the recent fears that there is a gold bubble. We believe that the gold price will continue to strengthen as the fundamentals that drove the gold price up are still in place. Gold remains an attractive investment and a currency in these times of economic uncertainty. A number of record high gold prices were seen throughout the first quarter, with a record level of around \$1 900/oz at the beginning of September 2011. Despite the sharp decline in the gold price towards the end of September 2011, the Rand gold price performed well due to the benefit of the weakening of the R/\$ exchange rate around the same time. Harmony's South African assets represent 92% of total production. The combination of a higher gold price and a weaker Rand, as well as steady production worked to our advantage during the quarter.

### **Conclusion**

Harmony has a solid portfolio of producing assets and a successful international exploration programme. The rapid progress we have made in PNG, in particular, is proof of the benefits mining can deliver in an enabling environment when all stakeholders work together. The Wafi-Golpu project has the potential to change this company materially. In addition, the exploration results in PNG have been pleasing and we look forward to more exciting news from the region.

In the next few months we will be focussing on improving our grades, as well as improving costs per tonnes milled – all in line with our strategy, as well as progressing the pre-feasibility study at Wafi-Golpu.

### **Graham Briggs**

#### **Chief Executive Officer**

#### **Note:**

Harmony updated the market on its strategy, operations and exploration on 24 August 2011. You are encouraged to view the presentations and information shared at [www.harmony.co.za](http://www.harmony.co.za) to allow you to make an informed decision on your investment or possible investment in Harmony.

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**Results for the period  
ended 30 September 2011**

Safety and health

**Safety**

Safety remains Harmony's number one priority. To accelerate the execution of Harmony's safety and health strategy and to further improve its safety performance, Harmony appointed Alwyn Pretorius as the Executive for safety and health in August 2011, a newly created executive position. Alwyn has more than 18 years' experience in the mining industry and has a good understanding of underground conditions and the working environment our underground workers are exposed to.

Our safety strategy includes behavioural aspects, competency training and development, as well as research and new technologies. We believe safety in the workplace can be addressed only through a cooperative approach that ensures the right infrastructure is in place – from systems and planning, to communication and training. We also believe management and employees must accept joint responsibility for their actions. It is therefore imperative that the working environment empowers people – management, supervisors, workers and union representatives – to stop work and withdraw from the mining area when they feel it is unsafe, or prevent others from acting in an unsafe way. Equally, safety is about attitudes and mindsets. We have renewed our focus on implementing, communicating and reinforcing safety in the workplace, and created a centralised safety function to coordinate initiatives between regions and mines.

Given the high-risk nature of many of our deep-level operations, the safety, health and well-being of our people are our foremost priority:

Safety is a key performance indicator for management and a key component of performance reward for our people.

Tragically, two fatalities occurred at the South African operations during the September 2011 quarter, which indicates that even more needs to be done to ensure a safe working environment day after day.

We have made progress in terms of safety, with Harmony's Lost Time Injury Frequency Rate (LTIFR) (per million hours worked) remaining a single digit, for the twelfth consecutive quarter. In South Africa, our LTIFR improved by 6% quarter on quarter, from 9.64 to 9.06. The Reportable Injury Frequency Rate (RIFR) (per million hours worked) improved by 18% quarter on quarter (from 5.39 to 4.44). The Fatal Injury Frequency Rate (FIFR) improved by 31% (0.17 to 0.09) quarter on quarter.

Safety achievements for the quarter included:

South African (SA) underground operations:

1 000 000 fatality free shifts

Harmony SA surface operations:

3 000 000 fatality free shifts

Kusasaletu:

500 000 fatality free shifts

Evander total operations:

1 000 000 fatality free shifts

Kalgold plant:

1 000 000 fatality free shifts

Target 1:

750 000 fatality free shifts

Phakisa:

500 000 fatality free shifts

Bambanani:

500 000 fatality free shifts

The following operations completed the quarter without an injury:

- Target plant

- 

Harmony One plant

- 

Free State commercial services and transport

- Evander workshops.

### **Health**

The health and well-being of our workforce is essential to us, as they are the cornerstone of our ongoing business success. We continually invest in the wellness of our employees, through various health programmes and initiatives to ensure the well-being of each employee. Our focus is on preventative rather than curative health care and we encourage employees to live a healthy lifestyle, through health education and raising awareness. During the quarter our proactive approach to health and wellness of our employees continued. Our objective remains to improve health management programmes and effectively utilise clinical information. This includes the review of policies, procedures and processes as well as training. These efforts have resulted in improved health and a better quality of life for our employees

See our Sustainable Development Report FY11 for more details on our website [www.harmony.co.za](http://www.harmony.co.za).

Financial overview

Operating profit increased by 45% to R1 306 million in the September 2011 quarter, with an increase in revenue being the main contributor.

### **Revenue**

The increase in revenue from R3 422 million to R3 929 million is due to a 14.3% higher US dollar gold price received and a weaker Rand, with the average R/kg gold price received increasing over 20% to R396 405/kg.

### **Cost of sales**

Production cost is slightly higher at R2 623 million, mainly due to increased winter electricity rates that resulted in a R133 million increase in electricity cost for the quarter.

Employment termination and restructuring costs for the September quarter amounted to R34 million. The cost is as a result of the restructuring process at Bambanani shaft.

### **Reversal of impairment of investment in associate**

The reversal of impairment of R48 million for the September 2011 quarter relates to foreign exchange movements relating to the agreed sale of 40% of Rand Uranium (Pty) Limited to Gold One International Limited.

**Net loss on financial instruments**

The loss for the September 2011 quarter is due to the changes in fair value of the Nedbank Equity Linked Deposits held by the Environmental Trusts.

**Earnings per share**

Basic earnings per share increased from a loss of 10 SA cents to earnings of 111 SA cents per share. Headline earnings per share increased from 30 SA cents per share to 95 SA cents per share, an increase of 217%.

**Property, plant and equipment**

The increase in property, plant and equipment is largely due to currency movements of R836 million as a result of the strengthening of the Kina against the South African Rand. The corresponding entry was recorded in other reserves through other comprehensive income.

**Borrowings**

Borrowings increased as a result of a net draw down of R100 million on the Nedbank facility and a US\$50 million draw down on the US dollar Revolving Credit Facility.

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Operational overview

**GROUP RESULTS**

September

June

%

Indicator                      Units

2011

2011

variance

**Tonnes                      000**

4 870

4 861

0.2

**Grade                      g/t                      2.09**

2.08

0.5

**Gold produced****Kg**

10 207

10 152

0.5

**Cash operating costs      R/kg**

265 288

242 851

(9.2)

**Operating profit****R'000      1 306 437**

900 734

45.0

Gold production for the September 2011 quarter remained stable at 10 207kg, despite the negative impact of the wage strike in August 2011, which resulted in an estimated loss of 500kg.

Grade remained steady at 2.09g/t.

Higher electricity costs due to two months of winter tariffs and labour costs resulted in the R/kg costs being 9.2% higher at R265 288/kg.

In line with the wage agreement, cash operating costs now include a profit share based on 1% of operating profits less capital expenditure from Harmony's South African assets, which amounted to R5.9 million.

Harmony's profit levels were strengthened by a 20.3% increase in the R/kg gold price received, resulting in a 45.0% increase in operating profit to R1.3 billion.

**BUILD-UP OPERATIONS****Doornkop**

September

June

%

Indicator                      Units

2011

2011

variance

Tonnes	000
277	
234	
18.4	
Grade	g/t
3.13	
3.24	
(3.4)	
Gold produced	
Kg	
866	
757	
14.4	
Cash operating costs	
R/kg	
270 487	
239 316	
(13.0)	
Operating profit	
R'000	
118 607	
68 250	
73.8	

Doornkop had another outstanding production quarter. Gold production increased by 14.4% to 866kg, mainly due to tonnes milled being 18.4% higher at 277 000 tonnes. The stockpile accumulated during the two previous quarters was processed and added to the increased production during the quarter.

Additional emphasis was placed on cleaning, which resulted in an improved mine call factor (MCF) of 94%, up from 81% in the previous quarter.

Cash operating costs increased to R270 487/kg due to higher electricity costs and increased labour costs.

Higher production, combined with an increase in the gold price received, resulted in operating profit being 73.8% higher during the September 2011 quarter. This quarter marks the first quarter of positive operating cash flow after capital since the commencement of commercial production in May 2009.

#### **Kusasaletu**

September

June

%

Indicator	Units
-----------	-------

2011

2011

variance

Tonnes	000
--------	-----

331

305

8.5

Grade	g/t
-------	-----

4.69  
 5.20  
 (9.8)  
 Gold produced  
 Kg  
 1 554  
 1 586  
 (2.0)  
 Cash operating costs  
 R/kg  
 239 336  
 219 880  
 (8.8)  
 Operating profit  
 R'000  
 239 736  
 176 354  
 35.9

Tonnes milled were 8.5% higher at 331 000 quarter on quarter, which countered a decrease in grade at 4.69g/t due to increased waste in the system. Gold production was 2.0% lower at 1 554kg as a result.

Cash operating costs increased by 8.8% to R239 336/kg due to higher electricity and labour costs.

A higher gold price received realised an operating profit of R239.7 million.

**Phakisa**

September

June

%

Indicator	Units
-----------	-------

2011

2011

variance

Tonnes	000
--------	-----

113

106

6.6

Grade	g/t
-------	-----

4.65

4.45

4.5

Gold produced

Kg

526

472

11.4

Cash operating costs

R/kg

364 804

284 475

(28.2)



Operating profit

R'000

18 194

24 310

(25.2)

Phakisa achieved its third quarter of increased gold production, with gold production being 11.4% higher quarter on quarter at 526kg, due to an increase in both tonnes milled at 113 000 tonnes and recovery grade at 4.65g/t.

Cash operating costs increased to R364 804/kg, as a result of increased labour and electricity costs, as well as the change in classification of commissioning costs to cash operating costs (which were formerly capitalised).

An increase in gold produced and a higher gold price resulted in Phakisa recording an operating profit of R18.1 million.

**Hidden Valley (held in Morobe Mining Joint Venture – 50% of attributable production reflected)**

September

June

%

Indicator

Units

2011

2011

variance

Tonnes

000

415

420

(1.2)

Grade

g/t

1.91

1.97

(3.0)

Gold produced

Kg

792

826

(4.1)

Cash operating costs

R/kg

206 563

238 644

13.4

Operating profit

R'000

115 633

59 904

93.0

Gold production at Hidden Valley was 4.1% lower quarter-on-quarter at 792kg primarily due to a lower gold grade. Silver production increased by 11% to 6 860kg associated with a higher grade.

**6****Results for the period  
ended 30 September 2011**

Mill throughput remained constrained for most of the quarter as a result of the overland conveyor belt failure in March 2011. The rectification work and recommissioning of the conveyor was completed during September 2011 with operations expected to return to planned production levels during the December 2011 quarter.

Cash operating costs were lower at R206 563/kg mainly due to the increase in silver production, which is treated as a credit to costs.

**Target 1**

September

June

%

Indicator                      Units

2011

2011

variance

Tonnes                      000

210

168

25.0

Grade                      g/t

4.47

4.11

8.8

Gold produced

Kg

939

690

36.1

Cash operating costs

R/kg

223 578

269 323

17.0

Operating profit

R'000

160 102

51 169

&gt;100

Target 1 had an excellent production quarter. Gold production increased by 36.1% to 939kg as a result of the 25.0% increase in tonnes milled and a higher recovery grade of 4.47g/t.

Increased production assisted in lowering cash operating costs by 17.0% quarter on quarter to R223 578/kg, despite increases in electricity and labour costs.

Operating profit increased more than threefold at R160.1 million, when compared to the June 2011 quarter due to higher gold production and an increase in the gold price received.

**Target 3**

September	
June	
%	
Indicator	Units
2011	
2011	
variance	
Tonnes	000
78	
75	
4.0	
Grade	g/t
3.09	
3.65	
(15.3)	
Gold produced	
Kg	
241	
274	
(12.0)	
Cash operating costs	
R/kg	
444 100	
339 956	
(30.6)	
Operating (loss)/profit	
R'000	
(12 501)	
930	
>(100)	

Tonnes milled increased by 4.0% to 78 000 tonnes. However, quarter on quarter, the lower recovery grade resulted in gold production decreasing by 12.0% to 241kg. The 15.3% decrease in the recovery grade to 3.09g/t is attributable to lower B reef values, the increase in stoping width at the Elsburg reef and shortage of Basal reef panels in the sub-shaft. We are currently focussing on the B reef progress, using pre-development reef slushers to identify high grade zones. A similar approach is used at Masimong. The Elsburg reef will be undercut to only expose the first and second band and leave the low grade third band in the hanging wall.

Maintenance to increase the support of the brattice wall (the cement wall dividing the shaft in two, a downcast area and an up cast area for the air flow in the main shaft), together with increased electricity and labour costs, resulted in a higher cash operating costs at R444 100/kg for the September 2011 quarter. Higher grades and production are expected when mining commences in the sub-shaft.

#### **STEADY-STATE OPERATIONS**

##### **Tshepong**

September  
June  
%

Indicator	Units
2011	
2011	
variance	
Tonnes	000
287	
327	
(12.2)	
Grade	g/t
4.12	
4.50	
(8.4)	
Gold produced	
Kg	
1 183	
1 473	
(19.7)	
Cash operating costs	
R/kg	
263 276	
209 333	
(25.8)	
Operating profit	
R'000	
161 493	
179 753	
(10.2)	

Safety stoppages, the wage strike and a slow start-up after the wage strike resulted in tonnes milled decreasing by 12.2% to 287 000 tonnes. In addition, a lower recovery grade of 4.12g/t, due to more waste being mined from the decline, resulted in lower gold production of 1 183kg. Cash operating costs were 25.8% higher at R263 276/kg due to increases in electricity costs and labour costs and the decrease in gold production during the quarter. Despite a very challenging quarter at Tshepong, the operation still managed to record a profit of R161.5 million.

### **Masimong**

September

June

%

Indicator	Units
2011	
2011	
variance	
Tonnes	000
232	
190	
22.1	
Grade	g/t
3.43	
4.35	
(21.1)	

Gold produced  
 Kg  
 796  
 827  
 (3.7)  
 Cash operating costs  
 R/kg  
 277 340  
 214 694  
 (29.2)  
 Operating profit  
 R'000  
 99 157  
 95 776  
 3.5

Masimong increased its tonnes milled by 22.1% to 232 000 tonnes. The waste pass system is currently under maintenance and therefore all the waste was milled, resulting in a lower recovery grade of 3.43g/t. Continued maintenance is expected to continue during the next three quarters, which will result in lower recovery grades.

Cash operating costs increased to R277 340/kg. The 29.2% increase is attributed to higher electricity costs, labour costs and plant costs due to higher volumes processed during the quarter.

Masimong has the potential to reach their production targets as before. The focus on the grade, especially the B reef, is important and is monitored in the form of a short interval control system.

**Evander**

September

June

%

Indicator	Units
-----------	-------

2011

2011

variance

Tonnes	000
--------	-----

123

132

(6.8)

Grade	g/t
-------	-----

6.94

5.68

22.2

Gold produced

kg

854

750

13.9

Cash operating costs

R/kg

208 597

205 235

(1.6)  
Operating profit  
R'000  
154 944  
88 615  
74.9

7

Evander demonstrated its transformation in yet another quarter with gold production being 13.9% higher at 854kg and achieving a much higher recovery grade of 6.94g/t. The higher recovery grade is attributable to the increase in face grade, as more mining crews moved into the main payshoot of the decline section.

Cash operating costs remained stable at R208 597/kg, with increased production offsetting the effect of higher labour costs and electricity increases during the quarter. Higher production and an increase in the gold price received resulted in an increase of 74.9% in operating profit to R154.9 million.

## **OTHER OPERATIONS**

### **Bambanani**

September

June

%

Indicator Units

2011

2011

variance

Tonnes 000

92

112

(17.9)

Grade g/t

5.02

6.56

(23.5)

Gold produced

Kg

462

735

(37.1)

Cash operating costs

R/kg

437 706

302 668

(44.6)

Operating (loss)/profit

R'000

(25 696)

25 032

&gt;(100)

Bambanani has struggled to meet its production targets and to curb its costs for a number of quarters. It was subsequently decided – in line with Harmony's stated strategy to restructure for safe, profitable and quality ounces – to halt mining in the sub shaft. The current activities on the mine have moved from the deeper operating areas to the acceleration of the development of the shaft pillar. We mitigated the effect of the restructuring on jobs by redeploying the majority of the employees to our operations in build-up.

Although the decision impacted on the past quarter's production, production and profits in the long term will improve. Tonnes milled decreased by 17.9% to 92 000, while grade and gold production reduced to 5.02g/t and 462kg. The lower production levels and higher electricity costs resulted in a 44.6% increase in cash operating costs; with an operating loss of R25.7 million being recorded.

**Steyn 2**

September

June

%

Indicator	Units
-----------	-------

2011

2011

variance

Gold produced

Kg

36

27

33.3

The decision to restructure Bambanani also impacted Steyn 2 and mining of the decline section was terminated and our focus moved to the shaft pillar. An increase in gold production of 33.3% quarter-on-quarter at 36kg was recorded. The shaft pillar is delivering higher face grades.

**Joel**

September

June

%

Indicator	Units
-----------	-------

2011

2011

variance

Tonnes	000
--------	-----

147

121

21.5

Grade	g/t
-------	-----

4.70

3.70

27.0

Gold produced

kg

691

448

54.2

Cash operating costs

R/kg

202 729

259 121

21.8

Operating profit

R'000



134 010

34 627

&gt;100

Joel delivered an exceptional quarter, with improvements in all production measures. An increase of 27.0% in recovery grade together with an increase of 21.5% in tonnes milled resulted in a 54.2% increase in gold production at 691kg.

Joel recorded the lowest cash operating cost in the company for the quarter at R202 729/kg, which represents a 21.8% improvement quarter on quarter. As a result an operating profit of R134.0 million was achieved, supported by favourable gold price received during the September 2011 quarter.

**Unisel**

September

June

%

Indicator                      Units

2011

2011

variance

Tonnes milled

000

92

106

(13.2)

Grade                              g/t

3.70

3.96

(6.6)

Gold produced

Kg

340

420

(19.0)

Cash operating costs

R/kg

360 400

255 486

(41.1)

Operating profit

R'000

15 341

31 884

(51.9)

Unisel lost twenty days of production due to safety stoppages and the wage strike. Tonnes milled decreased by 13.2% and with grade 6.6% lower at 3.7g/t, gold production was 19.0% lower at 340kg.

Grade at Unisel is variable when moving further to the south, due to the ratio between the Basal reef and Leader reef. The Leader reef is present which varies more than the Basal reef and will be closely monitored.

The continued increase in seismicity in the decline section of Unisel,

together with resulting damages in the footwall excavations, are being closely monitored.

Cash operating costs deteriorated to R360 400/kg owing to significant decreases in production, increased electricity and labour costs. A higher gold price resulted in an operating profit of R15.3 million being recorded for the September 2011 quarter.

#### **SURFACE OPERATIONS (South Africa)**

September

June

%

Indicator

Units

2011

2011

variance

**Tonnes**

**000**

2 473

2 565

(3.6)

**Grade**

**g/t**

0.37

0.34

8.8

**Gold produced**

**Kg** 927

867

6.9

**Cash operating costs** **R/kg**

263 671

268 657

1.9

**Operating profit**

**R'000**

127 417

64 130

98.7

Surface sources achieved a 6.9% increase in gold production due to an 8.8% increase in the recovery grade at 0.37g/t. The increase is mainly attributable to the Phoenix tailings which recorded a much higher recovery grade when compared to the June 2011 quarter. Tonnes mined and treated decreased to 2 473 000.

Cash operating costs quarter on quarter remained stable at R263 671/kg. Operating profits generated almost doubled to R127.4 million in comparison to the previous quarter, due to the higher gold price received.

8

**Results for the period  
ended 30 September 2011**

**Kalgold**

September

June

%

Indicator	Units
-----------	-------

2011	
------	--

2011	
------	--

variance	
----------	--

Tonnes	000
--------	-----

364	
-----	--

392	
-----	--

(7.1)	
-------	--

Grade	g/t
-------	-----

0.74	
------	--

0.69	
------	--

7.2	
-----	--

Gold produced

Kg

270	
-----	--

270	
-----	--

0.0	
-----	--

Cash operating costs

R/kg

337 615	
---------	--

311 819	
---------	--

(8.3)	
-------	--

Operating profit

R'000

20 401	
--------	--

18 247	
--------	--

11.8	
------	--

Recovery grade was 7.2% higher quarter on quarter at 0.74g/t and tonnes milled 7.1% lower at 364 000 tonnes, resulting in the gold production remaining steady at 270kg.

During the past quarter the cash operating costs increased to R337 615/kg, due to increased labour and electricity costs. An operating profit of R20.4 million was generated during the quarter; mainly due to the increased gold price received.

The pre-primary crushers broke down and will be repaired during the next three months. Ore will be crushed by two mobile plants. Any decrease in throughput will be mitigated by feeding higher grade material from the stock pile. A task team of external and internal experts has been assembled to evaluate the Kalgold plant and prepare an action plan to catch up on backlog maintenance and to implement improvements. Gold production in the next quarterly is likely to be more or less the same as during the September 2011 quarter.

**Phoenix (tailings)**

September

June	
%	
Indicator	Units
2011	
2011	
variance	
Tonnes	
000	
1 365	
1 247	
9.5	
Grade	g/t
0.16	
0.11	
45.5	
Gold produced	
Kg	
215	
137	
56.9	
Cash operating costs	
R/kg	
235 051	
297 029	
20.9	
Operating profit	
R'000	
34 773	
5 169	
>100	

An increase in tonnes milled and grade at 1 365 000 tonnes and 0.16g/t respectively, resulted in gold production being 56.9% higher at 215kg. Cash operating costs at R235 051/kg was 20.9% lower quarter on quarter due to higher gold production, whilst an operating profit of R34.8 million was generated.

#### **Surface dumps**

September	
June	
%	
Indicator	Units
2011	
2011	
variance	
Tonnes	000
744	
926	
(19.7)	
Grade	g/t
0.59	
0.50	
18.0	

Gold produced

Kg

442

460

(3.9)

Cash operating costs

R/kg

232 423

234 874

1.0

Operating profit

R'000

72 243

40 714

77.4

Treatment of tonnes at the surface dumps decreased to 744 000 tonnes, countered, with an increase in the recovery grade to 0.59g/t, resulting in lower gold production at 442kg.

Higher gold prices received, resulted in an operating profit of R72.2 million.

## 9

### Development

The main object of development is to develop the known orebody to be able to exploit the orebody to its full potential. A development programme is vital in the life of a mine. The on reef development on a shaft is an indication of the grades that will be mined in future.

Important information is derived, such as expected geological structures, dip of the ore body and the channel width. Depending on the shaft layout – such as raise line length and spacing – ledging and stoping will take place in approximately 18 to 36 months after on reef development.

Therefore, the target areas for development are extremely important to prove the existence of ore of sufficient mineral content to mine profitably and to continuously upgrade the resources to reserves.

### **Mineral reserves block grades vs development grades**

**Note:** The ore reserve block grades reflect the grades of the blocks in the life-of-mine plans for the various operations. These blocks are to a large degree the blocks above a certain cut-off grade that has been targeted for mining. The development grades are those as sampled in the ongoing on-reef development at the operations and no selectivity has been applied from a grade point of view.

### **Doornkop**

The South reef development grades remained above 1 000 cmg/t in line with the previous quarter and the rolling four quarter grade is now slightly above the reserve grade. No on-reef development was planned for the Kimberly reef.

### **Kusasaletu**

The quarter on quarter development grade has improved and continues to return grades that are in line with the overall ore body grade and as predicted for the areas that are being developed.

### **Phakisa**

The development towards the north continues to show positive results in line with expectation. During the quarter under review, the overall development grades improved to above 1 000 cmg/t despite most of the development at Phakisa still taking place in the lower grade central block.

### **Masimong**

Basal reef and B reef development grades were lower on a quarterly basis. On the Basal reef the reason for lower grade is due to lower values sampled in the new development to the south of the mine, while on the B reef a wide raise had to continue in an out-of-channel area for the purpose of top ventilation holing.

### **Target (narrow reef mining)**

Quarter on quarter there was a decrease in development grades of the narrow reef mining section at Target 1 shaft due to the very erratic nature of the specific area being developed. At Target 3 there has been a steady improvement in metres developed quarter on quarter. However, no Basal reef development took place during the quarter due to the delay of getting back into the Basal reef areas of the sub-shaft. The development done on the A reef and B reef is very encouraging and returned better than expected values.

### **Tshepong**

In general the Basal reef development grades have increased quarter on quarter, while the grades on the B reef were lower. The development

focus at Tshepong remains the development of new and existing raise lines on the Basal reef in the higher grade decline area where most of the future mining at the mine will take place.

**Bambanani**

Most of the development is taking place in the shaft pillar where the development grade remains above 3 000 cmg/t, which is in line with expectations.

**10**

**Results for the period  
ended 30 September 2011**

Exploration

**International (Papua New Guinea)**

**Morobe Mining Joint Venture (50% Harmony)**

**Wafi-Golpu**

Drilling continues to confirm the world class nature of the mineral endowment. Early indications from metallurgical test work programs are confirming excellent recoveries and product grades. Two large capacity drill rigs arrived in Lae and will extend the drill fleet to eight rigs in latter part of Quarter 2.

Early construction activities have continued including an expansion of camp facilities to support an increase in the drilling and construction workforce with two of the additional three drill rigs now in country. Construction and improvement of the access road to the proposed site continued during the quarter and stakeholder engagement with the community, landowners and various government agencies is ongoing. The pre-feasibility study remains on schedule for completion in the first half of calendar 2012 and commencement of the detailed feasibility study by mid-2012.

**Evander 8**

There was an improvement in the quarter on quarter development grade with the rolling four quarter grade now matching the reserve grade. The reserve at Evander is now made up of the Kinross payshoot in the decline area of the mine where the grades in the raise lines being developed remained in line with expectations.

**Joel**

There was a slight decrease in the development grades quarter on quarter which is in line with the grade variability expected of the ore body. The grade in the winzes being developed from 121 level to 129 level, in the very prospective north-western portion of the mine, remains good.

**Virginia (Unisel)**

At Unisel, the development grade of the Basal reef is in line with expectations, while the Leader reef grade was lower than expected. In some areas in the decline section the separation between the Middle reef and Basal reef is less than one meter and they are being developed jointly and will be mined as such.

(1) Refer to Harmony's annual statement of Mineral resources and reserves at 30 June 2011. Resource figures quoted on 100% basis.

(2) Incomplete intersection reported.



## 11

**Figure 2:** PNDD001; 599m. Biotite altered metasediments with quartz vein stockwork containing chalcopyrite, molybdenum, pyrite and magnetite. Assays pending.

During the quarter, drilling at Wafi-Golpu focused on increasing the level of confidence in the geological model within the central and northern parts of the porphyry system to support a future reserve upgrade and the pre-feasibility study. Significant results include:

- WR396\_W2:  
223m @ 0.61% Cu, 0.40g/t Au from 1 299m

- WR402:  
160m @ 0.51% Cu, 0.18g/t Au from 490m

- WR405:  
707m @ 0.53% Cu, 0.49g/t Au from 771m including 126m @ 0.73% Cu and 0.23g/t Au from 1 092m

- WR406

(1)

:

417m @ 1.49% Cu, 1.65g/t Au from 958m

The Golpu system has been extended at depth where drillhole WR406, designed to test 200m below the high grade intersection within WR377 (883m at 2.23g/t Au and 2.15% Cu), intersected 417m at 1.65g/t Au and 1.49%Cu. Mineralisation remains open to the north and at depth and step out drilling targeting the northern extent of the high grade mineralisation is in progress.

(1) Partial result

### **Wafi structural corridor**

#### **Zimake (EL1590)**

Results received for broad spaced ridge and spur soil sampling at Zimake target has defined a +1.5 km<sup>2</sup> Cu-Au anomaly coincident with a circular magnetic anomaly. Copper and gold geochemistry in soil and rock chips correlate extremely well with values ranging up to 0.5 g/t Au and 0.2% Cu. The metal association from the soil indicates possible porphyry copper + gold mineralisation at depth.

Fieldwork including grid based soil sampling and mapping is underway to assist with drill targeting.

### **Hidden Valley district exploration**

At Hidden Valley, drilling continued to increase the confidence in the mineral resource within the Kaveroi lode and test the down dip and strike extensions of Hidden Valley and Kaveroi lodes. The mineralisation in this direction has now been confirmed.

Significant results include:

- HVDD106 8m @ 11g/t Au and 12g/t Ag from 170m

- 

HVDD107 12m @ 2.1g/t Au and 8g/t Ag from 274m

- HVDD108 26m @ 1.2g/t Au and 7g/t Ag from 263m  
Results from drill testing of the Hamata deposit confirm the presence of mineralisation down dip of the current Inferred Resource boundary. Significant intersections include:

- HMDD005 43.5m @ 4.7g/t Au from 24.5m

- HMDD009 13m @ 6.4g/t Au from 47m

- HMDD010 13m @ 8.7g/t Au from 49m and 7m @ 6.4g/t Au from 241m

- HMDD011 12.3m @ 4.9g/t Au from 45m

**PNG Exploration (Harmony 100%)**

**Mount Hagen project (EL1611 and EL1596)**

Exploration work at Mt Hagen remained focused on drill testing at the Kurunga Intrusive Complex (KIC). Exploration activities also included ridge and spur soil sampling and detailed mapping at the Ugti Creek, Mt Maragabui, and Rulna Prospects (495 samples), although results to date for these prospects have not warranted additional follow-up.

**Bakil Prospect (EL1611)**

No geological field work was undertaken during the quarter although drill pads for two holes were prepared ahead of drill testing scheduled for Q2FY12.

**Kurunga Prospect (EL1596) and Penamb Prospect (EL1596)**

Drilling to test Cu-Au-Mo anomalism associated with the KIC continued during the quarter with three holes for 1 160m completed. Drilling progressed to the Penamb anomaly where geology encountered was extremely encouraging.

The drilling intersected a mineralised potassic vein stockwork with an increase in disseminated chalcopyrite. This potassic zone transitions into 200m of phyllic stockwork to end of hole. This clear shift from outer potassic to phyllic alteration zones suggests potential and proximity of a significant mineralised Cu-Mo-Au system.

Vein mineralogies include quartz-pyrite-molybdenite-magnetite± chalcopyrite, quartz-carbonate-pyrite-sericite and quartz-anhydrite-pyrite-sericite, which is also highly encouraging.

Assays received to date resulted in 285m @ 0.1% Cu, 83 ppm Mo from 72m (PNDD001).

12

**Results for the period  
ended 30 September 2011**

13

Operating results (Rand/Metric) (US\$/Imperial)

Underground production – South Africa

Surface production – South Africa

Three

Total

South

South

Inter-

months

Kusasa-

Under-

Total

Africa

Africa

Hidden

national

Harmony

ended

Bambanani

Doornkop

Evander

Joel

Iethu Masimong

Phakisa

Steyn 2

Target 1

Target 3

Tshepong

Unisel

ground

Kalgold

Phoenix

Dumps

Surface

Other

Total

Valley

Other

Total

**Ore milled****– t'000****Sep-11**

92 277 123 147 331 232 113

– 210 78 287 92

1 982 364

1 365 744

2 473 –

4 455 415

–

**4 870**

Jun-11

112 234 132 121 305 190 106

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-	168	75	327	106					
1 876	392								
1 247	926								
2 565	-								
4 441	420								
-	4 861								
<b>Gold produced</b>									
<b>- kg</b>									
<b>Sep-11</b>									
<b>462</b>	<b>866</b>	<b>854</b>	<b>691</b>						
<b>1 554</b>	<b>796</b>	<b>526</b>	<b>36</b>	<b>939</b>	<b>241</b>				
<b>1 183</b>	<b>340</b>								
<b>8 488</b>	<b>270</b>	<b>215</b>	<b>442</b>	<b>927</b>	<b>-</b>				
<b>9 415</b>	<b>792</b>								
-									
<b>10 207</b>									
<b>Jun-11</b>									
735	757	750	448						
1 586	827	472	27	690	274				
1 473	420								
8 459	270	137	460	867	-				
9 326	826								
-	10 152								
<b>Gold produced</b>									
<b>- oz</b>									
<b>Sep-11</b>									
<b>14 854</b>	<b>27 843</b>	<b>27 457</b>	<b>22 216</b>	<b>49 962</b>	<b>25 592</b>	<b>16 911</b>	<b>1 157</b>	<b>30 190</b>	<b>7 748</b>
<b>38 034</b>	<b>10 931</b>								
<b>272 895</b>	<b>8 681</b>	<b>6 912</b>	<b>14 211</b>	<b>29 804</b>					
-	<b>302 699</b>	<b>25 463</b>	<b>-</b>						
<b>328 162</b>									
<b>Jun-11</b>									
23 631	24 338	24 113	14 404	50 991	26 589	15 175			
868	22 184	8 809	47 358	13 503					
271 963	8 681	4 405	14 789	27 875					
-	299 838	26 556							
-	326 394								
<b>Yield</b>									
<b>- g/tonne</b>									
<b>Sep-11</b>									
<b>5.02</b>	<b>3.13</b>	<b>6.94</b>	<b>4.70</b>	<b>4.69</b>	<b>3.43</b>	<b>4.65</b>			
-	<b>4.47</b>	<b>3.09</b>	<b>4.12</b>	<b>3.70</b>	<b>4.26</b>	<b>0.74</b>	<b>0.16</b>	<b>0.59</b>	<b>0.37</b>
-	<b>2.11</b>	<b>1.91</b>							
-	<b>2.09</b>								
<b>Jun-11</b>									
6.56	3.24	5.68	3.70	5.20	4.35	4.45			
-	4.11	3.65	4.50	3.96	4.49	0.69	0.11	0.50	0.34
-	2.09	1.97							
-	2.08								
<b>Cash operating</b>									
<b>- R/kg</b>									

**Sep-11**

437 706	270 487	208 597	202 729	239 336	277 340	364 804				
- 223 578	444 100	263 276	360 400	270 969	337 615	235 051	232 423	263 671	-	
270 247										
206 563	-									
265 288										

**costs**

**Jun-11**

302 668	239 316	205 235	259 121	219 880	214 694	284 475				
- 269 323	339 956	209 333	255 486	240 610	311 819	297 029	234 874	268 657		
- 243 225	238 644									
- 242 851										

**Cash operating**

**- \$/oz**

**Sep-11**

1 907	1 178	909	883	1 043	1 208	1 589				
- 974	1 935	1 147	1 570	1 180	1 471	1 024	1 013	1 149		
- 1 177	900									
- 1 156										

**costs**

**Jun-11**

1 389	1 099	942	1 190	1 009	986	1 306				
- 1 236	1 561	961	1 173	1 105	1 431	1 363	1 078	1 233		
- 1 117	1 096									
- 1 115										

**Cash operating**

**- R/tonne**

**Sep-11**

2 198	846	1 448	953	1 124	952	1 698				
- 1 000	1 372	1 085	1 332	1 156	250					
37	138									
99										

-

569 394

- 554

**costs**

**Jun-11**

1 986	774	1 166	959	1 143	934	1 267				
- 1 106	1 242	943	1 012	1 081	215					
33	117									
91										

-

509 469

- 506

**Gold sold**

**- kg**

**Sep-11**

457	860	841	710							
1 462	786	520	36	927	238					
1 170	336									
8 343	269	223	448	940	-					

<b>9 283</b>	<b>665</b>								
-									
<b>9 948</b>									
Jun-11									
758	762	727	480						
1 583	854	487	27	756	300				
1 520	434								
8 688	354	137	460	951	-				
9 639	773								
-	10 412								
<b>Gold sold</b>									
<b>- oz</b>									
<b>Sep-11</b>									
<b>14 693</b>	<b>27 650</b>	<b>27 039</b>	<b>22 827</b>	<b>47 004</b>	<b>25 270</b>	<b>16 718</b>	<b>1 157</b>	<b>29 804</b>	<b>7 652</b>
<b>37 616</b>	<b>10 803</b>								
<b>268 233</b>	<b>8 649</b>	<b>7 170</b>	<b>14 404</b>	<b>30 223</b>					
-	<b>298 456</b>	<b>21 380</b>	-						
<b>319 836</b>									
Jun-11									
24 370	24 499	23 374	15 432	50 895	27 457	15 657			
868	24 306	9 645	48 869	13 953					
279 325	11 381	4 405	14 789	30 575					
-	309 900	24 852							
-	334 752								
<b>Revenue</b>									
<b>(R'000)</b>									
<b>Sep-11</b>									
<b>175 069</b>	<b>348 165</b>	<b>329 960</b>	<b>282 825</b>	<b>575 039</b>	<b>314 230</b>	<b>205 781</b>			
-	<b>366 466</b>	<b>92 696</b>	<b>466 248</b>	<b>135 929</b>					
<b>3 292 408</b>	<b>108 833</b>	<b>89 235</b>	<b>179 650</b>	<b>377 718</b>					
<b>3 670 126</b>									
<b>259 038</b>	-								
<b>3 929 164</b>									
Jun-11									
249 573	251 188	239 907	158 441	521 415	281 110	160 566			
-	248 583	98 673	499 685	142 338					
2 851 479	116 059	45 336	151 481	312 876					
-									
3 164 355	257 876								
-	3 422 231								
<b>Cash operating</b>									
<b>(R'000)</b>									
<b>Sep-11</b>									
<b>202 220</b>	<b>234 242</b>	<b>178 142</b>	<b>140 086</b>	<b>371 928</b>	<b>220 763</b>	<b>191 887</b>			
-	<b>209 940</b>	<b>107 028</b>	<b>311 456</b>	<b>122 536</b>					
<b>2 290 228</b>	<b>91 156</b>	<b>50 536</b>	<b>102 731</b>	<b>244 423</b>					
<b>2 534 651</b>									
<b>163 598</b>	-								
<b>2 698 249</b>									
<b>costs</b>									
		Jun-11							
222 461	181 162	153 926	116 086	348 730	177 552	134 272			

- 185 833	93 148	308 348	107 304	
2 028 822	84 191	40 693	108 042	232 926

-

2 261 748 197 120

- 2 458 868

**Inventory****(R'000)****Sep-11****(1 455)****(4 684)****(3 126)****8 729 (36 625)****(5 690)****(4 300)**- **(3 576)****(1 831)****(6 701)****(1 948)****(61 207)****(2 724)****3 926 4 676 5 878**- **(55 329)****(20 193)**

-

**(75 522)****movement****Jun-11**

2 080 1 776 (2 634) 7 728 (3 669) 7 782 1 984

- 11 581 4 595 11 584 3 150 45 957 13 621

**(526) 2 725 15 820**

- 61 777

852

- 62 629

**Production costs****(R'000)****Sep-11****200 765 229 558 175 016 148 815 335 303 215 073 187 587**- **206 364 105 197 304 755 120 588****2 229 021 88 432 54 462 107 407 250 301 -****2 479 322****143 405 -****2 622 727****Jun-11**

224 541 182 938 151 292 123 814 345 061 185 334 136 256

- 197 414 97 743 319 932 110 454

2 074 779 97 812 40 167 110 767 248 746

-

2 323 525 197 972

- 2 521 497

**Operating profit\*****(R'000)**

**Sep-11****(25 696)****118 607 154 944 134 010 239 736 99 157 18 194****- 160 102 (12 501)****161 493****15 341 1 063 387****20 401****34 773****72 243 127 417****- 1 190 804 115 633****- 1 306 437****Jun-11****25 032 68 250 88 615 34 627****176 354 95 776 24 310****- 51 169****930****179 753 31 884****776 700 18 247 5 169 40 714 64 130****- 840 830 59 904****- 900 734****Operating profit\*****(\$'000)****Sep-11****(3 599)****16 611 21 702 18 768 33 578 13 888 2 548****- 22 424 (1 751)****22 619 2 148****148 936 2 857 4 869****10 118****17 844****-****166 780****16 195****-****182 975****Jun-11****3 694 10 074 13 080 5 110 26 029 14 135 3 588****- 7 552****137 26 530 4 706****114 635 2 693****763 6 009 9 465****- 124 100 8 842****- 132 942****Capital****(R'000)****Sep-11****43 790 64 717 37 580 13 227 97 564 50 101 73 938 32 907 62 600 11 899****58 700 15 689****562 712 9 635****63 12 647 22 345 5 771 590 828 39 937 69 337****700**



**102****expenditure\*\***

Jun-11

52 308	70 860	50 484	18 350				
105 246	48 441	93 305	37 490	76 220	14 189	72 124	16 440
655 457	5 765	5 526	22 655	33 946	21 311		
710 714							
76 972							
49 954							
837 640							

**Capital**

(\$'000)

Sep-11

<b>6 133</b>	<b>9 064</b>	<b>5 263</b>	<b>1 853</b>				
<b>13 665</b>	<b>7 017</b>						
<b>10 356</b>	<b>4 609</b>	<b>8 768</b>	<b>1 667</b>	<b>8 222</b>	<b>2 197</b>		
<b>78 814</b>	<b>1 349</b>						
<b>9</b>	<b>1 771</b>	<b>3 129</b>	<b>808</b>	<b>82 751</b>	<b>5 594</b>	<b>9 711</b>	

98

**056****expenditure\*\***

Jun-11

7 720	10 458	7 451	2 708	15 534	7 150	13 771	5 533	11 250	2 094
10 645	2 426	96 740							
851									
816	3 344	5 011	3 145	104 896	11 361				
7 373									
123 630									

Production statistics for Steyn 2 have been included. This mine is in a build-up phase and revenue and costs are currently capitalised, until commercial production levels are reached.

\* Operating profit is comparable to the term production profit in the segment report in the nancial statement and not to the operating profit line item in the income statement.

\*\* The total capital expenditure reported in the June 2011 quarter was R787.7 million (US\$116.3 million), which excluded the capital expenditure for International other.

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**Results for the period  
ended 30 September 2011**

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

**Three months ended**

**Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

Note

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Continuing operations**

Revenue

3 929

3 422

3 083

12 445

Cost of sales

2

(3 192)

(3 491)

(2 995)

(11 615)

Production costs

(2 623)

(2 521)

(2 431)

(9 170)

Amortisation and depreciation

(475)

(477)

(426)

(1 776)

Impairment of assets

– (264)

– (264)

Employment termination and restructuring costs

(34)

– (78)

(158)

Other items

(60)

(229)				
(60)				
(247)				
<b>Gross profit/(loss)</b>	<b>737</b>	<b>(69)</b>	<b>88</b>	<b>830</b>
Corporate, administration and other expenditure				
(84)				
(71)				
(94)				
(354)				
Social investment expenditure				
(15)				
(18)				
(16)				
(84)				
Exploration expenditure				
3				
(97)				
(102)				
(99)				
(353)				
Profit on sale of property, plant and equipment				
26	5	16	29	
Other income/(expenses) – net				
18	33	(54)		
(24)				
<b>Operating profit/(loss)</b>				
<b>585</b>				
<b>(222)</b>				
<b>(159)</b>				
<b>44</b>				
Loss from associates				
–	–	(8)		
(51)				
Reversal of impairment/(impairment) of investment in associate				
5				
48	18	–		
(142)				
Net (loss)/gain on financial instruments				
(26)				
22	38			
141				
Gain on farm-in option				
–				
–	273	273		
Investment income				
16	24	14		
140				
Finance cost				
(73)				

(89)	
(59)	
(288)	
<b>Profit/(loss) before taxation</b>	
<b>550</b>	
<b>(247)</b>	
<b>99</b>	
<b>117</b>	
Taxation	
(72)	
205	6
480	
Normal taxation	
(40)	
10	(9)
(12)	
Deferred taxation	
	(32)
195	15
492	
<b>Net profit/(loss) from continuing operations</b>	
<b>478</b>	
<b>(42)</b>	
<b>105</b>	
<b>597</b>	
<b>Discontinued operations</b>	
(Loss)/profit from discontinued operations	
-	- (3)
20	
<b>Net profit/(loss) for the period</b>	
<b>478</b>	
<b>(42)</b>	
<b>102</b>	
<b>617</b>	
<i>Attributable to:</i>	
Owners of the parent	
478	(42)
102	617
Non-controlling interest	
-	- - -
<b>Earnings/(loss) per ordinary share (cents)</b>	
<b>6</b>	
Earnings/(loss) from continuing operations	
111	(10)
24	139
(Loss)/earnings from discontinued operations	
-	- (1)
<b>5</b>	
<b>Total earnings/(loss) per ordinary share (cents)</b>	
<b>111</b>	
<b>(10)</b>	

**23**

**144**

**Diluted earnings/(loss) per ordinary share (cents)**

6

Earnings/(loss) from continuing operations

111 (10)

24 139

(Loss)/earnings from discontinued operations

– – (1)

5

**Total diluted earnings/(loss) per ordinary share (cents)**

**111**

**(10)**

**23**

**144**

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

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## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)

**Three months ended****Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Net profit/(loss) for the period

478

(42)

102

617

Other comprehensive income for the period, net of income tax

955                      418                      106                      368

Foreign exchange translation

924                      473                      106                      470

Fair value movement of available-for-sale investments

31

(55)

–                      (102)

**Total comprehensive income for the period****1 433****376****208****985***Attributable to:*

Owners of the parent

1

433                      376                      208                      985

Non-controlling interest

–                      –                      –                      –

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

**16****Results for the period  
ended 30 September 2011**

## CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

At	At	At	
30 September	30 June	30 September	
	2011	2011	2010
Figures in million			
Note			
(Unaudited)			
(Audited)			
(Unaudited)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
4			
32 278	31 221	29 873	
Intangible assets			
2 171	2 170	2 199	
Restricted cash			
31	31		
116			
Restricted investments			
1 860	1 883	1 787	
Investments in associates			
–	–		
377			
Deferred tax assets			
1 287	1 149	734	
Investments in financial assets			
215	185	296	
Inventories			
168	172	237	
Trade and other receivables			
24	23	67	
<b>Total</b>			
<b>non-current</b>			
<b>assets</b>			
	<b>38 034</b>	<b>36 834</b>	<b>35 686</b>
<b>Current assets</b>			
Inventories			
1 006	837	902	
Trade and other receivables			
876	1 073	649	
Income and mining taxes			
100	139	73	
Cash and cash equivalents			
1 325	693	772	

3 307	2 742	2 396
Assets of disposal groups classified as held-for-sale		
5		
314	268	
–		
<b>Total</b>		
<b>current</b>		
<b>assets</b>		
<b>3 621</b>	<b>3 010</b>	<b>2 396</b>
<b>Total assets</b>		
<b>41 655</b>	<b>39 844</b>	<b>38 082</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Share capital		
28 314	28 305	28 269
Other reserves		
1 741	762	395
Retained earnings		
1 313	1 093	578
<b>Total equity</b>		
<b>31 368</b>	<b>30 160</b>	<b>29 242</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities		
4 300	4 216	4 306
Provision for environmental rehabilitation		
2 046	1 971	1 723
Retirement benefit obligation and other provisions		
174	174	169
Borrowings		
7		
1 684	1 229	970
<b>Total non-current liabilities</b>		
<b>8 204</b>		
<b>7 590</b>		
<b>7 168</b>		
<b>Current liabilities</b>		
Borrowings		
7		
331	330	207
Income and mining taxes		
3	2	
13		
Trade and other payables		
1 733	1 746	1 452
2 067	2 078	1 672
Liabilities of disposal groups classified as held-for-sale		
16	16	–
<b>Total</b>		
<b>current</b>		
<b>liabilities</b>		
<b>2 083</b>	<b>2 094</b>	<b>1 672</b>



**Total equity and liabilities**

**41 655**

**39 844**

**38 082**

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

**17**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand) (Unaudited)**  
 for the three months ended 30 September 2011

Share			
Other			
Retained			
Figures in million			
Note			
capital			
reserves			
earnings			
Total			
Balance – 30 June 2011			
28 305			
762			
1 093			
30 160			
Issue of shares			
9	–	–	9
Share-based payments			
–	24	–	24
Net profit for the period			
–			
–	478	478	
Other comprehensive income for the period			
–	955		
–	955		
Dividends paid			
9			
–	–		
(258)			
(258)			
<b>Balance – 30 September 2011</b>			
<b>28 314</b>			
<b>1 741</b>			
<b>1 313</b>			
<b>31 368</b>			
Balance – 30 June 2010			
28			
261	258	690	
29			
209			
Issue of shares			
8	–	–	8
Share-based payments			
–	31	–	31
Net profit for the period			
–	–		
102			
102			
Other comprehensive income for the period			

– 106  
– 106

Dividends paid

– –

(214)

(214)

**Balance – 30 September 2010**

**28 269**

**395**

**578**

**29 242**

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

18

**Results for the period  
ended 30 September 2011**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)

**Three months ended****Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Cash flow from operating activities**

Cash generated by operations

1 092            1 052            703 2

418

Interest and dividends received

16                24                14

140

Interest paid

(41)

(35)

(30)

(134)

Income and mining taxes paid

–                (19)

(4)

(45)

**Cash generated by operating activities****1 067****1 022****683****2 379****Cash flow from investing activities**

(Increase)/decrease in restricted cash

–                (4)

30                116

Proceeds on disposal of investment in subsidiary

–

–                229                229

Proceeds on disposal of available-for-sale financial assets

–                –                –

16

Prepayment for Evander 6 and Twistdraai transaction

–	100		
–	100		
Other investing activities			
–	(10)		
10	(5)		
Net additions to property, plant and equipment			
(668)			
(829)			
(748)			
(3 110)			
<b>Cash utilised by investing activities</b>			
<b>(668)</b>			
<b>(743)</b>			
<b>(479)</b>			
<b>(2 654)</b>			
<b>Cash flow from financing activities</b>			
Borrowings raised			
799	150		
–	925		
Borrowings repaid			
(352)			
(415)			
(7)			
(546)			
Ordinary shares issued – net of expenses			
9	15	8	44
Dividends paid			
(258)			
–	(214)		
(214)			
<b>Cash generated/(utilised) by financing activities</b>			
<b>198</b>			
<b>(250)</b>			
<b>(213)</b>			
<b>209</b>			
<b>Foreign currency translation adjustments</b>			
<b>35</b>			
<b>8</b>			
<b>11</b>			
<b>(11)</b>			
Net increase/(decrease) in cash and cash equivalents			
632	37	2	(77)
Cash and cash equivalents – beginning of period			
693	656	770	770
<b>Cash and cash equivalents – end of period</b>			
<b>1 325</b>			
<b>693</b>			
<b>772</b>			
<b>693</b>			

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2011 (Rand)

**1. Accounting policies***Basis of accounting*

The condensed consolidated financial statements for the three months ended 30 September 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, JSE Listings Requirements and in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2011, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements, except for the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

**2.****Cost of sales****Three months ended****Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Production costs

2 591

2 508

2 408

9 074

Royalty expense

32            13            23            96

Amortisation and depreciation

475            477            426

1

776

Impairment of assets

(1)

–            264

–            264

Rehabilitation expenditure

5            61            4            74

Care and maintenance cost of restructured shafts

31	37	25	
124			
Employment termination and restructuring costs			
(2)			
34	–		
78			
158			
Share-based payments			
24	45	31	
136			
Other			
(3)			
–	86	–	(87)
<b>Total cost of sales</b>			
<b>3 192</b>			
<b>3 491</b>			
<b>2 995</b>			
<b>11 615</b>			

(1) During the June 2011 quarter, an impairment of R264 million relating to President Steyn 1 and 2 shafts and St Helena was recorded.

(2) The amount of R34 million in September 2011 quarter relates to restructuring at the Bambanani shaft.

(3) Included in Other for the June 2011 quarter is R41 million for the write down of the Steyn plant demolition project.

### 3. Exploration expenditure

#### Three months ended

#### Year ended

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Total exploration expenditure

105	111	106	398
-----	-----	-----	-----

*Less:* Expenditure capitalised

(1)

(8)

(9)

(7)

(45)

#### Exploration expenditure per income statement

**97**

**102**

**99**

353

(1) Relates to brownfields exploration at Hidden Valley.

4.

**Property, plant and equipment**

During the September quarter the Rand had weakened over 20% against the Kina and resulted in an increase of R836 million in the carrying amount. The corresponding entry was recorded in other reserves through other comprehensive income.

5.

**Disposal groups classified as held for sale and discontinued operations**

**Investment in associate**

The investment in Rand Uranium has been classified as held for sale following a decision by the shareholders of the company to commence with a process to sell the company. In terms of the binding offer accepted by the shareholders on 21 April 2011, the capital portion of the subordinated shareholder's loan of R61 million due to the group will be repaid out of the sale proceeds. The group's attributable portion of the sale proceeds amounts to US\$37.25 million. The investment is carried at the lower of carrying value and fair value less cost to sell. At each reporting date, the carrying value is remeasured for possible impairment or reversal of impairment. An impairment of R142 million has been recognised for the 2011 year. During September 2011 quarter, a reversal of impairment of R48 million was recognised resulting from changes in the US\$/R exchange rate.



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**Results for the period  
ended 30 September 2011**

6.

**Earnings/(loss) and net asset value per share**

Earnings/(loss) per share is calculated on the weighted average number of shares in issue for the three months ended 30 September 2011:

430.1 million (30 June 2011: 430.0 million, 30 September 2010: 428.7 million), and the year ended 30 June 2011: 429.3 million.

The diluted earnings/(loss) per share is calculated on weighted average number of diluted shares in issue for the three months ended

30 September 2011: 431.6 million (30 June 2011: 431.4 million, 30 September 2010: 429.9 million), and the year ended 30 June 2011:

430.4 million.

**Three months ended**

**Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

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

Basic earnings/(loss)

111 (10)

23 144

Diluted earnings/(loss)

111 (10)

23 144

Headline earnings

95 30 33

223

– from continuing operations

95 30 33

223

– from discontinued operations

– – – –

Diluted headline earnings

95 30 33

222

– from continuing operations

95 30 33

222

– from discontinued operations

– – – –

Figures in million

**Reconciliation of headline earnings:**

**Continuing operations**

Net profit/(loss)

478 (42)

105 597

*Adjusted for:*

Profit on sale of property, plant and equipment

(26)

(5)

(16)

(29)

Taxation effect of profit on sale of property, plant and equipment

7 1 5 7

Net gain on financial instruments

– (6)

– (7)

Taxation effect of net gain on financial instruments

– 2 – 2

(Reversal of impairment)/impairment of investment in associate\*

(48)

(18)

– 142

Foreign exchange loss reclassified from other comprehensive income\*

– – 47 47

Impairment of assets

– 264

– 264

Taxation effect of impairment of assets

– (66)

– (66)

Headline

earnings

411 130 141 957

**Discontinued operations**

Net (loss)/profit

– – (3)

20

*Adjusted for:*

Profit on sale of investment in subsidiary

– –

(138)

(138)

Taxation effect of profit on sale of investment in subsidiary

– – 34 34

Foreign exchange loss reclassified from other comprehensive income

–

–

107

84

Headline

earnings

—	—	—	—
<b>Total headline earnings</b>			
<b>411</b>	<b>130</b>	<b>141</b>	<b>957</b>

\* There is no taxation effect on these items.

**Net asset value per share (cents)**

At	At	At
30 September		
30 June		
30 September		
2011	2011	2010
(Unaudited)	(Audited)	
(Unaudited)		

Number of shares in issue

430 272 715

430 084 628

428 850 584

Net asset value per share (cents)

7 290

7 013

6 819

**21****7. Borrowings**

At	At	At
30 September		
30 June		
30 September		
2011	2011	2010
Figures in million		
(Unaudited)	(Audited)	
(Unaudited)		
Total long-term borrowings		
1 684		
1 229		
970		
Total current portion of borrowings		
331	330	207

**Total borrowings**

(1) (2)

**2 015****1 559****1 177**

(1) At 30 September 2011, R300 million (30 June 2011: R400 million, 30 September 2010: R300 million) of the Nedbank facilities had not been drawn down.

On 11 August 2011, the group entered into a US\$300 million syndicated revolving credit facility, which was jointly arranged by Nedbank Limited and FirstRand Bank Limited

(acting through its Rand Merchant Bank division). The facility is repayable after four years and attracts interest at LIBOR plus 260 basis points, which is payable quarterly.

At 30 September 2011, US\$250 million of this facility had not been drawn down.

(2) Included in the borrowings is R52 million (30 June 2011: R51 million; September 2010: R74 million) owed to Westpac Bank Limited in terms of a finance lease agreement.

The future minimum lease payments are as follows:

At	At	At
30 September		
30 June		
30 September		
2011	2011	2010
Figures in million		
(Unaudited)	(Audited)	
(Unaudited)		
Due within one year		
31	29	30
Due between one and five years		
22	23	46
53	52	76

Future finance charges

(1)

(1)

(2)

**Total future minimum lease payments****52**                      **51**                      **74****8.**

**Commitments and contingencies**

At	At	At
30 September		
30 June		
30 September		
2011	2011	2010
Figures in million		
(Unaudited)	(Audited)	
(Unaudited)		

**Capital expenditure commitments:**

Contracts for capital expenditure		
290	194	369
Authorised by the directors but not contracted for		
3 570		
1 504		
2 070		
<b>3 860</b>		
<b>1 698</b>		
<b>2 439</b>		

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

**Contingent liability**

For a detailed disclosure on contingent liabilities refer to Harmony's integrated annual report for the year ended 30 June 2011, available on the group's website at [www.harmony.co.za](http://www.harmony.co.za). There were no significant changes in contingencies since 30 June 2011.

**9. Dividends paid**

On 12 August 2011, the board approved a payment of dividend of 60 SA cents per share for the year ended 30 June 2011. The total dividend amounting to R258 million was paid on 19 September 2011.

**10. Subsequent events**

There are no subsequent events to report.

**11. Segment report**

The segment report follow on page 23.

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**Results for the period  
ended 30 September 2011**

**12. Reconciliation of segment information to consolidated income statements**

30 September

30 September

2011                      2010

Figures in million

(Unaudited)              (Unaudited)

The "Reconciliation of segment information to consolidated income statement" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the income statement and segment report:

**Reconciliation of production profit to gross profit:**

Total segment revenue

3 929

3 083

Total segment production costs and royalty expense

(2 623)

(2 431)

Production profit per segment report

1 306

652

Cost of sales items other than production costs and royalty expense

(569)

(564)

Amortisation and depreciation

(475)

(426)

Employment termination and restructuring costs

(34)

(78)

Share-based payments

(24)

(31)

Rehabilitation costs

(5)

(4)

Care and maintenance costs of restructured shafts

(31)

(25)

**Gross profit as per income statements\***

**737**

**88**

\* The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.

**23**

SEGMENT REPORT (Rand/Metric) (Unaudited)

for the three months ended 30 September 2011

**Revenue****Production cost****Production profit****Capital expenditure**    **Kilograms produced****Tonnes milled**

September		September		September		September		September	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010

R million

R million

R million

R million

kg

t'000

**South Africa****Underground**

## Bambanani

(1)

175      270      201      223      (26)

47      77      83      498      942      92      129

## Doornkop

348      168      230      148      118      20      65      70      866      541

277      140

## Evander

330      174      175      176      155      (2)      38      59      854      552

123      140

## Joel

283      44      149      75      134      (31)      13      18      691      148

147      40

## Kusasaletu

575      475      335      387      240      88      98      104

1 554

1 513      331      269

## Masimong

314      374      215      202      99      172      50      41      796

1 263      232      243

## Phakisa

206      112      188      111      18      1      74      92      526      377

113      86

## Target

(2)

459      244      311      189      148      55      75      118

1 180      947      288      205

## Tshepong

466      500      305      294      161      206      59      61

1 183

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1 688	287	338							
Virginia									
136	223	121	225	15	(2)	16	30	340	760
92	244								
<b>Surface</b>									
All other surface operations									
(3)									
378	317	250	238	128					
79									
26									
12	927	1 069	2 473	2 837					
<b>Total</b>									
<b>South</b>									
<b>Africa</b>									
<b>3 670</b>	<b>2 901</b>	<b>2 480</b>	<b>2 268</b>	<b>1 190</b>	<b>633</b>	<b>591</b>	<b>688</b>	<b>9 415</b>	<b>9 800</b>
<b>4 455</b>	<b>4 671</b>								
<b>International</b>									
Hidden Valley									
259	182	143	163	116	19	40	61	792	671
415	427								
Other									
–	–	–	–	–	–	69	–	–	–
<b>Total</b>									
<b>international</b>									
<b>259</b>	<b>182</b>	<b>143</b>	<b>163</b>	<b>116</b>	<b>19</b>	<b>109</b>	<b>61</b>	<b>792</b>	<b>671</b>
<b>415</b>	<b>427</b>								
<b>Total</b>									
<b>operations</b>									
<b>3 929</b>	<b>3 083</b>	<b>2 623</b>	<b>2 431</b>	<b>1 306</b>	<b>652</b>	<b>700</b>	<b>749</b>		
<b>10 207</b>									
<b>10 471</b>	<b>4 870</b>	<b>5 098</b>							
Reconciliation of the segment information to the consolidated income statement (refer to note 12)									
–	–	–	–						
<b>3 929</b>									
<b>3 083</b>									
<b>2 623</b>									
<b>2 431</b>									

(1) Production statistics for Steyn 2 have been included. This mine is in a build-up phase and revenue and costs are currently capitalised, until commercial production levels are reached.

(2) The September 2010 production statistics includes Target 3 for information purpose. Target 3 was still in build-up phase with revenue and costs being capitalised.

(3) Includes Kalgold, Phoenix, Dumps and President Steyn plant clean-up.



**24**

**RESULTS FOR THE THREE MONTHS  
ENDED 30 SEPTEMBER 2011  
(US\$)**



26

**Results for the period  
ended 30 September 2011**

27

Operating results (US\$/Imperial)

Underground production – South Africa

Surface production – South Africa

Three

Total

South

South

Inter-

months

Kusasa-

Under-

Total

Africa

Africa

Hidden

national

Harmony

ended

Bambanani

Doornkop

Evander

Joel

Ilethu Masimong

Phakisa

Steyn 2

Target 1

Target 3

Tshepong

Unisel

ground

Kalgold

Phoenix

Dumps

Surface

Other

Total

Valley

Other

Total

**Ore milled**

– t'000

Sep-11

<b>101</b>	<b>305</b>	<b>136</b>	<b>162</b>	<b>365</b>	<b>256</b>	<b>125</b>
------------	------------	------------	------------	------------	------------	------------

–	232	86	316	101		
---	-----	----	-----	-----	--	--

2 185	401					
-------	-----	--	--	--	--	--

1 505	820					
-------	-----	--	--	--	--	--

2 726	–					
-------	---	--	--	--	--	--

4 911	458					
-------	-----	--	--	--	--	--

–

5 369

Jun-11

124	258	146	133	336	210	117
-----	-----	-----	-----	-----	-----	-----

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– 185 83 361 117  
 2 070 432  
 1 375  
 1 021  
 2 828 –  
 4 898 463  
 5 361

**Gold produced**

– oz  
**Sep-11**  
**14 854 27 843 27 457 22 216 49 962 25 592 16 911 1 157 30 190 7 748**  
**38 034 10 931**  
**272 895 8 681 6 912 14 211 29 804**  
 – 302 699 25 463 –  
**328 162**

Jun-11  
 23 631 24 338 24 113 14 404 50 991 26 589 15 175  
 868 22 184 8 809 47 358 13 503  
 271 963 8 681 4 405 14 789 27 875  
 – 299 838 26 556  
 – 326 394

**Yield**

– oz/t  
**Sep-11**  
**0.147 0.091 0.202 0.137 0.137 0.100 0.135**  
 – 0.130 0.090 0.120 0.108 0.124 0.022 0.005 0.017 0.011  
 – 0.061 0.056  
 – 0.061

Jun-11  
 0.191 0.094 0.165 0.108 0.152 0.127 0.130  
 – 0.120 0.106 0.131 0.115 0.131 0.020 0.003 0.014 0.010  
 – 0.061 0.057  
 – 0.061

**Cash operating**

– \$/oz  
**Sep-11**  
**1 907 1 178 909 883 1 043 1 208 1 589**  
 – 974 1 935 1 147 1 570 1 180 1 471 1 024 1 013 1 149  
 – 1 177 900  
 – 1 156

**costs**

Jun-11  
 1 389 1 099 942 1 190 1 009 986 1 306  
 – 1 236 1 561 961 1 173 1 105 1 431 1 363 1 078 1 233  
 – 1 117 1 096  
 – 1 115

**Cash operating**

– \$/t  
**Sep-11**  
**280 108 183 121 143 121 215**  
 – 127 174 138 170 147 32

<b>5</b>	<b>18</b>	<b>13</b>	<b>-</b>	<b>72</b>	<b>50</b>				
-	70								
<b>costs</b>									
Jun-11									
265	104	156	129	153	125	169			
-	148	166	126	135	145	29			
4	16	12	-	68	63				
-	68								
<b>Gold sold</b>									
<b>- oz</b>									
<b>Sep-11</b>									
<b>14 693</b>	<b>27 650</b>	<b>27 039</b>	<b>22 827</b>	<b>47 004</b>	<b>25 270</b>	<b>16 718</b>	<b>1 157</b>	<b>29 804</b>	<b>7 652</b>
<b>37 616</b>	<b>10 803</b>								
<b>268 233</b>	<b>8 649</b>	<b>7 170</b>	<b>14 404</b>	<b>30 223</b>					
-	298 456	21 380	-						
<b>319 836</b>									
Jun-11									
24 370	24 499	23 374	15 432	50 895	27 457	15 657			
868	24 306	9 645	48 869	13 953					
279 325	11 381	4 405	14 789	30 575					
-	309 900	24 852							
-	334 752								
<b>Revenue</b>									
<b>(\$'000)</b>									
<b>Sep-11</b>									
<b>24 520</b>	<b>48 764</b>	<b>46 214</b>	<b>39 612</b>	<b>80 540</b>	<b>44 011</b>	<b>28 822</b>			
-	51 327	12 983	65 303	19 038					
<b>461 134</b>	<b>15 243</b>	<b>12 498</b>	<b>25 162</b>	<b>52 903</b>					
-	514 037	36 281	-						
<b>550 318</b>									
Jun-11									
36 835	37 074	35 409	23 385	76 957	41 490	23 698			
-	36 689	14 563	73 750	21 008					
420 858	17 129	6 691	22 357	46 177					
-	467 035	38 061							
-	505 096								
<b>Cash operating</b>									
<b>(\$'000)</b>									
<b>Sep-11</b>									
<b>28 323</b>	<b>32 809</b>	<b>24 950</b>	<b>19 621</b>	<b>52 092</b>	<b>30 920</b>	<b>26 876</b>			
-	29 404	14 990	43 623	17 163					
<b>320 771</b>	<b>12 768</b>	<b>7 079</b>	<b>14 389</b>	<b>34 236</b>					
-	355 007	22 914	-						
<b>377 921</b>									
<b>costs</b>									
Jun-11									
32 834	26 738	22 718	17 134	51 470	26 206	19 817			
-	27 428	13 748	45 510	15 837					
299 440	12 426	6 006	15 946	34 378					
-	333 818	29 093							
-	362 911								
<b>Inventory</b>									

(\$'000)

Sep-11

(204)

(656)

(438)

1 223 (5 130)

(797)

(602)

- (501)

(256)

(939)

(273)

(8 573)

(382)

550 655 823

-

(7 750)

(2 828) -

(10 578)

movement

Jun-11

307 262 (389) 1 141 (542) 1 149 293

- 1 709 678 1 710 465 6 783 2 010

(78) 402 2 334

- 9 117 126

- 9 243

Production costs

(\$'000)

Sep-11

28 119 32 153 24 512 20 844 46 962 30 123 26 274

- 28 903 14 734 42 684 16 890

312 198 12 386 7 629 15 044 35 059

- 347 257 20 086 -

367 343

Jun-11

33 141 27 000 22 329 18 275 50 928 27 355 20 110

- 29 137 14 426 47 220 16 302

306 223 14 436 5 928 16 348 36 712

- 342 935 29 219

- 372 154

Operating profit\*

(\$'000)

Sep-11

(3 599)

16 611 21 702 18 768 33 578 13 888 2 548

- 22 424 (1 751)

22 619 2 148

148 936 2 857 4 869

10 118

17 844

-

**166 780****16 195**

-

**182 975**

Jun-11

3 694 10 074 13 080 5 110 26 029 14 135 3 588

- 7 552

137 26 530 4 706

114 635 2 693

763 6 009 9 465

- 124 100 8 842

- 132 942

**Capital****(\$'000)****Sep-11****6 133 9 064 5 263 1 853****13 665 7 017****10 356 4 609 8 768 1 667 8 222 2 197****78 814 1 349****9 1 771 3 129 808 82 751 5 594 9 711****98****056****expenditure\*\***

Jun-11

7 720 10 458 7 451 2 708 15 534 7 150 13 771 5 533 11 250 2 094

10 645 2 426 96 740

851

816 3 344 5 011 3 145 104 896 11 361

**7 373****123 630**

\* Operating profit is comparable to the term production profit in the segment report in the financial statement and not to the operating profit line item in the income statement.

\*\* The total capital expenditure reported in the June 2011 quarter was US\$116.3 million, which excluded the capital expenditure for International other.

28

**Results for the period  
ended 30 September 2011**

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation)

**Three months ended****Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Continuing operations**

Revenue

550                      505                      422

1

781

Cost of sales

(447)

(515)

(411)

(1 664)

Production costs

(367)

(372)

(333)

(1 313)

Amortisation and depreciation

(67)

(70)

(58)

(254)

Impairment of assets

–                      (39)

–                      (39)

Employment termination and restructuring costs

(5)

–                      (11)

(23)

Other items

(8)

(34)

(9)



(35)				
<b>Gross profit/(loss)</b>	<b>103</b>	<b>(10)</b>	<b>11</b>	<b>117</b>
Corporate, administration and other expenditure				
(12)				
(10)				
(13)				
(51)				
Social investment expenditure				
(2)				
(3)				
(2)				
(12)				
Exploration expenditure				
(14)				
(15)				
(14)				
(51)				
Profit on sale of property, plant and equipment				
4	1	2		4
Other income/(expenses) – net				
3	5	(7)		
(3)				
<b>Operating profit/(loss)</b>				
<b>82</b>				
(32)				
(23)				
<b>4</b>				
Loss from associates				
–	–	(1)		
(7)				
Reversal of impairment/(impairment) of investment in associate				
7	3	–		
(20)				
Net (loss)/gain on financial instruments				
(4)				
3	5			
20				
Gain on farm-in option				
–	–	38		38
Investment income				
2	4	2		
20				
Finance cost				
(10)				
(13)				
(8)				
(41)				
<b>Profit/(loss) before taxation</b>				
<b>77</b>				

<b>(35)</b>			
<b>13</b>			
<b>14</b>			
Taxation			
(10)			
30	1		
69			
Normal taxation			
(6)			
1	(1)		
(2)			
Deferred taxation			
(4)			
29	2		
71			
<b>Net profit/(loss) from continuing operations</b>			
<b>67</b>			
<b>(5)</b>			
<b>14</b>			
<b>83</b>			
<b>Discontinued operations</b>			
Profit from discontinued operations			
–	–	–	3
<b>Net profit/(loss) for the period</b>			
<b>67</b>			
<b>(5)</b>			
<b>14</b>			
<b>86</b>			
<i>Attributable to:</i>			
Owners of the parent			
67	(5)		
14	86		
Non-controlling interest			
–	–	–	–
<b>Earnings/(loss) per ordinary share (cents)</b>			
Earnings/(loss) from continuing operations			
16	(1)		
3	19		
Earnings from discontinued operations			
–	–	–	1
<b>Total earnings/(loss) per ordinary share (cents)</b>			
<b>16</b>			
<b>(1)</b>			
<b>3</b>			
<b>20</b>			
<b>Diluted earnings/(loss) per ordinary share (cents)</b>			
Earnings/(loss) from continuing operations			
16	(1)		
3	19		
Earnings from discontinued operations			
–	–	–	1

**Total diluted earnings/(loss) per ordinary share (cents)**

**16**

**(1)**

**3**

**20**

The currency conversion average rates for the three months ended: September 2011: US\$1 = R7.14 (June 2011: US\$ = R6.78, September 2010:

US\$1 = R7.31).

The income statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.

**Note on convenience translation**

Except where specific statements have been extracted from the 2011 Annual Report, 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 28 to 33.

**29**

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

(Convenience translation)

**Three months ended****Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Net profit/(loss) for the period

67

(5)

14

86

Other comprehensive income for the period, net of income tax

134                      62                      15

540

Foreign exchange translation

129                      70                      15

555

Fair value movement of available-for-sale investments

4

(8)

–                      (15)

**Total comprehensive income for the period****201****57****29****626***Attributable to:*

Owners of the parent

201                      57                      29

626

Non-controlling interest

–                      –                      –                      –

The currency conversion average rates for the three months ended: September 2011: US\$1 = R7.14 (June 2011: US\$ = R6.78, September 2010: US\$1 = R7.31).

The statement of comprehensive income for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.

**30****Results for the period  
ended 30 September 2011**

## CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)

(Convenience translation)

At	At	At
30 September		
30 June		
30 September		
2011	2011	2010

Figures in million

(Unaudited) (Audited)

(Unaudited)

**ASSETS****Non-current assets**

Property, plant and equipment

3 997 4 607 4 289

Intangible assets

269 320 316

Restricted cash

4 5

17

Restricted investments

230 278 257

Investments in associates

— —

54

Deferred tax assets

159 170 105

Investments in financial assets

27 27 43

Inventories

21 25 34

Trade and other receivables

3 3

10

**Total non-current assets****4 710 5 435 5 125****Current assets**

Inventories

125 124 130

Trade and other receivables

109 158 93

Income and mining taxes

12 21 10

Cash and cash equivalents

164 102 111

410 405 344

Assets of disposal groups classified as held-for-sale

39 40 —

**Total current assets**

<b>449</b>	<b>445</b>	<b>344</b>
<b>Total assets</b>		
<b>5 159</b>	<b>5 880</b>	<b>5 469</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Share capital		
3 506	4 033	4 059
Other reserves		
216	519	57
Retained earnings/(accumulated loss)		
163	(102)	
83		
<b>Total equity</b>		
<b>3 885</b>	<b>4 450</b>	<b>4 199</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities		
533	623	618
Provision for environmental rehabilitation		
253	291	247
Retirement benefit obligation and other provisions		
22	26	24
Borrowings		
209	181	139
<b>Total non-current liabilities</b>		
<b>1 017</b>		
<b>1 121</b>		
<b>1 028</b>		
<b>Current liabilities</b>		
Borrowings		
41	49	30
Income and mining taxes		
–	–	2
Trade and other payables		
214	258	210
255	307	242
Liabilities of disposal groups classified as held-for-sale		
2	2	–
<b>Total current liabilities</b>		
<b>257</b>	<b>309</b>	<b>242</b>
<b>Total equity and liabilities</b>		
<b>5 159</b>		
<b>5 880</b>		
<b>5 469</b>		

The balance sheet for September 2011 converted at a conversion rate of US\$1 = R8.08 (September 2010: US\$1 = R6.96).

The balance sheet as at 30 June 2011 has been extracted from the 2011 Annual Report.

**31**  
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US\$) (Unaudited)  
 for the three months ended 30 September 2011 (Convenience translation)

Share

Other

Retained

Figures in million

capital

reserves

earnings

Total

Balance – 30 June 2011

3 505

95

136

3 736

Issue of shares

1 – – 1

Share-based payments

– 3 – 3

Net profit for the period

– – 59 59

Other comprehensive income for the period

– 118

– 118

Dividends paid

– –

(32)

(32)

**Balance – 30 September 2011****3 506****216****163****3 885**

Balance – 30 June 2010

4

058 38 99

4

195

Issue of shares

1 – – 1

Share-based payments

– 4 – 4

Net profit for the period

– – 15 15

Other comprehensive income for the period

– 15 – 15

Dividends paid

– –

(31)

(31)

**Balance – 30 September 2010**

**4 059**

**57**

**83**

**4 199**

The currency conversion closing rates for the three months ended 30 September 2011: US\$1 = R8.08 (September 2010: US\$1 = R6.96).



32

**Results for the period  
ended 30 September 2011**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation)

**Three months ended****Year ended**

30 September

30 June

30 September

30 June

2011

2011

2010

2011

Figures in million

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Cash flow from operating activities**

Cash generated by operations

153            155            96            346

Interest and dividends received

2            4            2

20

Interest paid

(6)

(5)

(4)

(19)

Income and mining taxes paid

–            (3)

(1)

(7)

**Cash generated by operating activities****149****151****93****340****Cash flow from investing activities**

(Increase)/decrease in restricted cash

–            (1)

4            17

Proceeds on disposal of investment in subsidiary

–            –            31            32

Proceeds on disposal of available-for-sale financial assets

–            –            –            –

Prepayment for Evander 6 and Twistdraai transaction

–            15            –            15

Other investing activities

-	(1)		
1	-		
Net additions to property, plant and equipment			
(94)			
(122)			
(102)			
(445)			
<b>Cash utilised by investing activities</b>			
(94)			
(109)			
(66)			
(381)			
<b>Cash flow from financing activities</b>			
Borrowings raised			
112	22	-	
134			
Borrowings repaid			
(49)			
(60)			
(1)			
(81)			
Ordinary shares issued – net of expenses			
1	2	1	6
Dividends paid			
(36)			
-	(29)		
(30)			
<b>Cash generated/(utilised) by financing activities</b>			
28			
(36)			
(29)			
29			
<b>Foreign currency translation adjustments</b>			
35			
(1)			
12			
13			
Net increase in cash and cash equivalents			
118	5		
10	1		
Cash and cash equivalents – beginning of period			
102	97	101	101
<b>Cash and cash equivalents – end of period</b>			
164			
102			
111			
102			

Operating activities translated at average rates for the three months ended: September 2011: US\$1 = R7.14 (June 2011: US\$1 = R6.78, September 2011: US\$1 = R6.96).

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Closing balance translated at closing rates of: September 2011: US\$1 = R8.08 (June 2011: US\$1 = R6.78, September 2010: US\$ = R6.96).

The cash ow statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.

**33**

SEGMENT REPORT (US\$/Imperial) (Unaudited)

for the three months ended 30 September 2011

**Revenue****Production cost****Production profit****Capital expenditure****Ounces produced****Tons milled**

September		September		September		September		September	
September		September		September		September		September	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
2011	2010								
US\$ million									
US\$ million									
US\$ million									
US\$ million									
oz									
t'000									
<b>South Africa</b>									
<b>Underground</b>									
Bambanani									
(1)									
24	37	28	31	(4)					
6									
11									
11	16 011	30 286							
101									
142									
Doornkop									
49	23	32	20	17	3	9	10		
27 843									
17 394									
305									
154									
Evander									
46	24	24	24	22	–	5	8		
27 457									
17 747									
136									
154									
Joel									
40	6	21	10	19	(4)	2	3		
22 216									
4 758									
162	44								
Kusasaletu									
81	65	47	53	34	12	14	14		
49 962									
48 644									

365							
297							
Masimong							
44	51	30	28	14	23	7	6
25 592							
40 606							
256							
268							
Phakisa							
29	15	26	15	3	–	10	12
16 911							
12 121							
125	95						
Target							
(2)							
64	33	44	26	20	7	11	16
37 938							
30 447							
318							
226							
Tshepong							
65	69	43	40	22	29	8	8
38 034							
54 270							
316							
373							
Virginia							
19							
31							
17							
31	2	–	2	4			
10 931							
24 435							
101							
269							
<b>Surface</b>							
All other surface operations							
(3)							
53	43	35	33	18	10	3	2
29 804							
34 369							
2 726							
3 128							
<b>Total South Africa</b>							
<b>514</b>							
<b>397</b>							
<b>347</b>							
<b>311</b>							
<b>167</b>							
<b>86</b>							
<b>82</b>							

94

302 699

315 077

4 911

5 150

**International**

Hidden Valley

36 25 20 22 16 3 6 9

25 463

21 573

458

471

Other

- - - - - - 10 - - - - -

**Total****international****36 25 20 22 16 3 16 9****25 463****21 573****458****471****Total****operations****550 422 367 333 183 89 98 103****328 162****336 650****5 369****5 621**

(1) Production statistics for Steyn 2 have been included. This mine is in a build-up phase and revenue and costs are currently capitalised, until commercial production levels are reached.

(2) The September 2010 production statistics includes Target 3 for information purpose. Target 3 was still in build-up phase with revenue and costs being capitalised.

(3) Includes Kalgold, Phoenix, Dumps and President Steyn plant clean-up.

**34****Results for the period  
ended 30 September 2011**

## DEVELOPMENT RESULTS (Metric)

For the three months ended 30 September 2011

Channel

Channel

Reef

Sampled

Width

Value

Gold

(metres)

(metres)

(cm's)

(g/t)

(cmg/t)

Tshepong

Basal 590

551

10.89

91.93

1 001

B Reef

113

74

107.28

30.65

3 288

All Reefs **703****625****22.23****57.13****1****270**

Phakisa &amp; Nyala

Basal 331

361

66.28

13.64

904

All Reefs **331****361****66.28****13.64****904**

Total Bambanani

(incl. Bambanani. Steyn 2)

Basal 90

92

156.81

15.75		
2 470		
All Reefs	<b>90</b>	
<b>92</b>		
<b>156.81</b>		
<b>15.75</b>		
<b>2</b>		
<b>470</b>		
Doornkop		
South Reef		
371		
384		
60.45		
18.17		
1 099		
All Reefs	<b>371</b>	
<b>384</b>		
<b>60.45</b>		
<b>18.17</b>		
<b>1</b>		
<b>099</b>		
Kusasaletu		
VCR Reef		
649		
642		
75.18		
16.61		
1 249		
All Reefs		
<b>649</b>	<b>642</b>	<b>75.18</b>
<b>16.61</b>		
<b>1</b>		
<b>249</b>		
Total Target		
Elsburg		465
272		
119.52		
8.21		
981		
A Reef		
48		
35		
111.17		
14.02		
1 558		
B Reef		
36		
24		
40.33		
17.72		
715		



All Reefs	<b>549</b>
<b>331</b>	
<b>112.90</b>	
<b>9.06</b>	
<b>1</b>	
<b>023</b>	
Target 1	
Elsburg	166
61	
230.66	
9.06	
2 089	
All Reefs	<b>166</b>
<b>61</b>	
<b>230.66</b>	
<b>9.06</b>	
<b>2</b>	
<b>089</b>	
Target 3	
Elsburg	299
212	
87.77	
7.57	
664	
A Reef	
48	
35	
111.17	
14.02	
1 558	
B Reef	
36	
24	
40.33	
17.72	
715	
All Reefs	<b>383</b>
<b>271</b>	
<b>86.59</b>	
<b>9.06</b>	
<b>784</b>	
Masimong	
Basal	418
367	
50.44	
17.55	
885	
B Reef	
129	
136	
67.14	

14.41	
968	
All Reefs	<b>547</b>
<b>503</b>	
<b>54.97</b>	
<b>16.51</b>	
<b>908</b>	
Evander	
Kimberley	359
344	
42.92	
40.32	
1 730	
All Reefs	<b>359</b>
<b>344</b>	
<b>42.92</b>	
<b>40.32</b>	
<b>1</b>	
<b>730</b>	
Virginia	
(incl. Unisel)	
Basal	444.6
342	
140.90	
8.57	
1 207	
Leader	362.3
316	
192.79	
6.01	
1 159	
Middle	30.6
32	
125.83	
13.14	
1 653	
B Reef	
6.4	
3	
9.00	
80.49	
724	
All Reefs	<b>844</b>
<b>692</b>	
<b>163.41</b>	
<b>7.37</b>	
<b>1</b>	
<b>204</b>	
Joel	
Beatrix	462
469	

137.89	
10.98	
1 515	
All Reefs	462
<b>469</b>	
<b>137.89</b>	
<b>10.98</b>	
<b>1</b>	
<b>515</b>	
Total Harmony	
Basal	1 874
1 713	
64.85	
16.59	
1 076	
Beatrix	462
469	
137.89	
10.98	
1 515	
Leader	362
316	
192.79	
6.01	
1 159	
B Reef	
284	
236	
76.28	
21.77	
1 661	
A Reef	
47.8	
35	
111.17	
14.02	
1 558	
Middle	30.6
31.5	
125.83	
13.14	
1 653	
Elsburg	465.2
272.25	
119.52	
8.21	
981	
Kimberley	358.8
344.25	
42.92	
40.32	

1 730	
South Reef	
371	
384	
60.45	
18.17	
1 099	
VCR	649
641.5	
75.18	
16.61	
1 249	
All Reefs	
<b>4 905</b>	
<b>4 442</b>	
<b>85.81</b>	
<b>14.44</b>	
<b>1 239</b>	

DEVELOPMENT RESULTS (Imperial)  
For the three months ended 30 September 2011

Channel	
Channel	
Reef	
Sampled	
Width	
Value	
Gold	
(feet)	
(feet)	
(inches)	
(oz/t)	
(in.oz/t)	
Tshepong	
Basal	1 937
1 808	
4	
2.87	
11	
B Reef	
371	
241	
42	
0.90	
38	
All Reefs	<b>2 308</b>
<b>2</b>	
<b>049</b>	
<b>9</b>	
<b>1.62</b>	
<b>15</b>	
Phakisa & Nyala	

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Basal	1 086
1184	
26	
0.40	
10	
All Reefs	<b>1 086</b>
<b>1 184</b>	
<b>26</b>	
<b>0.40</b>	
<b>10</b>	
Total Bambanani (incl. Bambanani. Steyn 2)	
Basal	294
303	
62	
0.46	
28	
All Reefs	<b>294</b>
<b>303</b>	
<b>62</b>	
<b>0.46</b>	
<b>28</b>	
Doornkop South Reef	
1 218	
1 260	
24	
0.53	
13	
All Reefs	<b>1</b>
<b>218</b>	
<b>1</b>	
<b>260</b>	
<b>24</b>	
<b>0.53</b>	
<b>13</b>	
Kusasaletu VCR Reef	
2 129	
2 105	
30	
0.48	
14	
All Reefs	
<b>2 129</b>	
<b>2 105</b>	
<b>30</b>	
<b>0.48</b>	
<b>14</b>	
Total Target Elsburg	1 526

893	
47	
0.24	
11	
A Reef	
157	
115	
44	
0.41	
18	
B Reef	
117	
79	
16	
0.51	
8	
All Reefs	<b>1 800</b>
<b>1 087</b>	
<b>44</b>	
<b>0.27</b>	
<b>12</b>	
Target 1	
Elsburg	545
198	
91	
0.26	
24	
All Reefs	<b>545</b>
<b>198</b>	
<b>91</b>	
<b>0.26</b>	
<b>24</b>	
Target 3	
Elsburg	982
695	
35	
0.22	
8	
A Reef	
157	
115	
44	
0.41	
18	
B Reef	
117	
79	
16	
0.51	
8	
All Reefs	<b>1 255</b>

<b>888</b>	
<b>34</b>	
<b>0.27</b>	
<b>9</b>	
Masimong	
Basal	1 371
1 203	
20	
0.51	
10	
B Reef	
422	
448	
26	
0.43	
11	
All Reefs	<b>1 794</b>
<b>1</b>	
<b>651</b>	
<b>22</b>	
<b>0.47</b>	
<b>10</b>	
Evander	
Kimberley	1 177
1 129	
17	
1.17	
20	
All Reefs	<b>1 177</b>
<b>1</b>	
<b>129</b>	
<b>17</b>	
<b>1.17</b>	
<b>20</b>	
Virginia (incl. Unisel)	
Basal	1 459
1 122	
55	
0.25	
14	
Leader	1 189
1 035	
76	
0.18	
13	
Middle	100
103	
50	
0.38	
19	

B Reef	
21	
8	
4	
2.08	
8	
All Reefs	<b>2 769</b>
<b>2</b>	
<b>269</b>	
<b>64</b>	
<b>0.22</b>	
<b>14</b>	
Joel	
Beatrix	1 517
1 538	
54	
0.32	
17	
All Reefs	<b>1 517</b>
<b>1</b>	
<b>538</b>	
<b>54</b>	
<b>0.32</b>	
<b>17</b>	
Total Harmony	
Basal	6 147
5 620	
26.00	
0.48	
12.36	
Beatrix	1 517
1 538	
54.00	
0.32	
17.39	
Leader	1 189
1 035	
76.00	
0.18	
13.31	
B Reef	
931	
776	
30.00	
0.64	
19.07	
A Reef	
157	
115	
44.00	
0.41	



17.89	
Middle	100
103	
50.00	
0.38	
18.98	
Elsburg	1 526
893	
47.00	
0.24	
11.26	
Kimberley	1 177
1 129	
17.00	
1.17	
19.87	
South Reef	
1 218	
1 260	
24.00	
0.53	
12.62	
VCR	2 129
2 105	
30.00	
0.48	
14.34	
All Reefs	<b>16 091</b>
<b>14</b>	
<b>575</b>	
<b>34.00</b>	
<b>0.42</b>	
<b>14</b>	

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Harmony's strategy is to produce 1.8 to 2 million\* safe and pro table ounces of gold by 2015. Following a review of assets during 2011, action was taken and capital committed to increase production at existing operations, further the development of current projects and advance scoping studies so as to ensure the future production pipeline of tomorrow's gold by growing reserves and resources and strengthening the quality of our asset base.

Our challenge going forward is to meet our targets and objectives and, more speci cally, to deliver consistent production results, improve productivity, curb costs and to create and deliver value to shareholders.

**Harmony's strategy**

\* Excludes future acquisitions or disposals.

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**CONTACT DETAILS**

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*Directors*

P T Motsepe *Chairman\**

G P Briggs *Chief Executive Of cer*

H O Meyer *Financial Director*

H E Mashego *Executive Director*

F F T De Buck\*<sup>^</sup> *Lead independent director*

F Abbott\*, J A Chissano\*

1

<sup>^</sup>, K V Dicks\*<sup>^</sup>, Dr D S Lushaba\*<sup>^</sup>, C Markus\*<sup>^</sup>,

M Motloba\*<sup>^</sup>, M Msimang\*<sup>^</sup>, D Noko\*<sup>^</sup>, C M L Savage\*<sup>^</sup>, J Wetton\*<sup>^</sup>,

A J Wilkens\*

\* Non-executive

<sup>^</sup> Independent

1

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*South African Share Transfer Secretaries*

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*Trading Symbols*

*JSE Limited: HAR*

*New York Stock Exchange, Inc: HMY*

*London Stock Exchange Plc: HRM*

*Euronext, Brussels: HMY*

*Berlin Stock Exchange: HAM1*

*Registration number*

1950/038232/06

*Incorporated in the Republic of South Africa*

*ISIN*

ZAE 000015228

**SIGNATURES**

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

Dated: October 31, 2011

Harmony Gold Mining Company Limited

By: /s/ Hannes Meyer

Name: Hannes Meyer

Title: Financial Director