

HARMONY GOLD MINING CO LTD

Form 6-K

August 15, 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 15 August 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

Financial summary for the fourth quarter and year ended 30 June 2011

Quarter

Quarter

Q on Q Year ended Year ended

Y on Y

June

March

Variance

June

June

variance

2011

2011

%

2011

2010

%

Gold produced ⁽¹⁾

– kg

10 152

9 857

3

40 535

44 433

(9)

– oz

326 394

316 909

3

1 303 228

1 428 545

(9)

Cash costs

– R/kg

242 851

217 802

(12)

226 667

195 162

(16)

– US\$/oz

1 115

970

(15)

1 009

801

(26)

Gold sold

– kg

10 412

9 716

7
41 043
43 969
(7)
– oz
334 752
312 378
7
1 319 563
1 413 633
(7)
Gold price
– R/kg
329 536
312 029
6
307 875
266 009
16
received
– US\$/oz
1 513
1 389
9
1 370
1 092
25
Operating
– R million
901
855
5
3 275
2 926
12
profit –
US\$
million
133
122
9
468
386
21
Basic
– SAc/s
(10)
55
<(100)
139
(38)

>100

(loss)/earnings

– USc/s

(1)

8

<(100)

20

(5)

>100

per share*

Headline profit*

– Rm

130

390

(67)

957

4

>100

–

US\$m

19

56

(66)

137

1

>100

Headline earnings – SAc/s

30

91

(67)

223

1

>100

per share*

– USc/s

4

13

(69)

32

–

100

Exchange rate

– R/US\$

6.78

6.99

(3)

6.99

7.58

(8)

* Reported amounts include continuing operations only

(1) Production statistics for Steyn 2 and Target 3 have been included. Steyn 2 is currently in a build-up phase and Target 3 was in build-up phase up to the end of March 2011. Revenue and costs are capitalised for the period that these mines are in build-up phase.

Revenue capitalised

includes: Quarter ending June 2011 Steyn 2, 27 kg (Mar 2011 – 14 kg) and Target 3, 0 kg (Mar 2011 – 250 kg), year ended June 2011 Steyn 2, 90 kg

(June 2010 – 33 kg) and Target 3, 531 kg (June 2010 – 117 kg).

Harmony's Annual Report, Notice of Annual General Meeting, its Sustainable Development Report and its annual report filed on a Form 20F with the United States' Securities and Exchange Commission for the year ended 30 June 2010 are available on our website (www.harmony.co.za).

SHAREHOLDER INFORMATION

Issued ordinary shares

at 30 June 2011

430 084 628

Issued ordinary shares

at 31 March 2011

429 807 371

Issued ordinary shares

at 30 June 2010

428 654 779

Market capitalisation

At 30 June 2011 (ZARm)

38 686

At 30 June 2011 (US\$m)

5 724

At 31 March 2011 (ZARm)

42 676

At 31 March 2011 (US\$m)

6 304

At 30 June 2010 (ZARm)

34 888

At 30 June 2010 (US\$m)

4 530

Harmony ordinary share
and ADR prices

12 month high (1 July 2010 to

R103.25

30 June 2011) for ordinary shares

12 month low (1 July 2010 to

R71.90

30 June 2011) for ordinary shares

12 month high (1 July 2010 to

US\$15.57

30 June 2011) for ADRs

12 month low (1 July 2010 to

US\$9.72

30 June 2011) for ADRs

Free float

Ordinary shares

100%

ADR ratio

1:1

JSE Limited

HAR

Range for quarter (1 April to

R83.29 –

30 June 2011 closing prices)

R103.25

Average daily volume for the

1 546 143

quarter (1 April to 30 June 2011)

shares

Range for quarter (1 April to

R68.65 –

30 June 2010 closing prices)

R81.40

Average daily volume for the

1 918 132

quarter (1 April to 30 June 2010)

shares

New York Stock Exchange, Inc

including other US trading

HMY

Range for quarter (1 April to

US\$12.34 –

30 June 2011 closing prices)

US\$15.57

Average daily volume for the

2 771 880

quarter (1 April to 30 June 2011)

shares

Range for quarter (1 April to

US\$9.04 –

30 June 2010 closing prices)

US\$10.57

Average daily volume for the

1 072 003

quarter (1 April to 30 June 2010)

shares

Key features

Of the quarter...

Gold production 3% higher at 10 152 kg (326 394 ounces)

Grade remained steady

R/kg cost higher at R242 851/kg (\$1 115/oz) due to increased electricity

and stores costs, as well as inclusion of Target 3

Cash operating profit 5% higher at R901m (US\$133m)

Of the year...

Improved safety rates

Operations in build-up showed 22% improvement in production

Improved underground grade at 4.60g/t

Net profit of R617m/US\$87m (loss of R192m/US\$24m in FY10)

Basic earnings per share at R1.44 (21 USc) (loss of 46c (6 USc) in FY10)

Headline earnings of R957m/US\$137m (R4m in FY10)

Wa -Golpu resource at more than 1 billion tonnes

Created nancial exibility: US\$300m debt facility

Incorporated in the Republic of South Africa

Registration number 1950/038232/06

(“Harmony” or “Company”)

Results for the quarter and the year ended **30 June 2011**

JSE Share code: HAR | NYSE Share code: HMY | ISIN: ZAE 000015228

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Results for the quarter and the year

ended 30 June 2011

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 macro-economic monetary policies; and
socio-economic instability in the countries in which we operate.

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Chief Executive's Review

With another financial year that has drawn to a close, it is important to take stock of what we have achieved and to assess the progress made against our ambition to create a company capable of generating earnings that fund growth and dividends on a sustainable basis.

During financial year 2011, we:

- commissioned excellent gold mines in South Africa and Papua New Guinea (PNG);
- expanded the world class Wafi-Golpu resource to 9 million tonnes (Mt) of copper and 26.6 million ounces (Moz) of gold (100%);
- increased production from growth projects by 22% year on year;
- tailored each mine's business plans to its unique requirements;
- pro-actively addressed industry challenges;
- improved production and productivity at most of our mines, and continue to work at replicating that level of success across the board;
- increased Harmony's exploration exposure in PNG – a country with world class exploration potential – to 8000 km²;
- improved the quality of our asset portfolio through the disposal and closure of non-core assets;
- celebrated Harmony's 60th year in operation on 25 August 2010.

We made good progress in getting the company where we want it to be – producing better quality ounces. Hidden Valley in PNG is now an operating mine, Harmony's first greenfields offshore development, which was formally opened in September 2010; in South Africa we have Kusasalethu, Doornkop and Phakisa projects, all of which are in build-up, and Tshepong and Masimong which have been steady contributors to production. We dealt with the challenges at mines such as Evander, Target and Joel to ensure these mines are positioned to deliver on their production targets.

Harmony has invested a great deal in the expansion of its production base in South Africa and PNG. The investment in exploration continues to pay dividends, with the Wafi-Golpu resource showing a phenomenal 57% increase to over 1 billion tonnes during the year. Golpu's grade is over 1% copper, confirming it is one of the highest grade copper gold porphyry systems in South East Asia. These excellent results validate our long-held belief that PNG is a game-changing region for Harmony. On a 100% basis, Golpu alone now hosts a resource of 869Mt, containing 19.3Moz of gold and 9.0Mt of copper (62Moz on a gold equivalent

1

basis). This represents a significant year-on-year increase, with an additional 368Mt (73% increase), comprising 8 956kt copper (88% increase) and 10.5Moz ounces of gold (119% increase). Our resource base in PNG now represent 10% of Harmony's total gold resources (or 21% of the resource on a gold equivalent basis), which is in line with the Company's strategy to increase its geographic diversification.

Annual production was lower than planned at 1.3Moz, largely due to safety stoppages and under-performance at some of the shafts. We

continue to improve the business planning process, using benchmarks and targets we believe to be realistic. Our 'life of mine' plans support our commitment to improving the grades from our underground operations, lowering our cost base and benchmarking our costing parameters internally across our operations as well as externally against other gold producers. Our focus remains on producing safe, profitable ounces and our operations in build-up will add to our production in future.

Safety

Tragically, three employees (South Africa) and one contractor (PNG) lost their lives during the final quarter of the financial year. The deceased were Mbuzeni Sihoyiya, a locomotive guard at Kusasaletu, Michael Sello Matea, underground assistant at Joel, Mbuyiseli Malungisa, a locomotive guard at Masimong and Kerry Kowitz, a contractor working on the Wafi-Golpu access road. I would like to extend my deepest condolences to their families, friends and colleagues.

Safety is a top priority at Harmony. We have put in place a number of safety initiatives, which have resulted in excellent safety achievements. Fatalities do, however, continue to occur. As a result, we appointed Alwyn Pretorius (previously the chief operating officer: North region), who is very familiar with Harmony's underground working environment, to assist in further improving and accelerating the execution of our safety and health strategy.

Gold price

Increasing global economic uncertainty is making gold an even stronger investment option than it already was. At over \$1 700/oz, gold remains a currency and we believe the gold price will continue its strength. Investors in Harmony have complete exposure to the spot gold price, as the company does not hedge its gold. During the past quarter the gold price received strengthened from R312 029/kg to R329 536/kg.

Operational results

Quarter on quarter

Gold production for the June 2011 quarter is 3% higher than the previous quarter, despite days lost to public holidays. The past quarter saw excellent improvements in development metres, mainly at the build-up operations. Build-up at Phakisa, Doornkop, Kusasaletu and Hidden Valley progressed well.

Grade remained steady at 2.08g/t.

Year on year

Tonnes milled for the year under review increased by 7% or 1 317 000 tonnes when compared to the previous financial year. The main contributors were:

- *Doornkop*: The build-up resulted in an additional 178 000 tonnes (33%) being milled for the year under review;
- *Target 3*: The inclusion of its first commercial production during the June 2011 quarter (75 000 tonnes);
- *Free State surface operations*: Tonnes increased by 1.2 million tonnes, mainly waste rock dumps;
- *Hidden Valley*: Recorded a full year of production and tonnes milled

increased by 1.4 million tonnes to 1.7 million tonnes, achieving its production guidance for the year.

The operations in build-up showed an increase in gold production.

Hidden Valley produced 3 118kg, an additional 1 215kg (64%) in comparison to the 1 903kg it produced in the previous financial

year. Doornkop's production increased by 562kg (29%), Phakisa's by 391kg (29%) and Kusasaletu's by 165kg (3%). Gold production for the

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Results for the quarter and the year

ended 30 June 2011

year under review decreased by 9% (3 898kg), mainly as a result of the shafts that were closed in the 2011 financial year. Closed shafts accounted for a decrease in gold produced of 4 092kg year on year.

Underground grade increased year-on-year to 4.60g/t.

Financial overview***Quarter on quarter***

Quarter on quarter, cash operating costs in R/kg terms were 12% higher, mainly due to higher electricity and stores costs, as well as the inclusion of Target 3 (which reached commercial production during the quarter) in our operating results. Higher stores costs are due to additional maintenance performed during public holidays. Electricity costs are higher due to a 25% increase in tariffs as from April 2011 and the inclusion of one month's winter tariff.

Operating profit at R901 million was 5% higher, mainly due to the increase in the average Rand gold price received to R329 536/kg.

Year on year

Cash operating costs in Rand terms increased by R686 million or 8%, mainly due to restructuring costs, the inclusion of Target 3, higher electricity costs and higher labour costs. This resulted in the cash operating cost in R/kg terms increasing by 16% from R195 162/kg in FY10 to R226 667/kg in FY11. Rand per tonne unit costs remained stable at R469/tonnes.

Capital expenditure for FY11 decreased by R317 million (10%) compared to the previous financial year. This is mainly attributed to a reduction in capital spent on Hidden Valley of 47% or R252 million. Capital from the South African operations decreased by R65 million (2%), due to reduced expenditure at Phakisa (R117 million), Doornkop (R50 million) and Kusasalethu (R50 million).

Reserves and resources

As at 30 June 2011, Harmony's mineral reserves amounted to 41.6Moz of gold, spread across Harmony's assets in South Africa and PNG. The reserves of Kusasalethu, Doornkop, Tshepong and Phakisa in South Africa and Hidden Valley in PNG now constitute 45% of Harmony's total mineral reserves. Once the pre-feasibility study of Wafi-Golpu has been completed, more ounces from PNG will be added to Harmony's reserves.

The reserve declaration excludes Rand Uranium reserves (the asset which is being held for sale), as well as some Evander projects which are no longer included in Harmony's long term mining plans. These exclusions, together with mine depletion, resulted in a decrease of 6.5Moz year on year, allowing Harmony to refocus on growing, developing and operating its portfolio of quality assets.

As at 30 June 2011 Harmony's attributable gold mineral resources were 163.9Moz. Gold resources in PNG increased 51% year on year to 16.3Moz and now comprise 10% of the group's total resource base.

Harmony's PNG resource inventory also includes economically significant copper, molybdenum and silver that co-occur with gold.

Attributable copper resources grew by 2.1Mt to 4.5Mt, up 86%

year on year (and equates to 9.75Moz on a gold equivalent basis

1

).

Molybdenum increased to 84 000 tonnes (up 50%) and silver increased to 55.16Moz (up 7.8%).

These increases were driven by resource expansions at Hidden Valley and Wafi-Golpu.

Creating financial flexibility

Harmony has strengthened its financial flexibility through obtaining a 4 year US\$300 million revolving credit facility with Nedbank Limited and FirstRand Bank Limited. The loan agreement was signed on 11 August 2011. This facility is specifically ear-marked for Harmony's activities in PNG.

Dividend

We are pleased to declare a dividend of 60 SA cents per ordinary share for the year ended 30 June 2011.

Looking ahead

Post year-end, following a five day strike, Harmony signed a two year wage agreement with the National Union of Mineworkers (NUM), Solidarity and UASA (collectively referred to as the "Unions") on the 2nd of August 2011. The increase in wages will be off-set by improvements in productivity aimed at the more effective utilization of our mining assets. Approximately 500kg of production was lost due to the strike.

The wage agreement between Harmony and the Unions also includes a profit share scheme in which all employees in the bargaining unit will share on a quarterly basis. The profit share will be based on 1% of operating profits less capital expenditure from the company's South African assets.

We look forward to having the Unions as our partners in creating a sustainable mining industry.

Financial year 2011 was filled with great achievements. We have improved our safety rates, secured excellent exploration results, continue to build up our operations and future production potential and certain operations have generated free operational cash flow.

Financial year 2012 promises to be equally exciting. We remain focussed on continuing to deliver on our long term targets and to maximise shareholder value.

Graham Briggs

Chief Executive Officer

Note 1. Gold equivalent ounces are calculated assuming a US\$1150/oz Au, US\$2.50/lb Cu and US\$13.50/oz Ag with 100% recovery for all metals

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Safety and health

Safety

The provision of safe and healthy working places remains a key priority for Harmony, as does the elimination of all workplace injuries and work-related ill health effects. This has always been an important area of focus for Harmony.

Harmony will continue to implement and maintain safety initiatives and is in the process of rolling out a new improved fall of ground strategy to further reduce fall of ground incidents – one of the main contributors to fatal accidents.

It is with deep regret that we report four fatalities during the June 2011 quarter, bringing total fatalities for the 2011 financial year to 16. This is an improvement on the previous financial year, which recorded 22 fatalities. However, we need to continue to work towards avoiding these incidents altogether.

Harmony's Lost Time Injury Frequency Rate (LTIFR) in South Africa remains a single digit, for the eleventh consecutive quarter. Quarter on quarter the LTIFR rate regressed from 8.65 to 9.64, whilst LTIFR also regressed with 8% to 8.32 when compared to the previous year.

The Reportable Injury Frequency Rate (RIFR) (per million hours worked) in South Africa regressed by 13% when compared to the previous year (from 4.19 to 4.73) and by 17% quarter-on-quarter (from 4.62 to 5.39).

The Fatal Injury Frequency Rate (FIFR) improved by 19% when compared to the previous year, but regressed by 44% quarter-on-quarter (from 0.09 to 0.13)

Safety achievements for the quarter included:

South African underground operations:

1 000 000 fatality free shifts

Doornkop shaft operations:

1 000 000 fatality free shifts

Doornkop total operations:

1 000 000 fatality free shifts

Phakisa:

500 000 fatality free shifts

Target:

500 000 fatality free shifts

Ongoing behavioural-based safety, competency training and development and research, together with the vigilant co-operation of our stakeholders, will continue to enable Harmony to become an even safer company to work for.

Health

Our pro-active approach to the health and wellness of our employees continues. Various programmes and initiatives are supported and sponsored by the company to ensure the wellbeing of our employees. Our objective remains to improve health management programs and effectively utilise clinical information. This includes the review of policies, procedures, and processes, as well as training, on an ongoing basis.

See our Sustainable Development Report for more details on our website www.harmony.co.za.

Financial overview

Quarter on quarter

Cash operating profits increased by 5% quarter on quarter to R901 million, mainly due to an increase in revenue driven by the 6% increase in the R/kg gold price received. The increase in revenue was offset by an 18% increase in production cost.

Earnings per share

Basic earnings per share decreased from 55 SA cents to a loss of 10 SA cents per share. Headline earnings per share decreased from 91 SA cents to 30 SA cents. Headline earnings have been adjusted for the impairment of assets as well as the reversal of the impairment of investment in associate.

Revenue

Revenue increased from R2 949 million to R3 422 million, or 16%, mainly due to the 6% increase in the rand gold price received to R329 536/kg. The increase of gold sold by 7% or 696kg, together with the inclusion of the results of Target 3, also contributed to the higher revenue total for the June 2011 quarter.

Cost of sales

Cost of sales increased from R2 623 million to R3 491 million in the June 2011 quarter. The main reasons for this increase are:

- higher production costs, driven by higher electricity costs which include the annual increase by Eskom as well as one month's winter tariff (R115 million increase); increased labour costs of R67 million as a result of an increase in employees due to the build-up at certain shafts; an increase in stores cost due to higher production. Also contributing to the increase is the inclusion of costs related to Target 3, amounting to R93 million for the June 2011 quarter.
- an increase in amortisation and depreciation from R431 million in the March 2011 quarter to R477 million. This increase relates primarily to an increase in tonnes mined at several shafts as well as depreciation commencing at Target 3 as it was brought into commercial production;
- impairment of assets amounting to R264 million. The impairments relate to President Steyn 1 and 2 shafts (R99 million and R103 million respectively) and St Helena (R61 million of which R9 million relates to goodwill);
- the annual adjustment on the rehabilitation provision amounting to R61 million;
- annual assessments of gold inventory balances resulting in write downs for Steyn Plant (R41 million) and Target stockpile (R30 million) and an adjustment on the gold in lock-up (R21 million).

Exploration expenditure

During the June 2011 quarter, R102 million was spent on exploration. Of the amount spent during the quarter, R90 million relates to the PNG projects. The expenditure for the March 2011 quarter was R77 million, R68 million of which related to PNG. The increase quarter on quarter relates primarily to the pre-feasibility study being conducted at Wafi-Golpu.

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

This movement relates to the limiting of costs relating to the Rand Uranium transaction as well as some foreign exchange movements.

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Results for the quarter and the year

ended 30 June 2011

Operational overview

GROUP OPERATIONAL RESULTS

June

March

%

Indicator	Units	
2011	2011	
variance		
Tonnes	000	
4 861		
4 646		
5		
Grade	g/t	2.08
2.06		

1

Gold produced**Kg**

10 152

9 857

3

Cash operating costs R/kg

242 851

217 802

(12)

Operating profit**R'000**

900 734

855 078

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Gold production for the June 2011 quarter is 3% higher than the previous quarter, despite days lost to public holidays. Cash operating costs in R/kg terms were 12% higher, mainly due to higher electricity and stores costs, as well as the inclusion of Target 3 in our operating results (Target 3 was brought into commercial production during the past quarter).

Higher stores costs are due to additional supplies used to support the increased production, as well as additional maintenance performed during public holidays. Electricity costs were higher due to a 25% increase in tariffs as from April 2011 and the inclusion of one month's winter tariff.

Grade remained steady at 2.08g/t.

Operating profit at R901 million was 5% higher than the previous quarter, mainly due to the increase in the average Rand gold price received to R329 536/kg.

Net gain on financial instruments

The movement for the June 2011 quarter comprises of the changes in fair value of the Nedbank Equity Linked Deposits held by the environmental trusts.

Investment income

Investment income for the June 2011 quarter was R24 million. This was a R40 million decrease quarter-on-quarter as the March 2011 quarter included amounts related to the successful appeal against interest levied by SARS as well as interest on outstanding diesel refunds, which were not repeated in the current quarter.

Finance cost

Finance cost increased by R18 million quarter-on-quarter. This was mainly due to the draw-down of additional funds from the Nedbank facility during the previous quarter.

Taxation

The deferred taxation credit for the June 2011 quarter of R195 million credit consists mainly of credits relating to the change in the Life-of-Mine rates, amounting to R119 million, as well as additional temporary differences.

Capital expenditure

Capital expenditure increased from R667 million to R788 million in the June 2011 quarter, as expected.

Borrowings

The long term portion of borrowings decreased from R1 487 million to R1 229 million in the June 2011 quarter as a result of the net repayment of R100 million on the Revolving Credit Facility and the instalment payments on the term facilities of R153 million.

Year on year

Cash operating profits increased by 12% to R3 275 million for 2011. This was mainly due to an increase in revenue driven by the 16% increase in the rand/kilogram gold price.

Earnings per share

Basic earnings per share increased from a loss of 46 SA cents to earnings of 144 SA cents per share. Headline earnings per share also increased from a loss of 7 SA cents to earnings of 223 SA cents.

Revenue

Revenue increased from R11 284 million to R12 445 million, or 10%, mainly due to the 16% increase in the rand gold price received to R307 875/kg. This increase was offset by the 7% decrease in gold sold.

Cost of sales

Cost of sales increased from R10 484 million to R11 615 million for 2011. This is mainly due to increases in production costs (driven by increased labour, electricity and stores costs) and amortisation and depreciation.

Exploration expenditure

During 2011, R353 million was spent on exploration with R296 million for PNG. The exploration expense in the income statement for 2010 was R219 million, with R165 million being spent in PNG.

Net gain on financial instruments

The movement in net gain on financial instruments for 2011 was R414 million, which includes R273 million recognised on the Witsgold transaction. The balance of the total relates to the changes in fair value of the Nedbank Equity Linked Deposits held by the Environmental Trusts.

Taxation

The deferred taxation credit for the year amounted to R492 million of which approximately R363 million relates to the change in the Freegold

unredeemed capital allowance. The 2010 deferred tax charge of R251 million primarily related to increases in average deferred tax rates, notably at Evander.

Notice of cash dividend

Dividend No. 82 of 60 cents per ordinary share, being the dividend for the year ended 30 June 2011, has been declared payable on Monday,

19 September 2011 to those shareholders recorded in the books of the company at the close of business on Friday, 16 September 2011. The

dividend is declared in the currency of the Republic of South Africa. Any change in address or dividend instruction to apply to this dividend

must be received by the company's transfer secretaries or registrar not later than Friday, 9 September 2011.

Last date to trade ordinary shares *cum* dividend

Friday, 9 September 2011

Ordinary shares trade *ex* dividend

Monday, 12 September 2011

Currency conversion date in respect of the UK own name shareholders

Monday, 12 September 2011

Record date

Friday, 16 September 2011

Payment date

Monday, 19 September 2011

No dematerialisation or rematerialisation of share certificates may occur between Monday, 12 September 2011 and Friday, 16 September

2011, both dates inclusive, nor may any transfers between registers take place during this period.

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BUILD-UP AND STEADY OPERATIONS**SOUTH AFRICA****Doornkop**

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
234		
173		
35		
Grade		g/t
3.24		
3.30		
(2)		
Gold produced		
Kg		
757		
571		
33		
Cash operating costs		
R/kg		
239 316		
229 447		
(4)		
Operating profit		
R'000		
68 250		
46 314		
47		

Doornkop delivered an excellent production quarter. Tonnes milled increased by 35% quarter-on-quarter to 234 000 tonnes and kilograms increased by 33% to 757kg. The increase in throughput is mainly due to an increase in development metres and eight additional crews.

The Doornkop plant performed better this quarter and further improvement is expected in the next quarter, as an additional mill will be available.

Kusasaletu

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
305		
297		
3		
Grade		g/t
5.20		

4.93
 5
 Gold produced
 Kg
 1 586
 1 464
 8
 Cash operating costs
 R/kg
 219 880
 200 579
 (10)
 Operating profit
 R'000
 176 354
 146 982
 20

Improved mining execution, higher mining grades than planned at 5.20g/t and an increase in tonnes milled to 305 000 tonnes resulted in production being 8% higher quarter on quarter at 1 586kg.

During the June 2011 quarter a quality monitoring method, in the form of a short interval control system, was implemented. The system involves daily monitoring of results and allows management to address operational issues as and when they arise.

Phakisa

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
106		
88		
20		
Grade		g/t
4.45		
4.64		
(4)		
Gold produced		
Kg		
472		
408		
16		
Cash operating costs		
R/kg		
284 475		
286 765		
1		
Operating profit		
R'000		
24 310		

9 674

>100

Phakisa recorded a 16 % increase in kilograms produced from 408kg in the March 2011 quarter to 472kg in the June 2011 quarter.

The improvement was largely due to an increase in ore milled to 106 000 tonnes. Grade was 4% lower than the previous quarter at 4.45g/t.

Higher production alleviated the impact of higher electricity costs, resulting in cash operating costs remaining stable quarter on quarter at R284 475/kg, Higher production and a stronger gold price ensured a significant increase in operating profit from R10 million in the March 2011 quarter to R24 million in the June 2011 quarter.

Masimong

June

March

%

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

2011

2011

variance

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

190

216

(12)

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

4.35

4.81

(10)

Gold produced

Kg

827

1 039

(20)

Cash operating costs

R/kg

214 694

175 496

(22)

Operating profit

R'000

95 776

140 570

(32)

Masimong's exceptional record of 1.5 million fatality free shifts came to an end when a loco accident resulted in the death of an employee.

The fatality resulted in six lost days of production due to safety stoppages. Panel availability lead to a drop in B reef grade, resulting in the recovery grade being 10% lower quarter on quarter at 4.35g/t.

Lower grade and a 12% decrease in tonnes milled to 190 000 tonnes, resulted in lower production at 827kg.

Cash operating costs were 22% higher quarter on quarter at 214 694/kg, due to a 10% decrease in grade and general cost increases, as outlined on page 6 of this report.

Target 1

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
168		
161		
4		
Grade		g/t
4.11		
4.88		
(16)		
Gold produced		
Kg		
690		
785		
(12)		
Cash operating costs		
R/kg		
269 323		
203 459		
(32)		
Operating profit		
R'000		
51 169		
59 007		
(13)		

Target 1 resolved the belt challenges experienced in the March 2011 quarter. More tonnes were hoisted as a result of new belts being inserted on the decline belt. Tonnes milled increased by 4% quarter on quarter to 168 000 tonnes.

The recovery grade was 16% lower in comparison to the previous quarter, mainly due to inconsistencies in the grade. As a result production was 12% lower than the March 2011 quarter at 690kg, with cash operating costs higher at R269 323/kg.

Target 3

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
75		
n/a		

n/a	
Grade	g/t
3.65	
n/a	
n/a	
Gold produced	
Kg	
274	
250	
10	
Cash operating costs	
R/kg	
339 956	
n/a	
n/a	
Operating profit	
R'000	
930	
n/a	
n/a	

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Results for the quarter and the year

ended 30 June 2011

Target 3 had its first quarter of commercial production since Harmony's acquisition of the asset in February 2010.

Target 3 recorded an operating profit of R930 000, with gold production at 274kg. Although cash operating costs were high at R339 956/kg, it should improve as the operation builds up its production.

Tshepong

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
327		
333		
(2)		
Grade		g/t
4.50		
5.04		
(11)		
Gold produced		
Kg		
1 473		
1 679		
(12)		
Cash operating costs		
R/kg		
209 333		
170 662		
(23)		
Operating profit		
R'000		
179 753		
236 045		
(24)		

Tshepong generated an operating profit of R179 million for the quarter.

The 11% decrease in the recovery grade to 4.50g/t quarter on quarter is partially due to waste from the decline being hoisted with the ore.

Cash operating costs were higher at R209 333/kg. Electricity tariff increases, the inclusion of one month of winter tariffs and the increase of material for engineering activities contributed to the higher unit costs.

Hidden Valley

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

June	March	%
Indicator		Units

2011	2011
variance	
Tonnes	000
420	
407	
3	
Grade	g/t
1.97	
1.95	
1	
Gold produced	
Kg	
826	
794	
4	
Cash operating costs	
R/kg	
238 644	
216 981	
(10)	
Operating profit	
R'000	
59 904	
83 202	
(28)	

Production at Hidden Valley was 4% higher quarter on quarter at 826kg, mainly due the higher mill throughput and increased gold recoveries, which were partly offset by a lower gold feed grade.

Gold recoveries of 90% were sustained during the quarter. Mill throughput was higher, but remains constrained as a result of the overland conveyor belt failure in March 2011. Increased site costs are due to the additional ore haulage costs incurred to mitigate the loss of the overland conveyor. Repairs on the overland conveyor progressed to plan with the conveyor expected to be operating by the end of September 2011. Higher cash costs at R238 644/kg is partly offset by an increase in silver production and higher silver prices received. Silver production increased by 31% quarter on quarter, due to higher feed grade and improved recoveries.

OTHER SOUTH AFRICAN OPERATIONS

Bambanani

June	
March	
%	
Indicator	Units
2011	
2011	
variance	
Tonnes	000
112	
81	
38	

Grade	g/t
6.56	
6.90	
(5)	
Gold produced	
Kg	
735	
559	
31	
Cash operating costs	
R/kg	
302 668	
333 259	
9	
Operating profit/(loss)	
R'000	
25 032	
(12 961)	
>100	

The short interval control system implemented at Bambanani addressed ineffectiveness at the operation and resulted in improvements in tonnes milled and production. An operating profit of R25 million was generated, due to a 31% increase in gold production to 735kg and a 38% increase in tonnes milled to 112 000 tonnes. Grade requires more attention, with a 5% drop quarter on quarter to 6.56g/t.

Steyn 2

June	March	%
Indicator		Units
2011		
2011		
variance		
Gold produced		
Kg		
27		
14		
93		

The production at Steyn 2 is much higher than the previous quarter at 27kg, but build-up at this shaft remains below expectations. Major infrastructure challenges have been addressed and most of the major capital for the shaft pillar will be spent in the first and second quarter of FY12.

Evander

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
132		
130		
2		

Grade	g/t
5.68	
3.72	
53	
Gold produced	
kg	
750	
483	
55	
Cash operating costs	
R/kg	
205 235	
298 153	
31	
Operating profit	
R'000	
88 615	
7 304	
>100	

Evander performed very well during the quarter, with a substantial increase in recovery grade at 5.68g/t, due to improvements in the face grade. More mining crews were moved into the main payshoot of the decline section, where the grade is higher.

Production at 750kg was higher quarter on quarter, resulting in a 31% decrease in cash unit costs to R205 235/kg and an operating profit of R89 million.

9**Joel**

June

March

%

Indicator Units

2011

2011

variance

Tonnes 000

121

118

3

Grade g/t

3.70

3.77

(2)

Gold produced

kg

448

445

1

Cash operating costs

R/kg

259 121

238 256

(9)

Operating profit

R'000

34 627

30 997

12

Joel had a stable quarter, with gold production at 448kg and a slight drop in grade to 3.70g/t.

Cash operating profit increased by 12% to R35 million, largely due to a higher gold price received. Cash operating costs, however, increased by 9% quarter on quarter to R259 121/kg, due to an increase in electricity tariffs.

Unisel

June

March

%

Indicator Units

2011

2011

variance

Tonnes milled

000

106

104

2

Grade g/t

3.96

4.49

(12)

Gold produced

Kg

420

467

(10)

Cash operating costs

R/kg

255 486

227 266

(12)

Operating profit

R'000

31 884

38 814

(18)

Increased seismicity in the decline section resulted in production in certain working places being stopped and working crews being moved to the upper section, which has less flexibility. This impacted on the recovery grade, which declined by 12% to 3.96g/t and also resulted in production declining by 10% quarter on quarter to 420kg. Lower production and the increase in electricity tariffs and stores costs resulted in an increase in cash operating costs of 12% to R255 486/kg.

TOTAL SOUTH AFRICAN SURFACE OPERATIONS

June

March

%

Indicator

Units

2011

2011

variance

Tonnes

000

2 565

2 538

1

Grade

g/t

0.34

0.35

(3)

Gold produced

Kg 867

899

(4)

Cash operating costs **R/kg**

268 657

227 335

(18)

Operating profit

000

64 130

69 130

(7)

Tonnes treated at the South African surface sources remained stable quarter on quarter at 2 565 000 tonnes. Production declined by 4% to 867kg due to a decrease in grade at 0.34g/t.

The unit cost increased to R268 657/kg, mainly due to the effect of electricity and water tariff increases during the quarter.

An operating profit of R64 million was generated, due to a higher gold price received.

Kalgold

June

March

%

Indicator

Units

2011

2011

variance

Tonnes

000

392

373

5

Grade

g/t

0.69

0.74

(7)

Gold produced

Kg

270

276

(2)

Cash operating costs

R/kg

311 819

231 188

(35)

Operating profit

R'000

18 247

19 740

(8)

An engineering plan was implemented over the last six months to improve the availability of equipment at the operation. This resulted in a 5% increase in tonnes milled to 392 000 tonnes. Lower grade areas were mined in the open pit during the quarter, resulting in production being 2% lower at 270kg.

Mechanical breakdowns at the plant, together with higher electricity costs resulted in a higher cash operating cost of R311 819/kg, which also impacted the operating profit, reducing it by 8% quarter on quarter to R18 million.

Phoenix (tailings)

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		
000		
1 247		
1 242		
–		
Grade		g/t
0.11		
0.12		
(8)		
Gold produced		
Kg		
137		
149		
(8)		
Cash operating costs		
R/kg		
297 029		
259 966		
(14)		
Operating profit		
000		
5 169		
12 508		
(59)		

Tonnes milled at Phoenix remained steady at 1 247 000 tonnes.

The decrease in operating profit of R6 million for the quarter is as a result of an 8% decrease in grade. Cash operating costs were 14% higher quarter on quarter due to an increase in security costs following theft incidents and interruptions at the plant.

Surface dumps

June	March	%
Indicator		Units
2011		
2011		
variance		
Tonnes		000
926		
923		
–		
Grade		g/t
0.50		
0.51		
(2)		
Gold produced		
Kg		
460		

474

(3)

Cash operating costs

R/kg

234 874

214 833

(9)

Operating profit

000

40 714

36 882

10

Treatment of tonnes at the surface dumps remained fairly flat quarter on quarter at 926 000 tonnes.

An increase in the operating profit to a total of R40 million is attributable to the higher gold price received during the quarter.

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Results for the quarter and the year

ended 30 June 2011

Development

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.

Bambanani

In the southern part of the sub-shaft area of the mine, development grades remain lower than expected. In the shaft pillar the grade remains above 3000cmg/t, which is in line with expectations.

Doornkop

The South Reef development grades are mostly in line with expectations and in line with the reserve grade. No on-reef development was planned for the Kimberly Reef.

Evander 8

Almost all on-reef development is now concentrated on the Kinross payshoot in the decline area of the mine. Although there was a quarter on quarter drop in the development grade due to local variations, the grades in the main raise lines remained in line with expectations.

Joel

Grades in the winzes being developed from 121 to 129 level, in the very prospective north-western portion of the mine, remain good.

Kusasaletu

On-reef development continues to return grades that are in line with the overall ore body grade and as predicted for the areas that are being developed.

Masimong

There was a quarter on quarter improvement in the grade of the B reef development. For most of the quarter the Basal reef development grades remained below expectation. The Basal grade is however starting to improve as the development is moving into better areas.

Phakisa

The development towards the north is showing positive results in line with expectation. These grades were however offset by lower grades from the development towards the south. Most of the development at Phakisa is still taking place in the lower grade central block with its very erratic nature in terms of grade. However, positive grade trends are emerging from the development towards the north, as expected.

Target (narrow reef mining)

Quarter on quarter there was an improvement in development grades of the narrow reef mining section at the Target 1 shaft. At Target 3 there has been a steady improvement in meters developed quarter on quarter.

Tshepong

In general the Basal Reef development grades were lower than expected, while the B reef continued to yield positive results in most of the target areas.

Unisel

At Unisel, the development grade of the Basal reef is in line with expectations, while the Leader reef grade was lower than expected. No on-reef development was done on the Middle reef for the quarter.

Ore reserve block grades v development grades

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Exploration

International (Papua New Guinea)#

Morobe Mining Joint Venture (50% Harmony)

Wafi-Golpu

The pre-feasibility study is advancing well with all major contracts let. A project director has been appointed and a dedicated project office established. Drilling activities continued this quarter, with five rigs that drilled 6 798 meters targeting infill and extensions for Golpu, drill holes to gain samples for metallurgical testing for Wafi and geotechnical information for the Watut decline path.

The resource continues to grow and the timing of the completion of the study is dependent on the amount of infill drilling that will be required to gather sufficient information.

During the quarter, three holes were drilled in the southern and central part of the prospect to further increase the level of confidence in the geological model. Intercepts were as follows:

- WR390 707m @ 0.53%Cu, 0.49g/t Au from 771m
- WR398 554m @ 0.76%Cu, 0.52g/t Au from 554m
- WR392_W1 643m @ 1.39%Cu, 0.94g/t Au from 1133m including 350m @ 1.98%Cu, 2.17g/t Au from 1226m

Drill hole WR392_W1 intersected over 600m of strongly developed porphyry mineralisation and extended the mineralisation to both the east and the west of the previous interpretation.

A new zone of Wafi-style epithermal mineralisation was intersected between Nambonga and Golpu. The pre-collar of drill hole WR397 intersected 10m @ 9.1g/t Au from 389m and is located 200m north-east of WR392 (85m @ 3.2g/t Au). This new zone of mineralisation is centred on a zone of quartz-carbonate veining and is open in all directions. It has the potential to develop into a near surface zone of high grade gold mineralisation.

The Wafi-Golpu resource statement (please refer to the Reserves and Resource press release of 20 July 2011 available on our website, www.harmony.co.za) confirms Harmony's long-held belief that Golpu is a world-class discovery. On a 100% basis, Golpu alone now hosts a resource of 869Mt at 1.03% copper and 0.69g/t gold, containing 19.3Moz of gold and 9.0 million tonnes (Mt) of copper (62Moz on a gold equivalent basis). This represents a significant year-on-year increase, with an additional 368Mt (73% increase), comprising 4.2Mt copper (88% increase) and 10.5Moz of gold (119% increase) (see Table 1 below).

The deposit has grown to the north and at depth, and the grade has also increased. The resource remains open at depth and to the north, with extension and infill drilling continuing (see Figure 1 below).

Table 1: Golpu (only) 2011 Resource statement in comparison to the 2010 declaration

Grade

Metal

Gold

Cut

off Tonnage Au Cu Au Cu

Equiv.

Golpu %		
Cu		
Mt (g/t)		
(%)		
(Moz)		
(Mt)		
(Moz)		
2010	0.3%	501
0.54		
0.96		
8.8		
4.8		
32		
*2		
2011	0.2%	869
0.69		
1.03		
19.3		
9.0		
62		
*1		
Growth		
368		
0.15		
0.07		
10.5		
4.2		
30		
% Growth		
73%		
28%		
7% 119% 88%		
94%		
*		

Represents Harmony / Newcrest joint venture (MMJV) 100% portion

1. Gold equivalent ounces on 30 June 2011 are calculated assuming a US\$1150/oz Au, US\$2.50/lb Cu and US\$13.50/oz Ag with 100% recovery for all metals
2. Gold equivalent ounces on 30 June 2010 are calculated assuming a US\$950/oz Au, US\$2.00/lb Cu and US\$14/oz Ag with 100% recovery for all metals

Figure 1: Golpu long section showing the comparison between the new 30 June 2011 Resource outline and the previous 30 June 2010 Resource outline.

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Results for the quarter and the year

ended 30 June 2011

The increase in the Golpu resource has increased the Wafi Golpu System resource to over 1 billion tonnes, which is displayed in table 2 below.

Table 2: Wafi-Golpu System Resource Statement, comparing the 30 June 2011 declaration with the 30 June 2010 declaration

Grade					
Metal					
Gold					
Tonnage					
Au					
Cu					
Au					
Cu					
Equiv.					
Golpu		(Mt)			
(g/t					
(%)					
(Moz)					
(Mt)					
(Moz)					
2011					
1					
012	0.82	0.89	26.6	9.0	70
*2					
2010					
644	0.77	0.75			
16	4.8	40			
*1					
Growth		368			
0.05					
0.14					
10.6					
4.2					
30					
% Growth					
57%					
6%					
19%					
66%					
88%	75%				
*					

Represents Harmony / Newcrest joint venture (MMJV) 100% portion

1. Gold equivalent ounces on 30 June 2011 are calculated assuming a US\$1150/oz Au, US\$2.50/lb Cu and US\$13.50/oz Ag with 100% recovery for all metals

2. Gold equivalent ounces on 30 June 2010 are calculated assuming a US\$950/oz Au, US\$2.00/lb Cu and US\$14/oz Ag with 100% recovery for all metals

The Golpu copper-gold deposit is a nested porphyry system that comprises at least three separate mineralised intrusions. Potential for additional mineralised intrusives along strike from Golpu, at

Nambonga, and for additional feeder zones around the margins and at depth below the diatreme, is high, with the area hugely prospective and underexplored (see Figure 2 below).

The Wafi epithermal gold system is also expanding, with new zones of gold mineralisation discovered off the northern margin of the diatreme in areas never previously drill-tested.

Figure 2: The Wafi-Golpu System comprises the Golpu, Wafi and Nambonga Resources and significant growth potential

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The Wafi-Golpu resource has world class credentials, compared with other similar projects. See the graph below (Figure 3). Wafi-Golpu is of

substantial size, with the resource having the highest copper and gold grade amongst its peers.

Figure 3. Wafi-Golpu Gold Equivalent

1

comparison – source: Bank of America Merrill Lynch

Figure 4: Regional setting of the Wafi-Golpu deposit showing

Wafi-Transfer and main target areas

1. Gold equivalent ounces on 30 June 2011 are calculated assuming a US\$1150/oz Au, US\$2.50/lb Cu and US\$13.50/oz Ag with 100% recovery for all metals

Wafi structural corridor

Outside of the Wafi-Golpu project area, several first class gold and copper-gold targets are being developed along strike on the Wafi-Transfer structure (see Figure 4). Main focus for the quarter included:

- Bavaga, where results to date have outlined a +1g/t stream sediment anomaly with a footprint of 2 by 1 kilometers and;
- Zimake, a circular magnetic anomaly approximately 5km by 6km with associated pan concentrate samples assaying up to 7.9ppm Au.

Both target areas are prospective for Wafi-style epithermal high sulphidation gold and associated Golpu porphyry copper-gold mineralisation. Reconnaissance work is continuing.

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Results for the quarter and the year

ended 30 June 2011

Hidden Valley district exploration

Excellent first pass results have been returned from the Mungowe prospect, located approximately 7km northwest of Hidden Valley. Mapping and rock chip sampling has outlined a high-grade zone of outcropping mineralisation with results including: 1m @ 87 g/t Au, 82.9 g/t Ag and 4m @ 31 g/t Au, 121 g/t Ag.

High grades are localised at the intersection of several fault zones, but this sits within a broader envelope of carbonate-base metal mineralisation and alteration covering an area of approximately 3km x 1.5km. The footprint of the anomaly together with its structural-geological setting similar to that at Hidden Valley, is very encouraging. Prospect development work including compilation of results from the Kulang-Kerimenge trend continues.

Figure 5: HV satellite deposit target locations

PNG Exploration (Harmony 100%)

Outside of the Morobe Mining Joint Venture (MMJV), exploration work on the PNG tenement portfolio focused on the Mount Hagen Project, with drilling commencing at the Kurunga Prospect.

Mount Hagen project (EL1611 & EL1596)

First-pass drilling at the Kurunga Prospect is underway to test three discrete copper anomalies in close proximity, each roughly 500-700m diameter. The anomalies exhibit typical porphyry style metal zonation, with a central Copper-Molybdenum (Cu-Mo) core (with patchy coincident gold (Au) surrounded by elevated Zinc-Lead (Zn-Pb) geochemistry. In addition, anomalies rank among the highest order geochemical targets in the entire mobile belt.

Initial assay results received to date have been encouraging. The top 132m of KUDD008 averages 170 ppm Molybdenum (Mo) and is accompanied by sporadic vein intervals of +0.1 % Cu. The assays also include an interval of high grade Mo mineralisation:

- KUDD009; 33m @ 343 ppm Mo from 4m.

Golpu resource grade averages 95 ppm Mo for comparison. Results indicate that the Kurunga system is metal bearing and confirms the prospectivity of the soil anomaly. The remainder of assays for the program are pending.

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Figure 6: Greyscale magnetic image (analytic signal) over the Mt Hagen project area with colour overlay showing copper geochemical anomalies.

The red areas represent high order copper anomalies ranging between 250 parts per million (ppm) to 0.14% copper. Ridge and spur soil sampling and reconnaissance mapping have produced a 1 300m x 600m, coincident Cu-Au-Mo anomaly to the southwest of Kurunga at Penamb (refer figure 5 above). Preliminary field observations combined with historic mid-1980's Esso reports indicate the presence of a fertile Cu-Au porphyry system with significant phyllic and propylitic alteration zones within the main Penamb creek and along several ridges. Drill testing is planned for quarter 1 of FY12.

Amanab project (EL1708)

No fieldwork was undertaken during the quarter. Reconnaissance mapping and sampling is scheduled for the next quarter.

Note: The technical information was compiled by Greg Job, Harmony's Executive Growth and Resource Development for South-East Asia, who has the overall responsibility and accountability for the Golpu project, in terms of the South African Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (SAMREC) 2007. Mr Job has 21 years' experience in mine and resource geology and is a member of the Australian Institute of Mining and Metallurgy. He is a full time employee of Harmony and qualifies as Competent Person as defined in the SAMREC Code and the Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC). Mr Job has consented to the inclusion of the exploration details based on the information in the form and context in which it appears.

South Africa

Uranium Project Tshepong, Phakisa, Masimong Project (TPM)

TPM evaluates the potential for the economic recovery of uranium from the ore mined at the Tshepong, Phakisa and Masimong operations in the Free State. The processing of the uranium enhances the gold recovery resulting in increased gold production from these operations. When the uranium is treated as a by-product, and therefore a credit to costs, operating costs of the contributing shafts will be reduced. During the March 2011 quarter the feasibility study was completed. Higher operating and capital cost assumptions were used. This resulted in lower net present values than expected. A value engineering process is currently underway to further assess the net present value of the project.

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Results for the quarter and the year
ended 30 June 2011

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Operating results
(Rand/Metric) (US\$/Imperial)
Underground production – South Africa
Surface production – South Africa

Total

South

South

Quarter

Kusasa-

Under-

Total

Africa

Africa

Hidden

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

Total

Ore milled

– t'000

Jun-11

112

234

132

121

305

190

106

–

168

75

327

106

1 876

392

1 247

926

2 565

–

4 441

420

4 861

Mar-11

81

173

130

118

297

216

88

–

161

–

333

104

1 701

373

1 242

923

2 538

–

4 239

407

4 646

Gold produced

– kg

Jun-11

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
Mar-11
559
571
483
445
1 464
1 039
408
14
785
250
1 679
467
8 164
276
149
474
899
—
9 063
794
9 857
Gold produced
— oz
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
Mar-11
17 972
18 358
15 529

14 307
47 069
33 405
13 117
450
25 238
8 038
53 981
15 014
262 478
8 874
4 790
15 239
28 903

—
291 381
25 528
316 909

Yield
– g/tonne

Jun-11

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

Mar-11

6.90

3.30

3.72

3.77

4.93

4.81

4.64

—

4.88
 –
 5.04
 4.49
 4.64
 0.74
 0.12
 0.51
 0.35

–
 2.08
 1.95
 2.06

Cash operating costs

– R/kg

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

Mar-11

333 259

229 447

298 153

238 256

200 579

175 496

286 765

–

203 459

–

170 662

227 266

216 799 231 188 259 966 214 833

227 335

–

217 876 216 981

217 802

Cash operating costs

– \$/oz

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

Mar-11

1 484

1 022

1 327

1 061

893

781

1 277

–

906

–

760

1 012

965

1 029

1 157

957

1 012

–

970

966

970

Cash operating costs

– R/tonne

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

Mar-11

2 300

757

1 108

899

989

844

1 330

-

992

-

860

1 021

1 007

171

31

110

81

-

452

423

450

Gold sold

- Kg

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
Mar-11
541
543
523
405
1 545
1 005
394
14
707
250
1 624
452
8 003
263
147
470
880
—
8 883
833
9 716
Gold sold
— oz
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

Mar-11

17 394

17 458

16 815

13 021

49 673

32 311

12 667

450

22 731

8 038

52 213

14 532

257 303

8 456

4 726

15 111

28 293

—

285 596

26 782

312 378

Revenue

(R'000)

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

Mar-11

169 264

169 602

162 346

126 329
 480 596
 314 222
 123 501
 –
 221 194
 –
 507 523
 141 255
 2 415 832
 81 888
 45 861 147 391
 275 140
 – 2 690 972 258 327
 2 949 299

**Cash operating
 (R'000)**

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

costs

Mar-11

186 292
 131 014
 144 008
 106 024
 293 648
 182 340
 117 000
 –
 159 715
 –
 286 542
 106 133
 1 712 716
 63 808
 38 735 101 831

204 374

– 1 917 090 172 283

2 089 373

Inventory

(R'000)

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

movement

Mar-11

(4 067)

(7 726)

11 034

(10 692)

39 966

(8 688)

(3 173)

–

2 472

–

(15 064)

(3 692)

370

(1 660)

(5 382)

8 678

1 636

–

2 006

2 842

4 848

Operating costs

(R'000)

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

Mar-11

182 225

123 288

155 042

95 332

333 614

173 652

113 827

–

162 187

–

271 478

102 441

1 713 086

62 148

33 353 110 509

206 010

– 1 919 096 175 125

2 094 221

Operating profit

(R'000)

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
Mar-11
(12 961)
46 314
7 304
30 997
146 982
140 570
9 674
—
59 007
—
236 045
38 814
702 746
19 740
12 508
36 882
69 130
—
771 876
83 202
855 078
Operating profit
(\$'000)
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

Mar-11

(1 856)

6 629

1 047

4 436

21 040

20 122

1 385

–

8 446

–

33 788

5 556

100 593

2 826

1 791

5 279

9 896

–

110 489

11 911

122 400

Capital expenditure

(R'000)

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

787 686

Mar-11

37 321
67 049
29 981
14 733
85 915
40 588
81 737
37 009
74 469
22 026
67 259
14 225
572 312
1 246
5 844
12 353
19 443
7 112
598 867
67 982
666 849
Capital expenditure
(\$'000)
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
116 257
Mar-11
5 342
9 598
4 292
2 109
12 298

5 810
11 700
5 298
10 660
3 153
9 628
2 036
81 924
178
837
1 768
2 783
1 018
85 725
9 731
95 456

18

Results for the quarter and the year

ended 30 June 2011

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011

2011

2010

2011

2010

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Note

R million

R million

R million

R million

R million

Continuing operations

Revenue

3 422

2 949

3 045

12 445

11 284

Cost of sales

2

(3 491)

(2 623)

(2 649)

(11 615)

(10 484)

Production costs

(2 508)

(2 064)

(2 075)

(9 074)

(8 325)

Royalty

expense

(13)

(30)

(28)

(96)

(33)

Amortisation and depreciation

(477)

(431)

(383)

(1 776)

(1 375)

Impairment of assets

(264)

-

(30)

(264)

(331)

Employment termination and restructuring costs					
–	(26)	(82)	(158)	(205)	
Other items					
(229)	(72)	(51)	(247)	(215)	
Gross (loss)/profit					
t					
(69)	326	396	830	800	
Corporate, administration and other expenditure					
(71)	(93)	(124)	(354)	(382)	
Social investment expenditure					
(18)	(27)	(28)	(84)	(81)	
Exploration expenditure					
3	(102)	(77)	(60)	(353)	(219)
Profit on sale of property, plant and equipment					
5					
8					
101					
29					
104					
Other income/(expenses) – net					
33					
(8)					
40					
(24)					
(58)					
Operating (loss)/profit					
(222)	129	325	44	164	
(Loss)/profit from associates					
–					
(24)					
(7)					
(51)					
56					
Reversal of impairment/(impairment) of investment in associate					
6					
18					
(160)					
–					
(142)					
–					
Loss on sale of investment in subsidiary					

-				
-				
-				
-				
(24)				
Net gain on financial instruments				
4				
22				
3				
11				
414				
38				
Investment				
income				
24	64	25	140	187
Finance cost				
(89)				
(71)				
(94)				
(288)				
(246)				
(Loss)/profit before taxation				
(247)				
(59)				
260				
117				
175				
Taxation				
205	297	(227)	480	(335)
Normal				
taxation				
10	(12)	(20)	(12)	(84)
Deferred taxation				
5				
195	309	(207)		
492	(251)			
Net (loss)/profit from				
continuing				
operations				
(42)	238	33	597	(160)
Discontinued operations				
(Loss)/profit from discontinued operations				
6				
-	-			
(20)				
20	(32)			
Net (loss)/profit				
(42)	238	13	617	(192)
<i>Attributable to:</i>				
Owners of the parent				
(42)				

238				
13				
617				
(192)				
Non-controlling interest				
–	–	–	–	–
(Loss)/earnings per ordinary share (cents)				
7				
– (Loss)/earnings from continuing operations				
(10)				
55				
8				
139				
(38)				
– (Loss)/earnings from discontinued operations				
–	–	(5)		
5	(8)			
Total (loss)/earnings per ordinary share (cents)				
(10)	55	3	144	(46)
Diluted (loss)/earnings per ordinary share (cents)				
7				
– (Loss)/earnings from continuing operations				
(10)				
55	8			
139				
(38)				
– (Loss)/earnings from discontinued operations				
–				
–				
(5)				
5				
(8)				
Total diluted (loss)/earnings per ordinary share (cents)				
(10)	55	3	144	(46)

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

19
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (Rand)

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011	2011	2010	2011	2010
(Unaudited)	(Unaudited)	(Unaudited)		

(Audited)

R million	R million	R million	R million	R million
-----------	-----------	-----------	-----------	-----------

Net (loss)/profit for the period

(42)

238

13

617

(192)

Other comprehensive income/(loss) for the period,

net of income tax

418 6

(166)

368 (131)

Foreign exchange translation

473 22

(161)

470 (127)

Fair value movement of available-for-sale investments

(55)

(16)

(5)

(102)

(4)

Total comprehensive income/(loss) for the period

376

244

(153)

985

(323)

Attributable to:

Owners of the parent

376 244 (153)

985 (323)

Non-controlling interest

— — — — —

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

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Results for the quarter and the year

ended 30 June 2011

CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

At	At	At	
30 June			
31 March			
30 June			
2011	2011	2010	
(Unaudited)			
(Audited)			
Note	R million	R million	R million

ASSETS**Non-current assets**

Property, plant and equipment

8

31 221

30 557

29 556

Intangible assets

8

2 170

2 188

2 210

Restricted cash

31 27 146

Restricted investments

1 883

1 866

1 742

Investments in nancial assets

185

236

12

Investments in associates

–

–

385

Inventories

9 172 227 214

Trade and other receivables

23

69

75

35 685 35 170 34 340

Current assets

Inventories

9 837 954 987

Trade and other receivables

1 073

1 111

932			
Income and mining taxes			
139			
119			
74			
Cash and cash equivalents			
693			
656			
770			
2 742	2 840	2 763	
Assets of disposal groups classified as held for sale			
6			
268			
174			
245			
3 010	3 014	3 008	
Total assets			
38 695	38 184	37 348	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
28 305	28		
290	28 261		
Other reserves			
762	299	258	
Retained earnings			
1 093			
1 135			
690			
30 160	29 724	29 209	
Non-current liabilities			
Deferred tax liability			
3 067			
3 313			
3 534			
Provision for environmental rehabilitation			
10			
1 971			
1 785			
1 692			
Retirement benefit obligation and other provisions			
174			
179			
169			
Borrowings			
11	1 229	1 487	981
6 441	6 764	6 376	
Current liabilities			
Borrowings			
11			
330	336	209	

Income and mining taxes		
2	17	9
Trade and other payables		
12		
1 746		
1 343		
1 410		
2 078		
1 696		
1 628		
Liabilities of disposal groups classifed as held for sale		
6		
16	—	
135		
2 094		
1 696		
1 763		
Total equity and liabilities		
38 695		
38 184		
37 348		

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

21

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand)

for the year ended 30 June 2011

Share	Retained capital	reserves	earnings
Other			
Total			
R million			
R million			
R million			
R million			
Balance – 30 June 2010			
28 261			
258			
690			
29 209			
Issue of shares			
44	–		–
44			
Share-based payments			
–	136	–	136
Total comprehensive income for the year			
–	368	617	985
Dividends paid			
–	–		
(214)			
(214)			
Balance as at 30 June 2011			
28 305			
762			
1 093			
30 160			
Balance – 30 June 2009			
28 091			
339			
1 095			
29 525			
Issue of shares			
175	–		–
175			
Share-based payments			
(5)			
148	–		
143			
Repurchase of equity interest			
–	(98)		
–	(98)		
Total comprehensive loss for the year			
–	(131)		
(192)			

(323)

Dividends paid

— —

(213)

(213)

Balance as at 30 June 2010

28 261

258

690

29 209

The statement of changes in equity for the year ended 30 June 2010 has been audited.

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

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Results for the quarter and the year

ended 30 June 2011

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011

2011

2010

2011

2010

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Note

R million

R million

R million

R million

R

million

Cash ow from operating activities

Cash generated by operations

1 052

213

877

2 418

1 611

Interest and dividends received

24

64

32

140

187

Interest

paid

(35)

(34)

(38)

(134)

(90)

Income and mining taxes (paid)/refund

(19)

8

(55)

(45)

(125)

Cash generated by operating activities

1 022

251

816

2 379

1 583

Cash ow from investing activities

(Increase)/decrease in restricted cash

(4)

-

-

116

15					
Proceeds on disposal of investment in subsidiary					
–					
–					
–					
229					
24					
Proceeds on disposal of available-for-sale financial assets					
–	–	8	1		
50					
Prepayment for Evander 6 and Twistdraai transaction					
12					
100	–	–			
100	–				
Other investing activities					
(10)	16	(11)	10	(12)	
Net additions to property, plant and equipment					
(829)					
(687)					
(708)					
(3 110)					
(3 493)					
Cash utilised by investing activities					
(743)					
(671)					
(711)					
(2 654)					
(3 416)					
Cash ow from nancing activities					
Borrowings raised					
150	250	300	925		
1					
236					
Borrowings repaid					
(415)	(17)	(106)	(546)	(391)	
Ordinary shares issued – net of expenses					
15					
13					
7					
44					
18					
Dividends paid					
–	–	–			

(214)			
(213)			
Cash (utilised)/generated by financing activities			
(250)			
246			
201			
209			
650			
Foreign currency translation adjustments			
8			
(7)			
(17)			
(11)			
3			
Net increase/(decrease) in cash and cash equivalents			
37	(181)	289	(77)
(1			
180)			
Cash and cash equivalents – beginning of period			
656			
837			
481			
770			
1 950			
Cash and cash equivalents – end of period			
693			
656			
770			
693			
770			

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

23**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2011****1. Accounting policies***Basis of accounting*

The condensed consolidated financial statements for the year ended 30 June 2011 have been prepared in accordance with IAS 34, Interim

Financial Reporting, JSE Listing 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 2010, 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**

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011	2011	2010	2011	2010
(Unaudited)	(Unaudited)	(Unaudited)		
(Audited)				
R million				
R million				
R million				
R million				
R million				
Production costs				
2 508				
2 064				
2 075				
9 074				
8 325				
Royalty				
expense				
13	30	28	96	33
Amortisation and depreciation				
477				
431				
383				
1 776				
1 375				
Impairment of assets				
(1)				
264	–	30	264	331

Rehabilitation expenditure				
(2)				
61	4	14	74	29
Care and maintenance cost of restructured shafts				
37				
35				
15				
124				
57				
Employment termination and restructuring costs				
–				
26				
82				
158				
205				
Share based payments				
45				
28				
41				
136				
148				
Other				
(3)				
86	5	(19)	(87)	(19)
Total cost of sales				
3 491				
2 623				
2 649				
11 615				
10 484				

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

30 June 2010 relates mainly to the Virginia and Evander operations, which was recorded as a result of shaft closures.

(2) The expense for the June 2011 quarter results from the annual re-estimation of the rehabilitation obligation.

(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

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011 2011 2010 2011 2010

(Unaudited) (Unaudited) (Unaudited)

(Audited)

R million

R million

R million

R million

R million

Total exploration expenditure				
111	87	60	398	219
Less: expenditure capitalised				
(1)				
(9)				
(10)	–			
(45)	–			

Exploration expenditure per income statement**102****77****60****353****219**

(1) Relates to Brownfields exploration at Hidden Valley

4.**Net gain on financial instruments**

During the September 2010 quarter, a gain of R273 million was recognised on the Freegold option. This was following Harmony Gold Mining

Company Limited (Harmony) entering into two transactions with Witwatersrand Consolidated Gold Resources Limited (Wits Gold), whereby

Wits Gold obtains a prospecting right over Harmony's Merriespruit South area and the option held by ARMgold/Harmony Freegold Joint

Venture Company (Proprietary) Limited (Freegold), a wholly owned subsidiary of Harmony, is cancelled.

The remainder of the total relates primarily to the increase in the fair value of the Nedbank Equity Linked Deposits held by the Environmental Trusts.

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Results for the quarter and the year

ended 30 June 2011

5. Deferred taxation

The deferred taxation credit of R195 million includes credits of R119 million related to the annual re-assessment of the deferred tax rates.

The deferred taxation credit of R309 million in the March 2011 quarter includes a deferred tax credit of R333 million relating to Freegold.

South African Revenue Service (SARS) previously disallowed Freegold's "post 1973 gold mine" additional capital allowance claim, and

also disallowed Freegold's application of mining ringfencing. The disputed matters were set down to be heard in the Income Tax Court of

Johannesburg on 14 March 2011, but SARS withdrew the additional capital allowance claim on 10 March 2011, conceding that the Freegold

operations are entitled to claim this capital allowance. The inclusion of the capital allowance caused an increase in the deferred tax asset

on the balance sheet and the resulting credit in the income statement. For additional disclosure on the mining ringfencing application refer

to note 13.

6.

Disposal groups classified as held for sale and discontinued operations

Mount Magnet

The conditions precedent for the sale of Mount Magnet were fulfilled and the transaction became effective on 20 July 2010. A total purchase

consideration of R238 million was received from Ramelius Resources Limited in exchange for 100% of the issued shares of Mount Magnet.

The group recognised a total profit of R104 million net of tax, before the realisation of accumulated foreign exchange losses of R84 million

from other comprehensive income to the consolidated income statement. The income statement and earnings per share amounts for all

comparative periods have been re-presented to disclose the operation as a discontinued operation.

Investment in associate

The investment in Rand Uranium has been classified as held for sale following the decision by the shareholders to sell the business. 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. Where the carrying value of the investment exceeds the expected proceeds, an

impairment is recognised in the income statement. An impairment of R142 million has been recognised for the 2011 year.

Evander 6 and Twistdraai

On 10 September 2010, Harmony concluded a sale of assets agreement with Taung Gold Limited (Taung), in which Taung acquired the Evander

6 Shaft, the related infrastructure and surface rights permits as well as a mining right over the Evander 6 and Twistdraai areas. The total

purchase consideration is R225 million, which will be settled in cash when all remaining conditions precedent to the transaction have been

fulfilled. In terms of an amended agreement Taung paid an amount of R100 million in April 2011. Refer to note 12 for additional disclosure.

7.

(Loss)/earnings and net asset value per share

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(Loss)/earnings per share is calculated on the weighted average number of shares in issue for the quarter ended 30 June 2011: 430.0 million

(31 March 2011: 429.5 million, 30 June 2010: 427.6 million), and the year ended 30 June 2011: 429.3 million (30 June 2010: 426.4 million).

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

30 June 2011: 431.4 million (31 March 2011: 430.7 million, 30 June 2010: 429.1 million), and the year ended 30 June 2011: 430.4 million

(30 June 2010: 427.8 million).

25

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011 2011 2010 2011 2010

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

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

Basic (loss)/earnings

(10)

55 3

144

(46)

Diluted (loss)/earnings

(10)

55 3

144

(46)

Headline earnings/(loss)

30 91 (10)

223 (7)

– from continuing operations

30

91

(6)

223

1

– from discontinued operations

–

–

(4)

–

(8)

Diluted headline earnings/(loss)

30

91

(10)

222

(7)

– from continuing operations

30

91

(6)

222
 1
 – from discontinued operations
 –
 –
 (4)
 –
 (8)
 R million
 R million
 R million
 R million
 R million
Reconciliation of headline earnings/(loss):
Continuing operations
 Net (loss)/profit
 (42)
 238
 33
 597
 (160)
Adjusted for (net of tax):
 Profit on sale of property, plant and equipment
 (5)
 (8)
 (101)
 (30)
 (104)
 Taxation effect of profit on sale of property, plant
 and
 equipment
 1 2 21 8
 22
 Net gain on financial instruments
 (6)
 (3)
 (4)
 (7)
 (7)
 Taxation effect of net gain on financial instruments
 2
 1
 1
 2
 2
 (Reversal of impairment)/impairment of investment
 in associate*
 (18)
 160
 –
 142

-	
Foreign exchange loss/(gain) reclassified from other comprehensive income*	
-	
-	
47	
(22)	
Loss on sale of investment in subsidiary	
-	
-	
-	
24	
Taxation effect of loss on sale of investment in subsidiary	
-	
-	
-	
(7)	
Impairment of assets	
264	
-	
30	
264	
331	
Taxation effect of impairment of assets	
(66)	
-	
(4)	
(66)	
(75)	
Headline earnings/(loss)	130
390	
(24)	
957	
4	
Discontinued operations	
Net (loss)/profit	
-	
-	
(20)	
20	
(32)	
Adjusted for (net of tax):	
Profit on sale of investment in subsidiary	
-	
-	
(138)	
(1)	

Taxation effect of profit on sale of investment in subsidiary

–

–

–

34

–

Foreign exchange loss reclassified from other comprehensive income*

–

–

–

84

–

Headline loss

–

–

(20)

–

(33)

Total headline earnings/(loss)

130

390

(44)

957

(29)

*There is no taxation effect on these items.

Net asset value per share (cents)

At

At

At

30 June

31 March

30 June

2011

2011

2010

Number of shares in issue

430 084 628

429 807 371

428 654 779

Net asset value per share (cents)

7 013

6 916

6 814

8.

Property, plant and equipment and intangible assets

An impairment of R264 million has been recognised at 30 June 2011 for the President Steyn 1 and 2 shafts and St Helena. R9 million of the

impairment relates to goodwill, which is included in intangible assets.

9. Inventories

A write down of R41 million was recorded for the Steyn plant demolition project as well as R21 million for the net realisable value adjustment for other gold in lock-up. In addition, a write down of R30 million was recorded for certain stockpiles.

26

Results for the quarter and the year

ended 30 June 2011**10. Provision for environmental rehabilitation**

An adjustment of R157 million was made to the liability following the annual re-estimation of the rehabilitation obligation.

11. Borrowings

30 June

31 March

30 June

2011 2011 2010

(Unaudited) (Audited)

R million

R million

R million

Total long-term borrowings

1 229

1 487

981

Total current portion of borrowings

330

336

209

Total borrowings**(1) (2)****1 559****1 823****1 190**

(1) In December 2009, the Company entered into a loan facility with Nedbank Limited, comprising of a Term Facility of R900 million and a Revolving Credit Facility of

R600 million. Interest accrues on a day to day basis over the term of the loan at a variable interest rate, which is fixed for a three month period, equal to JIBAR plus 3.5%.

Interest is repayable quarterly. The Term Facility is repayable bi-annually in equal instalments of R90 million over five years. The first instalment was paid on 30 June 2010.

In December 2010, the Company entered into an additional loan facility with Nedbank Limited, comprising of a Term Facility of R500 million and a Revolving Credit Facility

of R250 million. Interest terms are identical to the original facility. The Term Facility is repayable bi-annually in equal instalments of R62.5 million over four years. The first

instalment was paid on 30 June 2011. The terms of the original Revolving Credit Facility were amended to coincide with the repayment terms of the new Revolving Credit

Facility, being payable after three years from December 2010.

At 30 June 2011, R400 million (31 March 2011: R300 million, 30 June 2010: R300 million) of these facilities had not been drawn down.

(2) Included in the borrowings is R51 million (31 March 2011: R58 million; June 2010: R91 million) owed to Westpac Bank Limited in terms of a finance lease agreement. The future minimum lease payments are as follows:

30 June

31 March

30 June

2011 2011 2010

(Unaudited) (Audited)

R million		
R million		
R million		
Due within one year		
29	29	33
Due between one and five years		
22	30	60
51	59	93
Future nance charges		
(1)		
(1)		
(2)		
Total future minimum lease payments		
50	58	91

12. Trade and other payables

Included in the balance at 30 June 2011 is an amount of R100 million paid by Taung to Harmony in terms of the amended agreement for the purchase of the Evander 6 shaft and Twistdraai areas. In terms of the amended agreement, the amount is repayable to Taung should the outstanding conditions for the transactions not be fulfilled.

13. Commitments and contingencies

30 June		
31 March		
30 June		
2011	2011	2010
(Unaudited)	(Audited)	
R million		
R million		
R million		

Capital expenditure commitments:

Contracts for capital expenditure		
194	191	335
Authorised by the directors but not contracted for		
1 504		
2 175		
1 006		
1 698		
2 366		
1 341		

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 annual report for the financial year ended 30 June 2010, available on the

group's website at www.harmony.co.za. In addition the following contingencies have been added or amended:

(a) During March 2011, the Constitutional Court handed down judgement in the case of Mr Thembekile Mankayi v AngloGold Ashanti Limited

(AGA) regarding litigation in terms of the Occupational Diseases in Mines and Works Act (ODIMWA). The judgement allows Mr Mankayi's

executor to proceed with the case in the High Court of South Africa. Harmony was named as a second defendant in the original case.

Should anyone bring similar claims against Harmony in future, those claimants would need to provide evidence proving that silicosis was contracted while in the employment of the Company and that it was contracted due to negligence on the Company's part. The link between the cause (negligence by the Company while in its employ) and the effect (the silicosis) will be an essential part of any case. It is therefore uncertain as to whether the Company will incur any costs related to silicosis claims in the future and due to the limited information available on any potential claims and the uncertainty of the outcome of these claims, no estimation can be made for the possible obligation.

(b) The Court's decision on Freegold's appeal regarding the South African Revenue Service's (SARS) application of mining tax ring-fencing was received on 1 August 2011 and the Court found in favour of SARS. The case was concluded in March 2011, but judgement was reserved at that time. The Company has decided to appeal the finding by the Court. Any additional income taxes payable are expected to be offset by additional deferred tax credits due to the impact this application will have on unredeemed capital.

27

(c) On 18 April 2008, Harmony Gold Mining Company Limited was made aware that it had been named or might be named as a defendant in a lawsuit led in the U.S. District Court in the Southern District of New York on behalf of certain purchasers and sellers of Harmony's

American Depository Receipts (ADRs) and options with regard to certain of its business practices. Harmony has retained legal counsel.

During January 2009, the plaintiff led an Amended Complaint with the United States District Court (Court).

Subsequently, the Company

led a Motion to Dismiss all claims asserted in the Class Action Case. On 19 March 2010, the Court denied the Company's application for

dismissal and subsequently the Company led a Motion for Reconsideration in which it requested the Court to reconsider its judgement.

This matter was heard on 27 April 2010 and the Company's request for reconsideration of judgement was denied.

The Company has subsequent to 30 June 2011 reached a mutually acceptable settlement with the lead plaintiff. The settlement requires

approval from the Court and no assurance can be given that the settlement will ultimately be approved.

14. Subsequent events

(a) Refer to note 13(b) for details on the post balance sheet date event relating to the Freegold court case.

(b) On 11 August 2011, the group entered into a US\$300 million Revolving Credit Facility. The facility has a term of four years and attracts

interest at LIBOR plus 260 basis points. This arrangement is subject to certain conditions precedent being satisfied.

The facility was jointly

arranged by Nedbank Limited and Firstrand Bank Limited (acting through its Rand Merchant Bank division).

(c) On 12 August 2011 the board approved a payment of dividend of 60 SA cents per share for the year ended 30 June 2011.

15. Segment report

The segment report follows on page 28 and 29.

16. Reconciliation of segment information to consolidated income statements and balance sheets

30 June

30 June

2011 2010

(Audited)

R million

R million

The "Reconciliation of segment information to consolidated income statement and balance sheet" 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, balance sheet and segment report:

Revenue from:

Discontinued operations

— —

Production costs from:

Discontinued operations

— —

Reconciliation of production profit to gross profit:

Total segment revenue

12 445

11 284

Total segment production costs and royalty expense

(9 170)

(8 358)	
Production profit as per segment report	
3 275	
2 926	
<i>Less: discontinued operations</i>	
–	–
3 275	
2 926	
Cost of sales items other than production costs and royalty expense	
(2 445)	
(2 126)	
Amortisation and depreciation	
(1 776)	
(1 375)	
Impairment of assets	
(264)	(331)
Employment termination and restructuring costs	
(158)	
(205)	
Share-based payments	
(136)	(148)
Rehabilitation costs	
(74)	(29)
Care and maintenance costs of restructured shafts	
(124)	
(57)	
Other	
87	19

Gross profit as per income statements *

830

800

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

Property, plant and equipment not allocated to a segment:

Mining assets	
871	786
Undeveloped property	
5 139	
5 139	
Other non-mining assets	
70	72
<i>Less: Non-current assets classified as held for sale</i>	
–	

(226)

6 080

5 771

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

17. Audit review

The condensed consolidated financial statements for the year ended 30 June 2011 on pages 18 to 29 have been reviewed in accordance with the International Standards on Review Engagements 2410 – “Review of interim financial information performed by the

independent Auditors
of the entity” by PricewaterhouseCoopers Inc. Their unqualified review opinion is available for inspection at the
company’s registered office.

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Results for the quarter and the year

ended 30 June 2011

SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2011 (Rand/Metric)

Production

Production

Mining

Capital

Kilograms

Tonnes

Revenue

cost

(1)

profit assets

expenditure

(4)

produced

milled

R million

R million

R million

R million

R million

kg*

t'000*

Continuing operations

South Africa

Underground

Bambanani

(2)

921

828

93

965

321

3

051

426

Doornkop

781

601

180

3 085

292

2 512

718

Evander

717

622

95

946
 196
 2
 302
 541
 Joel 454
 417
 37
 183
 73
 1
 449
 407
 Kusasalethu
 1 774
 1 321
 453
 3 220
 380
 5 609
 1 099
 Masimong
 1
 326
 756 570 899 178 4 280 868
 Phakisa
 551
 473
 78
 4 317
 369
 1 762
 387
 Target
 (2)
 1 080
 815
 265
 2 729
 439
 3 981
 805
 Tshepong
 2 007
 1 172
 835
 3 589
 273
 6 468
 1 343
 Virginia

682					
562	120	672	79	2 213	576

Surface

All other surface operations

(3)

1 176

888

288

155

147

3 790

10 431

Total South Africa**11 469****8 455****3 014****20 760****2 747****37 417****17 601**

International

Papua New Guinea

976

715

261

4 381

289

3 118

1 679

Total international**976****715****261****4 381****289****3 118****1 679****Total operations****12 445****9 170****3 275****25 141****3 036****40 535****19 280**

Reconciliation of the segment
information to the consolidated
income statements and
balance sheets (refer to note 16)

-

-

6

080

12 445

9 170

31 221

(1) Production costs includes royalty expense.

(2) Production statistics for Steyn 2 and up to March 2011 for Target 3 are included for information purposes. Steyn 2 is in build-up phase and revenue and costs are currently capitalised until commercial levels of production are reached. Target 3 had reached commercial production levels in April 2011.

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

(4) The total excludes non-operational capital expenditure of R67 million relating to Papua New Guinea.

* Production statistics are not reviewed

29

SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2010 (Rand/Metric)

Production
 Operating
 Mining
 Capital
 Kilograms
 Tonnes
 Revenue
 cost
 profit
 assets
 expenditure
 produced
 milled

R million
 R million
 R million
 R million
 R million
 kg*
 t'000*

Continuing operations

South Africa

Underground

Bambanani

(2)

1

114

745	369	954	207	4 137	528
-----	-----	-----	-----	-------	-----

Doornkop

517

410

107

2 837

342

1 950

540

Evander 910

859

51

922

175

3

475

788

Joel

524

379	145	175	88	2 006	439
-----	-----	-----	----	-------	-----

Kusasaletu

1 392

1 091

301

2 974

430

5 444

1 035

Masimong

1

277

702 575 799 177 4

840 899

Phakisa

375

326

49

4 065

486

1 371

339

Target

(2)

878

664

214

2 537

382

3 539

777

Tshepong

1 823

1 147

676

3 645

261

6 749

1 518

Virginia

1 415

1 340

75

682

180

5 288

1 656

Surface

All other surface operations

(1)

980

632 348 127 84 3 731

9
140
Total South Africa
11 205
8 295
2 910
19 717
2 812
42 530
17 659
International
Papua New Guinea
(3)
79
63
16
3 771
541
1 903
304
Total international
79
63
16
3 771
541
1 903
304
Total continuing operations
11 284
8 358
2 926
23 488
3 353
44 433
17 963
Discontinued operations
Mount Magnet
—
—
—
226
—
—
—
Total discontinued operations
—
—
—
226
—

—
—
Total operations

11 284

8 358

2 926

23 714

3 353

44 433

17 963

Reconciliation of the segment
information to the consolidated
income statement and
balance sheet (refer to note 16)

—

—

5

771

11 284

8 358

29 485

Notes:

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

(2) Production statistics for President Steyn and Target 3 are included for information purposes. These mines are in build-up phase and revenue and costs are currently capitalised until commercial levels of production are reached.

(3) Production statistics for Papua New Guinea are included for the full year for information purposes. The mine was in build-up phase until the end of April 2010, when commercial levels of production were reached. Revenue and costs up to this date were capitalised.

* Production statistics are not reviewed

30

Results for the quarter and the year

ended 30 June 2011

31

Operating results (US\$/Imperial)

Underground production – South Africa

Surface production – South Africa

Total

South

South

Quarter

Kusasa-

Under-

Total

Africa

Africa

Hidden

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

Total

Ore milled

– t'000

Jun-11

124

258

146

133

336

210

117

–

185

83

361

117

2 070

432

1 375

1 021

2 828

–

4 898

463

5 361

Mar-11

89

191

143

130

328

238

97

–

178

–

367

115

1 876

411

1 370

1 018

2 799

–

4 675

449

5 124

Gold produced

– oz

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

Mar-11
17 972
18 358
15 529
14 307
47 069
33 405
13 117
450
25 238
8 038
53 981
15 014
262 478
8 874
4 790
15 239
28 903
—
291 381
25 528
316 909
Yield
— oz/t
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
Mar-11
0.202
0.096
0.109
0.110

0.144
0.140
0.135
—
0.142
—
0.147
0.131
0.135
0.022
0.003
0.015
0.010
—
0.061
0.057
0.060
Cash operating costs
— \$/oz
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
Mar-11
1 484
1 022
1 327
1 061
893
781
1 277
—
906

-
760
1 012
965
1 029
1 157
957
1 012
-
970
966
970
Cash operating costs
- \$/t
Jun-11
265
104
156
129
153
125
169
-
148
166
126
135
145
29
4
16
12
-
68
63
68
Mar-11
300
98
144
117
128
110
173
-
128
-
112
132
131
22

4
14
10
—
59
55
58
Gold sold
— oz
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
Mar-11
17 394
17 458
16 815
13 021
49 673
32 311
12 667
450
22 731
8 038
52 213
14 532
257 303
8 456
4 726
15 111
28 293
—
285 596
26 782

312 378

Revenue

(\$'000)

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

Mar-11

24 229

24 277

23 239

18 083

68 794

44 979

17 678

—

31 662

—

72 649

20 220

345 810

11 722

6 565

21 098

39 385

—

385 195

36 978

422 173

Cash operating

(\$'000)

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
costs
Mar-11
26 667
18 754
20 613
15 177
42 033
26 101
16 747
—
22 862
—
41 017
15 192
245 163
9 134
5 544
14 577
29 255
—
274 418
24 660
299 078
Inventory
(\$'000)
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
movement
 Mar-11
 (582)
 (1 106)
 1 579
 (1 530)
 5 721
 (1 244)
 (454)
 -
 354
 -
 (2 156)
 (528)
 54
 (238)
 (770)
 1 242
 234
 -
 288
 407 695
Operating costs
(\$'000)
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
Mar-11
26 085
17 648
22 192
13 647
47 754
24 857
16 293
—
23 216
—
38 861
14 664
245 217
8 896
4 774
15 819
29 489
—
274 706
25 067
299 773
Operating profit
(\$'000)
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
 Mar-11
 (1 856)
 6 629
 1 047
 4 436
 21 040
 20 122
 1 385
 –
 8 446
 –
 33 788
 5 556
 100 593
 2 826
 1 791
 5 279
 9 896
 –
 110 489
 11 911
 122 400
Capital expenditure
(\$'000)
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
116 257
 Mar-11
 5 342

9 598
4 292
2 109
12 298
5 810
11 700
5 298
10 660
3 153
9 628
2 036
81 924
178
837
1 768
2 783
1 018
85 725
9 731
95 456

32

Results for the quarter and the year

ended 30 June 2011

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)

(Convenience translation)

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011

2011

2010

2011

2010

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

Continuing operations

Revenue

505

422

404

1

781

1

489

Cost of sales

(515)

(375)

(352)

(1 663)

(1 383)

Production costs

(370)

(295)

(275)

(1 299)

(1 099)

Royalty

expense

(2)

(4)

(4)

(14)

(4)

Amortisation and depreciation

(70)

(62)

(51)

(254)

(181)

Impairment of assets

(39)

-

(4)

(38)				
(43)				
Employment termination and restructuring costs				
–				
(4)				
(11)				
(23)				
(27)				
Other items				
(34)	(10)	(7)	(35)	(29)
Gross (loss)/profit				
(10)	47	52	118	106
Corporate, administration and other expenditure				
(10)				
(13)				
(16)				
(51)				
(50)				
Social investment expenditure				
(3)				
(4)				
(4)				
(12)				
(11)				
Exploration expenditure				
(15)	(11)	(8)	(51)	(29)
Profit on sale of property, plant and equipment				
1				
1				
13				
4				
14				
Other income/(expenses) – net				
5				
(1)				
5				
(3)				
(8)				
Operating (loss)/profit				
(32)	19	42	5	22
(Loss)/profit from associates				
–				
(3)				
(1)				
(7)				
7				

Reversal of impairment/(impairment) of investment in associate				
3	(23)	–	(20)	–
Loss on sale of investment in subsidiary				
–				
–				
–				
–				
(3)				
Net gain on financial instruments				
3				
–				
2				
59				
5				
Investment income				
4	9	3	20	25
Finance cost				
(13)	(10)	(12)	(41)	(32)
(Loss)/profit before taxation				
(35)				
(8)				
34				
16				
24				
Taxation				
30	42	(30)	68	(44)
Normal taxation				
1	(2)	(3)	(2)	(11)
Deferred taxation				
29	44	(27)	70	(33)
Net (loss)/profit from continuing operations				
(5)				
34				
4				
84				
(20)				
Discontinued operations				
(Loss)/profit from discontinued operations				
–				
–				
(2)				
3				
(4)				
Net				
(loss)/profit				

(5)	34	2	87	(24)
------------	-----------	----------	-----------	-------------

Attributable to:

Owners of the parent

(5)

34

2

87

(24)

Non-controlling

interest

–	–	–	–	–
---	---	---	---	---

(Loss)/earnings per ordinary share (cents)

– (Loss)/earnings from continuing operations

(1)

8

1

20

(5)

– (Loss)/earnings from discontinued operations

–

–

(1)

1

(1)

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

(1)

8

–

21

(6)

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

– (Loss)/earnings from continuing operations

(1)

8

1

20

(5)

– (Loss)/earnings from discontinued operations

–

–

(1)

1

(1)

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

(1)

8

–

21

(6)

The currency conversion average rates for the quarter ended: June 2011: US\$1 = R6.78 (March 2011: US\$1 = R6.99, June 2010: US\$1 = R7.54).

The currency conversion average rates for the year ended: June 2011: US\$1 = R6.99 (June 2010: US\$1 = R7.58).
The income statement for the year ended 30 June 2010 has been extracted from the 2010 Annual Report.

Note on convenience translations

Except where specific statements have been extracted from the 2010 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 32 to 38.

33				
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (US\$)				
(Convenience translation)				
Quarter ended				
Year ended				
30 June				
31 March				
30 June				
30 June				
30 June				
2011	2011	2010	2011	2010
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
US\$ million				
US\$ million				
US\$ million				
US\$ million				
Net (loss)/profit for the period				
(5)				
34				
2				
87				
(24)				
Other comprehensive income/(loss) for				
the period, net of income tax				
62				
1				
(22)				
52				
25				
Foreign exchange translation				
70				
3				
(21)				
67				
25				
Fair value movement of available-for-sale investments				
(8)				
(2)				
(1)				
(15)				
—				
Total comprehensive income/(loss)				
for the period				
57				
35				
(20)				
139				
1				
<i>Attributable to:</i>				
Owners of the parent				

57

35

(20)

139

1

Non-controlling
interest

— — — — —

The currency conversion average rates for the quarter ended: June 2011: US\$1 = R6.78 (March 2011: US\$1 = R6.99, June 2010: US\$1 = R7.54).

The currency conversion average rates for the year ended: June 2011: US\$1 = R6.99 (June 2010: US\$1 = R7.58).

The statement of other comprehensive income for the year ended 30 June 2010 has been extracted from the 2010 Annual Report.

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Results for the quarter and the year

ended 30 June 2011

CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)

(Convenience translation)

At

At

At

30 June

31 March

30 June

2011

2011

2010

(Unaudited)

(Unaudited)

(Audited)

US\$ million

US\$ million

US\$ million

ASSETS

Non-current assets

Property, plant and equipment

4 607

4 509

3 874

Intangible assets

320

323

290

Restricted cash

5

4

19

Restricted investments

278

275

228

Investments in financial assets

27

35

2

Investments in associates

— —

50

Inventories

25

33

28

Trade and other receivables

3

10

10

5 265

5 189

4 501

Current assets

Inventories

124

141

129

Trade and other receivables

158

164

122

Income and mining taxes

21

18

10

Cash and cash equivalents

102

97

101

405

420

362

Assets of disposal groups classified as held for sale

40

26

32

445

446

394

Total assets

5 710

5 635

4 895

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

4 177

4 175

4 027

Other reserves

112

44

(40)

Retained earnings/(accumulated loss)

161

167

(159)

4 450

4 386

3 828

Non-current liabilities

Deferred tax

453 489 463

Provisions for environmental rehabilitation

291

263

222

Retirement benefit obligation and other provisions

26

26

22

Borrowings

181

219

129

951 997 836

Current liabilities

Borrowings

49

50

27

Income and mining taxes

—

3

1

Trade and other payables

258

199

185

307

252

213

Liabilities of disposal groups classified as held for sale

2

—

18

309

252

231

Total equity and liabilities

5 710

5 635

4 895

Number of ordinary shares in issue

430 084 628

429 807 371

428 654 779

Net asset value per share (cents)

1 035

1 020

893

The balance sheet for June 2011 converted at a conversion rate of US\$1 = R6.78 (March 2011: US\$1 = R6.78, June 2010: US\$1 = R7.63).

The balance sheet as at 30 June 2010 has been extracted from the 2010 Annual Report.

35

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

for the year ended 30 June 2011 (Convenience translation)

Retained
earnings/

Share	Other
(Accumulated capital	reserves
loss)	

Total

US\$ million

US\$ million

US\$ million

US\$ million

Balance – 30 June 2010

4 170

38

102

4 310

Issue of shares

7

–

–

7

Share-based payments

–

20

–

20

Total comprehensive income for the year

–

54

91

145

Dividends paid

–

–

(32)

(32)

Balance as at 30 June 2011

4 177

112

161

4 450

Balance – 30 June 2009

4 004

(72)

(108)

3 824

Issue of shares

24

-
-
24
Share-based payments
(1)
20
-
19
Repurchase of equity interest
-
(13)
-
(13)
Total comprehensive loss for the year
-
25
(24)
1
Dividends paid
-
-
(27)
(27)
Balance as at 30 June 2010
4 027
(40)
(159)
3 828

The currency conversion closing rates for the year ended: June 2011: US\$1 = R6.78 (June 2010: US\$1 = R7.63).
The statement of changes in equity for the year ended 30 June 2010 has been extracted from the 2010 Annual Report.
The statement of changes in equity for the year ended 30 June 2011 is unaudited.

36

Results for the quarter and the year

ended 30 June 2011

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)

(Convenience translation)

Quarter ended

Year ended

30 June

31 March

30 June

30 June

30 June

2011 2011 2010 2011 2010

(Unaudited) (Unaudited) (Unaudited) (Unaudited) (Audited)

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

Cash flow from operating activities

Cash generated by operations

155

30

116

346

214

Interest and dividends received

4

9

4

20

25

Interest paid

(5)

(5)

(5)

(19)

(12)

Income and mining taxes (paid)/refund

(3)

1

(7)

(6)

(17)

Cash generated by operating activities

151

35

108

341

210

Cash flow from investing activities

(Increase)/decrease in restricted cash

(1)

–

–

17

2

Proceeds on disposal of investment in subsidiary

–

–

–

33

3

Proceeds on disposal of available-for-sale financial assets

–

–

1

–

7

Prepayment for Evander 6 and Twistdraai transaction

15

–

–

14

–

Other investing activities

(1)

2

(1)

1

(2)

Net additions to property, plant and equipment

(122)

(98)

(94)

(445)

(463)

Cash utilised by investing activities

(109)

(96)

(94)

(380)

(453)

Cash flow from financing activities

Borrowings raised

22

36

40

132

168

Borrowings repaid

(60)

(2)	
(14)	
(78)	
(57)	
Ordinary shares issued – net of expenses	
2	
2	
1	
6	
3	
Dividends paid	
–	
–	
–	
(31)	
(29)	
Cash (utilised)/generated by financing activities	
(36)	
36	
27	
29	
85	
Foreign currency translation adjustments	
(1)	
(5)	
(6)	
11	
6	
Net increase/(decrease) in cash and cash equivalents	
5	
(30)	
35	
1	
(152)	
Cash and cash equivalents – beginning of period	
97	
127	
66	
101	
253	
Cash and cash equivalents – end of period	
102	
97	
101	
102	
101	
Operating activities translated at average rates for the quarter ended: June 2011: US\$1 = R6.78 (March 2011: US\$1 = R6.99, June 2010: US\$ = R7.54).	
Average rates for the year ended : June 2011: US\$1 = R6.99 (June 2010: US\$1 = R7.58)	
Closing balance translated at closing rates of: June 2011: US\$1 = R6.78 (March 2011: US\$1 = R6.78, June 2010: US\$1: R7.63).	

The cash ow statement for the year ended 30 June 2010 has been extracted from the 2010 Annual Report.

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SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2011 (US\$/Imperial) (Unaudited)
(Convenience translation)

Production

Production

Mining

Capital

Ounces

Tons

Revenue

cost

(1)

profit assets

expenditure

(4)

produced

milled

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

Continuing operations

South Africa

Underground

Bambanani

(2)

132

118

14

142

46

98 092

470

Doornkop

112

86

26

455

42

80 763

792

Evander

102

89

13

140

28

74 011

596
Joel
65
60
5
27
11
46 586
448
Kusasaletu
254
189
65
475
54
180 334
1 212
Masimong
190
108
82
133
26
137 605
957
Phakisa
79
68
11
637
53
56 649
427
Target
(2)
154
117
37
403
63
127 992
888
Tshepong
287
168
119
530
39
207 950
1 481
Virginia

98

80

18

99

11

71 149

636

Surface

All other surface operations

(3)

168

127

41

23

21

121 851

11 501

Total South Africa

1 641

1 210

431

3 064

394

1 202 982

19 408

International

Papua New Guinea

140

103

37

646

42

100 246

1 852

Total international

140

103

37

646

42

100 246

1 852

Total operations

1 781

1 313

468

3 710

436

1 303 228

21 260

(1) Production costs includes royalty expense.

(2) Production statistics for Steyn 2 and up to March 2011 for Target 3 are included for information purposes. Steyn 2 is in build-up phase and revenue and costs are currently capitalised until commercial levels of production are reached. Target 3 had reached commercial production levels in April 2011.

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

(4) The total excludes non-operational capital expenditure of US\$10 million relating to Papua New Guinea.

All income statement items, including capital expenditure, are converted at the currency conversion rate of US\$1 = R6.98

Mining assets are converted at the currency conversion rate of US\$1 = R6.78

38

Results for the quarter and the year

ended 30 June 2011

SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2010 (US\$/Imperial) (Unaudited)
(Convenience translation)

Production

Operating

Mining

Capital

Ounces

Tons

Revenue

cost

profit

assets

expenditure

produced

milled

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

Continuing operations

Underground

Bambanani

(2)

147

98

49

125

28

133 007

582

Doornkop

68

54

14

372

45

62 694

595

Evander

120

113

7

121

23

111 724

869
Joel
69
50
19
23
10
64 495
484
Kusasaletu
184
144
40
390
57
175 029
1 141
Masimong
168
93
75
105
23
155 609
991
Phakisa
50
43
7
533
64
44 079
374
Target
116
88
28
333
51
113 782
857
Tshepong
241
151
90
478
35
216 986
1 674
Virginia
187

177
10
89
24
170 013
1 826
Surface
All other surface operations
(1)
129
84
45
17
11
119 954
10 077
Total South Africa
1 479
1 095
384
2 586
371
1 367 372
19 470
International
Papua New Guinea
(3)
10
8
2
494
71
61 173
335
Total international
10
8
2
494
71
61 173
335
Total continuing operations **1 489**
1 103
386
3 080
442
1 428 545
19 805
Discontinued operations
Mount Magnet

–
–
–
29

–
–
–

Total discontinued operations

–
–
–
29

–
–
–

Total operations

1 489
1 103
386
3 109
442
1 428 545
19 805

Notes:

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

(2) Production statistics for President Steyn and Target 3 are included for information purposes. These mines are in build-up phase and revenue and costs are currently capitalised until commercial levels of production are reached.

(3) Production statistics for Papua New Guinea are shown for the full year for information purposes. The mine was in build-up phase until the end of April 2010, when commercial levels of production were reached. Revenue and costs up to this date were capitalised.

All income statement items, including capital expenditure, are converted at the currency conversion rate of US\$1 = R7.58.

Mining assets are converted at the currency conversion rate of US\$1 = R7.63.

39

DEVELOPMENT RESULTS (Metric)

Quarter ended 30 June 2011

Channel

Channel

Reef

Sampled

Width

Value

Gold

(metres)

(metres)

(cm's)

(g/t)

(cmg/t)

Tshepong

Basal 665

584

11.99

74.18

889

B Reef

144

74

81.49

82.05

6 686

All Reefs **808****658****19.81****77.82****1 541**

Phakisa & Nyala

Basal 421

432

79.80

10.60

846

All Reefs **421****432****79.80****10.60****846**

Total Bambanani

Basal 67.6

84

179.20

11.73

2 101

All Reefs **68****84**

179.20
11.73
2 101
 Doornkop
 South Reef
 323.4
 330
 69.00
 16.10
 1 110
 All Reefs **323**
330
69.00
16.09
1 110
 Kusasalethu
 VCR Reef
 528.7
 582
 66.00
 17.06
 1 126
 All Reefs
529 582 66.00
17.06
1 126
 Total Target
 (incl. Target 1 & Target 3)
 Elsburg 526.2
 366
 143.36
 9.02
 1 293
 A Reef
 39.2
 12
 123.33
 15.54
 1 917
 B Reef
 54.1
 10
 10.80
 39.80
 430
 All Reefs **620**
388
139.32
9.26
1 290
 Masimong

Basal	532.0
451	
46.54	
18.58	
865	
B Reef	
132.5	
125	
59.24	
18.67	
1 106	
All Reefs	665
576	
49.30	
18.60	
917	
Evander	
Kimberley	289.7
264	
77.00	
16.19	
1 247	
All Reefs	290
264	
77.00	
16.19	
1 247	
Virginia	
(incl. Unisel & Merriespruit)	
Basal	465.1
362	
130.82	
9.54	
1 248	
Leader	572.9
492	
214.40	
4.60	
986	
B Reef	
25.6	
10	
9.00	
80.49	
724	
All Reefs	1 064
864	
177.00	
6.18	
1 093	
Joel	

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Beatrix	435.0
378	
127.70	
14.05	
1 794	
All Reefs	435
378	
127.70	
14.05	
1 794	
Total Harmony	
Basal	
2 150	
1 913	
65.28	
15.24	
995	
Beatrix	435
378	
127.70	
14.05	
1 794	
Leader	573
492	
214.40	
4.60	
986	
B Reef	
356	
219	
62.25	
47.24	
2 941	
A Reef	
39.2	
12.0	
123.33	
15.54	
1 917	
Elsburg	526.2
366.0	
143.36	
9.02	
1 293	
Kimberley	289.7
264.0	
77.00	
16.19	
1 247	
South Reef	
323	

330
 69.00
 16.09
 1 110
 VCR 529
 582
 66.00
 17.06
 1 126
 All Reefs 5 221

4 556

93.88

13.00

1 220

DEVELOPMENT RESULTS (Imperial)

Quarter ended 30 June 2011

Channel

Channel

Reef

Sampled

Width

Value

Gold

(feet)

(feet)

(inches)

(oz/t)

(in.oz/t)

Tshepong

Basal

2 180

1 916

5.00

2.04

10

B Reef

471

243

32.00

2.40

77

All Reefs 2 652

2 159

8.00

2.21

18

Phakisa & Nyala

Basal

1 381

1 417

31.00

0.31			
10			
All Reefs	1 381		
1 417			
31.00			
0.31			
10			
Total Bambanani			
Basal	222		
276			
71.00			
0.34			
24			
All Reefs	222		
276			
71.00			
0.34			
24			
Doornkop			
South Reef			
1 061			
1 083			
27.00			
0.47			
13			
All Reefs	1 061		
1 083			
27.00			
0.47			
13			
Kusasaletu			
VCR Reef			
1 735			
1 909			
26.00			
0.50			
13			
All Reefs			
1 735	1 909	26.00	0.50
13			
Total Target			
(incl. Target 1 & Target 3)			
Elsburg			
1 726			
1 201			
56.00			
0.27			
15			
A Reef			
129			
39			

49.00
 0.45
 22
 B Reef
 177
 33
 4.00
 1.24
 5
 All Reefs **2 032**
1 273
55.00
0.27
15
 Masimong
 Basal
 1 745
 1 479
 18.00
 0.55
 10
 B Reef
 435
 411
 23.00
 0.55
 13
 All Reefs **2 180**
1 890
19.00
0.55
11
 Evander
 Kimberley 950
 866
 30.00
 0.48
 14
 All Reefs **950**
866
30.00
0.48
14
 Virginia
 (incl. Unisel & Merriespruit)
 Basal
 1 526
 1 188
 52.00
 0.28
 14

Leader	1 880
1 614	
84.00	
0.13	
11	
B Reef	
84	
33	
4.00	
2.08	
8	
All Reefs	3 490
2 835	
70.00	
0.18	
13	
Joel	
Beatrix	1 427
1 240	
50.00	
0.41	
21	
All Reefs	1 427
1 240	
50.00	
0.41	
21	
Total Harmony	
Basal	
7 054	
6 276	
26.00	
0.44	
11	
Beatrix	
1 427	
1 240	
50.00	
0.41	
21	
Leader	
1 880	
1 614	
84.00	
0.13	
11	
B Reef	
1 168	
719	
25.00	
1.35	

34	
A Reef	
129	
39	
49.00	
0.45	
22	
Elsburg	
1 726	
1 201	
56.00	
0.27	
15	
Kimberley	950
866	
30.00	
0.48	
14	
South Reef	
1 061	
1 083	
27.00	
0.47	
13	
VCR	
1 735	
1 909	
26.00	
0.50	
13	
All Reefs	17 130
14 948	
37.00	
0.38	
14	

40

Results for the quarter and the year

ended 30 June 2011

CONTACT DETAILS

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Directors

P T Motsepe (Chairman)*

G P Briggs (Chief Executive Officer)

H O Meyer (Financial Director)

H E Mashego (Executive Director)

F F T De Buck*

^

(Lead independent director)

F Abbott*, J A Chissano*

1

, K V Dicks*

^

Dr D S Lushaba*

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, C Markus*

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,

M Motloba*

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, M Msimang*

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, D Nokó*

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C M L Savage*

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, A J Wilkens*, J Wetton*

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* Non-executive

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Independent

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Mozambican

Investor Relations Team

Henrika Basterfield

Investor Relations Officer

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Company Secretary

iThemba Governance and Statutory Solutions (Pty) Ltd

Annamarie van der Merwe

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South African Share Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

13th Floor, Rennie House

19 Ameshoff Street

Braamfontein, 2001

PO Box 4844

Johannesburg, 2000

South Africa

Telephone: +27 86 154 6572

Fax: +27 86 674 4381

United Kingdom Registrars

Capita Registrars

The Registry

34 Beckenham Road

Beckenham

Kent BR3 4TU

United Kingdom

Telephone:

0871 664 0300 (UK)

(calls cost 10p a minute plus network extras, lines are open

8:30 am to 5:30 pm (Monday to Friday)

or +44 (0) 20 8639 3399 (calls from overseas)

Fax: +44 (0) 20 8639 2220

ADR Depositary

BNY Mellon

101 Barclay Street

New York, NY 10286

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Telephone: +1888-BNY-ADRS

Fax: +1 212 571 3050

Sponsor

JP Morgan Equities Limited

1 Fricker Road, corner Hurlingham Road

Illovo, Johannesburg, 2196
Private Bag X9936, Sandton, 2146
Telephone: +27 11 507 0300
Fax: +27 11 507 0503

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

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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: August 15, 2011

Harmony Gold Mining Company Limited

By:

/s/ Hannes Meyer

Name: Hannes Meyer

Title: Financial Director