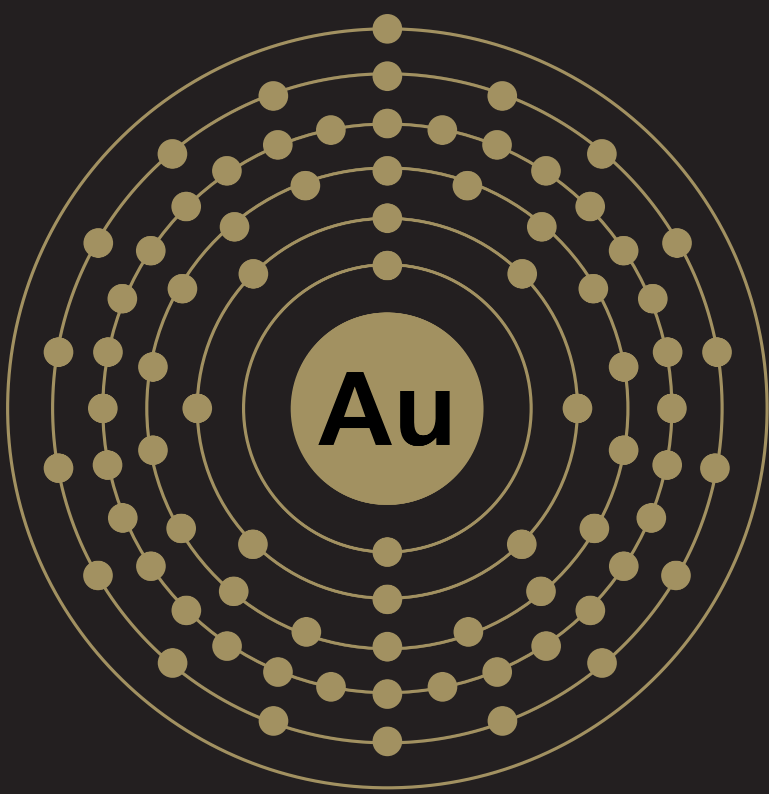
HARMONY™

Abridged integrated annual report 2011



Scope of this report

This abridged report has been derived from the integrated annual report for the financial year from 1 July 2010 to 30 June 2011 (FY11). The integrated annual report is available on the company's website (**www.harmony.co.za**). In line with its commitment to the principle of integrated reporting, Harmony Gold Mining Company Limited (Harmony) has, for the second time, incorporated its broader social, environmental and economic performance throughout this report in line with the requirements of the King Report on Governance for South Africa (King III). In addition, the company has produced:

- An online sustainable development report 2011 **(www.harmony.co.za/sd/reports/2011)** for a more detailed account of the environmental, social and governance (ESG) aspects of Harmony's business. This report has been compiled in accordance with the G3 guidelines of the Global Reporting Initiative (GRI) and the principles of integrated reporting as recommended by King III.

- An annual report prepared on a Form 20-F, and filed with the US Securities and Exchange Commission (SEC), in compliance with the listings regulations of the NYSE. Electronic copies of this will be available from October 2011 free of charge on EDGAR at **www.sec.gov** and on our corporate website: **www.harmony.co.za**

The joint aim of these reports is to give all our stakeholders – shareholders, investors, employees, suppliers, regulatory authorities and governments around the world – an informative description of Harmony's business and its operations, and their impacts.

Operational and financial information in this report covers the period FY11 with comparative annual data provided for information purposes. The abridged financial statements included in this report have been prepared in accordance with IAS 34, Interim Financial Reporting, the South African 2008 Companies Act and the listings requirements of the JSE Limited.

The mineral resources and reserves information in this abridged report has been compiled in accordance with the South African Code for Reporting of Exploration Results, Mineral Reserves and Mineral Resources (SAMREC), the Australian Code for Reporting Mineral Resources and Mineral Reserves (JORC) and Industry Guide 7 of the United States' SEC. This information has been gathered, reviewed and confirmed by the relevant competent persons as defined by SAMREC.

These reports, as well as additional detailed information on Harmony, including its regulatory filings, press releases, stock exchange announcements and quarterly reports, are available on the company's website at **www.harmony.co.za**.

All use of $ or dollar refers to US dollars, unless otherwise stated. In addition, all production volumes are reported in metric tonnes (t) unless specifically referred to as imperial tons.

For all abbreviations used in this abridged integrated annual report – see the glossary on page 118.

For quick access on your mobile to the Harmony website scan the barcode above. Alternatively go to **www.harmony.co.za** for more information.

CONTENTS

Harmony Gold Mining Company Limited ("Harmony" or the "company"), one of the world's leading gold mining companies, operates primarily in South Africa and Papua New Guinea (PNG).

Forward-looking statements

Private Securities Litigation Reform Act Safe Harbour Statement

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. These statements may be identified by words such as "expects", "looks forward to", "anticipates", "intends", "believes", "seeks", "estimates", "will", "project" or words of similar meaning. All statements other than those of historical facts included in this report are forward-looking statements, including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales; (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; and (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where the company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, project cost overruns, as well as political, economic and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. The company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

An electron shell diagram for gold, the 79th element in the periodic table.

Strategy

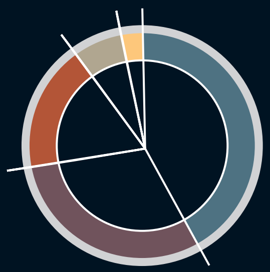
The Harmony of 2011 is well-positioned to deliver on its strategy – capable of generating earnings that fund growth and dividends. Our emphasis is on safe, profitable ounces and important steps have been implemented to ensure these goals are met by:

- **Closing high-cost mines, resulting in a better mix of assets**
- **Commissioning excellent gold mines in South Africa and PNG**
- **Tailoring each mine's business plans to its unique requirements**
- **Proactively addressing industry challenges**
- **Improving production and productivity**
- **Increasing our exploration exposure**
- **Employing an experienced team of people that will deliver value for all stakeholders well into the future**
- **Delivering value on social initiatives in all areas where the company operates.**

Our strategy is to produce 1.8 – 2 million* safe and profitable ounces of gold by 2015. We are on track to meet this target, as detailed in the chairman's letter and chief executive officer's review. Our focus is to deliver consistent production results, improve productivity, curb costs and create value for shareholders.

Shareholder information

Geographic distribution of shareholders – 30 June 2011



Harmony – an exciting investment proposition

1	Wafi-Golpu – key discovery	✓
2	Unhedged, low debt	✓
3	Building low-cost, high-grade mines	✓
4	Experienced, focused management team	✓
5	Exciting long-term possibilities	✓
6	Dividends	✓

Harmony is a publicly listed company. The company's primary listing is on the JSE Limited (share code: HAR) in South Africa. Harmony's ordinary shares are also listed on stock exchanges in London (HRM), as international depositary receipts (IDRs) in Berlin (HAM1) and Brussels (HMY), and are quoted in the form of American depositary receipts on the New York Stock Exchange (HMY).

At the end of June 2011 the company had issued 430 084 628 (FY10: 428 654 779) ordinary shares and had a market capitalisation of R38.69 billion (US$5.7 billion) [FY10: R34.89 billion ($4.5 billion)].

** Excludes future acquisitions or disposals.*

CORPORATE PROFILE

Delivering long-term value

In South Africa, the company has ten underground and one open-pit mine and several other surface operations, exploiting gold-bearing reefs of the Witwatersrand Basin. In PNG, Harmony has a 50% interest in the Morobe Mining Joint Ventures (MMJV), which includes Hidden Valley, an open-pit gold and silver mine (officially opened in September 2010), the very exciting Wafi-Golpu project, and extensive exploration tenements. Harmony's exploration portfolio focuses principally on highly prospective areas in PNG.

Significant capital expenditure in recent years has accessed the company's extensive resources and extended the lives of its mines.

We have 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; in South Africa we have Kusasalethu, Doornkop and Phakisa projects, all 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 they are positioned to deliver on their production targets.

Harmony has invested a great deal in expanding its production base in South Africa and PNG. The investment in exploration continues to return great results, with the Wafi-Golpu resource showing a phenomenal 57% increase to over one 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 is a significant year-on-year increase of 368Mt (73%), comprising 8.9Mt copper (88% increase) and 10.5Moz of gold (119% increase). Our resource base in PNG now represents 10% of Harmony's total gold resources (or 21% of the resource on a gold equivalent[1] basis), in line with Harmony's strategy to increase its geographic diversification.

In FY11, Harmony produced 1.30Moz* of gold (FY10: 1.43Moz*). The company employed 39 440 people, largely in South Africa, of whom 34 472 were full-time employees and 4 968 contractors (FY10: 40 226 people, including contractors).

At 30 June 2011, Harmony reported ore reserves of 41.6Moz (FY10: 48.1Moz) and mineral resources of 163.9Moz (FY10: 189.2Moz).

Harmony's corporate headquarters are in Randfontein, South Africa.

** Of this 19 967oz were capitalised in FY11 (FY10: 51 046oz).*
[1] Gold equivalent based on US$1 150/oz Au, US$2.50/lb Cu at 100% recovery for both metals.

KEY FEATURES 2011

Strategy

- Exciting exploration results in PNG
- Commissioned excellent gold mines in South Africa and PNG
- Building low-cost, high-grade mines

Operations

- Operations in build-up showed 22% improvement in production year on year
- Improved underground grade at 4.60g/t
- Production of 1.3Moz* gold
- First year of commercial production at Hidden Valley
- Wafi-Golpu resource at over one billion tonnes of mineralised material
- Target 3 in commercial production

** 19 967oz capitalised*

Financials

- Net profit of R617 million/US$86 million (FY10: loss of R192 million/US$24 million)
- Basic earnings per share at R1.44/USc20 (FY10: loss of 46c/USc6)
- Headline earnings of R2.23 per share (USc31) (FY10: (SAc7) or (USc1))
- Dividend of 60 SA cents per share
- Operating margins maintained at 26%

Safety and health

- Improved safety performance (FIFR)
- Excellent results from implementation of strategy to prevent falls of ground
- Healthcare facilities expanded
- Dedicated safety and health executive appointed post year end

Labour practices and human rights

- Over 2 000 residents moved out of hostels into family accommodation, either privately owned or provided by the company
- In South Africa: HDSAs made up 42% of management and women 12% of total workforce

Community

- In South Africa, R70 million (US$10 million) spent on local economic development projects and R14 million (US$2 million) on corporate social responsibility projects
- In PNG, R10 million (US$1.5 million) spent on community programmes
- BBBEE procurement expenditure in South Africa totalled R2.3 billion (42% of total discretionary expenditure)

Environment

- Development of group-level environmental strategy
- ISO 14001 certification received at two operations, being implemented at other operations
- Cyanide code implemented at most metallurgical plants
- Success of PNG programme for community access to clean water

KEY STATISTICS 2011

		FY11	FY10
Operating performance			
Ore milled	000t	**19 280**	17 963
– Underground	000t	**7 170**	8 519
– Surface	000t	**12 110**	9 444
Gold produced[1]	kg	**40 535**	44 433
	000oz	**1 303**	1 429
– Underground	kg	**33 627**	38 799
	000oz	**1 081**	1 248
– Surface	kg	**6 908**	5 634
	000oz	**222**	181
Operating cost	R/kg	**226 667**	195 162
	000oz	**1 009**	801
Yield	g/t	**2.07**	2.39
– Underground	g/t	**4.60**	4.54
– Surface	g/t	**0.57**	0.44
Financial performance			
Revenue	R million	**12 445**	11 284
	US$ million	**1 781**	1 489
Production costs	R million	**9 170**	8 358
	US$ million	**1 313**	1 103
Operating profit[2]	R million	**3 275**	2 926
	US$ million	**468**	386
Operating margin	%	**26**	26
Net profit/(loss) for the year[3]	R million	**617**	(192)
	US$ million	**86**	(24)
Total basic earnings/(loss) per share[3]	SA cents	**144**	(46)
	US cents	**20**	(6)
Total headline earnings/(loss) per share[3]	SA cents	**223**	(7)
	US cents	**31**	(1)
Capital expenditure[4]	R million	**3 144**	3 353
	US$ million	**450**	445
Market performance			
Average gold price received	R/kg	**307 875**	266 009
	US$/oz	**1 370**	1 092
Exchange rate	R/US$	**6.99**	7.58

[1] *621kg (19 967oz) capitalised (2010: 1 588kg/51 046oz).*
[2] *Operating profit is comparable to the term production profit in the segment report in the annual financial statements and not the operating profit line item in the income statement.*
[3] *Includes discontinued operations.*
[4] *Includes non-operational capital expenditure relating to PNG (R63 million, US$8 million) and exploration capitalised of R45 million (US$6 million).*

Note: All statistics are for continuing operations unless otherwise stated.

KEY STATISTICS 2011 CONTINUED

		FY11	FY10
Value-added performance			
Total payments to employees	R million	**5 543**	4 193
Dividends paid to shareholders	R million	**214**	213
Payments to government (taxation and royalties)[5]	R million	**938**	836
BBBEE procurement expenditure in South Africa	R million	**2 267**	2 036
Occupational health and safety			
FIFR – fatal injury frequency rate			
– South Africa	Per million hours worked	**0.17**	0.21
– PNG	Per million hours worked	**0.22**	0.20
LTIFR – lost-time injury frequency rate			
– South Africa✓	Per million hours worked	**8.32**	7.73
– PNG	Per million hours worked	**0.20**	0.70
South Africa			
– Shifts lost due to occupational illness and injury		**27 539**	27 254
– Noise-induced hearing loss (NIHL) cases identified	Per 1 000 employees	**11**	11
– Silicosis cases identified	Per 1 000 employees	**19**	21
– New TB cases reported	Per 100 000 employees	**3 061**	3 638
– Number of people on HAART		**2 902**	3 226
People			
Number of employees and contractors			
– Total		**39 440**	40 226
– South Africa		**39 266**	40 119
– South-east Asia		**174**	107
Employment equity (percentage of previously disadvantaged South Africans in management)		**42**	40
Community			
South Africa			
– Corporate social responsibility projects	R million	**14**	23
– Local economic development✓	R million	**70**	59
PNG	US$ million	**1.5**	1.1

[5] *Excludes value-added tax/general sales tax.*
✓ *Indicates assurance by independent auditors.*

		FY11	FY10
Environment			
Total electricity use			
– South Africa✓	000MWh	**3 429**	3 659
– PNG	000MWh	**105**	105
Total CO_2 emissions			
– South Africa	000t CO_2e	**3 570**	4 402*
– PNG	000t CO_2e	**145**	128
Total water used for primary activities			
– South Africa✓	000m³	**36 074**	44 339
– PNG	000m³	**1 534**	1 843
Total cyanide use			
– South Africa	t	**8 333**	7 884
– PNG	t	**3 300**	3 429
Funding and guarantees for rehabilitation and closure			
– South Africa	R million	**2 215**	1 987
– PNG	US$ million	**37**	53

✓ *Indicates assurance by independent auditors.*
* *Scope 1 data in FY10 was over-estimated due to a unit discrepancy.*

Strategic scorecard

Generate free cash flow

Actions	Key steps
Optimise asset portfolio	Improve cash costs Review operational performance
Increase production	↗ Safety is key ↗ Correctly targeted development ↗ Introduced short-term interval controls
Improve productivity	Focus on training, motivation, safety, health, environment, labour relations
Improve quality ounces	↗ Four projects in build-up ↗ One project to be built ↗ Steady-state operations
Explore	**PNG – Wafi-Golpu** ↗ Resource growing ↗ Drilling continuing ↗ Transfer structure exploration **PNG tenements 100% owned** ↗ Further gold-copper-molybdenum exploration
Build future mines	PNG – Wafi-Golpu
Acquire	Only quality ounces with healthy margins in south-east Asia and Africa

MATERIAL ISSUES

Harmony continues to use the principle of integrated reporting for its 2011 annual and sustainability reports. We recognise that integrated reporting combines our financial and non-financial performances to provide a holistic view of the company by explaining the cause and effect of various issues affecting the bottom line.

Our aim is improved communication with all stakeholders, to build up a formal, approved record of our financial and non-financial performance, and to comply with the listings requirements of the various stock exchanges on which Harmony is listed.

The social, environmental, governance and economic aspects of our business, and the opportunities and challenges these present, are detailed throughout the annual report. Because we believe it is important to report in greater detail than feasible in the printed annual report, and given our commitment to report in line with the Global Reporting Initiative (GRI), we have also produced a more detailed sustainable development report 2011, available online at **www.harmony.co.za/sd/reports/2011**.

Certain key performance indicators have been assured by PwC and the assurance statement appears on pages 52 and 53.

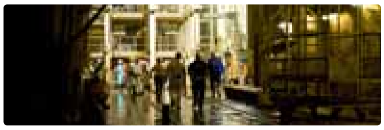
We have identified our most material issues in this year's sustainable development report, with a summary in this report. These issues are the culmination of a thorough process that proceeds, discipline by discipline, through workshops and regular feedback from stakeholders. Harmony's performance in FY11 and targets for FY12 are tabulated below.

Governance and economic sustainability

The economic dimension of sustainability concerns the impact Harmony has on the economic conditions of its stakeholders and on economic systems at local, national and global levels. The company's economic imperatives in turn are achieved within a framework of sound corporate governance. Accordingly, we report on these areas in a combined section in the sustainable development report.

Governance

Issue	Performance in FY11	Targets for FY12
Establishment and maintenance of board and management structures	Harmony has a solid governance structure. This is regularly reviewed to ensure we comply with legislation and standards in the countries in which we operate and with the stock exchanges on which Harmony is listed.	Ongoing compliance
Implementation of good practice in governance and reporting	In line with our primary listing on the JSE Limited, disclosure is guided by the new South African Companies Act 2008, JSE regulations and King III. We also comply with the regulations of other exchanges on which Harmony is listed, the US Securities and Exchange Commission (SEC) and the Sarbanes-Oxley Act of 2002. We use an integrated approach that combines financial and non-financial reporting, and our sustainable development report is aligned with GRI and King III.	Continual improvement
Integrity and ethics	A code of ethics aligned with King III governs our behaviour, while an ethics committee meets quarterly to monitor ethical behaviour within Harmony.	Continual improvement



Governance *continued*

Issue	Performance in FY11	Targets for FY12
Compliance with legislation	No significant fines were paid by the company in any areas of operation in FY11, and no actions were brought against the company for anti-competitive behaviour, anti-trust or monopoly practices.	Ongoing compliance
Risk management and mitigation	Under a formal risk policy framework and risk management structure, a summary of primary risks identified in FY11 is included on pages 22 and 23 of this report. These include safety, health, environment and human rights risks. Appropriate levels of due diligence are applied before finalising significant contracts. The precautionary approach is used in planning and developing new projects, in line with relevant legislation and good practice.	Ongoing adoption of best practice and alignment with King III

Economic sustainability

Economic context and relevance	Harmony is one of the world's leading producers of gold, and South Africa's third largest. Regionally, Harmony has an even bigger impact, for example in South Africa's Free State province where mining accounts for a significant portion of provincial GDP. In FY11, the company employed close to 40 000 people.	To play a meaningful role in the regional economies where we operate
Producing safe, profitable ounces	Harmony delivered a satisfactory performance for the year. Total gold production of 1.3Moz (40 535kg) declined, largely due to mine closures, safety stoppages and underperformance at some shafts and shaft closures. Regrettably, there were 16 fatalities – see safety discussion overleaf.	We aim to produce 1.8–2Moz* of gold in FY15. Equally, we aim to achieve this target safely – eliminating all fatal accidents
The gold market	Gold remains a desirable product and we expect the price to be around US$1 850/oz in our next financial year, especially with continued global uncertainty and a weaker dollar. Harmony remains highly exposed to the R/US$ exchange rate, as most of our operations are in South Africa. While our earnings are in dollars the exchange rate impacts our revenue in rands. The rand strengthened against the dollar throughout FY11, keeping profit margins flat.	We remain positive on gold. However, the gold price and exchange rate are not within our control. Our strategic plans for FY12 are based on a gold price of R280 000/kg (an exchange rate of R7.57/US$ and a gold price of US$1 150/oz)
Investing in the future	In FY11, we continued restructuring our asset base in line with our strategy to deliver 1.8 – 2 million* safe, profitable ounces by 2015. We invested R3.1 billion in our mines and our mineral reserves now stand at 41.6Moz of gold across South Africa and Papua New Guinea.	Ongoing development of mines: R3.6 billion allocated for capital expenditure and R474 million for exploration in FY12
Economic transformation and empowerment	South Africa: Harmony complies with the Mining Charter through partnerships and the sale to HDSA companies of interests in the company and its underlying operations. To date, approximately 36% of production was attributable to HDSA interests.	Maintain HDSA interests at current levels
	PNG: Contracts are in place with landowner groups for a range of services. We continue to offer business development opportunities to landowners as Hidden Valley moves towards full production and more opportunities become available.	Ensure ongoing dialogue with stakeholders and seek opportunities to enhance community development

** Excludes future acquisitions or disposals.*

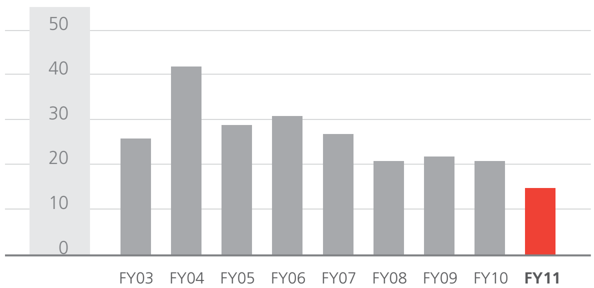
Social performance

The social dimension of sustainability concerns the impact Harmony has on the social environment in which it operates. The sustainable development report includes comprehensive discussions on safety, occupational health and well-being, labour practices and community issues.

Safety

Issue	Performance in FY11	Targets for FY12
Eliminating accidents by managing risk and ensuring appropriate structures, systems and training are in place	Regrettably, 16 employees lost their lives in mine-related incidents in FY11 (FY10: 22). Fifteen of these were at our South African operations. South Africa: The FIFR improved to 0.17, while the LTIFR deteriorated to 8.32 per million hours worked. • A comprehensive programme to prevent falls of ground has reduced fatal injuries from this source by 64% • Over 16 300 employees are completing e-learning programmes focused on safety literacy.	FIFR: 0 LTIFR: SA – 5.79 Harmony – 5.57

South Africa: Fatalities FY03 – FY11



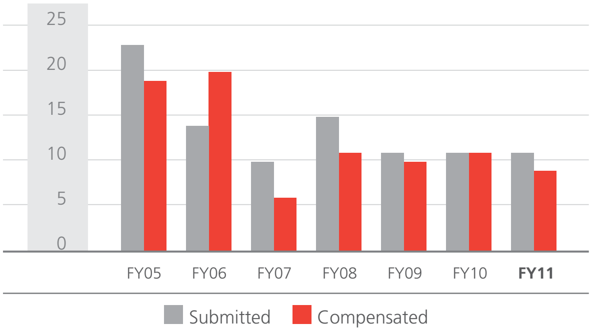
Issue	Performance in FY11	Targets for FY12
	PNG: The FIFR deteriorated slightly to 0.22 per million hours worked (FY10: 0.20), while LTIFR improved significantly to 0.20 (FY10: 0.7).	FIFR: 0 LTIFR: 0.45 PNG – 0.20 Harmony – 5.57
Reducing falls of ground	Falls of ground account for a large portion of all lost-time injuries in Harmony. Our new ground control strategy formalises and consolidates efforts to prevent fall-of-ground incidents and accidents, and promotes an even safer and more stable underground environment. • The combination of netting in selected spaces with better control and awareness reduced gravity-related falls of ground from 12 in FY10 to three in FY11.	Fall-of-ground injury frequency rate of 1.42 per million hours worked
Addressing the issue of illegal miners in South Africa	Illegal or criminal mining activities endanger the criminals' own safety as well as that of company employees. Harmony again proactively addressed illegal mining activities in FY11 by liaising with the authorities, unions, private security companies, local businesses and affected communities. • In FY11, our focus on communicating the risks and consequences of illegal mining and fraud to our own workforces paid off, with the number of employees dismissed for related offences dropping from 314 in FY10 to 133.	Eliminate illegal mining as far as practically possible

Occupational health and well-being

Issue	Performance in FY11	Targets for FY12
Noise-induced hearing loss (NIHL) and use of protective equipment	South Africa: In FY11, 420 cases of NIHL were identified (FY10: 442), with 365 cases compensated. • We have achieved a compliance level of 88% for personal protective equipment, one of the highest in the industry • All rock drills and fans exceeding stipulated noise levels have been silenced and good progress made on silencing loaders.	Meeting the industry target to prevent any hearing loss of more than 10% occurring remains a challenge for Harmony

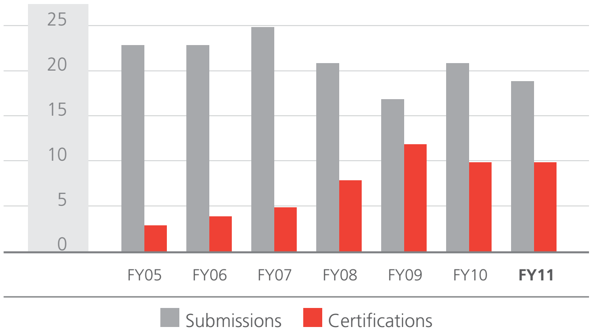
South Africa: New cases of NIHL identified

(Rate per 1 000 employees)



South Africa: New cases of silicosis identified

(Rate per 1 000 employees)

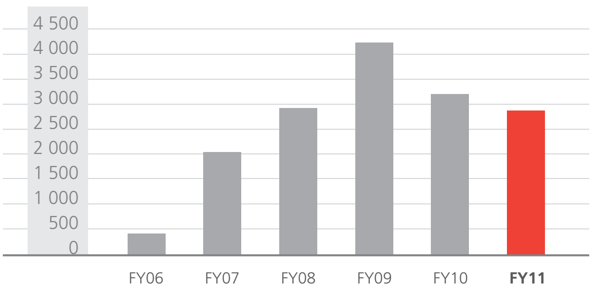


Occupational lung diseases, including silicosis	South Africa: In FY11, following the implementation of a number of operational controls, 747 suspected cases of silicosis were identified and 392 cases compensated, continuing the gradual downward trend of recent years.	We aim to have no new cases of silicosis among previously unexposed individuals
Heat stress	Extensive refrigeration and ventilation systems are in place at all operations to ensure heat stress management parameters are kept well within limits set by legislation and to continually improve the safety and productivity of persons exposed. • In FY11 26 948 heat tolerance tests were undertaken (FY10: 22 847) and there were no heat stroke cases.	Ensure continued testing as set out in our Code of Practice for thermal stress
Healthcare	PNG: The medical centres at Hidden Valley, Wafi and Wau provide full-time primary healthcare and occupational health surveillance to employees, dependants and the local community. Four new community health facilities were built at Babuaf near Wafi and Nauti, Kwembu and Winima near Hidden Valley. • In FY11, 15 216 health contacts were made at all MMJV medical centres (FY10: 19 389) and 1 466 employees treated for malaria • 20 water and sanitation projects completed in Watut River and Hidden Valley communities.	Continue ongoing surveillance for potential occupational illnesses Develop an integrated strategy, aligned with Millennium Development Goals, on TB, malaria and HIV – building on systems already in place • 20 water and sanitation projects planned

Occupational health and well-being *continued*

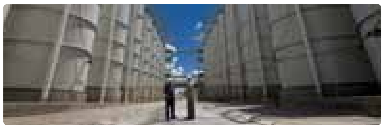
Issue	Performance in FY11	Targets for FY12
Pulmonary tuberculosis and other HIV-related illnesses	Harmony's integrated healthcare approach takes a broader view of the range of chronic diseases managed by the company. • The TB rate is declining, with 1 201 cases diagnosed in FY11. However, more cases of multidrug-resistant TB were diagnosed (63 in FY11 vs 49 in FY10) • Over the last 12 months, 26% of employees were tested for HIV and 48% received counselling; 7 009 individuals were tested (FY10: 7 374); the current uptake rate of VCT has increased to 54%. Over the past three years, 35 617 HIV/Aids tests have been performed in Harmony • In FY11, 2 902 employees participated in the HAART programme (FY10: 3 226).	Continual improvement

South Africa: Number of employees on HAART (including contractors)



Labour practices

Issue	Performance in FY11	Targets for FY12
Hostel de-densification process; accommodation and living conditions	South Africa: Our housing strategy has a dual thrust: promoting home ownership and integrating mining communities into local structures. Core to this is upgrading hostels into single occupancy or family units. • Masimong 5 project completed, Tshepong under way and will be completed in FY12 • Architect plans being drawn for Doornkop village and Kusasalethu hostel • Family units being built at Evander 1 hostel • To date, 25% of our employees have moved from hostels to single or family accommodation, while five old hostels are being converted to create 1 700 family units by 2014.	• Complete Tshepong hostel upgrade; 15 family units and 50 single rooms at Doornkop • Complete 10 family units each at Kusasalethu and Evander • Merriespruit 3 and Steyn 2 hostel upgrades planned for FY12 • Hostel project will continue until FY15, when 320 units in our North operations will be converted at a total estimated cost of R46.6 million • In the Free State, the Unisel and Phakisa hostel upgrades will be completed at an estimated total cost of R12.5 million



Labour practices *continued*

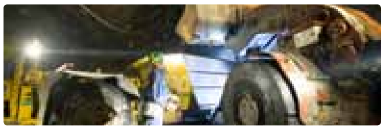
Issue	Performance in FY11	Targets for FY12
Promoting skills development and employment in our communities	In South Africa and PNG, the mining industry is a significant employer. More importantly, given the shortage of sector-specific skills in both regions, the industry is a material source of funding for skills development. South Africa: • 120 young people recruited from local communities and trained in mining-related skills. Most have subsequently been absorbed into the workforce • 24 tertiary students accommodated for experiential training • 20 students selected for Harmony Bridging School • 538 employees received portable skills training • Over 1 200 employees and community members attended ABET at a cost of R46 million – Harmony literacy rate is up from 25% in FY09 to 72% in FY11 • Over 23 000 employees (68%) received some form of training at a cost of R220 million; 94% of those trained were HDSAs and 12% women.	20 learners
	PNG: • 10 employees attended ABET classes • Training and mentoring benefited 30 locally recruited employees • Nearly 50 students from local university engaged to monitor aspects of geology and environmental management.	15 learners
Promoting sound and constructive employee relations	Harmony recognises the right of all employees and contractors to freedom of association and adheres to collective bargaining agreements relevant to the countries of operation. South Africa: • 90% of workforce unionised • Closure of Merriespruit operations, involving 3 800 people, completed without industrial stoppages. Almost 2 500 employees transferred to other Harmony operations • No production days lost to labour action in FY11 • Two-year wage agreement signed, including profit sharing, after five-day strike across gold mining sector post year end.	• Maintaining and improving relationships with employees and their recognised unions • Preventing or minimising production losses due to labour action • Promoting profit-share incentive
	PNG: • Very low rates of unionisation, no industrial action in FY11 • Effective communication ensured through representative committees.	• Maintaining and improving relationships with employees and representative committees

Labour practices *continued*

Issue	Performance in FY11	Targets for FY12
Steady progress on employment equity	Harmony's policy is to recruit local employees where possible and ensure no discrimination against foreign migrant labour. South Africa: • At 41.5%, Harmony exceeds the Mining Charter target of HDSAs comprising 40% of management • Over 11.5% of the workforce is female.	Mining Charter: Top and senior management: 30% Middle and junior management: 40% Core and critical skills: 30%
	PNG: • 91% of workforce represented by internally resourced employees • 12% of workforce now women • First three-year training plan developed and submitted to Department of Labour for approval.	• Local employees comprise 96% of workforce by FY13 • 17% of workforce to be women by FY13
Projects related to our social and labour plans, and local economic development	Harmony has a number of local economic development (LED) projects (below) in communities around our mining operations and in major labour-sending areas, including: • Developing small and medium enterprises • School and medical facilities • Sustainable human settlement projects such as partnerships in new housing developments and converting hostels into family units.	Remain committed to SLP obligations

Community

Issue	Performance in FY11	Targets for FY12
Improving employees' housing and living conditions	In South Africa, Harmony's housing strategy encompasses promoting home ownership and integrating mining communities into local structures.	Continued compliance with social and labour plan commitments
Affirmative procurement especially promoting business with HDSAs, women and local communities	South Africa: • Against the definitions of the revised Mining Charter, black economic empowerment (BEE) procurement expenditure in FY11 of R2 267 million (42% of total discretionary spend) split between: capital above target at 15%; services above target at 31% and consumables above target at 36% • Harmony's enterprise development centres in Welkom and Soweto support affirmative procurement, making it easier for BEE suppliers to conduct business with the company.	Continue affirmative procurement strategies in compliance with Mining Charter targets: • 10% for capital • 40% for services • 15% for consumables
Identifying and implementing sustainable socio-economic development initiatives such as enterprise and community skills development in line with our business philosophy, and our commitments under social and labour plans	South Africa: Harmony's corporate social responsibility (CSR) and LED activities span four key areas – education; socio-economic development; sports, arts and culture; and BEE support – in its mining and labour-sending communities. • CSR encompasses broader community development and includes national socio-economic development programmes such as mathematics and science development. Some R14 million spent in FY11 (FY10: R23 million) • LED initiatives are aligned with the Mining Charter, MPRDA and Codes of Good Practice for the Minerals and Mining Industry. In FY11 Harmony spent almost R70 million (FY10: R58 million) on LED projects.	Continue to implement CSR and LED programmes in line with the company's policy and in compliance with the Mining Charter



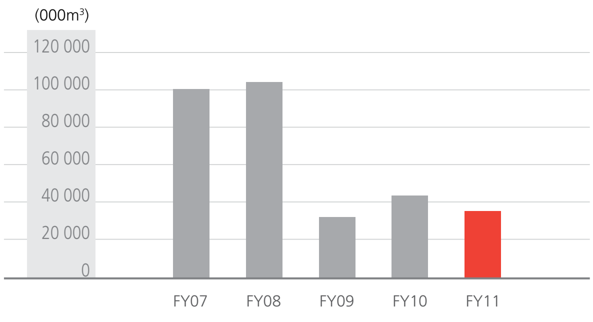
Community *continued*

Issue	Performance in FY11	Targets for FY12
	PNG: Harmony's socio-economic development programmes are aimed at addressing priorities in health, education, agriculture and infrastructure. • Clean water facilities provided for 20 villages • Health training focused on safe birthing procedures in rural villages, and first aid.	Continue to implement programmes in line with agreements, including: • Teacher in-service training support (elementary grades prep-grade 3, primary grades 4-8) including database work • Business management training • 20 water supply projects for middle Watut villages • Collaboration with government, donors and NGOs in HIV, TB, malaria awareness and prevention programmes
Developing and promoting sound and responsive internal and external relationships through effective stakeholder engagement	**South Africa:** Active and ongoing engagement with stakeholders ensures Harmony's LED priorities are stakeholder-driven and guided by an engagement process involving municipalities, communities, the DMR, NGOs and governments of the labour-sending countries of Lesotho and Mozambique.	Continue as per SLP strategic plan until 2015
	PNG: Extensive community engagement programmes address concerns on environmental impacts of the mine, particularly Watut River sedimentation issues. • Established an external stakeholder advisory panel to advise the Hidden Valley operations team on environmental improvement projects.	Continue to work with the stakeholder advisory panel and PNG regulatory authorities on implementing environmental improvement programmes at Hidden Valley mine

Environment

Issue	Performance in FY11	Targets for FY12
Water management	**South Africa:** As our operations use extensive amounts of water, a group-wide campaign is under way to reduce consumption of fresh water and optimise re-use of process water. • Total water used for primary activities decreased over 18% to 36 074 000m^3 • Potable water used declined by 2% • Of the total volume of water used, around 29% was recycled.	Working from FY08 baseline, by 2013 we aim to: • Reduce fresh water consumption by 2% • Improve use of affected water by 5% • Increase recycled water by up to 5%
	PNG: Water is the most significant resource used by MMJV. • Every effort is being made to reduce the amount of fresh water used, and increase the quantum of treated recycled water. In FY10, modifications to the Hidden Valley processing plant produced encouraging results. • Community clean water programme has established wells in 20 villages • Significant progress in reducing mine-related sediment in Watut River.	

Environment *continued*

Issue	Performance in FY11	Targets for FY12
	Water consumption – SA only 	
Land-use: concurrent rehabilitation and financial provision	As a responsible mining company, we are committed to enhancing rehabilitation at our operations and continuously identify land for rehabilitation to a sustainable alternative use. South Africa: • Total rehabilitation liability estimated at R2.23 billion in June 2011 while funding and guarantees amount to R2.22 billion. The rehabilitation liability coverage is 99.1% • Closure plan for Deelkraal approved, with concurrent rehabilitation under way at this operation and Evander Winkelhaak plant, Virginia 2 and Kalgold waste rock dumps.	• Next rehabilitation liability assessment will be done in June 2013 • Rehabilitation plan and strategy developed for decommissioned operations in Free State, to be implemented in FY12
	PNG: • Under a strategy of progressive rehabilitation, another 84 hectares of disturbed land were restored • High-capacity nursery on site was hardening 21 000 seedlings at year end, with 30 000 planted in the first half of 2011.	60 hectares to be rehabilitated
Legal compliance	In line with our strategy of meeting and exceeding legislative compliance, we are implementing appropriate environmental management systems at all operations. These will also ensure environmental management is addressed in a formal, systematic approach. South Africa: • To date, environmental management systems have been implemented at all our North operations, with Doornkop plant and shaft, and Kusasalethu already certified. In the Free State, systems are being developed and implemented • In FY11, self-assessment tools and standards were developed and will be implemented at all operations in FY12 • No environmental fines or sanctions were received in FY11.	Implementation of environmental management systems continues at remaining operations and action plans to address all high-risk impact are under way. • Certification is scheduled for Harmony 1 plant in December 2011
	PNG: • Environmental section of new integrated sustainable business management system implemented at Hidden Valley. When fully implemented, this will meet requirements of ISO 14001 and other relevant international safety and community standards.	Roll out integrated sustainable business management system across MMJV operations

Issue	Performance in FY11	Targets for FY12
Carbon legislation and footprint	Harmony is focused on reducing the use of fossil fuels and developing initiatives to mitigate and absorb greenhouse gases (GHGs) to reduce its carbon footprint. Our expansion projects will extend the lives of our mines into a period when GHG emissions are regulated. Accordingly, our policy dictates that all greenfields and brownfields projects consider the impact of climate change in their design and planning. • Fourth response to Carbon Disclosure Project (CDP) submitted. Encouraging year-on-year progress: in FY10 Harmony scored 74% to rank 17th among 71 companies on the JSE Limited. South Africa: • Total scope 1 and 2 emissions were 3 570 469 tonnes CO_2e (FY10*: 4 402 675 tonnes CO_2e), a significant decrease of 19%, with a 6% improvement attributed to scaling down and efficiency initiatives; the remainder of the saving a result of the scope 1 correction.	Harmony will review its strategy to adjust objectives and targets against 2013 benchmarks
	PNG: • Total scope 1 and 2 emissions were 145 533 tonnes CO_2e (FY10: scope 1 only 128 381 tonnes CO_2e), an increase of 12% as the operation ramps up.	Develop a carbon footprint register
Radiation	Radiation is a potential risk at certain sites in South Africa. Radiation is well controlled at our sites through systematic, systemic, and operational controls and barriers. • Regional public health assessments completed at Evander and Doornkop. These will help prioritise remedial initiatives.	Reduction of surface radiation exposures by removing infrastructure in line with the rehabilitation programme.

** Scope 1 data in FY10 was over-estimated due to a unit discrepancy.*

South African Mining Charter compliance

The South African Mining Charter was originally developed in terms of section 100 of the Mineral and Petroleum Resources Development Act (MPRDA), No 28 of 2002, to transform the mining industry by requiring applicants for mining rights to comply with certain empowerment principles for their rights to be granted. The revised charter, launched in 2010, emphasises a target of 26% black ownership of the country's mining assets by 2014.

Harmony has new-order mining rights for all its operations. In line with the charter, all our operations have social and labour plans (SLPs) with targets which have been developed with employees, communities and the DMR. Harmony reports to the DMR annually on its performance against these targets.

SOUTH AFRICAN MINING CHARTER SCORECARD

2011 scorecard for the broad-based socio-economic mining empowerment charter

Element	Description	Measure
Reporting	Has the company reported the level of compliance with the charter for the calendar year	Documentary proof of receipt from the department
Ownership	Minimum target for effective HDSA ownership	Meaningful economic participation
		Full shareholder rights
Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room.	Percentage reduction of occupancy rate towards 2014 target
	Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units
Procurement and enterprise development	Procurement spent on BEE entity	Capital goods Services Consumable goods
	Multinational suppliers' contribution to the social fund	Annual spend on procurement from multi-national suppliers
Employment equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (board) Senior management Middle management Junior management Core skills
Human resources development	Developing requisite skills, including support for South African-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation	HRD expenditure as percentage of total annual payroll (excl mandatory skills development levy)
Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects
Sustainable development and growth	Improvement of the industry's environmental management	Implement approved environmental management programmes (EMPs)
	Improvement of the industry's mine health and safety performance	Implementation of tripartite action plan on health and safety
	Utilisation of South African-based research facilities for analysis of samples across the mining value	Percentage of samples in South African facilities
Beneficiation	Contribution towards beneficiation (effective from 2012)	Added production volume contributory to local value addition beyond the baseline

	Progress achieved by	
Compliance target by 2014	**Compliance target 2011**	**Actual 2011**
Annually		June 2011
26%	15%	36%*
26%	15%	
Occupancy rate of one person per room	**Hostels** • Number of people sharing hostel rooms = 7 925. Objective is one person per room • Number of employees accommodated in single quarters (one person per room) = 3 100 • Number of employees moved to family quarters in 2011 = 230 • Number of company houses sold to employees = 31. **Provision of housing** Harmony facilitates home ownership by donating land, funding infrastructure and services, and monitoring the construction of housing units in mixed-use developments (ie retail, residential and community infrastructure).	
Family units established	Most employees receive either a housing allowance or a living-out allowance for accommodation. These allowances differ by job grading and are annually revised through collective bargaining.	
30%	5%	15%
60%	30%	31%
40%	10%	36%
0.5%	0.5%	–
40%	20%	30.8%
40%	20%	42.2%
40%	30%	41.6% (professionals, middle management)
40%	40%	58.5% (skilled technical, academically
40%	15%	qualified, junior management)
5%	3.5%	4.42%
Up-to-date project implementation		8%
100% 100%	EMP performance assessment reports are a legal requirement and must be conducted every two years. Harmony conducts these assessments in line with EMP approval conditions. These plans are amended when necessary and resubmitted to the department. Free State operations: Current EMPs were developed in 2008 and performance assessments against these plans were submitted to the DMR in June 2011 for all operations. Deviations from targeted compliance levels reflect unplanned (in 2008) closures. As these EMPs are being revised to reflect current conditions, and the principles of ISO 14001, compliance levels for Free State operations are expected to improve in FY12. North operations: All EMPs approved under the old-order Minerals Acts of 1991 have been aligned and approved under the Mineral and Petroleum Resources Development Act 2002. Environmental management systems are being implemented in all our North operations, with some operations already certified, to track compliance with EMP commitments. Implementation of environmental management systems at other operations is ongoing and action plans to address all high-risk impact are under way.	
100%	Environmental monitoring at SA laboratories 100%.	
Section 26 of MPRDA (% above baseline)		

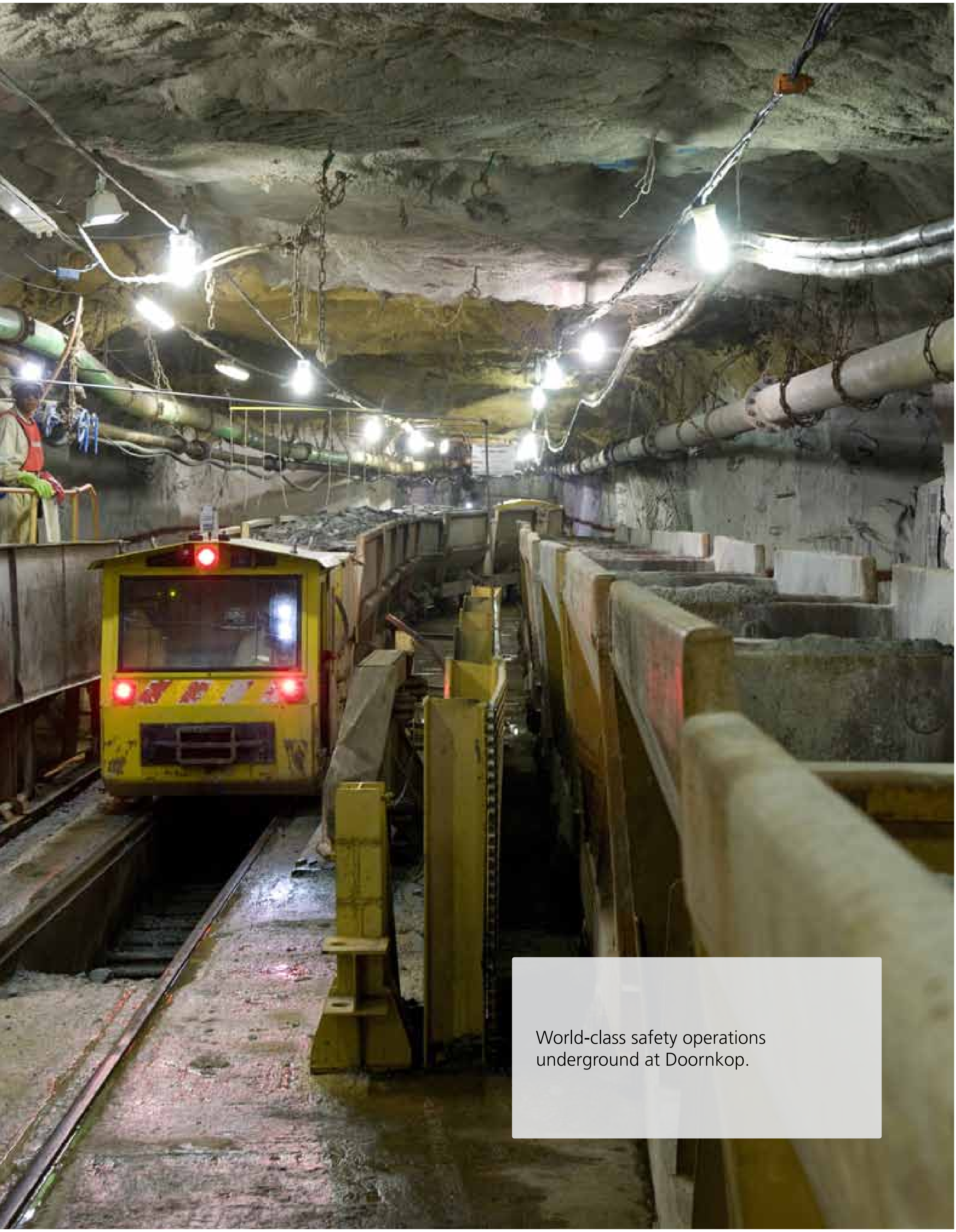
** To date, approximately 36% of production was attributable to HDSA interests.*

VALUE-ADDED STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2011

Harmony and subsidiaries

	FY11		FY10	
	R'million	%	R'million	%
Sales of gold	12 445		11 284	
Less: Cost of material and services	(2 998)		(4 491)	
Value added from trading operations	9 447	97	6 793	96
Profit on disposal of assets	29	–	104	1
Income from investments	226	3	218	3
Value added by discontinued operations – net	20	–	(32)	–
Total value added	9 722	100	7 083	100
Distributed as follows:				
Employees (including directors and management)				
salaries, retirement and other benefits (excluding employees' tax)	5 543	57	4 193	59
Providers of capital				
Dividends to shareholders	214	2	213	5
Interest on borrowings	285	3	246	3
Government and community				
Taxation	48	–	84	1
Employee tax	794	8	719	10
Royalties	96	1	33	–
Social investment	84	1	81	1
Total distributions	7 064	72	5 569	79
Retained for reinvestment:				
Depreciation and amortisation	1 777	18	1 375	19
Impairment of assets	264	3	331	5
Profit/(loss) accumulated in the business	617	7	(192)	(3)
Total reinvested	2 658	28	1 514	21
Total distribution including reinvestment	9 722	100	7 083	100

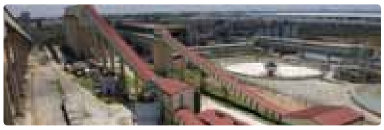


World-class safety operations underground at Doornkop.

OUR COMPANY AT A GLANCE

		Production	Cash operating cost
Build-up operations			
Doornkop		2 512kg 80 763oz	R236 810/kg US$1 054/oz
Kusasalethu		5 609kg 180 334oz	R226 398/kg US$1 008/oz
Phakisa		1 762kg 56 649oz	R269 531/kg US$1 200/oz
Hidden Valley	**Gold**	3 118kg 100 246oz	R223 019/kg US$993/oz
	Silver	20 934kg 673 032oz	
Target[1]		3 981kg 127 992oz	R227 178/kg US$1 011/oz
Steady-state operations			
Tshepong		6 468kg 207 950oz	R182 042/kg US$810/oz
Masimong		4 280kg 137 605oz	R177 130/kg US$788/oz
Evander		2 302kg 74 011oz	R266 542/kg US$1 186/oz
Other South African operations			
Bambanani[2]		3 051kg 98 092oz	R280 075/kg US$1 247/oz
Unisel[3]		2 213kg 71 149oz	R250 193/kg US$1 114/oz
Joel		1 449kg 46 586oz	R291 288/kg US$1 297/oz
Surface operations			
Kalgold		1 253kg 40 285oz	R254 946/kg US$1 135/oz
Phoenix		589kg 18 937oz	R256 353/kg US$1 141/oz
Other		1 948kg 62 629oz	R207 272/kg US$923/oz

[1] *Target includes Target 3 which only reached commercial levels of production in April 2011. Consequently 531kg (17 073oz) of Target's production was capitalised.*
[2] *Bambanani includes Steyn 2 which has not yet reached commercial levels of production. Consequently 90kg (2 894oz) of Bambanani's production was capitalised.*
[3] *Unisel forms part of the Virginia segment.*

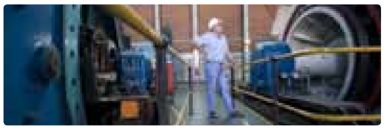


	Operating profit Figures in millions	Capital expenditure Figures in millions	Mineral resources at year end	Mineral reserves at year end	No of employees (including contractors)
	R180 US$26	R292 US$42	7.0Moz	0.9Moz	3 691
	R453 US$65	R380 US$54	10.5Moz	7.2Moz	5 756
	R78 US$11	R369 US$53	15.1Moz	5.2Moz	3 105
	R261 US$37	R289 US$42	2.7Moz	1.6Moz	2 390
			55.2Moz	33.9Moz	
	R265 US$37	R439 US$63	12.5Moz	2.7Moz	3 219
	R835 US$119	R273 US$39	12.2Moz	3.7Moz	5 188
	R570 US$82	R178 US$26	18.2Moz	1.2Moz	3 187
	R95 US$13	R196 US$28	32.5Moz	7.6Moz	2 970
	R93 US$14	R321 US$46	7.5Moz	1.2Moz	3 820
	R120 US$18	R79 US$11	5.1Moz	0.4Moz	1 870
	R37 US$5	R73 US$11	4.8Moz	0.5Moz	1 554
	R81 US$12	R18 US$3	3.6Moz	0.7Moz	545
	R36 US$5	R22 US$3	1.0Moz	1.0Moz	249
	R171 US$24	R107 US$15	9.2Moz	6.8Moz	1 070

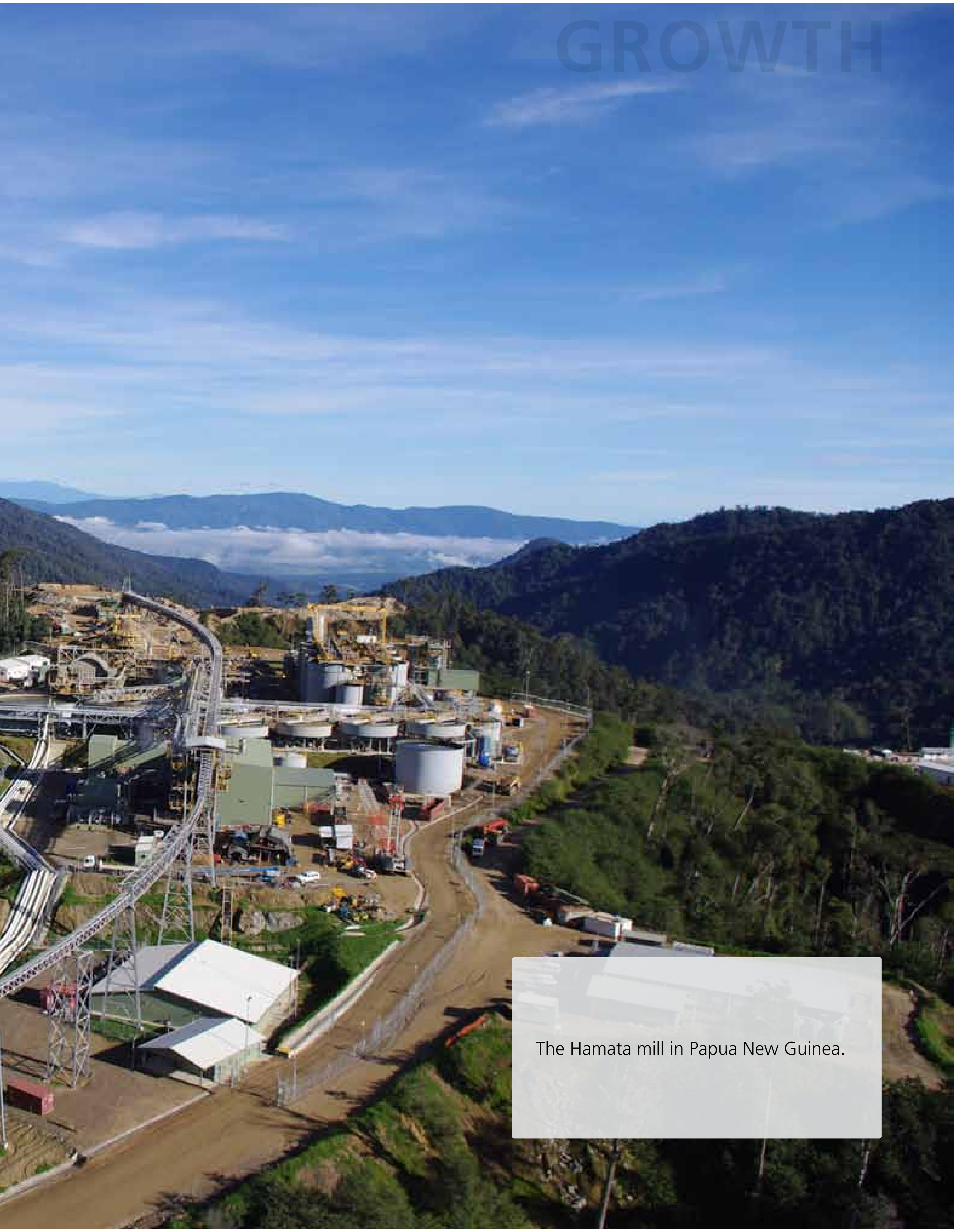
RISK TABLE

This risk matrix should be read in conjunction with the detailed risk management section found in the integrated annual report (**www.harmony.co.za**).

Risk	Comment
Gold price	Any fall in the gold price below our cash cost of production for any sustained period may lead to losses and require Harmony to curtail or suspend certain operations.
Foreign exchange fluctuations	Gold is priced globally in US dollars and Harmony's revenue is thus realised in US dollars, but most operating costs are incurred in rand and other non-US currencies. Any significant and sustained appreciation of the rand and other non-US currencies against the dollar will materially reduce Harmony's rand revenues and overall net income. As we currently do not enter into forward sales, commodity derivatives or hedging arrangements on future gold production, Harmony is exposed to the impact of any significant decreases in the gold price.
Global economic conditions	A global economic uncertainty may have follow-on effects on our business, including: • Key supplier insolvencies, leading to a break in the supply chain • Reduced availability of credit – making it more difficult or expensive to obtain financing for our operations and capital expenditure • Global economic uncertainty could affect the market value of Harmony's securities.
Actual production differing from estimates	Given the assumptions used to calculate Harmony's mineral reserves, estimates in this report should not be interpreted as assurances of the economic life of the company's gold and other metal deposits or future profitability of operations.
Access to additional reserves through exploration or discovery	Exploring for gold and other metals is speculative, it may be unsuccessful and involves many risks.
Projected versus actual cash costs of exploration, production and economic returns	It can take a number of years from initial feasibility study until development is completed and, during that time, the economic feasibility of production may change.
Water inflows from closed mines	Certain of our mining operations are next to those of other companies. Any mine closure can affect operations at an adjacent mine if appropriate preventative steps are not taken. In particular, this could include the ingress of underground water when pumping operations at the closed mine are suspended. This can cause damage to property, operational disruptions and additional pumping costs, affecting our adjacent mining operations.
Effect of commodity prices on input costs	Changes in cost of consumables linked to commodities such as oil and steel could increase production and capital expenditure.
Supply and cost of electricity	Given Eskom's capital expansion programme to deal with power constraints, an average annual tariff increase of 26% was approved by the National Energy Regulator of South Africa (NERSA), starting April 2010. These increases will affect the results of our operations in future. PNG has limited power generation and distribution capacity. While this capacity is increasing, Harmony mines and projects still rely heavily on diesel for power generation. The cost of this power will fluctuate with the oil price.
Supporting the carrying value of property, plant and equipment, goodwill and other assets on its balance sheet	Harmony reviews and tests the carrying value of its assets annually when events or changes in circumstances suggest that this amount may not be recoverable. If there are indications that impairment may have occurred, estimates of expected future cash flows for each group of assets are prepared and impairments may be recorded.
Integrating new acquisitions into existing operations	Difficulties or delays in integrating new acquisitions could affect profitability of the operation.
Liability, delays and increased costs of production from environmental and industrial accidents and pollution	The occurrence of any of these hazards could delay production, increase cash costs and result in financial liability to Harmony.
Safety risks	The environmental and industrial risks identified above also present safety risks for Harmony operations and employees and could lead to the suspension and potential closure of operations for indeterminate periods.
Illegal or criminal mining	Among other risks presented by criminal mining, the threat of fire poses a serious risk to the safety of our employees and could cause property damage, which in turn could affect production.
Inadequate insurance coverage to satisfy future claims	Harmony has third-party liability coverage for most potential liabilities, including environmental liabilities. While we believe our current coverage is adequate and consistent with industry practice, we may be liable for pollution (excluding sudden and accidental pollution) or other hazards against which we have not insured or cannot insure, including those for past mining activities.
Inflation	Rising working costs (particularly electricity) and wages have resulted in significant cost pressures for the mining industry. Harmony's profits and financial condition could be affected when cost inflation is not offset by devaluation in operating currencies or an increase in the price of gold.
Socio-economic framework in operating regions	Harmony has operations in South Africa and PNG. Changes or instability in the economic or political environment in these countries or neighbouring territories could affect Harmony's results and an investment in the company.



Risk	Comment
Shortages of production inputs	Harmony's operational results may be affected by the availability and pricing of consumables such as fuel, chemical reagents, explosives, steel and other essential production inputs.
Competition for key human resources	Harmony competes with mining and other companies globally for key human resources with the appropriate technical skills and operating and managerial experience to operate its business. The need to recruit, develop and retain skilled employees is particularly critical with historically disadvantaged South Africans (HDSAs), women in mining in South Africa, and recruiting and training local landowners in PNG.
Disruption from labour disputes and new South African labour laws	Given the high level of union membership among our employees, Harmony faces production stoppages for indefinite periods due to strikes and other disputes.
HIV/Aids	The incidence of HIV/Aids in South Africa and PNG poses potential risks in terms of reduced productivity and increased medical and other costs.
Potential liability for occupational health diseases	There may be claims in the future with regard to occupational health diseases, including silicosis, which we would need to defend.
Laws governing mineral rights	Harmony's operations in South Africa and PNG are subject to legislation regulating mineral rights and mining those rights. All Harmony's South African operations have been granted new-order mining licences. If we want to expand any of our initiatives in PNG into additional areas under exploration, these operations would need to convert their existing exploration licences prior to the start of mining. That process could require landowner title approval, and there can be no assurance that approval would be received.
Environmental regulations	As a gold mining company, Harmony is subject to extensive environmental regulation. We expect the trend of rising production costs due to compliance with South African and PNG environmental laws and regulations to continue.
Sustainable community development	Companies in general are under pressure to demonstrate that while they seek a satisfactory return on investment for shareholders, other stakeholders including employees, communities surrounding operations and the countries in which they operate, also benefit from their commercial activities.
Climate change regulations and physical risks	A number of international and national measures are being developed to address or limit GHG emissions. As our current mines have a life expectancy of over 20 years, future climate change regulation will therefore need to be considered for all Harmony's extensions and acquisitions. All new greenfields and brownfields projects are required to consider the impact of climate change in their design and planning. Our operations could face a number of physical risks from climate change, such as increased rainfall, reduced water availability, higher temperatures and extreme weather events. Events such as flooding or inadequate water supplies could disrupt our operations and rehabilitation efforts, and could increase health and safety risks.
Water use licences in South Africa	The majority of our South African operations are lawful users with existing water permits in terms of the Water Act of 1954. These operations have applied for water use licences in terms of the National Water Act, 1998, some as early as 2003. Harmony is working closely with regional directors in the review process and a number of our operations have been issued with integrated water use licences or draft licences.
Rehabilitate potential groundwater pollution	Due to the interconnected nature of mining operations, any proposed solution for potential flooding and decant risk posed by deep groundwater needs to be a combined one supported by all mines in the goldfields and government in the event of legacy issues. The Department of Mineral Resources and affected mining companies are involved in developing a regional mine closure strategy.
United States investors	Investors in the United States may have difficulty bringing actions and enforcing judgments against Harmony, which is incorporated in South Africa.
Compliance with corporate governance and public disclosure requirements	Harmony is committed to maintaining high standards of corporate governance and public disclosure, and its efforts to comply with evolving laws, regulations and standards will continue to increase general and administrative expenses.
Market price of shares	The market price of our shares could fall if large quantities are sold in the public market, or if there is a perception in the marketplace that such sales could occur.
Share dilution	Harmony has employee share option schemes as well as other share schemes. The Harmony board has authorised up to 14% of the issued share capital to be used for these plans. As a result, shareholders' equity interests in Harmony are subject to dilution to the extent of the future exercises of options through share schemes.
Continued dividends	While Harmony intends to declare and pay cash dividends, it is the company's intention to only do so if profits and funds are available for that purpose.



The Hamata mill in Papua New Guinea.

BOARD OF DIRECTORS

Non-executive chairman

Patrice Motsepe (49) Non-executive chairman *BA (Legal), LLB*

Patrice was appointed director and chairman of the board in 2003. He was a partner in one of the largest law firms in South Africa, Bowman Gilfillan Inc. He was also a visiting attorney in the USA with the law firm McGuire Woods Battle and Boothe. In 1994 he founded Future Mining, which grew rapidly to become a successful contract mining company. He then formed ARMgold in 1997, which listed on the JSE in 2002. ARMgold merged with Harmony in 2003 and this ultimately led to the takeover of Anglovaal Mining (Avmin). In 2002 he was voted Business Leader of the Year by the CEOs of the top 100 companies in South Africa. In the same year, he received the Ernst & Young Best Entrepreneur of the Year award. He is a recipient of numerous business and leadership awards. He is also executive chairman of African Rainbow Minerals Limited (ARM) and deputy chairman of Sanlam. Patrice serves on the international business council of the World Economic Forum. His various business responsibilities included being president of Business Unity South Africa (BUSA), the representative voice of organised business in South Africa, from 2004 to 2008. Patrice is also president of Mamelodi Sundowns Football Club.

Non-executive directors

Frank Abbott (56) Non-executive, non-independent director *BCom, CA(SA), MBL*

Frank joined the Harmony board as non-executive director in 1994, after which he was appointed financial director in 1997. In 2004 Frank was appointed financial director of ARM, while remaining on the Harmony board as non-executive director. In August 2007, he was seconded to Harmony as interim financial director, a position he held until handing over to Hannes Meyer in November 2009. Frank remained executive director until his retirement in July 2010. Post retirement, Frank continues to serve as non-executive director of Harmony and ARM.

André Wilkens (62) Non-executive, non-independent director *Mine Manager's Certificate of Competency, MDPA, RMIIA*

André joined the board in August 2007. He was appointed to the board of ARM in 2004 and to his current position as chief executive officer of ARM in 2005. Prior to that, he headed ARMgold for five years and ARM Platinum for a year before being appointed chief operating officer of Harmony after its merger with ARMgold in 2003. André has over 40 years' experience in the mining industry, particularly gold and uranium.

Independent non-executive directors

Fikile De Buck (50) Lead independent non-executive director *BA (Economics), FCCA (UK)*

Fikile joined the board in March 2006. A chartered certified accountant, she is a fellow of the Association of Chartered Certified Accountants (ACCA) (UK) and a member. From 2000 to 2008, Fikile worked in various capacities at the Council for Medical Schemes in South Africa, including as chief financial officer and chief operations officer. Prior to that she was treasurer at the Botswana Development Corporation. Fikile is a non-executive director and chairman of the audit committee of Anooraq Resources Corporation. She resigned as chairman of the audit committee of Rand Uranium (Proprietary) Limited on 17 May 2011. In August 2010, Fikile was appointed lead independent non-executive director and chairman of the nomination committee.

Joaquim Chissano (71) Independent non-executive director *PHd*

Joaquim was appointed to the board in April 2005. Formerly president of Mozambique (1986–2004), Joaquim also served as chairman of the African Union for 2003/2004. On leaving the presidency, he established the Joaquim Chissano Foundation for Peace Development and Culture, and has led various international peace initiatives on behalf of the United Nations, African Union and the Southern African Development Community to Guinea-Bissau, the Democratic Republic of the Congo, Uganda and Madagascar. In 2006 he was awarded the annual Chatham House Prize for significant contributions to improving international relations and received the inaugural Mo Ibrahim Prize for Achievement in African Leadership in 2007. He is a non-executive director of ARM Limited and TEAL. Joaquim was appointed to the Bill and Melinda Gates Foundation in December 2009.

Ken Dicks (72) Independent non-executive director *Mine Manager's Certificates (Metalliferous and Fiery Coal Mines), Management Development Diploma and Management Diploma*

Ken joined the board in February 2008. He has 40 years' experience in the mining industry, mainly in the Anglo American group. He has served on the boards of mining companies such as Freegold and Western Deep Levels. He is also a non-executive director of Gold One International.

Dr Simo Lushaba (45) Independent non-executive director *BSc (Hons), MBA and DBA*

Simo joined the Harmony board in October 2002. An entrepreneur and executive business coach, he previously held senior management positions at Spoornet and Lonmin plc and was chief executive of Rand Water. Simo is a member of the boards of Cashbuild Limited, Talent Africa, GVSC and the Nepad Business Foundation (SA).

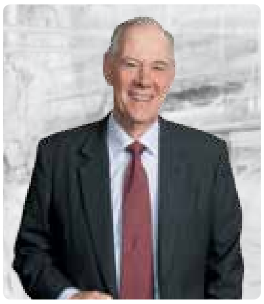
Cathie Markus (54) Independent non-executive director *BA, LLB*

Cathie joined the board in May 2007. She spent 16 years at Impala Platinum Holdings Limited, initially as legal advisor and, from 1998 to 2007, as executive director responsible for legal, investor and community affairs. After graduating from the University of the Witwatersrand, Cathie served articles at Bell Dewar & Hall. On qualifying as an attorney, notary and conveyancer, she joined the legal department of Dorbyl Limited. She is currently a trustee of the Impala Bafokeng Trust and chairs the St Mary's School Waverley Foundation.

Modise Motloba (45) Independent non-executive director *BSc, Diploma in Strategic Management*

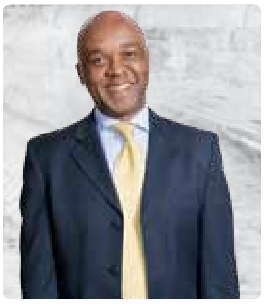
Modise joined the board in July 2004. Currently chief executive of Quartile Capital (Proprietary) Limited, Modise is also a director of Deutsche Bank Securities SA (Proprietary) Limited, the Land Bank and the Small Enterprise Foundation. Modise's 18 years' experience in investment banking, treasury and fund management includes appointments at Rand Merchant Bank, African Harvest Fund Managers and Goldman Sachs. Modise is a former president of the Association of Black Securities and Investment Professionals (ABSIP) where he was instrumental in formulating and negotiating the historic financial services charter in October 2003.

Independent non-executive directors (continued)



Cedric Savage (72) Independent non-executive director *BSc (Eng), MBA, ISMP (Harvard)*
Cedric joined the board in September 2003. He started his career in the United Kingdom in 1960 as a graduate engineer with Fairey Aviation. He returned to South Africa in 1963 and worked in the oil (Mobil), textile (Felt & Textiles) and poultry (Rainbow Chickens Limited) industries. He was president of the South African Chamber of Business from 1993 to 1994. He has also served as chairman of the board of governors of the University of KwaZulu-Natal's Development Foundation and as a member of council of that university. He joined the Tongaat-Hulett Group Limited in 1977 as managing director of Tongaat Foods and progressed to executive chairman of the building materials division; he became chief executive officer of the group in 1991. In May 2000, he assumed the dual roles of chief executive officer and executive chairman until his retirement in May 2009. He served on the Nedbank board from 2002 until May 2008 when he retired as non-executive director, and on the board of Datatec Limited from 2001 and Datatec International from 2004, retiring from both boards in August 2009. He served on the board of Denel (Proprietary) Limited from 2007 to August 2010. He currently serves on the General Motors South Africa Foundation and Boco Trust committees.

Mavuso Msimang (69) Independent non-executive director *MBA (Project Management) United States International University, San Diego California, BSc, University of Zambia*
Mavuso has 26 years' experience in management at executive level. He was involved in the successful transformation and restructuring of various state-owned entities over a period of 16 years until 2010. Mavuso is the immediate past director-general of the South African Department of Home Affairs and previously served successively as CEO of the State Information Technology Agency, South African National Parks and SA Tourism. He was country representative of international development organisations World University Service/Canada and CARE-International in Ethiopia and Kenya, respectively. He also held senior management positions with UNICEF and the World Food Programme.



David Noko (54) Independent non-executive director *Higher National Diploma in Engineering (Mech), MBA, Postgraduate Diploma in Company Direction (Senior Executive Programme)*
David is currently managing director of CelaCorp (Proprietary) Limited, an executives' leadership advisory consultancy. He has vast experience in executive management, serving as chief executive officer of Air Chefs and later joining De Beers where he was promoted to general manager, engineering and subsequently to general manager at Kimberley Mines. He took over as managing director of De Beers Consolidated Mines from Jonathan Oppenheimer in 2006. He was previously vice-president of the Chamber of Mines, South Africa and is a member of the Institute of Directors.

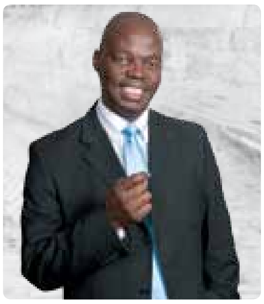
John Wetton (62) Independent non-executive director *CA(SA), FCA (England and Wales)*
John was employed with Ernst & Young from 1967 to June 2010. Corporate audit was his main focus, but for the last ten years he played a business development role across Africa. John led Ernst & Young's mining group for a number of years and continued to act as senior partner on some of the firm's major mining and construction clients. John has been a member of Ernst & Young's executive management committee and was, until retirement, a member of its Africa governance board.

Executive directors

Graham Briggs (58) Chief executive officer *BSc (Hons) (Geology)*
Graham was appointed chief executive officer in January 2008, after his appointment to the board in 2007. Having joined Harmony as new business manager in 1995, Graham's previous positions include that of chief executive of Harmony Australia. A geologist by training, Graham has more than 36 years' experience in the field and in an operational capacity at a number of South African gold mines.

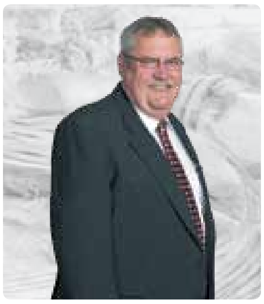
Graham serves as a director on Harmony's subsidiary companies and is a member of the board of the VM Group in the United Kingdom. He also serves as a director of Rand Uranium (Proprietary) Limited.

Hannes Meyer (41) Financial director *BCom (Hons),CA(SA)*
Hannes joined Harmony in August 2009. During his 15-year career in the mining industry, he gained extensive mining and financial experience, including knowledge of mines in Africa, corporate finance and business development. Before joining Harmony, Hannes served as chief financial officer of TEAL and, from May 2008, as acting chief executive officer of TEAL. He also serves as director on various Harmony subsidiaries and the board of Rand Uranium (Proprietary) Limited.



Harry Ephraim 'Mashego' Mashego (47) Executive director *BA Ed, BA (Hons), GEDP, JMDP*
Mashego joined Harmony in July 2005 as group human resources development manager. Mashego, who has more than 20 years' experience in human resources, began his career as human resources manager at Eskom. He then progressed in the field at JCI, Atlantis Diesel Engines and Foskor Limited. He was promoted to general manager at Harmony's Evander operations in November 2005 and appointed executive: human resources in August 2007. Mashego was appointed executive director: organisational development and transformation in February 2010. He accepted his new role as executive director: government relations in August 2011.

EXECUTIVE MANAGEMENT



Bob Atkinson (59) Executive: Africa new business *NHD (Metalliferous Mining)*
Bob joined Harmony as a section manager in 1986 and served as operations director on the executive committee between 2001 and 2003. He was appointed chief operating officer at Harmony Gold Australia and then executive: sustainable development (safety and occupational health) at Harmony in South Africa in 2004. He subsequently held the position of executive: new business and projects before assuming his current position. He has more than 40 years' experience in the mining industry.

Jaco Boshoff (42) Executive: reserves and resources; acting chief operating officer: North region *BSc (Hons), MSc (Geology), MBA, PrSciNat*
Jaco joined Harmony in 1996. He has served as the executive: reserves and resources and competent person since 2004. In 2010, projects and new business were added to his portfolio. From 1998 to 2004 he was an ore reserve manager at various Harmony operations and before that a geologist at Harmony and at Gengold. Jaco is registered as a professional geological scientist with the South African Council for Natural Scientific Professions and has worked in the mining industry for more than 15 years. In addition to other responsibilities, he is acting as chief operating officer for Harmony's North region.

EXECUTIVE MANAGEMENT CONTINUED

Anton Buthelezi (47) Executive: human resources *National Diploma (Human Resources Management), BTech (Labour Relations Management), Advanced Diploma in Labour Law*
Anton rejoined Harmony in 2005 as human resources manager at Evander. He has over 22 years' experience in human resources management in the mining industry. Previous positions include senior HR officer at Anglogold Ashanti, and mid and senior managerial positions in the same field at ARMgold, Samancor Chrome and Harmony. He has a proven track record in the full spectrum of HR functions as a generalist. Anton joined the executive committee in October 2011.

Matthews Pheello Dikane (45) Executive: legal, governance and ethics *LLB, LLM (Labour Law), Postgraduate Diploma in Management Practice, Postgraduate Diploma in Corporate Law*
Pheello joined Harmony in 2009. He has over 20 years' experience in the mining industry, working his way up from learner official to production mine overseer at AngloGold Ashanti Limited. During this time, he studied for his law degree and served articles at Perrott Van Niekerk Woodhouse Incorporated. He also completed his master's degree in labour law and postgraduate studies in management practice and corporate law. He returned to AngloGold Ashanti's corporate office as a legal counsel, later joining Brink Cohen Le Roux as a senior associate where he became a director.

Melanie Naidoo-Vermaak (37) Executive: environment *MSc*
Melanie joined Harmony in 2009. She is an experienced environmental specialist who has worked for both the private sector in the mining industry, and the public sector in the Departments of Water Affairs and Forestry, and Minerals and Energy. She has spent more than 12 years in this discipline and has international environmental management exposure gained in Australia, Papua New Guinea, Fiji and Africa. She has held various positions at some of the world's leading mining companies, including BHP Billiton, Anglo American plc and De Beers Consolidated Mines Limited.

Alwyn Pretorius (40) Executive: safety and health *BSc (Mining Engineering), BSc (Industrial Engineering)*
Alwyn joined Harmony on its merger with ARMgold in 2003. He began his career at Vaal Reefs as a mining graduate in training in 1993 and was appointed shift boss in 1995, gaining experience in remnant mining. Alwyn obtained his BSc in industrial engineering in 1998 and joined ARMgold in 1999 at its Orkney operations, progressing to mine manager in 2003. Alwyn was appointed executive, South African operations at Harmony in March 2007, and then as chief operating officer: North region. He was appointed executive: safety and health in August 2011.

Tom Smith (55) Chief operating officer: South region *NHD (Mine Surveying and Metalliferous Mining)*
Tom joined Harmony in 2002. He began his career in 1975 as a sampler at Vaal Reefs mine, becoming chief surveyor in 1988. He changed his career to mining in 1991, working as a section manager on the Great Noligwa, Elandsrand and Mponeng mines. He was also involved in projects at Tau Lekoa and Moab Khotsong, acquiring experience in conventional, trackless, pillar and deep-level mining. He was promoted to production manager at AngloGold's Mponeng mine in 1998. Tom was appointed general manager of Tshepong in 2000. Following the merger with ARMgold, he was involved in restructuring of the Free State operations. He joined the executive team in September 2007 and is currently chief operating officer: South region.

Marian van der Walt (38) Executive: corporate and investor relations *BCom (Law), LLB, Higher Diploma in Tax, Diploma in Corporate Governance, Diploma in Insolvency Law, certificates in business leadership*
Marian was appointed company secretary in 2003 and joined Harmony's executive committee in 2005 as executive: legal and compliance. This included taking responsibility for company secretarial, risk management, internal audit and Sarbanes-Oxley compliance. In 2008, she resigned as company secretary, enabling her to accept her current position as executive: corporate and investor relations. Marian began her career as attorney and conveyancer in 1998 and held positions at Routledge Modise Attorneys, Deloitte and Touche and the Standard Bank of South Africa Limited prior to joining Harmony.

Johannes van Heerden (39) Chief executive officer: South-east Asia *BCompt (Hons), CA(SA)*
Johannes was appointed as chief executive officer of Harmony's south-east Asia operations in January 2008. He is responsible for Harmony's Papua New Guinean assets. In this role he also serves on the Morobe Mining Joint Ventures (MMJV) committee which is responsible for providing oversight and direction to the MMJV assets consisting of the Hidden Valley mine, Wafi-Golpu project and Morobe exploration, held in 50/50 partnership with Newcrest Mining Limited. He joined Harmony in July 1998 as financial manager of the Free State operations with operational and group reporting responsibility for the region. He was appointed group financial manager in 2001, before being relocated to Harmony South-east Asia as chief financial officer in 2003, responsible for Harmony's Australian and Papua New Guinean portfolio. In this capacity, he served as non-executive director of Abelle Limited, the ASX-listed Australian company that held the PNG assets before Harmony's subsequent takeover. He was appointed to the Harmony executive committee in 2005.

Abre van Vuuren (51) Executive: risk management and health services *BCom, MDP, DPLR*
Abre was appointed human resources manager at Grootvlei Gold Mining Company, when Harmony acquired the operation in 1997. He joined Harmony's executive committee in 2000, responsible for industrial relations. Since then he has held various positions in services and human resources until accepting his current position as executive: risk management and service improvement. Abre started his career in the mining industry in 1982, holding positions in finance and mainly human resources, on various gold mines and collieries in the Rand Mines.

Ore mined at Phakisa in the Free State is processed at Harmony 1 plant, 20 kilometres away.

CHAIRMAN'S LETTER

Dear shareholder

Close to 40 000 employees who in turn support around 200 000 people, our suppliers and their dependants and all our other stakeholders will also benefit from our success and growth. We are conscious of our broader obligations to ensure that our growth benefits our employees, the communities that live near our mines and all our other stakeholders.

Harmony has produced good results in a year characterised by the outstanding exploration successes in Papua New Guinea and continuation of our strategy to restructure and lower costs at our South African operations.

During the past year, the price of gold has hovered around all-time highs and has convincingly answered those who questioned the safe-haven status of gold. It remains, in my view, a solid hedge against the uncertainty and instability prevailing in certain parts of the world.

The management team at Harmony is creating a company that will not only benefit from a rising South African rand price of gold, but that is also fulfilling our objective of geographic and currency diversification. The older, non-core assets in South Africa have been closed or sold, unnecessary costs are being removed and what will emerge is a collection of world-class assets designed to build significant long-term shareholder wealth.

Importantly, it is not only our shareholders who will benefit from the restructuring and repositioning taking place. Close to 40 000 employees who in turn support around 200 000 people, our suppliers and their dependants and all our other stakeholders will also benefit from our success and growth. We are conscious of our broader obligations to ensure that our growth benefits our employees, the communities that live near our mines and all our other stakeholders.

In terms of our growth initiatives, we remain excited about our Papua New Guinea operations. In the review period, we hosted the official opening of our first offshore greenfields project, Hidden Valley, which is steadily improving production levels. Extremely positive exploration results during the year at Wafi-Golpu were confirmed in our latest reserves and resources statement; resources of gold and copper at this project have risen 57% to over one billion tonnes. The Golpu deposit now benchmarks as one of the highest-grade gold-copper deposits in south-east Asia, with potential to improve further. Both Hidden Valley and Wafi-Golpu are held by the Morobe Mining Joint Ventures, in which our partner is Newcrest Mining Limited.

The declared resource satisfies our exploration target of 30Moz of gold and 8Mt of copper at this world-class discovery. Our objective in Papua New Guinea is to continue expanding and leveraging off this solid platform in one of the world's premier new gold regions. To achieve this, we increased our exploration budget significantly in the review period to R377 million (US$49 million).

The company has turned the corner. Unprofitable operations were closed during the year and our longer-life, lower-cost operations are profitable and sustainable. While we produced 1.3Moz of gold in the last year, slightly less than the prior year, management's focus on costs and a rising gold price delivered an improved cash operating profit of R3.3 billion (US$468 million), at an operating margin of 26%. Growth projects are clearly starting to deliver results with higher production, lower costs, and continued progress from numerous management initiatives at Doornkop, Phakisa, Kusasalethu and Hidden Valley.

Patrice Motsepe
Chairman

Integrated reporting

Harmony has long been known for its comprehensive disclosure. Moving from our old level of disclosure to integrated reporting, as required by King III, is therefore not a step change for our company. It did require more in-depth, but succinct, disclosure of the risks our company faces. This was a beneficial exercise for Harmony in that we have a greater and more detailed understanding of these issues and have been able to initiate strategies to ensure that all stakeholders' interests are protected.

Gold mining has several risks, some of which are political, social, or of a business/commercial nature. To minimise these risks we have sought to build trust and strong, mutually beneficial relationships with the government of South Africa, the government of Papua New Guinea and of Morobe Province, communities living near our mines, our joint-venture partner Newcrest, and all our other stakeholders. Our exploration criteria are stringent and our exploration teams are acknowledged as some of the finest in the world. Drill-hole results at Wafi-Golpu during the year have confirmed the exciting value of this asset. The drilling programme, feasibility studies and early works are well funded and multiple additional funding options are being considered.

The decision to diversify our asset base from South Africa was essential for our global competitiveness and profitability and the results, albeit early from a long-term perspective, resoundingly support this strategy.

Mining in South Africa

It is true to say that, as South Africa's secondary (manufacturing) and tertiary (finance) industries have grown, the relative contribution of mining to the country's gross domestic product (GDP) has declined. Equally, however, as the mining industry continues to adapt to changing local and international conditions, it remains a cornerstone of the South African economy, contributing significantly to economic activity, job creation and foreign exchange earnings.

The government's New Growth Path identifies mining as a key economic driver in creating jobs in different value chains across South Africa's industrial landscape. Specifically, the government's plan urges "…accelerating exploitation of mineral reserves by ensuring an effective review of the minerals rights regime, and lowering the cost of critical inputs including logistics and skills to stimulate private investment in the mining sector."

In the same vein, the 2011 – 2014 strategic plan of the Department of Mineral Resources highlights the importance of unlocking this value and enabling the industry to lead the country's New Growth Path, recognising that "the mining industry has the potential to induce prosperous industrial clusters to support its development. These can significantly broaden economic growth, increase benefits and create decent jobs."

The cyclical nature of mining presents a wide range of risks, most recently evident in the economic and financial realities of the global and South African mining sector in 2009 and into 2010. In 2009, total mining income dropped in South Africa precipitously while expenditure rose unabated. As a result, the industry faced a R67 billion deficit which had to be covered by using retained earnings.

Nevertheless, the critical and strategic importance of the South African mining industry cannot be overstated. The sector accounts for roughly 43% of the market capitalisation of the JSE and, according to the Chamber of Mines' 2010 statistics of South Africa, contributes:

- Approximately 8.6% directly, and another 10% indirectly, to the country's GDP. In Harmony's case, the bulk of our mines are in the Free State, where mining accounts for almost 90% of the province's GDP
- Over 50% of merchandise exports (including secondary beneficiated mineral exports)
- About one million jobs (some 500 000 directly)
- About 20% of gross investment (12% directly)
- Approximately 30% of capital inflows into the economy via the financial account of the balance of payments
- Over 94% of the country's electricity-generating capacity
- About 30% of South Africa's liquid fuel supply
- About 20% of direct corporate tax receipts (worth over R16 billion).

Against this background, the call for nationalisation of mines within certain quarters of the ruling party (the ANC) deserves comment. The track record of nationalisation is extremely poor, to say the least, and countries that have nationalised mines and other industries have subsequently had to privatise as the adverse and far-reaching consequences of nationalisation became evident. It is in the interest of the South African economy and all its people, particularly the poor, unemployed and the youth that the mining industry remains globally competitive and attractive to domestic and international investment.

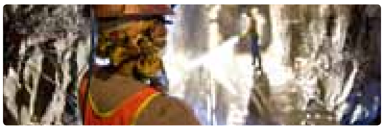
We are engaged in discussions with the proponents of nationalisation to expose and make them aware of the fundamental beneficial role that the private sector plays in mining and other sectors of the South African economy – in terms of job creation, poverty alleviation, education, health and the overall improvement in living conditions and standards of living of all our people.

I am of the view that privately owned and managed mines will in future co-exist and compete with state-owned and operated mines. It is important, however, that the playing fields are levelled and that state-owned mines are treated for legislative and regulatory purposes in the same manner as privately owned companies. I remain confident that, based on my discussions with government and various other stakeholders, there is a commitment to ensure the South African mining industry remains globally competitive and attractive to domestic and foreign investment. In today's global economy, that is the only route to a prosperous and successful future for all our people.

We welcome the confirmation by President Zuma and other political leaders, including the Minister of Mineral Resources, that nationalisation is not a government policy objective.

For the past three years, the mining industry (via the Chamber of Mines) has partnered with government and labour to develop a long-term strategy to reposition mining as a valuable contributor to the country's growth and socio-economic development. This task team (under the Mining Industry Growth, Development and Employment Task Team (MIGDETT) or mining industry growth, development and employment task team) also aimed to identify impediments to the growth of the sector since it was becoming clear to all stakeholders that the industry's reputation as a good investment sector was deteriorating.

Participants agreed that higher levels of global competitiveness were needed in the sector and the task team has developed a strategy for sustainable



growth and meaningful transformation and inclusivity in the mining industry. This culminated in a joint mining declaration by government, labour and business in June 2010, with specific commitments that range from promoting investment, to increasing innovation and exploration, to developing skills and boosting the benefits to the communities living near the mines.

The significance of this declaration is that it is a joint government, labour and business initiative. All stakeholders agree that growth and transformation are interdependent and achieving these two vital objectives will ensure that South Africa is well positioned for the next global commodities boom.

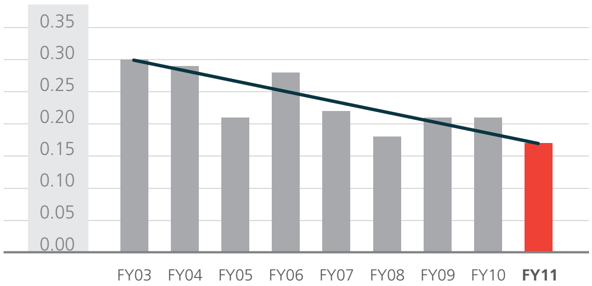
Safety

Safety is the foremost priority at Harmony. Each workforce comprises the people whose skills underpin the success of every operation and our sustainability as an industry.

As an industry, we have made significant progress in improving our safety performance in South Africa. Since 2003, fatalities have declined by almost 60%, with a 25% decrease in 2010 alone. Recording this progress at greater operational depths, in the face of a national skills shortage and a poor national track record of safety, is an exceptional achievement for which all stakeholders must be recognised and thanked.

The ultimate target, however, must be zero fatalities and to significantly reduce injuries. To reach this goal requires all stakeholders to actively work together to share and adopt leading global practices. Harmony willingly accepts this responsibility, as evidenced by the 30% decrease in the fatality rate for the year.

FIFR trend (SA)



Sustainable development

Harmony's sustainable development strategy is dynamic, evolving with changing conditions. We and our stakeholders define some of our needs and expectations as follows:

- For our shareholders, we need to operate our mines competitively and profitably, generating the cash flows to pay dividends and finance sustainable organic or acquisitive growth.
- For all stakeholders, our primary responsibility is the sustainable development of our operations for the benefit of all.

The binding thread is profitability. Without profits, we cannot create jobs and contribute to improving the living conditions of our host communities and countries. If our stakeholders do not participate and benefit from our mining operations, then our ability to create competitive long-term returns for our shareholders will be seriously undermined.

Our aim is to continue to build a sustainable company that benefits the widest group of stakeholders.

While acknowledging that this is a journey, we believe we are moving in the right direction. Each year, identifying the issues material to our operations is a thorough exercise, spanning safety, health, environmental and social aspects. At present, the issues that could have an impact on our sustainability include:

- The strength of the rand – always a factor for a business that earns revenue in rands based on the US dollar conversion rate – and the gold price. To counter these factors, we use conservative projections in our near-term and long-term planning.
- In South Africa, the administered price of electricity will rise by 25% again next year. Power delivered by Eskom currently accounts for over 15% of our operating costs and alternative sources are impractical. Our focus is on using power efficiently and economically.
- We have to become more productive to compensate for higher wage bills. Although there is a significant degree of cooperation between Harmony and its unions, we are concentrating on improving the understanding that the best interests of the company generally match the best interests of all its stakeholders.

On the environmental side, two of our operations have been certified to ISO 14001 standards, and another two recommended for certification. Most metallurgical plants have been certified compliant to the international cyanide code. The plants at Joel and Kalgold are finalising their adherence to this important code. In Papua New Guinea, our programme for community access to clean water is under way with encouraging results. In addition, an external stakeholder advisory panel was formed to provide independent advice on environmental and related community impacts resulting from the Hidden Valley mine's operation.

In both South Africa and Papua New Guinea, we have made excellent progress in purchasing from local businesses. In South Africa, we have a programme in place that purchases from historically disadvantaged South Africans and we are making progress with an initiative to buy from local businesses we are developing in Papua New Guinea. In both countries we are meeting the challenges of a lack of facilities, skills and finance among potential suppliers and have contributed to placing local businesses on a sound footing.

We are progressively facilitating community development, ranging from help in providing adequate housing, sanitation and utilities to developing local businesses. As set out in this report on pages 6 to 15 and the online report (**www.harmony.co.za/sd**), the overarching objective is sustainable development. This means social development that can be sustained during and after the life of individual mines.

Corporate governance

In business generally, and mining in particular, good corporate governance is essential. For mining entities in South Africa, good governance is the prerequisite for a mining licence and therefore the continued use and stewardship of the asset for the benefit and reward of all stakeholders.

Harmony is committed to complying with legislation in the countries in which it operates and, in many instances, we exceed compliance to reach good practice standards.

The solid progress made during the year is detailed in the corporate governance report, which can be found in the Harmony integrated annual report (**www.harmony.co.za**). Harmony has robust systems of internal controls and risk management, subject to ongoing review and refinement.

The board

In March 2011, David Noko and Mavuso Msimang were appointed as independent non-executive directors, further broadening the expertise and experience of the board. Fikile De Buck, who has been a director since 2006, was re-appointed independent non-executive lead director in August 2011. Cheick Diarra resigned on 31 May 2011 due to other commitments. Post year end, John Wetton was appointed as independent non-executive director.

The Harmony board now has 16 directors: three executive directors, three non-executive directors and ten independent non-executive directors.

Cedric Savage will retire on 30 November 2011 and I express our deep appreciation for his valuable contribution over his eight-year tenure.

Thanks

Harmony's results for the year reflect the efforts and commitment of its employees and stakeholders at every level. I thank my colleagues on the board for their support and counsel, the chief executive officer Graham Briggs for his sterling leadership of a first-rate management team and all our employees for their commitment and contributions to developing the full potential of this company.

I also thank all our stakeholders for their considerable efforts and contributions in moving forward with us to ensure our shared objectives are achieved.

Outlook

Harmony is guided by a clear strategy of delivering sustainable, competitive results. Although the gold price, rand/dollar exchange rate and the results delivered by management will always be key determinants of our company's performance, the board is confident that the appropriate policies, systems and infrastructure are in place to ensure Harmony's sustainability and profitability well into the future.

Signed

Patrice Motsepe
Chairman
24 October 2011

CHIEF EXECUTIVE OFFICER'S REVIEW

We have just completed the fourth year of our strategy, which is convincingly demonstrating Harmony's potential. We have diversified our geographic base, improved our safety record and produced sustainable benefits for our stakeholders. But this is only the beginning – recent years much groundwork has been prepared and some tough decisions implemented.

The year to 30 June 2011 – the start of Harmony's seventh decade – has been characterised by several important milestones and developments for our company. In South Africa and Papua New Guinea, we have made excellent progress on our various safety initiatives and improvements. The excellent drilling results delivered from our joint venture at Wafi-Golpu in Papua New Guinea (PNG) confirmed that this is a world-class deposit, and the onset of production at our new mine, Hidden Valley, in PNG was a tremendously gratifying development. We have also realigned our assets in South Africa to dispose of non-core shafts and operations, and made significant strides at our growth projects – Doornkop, Phakisa and Kusasalethu – which will form the nucleus of our future South African gold production. Simultaneously, we are witnessing a re-energised belief among the investment community that gold remains a refuge of investment stability.

We produced 1.3Moz of gold for the period compared with 1.4Moz last year. While this was disappointing, it was largely a function of closing older shafts, safety stoppages and certain production challenges. These are detailed in the *Operational review* in the integrated annual report.

Integrated reporting

In South Africa, and indeed in the world, integrated reporting is in its infancy. The concept aims to present a holistic account of a company's financial and non-financial performance, and its integrated strategy for building a sustainable business spanning economic, social and governance issues. Task groups are currently at work internationally and in South Africa to develop a framework that will guide companies preparing integrated reports to stakeholders. Expectations are that these may be finalised in time for our next reporting period.

Reporting to our broader stakeholder base is not new to Harmony. We have long ensured the interests of all our stakeholders in developing our strategies and operating plans.

To balance these diverse needs, we focus on ensuring mutual benefit and the willing participation of all parties. The rewards of achieving this balance are becoming evident in our PNG operations, where stakeholders range from national and provincial government to local communities and individual employees, as well as our shareholders. The level of stakeholder cooperation we are receiving in Morobe Province reflects their confidence in the sustainable benefits of a well-run, responsible mining operation with congruent goals.

Key elements of our sustainable development performance are integrated into this report, while the full report appears on our website. This report was aligned with the principles and recommendations of the latest King report on governance (King III) and the guidelines of the Global Reporting Initiative (GRI G3).

Encouragingly, our first integrated report (for the 2010 financial year) was well received, with one specialist assessment service ranking it among the top 20 in South Africa, out of some 300 companies analysed. For us, integrated reporting is a process – one that we will review and refine each year by talking to our stakeholders and listening to their concerns, and incorporating this knowledge into our planning.

Graham Briggs
Chief executive officer

Doing business in South Africa

In September 2010, the South African Minister of Mineral Resources released the revised Mining Charter and associated broad-based socio-economic empowerment scorecard.

Harmony has been at the forefront of implementing various transformation initiatives in terms of legislated empowerment objectives, and has already met most of the 2014 targets in the revised charter. While we focus on all areas, the one aspect that requires more attention is enterprise development, given different requirements in the revised charter. We have made solid progress with enterprise development, most notably through the initiatives under way in our enterprise development centres in Welkom and Soweto in South Africa.

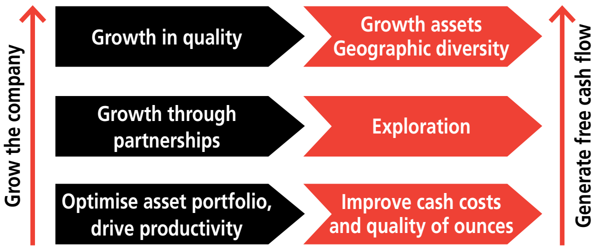
The chairman has presented the context of mining in South Africa and noted some of the challenges we face in running a mining company. Two further points are relevant for an informed understanding of our operating context:

- Critics of our industry sometimes accuse mining companies of selective enrichment, using shareholder dividends as an example. What they overlook is the years when shareholders receive no dividends because mining is by nature a cyclical and relatively low-margin business. Harmony is a case in point – our shareholders have just received their third dividend after a five-year hiatus. Mining inflation has been approximately 19%, well beyond the gold price, and a key component of that inflation rate is rising labour and electricity costs: in 2011 our payroll costs accounted for 52% of the total value added by operations. That excludes our investments in housing, local economic development and communities, which all offer long-term benefits for tens of thousands of people.
  Through the Chamber of Mines and at operational level, we face a considerable challenge in convincing stakeholders that the most sustainable reward lies in supporting the assets that continually pay these salaries.
- The pace of regulatory change has been relentless for the past 17 years. As an industry, we support legislation that makes mining friendlier to the environment and a sustainable benefit to its stakeholders. We remain committed to working with the various authorities in developing realistic frameworks and targets based on common goals.

South Africa is a global resource treasure house. Our aim is to capitalise on these resources for the widest possible benefit by operating profitably and responsibly.

Focus on delivering long-term value

We have just completed the fourth year of our strategy, which is showing early signs of convincingly demonstrating Harmony's potential. We have diversified our geographic base, improved our safety record and produced sustainable benefits for our stakeholders. But this is only the beginning – in recent years much groundwork has been prepared and some tough decisions implemented.



Harmony of the future is capable of generating earnings that fund growth and dividends. Our emphasis is on safe, profitable ounces and important steps have been implemented to ensure these goals are met. We:

- have closed high-cost mines to produce a better mix of assets
- have tailored each mine's business plan to its unique requirements
- have employed an experienced team of people that will deliver value for all stakeholders well into the future
- have proactively addressed industry challenges
- have improved production and productivity
- have increased our exploration exposure
- have delivered value on social initiatives in all areas where the company operates
- are continuing to develop and commission excellent gold mines in South Africa and Papua New Guinea.

The benefits are now emerging as the company again becomes an exciting investment proposition, with a solid portfolio of producing assets and a successful international exploration programme. Today, Harmony is acknowledged as one of the more innovative and most cost-effective explorers and our Wafi-Golpu project has the potential to change this company materially. The rapid progress we have made in PNG, in particular, is proof of the benefits mining can deliver in an enabling environment when all stakeholders work together.

Harmony is unhedged, with low debt and we are building sustainable, lower-cost, higher-grade mines. We are drawing on the considerable expertise of an experienced, focused management team – an important advantage in an industry beset by critical skills shortages – and rewarding our shareholders for their steady support as we build a base of world-class assets.

Action steps

Actions	Key steps	Progress to date	Target/deadline
Commission and build-up production	• Hidden Valley* • Doornkop • Kusasalethu • Phakisa • Target 3	• Commissioned, in build-up • In build-up • In build-up • In build-up • In build-up	
Explore	Within the MMJV: • PNG – Wafi-Golpu* • Tenements** of 4 726km² Harmony 100%: • PNG tenements** 7 258km² of exploration ground	• Excellent drilling results • Drilling started	
Build future mines	• Wafi-Golpu*	• Pre-feasibility study in progress	Annual production: • 300 000 – 700 000oz of gold • 200 000 – 320 000t of copper
Acquire	• Focus on advanced exploration projects • Quality ounces with healthy margins	• Ongoing	

* *Held by Morobe Mining Joint Ventures (MMJV): Harmony owns 50% of MMJV.*
\# *Gold equivalent based on US$1 150/oz Au, US$2.50/lb Cu at 100% recovery for both metals.*
** *Granted and under application.*

Focus on safety

Our progress on safety has been a notable highlight of the year, but we will not rest until we reach our goal of zero fatalities. Each death is one too many. Each incident has such enormous ramifications – for the families and friends involved, the teams and the company.

Given the high-risk nature of many of our deep-level operations, the safety, health and well-being of our people are our foremost priority: safety is a key performance indicator for management and a key component of performance reward for our people.

Tragically, in South Africa 15 employees lost their lives in mine-related incidents in FY11 (FY10: 21). There was one fatality at our PNG operations during the review period. Encouragingly, Harmony's fatalities have decreased steadily from 42 in FY04, while the lost-time injury frequency rate has dropped from 19.22 in that year to 7.95 per million hours worked in the review period. Full details of our safety performance can be found in our sustainable development report.

Notably, our Doornkop mine achieved an industry milestone of four million fall-of-ground fatality-free shifts on 11 May 2011 – an accomplishment that took the Doornkop team over five-and-a-half years to achieve. This is a stellar achievement considering the nature of mining activity at this operation – shaft sinking, trackless mining, narrow-reef stoping and large excavations, among others.

The lessons learnt at Doornkop were incorporated into a major initiative launched during the year to address fall-of-ground – our key safety risk. This ground-control strategy formalises and consolidates efforts to prevent fall-of-ground incidents and promote safer and more stable underground environments.

As with other safety initiatives, this strategy includes behavioural aspects, competency training and development, as well as research and new technologies.

We believe safety in the workplace can be addressed only through a cooperative approach that ensures the right infrastructure is in place – from systems and planning, to communication and training. We also believe management and employees must accept joint responsibility for their actions and therefore it is imperative that the working environment empowers people – management, supervisors, workers and union representatives – to stop work and withdraw from the mining area when they feel it is unsafe, or prevent others from acting in an unsafe way.

Equally, safety is about attitudes and mindsets. We have renewed our focus on implementing, communicating and reinforcing safety in the workplace, and created a centralised safety function to coordinate initiatives between regions and shafts.

Performance

Over the last year, we continued to restructure Harmony's asset base in line with our strategy to deliver safe, profitable and sustainable ounces. Significant steps towards this goal included:

- Continued investment in development at the Phakisa, Kusasalethu, Doornkop and Tshepong, as well as Hidden Valley mines, reaffirming their robust life-of-mine plans and reserves
- The official opening of Hidden Valley mine in September 2010. This was Harmony's first offshore greenfields project and an important step in our strategy of geographical and asset diversification. The experience gained with Hidden Valley will stand us in good stead as we progress our exploration initiatives in PNG
- In PNG, ongoing exploration, including those exploration tenements wholly owned by Harmony
- Excellent drilling results at Wafi-Golpu, justifying our confidence that this world-class asset will be the next mine in the area
- The closure of older or loss-making shafts. This included Merriespruit 1 in Virginia with over 80% of affected staff transferred to growth operations
- The sale of non-core assets such as Mount Magnet in Western Australia, the prospecting right over Merriespruit South area, and Evander 6 shaft, for a total consideration of R798 million
- The successful integration of the Pamodzi Free State assets, which were acquired in the prior year, into Harmony's existing Free State operations in South Africa.

These are detailed in the *Operational review and Exploration overview* in the integrated annual report.

Harmony resumed paying dividends in FY09, which is aligned with its strategy of paying regular dividends. I am again very pleased to report that the company has declared an annual dividend for the third consecutive year. A payment of 60 SA cents per share is being proposed, underscoring Harmony's steady delivery on its strategy to attain sustainable profitability that funds both dividends and growth.

Salient features of our financial and operational performance in FY11 include:

- Gold production declined to 1.3Moz or 40 535kg (refer to page 48 for reasons)
- The gold price received rose by 16% to R307 875 and by 26% to US$1 370
- Revenue of R12 445 million – up 10%
- Operating margin of 26%
- Operating profit of R3 275 million – up 12%.

Substantial resource and reserve base

At 30 June 2011, Harmony's mineral reserves were 41.6Moz of gold spread across our 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 our total mineral reserves.

Attributable gold mineral resources at that date were 163.9Moz. Our PNG resources now represent 10% of the company's total at 16.3Moz – a 51% increase in the total amount of resources from PNG, largely due to the significant increase in the Wafi-Golpu resource (jointly held by Harmony and Newcrest in the Morobe Mining Joint Ventures).

Exploration

Exploration has become a cornerstone of Harmony's growth strategy. This entails acquiring quality assets that offer higher grades and, as such, we continue to identify and evaluate a number of assets in South Africa, elsewhere in Africa and in south-east Asia that may complement Harmony's future portfolio. Against our stringent acquisition criteria, none of the opportunities identified during the review period offered sufficient value at a reasonable price.

In March 2011, we announced the highest mineralisation values to date from drill-hole results at our Wafi-Golpu project. This extended the known porphyry mineralisation outside the resource shell, with mineralisation open at depth and to the north of the latest intercept. This satisfies our latest exploration target of 30Moz of gold and 8Mt of copper at this world-class discovery.

In recent years, we have acquired valuable exploration tenements in PNG. Our aim is to enhance our competitive edge earlier in the pipeline, expand our geographic diversity and leverage our existing base in what has now become one of the world's premier new gold regions. To achieve this, we increased our exploration budget significantly in the review period to R398 million (US$57 million), which has delivered tremendous benefit in terms of value enhancement. In FY12, this will be R474 million (US$70 million).

Importantly, our cost of exploration – under US$10/oz discovered – is unrivalled among the major mining groups.

Bullish about gold

The economic volatility of the past two years has entrenched gold's function as a store of value and a currency, and this has been reflected in the spectacular price appreciation.

Our belief in gold remains steadfast and we are forecasting continued high dollar prices in our next financial year, especially given a weaker dollar and global economic uncertainty.

On 1 July 2010, as our new financial year started, the London afternoon gold fix was US$1 234.00/oz, climbing fairly steadily to end our first half 14% higher at US$1 405.00. By our year end, 30 June 2011, it was US$1 505.50. In fact, while preparing this report, gold exceeded US$1 800/oz.

This level reflects the ongoing search by investors for safe havens, particularly through the popular global exchange-traded funds or ETFs. More important, however, are the fundamentals of supply and demand for physical gold. On the supply side, new mines are

Gold price: ZAR/ounce and US$/ounce

(Rebased to 100)

Source: *JP Morgan*

US$/ounce gold price vs US$/ZAR exchange rate

(Rebased to 100)

Source: *JP Morgan*

coming on stream, some existing producers are ramping-up production and recycling of tailings and dumps has become an industry in itself, but deliveries from this sector depend largely on forecasts for the direction of the gold price. This supply must, however, be considered against falling production from mature mining regions, such as South Africa.

Our bullish sentiment on gold is tempered by the strength of the South African rand. While gold rose by 34% in dollar terms in FY11, in rand terms the rise was only 11%. In South Africa, our mine costs are incurred in rands and we face ongoing pressure from rising costs (mainly labour and electricity) over which we have limited control, as does the rest of the gold industry. In contrast, if the rand weakens, all stakeholders stand to benefit.

Harmony does not hedge gold and our shareholders, therefore, have complete exposure to spot gold prices and current exchange rates. As the gold price and strength of the rand are factors outside our control, we focus on factors we can control – safety, people, productivity, production and cost.

Recognition

Globally, Harmony employs approximately 40 000 people who, in turn, support around 200 000 others. Add to that our broad base of suppliers and their dependants, and our communities, as well as all shareholders, and the ecosystem that is Harmony becomes large, influential and key to our continued success. Every one of these people plays a role in our sustainability; we will continue to reward them for their contributions through safe, healthy working conditions, fair remuneration and benefits, continual development and, most importantly, by reaching our full potential as a premier global gold mining company that delivers both financial and social value enhancement.

Outlook

The results of Harmony over the past year illustrate the significant progress we are making on two key fronts: growth of quality resources and diversification. They also prove that the new Harmony has a good mix of assets including some of the best gold mines in South Africa and some of the best exploration prospects in the world.

As our growth projects come on stream, and our existing mines operate to tailored business plans, we are confident of reaching our long-term targets. Our focus is to increase production, with improved margins and improved grades, as well as improved costs per tonne milled in the lowest quartile of South African producers.

Harmony has turned the corner – we have dramatically improved the quality of our ounces, and will continue to do so with better cash costs and free cash flow in future.

Signed

Graham Briggs
Chief executive officer
24 October 2011

Financial statements and results

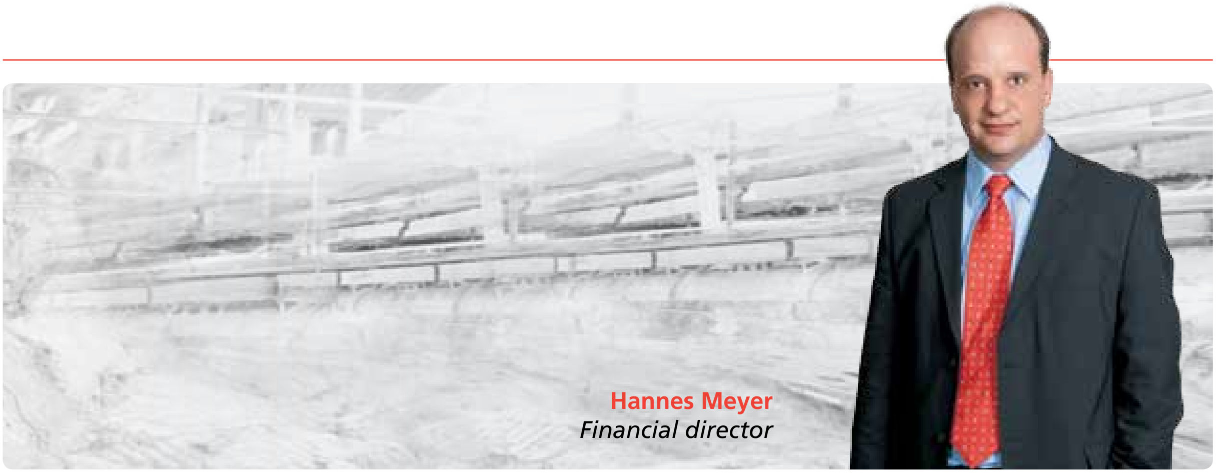
The financial year was characterised by two major themes: the closure of marginal shafts and continued investment in our growth projects. This has placed Harmony in a strong position to generate sustainable earnings as the asset portfolio is optimised and higher-margin operations ramp up to full production.

Financial overview

		FY11	FY10
Gold produced	kg	**40 535**	44 433
	oz	**1 303 228**	1 428 545
Cash costs	R/kg	**226 667**	195 162
	US$/oz	**1 009**	801
Gold sold	kg	**41 043**	43 969
	oz	**1 319 563**	1 413 633
Gold price received	R/kg	**307 875**	266 009
	US$/oz	**1 370**	1 092
Operating profit[1]	R million	**3 275**	2 926
	US$ million	**468**	386
Basic earnings/(loss) per share	SAc/s	**144**	(46)
	USc/s	**20**	(6)
Headline earnings/(loss)	R million	**957**	(29)
	US$ million	**135**	(3)
Headline earnings/(loss) per share	SAc/s	**223**	(7)
	USc/s	**31**	(1)
Dividend declared (post year end)	SAc/s	**60**	50
	USc/s	**8**	7
Net debt	R million	**866**	420
	US$ million	**128**	55
Debt equity	%	**5**	4
Capital expenditure[2]	R million	**3 144**	3 634
	US$ million	**450**	481

[1] *Operating profit is comparable to the term production profit in the segment report in the annual financial statements and not the operating profit line item in the income statement.*

[2] *Includes non-operational capital expenditure relating to PNG (R63 million, US$8 million) and exploration capitalised of R45 million (US$6 million). 2010 includes the acquisition of Pamodzi Free State assets.*



Hannes Meyer
Financial director

The abridged consolidated financial statements for the year ended 30 June 2011, appear on pages 84 to 113 of this report. The audited group and company financial statements can be found on the Harmony website (**www.harmony.co.za**).These financial statements have been prepared using appropriate accounting policies, conforming to IFRS, supported by reasonable and prudent judgements and estimates where required.

Harmony continued its strategy of creating a sustainable company – generating earnings that fund dividends and growth – a company with free cash flow. Accordingly the financial year was characterised by two major themes: the closure of marginal shafts and continued significant investment and production ramp-up in our growth projects.

While the cost of closing marginal shafts has affected the income statement, funding growth projects was managed with minimal debt.

This has placed Harmony in a stronger position to generate sustainable earnings from an optimised asset portfolio and as growth operations ramp up to full production. This stability will also ensure Harmony is able to unlock maximum value to shareholders from our exciting Wafi-Golpu project.

Given the challenges already dealt with, and the positive outlook on the asset portfolio, the board has declared a third consecutive annual dividend.

Results for the year

Key financial indicators extracted from the income statements

	FY11		FY10	
	R million	**US$ million**	R million	US$ million
Revenue	**12 445**	**1 781**	11 284	1 489
Cost of sales	**(11 615)**	**(1 664)**	(10 484)	(1 383)
Gross profit	**830**	**117**	800	106
Operating profit	**44**	**4**	164	22
Other net income and expenses (aggregated)	**73**	**(10)**	11	2
Taxation	**480**	**69**	(335)	(44)
Net profit/(loss)	**617**	**86**	(192)	(24)
Earnings/(loss) per share (cents)	**144**	**20**	(46)	(6)

Contributing factors to these results are discussed below. Unless stated otherwise, discussions are for our continuing operations.

Average monthly gold price

In FY11, we received an average gold price of R307 875/kg, an increase of 16% from R266 009/kg in FY10. In US dollar terms, we received an average of US$1 370/oz, 25% higher than the US$1 092/oz in FY10. In FY11, the gold price traded between US$1 157.00/oz and US$1 552.50/oz.

Exchange rates

	FY11	FY10
Closing rate:		
US$/rand	**6.78**	7.63
Rand/A$	**7.28**	6.49
Kina/A$	**2.41**	2.31
Average for the year:		
US$/rand	**6.99**	7.58
Rand/A$	**6.93**	6.70
Kina/A$	**2.49**	2.26

Gold is sold throughout the world in US dollars, but most of our operating costs are incurred in rand and the kina in PNG. As a result, any significant and sustained appreciation of these currencies against the US dollar will reduce our revenue in rand or kina with a reduction of operating profit in either rand or kina.

Production

Gold produced reduced by 9%, or 3 898kg, to 40 535kg (621kg capitalised) in 2011. This was mainly due to several operations at Evander and Virginia being placed on care and maintenance in FY10 and Merriespruit 1 in September 2010, which accounted for 4 092kg of the decrease year on year. Offsetting this was increased production from Target 3 in 2011, and increased production from our growth operations at Doornkop, Kusasalethu, Phakisa and Hidden Valley as these operations ramp up to full production capacity. The average grade produced at underground operations rose from 4.5g/t to 4.6g/t in FY11 despite lower grades at Joel (22%) and Masimong (8%).

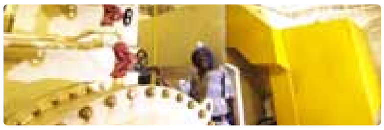
Revenue

Gold sales increased by 10% in FY11 to R12 445 million, on a 16% rise in the rand gold price received. This was offset by the 7% decrease in gold sold. In US dollar terms, gold revenue increased by 20% to US$1 781 million.

Cost of sales

Cost of sales rose from R10 484 million (US$1 383 million) in 2010 to R11 615 million (US$1 664 million) in 2011. The main changes are analysed as follows:

- Production costs rose by R812 million (US$210 million) to R9 170 million (US$1 313 million). This equates to an increase in cash costs of R31 505/kg, or 16%. In US dollar terms, owing to the appreciation of the rand against the US dollar, cash costs rose by 26%, or US$208/oz.
  This reflected the escalating cost of labour, electricity and stores costs, which accounted for R1 183 million (US$169 million) of the increase for the year. Also contributing to the increase is the inclusion of costs for Hidden Valley for the full year, up R581 million (US$83 million) year on year. There was a decrease of R1 101 million (US$158 million) related to closed shafts at the Evander and Virginia operations.
- Amortisation and depreciation rose R401 million (US$73 million) in FY11 to R1 776 million (US$254 million). This reflects the increase in tonnes mined for the year, as production ramps up at our growth operations and Target 3.
- The charge for impairment of assets decreased from R331 million (US$43 million) in FY10 to R264 million (US$39 million) in FY11. Impairments for FY11 relate to Steyn 1 and 2 shafts as well as St Helena



as carrying values for the operations exceed the recoverable amounts. Management decided not to continue mining in some areas of Steyn 2, which resulted in a shorter life-of-mine and therefore a lower recoverable amount. A decision was made not to mine at Steyn 1 and St Helena triggering an impairment on these assets.

- Employment termination and restructuring costs decreased from R205 million (US$27 million) in FY10 to R158 million (US$23 million). FY11 costs relate primarily to the closure of operations at Virginia and Evander operations, and the voluntary retrenchment programme after closing Merriespruit 1 shaft.
- A net insurance credit of R174 million (US$25 million) was recorded in FY11 on the unwinding of the previous self-insurance scheme.
- The change in estimates for rehabilitation obligations resulted in an increase of R45 million (US$7 million) year on year to R74 million (US$11 million).
- Care and maintenance costs for FY11 increased from R57 million (US$8 million) to R124 million (US$18 million) after including the Evander and Virginia operations in FY10 and FY11.
- Write-offs relating to the gold inventory value for Steyn plant (R41 million (US$6 million)) and certain stockpiles (R30 million (US$4 million)), together with an adjustment of R21 million (US$3 million) to gold in lock-up, resulted in a R92 million (US$13 million) inventory loss being recorded in the income statement.

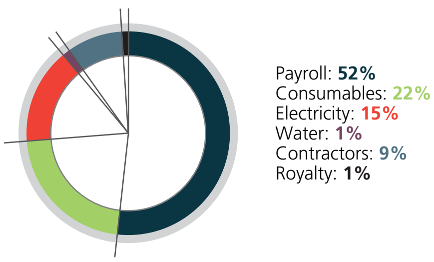
Operating profit

The group reported an operating profit of R44 million (US$4 million) in FY11, compared with R164 million (US$22 million) in FY10. This decrease, despite the higher revenue total, reflects higher production cost, depreciation and exploration expenditure (up R134 million (US$22 million) year on year).

Other income and expenses

- (Loss)/profit from associates consists of Harmony's 40% share in the (losses)/profits of Rand Uranium. We ceased equity accounting the investment when shareholders of Rand Uranium agreed to sell the company.
- Impairment of investment in associates in FY11 relates to the impairment of the carrying value of the investment in Rand Uranium when it was classified as held-for-sale and written down to its recoverable amount.
- The gain of R141 million (US$20 million) (FY10: R38 million (US$5 million)) recognised in net gain on financial instruments for FY11 resulted primarily from fair value movements in equity linked deposits (ELDs) held by environmental trusts.
- The gain on the farm-in option relates to recognition of a gain of R273 million (US$38 million) on the cancellation and subsequent disposal of an option held by the group, which related to a future mine to be developed by Witwatersrand Consolidated Gold Resources Limited.
- Investment income decreased from R187 million (US$25 million) in FY10 to R140 million (US$20 million) in FY11, reflecting lower cash balances and lower interest rates. Interest received from investments held by environmental trusts decreased by 80% as further changes were made to the profile of these investment portfolios from cash to ELDs. Offsetting these decreases was an increase in interest received and interest refunds from the South African Revenue Service (SARS) of R50 million (US$7 million) in FY11.
- Finance costs rose from R246 million (US$32 million) to R288 million (US$41 million) in FY11, mainly due to higher borrowing balances for the year.

South Africa – breakdown of cash operating costs – FY11



Taxation

The deferred taxation credit for FY11 was R492 million (US$70 million) of which around R367 million (US$53 million) relates to the inclusion of the Freegold unredeemed capital allowance. The South African Revenue Service (SARS) previously disallowed Freegold's "post 1973 gold mine" additional capital allowance claim. During March 2011, SARS conceded that the Freegold operations are entitled to claim this capital allowance. The inclusion of the capital allowance increased the deferred tax asset on the balance sheet and the resulting credit was recognised in the income statement.

In addition, a deferred tax credit was recorded for Evander, where the deferred tax rate decreased from 22.9% to 11.5%. This was due to the annual review of the life-of-mine.

Headline earnings

Headline earnings per share from continuing operations increased from SAc1 (USc0) in 2010 to SAc223 (USc31) in 2011. Total headline earnings per share including discontinued operations was SAc223 (USc31) per share in 2011, compared to a loss of SAc7 (USc1) per share in 2010.

Cash flows

Extracts from the cash flow statement

	FY11		FY10	
	R million	**US$ million**	R million	US$ million
Cash generated by operations	**2 418**	**346**	1 611	214
Net interest received (includes dividends)	**6**	**1**	97	13
Cash generated by operating activities	**2 379**	**340**	1 583	210
Net additions to property, plant and equipment	**(3 110)**	**(445)**	(3 493)	(463)
Cash utilised by investing activities	**(2 654)**	**(381)**	(3 416)	(453)
Borrowings raised	**925**	**134**	1 236	168
Borrowings repaid	**(546)**	**(81)**	(391)	(57)
Cash generated by financing activities	**209**	**29**	650	85
Net (decrease)/increase in cash and cash equivalents	**(77)**	**1**	(1 180)	(152)

Operating activities

Net cash generated from operating activities was R2 379 million (US$340 million) in FY11, compared to R1 583 million (US$210 million) in FY10. This relates primarily to the increase of R807 million (US$132 million) in cash generated by operations, mainly as a result of higher revenue from a higher rand gold price received and changes in operating working capital. Also contributing to the year-on-year increase was the reduction in taxation paid by R80 million (US$10 million) and the insurance refund from unwinding the self-insurance scheme. This was offset by the rise in production costs due to inflationary pressures on labour, materials and electricity as well as the increase in exploration expenditure of R179 million (US$28 million) from R219 million (US$29 million) to R398 million (US$57 million) in FY11. In addition, lower interest received of R46 million (US$5 million) for the year contributed to a decrease in cash generated by operating activity.

Investing activities

Cash utilised by investing activities was R2 654 million (US$381 million), compared with R3 416 million (US$453 million) in FY10. Total capital expenditure for FY11 was R3 144 million (US$450 million), a decrease of R489 million (US$31 million) from FY10. This reflects the nearing of completion of development at the growth mines in FY11. Proceeds from the disposal of assets, including the disposal of Mount Magnet, were R247 million (US$33 million) in 2011, compared with R146 million (US$19 million) in 2010. R100 million (US$15 million) was received in April 2011 as a deposit for the sale of Evander 6 and Twistdraai to Taung Gold Limited.

Financing activities

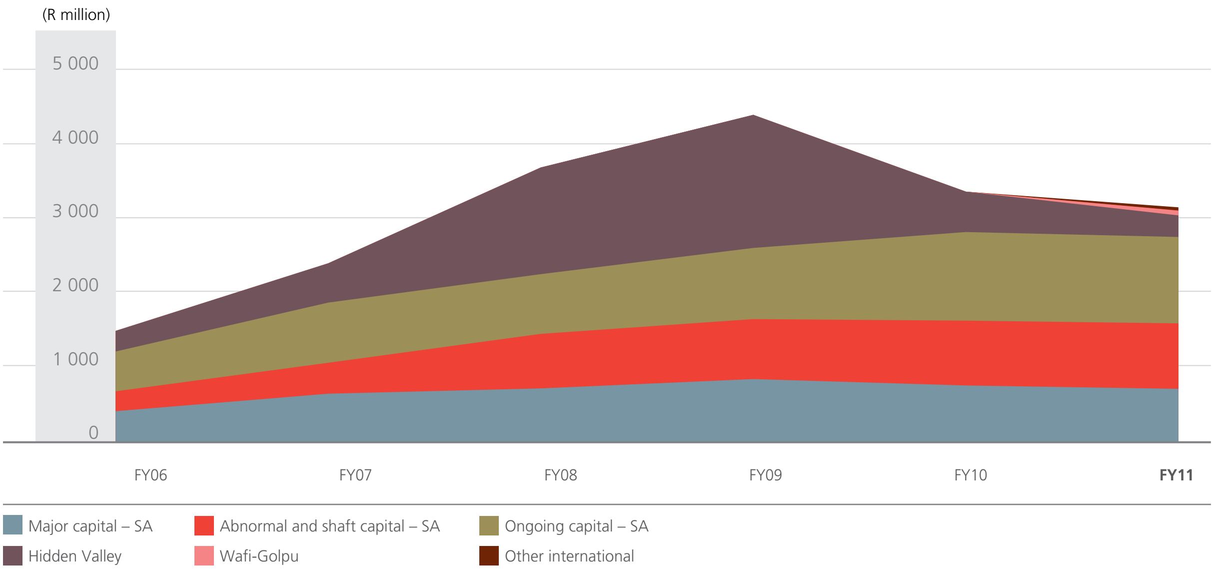
Financing activities generated R209 million (US$29 million) in FY11, compared with R650 million (US$85 million) in FY10. In FY10, the company entered into a loan facility with Nedbank and drew down R1.2 billion (US$160 million) during that year. In FY11, a further R900 million (US$130 million) was drawn down from Nedbank. Total loan repayments in FY11 amounted to R546 million (US$81 million) (FY10: R391 million (US$57 million)).

The net result of Harmony's operating, investing and financing activities was an outflow of R66 million (US$10 million) which, combined with the opening balance of R770 million (US$101 million) and a negative foreign exchange translation of R11 million (positive foreign exchange translation of US$13 million), resulted in a closing cash and cash equivalents balance of R693 million (US$102 million).

Signed

Hannes Meyer
Financial director
24 October 2011

Total capital



INDEPENDENT ASSURANCE REPORT

Independent Assurance Report
to the Directors of Harmony Gold Mining Company Limited

Introduction

We have been engaged by the directors of Harmony Gold Mining Company Limited (Harmony) to perform an independent assurance engagement in respect of selected Identified Sustainability Information included in Harmony's abridged integrated annual report for the year ended 30 June 2011 (the Report).

Scope and subject matter

The following Identified Sustainability Information for South African operations was selected for an expression of limited assurance:

- Electricity use (kilowatt hours) (page 5)
- Water consumption from primary activities (kilo litres) (page 5)
- Lost time injury frequency rate (page 4)
- Employment Equity (% of black employees per occupational level) (page 12)
- Local economic development spend in South African Rand (page 4)

Our responsibilities do not extend to any other information.

Responsibilities of the directors

Harmony's directors are responsible for the preparation and presentation of the Identified Sustainability Information, as incorporated in the 2011 abridged integrated annual report, in accordance with their internally defined procedures and for maintaining adequate records and internal controls that are designed to support the reporting process.

Responsibility of the independent assurance provider

Our responsibility is to conduct a limited assurance engagement and, based on our assurance procedures, report our conclusion to the directors.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. Assurance engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain assurance on the Identified Sustainability Information as per the terms of our engagement.

Summary of work performed

The defined procedures by which Harmony's Identified Sustainability Information is generated and aggregated have been applied as assurance criteria. Definitions for the Identified Sustainability Information applied are those determined by Harmony and provided in the Report (refer pages 118 to 122).

The procedures selected depend on the assurance provider's judgement, including the assessment of the risks of material non-compliance of the Identified Sustainability Information with the criteria. Within the scope of our work we performed among other the following procedures:

- reviewing processes that Harmony have in place for determining the Identified Sustainability Information included in the Report;
- obtaining an understanding of the systems used to generate, aggregate and report the Identified Sustainability Information;
- conducting interviews with management at corporate head office;
- evaluating the data generation and reporting processes against the reporting criteria;
- performing a control walkthrough and testing the accuracy of data reported on a sample basis; and
- reviewing the consistency between the Identified Sustainability Information and related statements in Harmony's Report.

Inherent limitations

The accuracy and completeness of the sustainability data is subject to inherent limitations given the nature and methods for determining, calculating and estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of the data are subject to individual assumptions and judgements.

For a *limited* assurance engagement the evidence gathering procedures are more restricted than for a *reasonable* assurance engagement, and therefore less assurance is obtained than in a *reasonable* assurance engagement.

We have not carried out any work on data reported for prior reporting periods, nor in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the Identified Sustainability Information.

Conclusion

Based on our work performed, nothing has come to our attention that causes us to believe that the Identified Sustainability Information selected for limited assurance has not been prepared, in all material respects, in accordance with the defined reporting criteria.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: FJ Lombard
Registered Auditor
2 Eglin Road, Sunninghill, 2157
Johannesburg

24 October 2011

*ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES

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 may be added to Harmony's reserves.

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

As at 30 June 2011 attributable gold mineral resources are 163.9Moz. Harmony's PNG resources represent 10% of Harmony's total resources at 16.3Moz – a 51% increase in the total amount of resources from PNG, largely due to the significant increase in the Wafi-Golpu resource (jointly (50/50) held by Harmony and Newcrest Mining Limited in the Morobe Mining Joint Ventures, MMJV).

We use certain terms in this report such as 'measured', 'indicated' and 'inferred' resources, which SEC guidelines strictly prohibit US-registered companies from including in their filings with the SEC. US investors are urged to consider closely the disclosure in our Form 20-F.

In converting the mineral resources to mineral reserves the following parameters were applied:

- A gold price of US$1 150/oz
- An exchange rate of US$/ZAR7.57 for South Africa
- These parameters resulted in a gold price of R280 000/kg
- The Hidden Valley mine and Wafi-Golpu project in the MMJV used prices of A$1 133/oz Au, A$18.00/oz Ag, A$18.00/lb Mo and A$3.34/lb Cu at an exchange rate of US$/A$0.75 and PGK/A$2.30.

Auditing

Harmony's mineral resources and mineral reserves have been comprehensively audited by a team of internal competent persons that functions independently of the operating units. The internal audit team verifies compliance with the Harmony code of resource blocking, valuation, classification, cut-off calculations, development of life-of-mine plans and SAMREC sheets which support Harmony's annual mineral resource and mineral reserve statement. This audit process is specifically designed to comply with the requirements of internationally recognised procedures and standards such as:

- South African Code for Reporting Mineral Resources and Mineral Reserves – SAMREC Code
- Industry Guide 7 of the United States Securities Exchange Commission
- Sarbanes-Oxley requirements
- Australian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves – the JORC Code, which complies to the SAMREC Code.

In addition to the internal audits, Harmony's South African resources to reserves conversion process and two operations, Tshepong mine and Kusasalethu

* *This abridged report has been extracted from the* Mineral resources and mineral reserves *report included in the integrated annual report. The full report can be found on the Harmony website (**www.harmony.co.za**).*

mine, were reviewed and audited by SRK Consulting Engineers and Scientists for compliance with the South African Code for Reporting Mineral Resources and Mineral Reserves – SAMREC Code (2008), Industry Guide 7 of the United States Securities Exchange Commission and Sarbanes-Oxley requirements. Harmony's Papua New Guinea mineral resources and mineral reserves will be independently reviewed by AMC Consultants Proprietary Limited for compliance with the standards set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the JORC Code.

Competent person's declaration

Harmony employs an ore reserve manager at each of its operations who takes responsibility for reporting mineral resources and mineral reserves at his operation.

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

Reserves and resources South Africa:

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

Reserves and resources PNG:

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

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

Signed

Jaco Boshoff
24 October 2011

Signed

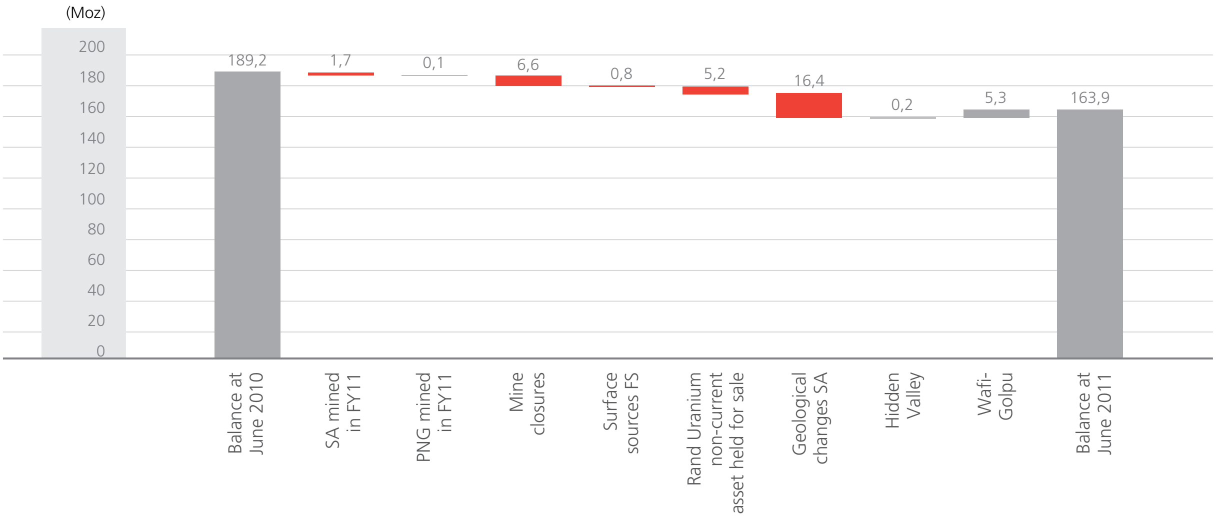
Greg Job
24 October 2011

Reconciliation FY10/FY11

Mineral resources

As at 30 June 2011, attributable gold mineral resources are 163.9Moz, down from 189.2Moz in 2010. This is a negative variance of 19.8Moz from South Africa and a positive variance of 5.5Moz from Papua New Guinea. The following graph shows the year-on-year reconciliation of the mineral resources.

Mineral resources reconciliation Harmony – FY10 vs FY11



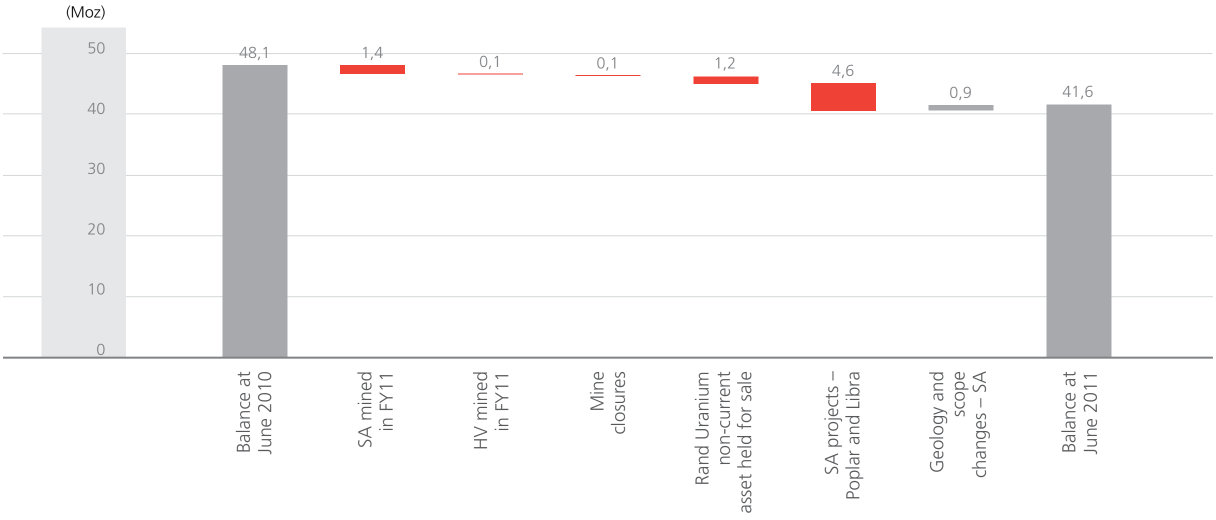
Provisional mineral resources reconciliation: FY10 to FY11

	Gold (tonnes)	Gold (Moz)
Balance at June 2010	**5 885**	**189.2**
Reductions		
Mined during FY2011	(56)	(1.8)
Mine closures	(205)	(6.6)
Surface sources Free State	(25)	(0.8)
Rand Uranium equity (40%) non-current assets held for sale	(162)	(5.2)
Geological changes SA	(510)	(16.4)
Increases		
Hidden Valley	6	0.2
Wafi-Golpu	165	5.3
Balance at June 2011	**5 098**	**163.9**

Mineral reserves

As at 30 June 2011, Harmony's mineral reserves amounted to 41.6Moz of gold. The reserve declaration excludes Rand Uranium reserves (which is being held for sale), as well as some Evander projects which are no longer included in Harmony's long-term mine plans. These exclusions, together with mine depletion, resulted in a decrease of 6.5Moz year on year. The year-on-year mineral reserve reconciliation is shown in the following graph:

Mineral reserves reconciliation Harmony – **FY10 vs FY11**



Summary table: Mineral reserves

	Gold (tonnes)	Gold (Moz)
Balance at June 2010	**1 496**	**48.1**
Reductions		
Mined during FY11	(47)	(1.5)
Mine closures	(2)	(0.1)
Rand Uranium equity (40%) non-current assets held for sale	(37)	(1.2)
Projects SA – Poplar and Libra	(143)	(4.6)
Increases		
Geology and scope changes – SA	27	0.9
Balance at June 2011	**1 294**	**41.6**

Mineral resources statement (metric)

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**
SA underground												
Free State												
Bambanani	14.6	11.62	170	4.7	9.37	44	2.2	8.81	19	21.5	10.84	233
Joel	4.8	7.33	35	7.0	7.33	51	9.8	6.28	62	21.6	6.85	148
Masimong	10.4	7.81	81	5.4	6.89	37	74.2	6.02	446	90.0	6.28	565
Phakisa	1.9	11.17	21	21.0	10.87	228	28.1	7.83	220	51.0	9.21	470
Target												
Target 1	8.2	7.92	65	12.8	7.80	100	5.1	6.49	33	26.1	7.58	198
Target 2	0.0	15.94	1	0.1	15.61	2	–	–	–	0.2	15.69	3
Target 3	11.0	8.45	93	9.0	7.81	71	4.7	5.37	25	24.8	7.63	189
Total	**19.2**	**8.24**	**158**	**22.0**	**7.85**	**173**	**9.9**	**5.95**	**59**	**51.1**	**7.63**	**390**
Freddies 9	3.4	9.56	33	3.0	9.17	28	30.4	6.65	202	36.8	7.12	262
Tshepong	12.9	10.58	136	10.4	10.45	108	11.4	11.96	136	34.6	11.00	380
Unisel	8.0	6.07	49	7.7	5.63	43	12.1	5.50	67	27.8	5.70	158
Total Free State underground	**75.2**	**9.08**	**683**	**81.1**	**8.78**	**712**	**178.1**	**6.80**	**1 211**	**334.3**	**7.79**	**2 606**
Doornkop												
Doornkop Kimberley Reef	4.0	2.29	9	7.5	2.42	18	–	–	–	11.5	2.37	27
Doornkop South Reef	1.4	7.99	11	2.5	7.64	19	19.2	8.35	160	23.1	8.25	191
Total	**5.4**	**3.77**	**21**	**10.0**	**3.73**	**37**	**19.2**	**8.35**	**160**	**34.6**	**6.30**	**218**
Kusasalethu	10.1	10.48	105	23.2	8.96	207	1.5	9.35	14	34.7	9.42	327
Evander												
Evander 8	3.0	14.10	42	2.2	15.94	34	10.4	10.01	105	15.6	11.61	181
Evander (below infrastructure)												
Evander South	–	–	–	23.9	5.35	128	40.4	3.08	125	64.3	3.92	252
Rolspruit	–	–	–	29.1	11.59	337	4.9	5.69	28	34.0	10.74	365
Poplar	–	–	–	21.4	6.75	145	11.6	5.84	68	33.1	6.43	213
Total below infrastructure	**–**	**–**	**–**	**74.4**	**8.20**	**610**	**57.0**	**3.87**	**221**	**131.4**	**6.32**	**830**
Total Evander	**3.0**	**14.10**	**42**	**76.6**	**8.41**	**644**	**67.4**	**4.82**	**325**	**147.0**	**6.88**	**1 012**
Total SA underground	**93.7**	**9.08**	**851**	**190.8**	**8.39**	**1 601**	**266.2**	**6.42**	**1 710**	**550.7**	**7.56**	**4 162**
SA surface												
Kalgold	25.1	0.97	24	58.7	0.94	55	36.3	0.93	34	120.1	0.94	113
Free State surface												
Phoenix	110.4	0.28	30	–	–	–	–	–	–	110.4	0.28	30
St Helena	257.6	0.26	66	–	–	–	–	–	–	257.6	0.26	66
Other: Waste rock												
dumps	–	–	–	6.8	0.53	4	31.1	0.45	14	37.9	0.47	18
Slimes dams	–	–	–	622.2	0.22	139	14.9	0.19	3	637.1	0.22	142
Subtotal other	**–**	**–**	**–**	**629.0**	**0.23**	**143**	**46.0**	**0.37**	**17**	**675.0**	**0.24**	**160**
Total Free State surface	**368.0**	**0.26**	**97**	**629.0**	**0.23**	**143**	**46.0**	**0.37**	**17**	**1 043.0**	**0.25**	**257**
Evander surface												
Libra Project	–	–	–	202.9	0.29	59	–	–	–	202.9	0.29	59
Total SA surface	**393.0**	**0.31**	**121**	**890.6**	**0.29**	**257**	**82.3**	**0.62**	**51**	**1 366.0**	**0.31**	**429**
Grand total SA	**486.7**		**972**	**1 081.4**		**1 858**	**348.5**		**1 761**	**1 916.6**		**4 591**

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**
Papua New Guinea[1]												
Hidden Valley	4.0	1.74	7	45.1	1.53	69	8.0	1.16	9	57.1	1.50	85
Hamata	0.0	1.37	0	2.9	2.19	6	0.5	2.53	1	3.4	2.24	8
Wafi	–	–	–	31.6	1.98	63	20.0	1.73	35	51.6	1.88	97
Golpu	–	–	–	374.5	0.66	247	59.8	0.89	53	434.3	0.69	300
Nambonga	–	–	–	–	–	–	19.9	0.79	16	19.9	0.79	16
Total Papua New Guinea	**4.0**	**1.74**	**7**	**454.1**	**0.85**	**385**	**108.3**	**1.05**	**114**	**566.4**	**0.89**	**506**
Grand total	**490.8**		**979**	**1 535.5**		**2 243**	**456.8**		**1 875**	**2 483.1**		**5 097**
Silver	**Tonnes (Mt)**	**Grade (g/t)**	**Silver (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Silver (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Silver (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Silver (000kg)**
Papua New Guinea[1]												
Hidden Valley	4.0	28.81	116	45.1	31.24	1 408	8.0	23.84	191	57.1	30.03	1 716
Copper	**Tonnes (Mt)**	**Grade (%)**	**Cu (Mkg)**	**Tonnes (Mt)**	**Grade (%)**	**Cu (Mkg)**	**Tonnes (Mt)**	**Grade (%)**	**Cu (Mkg)**	**Tonnes (Mt)**	**Grade (%)**	**Cu (Mkg)**
Papua New Guinea[1]												
Golpu	–	–	–	374.5	1.02	3 820	59.8	1.10	658	434.3	1.03	4 478
Nambonga	–	–	–	–	–	–	19.9	0.21	42	19.9	0.21	42
Total	**–**	**–**	**–**	**374.5**	**1.02**	**3 820**	**79.7**	**0.88**	**700**	**454.2**	**1.00**	**4 520**
Molybdenum	**Tonnes (Mt)**	**Grade (ppm)**	**Mo (Mkg)**	**Tonnes (Mt)**	**Grade (ppm)**	**Mo (Mkg)**	**Tonnes (Mt)**	**Grade (ppm)**	**Mo (Mkg)**	**Tonnes (Mt)**	**Grade (ppm)**	**Mo (Mkg)**
Papua New Guinea[1]												
Golpu	–	–	–	374.5	99.00	37	59.8	76.00	5	434.3	95.83	42
Uranium	**Tonnes (Mt)**	**Grade (kg/t)**	**U3O8 (Mkg)**	**Tonnes (Mt)**	**Grade (kg/t)**	**U3O8 (Mkg)**	**Tonnes (Mt)**	**Grade (kg/t)**	**U3O8 (Mkg)**	**Tonnes (Mt)**	**Grade (kg/t)**	**U3O8 (Mkg)**
SA underground												
Free State												
Masimong	3.8	0.28	1	8.0	0.26	2	72.9	0.16	12	84.7	0.17	15
Tshepong	5.1	0.20	1	17.2	0.21	4	12.3	0.09	1	34.6	0.17	6
Phakisa	2.2	0.26	1	17.5	0.20	4	27.0	0.19	5	46.7	0.20	9
Total	**11.1**	**0.24**	**3**	**42.7**	**0.21**	**9**	**112.2**	**0.16**	**18**	**166.0**	**0.18**	**30**
Total SA underground	**11.1**	**0.24**	**3**	**42.7**	**0.21**	**9**	**112.2**	**0.16**	**18**	**166.0**	**0.18**	**30**
SA surface												
Free State Region	–	–	–	395.6	0.08	30	–	–	–	395.6	0.08	30
Total SA surface	**–**	**–**	**–**	**395.6**	**0.08**	**30**	**–**	**–**	**–**	**395.6**	**0.08**	**30**
Grand total	**11.1**	**0.24**	**3**	**438.3**	**0.09**	**39**	**112.2**	**0.16**	**18**	**561.6**	**0.11**	**60**

[1] *Represents Harmony's equity portion of 50%.*
NB Rounding of numbers may result in slight computational discrepancies.
Note: 1 tonne = 1 000kg = 2 204lb.

Mineral resources statement (imperial)

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Gold	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
SA underground												
Free State												
Bambanani	16.1	0.339	5 453	5.2	0.273	1 411	2.4	0.257	625	23.7	0.316	7 489
Joel	5.2	0.214	1 119	7.7	0.214	1 642	10.9	0.183	1 989	23.8	0.200	4 750
Masimong	11.5	0.228	2 610	6.0	0.201	1 198	81.8	0.175	14 352	99.2	0.183	18 160
Phakisa	2.1	0.326	687	23.1	0.317	7 336	31.0	0.228	7 073	56.2	0.269	15 096
Target												
Target 1	9.0	0.231	2 087	14.1	0.228	3 212	5.7	0.189	1 072	28.8	0.221	6 371
Target 2	0.0	0.471	20	0.1	0.455	67	–	–	–	0.2	0.458	87
Target 3	12.1	0.247	2 987	10.0	0.228	2 268	5.2	0.156	816	27.3	0.222	6 071
Total	**21.2**	**0.240**	**5 094**	**24.2**	**0.229**	**5 547**	**10.9**	**0.174**	**1 888**	**56.3**	**0.223**	**12 529**
Freddies 9	3.8	0.279	1 046	3.3	0.267	893	33.5	0.194	6 493	40.6	0.208	8 432
Tshepong	14.2	0.309	4 379	11.4	0.305	3 478	12.5	0.349	4 372	38.1	0.321	12 229
Unisel	8.8	0.177	1 565	8.4	0.164	1 385	13.4	0.160	2 146	30.7	0.166	5 096
Total Free State underground	**82.9**	**0.265**	**21 953**	**89.4**	**0.256**	**22 890**	**196.3**	**0.198**	**38 938**	**368.5**	**0.227**	**83 781**
Doornkop												
Doornkop Kimberley Reef	4.4	0.067	297	8.3	0.071	582	–	–	–	12.7	0.069	879
Doornkop South Reef	1.6	0.233	362	2.8	0.223	617	21.2	0.244	5 158	25.5	0.241	6 137
Total	**6.0**	**0.110**	**659**	**11.0**	**0.109**	**1 199**	**21.2**	**0.244**	**5 158**	**38.2**	**0.184**	**7 016**
Kusasalethu	11.1	0.306	3 391	25.5	0.261	6 670	1.6	0.272	440	38.2	0.275	10 501
Evander												
Evander 8	3.3	0.411	1 362	2.4	0.465	1 104	11.5	0.292	3 360	17.2	0.339	5 826
Evander (below infrastructure)												
Evander South	–	–	–	26.3	0.156	4 107	44.6	0.090	4 006	70.9	0.114	8 113
Rolspruit	–	–	–	32.1	0.338	10 847	5.4	0.166	902	37.5	0.313	11 749
Poplar	–	–	–	23.6	0.197	4 653	12.8	0.170	2 181	36.5	0.187	6 834
Total below infrastructure	**–**	**–**	**–**	**82.0**	**0.239**	**19 607**	**62.8**	**0.113**	**7 089**	**144.9**	**0.184**	**26 696**
Total Evander	**3.3**	**0.411**	**1 362**	**84.4**	**0.245**	**20 711**	**74.3**	**0.141**	**10 449**	**162.1**	**0.201**	**32 522**
Total SA underground	**103.3**	**0.265**	**27 365**	**210.3**	**0.245**	**51 470**	**293.4**	**0.187**	**54 985**	**607.0**	**0.220**	**133 820**
SA surface												
Kalgold	27.7	0.028	779	64.7	0.027	1 766	40.0	0.027	1 085	132.4	0.027	3 630
Free State surface												
Phoenix	121.6	0.01	980	–	–	–	–	–	–	121.6	0.008	980
St Helena	284.0	0.01	2 131	–	–	–	–	–	–	284.0	0.008	2 131
Other: Waste rock												
dumps	–	–	–	7.5	0.015	115	34.2	0.013	454	41.7	0.014	569
Slimes dams	–	–	–	685.9	0.007	4 481	16.4	0.006	91	702.3	0.007	4 572
Subtotal other	**–**	**–**	**–**	**693.4**	**0.007**	**4 596**	**50.7**	**0.011**	**545**	**744.1**	**0.007**	**5 141**
Total Free State surface	**405.6**	**0.01**	**3 111**	**693.4**	**0.007**	**4 596**	**50.7**	**0.011**	**545**	**1 149.7**	**0.007**	**8 252**
Evander surface												
Libra Project	–	–	–	223.7	0.008	1 897	–	–	–	223.7	0.008	1 897
Total SA surface	**433.3**	**0.009**	**3 890**	**981.8**	**0.008**	**8 259**	**90.7**	**0.018**	**1 630**	**1 505.7**	**0.009**	**13 779**
Grand total SA	**536.5**		**31 255**	**1 192.1**		**59 729**	**384.1**		**56 615**	**2 112.7**		**147 599**

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Gold	**Tons (Mt)**	**Grade (oz/t)**	**Gold (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Gold (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Gold (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Gold (000oz)**
Papua New Guinea[1]												
Hidden Valley	4.4	0.051	226	49.7	0.045	2 222	8.9	0.034	299	63.0	0.044	2 747
Hamata	0.0	0.095	1	3.2	0.064	204	0.6	0.074	44	3.8	0.066	249
Wafi	–	–	–	34.8	0.058	2 012	22.0	0.050	1 112	56.9	0.055	3 124
Golpu	–	–	–	412.8	0.019	7 947	66.0	0.026	1 712	478.8	0.020	9 659
Nambonga	–	–	–	–	–	–	21.9	0.023	505	21.9	0.023	505
Total Papua New Guinea	**4.5**	**0.051**	**227**	**500.5**	**0.025**	**12 385**	**119.4**	**0.031**	**3 672**	**624.4**	**0.026**	**16 284**
Grand total	**541.0**		**31 482**	**1 692.6**		**72 114**	**503.5**		**60 287**	**2 737.1**		**163 883**
Silver	**Tons (Mt)**	**Grade (oz/t)**	**Silver (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Silver (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Silver (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Silver (000oz)**
Papua New Guinea[1]												
Hidden Valley	4.4	0.840	3 737	49.7	0.911	45 267	8.9	0.695	6 156	63.0	0.876	55 160
Copper	**Tons (Mt)**	**Grade (%)**	**Cu (Mlb)**	**Tons (Mt)**	**Grade (%)**	**Cu (Mlb)**	**Tons (Mt)**	**Grade (%)**	**Cu (Mlb)**	**Tons (Mt)**	**Grade (%)**	**Cu (Mlb)**
Papua New Guinea[1]												
Golpu	–	–	–	412.8	0.925	8 421	66.0	0.998	1 451	478.8	0.935	9 873
Nambonga	–	–	–				21.9	0.191	92	21.9	0.191	92
Total	**–**	**–**	**–**	**412.8**	**0.925**	**8 421**	**87.9**	**0.796**	**1 543**	**500.7**	**0.903**	**9 965**
Molybdenum	**Tons (Mt)**	**Grade (lb/t)**	**Mo (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**Mo (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**Mo (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**Mo (Mlb)**
Papua New Guinea[1]												
Golpu	–	–	–	412.8	0.198	82	66.0	0.152	10	478.8	0.192	92
Uranium	**Tons (Mt)**	**Grade (lb/t)**	**U3O8 (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**U3O8 (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**U3O8 (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**U3O8 (Mlb)**
SA underground												
Free State												
Masimong	4.2	0.567	2	8.8	0.512	4	80.4	0.318	26	93	0.347	32
Tshepong	5.6	0.398	2	19.0	0.414	8	13.6	0.188	3	38	0.331	13
Phakisa	2.4	0.526	1	19.3	0.405	8	29.7	0.382	11	52	0.398	20
Total	**12.2**	**0.482**	**6**	**47.1**	**0.429**	**20**	**123.7**	**0.319**	**39**	**183**	**0.358**	**66**
Total SA underground	**12.2**	**0.482**	**6**	**47.1**	**0.429**	**20**	**123.7**	**0.319**	**39**	**183**	**0.358**	**66**
SA surface												
Free State Region	–	–	–	436.0	0.152	66	–	–	–	436.0	0.152	66
Total SA surface	**–**	**–**	**–**	**436.0**	**0.152**	**66**	**–**	**–**	**–**	**436.0**	**0.152**	**66**
Grand total	**12.2**	**0.482**	**6**	**483.1**	**0.179**	**86**	**123.7**	**0.319**	**39**	**619.0**	**0.213**	**132**

[1] *Represents Harmony's equity portion of 50%.*
NB Rounding of numbers may result in slight computational discrepancies.
Note: 1 ton = 907kg = 2 000lb.

Mineral reserves statement (metric)

Operations	Proved reserves			Probable reserves			Total mineral reserves		
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold[1] (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold[1] (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold[1] (000kg)**
SA underground									
Free State									
Bambanani	3.3	11.42	37	0.1	7.54	0	3.3	11.36	37
Joel	1.3	6.25	8	1.6	5.02	8	3.0	5.58	16
Masimong	5.2	5.45	28	1.4	5.42	8	6.6	5.44	36
Phakisa	1.7	7.56	13	17.3	8.50	148	19.1	8.42	161
Target									
Target 1	5.2	4.91	25	5.2	5.55	29	10.4	5.23	54
Target 3	1.9	6.97	13	3.1	5.58	17	5.0	6.11	31
Total	**7.1**	**5.46**	**39**	**8.3**	**5.56**	**46**	**15.4**	**5.52**	**85**
Tshepong	13.7	5.24	72	8.2	5.23	43	21.8	5.24	114
Unisel	1.9	4.77	9	1.0	4.43	5	2.9	4.65	13
Total Free State underground	**34.1**	**6.04**	**206**	**38.0**	**6.78**	**258**	**72.1**	**6.43**	**463**
Doornkop									
Doornkop Kimberley Reef	1.8	2.08	4	3.7	2.31	8	5.4	2.23	12
Doornkop South Reef	1.1	5.48	6	2.1	5.25	11	3.2	5.33	17
Total	**2.9**	**3.41**	**10**	**5.8**	**3.38**	**20**	**8.7**	**3.39**	**29**
Kusasalethu	12.5	6.94	87	21.2	6.42	136	33.8	6.61	223
Evander									
Evander 8	2.4	7.52	18	1.0	7.74	8	3.4	7.59	26
Evander (below infrastructure)									
Rolspruit	–	–	–	26.2	8.08	211	26.2	8.08	211
Total Evander	**2.4**	**7.52**	**18**	**27.2**	**8.06**	**219**	**29.5**	**8.02**	**237**
Total SA underground	**51.8**	**6.18**	**320**	**92.2**	**6.86**	**632**	**144.0**	**6.62**	**953**
SA surface									
Kalgold	18.6	0.82	15	7.1	0.85	6	25.7	0.83	21
Free State surface									
Phoenix	110.4	0.28	30	–	–	–	110.4	0.28	30
St Helena	257.6	0.26	66	–	–	–	257.6	0.26	66
Other: Waste rock dumps	–	–	–	6.8	0.53	4	6.8	0.53	4
Slimes dams	–	–	–	571.0	0.23	130	571.0	0.23	130
Subtotal other	–	–	–	**577.8**	**0.23**	**134**	**577.8**	**0.23**	**134**
Total Free State surface	**368.0**	**0.26**	**97**	**577.8**	**0.23**	**134**	**945.7**	**0.24**	**231**
Evander surface									
Libra Project	–	–	–	39.6	0.32	13	39.6	0.32	13
Total SA surface	**386.6**	**0.29**	**112**	**624.5**	**0.24**	**153**	**1 011.1**	**0.26**	**265**
Grand total SA	**438.4**		**432**	**716.7**		**785**	**1 155.1**		**1 217**

Operations	Proved reserves			Probable reserves			Total mineral reserves		
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold[1] (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold[1] (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold[1] (000kg)**
Papua New Guinea[2]									
Hidden Valley	3.7	1.79	7	26.8	1.63	44	30.4	1.65	50
Hamata	–	–	–	2.5	2.09	5	2.5	2.09	5
Golpu	–	–	–	35.4	0.61	22	35.4	0.61	22
Total Papua New Guinea	3.7	1.79	7	64.6	1.09	70	68.3	1.13	77
Grand total	442.1		439	781.3		856	1 223.4		1 294
Silver	**Tonnes (Mt)**	**Grade (g/t)**	**Silver[1] (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Silver[1] (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Silver[1] (000kg)**
Papua New Guinea[2]									
Hidden Valley	3.7	29.24	107	26.8	35.38	947	30.4	34.64	1 055
Copper	**Tonnes (Mt)**	**Grade (%)**	**Cu[1] (Mkg)**	**Tonnes (Mt)**	**Grade (%)**	**Cu[1] (000kg)**	**Tonnes (Mt)**	**Grade (%)**	**Cu[1] (000kg)**
Papua New Guinea[2]									
Golpu	–	–	–	35.4	1.10	389	35.4	1.10	389
Molybdenum	**Tonnes (Mt)**	**Grade (ppm)**	**Mo[1] (Mkg)**	**Tonnes (Mt)**	**Grade (ppm)**	**Mo[1] (Mkg)**	**Tonnes (Mt)**	**Grade (ppm)**	**Mo[1] (Mkg)**
Papua New Guinea[2]									
Golpu	–	–	–	35.4	121.00	4	35.4	121.00	4
Uranium	**Tonnes (Mt)**	**Grade (kg/t)**	**U3O8[1] (Mkg)**	**Tonnes (Mt)**	**Grade (kg/t)**	**U3O8[1] (Mkg)**	**Tonnes (Mt)**	**Grade (kg/t)**	**U3O8[1] (Mkg)**
SA underground									
Masimong	2.6	0.19	0	3.3	0.18	1	6.0	0.18	1
Tshepong	6.6	0.09	1	13.4	0.11	1	20.0	0.10	2
Phakisa	2.4	0.16	0	16.7	0.13	2	19.1	0.14	3
Total SA underground	11.6	0.13	2	33.4	0.13	4	45.0	0.13	6
Grand total	11.6	0.13	2	33.4	0.13	4	45.0	0.13	6

[1] *Metal figures are fully inclusive of all mining dilutions and gold losses, and are reported as mill delivered tonnes and head grades. Metallurgical recovery factors have not been applied to the reserve figures.*

[2] *Represents Harmony's equity portion of 50%.*

NB Rounding of numbers may result in slight computational discrepancies.

Note: 1 tonne = 1 000kg = 2 204lb.

Mineral reserves statement (imperial)

Operations	Proved reserves			Probable reserves			Total mineral reserves		
Gold	**Tons (Mt)**	**Grade (oz/t)**	**Gold[1] (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Gold[1] (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Gold[1] (000oz)**
SA underground									
Free State									
Bambanani	3.6	0.333	1 195	0.1	0.212	12	3.7	0.331	1 207
Joel	1.5	0.182	268	1.8	0.146	262	3.3	0.163	530
Masimong	5.7	0.159	905	1.5	0.158	245	7.2	0.159	1 150
Phakisa	1.9	0.221	421	19.1	0.248	4 743	21.0	0.246	5 164
Target									
Target 1	5.7	0.143	814	5.8	0.162	935	11.5	0.153	1 749
Target 3	2.1	0.203	429	3.4	0.163	557	5.5	0.178	986
Total	**7.8**	**0.159**	**1 243**	**9.2**	**0.162**	**1 492**	**17.0**	**0.161**	**2 735**
Tshepong	15.1	0.153	2 302	9.0	0.153	1 377	24.1	0.153	3 679
Unisel	2.0	0.139	285	1.2	0.130	149	3.2	0.136	434
Total Free State underground	**37.6**	**0.176**	**6 619**	**41.9**	**0.198**	**8 280**	**79.5**	**0.188**	**14 899**
Doornkop									
Doornkop Kimberley Reef	1.9	0.061	117	4.1	0.067	273	6.0	0.065	390
Doornkop South Reef	1.2	0.160	198	2.3	0.153	354	3.5	0.155	552
Total	**3.1**	**0.099**	**315**	**6.4**	**0.098**	**627**	**9.5**	**0.099**	**942**
Kusasalethu	13.8	0.202	2 790	23.4	0.187	4 383	37.2	0.193	7 173
Evander									
Evander 8	2.6	0.219	571	1.1	0.226	252	3.7	0.221	823
Evander (below infrastructure)									
Rolspruit	–	–	–	28.8	0.236	6 790	28.8	0.236	6 790
Total Evander	**2.6**	**0.219**	**571**	**29.9**	**0.235**	**7 042**	**32.5**	**0.234**	**7 613**
Total SA underground	**57.1**	**0.180**	**10 295**	**101.6**	**0.200**	**20 332**	**158.7**	**0.193**	**30 627**
SA surface									
Kalgold	20.5	0.024	492	7.8	0.025	193	28.3	0.024	685
Free State surface									
Phoenix	121.6	0.008	980	–	–	–	121.6	0.008	980
St Helena	284.0	0.008	2 131	–	–	–	284.0	0.008	2 131
Other: Waste rock dumps	–	–	–	7.5	0.015	115	7.5	0.015	115
Slimes dams	–	–	–	629.5	0.007	4 192	629.5	0.007	4 192
Subtotal other	–	–	–	**637.0**	**0.007**	**4 307**	**637.0**	**0.007**	**4 307**
Total Free State surface	**405.6**	**0.008**	**3 111**	**637.0**	**0.007**	**4 307**	**1 042.6**	**0.007**	**7 418**
Evander surface									
Libra Project	–	–	–	43.7	0.009	409	43.7	0.009	409
Total SA surface	**426.1**	**0.008**	**3 603**	**688.5**	**0.007**	**4 909**	**1 114.6**	**0.008**	**8 512**
Grand total SA	**483.2**		**13 898**	**790.1**		**25 241**	**1 273.3**		**39 139**

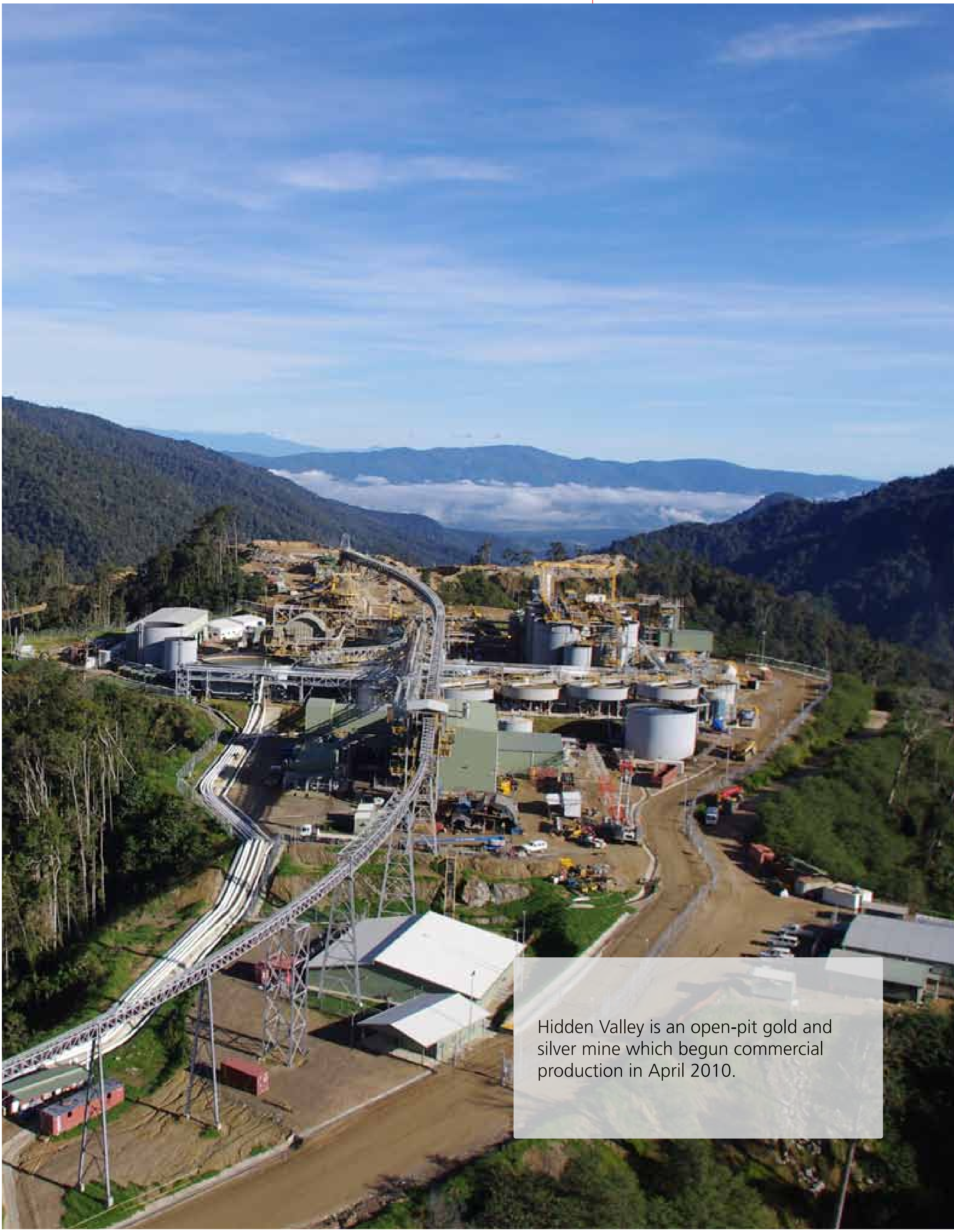
Operations	Proved reserves			Probable reserves			Total mineral reserves		
Gold	**Tons (Mt)**	**Grade (oz/t)**	**Gold[1] (000oz)**	**Tons (Mt)**	**Grade (oz/ t)**	**Gold[1] (000oz)**	**Tons (Mt)**	**Grade (oz/ t)**	**Gold[1] (000oz)**
Papua New Guinea[2]									
Hidden Valley	4.0	0.052	211	29.5	0.048	1 405	33.5	0.048	1 616
Hamata	–	–	–	2.7	0.061	166	2.7	0.061	166
Golpu	–	–	–	39.0	0.018	694	39.0	0.018	694
Total Papua New Guinea	**4.0**	**0.052**	**211**	**71.2**	**0.032**	**2 265**	**75.2**	**0.033**	**2 476**
Grand total	**487.2**		**14 109**	**861.3**		**27 506**	**1 348.5**		**41 615**
Silver	**Tons (Mt)**	**Grade (oz/t)**	**Silver[1] (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Silver[1] (000oz)**	**Tons (Mt)**	**Grade (oz/t)**	**Silver[1] (000oz)**
Papua New Guinea[2]									
Hidden Valley	4.0	0.853	3 447	29.5	1.032	30 457	33.5	1.010	33 904
Copper	**Tons (Mt)**	**Grade (%)**	**Cu[1] (Mlb)**	**Tons (Mt)**	**Grade (%)**	**Cu[1] (Mlb)**	**Tons (Mt)**	**Grade (%)**	**Cu[1] (Mlb)**
Papua New Guinea[2]									
Golpu	–	–	–	39.0	0.998	858	39.0	0.998	858
Molybdenum	**Tons (Mt)**	**Grade (lb/t)**	**Mo[1] (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**Mo[1] (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**Mo[1] (Mlb)**
Papua New Guinea[2]									
Golpu	–	–	–	39.0	0.231	9	39.0	0.231	9
Uranium	**Tons (Mt)**	**Grade (lb/t)**	**U3O8[1] (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**U3O8[1] (Mlb)**	**Tons (Mt)**	**Grade (lb/t)**	**U3O8[1] (Mlb)**
SA underground									
Masimong	2.9	0.376	1	3.7	0.355	1	6.6	0.364	2
Tshepong	7.2	0.189	1	14.8	0.217	3	22.0	0.208	4
Phakisa	2.7	0.320	1	18.4	0.269	5	21.1	0.276	6
Total SA underground	**12.8**	**0.259**	**3**	**36.9**	**0.257**	**9**	**49.7**	**0.257**	**12**
Grand total	**12.8**	**0.259**	**3**	**36.9**	**0.257**	**9**	**49.7**	**0.257**	**12**

[1] *Metal figures are fully inclusive of all mining dilutions and gold losses, and are reported as mill delivered tons and head grades. Metallurgical recovery factors have not been applied to the reserve figures.*

[2] *Represents Harmony's equity portion of 50%.*

NB Rounding of numbers may result in slight computational discrepancies.

Note: 1 ton = 907kg = 2 000lb.



Hidden Valley is an open-pit gold and silver mine which begun commercial production in April 2010.

Reward strategy – intent

Harmony recognises that remuneration is a business consideration as well as a human resources issue, and that the company's remuneration policies have a direct impact on operational expenditure, company culture, employee behaviour and ultimately, with correct alignment, on the sustainability of the company.

The objective of Harmony's reward strategy is to enable the business to:

- recruit high-performing skills from a limited pool of talent
- retain competent employees who continuously enhance business performance
- reinforce, encourage and promote superior performance
- direct employees' energies and activities to achieving key business goals
- achieve most effective returns (employee productivity) for total employee spend
- embrace diverse needs of employees in building the Harmony culture.

To achieve this, Harmony rewards employees in a way that fairly reflects the dynamics of the market and the context in which it operates. All components of the reward strategy are aligned to Harmony's strategic direction, business-specific value drivers and operational results.

Reward strategy – design principles

The principles that govern Harmony's reward strategy include:

- **Competitive pay levels:** Harmony is committed to paying packages that are competitive relative to the target labour market
- **Pay for performance:** Remuneration practices reward high-performing employees for their contribution to the company
- **Internal equity:** Remuneration differentiation between employees is based on criteria that are fair and objective
- **Cost management:** Harmony manages the total cost of employment for all employees
- **Holistic approach:** Harmony has adopted an integrated approach to reward strategy – a balanced design that includes the following components:
  - Guaranteed pay
  - Short-term incentive pay
  - Long-term (share-based) incentive pay
  - Performance management
  - Employee growth and development
  - Non-financial rewards and recognition
- **Regular revision:** Harmony recognises that the reward strategy and resultant remuneration policies are dynamic and should be reviewed regularly to ensure that practices keep pace with both the company's objectives and market practices
- **Communication:** Harmony is committed to ensuring employees are aware of the company's reward strategy.

Remuneration governance

The remuneration committee has been established by the board to assist in its responsibility for setting and administering remuneration policies in the company's long-term interests, and to ensure that Harmony's directors and senior executives are fairly rewarded for their individual contributions to overall performance; and to give due regard to the interests of shareholders and the financial and commercial health of Harmony.

The proceedings of the remuneration committee are governed by a charter approved by the board. The committee's primary objectives are to specifically address reward strategies for those employees who fall outside the bargaining units. The committee especially concerns itself with the remuneration of senior executives, including executive directors, and to monitor and strengthen its objectivity and credibility in linking remuneration to individual performance, Harmony's performance and market conditions. It also advises the board on the remuneration of non-executive directors.

The committee is charged to promote a culture that supports enterprise and innovation by adopting remuneration policies and practices with appropriate short- and long-term performance-related rewards that are fair and achievable, aligned with the company's strategy, and create value for the company over the long term.

The responsibilities and duties of the remuneration committee include:

- Annual review of Harmony's reward strategy and remuneration policies, for employees in general and, specifically, for senior executives' and directors' remuneration
- Annual review of the basis of calculating senior executives' and directors' remuneration to ensure it is reasonable, taking into account the measurement of performance against predetermined and agreed criteria
- Monitoring and reviewing the company's compliance with the remuneration guidelines of King III
- Review of current industry and general best practice in remuneration, including:
  - professional executive recruitment organisations' publications
  - evolving and changing methods of remunerating senior executives and directors
  - existing and developing concepts in fringe benefits and share plan architectures
  - retirement and termination payments
- Review of related-party transactions and disclosure, if any
- Review of terms and conditions of executive directors' service agreements
- Acting as trustees of the Harmony share trust and monitoring the vesting and exercise of share options in terms of the share option scheme
- Approving allocations/awards/grants of share appreciation rights/performance shares/restricted shares in terms of the 2006 Harmony share plan
- Approving payments of incentive bonuses to executives in terms of all incentive plans
- Coordinating its efforts with the chairman of the board and the executive committee
- Ensuring that the remuneration report included in Harmony's annual report fully complies with the guidelines of King III and that it will find favour with, and be approved by, shareholders in the annual general meeting.

The committee currently comprises six non-executive directors, four of whom are independent. The current chairman of the remuneration committee, Cedric Savage, is an independent non-executive director, elected on the basis of his business knowledge and experience, and familiarity with the challenges facing directors and executive managers. He has ensured that decisions were fair and unbiased. However, he will resign from office on the date of the annual general meeting to be held in November 2011, and the board has agreed to recommend that Frank Abbott be appointed as chairman in his stead.

Although Mr Abbott is a not an independent non-executive director, this recommendation is based on:

- His extensive knowledge of the company's remuneration policies and procedures
- The best interests of the company
- The lead independent director serving as a member of the committee
- A majority of the members of the committee being non-executives, the majority of whom in turn will be independent.

The chief executive officer, financial director and the executive: human resources are invited to attend all meetings. The remuneration committee is expected to meet at least quarterly or, alternatively, to pass resolutions by round robin if a formal meeting cannot be held.

Guaranteed pay considerations

In reviewing and approving levels of guaranteed pay, the remuneration committee ensures that these reflect the market sector in which Harmony operates, and the contribution of employees, particularly senior executives and executive directors.

To compete effectively for skills in a challenging employment market, Harmony identifies the target market, those organisations or companies from which skills are acquired, or to which skills are lost. Operation and technical comparisons are made predominantly to the mining and resources market, while more general comparisons are made to the national market and, at executive level, comparisons are made to top executive surveys.

For all positions other than those for which specific premiums are deemed appropriate due to scarcity or criticality of skills, Harmony will target guaranteed pay levels relative to the market median of the target market.

In the context of guaranteed pay, all other benefits including pensions, benefits in kind and other financial arrangements are scrutinised to ensure they are justified, appropriately valued and suitably disclosed. Additionally Harmony ensures that guaranteed pay is a sufficient proportion of total remuneration to allow for a fully flexible incentive scheme to operate.

Short-term incentive pay considerations

The remuneration committee ensures that Harmony's directors and senior executives are fairly rewarded for their individual contributions to overall performance. In September 2006, the committee approved an annual incentive scheme as part of Harmony's reward philosophy to benefit executive directors and members of management. This scheme was revised in 2010 to provide twice-yearly incentive bonuses for all management employees applying to corporate, Harmony central services, medical services and central operations; and quarterly incentive bonuses for designated shaft management team members as well as regional operations management teams.

Although bonuses are payable bi-annually and quarterly, they are still related to performance against annual objectives consistent with long-term value for shareholders, with both business and corporate performance targets, both financial and non-financial, and tailored to the needs of the business. They are reviewed annually to ensure they remain appropriate.

While Harmony's fundamental aim is to generate profit for its shareholders while continuing to grow, it is equally committed to ensuring that the safety, health and well-being of its employees is a primary area of focus. Therefore remuneration is linked to safety performance at all levels of the organisation to reinforce safety as a top priority.

Minimum levels of financial and operational performance are also included, with targets for threshold, expected and stretch levels of performance set and robustly monitored. Performance drivers are not duplicated, and a balance is struck between the need to reward success over the short and long terms.

Scorecards of multiple targeted performance measures are used to avoid manipulation of results or poor business decisions. Currently, the principles of the scheme are based on the key performance targets of improvements in safety, and performance against budget targets for: kilograms of gold produced, underground grade, cash cost and capital expenditure.

Throughout, the remuneration committee satisfies itself on the accuracy of recorded performance measures that govern vesting of incentives. Risk-based oversight of bonuses payable is exercised to ensure behaviours contrary to the company's risk management strategy are eliminated.

Occasionally, external factors impacting on performance outside the control of participants may be accommodated to a limited extent for executives (with board discretionary approval), but may be more generously applied at lower levels in the organisation (with executive committee discretionary approval).

Long-term (share-based) incentive considerations

Harmony has implemented various share option schemes in the past, but since the implementation of the 2006 share plan, no options have been or will be issued in terms of these schemes. Options granted prior to the 2006 share plan remain open for acceptance for ten years after the date of grant, subject to the terms of the relevant option scheme.

The Harmony 2006 share plan (the plan) was adopted by shareholders at the annual general meeting on 10 November 2006. The plan incorporates the following elements: equity-settled share appreciation rights, performance shares and performance-allocated restricted shares. The plan is in line with global and South African best practice, and rewards the required attributes of shareholder alignment and long-term, sustained performance.

In terms of the plan, executives and senior managers of Harmony and its subsidiaries and associates are awarded rights to receive shares in Harmony, when time and performance conditions have been met, the awards have vested and, in the case of share appreciation rights (SARs), the rights have been exercised.

Annual allocations of SARs, awards of performance shares, and grants of restricted shares are governed by Harmony's reward strategy, in which inter alia the 'expected value' of long-term incentive rewards is set for defined categories of executive and senior management. Participation is restricted to full-time employees and executive directors, and is subject to appropriate limits for individual participation.

Annual offers are made as this reduces the risk of unanticipated outcomes arising from share-price volatility and cyclical factors, allows the adoption of a single performance measurement period and lessens the possibility and impact of 'underwater' share appreciation rights or excessive windfall gains. There is no repricing or surrender and regrant of any offers. The rules of the scheme provide that share awards are not granted in a closed period and no backdating of awards is allowed.

Rewards are settled in shares. However, participants are able to receive, via the company-appointed share scheme administrators, payment of the cash received from the sale of the shares, less tax payable.

Performance conditions governing vesting of the scheme instruments include growth in earnings above inflation, targeted operational performance, and comparative financial/share performance against a peer group or index. They are designed to be challenging but achievable and are linked to the company's medium-term business plan over three-year performance periods.

A summary of the main elements of the share plan and performance conditions as currently implemented is set out below. Performance conditions for subsequent awards may use different performance measures and targets, but will be no less challenging in the context of the prevailing business environment.

The share appreciation right scheme (SARS)

Eligible employees receive annual allocations of share appreciation rights, which are rights to receive shares equal to the value of the difference between the exercise price and the allocation price, less tax payable on the difference.

Vesting of the SARs is phased and subject to performance conditions specified in the allocation letter. Currently, vesting occurs in equal thirds on the third, fourth and fifth anniversary of the allocation, subject to a performance condition tied to the company's performance in headline earnings per share (HEPS) above inflation.

The performance share plan (PSP)

Eligible employees receive annual conditional awards of a maximum number of performance shares.

The conditional award vests after three years if the performance conditions have been satisfied. The specific performance conditions are stated in the award letter.

The performance criteria since November 2009 for senior management are:

- 50% of the number awarded is linked to the annual gold production of the company in relation to targets set annually
- 50% of the number awarded is linked to the South African gold index.

The performance criteria for management since November 2009:

- 70% of the number awarded is linked to the annual gold production of the company in relation to targets set annually
- 30% of the number awarded is linked to the South African gold index.

Although performance shares vest in the third year, performance against the two selected metrics is assessed annually and locked in for three discrete and equal segments of each award.

On vesting of the conditional award, the company procures the delivery of shares to settle the after-tax value of the vested portion of the award. Conditional awards that do not vest at the end of the three-year period lapse.

The performance allocated restricted share plan (RSP)

Periodically, eligible employees may be granted a number of restricted shares and matching performance shares at the discretion of the board, based on their individual performance in the preceding year, or future worth or value to the company. The quantum and balance between restricted shares and matching performance shares is at the discretion of the board.

Restricted shares vest three years from the grant date, at which point the participant has 30 days to elect to exercise them or not. A request to exercise must be in writing and is subject to board approval. If the participant decides not to exercise all or a portion of the restricted shares on vesting, or does not react within 30 days from the vesting date, then the restricted shares remain restricted for a further three years, but are supplemented by a matching grant of restricted shares. All restricted shares are then only settled after the end of a further three-year period.

Reward strategy – Pay-mix considerations

The remuneration committee ensures that the mix of fixed and variable pay, in cash, shares and other elements, meets the company's needs and that incentives are based on targets that are stretching, verifiable and relevant.

Pay mix is defined as the balance targeted between the major components of remuneration, namely:

- Total cost to company guaranteed pay (TCTC)
- Variable pay for performance
  - Bonuses derived from cash incentive bonuses
  - The expected value derived from offers in terms of a long-term (share-based) incentive plan (LTIP).

Expected value is defined as the present value of the future reward outcome of an allocation/award/grant, given the targeted future performance of the company and its share price. It should not be confused with the term 'fair value' which is used to establish the accounting cost in the company's financial statements. Neither should it be confused with the term 'face value' which is used to define the current value of the underlying share at the time of allocation/award/grant.

The reward strategy – pay-mix relationship currently in place at Harmony, as it relates to the CEO, executive and general manager positions, is shown on page 72.

Non-executive directors' pay

Harmony's remuneration committee ensures that directors are fairly rewarded for their individual contributions to overall performance. The board agrees periodically to an increase in non-executive directors' fees to ensure these remain competitive. Shareholders are requested to approve the increase in fees, as set out in the notice of meeting, at the annual general meeting held in November 2011.

Non-executive director fees are awarded annually and paid on a monthly basis and vary according to factors including the level of expertise of each director. The chairman and other non-executive directors do not receive options or other incentive awards geared to share price or group performance, as such incentives would align their interests too closely with executives and may be seen to impair their ability to provide impartial oversight and advice.

Contracts, severance, termination

Contracts do not commit the company to pay on termination arising from an executive's failure, and balloon payments are not paid on termination, nor is there any automatic entitlement to bonuses or share-based payments. Contracts also make it clear that if a director is dismissed as a result of a disciplinary procedure, a shorter notice period than that given in the contract will apply.

Contracts do not compensate executives for severance as a result of change of control; however this does not preclude payments to retain key executives during a period of uncertainty. Where individuals leave voluntarily before the end of the service period, or are dismissed for good cause, any unvested share-based awards lapse.

In other cases of cessation of employment, where the remuneration committee decides that early vesting is appropriate, the extent of vesting would depend on performance criteria over the period to date as well as the time served of vesting periods.

Reward strategy – pay mix

Reward level	Designations	On-target incentive reward*	Maximum incentive reward*	Total share reward (expected value)
CEO	CEO	50%	100%	70%
Exec	Executives	50%	100%	50%
GM	General manager	30%/50%	50%/70%	35%

Notes

All percentages applied to TCTC.

* *The on-target incentive bonus percentage of 30% is generally applied to all corporate and support positions, with the 50% applied to all shaft operational positions. In both cases, the percentage is based on achieving strategy plan targets.*

Directors' and management remuneration

Name	Directors' fees (R000) FY11	Salaries and benefits (R000) FY11	Retirement contributions during the year (R000) FY11	Bonuses paid (R000) FY11	Share options exercised during the year (R000) FY11	Total (R000) FY11	Total (R000) FY10
Non-executive directors							
Patrice Motsepe	833	–	–	–	–	833	798
Frank Abbott[1]	332	–	–	–	–	332	–
Joaquim Chissano	427	–	–	–	–	427	373
Fikile De Buck[2]	609	–	–	–	–	609	455
Dr Cheick Diarra[3]	149	–	–	–	–	149	150
Ken Dicks	326	–	–	–	–	326	311
Dr Simo Lushaba[4]	452	–	–	–	–	452	373
Cathie Markus	343	–	–	–	–	343	250
Modise Motloba	534	–	–	–	–	534	480
Mavuso Msimang[5]	63	–	–	–	–	63	–
David Noko[5]	64	–	–	–	–	64	–
Cedric Savage	707	–	–	–	–	707	644
Andre Wilkens	441	–	–	–	–	441	395
Executive directors							
Frank Abbott[6]	–	472	–	801	–	1 273	3 424
Graham Briggs	–	5 274	–	2 698	2 263	10 235	6 598
Mashego Mashego	–	2 158	209	1 045	1 026	4 438	791
Hannes Meyer	–	2 675	–	1 303	–	3 978	1 805
Prescribed officers[7]							
Alwyn Pretorius*	–	2 207	234	1 239	2 507	6 187	2 950
Tom Smith	–	2 212	253	1 239	1 050	4 754	2 913
Johannes van Heerden*	–	2 730	169	1 239	1 045	5 183	3 347
Other							
Top earner X*	–	2 429	–	1 239	1 695	5 363	3 684
Executive management[8]	–	10 161	756	5 367	5 060	21 344	16 752
Total	5 280	30 318	1 621	16 170	14 646	68 035	46 493

[1] *August 2010 to June 2011 (Appointed 1 August 2010). Received additional service fee (R461 600).*
[2] *Also received fees for serving on the Rand Uranium board (R100 000).*
[3] *July 2010 to May 2011 (Resigned 31 May 2011).*
[4] *Also received fees for serving on the Rand Uranium board (R20 000).*
[5] *April 2011 to June 2011 (Appointed 26 March 2011).*
[6] *July 2010 (Retirement 31 July 2010).*
[7] *Prescribed officers are disclosed in terms of the Companies Act, section 30(4)(a).*
[8] *Includes five people for full year, and two people for a portion of the year.*
* *Part of the top three earners as required by King III.*

The information relating to directors' and management remuneration on pages 73 to 75 has been audited.

EXECUTIVE DIRECTORS' AND MANAGEMENT SHARE INCENTIVES

	Executive directors						Prescribed officers	
	Graham Briggs		Mashego Mashego		Hannes Meyer		Alwyn Pretorius*	
	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)
Closing balance as at 30 June 2010	621 136		130 222		36 459		214 165	
Share options	91 938	48.55	–	–	–	–	29 854	46.45
Performance shares	277 424	n/a	67 912	n/a	27 902	n/a	83 495	n/a
Restricted shares	–	n/a	–	n/a	–	n/a	–	n/a
Share appreciation rights	251 774	78.09	62 310	74.81	8 557	77.28	100 816	72.89
Options granted	144 848		53 984		59 474		53 984	
Share options	–	–	–	–	–	–	–	–
Performance shares	82 424	n/a	25 322	n/a	27 898	n/a	25 322	n/a
Restricted shares	48 485	n/a	22 262	n/a	24 525	n/a	22 262	n/a
Share appreciation rights	13 939	84.81	6 400	84.81	7 051	84.81	6 400	84.81
Options exercised	26 682		24 311		–		68 545	
Share options	–	–	–	–	–	–	29 854	46.45
Performance shares	26 682	n/a	10 059	n/a	–	n/a	12 380	n/a
Restricted shares	–	n/a	–	n/a	–	n/a	–	n/a
Share appreciation rights	–	–	14 252	70.54	–	–	26 311	70.54
Options forfeited and lapsed	28 155		5 974		–		7 353	
Share options	–	–	–	–	–	–	–	–
Performance shares	28 155	n/a	5 974	n/a	–	n/a	7 353	n/a
Restricted shares	–	n/a	–	n/a	–	n/a	–	n/a
Share appreciation rights	–	–	–	–	–	–	–	–
Closing balance as at 30 June 2011	711 147		153 921		95 933		192 251	
Share options	91 938	48.55	–	–	–	–	–	–
Performance shares	305 011	n/a	77 201	n/a	55 800	n/a	89 084	n/a
Restricted shares	48 485	n/a	22 262	n/a	24 525	n/a	22 262	n/a
Share appreciation rights	265 713	78.44	54 458	77.11	15 608	80.68	80 905	74.59
Grant date								
Share options	91 938		–		–		–	
20 November 2001	–	49.60	–	49.60	–	49.60	–	49.60
27 March 2003	–	91.60	–	91.60	–	91.60	–	91.60
10 August 2004	32 340	66.15	–	66.15	–	66.15	–	66.15
26 April 2005	59 598	39.00	–	39.00	–	39.00	–	39.00
Performance shares	305 011		77 201		55 800		89 084	
5 December 2008	148 053	n/a	34 507	n/a	–	n/a	42 411	n/a
16 November 2009	74 534	n/a	17 372	n/a	27 902	n/a	21 351	n/a
15 November 2010	82 424	n/a	25 322	n/a	27 898	n/a	25 322	n/a
Restricted shares	48 485		22 262		24 525		22 262	
15 November 2010	48 485	n/a	22 262	n/a	24 525	n/a	22 262	n/a
Share appreciation rights	265 713		54 458		15 608		80 905	
15 November 2006	3 473	112.64	3 645	112.64	–	112.64	2 328	112.64
15 November 2007	159 484	70.54	28 504	70.54	–	70.54	52 623	70.54
7 March 2008	46 154	102.00	–	102.00	–	102.00	–	102.00
5 December 2008	28 377	77.81	10 582	77.81	–	77.81	13 006	77.81
16 November 2009	14 286	77.28	5 327	77.28	8 557	77.28	6 548	77.28
15 November 2010	13 939	84.81	6 400	84.81	7 051	84.81	6 400	84.81
Closing balance as at 30 June 2011	711 147		153 921		95 933		192 251	

* *Part of the top three earners as required by King III*

Prescribed officers				Other							
Tom Smith		Johannes van Heerden*		Top earner X*		Executive management		Senior management		Total	
Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)
308 449		218 926		199 722		719 068		10 084 423		12 532 570	
124 138	52.12	34 325	44.69	14 660	66.15	132 246	53.12	1 837 424	47.86	2 264 585	48.48
83 495	n/a	83 495	n/a	83 495	n/a	328 801	n/a	2 456 381	n/a	3 492 400	n/a
–	n/a	–	n/a	–	n/a	–	n/a	–	n/a	–	n/a
100 816	72.89	101 106	73.00	101 567	73.18	258 021	74.62	5 790 618	80.70	6 775 585	79.93
53 984		53 984		53 984		172 631		2 270 505		2 917 378	
–	–	–	–	–	–	–	–	–	–	–	–
25 322	n/a	25 322	n/a	25 322	n/a	95 664	n/a	1 012 774	n/a	1 345 370	n/a
22 262	n/a	22 262	n/a	22 262	n/a	48 868	n/a	122 340	n/a	355 528	n/a
6 400	84.81	6 400	84.81	6 400	84.81	28 099	84.81	1 135 391	84.81	1 216 480	84.81
12 380		12 380		53 351		89 404		1 205 953		1 493 006	
–	–	–	–	14 660	–	35 429	39.55	753 463	45.11	833 406	45.29
12 380	n/a	12 380	n/a	12 380	n/a	41 963	n/a	344 778	n/a	473 002	n/a
–	n/a	–	n/a	–	n/a	–	n/a	–	n/a	–	n/a
–	–	–	–	26 311	–	12 012	70.54	107 712	70.54	186 598	70.54
7 353		7 353		7 353		94 029		1 627 883		1 785 453	
–	–	–	–	–	–	8 302	91.60	75 672	49.60	83 974	53.87
7 353	n/a	7 353	n/a	7 353	n/a	69 559	n/a	538 087	n/a	671 187	n/a
–	n/a	–	n/a	–	n/a	–	n/a	7 645	n/a	7 645	n/a
–	–	–	–	–	–	16 168	83.00	1 006 479	85.45	1 022 647	85.43
342 700		253 177		193 002		708 266		9 521 092		12 171 489	
124 138	52.12	34 325	44.69	–	–	88 515	54.95	1 008 289	49.78	1 347 205	50.12
89 084	n/a	89 084	n/a	89 084	n/a	312 943	n/a	2 586 290	n/a	3 693 581	n/a
22 262	n/a	22 262	n/a	22 262	n/a	48 868	n/a	114 695	n/a	347 883	n/a
107 216	73.60	107 506	73.70	81 656	74.94	257 940	75.39	5 811 818	80.28	6 782 820	79.66
124 138		34 325		–		88 515		1 008 287		1 347 203	
–	49.60	–	49.60	–	49.60	–	49.60	82 200	49.60	82 200	49.60
–	91.60	–	91.60	–	91.60	12 000	91.60	96 600	91.60	108 600	91.60
60 000	66.15	7 200	66.15	–	66.15	28 740	66.15	181 228	66.15	309 508	66.15
64 138	39.00	27 125	39.00	–	39.00	47 775	39.00	648 259	39.00	846 895	39.00
89 084		89 084		89 084		312 943		2 586 292		3 693 583	
42 411	n/a	42 411	n/a	42 411	n/a	113 824	n/a	1 352 688	n/a	1 818 716	n/a
21 351	n/a	21 351	n/a	21 351	n/a	103 455	n/a	304 685	n/a	613 352	n/a
25 322	n/a	25 322	n/a	25 322	n/a	95 664	n/a	928 919	n/a	1 261 515	n/a
22 262		22 262		22 262		48 868		114 695		347 883	
22 262	n/a	22 262	n/a	22 262	n/a	48 868	n/a	114 695	n/a	347 883	n/a
107 216		107 506		81 656		257 940		5 811 818		6 782 820	
2 328	112.64	2 618	112.64	3 079	112.64	8 643	112.64	401 922	112.64	428 036	112.64
78 934	70.54	78 934	70.54	52 623	70.54	151 870	70.54	799 398	70.54	1 402 370	70.54
–	102.00	–	102.00	–	102.00	–	102.00	–	102.00	46 154	102.00
13 006	77.81	13 006	77.81	13 006	77.81	37 603	77.81	1 542 288	77.81	1 670 874	77.81
6 548	77.28	6 548	77.28	6 548	77.28	31 725	77.28	2 029 514	77.28	2 115 601	77.28
6 400	84.81	6 400	84.81	6 400	84.81	28 099	84.81	1 038 696	84.81	1 119 785	84.81
342 700		253 177		193 002		708 266		9 521 092		12 171 489	

FINANCIALS AND ADMINISTRATION

Contents

COMPANY SECRETARY CERTIFICATION

I certify, in accordance with the Companies Act No 71 of 2008, as amended, that for the year ended 30 June 2011 Harmony Gold Mining Company Limited has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns and notices as are required of a public company in terms of this Act, and that all such returns and notices appear to be true, correct and up to date.

Signed

R Bisschoff
iThemba Governance And Statutory Solutions (Proprietary) Limited
Company secretary
24 October 2011

DIRECTORS' REPORT

The Harmony group of companies has underground and surface operations and conducts mainly gold mining and exploration in South Africa and Papua New Guinea.

The company does not have a major controlling shareholder and is managed by its directors for its stakeholders.

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of the company and its subsidiaries.

The directors have pleasure in submitting these financial statements, together with those of the company, for the year ended 30 June 2011. These financial statements, which can be found in the integrated annual report on the Harmony website (**www.harmony.co.za**), have been prepared in accordance with IFRS and the Companies Act of South Africa, Act No 71 of 2008.

The abridged consolidated financial statements on pages 84 to 113 in this report have been derived from the group annual financial statements and have been prepared in accordance with IAS 34, Interim Financial Reporting, the JSE listing requirements and the Companies Act.

The group's external auditors, PricewaterhouseCoopers Incorporated, have audited the annual financial statements and the abridged consolidated financial statements. Their report is presented on page 83. The preparation of the financial statements was supervised by the financial director, Hannes Meyer.

The accounts include amounts based on judgements and estimates made by management. The directors consider that, in preparing the annual financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and complying with all aspects of IFRS.

The directors are satisfied that the information in the financial statements fairly represents the results of operations for the year and the financial position for the Harmony group at year end. They have also prepared the additional information in the integrated report and are responsible for both its accuracy and consistency with the financial statements.

The directors are responsible for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the group to enable the directors to ensure the financial statements comply with relevant legislation.

Harmony and its subsidiaries operate in an established financial environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and risks facing the group are controlled. The Sarbanes-Oxley compliance process assisted in identifying potential deficiencies in controls.

The code of ethics has been adhered to and widely communicated throughout the group. Please refer to the *Corporate governance* section in the integrated annual report for more information.

Company secretary

The company secretary's business and postal addresses appear on the inside back cover of this report. The secretary has, in terms of section 88(2)(e) of the Companies Act, 2008, certified that: "All such returns and notices as are required of a public company in terms of the Act have been made and appear to be true, correct and up to date".

Board of directors

Name	Date appointed
PT Motsepe* (chairman)	23 September 2003
FFT De Buck*^ (lead independent director)	30 March 2006
GP Briggs (chief executive officer)	7 August 2007
HO Meyer (financial director)	1 November 2009
HE Mashego (executive director)	24 February 2010
F Abbott*	1 October 1994
JA Chissano*^1	20 April 2005
KV Dicks*^	13 February 2008
Dr DS Lushaba*^	18 October 2002
CE Markus*^	31 May 2007
MJ Motloba*^	30 July 2004
M Msimang*^	26 March 2011
D Noko*^	26 March 2011
CML Savage*^	23 September 2003
AJ Wilkens*	7 August 2007
J Wetton*^	1 July 2011 (post year end)

** Non-executive*
^ Independent
1 Mozambican

Directorate

The directors noted above served on the Harmony board in FY11. Their abridged résumés appear on pages 26 to 29.

F Abbott retired as executive director at the end of July 2010 and was appointed non-executive director from 1 August 2010.

Dr CM Diarra resigned as director of the board on 31 May 2011.

John Wetton was appointed independent non-executive director of the board post year end on 1 July 2011.

In terms of the company's articles of association, Cedric Savage, Graham Briggs, Frank Abbott and Ken Dicks qualify for retirement by rotation at the forthcoming annual general meeting. The retiring directors are eligible and all, except Cedric Savage, have made themselves available for re-election to the board.

In addition, David Noko, Mavuso Msimang and John Wetton will be recommended for election as directors of the company at the annual general meeting.

Directors' shareholdings

The board of directors indicated that, at the date of this report, other than André Wilkens, neither they, nor any of their immediate families and associates, held any direct shareholding in the company's issued share capital. No executive director held or acquired any shares in the company, other than through share incentive schemes for the year under review and up to 30 June 2011. André Wilkens holds 101 303 shares in Harmony.

Going concern

We are of the view that the group's cash resources and facilities arranged with lenders will be sufficient to enable the group to continue with its day-to-day operation, in the event of any unfavourable fluctuation in the rand gold price, and/or in the event of the group not achieving its production target.

Financial results

Details of the group's financial performance are discussed in the *Financial Director's Review* on pages 46 to 51 of this report.

Share capital

Full details of the authorised, issued and unissued share capital of the company as at 30 June 2011 are set out in the abridged consolidated statements of changes in shareholders' equity on page 87 of this report.

Shareholders

Information on shareholder spread, the range of shareholdings and public shareholders, as well as major shareholders, is presented on pages 115 to 117 of this report.

Investments

A schedule of investments in subsidiaries, associates and joint ventures appears on pages 112 to 113 of this report.

Contingencies

None of Harmony's properties is the subject of pending material legal proceedings. We have received a number of claims and are involved in legal and arbitration proceedings that are incidental to the normal conduct of our business. The directors do not, however, believe liabilities related to such claims and proceedings are likely to be material, individually or in aggregate, to the company's consolidated financial condition. Refer to note 15 of the abridged consolidated financial statements for further discussion.

Borrowings

(i) Movement in borrowings
See note 13 to the abridged consolidated financial statements.

(ii) Borrowing powers
The level of the company's borrowing powers, as determined by its articles of association, will not, except with the consent of the company's shareholders, exceed the aggregate from time to time of the issued and paid-up share capital of the company, together with the aggregate of the amounts standing to the credit of all distributable and non-distributable reserves (including interests in subsidiary companies and provisions for deferred taxation) and any share premium account of the company. At year end, total borrowings were R1 559 million (US$230 million) (FY10: R1 190 million (US$156 million)).

Special resolutions by subsidiary companies

Armgold/Harmony Joint Investment Company (Proprietary) Limited (Registration number: 2002/032163/07)

At a general meeting of shareholders of Armgold/Harmony Joint Investment Company (Proprietary) Limited, the shareholders resolved, in accordance with section 112 of the Companies Act 71 of 2008, that the company enter into a sale of shares agreement for the sale of 800 ordinary shares with a par value of R1.00 each, constituting 40% of the entire issued share capital of Rand Uranium (Proprietary) Limited to Gold One International Limited (CAN 094265746), a company incorporated and registered in accordance with the laws of Australia and registered in South Africa as an external company.

Disposals

In September 2010, Harmony entered into an agreement with Witwatersrand Consolidated Gold Resources Limited (Wits Gold), whereby Wits Gold cancelled the option held by Freegold, a wholly owned subsidiary of Harmony. On cancellation of the option, Harmony received shares in Wits Gold to the value of R275 million (US$41 million).

In July 2010, conditions precedent to the sale of Mount Magnet became effective. A total consideration of R238 million was received from Ramelius Resources Limited in exchange for 100% of the issued shares of Mount Magnet. A total profit of R20 million (US$3 million) net of tax and accumulated foreign exchange losses was realised for the transaction.

Related-party transactions

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had interest, direct or indirectly, in any transaction during the period under review or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

African Rainbow Minerals Limited (ARM) currently holds 14.8% of Harmony's shares. Patrice Motsepe, Andre Wilkens, Frank Abbott and Joaquim Chissano are directors of ARM.

Harmony owns a 40% interest in Rand Uranium (Proprietary) Ltd (Rand Uranium). Graham Briggs, Hannes Meyer and Alwyn Pretorius are directors of Rand Uranium and Simo Lushaba is a member of Rand Uranium's investment committee. Fikile De Buck served on the board of directors and audit committee of Rand Uranium until 17 May 2011.

Material transactions with associates, joint ventures and SPEs

All transactions with related parties are conducted at arm's length. Refer to note 14 of the abridged consolidated financial statements for details on transactions conducted during the period under review.

Recent developments

Dividend

On 12 August 2011, the board of directors approved a final dividend for FY11 of 60 SA cents per share. No other dividend was paid during the year. The total dividend amounts to R258 million (US$34 million on date of payment). As the dividend was declared after the reporting date, it has not been reflected in the financial statements for the year ended 30 June 2011.

Settlement of US court case

The company has subsequent to 30 June 2011 reached a mutually acceptable settlement with the lead plaintiff and as at 30 June 2011, the company's insurers had undertaken to pay under a directors and officer insurance contract. The settlement, which requires final approval from the court, will result in the dismissal of all claims against the company.

Freegold court case

The court's decision on Freegold's appeal regarding the South African Revenue Service's (SARS) application of mining tax ringfencing was received on 1 August 2011 and the court found in favour of SARS. The case was concluded in March 2011, but judgment was reserved at that time. The company has lodged an appeal to be heard by the Supreme Court of Appeal. 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.

US dollar loan facility

On 11 August 2011, the company 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. The facility was jointly arranged by Nedbank Limited and FirstRand Bank Limited (acting through its Rand Merchant Bank division).

Approval

The abridged consolidated financial statements were approved by the board of directors on 24 October 2011 and signed on its behalf by:

Signed	**Signed**
Mr GP Briggs	**Mr HO Meyer**
Chief executive officer	Financial director
Randfontein	Randfontein
South Africa	South Africa
24 October 2011	24 October 2011

AUDIT COMMITTEE REPORT

The Companies Act No 71 of 2008 (the Act), which came into effect on 1 May 2011, requires companies to establish an audit committee and prescribes the composition and functions of such a committee.

The audit committee has been established by the board of directors to attend to its statutory duties as set out in the Act, assist the board in discharging its duties relating to safeguarding assets, monitoring the operation of an adequate system of internal controls and control processes and ensure the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards. The committee is also required to oversee the combined assurance model, as envisaged in King III, in ensuring that significant risks facing Harmony are adequately addressed.

In addition, the committee supports the board in its responsibility for the governance of risk through formal processes.

In terms of the Act, the following members will be recommended to shareholders for appointment as audit committee members for the ensuing financial year at the annual general meeting:

- John Wetton (chairman)
- Fikile De Buck (lead independent non-executive)
- Simo Lushaba (independent non-executive)
- Modise Motloba (independent non-executive).

The proposed individuals satisfy the requirements to serve as members of an audit committee as provided for in the Act and ensures that the committee comprises people with adequate and relevant knowledge and experience to equip the committee to perform its functions.

As part of its function in assisting the board of directors to discharge its duties on corporate accountability during the period under review, the audit committee:

- Reviewed the annual financial statements for the year ended 30 June 2011 to ensure these present a true, balanced and understandable assessment of the financial position and performance of Harmony
- Reviewed and recommended the integrated annual report in accordance with King III, the Act and the listings requirements of the JSE for approval by the board
- Evaluated Harmony's risks, measures taken to mitigate those risks and treatment of the residual risk
- Monitored the internal control environment within Harmony and found it to be effective
- Nominated the external auditor, PricewaterhouseCoopers Incorporated (PwC) for appointment as the registered independent auditor in terms of the Act
- Ensured the appointment of PwC complied with the provisions of the Act and any other legislation relating to the appointment of auditors
- Determined the external audit fees and terms of engagement
- Evaluated the independence and effectiveness of the internal and external auditors
- Evaluated and coordinated the internal and external audit processes
- Received and considered reports from the internal auditors
- Reviewed and approved internal and external audit plans
- Considered and pre-approved non-audit services provided by the external auditors
- Considered the appropriateness and expertise of the financial director, Hannes Meyer, as well as that of the finance function and found these to be appropriate.

Accordingly, the audit committee recommended the annual financial statements including the abridged consolidated financial statements for the year ended 30 June 2011 to the board for approval. The board has subsequently approved the annual financial statements which will be open for discussion at the forthcoming annual general meeting.

The committee has satisfied itself through enquiry that the external audit firm, PwC, was independent from the company.

In addition to the integrated report, the committee reviewed the annual report on Form 20-F for recommendation to the board and subsequent submission to the United States Securities and Exchange Commission (SEC). The board approved the Form 20-F for submission to the SEC.

Cedric Savage retires from the board and the audit committee at the AGM after serving seven years on this committee. He will be replaced as chairman of the committee by John Wetton.

Signed

Cedric Savage
Audit committee chairman

24 October 2011

Please note that this page does not form part of the audited information.

REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Harmony Gold Mining Company Limited

The abridged consolidated financial statements, which comprise the abridged consolidated balance sheets as at 30 June 2011, and the abridged consolidated income statements and abridged consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes and the directors' report, as set out on pages 84 to 113 and pages 78 to 81, are derived from the audited group annual financial statements of Harmony Gold Mining Company Limited for the year ended 30 June 2011. We expressed an unmodified audit opinion on those group annual financial statements in our report dated 24 October 2011.

The abridged consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited group annual financial statements of Harmony Gold Mining Company Limited.

Directors' responsibility for the abridged consolidated financial statements

The company's directors are responsible for the preparation of the abridged version of the consolidated financial statements in accordance with the requirements of Section 8.57 of the JSE Limited listings requirements.

Auditor's responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the abridged consolidated financial statements derived from the audited group annual financial statements of Harmony Gold Mining Company Limited for the year ended 30 June 2011 are consistent, in all material respects, with those group annual financial statements, in accordance with the requirements of Section 8.57 of the JSE Limited listings requirements.

PricewaterhouseCoopers Inc.
Director: FJ Lombard
Registered Auditor
2 Eglin Road, Sunninghill, 2157
Johannesburg

24 October 2011

ABRIDGED CONSOLIDATED INCOME STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2011

SA rand 2010	SA rand 2011	Figures in million	Note	US dollar 2011	US dollar 2010
		Continuing operations			
11 284	**12 445**	Revenue		**1 781**	1 489
(10 484)	**(11 615)**	Cost of sales	4	**(1 664)**	(1 383)
(8 358)	**(9 170)**	Production costs		**(1 313)**	(1 103)
(1 375)	**(1 776)**	Amortisation and depreciation		**(254)**	(181)
(331)	**(264)**	Impairment of assets		**(39)**	(43)
(205)	**(158)**	Employment termination and restructuring costs		**(23)**	(27)
(215)	**(247)**	Other items		**(35)**	(29)
800	**830**	**Gross profit**		**117**	106
(382)	**(354)**	Corporate, administration and other expenditure		**(51)**	(50)
(81)	**(84)**	Social investment expenditure		**(12)**	(11)
(219)	**(353)**	Exploration expenditure		**(51)**	(29)
104	**29**	Profit on sale of property, plant and equipment		**4**	14
(58)	**(24)**	Other expenses – net		**(3)**	(8)
164	**44**	**Operating profit**		**4**	22
56	**(51)**	(Loss)/profit from associates	10	**(7)**	7
–	**(142)**	Impairment of investment in associate	10	**(20)**	–
(24)	**–**	Loss on sale of investment in subsidiary		**–**	(3)
38	**141**	Net gain on financial instruments	5	**20**	5
–	**273**	Gain on farm-in option	6	**38**	–
187	**140**	Investment income		**20**	25
(246)	**(288)**	Finance cost		**(41)**	(32)
175	**117**	**Profit before taxation**		**14**	24
(335)	**480**	Taxation	7	**69**	(44)
(160)	**597**	**Net profit/(loss) from continuing operations**		**83**	(20)
		Discontinued operations			
(32)	**20**	Profit/(loss) from discontinued operations	8	**3**	(4)
(192)	**617**	**Net profit/(loss)**		**86**	(24)
		Attributable to:			
(192)	**617**	Owners of the parent		**86**	(24)
–	**–**	Non-controlling interest		**–**	–
		Earnings/(loss) per share (cents)	9		
(38)	**139**	Earnings/(loss) from continuing operations		**19**	(5)
(8)	**5**	Earnings/(loss) from discontinued operations		**1**	(1)
(46)	**144**	**Total earnings/(loss) for the year**		**20**	(6)
		Diluted earnings/(loss) per share (cents)	9		
(38)	**139**	Earnings/(loss) from continuing operations		**19**	(5)
(8)	**5**	Earnings/(loss) from discontinued operations		**1**	(1)
(46)	**144**	**Total diluted earnings/(loss) for the year**		**20**	(6)

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

ABRIDGED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 30 JUNE 2011

SA rand			US dollar	
2010	2011	Figures in million	2011	2010
(192)	**617**	Net profit/(loss) for the year	**86**	(24)
(131)	**368**	Other comprehensive income/(loss) for the year, net of income tax	**540**	25
(127)	**470**	Foreign exchange translation	**555**	25
(4)	**(102)**	Fair value movement of available-for-sale investments	**(15)**	–
(323)	**985**	**Total comprehensive income/(loss) for the year**	**626**	1
		Attributable to:		
(323)	**985**	Owners of the parent	**626**	1
–	**–**	Non-controlling interest	**–**	–

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

ABRIDGED CONSOLIDATED BALANCE SHEETS

AS AT 30 JUNE 2011

SA rand				US dollar	
2010	**2011**	Figures in million	Note	**2011**	2010
		Assets			
		Non-current assets			
29 556	**31 221**	Property, plant and equipment		**4 607**	3 874
2 210	**2 170**	Intangible assets		**320**	290
146	**31**	Restricted cash		**5**	19
1 742	**1 883**	Restricted investments		**278**	228
385	**–**	Investment in associates	10	**–**	50
1 875	**1 149**	Deferred tax assets		**170**	246
12	**185**	Investment in financial assets	11	**27**	2
214	**172**	Inventories	12	**25**	28
75	**23**	Trade and other receivables		**3**	10
36 215	**36 834**	**Total non-current assets**		**5 435**	4 747
		Current assets			
987	**837**	Inventories	12	**124**	129
932	**1 073**	Trade and other receivables		**158**	122
74	**139**	Income and mining taxes		**21**	10
770	**693**	Cash and cash equivalents		**102**	101
2 763	**2 742**			**405**	362
245	**268**	Assets of disposal groups classified as held-for-sale	8	**40**	32
3 008	**3 010**	**Total current assets**		**445**	394
39 223	**39 844**	**Total assets**		**5 880**	5 141
		Equity and liabilities			
		Share capital and reserves			
28 261	**28 305**	Share capital		**4 033**	4 027
258	**762**	Other reserves		**519**	(40)
690	**1 093**	Retained earnings/(accumulated loss)		**(102)**	(159)
29 209	**30 160**	**Total equity**		**4 450**	3 828
		Non-current liabilities			
5 409	**4 216**	Deferred tax liabilities		**623**	709
1 692	**1 971**	Provision for environmental rehabilitation		**291**	222
169	**174**	Retirement benefit obligation and other provisions		**26**	22
981	**1 229**	Borrowings	13	**181**	129
8 251	**7 590**	**Total non-current liabilities**		**1 121**	1 082
		Current liabilities			
209	**330**	Borrowings	13	**49**	27
9	**2**	Income and mining taxes		**–**	1
1 410	**1 746**	Trade and other payables		**258**	185
1 628	**2 078**			**307**	213
135	**16**	Liabilities of disposal groups classified as held-for-sale	8	**2**	18
1 763	**2 094**	**Total current liabilities**		**309**	231
39 223	**39 844**	**Total equity and liabilities**		**5 880**	5 141

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

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 30 JUNE 2011

	Number of ordinary shares issued[1]	Share capital	Share premium	Retained earnings/ (accumu-lated loss)	Other reserves	Total
Figures in million (SA rand)						
Balance – 30 June 2009	425 986 836	213	27 878	1 095	339	29 525
Issue of shares						
– Exercise of employee share options	505 584	–	23	–	–	23
– Issued for AVRD investment	2 162 359	1	151	–	–	152
Repurchase of equity interest	–	–	–	–	(98)	(98)
Share-based payments	–	–	(5)	–	148	143
Net loss for the year	–	–	–	(192)	–	(192)
Other comprehensive loss for the year	–	–	–	–	(131)	(131)
Dividends paid[2]	–	–	–	(213)	–	(213)
Balance – 30 June 2010	**428 654 779**	**214**	**28 047**	**690**	**258**	**29 209**
Issue of shares						
– Exercise of employee share options	**1 429 849**	**1**	**40**	–	–	**41**
Share-based payments	–	–	**3**	–	**136**	**139**
Net profit for the year	–	–	–	**617**	–	**617**
Other comprehensive income for the year	–	–	–	–	**368**	**368**
Dividends paid[2]	–	–	–	**(214)**	–	**(214)**
Balance – 30 June 2011	**430 084 628**	**215**	**28 090**	**1 093**	**762**	**30 160**
Figures in million (US dollar)						
Balance – 30 June 2009	425 986 836	33	3 971	(108)	(72)	3 824
Issue of shares						
– Exercise of employee share options	505 584	–	3	–	–	3
– Issued for AVRD investment	2 162 359	–	21	–	–	21
Repurchase of equity interest	–	–	–	–	(13)	(13)
Share-based payments	–	–	(1)	–	20	19
Net loss for the year	–	–	–	(24)	–	(24)
Other comprehensive income for the year	–	–	–	–	25	25
Dividends paid[2]	–	–	–	(27)	–	(27)
Balance – 30 June 2010	**428 654 779**	**33**	**3 994**	**(159)**	**(40)**	**3 828**
Issue of shares						
– Exercise of employee share options	**1 429 849**	–	**6**	–	–	**6**
Share-based payments	–	–	–	–	**19**	**19**
Net profit for the year	–	–	–	**86**	–	**86**
Other comprehensive income for the year	–	–	–	–	**540**	**540**
Dividends paid[2]	–	–	–	**(29)**	–	**(29)**
Balance – 30 June 2011	**430 084 628**	**33**	**4 000**	**(102)**	**519**	**4 450**

[1] ***Authorised***
1 200 000 000 (2010: 1 200 000 000) ordinary shares of SA 50 cents each.
10 958 904 (2010: 10 958 904) redeemable convertible preference shares of SA 50 cents each.
Included in the total of issued shares is an amount of 2 314 shares held by Lydenburg Exploration Limited, a wholly owned subsidiary of the company.
10% of the authorised but unissued shares are under the control of the directors until the forthcoming annual general meeting.

[2] *Dividend per share is disclosed under the earnings per share note. Refer to note 9.*

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

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2011

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
		Cash flow from operating activities		
1 611	**2 418**	Cash generated by operations	**346**	214
184	**138**	Interest received	**20**	25
3	**2**	Dividends received	**–**	–
(90)	**(134)**	Interest paid	**(19)**	(12)
(125)	**(45)**	Income and mining taxes paid	**(7)**	(17)
1 583	**2 379**	**Cash generated by operating activities**	**340**	210
		Cash flow from investing activities		
(5)	**(10)**	Increase in amounts invested in environmental trusts	**(1)**	(1)
15	**116**	Decrease in restricted cash	**17**	2
–	**229**	Proceeds on disposal of Mount Magnet	**30**	–
24	**–**	Proceeds on disposal of Big Bell operation	**–**	3
50	**16**	Proceeds on disposal of available-for-sale financial assets	**2**	7
–	**100**	Prepayment for Evander 6 and Twistdraai transaction	**15**	–
(280)	**–**	Acquisition of Steyn 2 and Target 3	**–**	(36)
5	**12**	Disposal of investments	**2**	–
6	**9**	Decrease in Social Trust Fund	**1**	1
(18)	**(16)**	Additions to intangible assets	**(2)**	(2)
122	**18**	Proceeds on disposal of property, plant and equipment	**3**	16
(3 335)	**(3 128)**	Additions to property, plant and equipment	**(448)**	(443)
(3 416)	**(2 654)**	**Cash utilised by investing activities**	**(381)**	(453)
		Cash flow from financing activities		
1 236	**925**	Borrowings raised	**134**	168
(391)	**(546)**	Borrowings repaid	**(81)**	(57)
18	**44**	Ordinary shares issued	**6**	3
(213)	**(214)**	Dividends paid	**(30)**	(29)
650	**209**	**Cash generated/(utilised) by financing activities**	**29**	85
3	**(11)**	**Foreign currency translation adjustments**	**13**	6
(1 180)	**(77)**	Net (decrease)/increase in cash and equivalents	**1**	(152)
1 950	**770**	Cash and equivalents – beginning of year	**101**	253
770	**693**	**Cash and equivalents – end of year**	**102**	101

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

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2011

1 General information

Harmony Gold Mining Company Limited (the company) and its subsidiaries (collectively Harmony or the group) are engaged in gold mining and related activities, including exploration, extraction and processing. Gold bullion, the group's principal product, is currently produced at its operations in South Africa and Papua New Guinea (PNG).

The company is a public company, incorporated and domiciled in South Africa. The address of its registered office is Randfontein Office Park, Corner Main Reef Road and Ward Avenue, Randfontein, 1759.

The abridged consolidated financial statements were authorised for issue by the board of directors on 24 October 2011.

2 Accounting policies

2.1 Basis of preparation

The abridged consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, the JSE listing requirements and the requirements of the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2011, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements.

2.2 Foreign currency translation

Functional and presentation currency. Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The abridged consolidated financial statements are presented in South African rand and US dollars for the benefit of local and international users.

For translation of the rand financial statement items to US dollar, the average of R6.99 (2010: R7.58) per US$1 was used for income statement items (unless this average was not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case these items were translated at the rate on the date of the transactions) and the closing rate of R6.78 (2010: R7.63) per US$1 for asset and liability items. Equity items were translated at historic rates.

The translation effect from rand to US dollar is included in other comprehensive income in the US$ financial statements.

References to "A$" refers to Australian currency, "R" to South African currency, "$" or "US$" to United States currency and "K" or "Kina" to Papua New Guinean currency.

3 Critical accounting estimates and judgements

The group's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The discussion on the estimates and assumptions relating to the impairments of mining assets has been extracted from the annual financial statements and is presented below.

3.1 Impairment of mining assets

The recoverable amount of mining assets is generally determined utilising discounted future cash flows. Management also considers such factors as the quality of the individual orebody, market risk, asset specific risks and country risk in determining the fair value.

Key assumptions for the calculations of the mining assets' recoverable amounts are the gold price, marketable discount rates (cost-to-sell), exchange rates and the annual life-of-mine plans. In determining the gold price to be used, management assess the long-term views of several reputable institutions on the gold price and based on this, derive the gold price. The life-of-mine plans are based on the proved and probable reserves as included in the Reserve Declaration, which are determined in terms of SAMREC and JORC, as well as resources where management has high confidence in the orebody and economical recovery of gold, based on historic and similar geological experience.

During the year under review, the group calculated the recoverable amounts (generally fair value less costs to sell) based on updated life-of-mine plans, a gold price of R310 000/kg (US$1 274/oz) and a post-tax real discount rate, which ranges between 5.09% and 8.47%, depending on the asset (2010: R275 000/kg (US$1 050/oz) and a post-tax real discount rate ranging between 5.92% and 10.72% depending on the asset). Cash flows used in the impairment calculations are based on life-of-mine plans which exceed five years for the majority of the mines. Refer to note 4 for details of impairments recorded.

Should management's estimate of the future not reflect actual events, further impairments may be identified. Factors affecting the estimates include:

- changes to proved and probable ore reserves;
- economical recovery of resources;
- the grade of the ore reserves may vary significantly from time to time;
- review of strategy;
- unforeseen operational issues at the mines;
- differences between actual commodity prices and commodity price assumptions;
- changes in the discount rates and foreign exchange rates; and
- changes in capital, operating mining, processing and reclamation costs.

Sensitivity analysis

One of the most significant assumptions that influence the life-of-mine plans and therefore impairments is the expected gold price. A 10% decrease in the gold price at the reporting date would have resulted in an additional impairment at Steyn 2 (included in Bambanani segment) of R46 million (US$6.8 million) and R187 million (US$27.6 million) at Evander. This analysis assumes that all other variables remain constant.

4 Cost of sales

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
8 358	**9 170**	Production costs (a)	**1 313**	1 103
1 326	**1 704**	Amortisation and depreciation of mining properties, mine development costs and mine plant facilities	**244**	175
49	**72**	Amortisation and depreciation of assets other than mining and mining related assets (b)	**10**	6
29	**74**	Rehabilitation expenditure (c)	**11**	4
57	**124**	Care and maintenance cost of restructured shafts	**18**	8
205	**158**	Employment termination and restructuring costs (d)	**23**	27
148	**136**	Share-based payments	**19**	20
331	**264**	Impairment of assets (e)	**39**	43
(19)	**(87)**	Other (f)	**(13)**	(3)
10 484	**11 615**	**Total cost of sales**	**1 664**	1 383

(a) **Production costs** include mine production, transport and refinery costs, applicable general and administrative costs, movement in inventories and ore stockpiles, ongoing environmental rehabilitation costs and transfers to and from deferred stripping. Ongoing employee termination costs are included however employee termination costs associated with major restructuring and shaft closures are excluded. Production costs, analysed by nature, consist of the following:

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
5 776	**5 815**	Labour costs, including contractors	**832**	762
2 284	**2 493**	Consumables	**357**	302
1 212	**1 370**	Water and electricity	**196**	160
178	**111**	Insurance	**16**	24
140	**135**	Transportation	**19**	19
(20)	**240**	Changes in inventory	**34**	(3)
(1 187)	**(1 186)**	Capitalisation of mine development costs	**(170)**	(157)
6	**(41)**	Deferred stripping	**(6)**	1
(35)	**(169)**	By-products sales	**(24)**	(5)
33	**96**	Royalty expense	**14**	4
(29)	**306**	Other	**45**	(4)
8 358	**9 170**	**Total production cost**	**1 313**	1 103

(b) **Amortisation and depreciation of assets other than mining and mining related assets** consist of the following:

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
16	**21**	Other non-mining assets	**3**	2
30	**46**	Intangible assets	**6**	4
3	**5**	Amortisation of issue costs	**1**	–
49	**72**	**Total amortisation and depreciation**	**10**	6

(c) **Rehabilitation expenditure**

This expense includes the change in estimate for the rehabilitation provision as well as ongoing rehabilitation cost.

4 Cost of sales continued

(d) Employment termination and restructuring costs consist of the following:

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
72	**83**	Harmony Gold Mining Company Limited (Harmony)	**13**	9
4	**4**	Randfontein Estates Limited (Randfontein)	**1**	1
116	**22**	Evander Gold Mines Limited (Evander)	**3**	15
12	**46**	ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited (Freegold)	**6**	2
1	**3**	Avgold Limited (Avgold)	**–**	–
205	**158**	**Total employment termination and restructuring cost**	**23**	27

During the 2011 financial year Merriespruit 1 shaft was closed and placed on care and maintenance due to mining no longer being economically viable. The voluntary retrenchment process, which the group commenced in the 2010 financial year was finalised during the latter part of the 2011 financial year.

During the 2010 financial year certain shafts in Harmony and Evander were closed and placed on care and maintenance. These closures were due to mining no longer being economically viable. The group also engaged in a voluntary retrenchment process during the 2010 financial year, resulting in retrenchment costs for various operations.

(e) Impairment of assets consist of the following:

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
1	**–**	Australia	**–**	–
–	**99**	Steyn 1 (Bambanani)	**15**	–
–	**104**	Steyn 2 (Bambanani)	**15**	
67	**–**	Evander 2/5 (Evander)	**–**	9
3	**–**	Evander 9 (Evander)	**–**	–
–	**61**	St Helena (Other – Underground)	**9**	–
11	**–**	Freddies 7 (Target)	**–**	1
38	**–**	Harmony 2 (Virginia)	**–**	5
125	**–**	Merriespruit 1 (Virginia)	**–**	17
48	**–**	Merriespruit 3 (Virginia)	**–**	6
38	**–**	Brand 2/3 complex (Virginia)	**–**	5
331	**264**	**Total impairment of assets**	**39**	43

In 2011 impairments amounting to R104 million (US$15.3 million) (2010: R14 million (US$1.8 million)) were recognised as a result of the revised business (life-of-mine) plans, which are completed in June of each year, and included increases in electricity and labour costs and a decrease in reserves declared as a result of revised cut-off grades. The remaining R160 million (US$23.6 million) impairment in 2011 (2010: R317 million (US$41.4 million)) relates to operations where a decision was made not to mine in future. In 2010 this included impairments as a result of the shaft closures under note 4(d) above.

These adjustments impacted negatively on the recoverable amount of property, plant and equipment and contributed to the recognition of the impairments at the shafts. Impairment tests were performed as required by *IAS 36, Impairment of Assets,* and as a result these impairments were recorded. For assumptions used to calculate the recoverable amount, refer to note 3.1.

(f) Included in **Other** for the 2011 financial year are certain inventory adjustments. Refer to note 12.

5 Net gain on financial instruments

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
		Available-for-sale		
(3)	–	Impairment recognised in profit or loss (a)	–	–
(1)	**(1)**	Loss on sale of investments	–	–
11	**6**	Realised portion of fair value movement (b)	**1**	1
7	**5**		**1**	1
		Fair value through profit or loss		
31	**136**	Fair value gain on environmental trust funds	**19**	4
31	**136**		**19**	4
38	**141**	**Total net gain/(loss) on financial instruments**	**20**	5

(a) The impairment for 2010 relates to the portion of impairment losses reclassified from other reserves to the income statement when certain investments were considered to be permanently impaired.

(b) During the 2011 financial year the group acquired and disposed of an investment in Kingsrose. The fair value gains of R3 million (US$0.4 million) relating to this investment were reclassified from other reserves to the income statement. The remaining realised portion of fair value gains related to the disposal of other listed investments.

During the 2010 financial year the group disposed of its entire shareholding in Avoca Resources Limited (Avoca), Alloy Resources Limited (Alloy) and various other smaller investments for a total consideration of R50 million (US$6.6 million). Total fair value gains of R11 million (US$1.4 million) relating to these investments were reclassified from other reserves to the income statement.

6 Gain on farm-in option

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
–	**273**	Gain on farm-in option	**38**	–

During 2011, a gain of R273 million (US$38.0 million) was recognised on the cancellation of the Freegold farm-in option. The Freegold option allowed the group to acquire a beneficial interest of up to 40% in any future mines established by Witwatersrand Consolidated Gold Resources Limited (Wits Gold) on certain properties in the Southern Free State. On 5 November 2010 the group received 4 376 194 shares in Wits Gold as consideration for the cancellation of the option.

7 Taxation

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
		Taxation by region		
		SA taxation		
43	**(23)**	Mining tax	**(4)**	6
44	**9**	Current year	**1**	6
(1)	**(32)**	Prior year overprovision	**(5)**	–
41	**28**	Non-mining tax	**4**	5
40	**28**	Current year	**4**	5
1	–	Prior year underprovision	–	–
364	**(282)**	Deferred tax	**(40)**	48
–	**85**	– Current year	**12**	–
–	**(367)**	– Previously unrecognised temporary differences	**(52)**	–
–	**7**	Secondary Tax on Companies (STC)	**1**	–
448	**(270)**		**(39)**	59
		Foreign taxation		
(113)	**(210)**	Deferred tax	**(30)**	(15)
335	**(480)**	**Total taxation**	**(69)**	44

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7 Taxation continued

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
		Taxation by type		
43	**(23)**	Mining tax	**(4)**	6
41	**28**	Non-mining tax	**4**	5
251	**(492)**	Deferred tax	**(70)**	33
–	**7**	STC	**1**	–
335	**(480)**		**(69)**	44

Income and mining tax rates

The tax rates remained unchanged for the 2011 and 2010 financial years.

Major items causing the group's income tax provision to differ from the maximum mining statutory tax rate of 43% (2010: 43%) were:

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
(75)	**(50)**	Tax on net profit from continuing operations at the maximum mining statutory tax rate	**(6)**	(10)
(144)	**(42)**	Non-allowable deductions	**(6)**	(19)
24	**(22)**	(Loss)/profit from associates	**(3)**	3
16	**20**	Difference between effective mining tax rate and statutory mining rate on mining income	**3**	2
22	**15**	Difference between non-mining tax rate and statutory mining rate on non-mining income	**2**	3
(726)	**(249)**	Effect on temporary differences due to changes in effective tax rates	**(36)**	(95)
–	**367**	Previously unrecognised temporary differences[1]	**52**	–
–	**32**	Prior year overprovision – mining and non-mining tax	**5**	–
548	**416**	Capital allowance, sale of business and other rate differences	**59**	72
–	**(7)**	STC	**(1)**	–
(335)	**480**	**Income and mining taxation**	**69**	(44)
191%	**(410%)**	**Effective income and mining tax rate**	**(493%)**	183%

[1] *The credit in 2011 of R367 million (US$53 million) is for the Freegold unredeemed capital allowance. The 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. 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. Refer to note 15(b) for developments on the ringfencing application dispute.*

8 Disposal groups classified as held-for-sale and discontinued operations

(i) Following a decision by the shareholders of Rand Uranium (Proprietary) Limited (Rand Uranium) to commence with a process to sell the company and the criteria for IFRS 5 being met subsequently, the investment in Rand Uranium and the subordinated shareholders' loan have been classified as held-for-sale. As a result the group ceased equity accounting for the investment in associate. An offer to purchase the investment was received from Gold One International (Gold One) and was accepted by the shareholders on 21 April 2011. The group's attributable portion of the sales proceeds, which includes the subordinated shareholders' loan, amounts to US$37.25 million (R252 million).

The investment does not meet the criteria to be classified as a discontinued operation. An impairment of R142 million (US$20.3 million) was recorded during the 2011 financial year to bring the investment in associate in line with its fair value less cost to sell. At the date of this report management expects the outstanding conditions precedent to be fulfilled during the 2012 financial year.

(ii) On 10 September 2010, Harmony concluded a sale of assets agreement with 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. When the criteria for IFRS 5 were met, the assets and liabilities were classified as held-for-sale. The operation did not meet the criteria to be classified as a discontinued operation. The Evander 6 operation is on-care and maintenance with a book value of Rnil. The total purchase consideration is R225 million (US$33.2 million), which will be settled in cash when all remaining conditions precedent to the transaction have been fulfilled. As at the date of this report certain conditions of the agreement had not been met and management expects the conditions precedent to be fulfilled during the 2012 financial year. In terms of an amended agreement reached between the parties, Taung paid an initial deposit of R100 million (US$15.2 million) on 29 April 2011. There is no interest on the amount and the deposit is refundable should the conditions precedent not be met.

(iii) On 20 July 2010, the conditions precedent for the sale of the Mount Magnet operation (operation in Western Australia) were fulfilled, this following approval of the group's management on 17 May 2010 to sell this operation. The assets and liabilities were presented as held-for-sale from this date and the operation also met the criteria to be classified as a discontinued operation.

A total purchase consideration of R238 million (US$31.6 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 (US$13.8 million) net of tax before the realisation of accumulated foreign exchange losses of R84 million (US$11.2 million) from other comprehensive income to the income statement.

An amount of R31 million (US$4.1 million) was released to the group as a result of performance bonds being replaced by the purchaser. This amount was previously included in restricted cash.

9 Earnings/(loss) per share

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net income attributable to shareholders by the weighted number of shares in issue during the year.

SA rand 2010	SA rand 2011		US dollar 2011	US dollar 2010
426 382	**429 310**	Weighted average number of ordinary shares in issue ('000)	**429 310**	426 382
(160)	**597**	Net profit/(loss) from continuing operations (million)	**83**	(20)
(32)	**20**	Net profit/(loss) from discontinued operations (million)	**3**	(4)
(192)	**617**	**Total net profit/(loss) attributable to shareholders (million)**	**86**	(24)
(38)	**139**	Basic earnings/(loss) per share from continuing operations (cents)	**19**	(5)
(8)	**5**	Basic earnings/(loss) per share from discontinued operations (cents)	**1**	(1)
(46)	**144**	**Total basic earnings/(loss) per share (cents)**	**20**	(6)

Fully diluted earnings/(loss) per share

For diluted earnings per share, the weighted average number of shares in issue is adjusted to assume conversion of all potential dilutive shares as a result of share options granted to employees under the share option schemes in issue. A calculation is performed to determine the number of shares that could have been acquired at fair value, determined as the average annual market share price of the company's shares, based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
426 382	**429 310**	Weighted average number of shares in issue ('000)	**429 310**	426 382
1 465	**1 110**	Potential shares ('000)	**1 110**	1 465
427 847	**430 420**	**Weighted average number of shares for fully diluted earnings per share ('000)**	**430 420**	427 847
(38)	**139**	Fully diluted earnings/(loss) per share from continuing operations (cents)	**19**	(5)
(8)	**5**	Fully diluted earnings/(loss) per share from discontinued operations (cents)	**1**	(1)
(46)	**144**	**Total fully diluted earnings/(loss) per share (cents)**	**20**	(6)

The inclusion of share options issued to employees, as potential shares, has a dilutive effect on the earnings/(loss) per share. The issue price and the exercise price include the fair value of any service to be supplied to the entity in the future under the share option or other share-based payment arrangement.

Headline earnings per share

The calculation of headline earnings, net of tax, per share is based on the basic earnings per share calculation adjusted for the following items:

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
		Continuing operations		
(160)	**597**	Net profit/(loss)	**83**	(20)
		Adjusted for:		
(104)	**(29)**	Profit on sale of property, plant and equipment	**(4)**	(14)
22	**7**	Taxation effect of profit on sale of property, plant and equipment	**1**	3
(22)	**47**	Foreign exchange loss/(gain) reclassified from other comprehensive income	**7**	(3)
–	**–**	Taxation effect of foreign exchange loss/(gain) reclassified from other comprehensive income	**–**	–
–	**142**	Impairment of investment in associate*	**20**	–
24	**–**	Loss on sale of investment in subsidiary	**–**	3
(7)	**–**	Taxation effect of loss on sale of investment in subsidiary	**–**	(1)
331	**264**	Impairment of assets	**39**	43
(75)	**(66)**	Taxation effect of impairment of assets	**(10)**	(9)
(7)	**(7)**	Net (gain)/loss on financial instruments	**(1)**	(1)
2	**2**	Taxation effect of (gain)/loss on financial instruments	**–**	–
4	**957**	**Headline earnings from continuing operations**	**135**	1
		Discontinued operations		
(32)	**20**	Net profit/(loss)	**3**	(4)
		Adjusted for:		
(1)	**–**	Profit on sale of property, plant and equipment	**–**	–
–	**(54)**	Profit on sale of investment in subsidiary	**(7)**	–
–	**34**	Taxation effect of profit on sale of investment in subsidiary	**4**	–
–	**–**	Profit on sale of shares	**–**	–
–	**–**	Taxation effect of profit on sale of shares	**–**	–
–	**–**	Reversal of impairment*	**–**	–
(33)	**–**	**Headline loss from discontinued operations**	**–**	(4)
(29)	**957**	**Total headline earnings/(loss)**	**135**	(3)

* *There is no taxation effect on these items.*

9 Earnings/(loss) per share continued

Headline earnings per share continued

SA rand 2010	SA rand 2011		US dollar 2011	US dollar 2010
1	**223**	Basic headline earnings per share from continuing operations (cents)	**31**	–
(8)	**–**	Basic headline loss per share from discontinued operations (cents)	**–**	(1)
(7)	**223**	**Total basic headline earnings/(loss) per share (cents)**	**31**	(1)
1	**222**	Fully diluted headline earnings per share from continuing operations (cents)	**31**	–
(8)	**–**	Fully diluted headline loss per share from discontinued operations (cents)	**–**	(1)
(7)	**222**	**Total fully diluted headline (loss)/earnings per share (cents)**	**31**	(1)
		Dividend		
213	**214**	Dividend declared (million)	**29**	27
50	**50**	Dividend per share (cents)	**6.8**	6.2

On 12 August 2011, the board of directors declared a dividend of 60 cents (US$8.4 cents) per share amounting R258 million (US$35.9 million) as a final dividend for the year ended 30 June 2011. This dividend is not reflected in the financial statements as it was declared after the reporting date.

10 Investment in associates

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
329	**385**	Balance at beginning of year	**50**	43
56	**(51)**	Share of (losses)/profits after tax	**(7)**	7
–	**(142)**	Impairment of investment in associate	**(20)**	–
–	**–**	Translation	**5**	–
385	**192**		**28**	50
–	**(192)**	Reclassification to held-for-sale	**(28)**	–
385	**–**	**Balance at end of year**	**–**	50
		Carrying amount before reclassification to held-for-sale consist of:		
–	**–**	Pamodzi Gold Limited	**–**	–
385	**192**	Rand Uranium (Proprietary) Limited (a)	**28**	50
385	**192**	**Total investment in associates**	**28**	50

(a) The investment in Rand Uranium has been classified as held-for-sale on 31 March 2011 following a decision by the shareholders to sell the company. A binding offer was accepted by shareholders on 21 April 2011, and as a result an impairment of R142 million (US$20 million) has been recognised in the income statement. The group ceased equity accounting the associate from 31 March 2011 in line with the requirements of IFRS 5. Refer to note 8 for detail.

The group recognised its share of the post-acquisition losses of R51 million (US$7.3 million) (2010: profits of R56 million (US$7 million)). Upon classification as held-for-sale, it ceased to equity account the investment.

11 Investment in financial assets

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
57	**12**	Balance at beginning of year	**2**	7
1	**287**	Additions (a) (b)	**42**	–
(51)	**(17)**	Disposals (a)	**(2)**	(6)
2	**(97)**	Fair value movement of available-for-sale investments	**(14)**	–
3	**–**	Translation	**(1)**	1
12	**185**	**Balance at end of year**	**27**	2
		The carrying amount consists of the following:		
		Available-for-sale financial assets		
–	**175**	Investment in Wits Gold (b)	**26**	–
12	**10**	Investment in listed and unlisted shares	**1**	2
12	**185**	**Total investment in financial assets**	**27**	2

(a) On 3 March 2011, the group received R14 million (US$2 million) for the disposal of Kingsrose shares. The shares were acquired on 24 September 2010, when the group disposed of a royalty right held by Aurora Gold Limited to Kingsrose for consideration in the form of Kingsrose shares valued at R11 million (US$1.6 million) and cash of R2 million (US$0.3 million).

The group classified the shares as an available-for-sale financial asset. A gain of R3 million (US$0.4 million) was realised in the abridged consolidated statement of comprehensive income. Refer to note 5.

(b) On 5 November 2010, the group received 4 376 194 shares in Wits Gold, as consideration for the cancellation of the option held by Freegold.

The value of the shares on acquisition date was R275 million (US$41 million) and represents 13% investment in Wits Gold. The group classifies the investment in Wits Gold as an available-for-sale financial asset. During the 2011 year, a loss of R100 million (US$14.3 million) was recorded in the fair value reserve.

12 Inventories

During the 2011 financial year, writedowns of R41 million (US$6.1 million) were recorded for the Steyn plant demolishment project as a result of changes to the life-of-mine plan, R21 million (US$3.1 million) for the net realisable value adjustment for other gold in lock-up and R30 million (US$4.3 million) relating to certain stockpiles.

During the year, R5 million (US$0.7 million) (2010: R29 million (US$3.9 million)) was provided for slow-moving stock. The total provision at 30 June 2011 was R62 million (US$9.2 million) (2010: R57 million (US$7.5 million)).

During the 2010 financial year, the group acquired a waste rock dump valued at R20 million (US$2.7 million) and a gold plant (Steyn plant) containing gold in lock-up valued at R100 million (US$13.3 million) from Pamodzi FS, which have been included in the cost of inventory.

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13 Borrowings

Pacific Premium Funding (Proprietary) Limited

During October 2010 and December 2010, Morobe Consolidated Goldfields (MCG) entered into two US dollar loans with Pacific Premium Funding (Proprietary) Limited to finance insurance payments. The loans totalling R25 million (US$3.6 million) were repaid during May 2011, at an average interest rate of 3.55%.

Westpac Bank

In July 2007, MCG entered into US dollar finance lease agreements with Westpac Bank for the purchase of mining fleet to be used on the Hidden Valley project. There is no debt covenant clause in the agreements.

Nedbank Limited

On 11 December 2009, the company entered into a loan facility with Nedbank Limited, comprising a term facility of R900 million (US$119.4 million) and a revolving credit facility of R600 million (US$79.6 million). The facility was utilised to fund the acquisition of the Pamodzi FS assets (refer note 14) as well as the group's major capital projects and working capital requirements. Interest accrues on a day-to-day basis over the term of the loan at a variable interest.

On 30 November 2010, the company entered into a additional loan facility with Nedbank Limited, comprising of a term facility of R500 million (US$70.1 million) and a revolving credit facility of R250 million (US$35.0 million). Interest terms are identical to the original facility. The repayment terms of the original revolving credit facility were amended to coincide with the repayment on the new facility.

The debt covenant tests for the group are as follows:

- The group's interest cover shall not be less than two (EBIT/total interest).
- Current ratio shall not be less than one (current assets/current liabilities).
- Cash flow from operating activities shall be above R100 million for the last six months.
- Market capitalisation to facilities outstanding ratio shall not be less than six, or nine times if dividends are paid.

The debt covenant tests are performed on a quarterly basis. No breaches of the covenants were identified during the tests in the 2010 and 2011 financial years.

Terms and debt repayment schedule at 30 June 2011

	Interest charge	Repayment terms	Maturity date	Security
Westpac Bank (Secured finance lease)	US – LIBOR plus 1.25%	Quarterly	30 June 2013	Mining fleet
Nedbank Limited (Secured loan – term facility 1)	3 month JIBAR plus 3.5%, payable quarterly	Bi-annual equal instalments of R90 million (US$13.3 million)	31 December 2014	Cession and pledge of operating subsidiaries' shares
Nedbank Limited (Secured loan – term facility 2)	3 month JIBAR plus 3.5%, payable quarterly	Bi-annual equal instalments of R62.5 million (US$9.2 million)	31 December 2014	
Nedbank Limited (Secured loan – revolving credit facilities)	1 or 3 month JIBAR plus 3.5%, payable after interest interval	Repayable on maturity	30 November 2013	

Interest-bearing borrowings

SA rand 2010	SA rand 2011	Figures in million	US dollar 2011	US dollar 2010
		Non-current borrowings		
59	**23**	Westpac Bank (Secured finance lease)	**3**	8
78	**59**	Balance at beginning of year	**8**	10
9	**–**	Draw down	**–**	1
(28)	**(29)**	Repayments	**(4)**	(4)
(4)	**4**	Transfer to current portion	**–**	–
4	**(11)**	Translation	**(1)**	1
627	**759**	Nedbank Limited (Secured loan – term facilities)	**112**	82
–	**627**	Balance at beginning of year	**82**	–
900	**500**	Draw down	**73**	120
(90)	**(242)**	Repayments	**(36)**	(12)
(9)	**(4)**	Issue cost	**(1)**	(1)
3	**3**	Amortisation of issue costs	**–**	–
(177)	**(125)**	Transfer to current portion	**(22)**	(23)
–	**–**	Translation	**16**	(2)
295	**447**	Nedbank Limited (Secured loan – revolving credit facilities)	**66**	39
–	**295**	Balance at beginning of year	**39**	–
300	**400**	Draw down	**57**	40
–	**(250)**	Repayments	**(37)**	–
(6)	**–**	Issue cost	**–**	(1)
1	**2**	Amortisation of issue costs	**–**	–
–	**–**	Translation	**7**	–
981	**1 229**	**Total non-current borrowings**	**181**	129
		Current borrowings		
32	**28**	Current portion of the finance lease from Westpac Bank	**4**	4
177	**302**	Current portion of the loans from Nedbank Limited	**45**	23
209	**330**	**Total current borrowings**	**49**	27
1 190	**1 559**	**Total interest-bearing borrowings**	**230**	156
		The future minimum lease payments for Westpac Bank finance lease are as follows:		
33	**29**	Due within one year	**4**	4
40	**21**	Due within one and two years	**3**	5
20	**2**	Due between two and five years	**–**	3
93	**52**		**7**	12
(2)	**(1)**	Future finance charges	**–**	–
91	**51**		**7**	12

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEARS ENDED 30 JUNE 2011

13 Borrowings continued

SA rand			US dollar	
2010	2011	Figures in million	2011	2010
		The maturity of borrowings is as follows:		
209	**330**	Current	**49**	27
215	**323**	Between 1 to 2 years	**48**	28
766	**906**	Between 2 to 5 years	**133**	101
–	**–**	Over 5 years	**–**	–
1 190	**1 559**		**230**	156
		Undrawn committed borrowing facilities:		
–	**–**	Expiring within one year	**–**	–
300	**400**	Expiring after one year	**59**	39
300	**400**		**59**	39

	Effective rate	
	2011	2010
Westpac Bank	**2.0%**	2.0%
Nedbank Limited	**9.1%**	10.1%

The level of the Harmony's borrowing powers, as determined by its articles of association, shall not except with the consent of the Harmony's general meeting, exceed R40 million or the aggregate from time to time of the issued and paid-up share capital of the company, together with the aggregate of the amounts standing to the credit of all distributable and non-distributable reserves (including minority interests in subsidiary companies and provisions for deferred taxation) and any share premium accounts of the company.

14 Related parties

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had interest, direct or indirectly, in any transaction since 1 July 2009 or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group. Directors' and executive management's remuneration is fully disclosed in the remuneration report included on pages 73 to 75.

African Rainbow Minerals Limited (ARM) currently holds 14.8% of Harmony's shares. Patrice Motsepe, Andre Wilkens, Joaquim Chissano and Frank Abbott are directors of ARM.

Harmony currently holds 40% of the shares of Rand Uranium. Graham Briggs, Hannes Meyer and Alwyn Pretorius are directors of Rand Uranium. Dr Simo Lushaba is a member of the Rand Uranium Investment Committee. During 2010 and 2011, Fikile de Buck served as a director and a member of the audit committee until 17 May 2011.

A list of the major shareholders can be found on page 116.

A list of the company's subsidiaries, associates and joint ventures has been included in Annexure A.

Material transactions with associates and joint ventures

Besides the transactions disclosed below, the group concluded the following transactions with related parties:

(a) On 19 March 2010, Harmony Gold Mining Company Limited concluded an agreement with Africa Vanguard (Doornkop) (Proprietary) Limited (AVRD), for the purchase of its 26% share of the mining titles of the Doornkop South Reef. From an accounting perspective, the sale of the 26% share in the mining titles was never recognised and accounted for as an in-substance call option by AVRD over the 26% mineral right. This was due to AVRD not being exposed to any losses relating to the Doornkop mineral right, and entitled at any point in time to repay the Nedbank loan guaranteed by Harmony – thereby becoming unconditionally entitled to the 'upside' in the mineral right. The agreement to purchase AVRD's 26% interest during the 2010 financial year is therefore considered to be a repurchase of the option (equity interest). The difference between the value of the 2 162 359 Harmony shares issued as part consideration of R152 million (US$20.5 million), the liability to (AVRD) and transaction costs, have been taken directly to equity. In terms of the purchase agreement 975 419 Harmony shares are held in escrow until 1 May 2014 for the benefit of AVRD and will revert to AVRD on that date.

(b) During the 2010 financial year the group concluded separate purchase agreements with the liquidators of Pamodzi Gold Free State (Proprietary) Limited (In Liquidation) (Pamodzi FS) for the purchase of its Free State assets and inventories (refer to note 12). The consideration paid for the mining assets was R280 million (US$36.9 million) and R120 million (US$16.0 million) was paid for the inventories.

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
		Sales and services rendered to related parties		
440	**387**	Associates	**55**	58
6	**9**	Joint venture	**1**	1
446	**396**		**56**	59
		Purchases and services acquired from related parties		
30	**21**	Associates	**3**	4
		Outstanding balances due by related parties		
120	**149**	Associates	**22**	16
		Outstanding balances due to related parties		
27	**17**	Associates[1]	**3**	4

[1] *Retained from the consideration for the Pamodzi FS acquisition pending the transfer of rehabilitation trust funds.*

Interest amounting to R5 million (US$0.7 million) was accrued on the subordinated loan to Rand Uranium during 2011 (2010: R6 million (US$0.9 million).

15 Commitments and contingencies

(i) Commitments

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
128	**151**	Contracts for capital expenditure	**22**	17
207	**43**	Share of joint venture's contract for capital expenditure	**6**	27
1 006	**1 504**	Authorised by the directors but not contracted for	**222**	132
1 341	**1 698**	**Total capital commitments**	**250**	176

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

The group is contractually obliged to make the following payments in respect of operating leases, including for land and buildings, and for mineral tenement leases:

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
28	**56**	Within one year	**8**	4
9	**53**	Between one year and five years	**8**	1
37	**109**	**Total commitments for operating leases**	**16**	5

This includes R98 million (US$14.4 million) (2010: R7 million (US$0.9 million)) for the MM Joint Venture. For details on the group's finance leases, refer to note 13.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEARS ENDED 30 JUNE 2011

15 Commitments and contingencies continued

(ii) Contingent liabilities

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
25	**25**	Guarantees and suretyships	**4**	3
513	**371**	Environmental guarantees[1]	**55**	67
538	**396**		**59**	70

[1] *At 30 June 2011, R26 million (US$3.8 million) (2010: R112 million (US$14.6 million)) has been pledged as collateral for environmental guarantees in favour of certain financial institutions.*

Included in the balance for the 2010 financial year is an amount of R130 million (US$17.0 million) relating to guarantees provided for the Rand Uranium transaction. These guarantees were cancelled during 2011 financial year after Rand Uranium has put its own guarantees in place.

In addition, the following contingent liabilities have been identified:

(a) On 18 April 2008, Harmony Gold Mining Company Limited was made aware that it had been named as a defendant in a lawsuit filed in the U.S. District Court in the Southern District of New York on behalf of certain purchasers and sellers of Harmony's American Depositary Receipts (ADRs) and options with regard to certain of its business practices. Harmony retained legal counsel.

The company has subsequent to 30 June 2011 reached a mutually acceptable settlement with the lead plaintiff, which as at 30 June 2011, the company's insurers had undertaken to pay under a directors and officer insurance contract. The settlement requires final approval from the court and will result in the dismissal of all claims against the company.

(b) The court's decision on Freegold's appeal regarding the South African Revenue Service's (SARS) application of mining tax ringfencing was received on 1 August 2011 and the court found in favour of SARS. The case was concluded in March 2011, but judgment was reserved at that time. The company has lodged an appeal to be heard by the Supreme Court of Appeals. 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.

(c) 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) was heard in the High Court of South Africa in June 2008, and an appeal heard in the Supreme Court of Appeals in 2010. In both instances judgment was awarded in favour of AGA. A further appeal that was lodged by Mr Manyaki was heard in the Constitutional Court in 2010. Judgment in the Constitutional Court was handed down on 3 March 2011. The judgment allows Mr Mankayi's executor to proceed with the case in the High Court of South Africa. 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 claims and potential claims and the uncertainty of the outcome of these claims, no estimation can be made for the possible obligation.

(d) On 1 December 2008, we issued 3 364 675 Harmony shares to Rio Tinto for the purchase of Rio Tinto's rights to the royalty agreement entered into prior to our acquisition of the Wafi deposits in PNG. The shares were valued at R242 million (US$23 million) on the transaction date. An additional US$10 million in cash will be payable when the decision to mine is made, which has not been included in the commitments above. Of this amount, Harmony is responsible for paying the first US$6 million, with the balance of US$4 million being borne equally by the joint venture partners.

(e) The group may have a potential exposure to rehabilitate groundwater and radiation that may exist where the group has and/or continues to operate. The group has initiated analytical assessments to identify, quantify and mitigate impacts if and when (or as and where) they arise. Numerous scientific, technical and legal studies are under way to assist in determining the magnitude of the contamination and to find sustainable remediation solutions. The group has instituted processes to reduce future potential seepage and it has been demonstrated that Monitored Natural Attenuation (MNA) by the existing environment will contribute to improvement in some instances. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements. Should the group determine that any part of these contingencies require them being recorded and accounted for as liabilities, ie where they become estimable and probable it could have a material impact on the financial statements of the group.

(f) Due to the interconnected nature of mining operations in South Africa, any proposed solution for potential flooding and potential decant risk posed by deep groundwater needs to be a combined one, supported by all the mines located in these goldfields. As a result, the Department of Mineral Resource and affected mining companies are involved in the development of a Regional Mine Closure Strategy. Harmony operations have in the last year conducted a number of specialist studies and the risk of surface decant due to rising groundwater levels have been obviated at Evander, the entire Free State region and Kalgold. Therefore there is no potential contingency arising from these operations. Additional studies have been commissioned at Doornkop and Kusasalethu. In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for these operations.

(g) In terms of the sale agreements entered into with Rand Uranium, Harmony retained financial exposure relating to environmental disturbances and degradation caused by it before the effective date, in excess of R75 million (US$10 million) of potential claims. Rand Uranium is therefore liable of all claims up to R75 million (US$10 million) and retains legal liability. The likelihood of potential claims cannot be determined presently and no provision for any liability has been made in the financial statements.

16 Subsequent events

(a) Refer to note 7 and15(b) for details on the post-balance sheet date event relating to the Freegold court case.

(b) Refer to note 15(a) for details on the post-balance sheet date event relating to the US class action.

(c) On 11 August 2011, the group entered into a US$300 million syndicated revolving credit facility. The facility has a term of four years and attracts interest at LIBOR plus 260 basis points. The facility was jointly arranged by Nedbank Limited and FirstRand Bank Limited (acting through its Rand Merchant Bank division).

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

17 Segment report

The group has only one product, being gold. In order to determine operating and reportable segments, management reviewed various factors, including geographical location as well as managerial structure. It was determined that an operating segment consists of a shaft or a group of shafts managed by a single general manager and management team.

After applying the quantitative thresholds from IFRS 8, the reportable segments were determined as:

Bambanani, Doornkop, Evander, Joel, Kusasalethu, Masimong, Phakisa, Target, Tshepong, Virginia, Papua New Guinea and Mount Magnet (classified as held-for-sale and discontinued operation). All other operating segments have been grouped together under all other surface operations, under their classification as either continuing or discontinued.

When assessing profitability, the chief operating decision-maker (CODM) considers the revenue and production costs of each segment. The net of these amounts is the operating profit or loss. Therefore, operating profit has been disclosed in the segment report as the measure of profit or loss.

The CODM does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report, but does consider capital expenditure which has been disclosed.

Segment assets consist of mining properties, mine development costs and mine plant facilities, mining assets under construction and deferred stripping included under property, plant and equipment which can be attributed to the shaft or group of shafts. Current and non-current group assets that are not allocated at a shaft level, form part of the reconciliation to total assets.

A reconciliation of the segment totals to the abridged consolidated financial statements has been included in note 18.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS
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FOR THE YEARS ENDED 30 JUNE 2011

17 Segment report continued

(SA rand/metric)

	Revenue R million		Production cost R million		Production profit R million	
	2011	2010	**2011**	2010	**2011**	2010
Continuing operations						
South Africa						
Underground						
Bambanani	**921**	1 114	**828**	745	**93**	369
Doornkop	**781**	517	**601**	410	**180**	107
Evander	**717**	910	**622**	859	**95**	51
Joel	**454**	524	**417**	379	**37**	145
Kusasalethu	**1 774**	1 392	**1 321**	1 091	**453**	301
Masimong	**1 326**	1 277	**756**	702	**570**	575
Phakisa	**551**	375	**473**	326	**78**	49
Target	**1 080**	878	**815**	664	**265**	214
Tshepong	**2 007**	1 823	**1 172**	1 147	**835**	676
Virginia	**682**	1 415	**562**	1 340	**120**	75
Surface						
All other surface operations	**1 176**	980	**888**	632	**288**	348
Total South Africa	**11 469**	11 205	**8 455**	8 295	**3 014**	2 910
International						
Papua New Guinea	**976**	79	**715**	63	**261**	16
Total international	**976**	79	**715**	63	**261**	16
Total continuing operations	**12 445**	11 284	**9 170**	8 358	**3 275**	2 926
Discontinued operations						
Mount Magnet	**–**	–	**–**	–	**–**	–
Total discontinued operations	**–**	–	**–**	–	**–**	–
Total operations	**12 445**	11 284	**9 170**	8 358	**3 275**	2 926
Reconciliation of the segment information to the abridged consolidated income statement and balance sheet (refer to note 18)	**–**	–	**–**	–		
	12 445	11 284	**9 170**	8 358		

[1] *Excludes non-operational capital expenditure relating to PNG of R63 million and exploration capitalised of R45 million.*
* *Production statistics are unaudited.*

Mining assets R million		Capital expenditure R million		Kilograms produced* kg		Tonnes milled* t'000	
2011	2010	**2011**[1]	2010	**2011**	2010	**2011**	2010
965	954	**321**	207	**3 051**	4 137	**426**	528
3 085	2 837	**292**	342	**2 512**	1 950	**718**	540
946	922	**196**	175	**2 302**	3 475	**541**	788
183	175	**73**	88	**1 449**	2 006	**407**	439
3 220	2 974	**380**	430	**5 609**	5 444	**1 099**	1 035
899	799	**178**	177	**4 280**	4 840	**868**	899
4 317	4 065	**369**	486	**1 762**	1 371	**387**	339
2 729	2 537	**439**	382	**3 981**	3 539	**805**	777
3 589	3 645	**273**	261	**6 468**	6 749	**1 343**	1 518
672	682	**79**	180	**2 213**	5 288	**576**	1 656
155	127	**147**	84	**3 790**	3 731	**10 431**	9 140
20 760	19 717	**2 747**	2 812	**37 417**	42 530	**17 601**	17 659
4 381	3 771	**289**	541	**3 118**	1 903	**1 679**	304
4 381	3 771	**289**	541	**3 118**	1 903	**1 679**	304
25 141	23 488	**3 036**	3 353	**40 535**	44 433	**19 280**	17 963
–	226	**–**	–	**–**	–	**–**	–
–	226	**–**	–	**–**	–	**–**	–
25 141	23 714	**3 036**	3 353	**40 535**	44 433	**19 280**	17 963
14 703	15 509						
39 844	39 223						

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEARS ENDED 30 JUNE 2011

17 Segment report continued

(US dollar/imperial)

	Revenue US$ million		Production cost US$ million		Production profit US$ million	
	2011	2010	**2011**	2010	**2011**	2010
Continuing operations						
South Africa						
Underground						
Bambanani	**132**	147	**118**	98	**14**	49
Doornkop	**112**	68	**86**	54	**26**	14
Evander	**102**	120	**89**	113	**13**	7
Joel	**65**	69	**60**	50	**5**	19
Kusasalethu	**254**	184	**189**	144	**65**	40
Masimong	**190**	168	**108**	93	**82**	75
Phakisa	**79**	50	**68**	43	**11**	7
Target	**154**	116	**117**	88	**37**	28
Tshepong	**287**	241	**168**	151	**119**	90
Virginia	**98**	187	**80**	177	**18**	10
Surface						
All other surface operations	**168**	129	**127**	84	**41**	45
Total South Africa	**1 641**	1 479	**1 210**	1 095	**431**	384
International						
Papua New Guinea	**140**	10	**103**	8	**37**	2
Total international	**140**	10	**103**	8	**37**	2
Total continuing operations	**1 781**	1 489	**1 313**	1 103	**468**	386
Discontinued operations						
Cooke operations	**–**	–	**–**	–	**–**	–
Mount Magnet	**–**	–	**–**	–	**–**	–
Total discontinued operations	**–**	–	**–**	–	**–**	–
Total operations	**1 781**	1 489	**1 313**	1 103	**468**	386
Reconciliation of the segment information to the abridged consolidated income statement and balance sheet (refer to note 18)	**–**	–	**–**	–		
	1 781	1 489	**1 313**	1 103		

[1] *Excludes non-operational capital expenditure relating to PNG of US$8 million and exploration capitalised of U$6 million.*

**Production statistics are unaudited.*

Mining assets US$ million		Capital expenditure US$ million		Ounces produced * oz		Tons milled* t'000	
2011	2010	**2011**[1]	2010	**2011**	2010	**2011**	2010
142	125	**46**	28	**98 092**	133 007	**470**	582
455	372	**42**	45	**80 763**	62 694	**792**	595
140	121	**28**	23	**74 011**	111 724	**596**	869
27	23	**11**	10	**46 586**	64 495	**448**	484
475	390	**54**	57	**180 334**	175 029	**1 212**	1 141
133	105	**26**	23	**137 605**	155 609	**957**	991
637	533	**53**	64	**56 649**	44 079	**427**	374
403	333	**63**	51	**127 992**	113 782	**888**	857
530	478	**39**	35	**207 950**	216 986	**1 481**	1 674
99	89	**11**	24	**71 149**	170 013	**636**	1 826
23	17	**21**	11	**121 851**	119 954	**11 501**	10 077
3 064	2 586	**394**	371	**1 202 982**	1 367 372	**19 408**	19 470
646	494	**42**	71	**100 246**	61 173	**1 852**	335
646	494	**42**	71	**100 246**	61 173	**1 852**	335
3 710	3 080	**436**	442	**1 303 228**	1 428 545	**21 260**	19 805
–	–	**–**	–	**–**	–	**–**	–
–	29	**–**	–	**–**	–	**–**	–
–	29	**–**	–	**–**	–	**–**	–
3 710	3 109	**436**	442	**1 303 228**	1 428 545	**21 260**	19 805
2 170	2 032						
5 880	5 141						

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS
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18 Reconciliation of segment information to abridged consolidated income statements and balance sheet

The "reconciliation of segment data to abridged consolidated financials" line item in the segment reports is broken down into the following elements, to give a better understanding of the differences between the income statement, balance sheet and the segment report.

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
		Revenue from:		
–	**–**	Discontinued operations	**–**	–
		Production costs from:		
–	**–**	Discontinued operations	**–**	–
		Reconciliation of cash operating profit to consolidated profit/(loss) before taxation and discontinued operations		
11 284	**12 445**	Total segment revenue	**1 781**	1 489
(8 358)	**(9 170)**	Total segment production costs	**(1 313)**	(1 103)
2 926	**3 275**	Cash operating profit	**468**	386
–	**–**	*Less*: Discontinued operations	**–**	–
2 926	**3 275**		**468**	386
(2 126)	**(2 445)**	Cost of sales items other than production costs	**(351)**	(280)
(1 326)	**(1 704)**	Amortisation and depreciation of mining properties, mine development cost and mine plant facilities	**(244)**	(175)
(49)	**(72)**	Amortisation and depreciation of other than mining and mining related assets	**(10)**	(6)
(29)	**(74)**	Rehabilitation expenditure	**(11)**	(4)
(57)	**(124)**	Care and maintenance cost of restructured shafts	**(18)**	(8)
(205)	**(158)**	Employment termination and restructuring costs	**(23)**	(27)
(148)	**(136)**	Share-based payments	**(19)**	(20)
(331)	**(264)**	Impairment of assets	**(39)**	(43)
19	**87**	Other	**13**	3
800	**830**	**Gross profit**	**117**	106
(382)	**(354)**	Corporate, administration and other expenditure	**(51)**	(50)
(81)	**(84)**	Social investment expenditure	**(12)**	(11)
(219)	**(353)**	Exploration expenditure	**(51)**	(29)
104	**29**	Profit on sale of property, plant and equipment	**4**	14
(58)	**(24)**	Other expenses – net	**(3)**	(8)
164	**44**	**Operating profit**	**4**	22
56	**(51)**	(Loss)/profit from associates	**(7)**	7
–	**(142)**	Impairment of investment in associate	**(20)**	–
(24)	**–**	Loss on sale of investment in subsidiary	**–**	(3)
38	**141**	Net gain on financial instruments	**20**	5
–	**273**	Gain on farm-in option	**38**	–
187	**140**	Investment income	**20**	25
(246)	**(288)**	Finance cost	**(41)**	(32)
175	**117**	**Profit/(loss) before taxation and discontinued operations**	**14**	24

Reconciliation of total segment assets to consolidated assets includes the following:

SA rand			US dollar	
2010	**2011**	Figures in million	**2011**	2010
		Non-current assets		
6 068	**6 080**	Property, plant and equipment	**897**	794
2 210	**2 170**	Intangible assets	**320**	290
146	**31**	Restricted cash	**5**	19
1 742	**1 883**	Restricted investments	**278**	228
385	**–**	Investment in associates	**–**	50
1 875	**1 149**	Deferred tax asset	**170**	246
12	**185**	Investment in financial assets	**27**	2
214	**172**	Inventories	**25**	28
75	**23**	Trade and other receivables	**3**	10
		Current assets		
987	**837**	Inventories	**124**	129
932	**1 073**	Trade and other receivables	**158**	122
74	**139**	Income and mining taxes	**21**	10
770	**693**	Cash and cash equivalents	**102**	101
19	**268**	Assets of disposal groups classified as held-for-sale	**40**	3
15 509	**14 703**	**Total assets**	**2 170**	2 032

ANNEXURE A

STATEMENT OF GROUP COMPANIES AT 30 JUNE 2011

This schedule has been extracted from the integrated annual report. The complete list of subsidiaries, associates and joint ventures can be found on the Harmony website (**www.harmony.co.za**).

Company		Issued share capital R'000	Effective group interest 2011 %	Effective group interest 2010 %	Cost of investment by holding company 2011 Rm	Cost of investment by holding company 2010 Rm	Loans from/(to) holding company 2011 Rm	Loans from/(to) holding company 2010 Rm
Direct subsidiaries								
Gold mining								
African Rainbow Minerals Gold Limited	(a)	96	**100**	100	**7 081**	7 081	**208**	196
ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited	(a)	20	**100**	100	**17**	17	**1 063**	1 166
Avgold Limited	(a)	6 827	**100**	100	**6 935**	6 935	**762**	645
Evander Gold Mines Limited	(a)	39 272	**100**	100	**545**	545	**(220)**	(179)
Randfontein Estates Limited	(a)	19 882	**100**	100	**1 311**	1 311	**1 202**	1 127
Investment holding								
ARMGold/Harmony Joint Investment Company (Proprietary) Limited	(a)	#	**100**	100	**–**	–	**127**	1 200
Harmony Gold Australia (Proprietary) Limited	(c)	6 391 122	**100**	100	**6 391**	6 018	**–**	–
Indirect subsidiaries								
Exploration								
Harmony Gold PNG (Exploration) Limited	(b)	#	**100**	100	**–**	–	**–**	–
Morobe Exploration Limited	(b)	1 104	**100**	100	**–**	–	**–**	–
Gold mining								
Harmony Gold PNG Limited	(b)	#	**100**	100	**–**	–	**–**	–
Kalahari Goldridge Mining Company Limited	(a)	1 275	**100**	100	**–**	–	**(456)**	(438)
Investment								
Abelle Limited	(c)	488 062	**100**	100	**–**	–	**–**	–
Mineral right investment								
Morobe Consolidated Goldfields Limited	(b)	#	**100**	100	**–**	–	**–**	–
Wafi Mining Limited	(b)	#	**100**	100	**–**	–	**–**	–
Mining related services								
Harmony Gold (PNG Services) (Proprietary) Limited	(c)	#	**100**	100	**–**	–	**–**	–

Company		Issued share capital R'000	Effective group interest 2011 %	2010 %	Cost of investment by holding company 2011 Rm	2010 Rm	Loans from/(to) holding company 2011 Rm	2010 Rm
Joint venture operations – indirect								
Morobe Exploration Services Limited	(b)	$	**50**	50	**–**	–	**–**	–
Hidden Valley Services Limited	(b)	$	**50**	50	**–**	–	**–**	–
Wafi Golpu Services Limited	(b)	$	**50**	50	**–**	–	**–**	–
Associate company – direct								
Gold mining company								
Pamodzi Gold Limited	(a)	30	**32**	32	**–**	–	**–**	–
Associate company – indirect:								
Gold and uranium mining								
Rand Uranium	(a)	#	**40**	40	**–**	–	**–**	25

The company's interest in jointly controlled operations is accounted for by proportionate consolidation. Under this method the group includes its share of the joint venture's individual income and expenses, assets and liabilities in the relevant components of the financial statements on a line-by-line basis.

Investments in associates are accounted for by using the equity method of accounting. Equity accounting involves recognising in the income statement the group's share of the associates' profit or loss for the period. The group's interest in the associate is carried on the balance sheet at an amount that reflects the cost of the investment, the share of post-acquisition earnings and other movement in the reserves.

(a) Incorporated in the Republic of South Africa

(b) Incorporated in Papua New Guinea

(c) Incorporated in Australia

Indicates issued share capital of less than R1 000
$ *Indicates a share in the joint venture's capital assets*

The above investments are valued by the directors at carrying value.

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The integrated annual report for 2011 is available in electronic format at www.harmony.co.za and may also be requested in printed format from Harmony's investor relations contacts above. The sustainable development report 2011 is available as an online report.

In addition, Harmony has produced the Form 20-F, an annual report which is required to file with the United States' Securities and Exchange Commission in accordance with its listing on the NYSE. Electronic copies will be available towards the end of October 2011 free of charge on EDGAR at www.sec.gov and on our corporate website: www.harmony.co.za.

Stock exchange listings and ticker codes

Harmony's primary listing is on the JSE Limited. The company's shares are also listed on the London Stock Exchange. They are quoted in the form of American depositary receipts (ADRs) on the New York Stock Exchange and as international depositary receipts (IDRs) on the Berlin and Brussels exchanges.

Harmony's quoted share codes on these exchanges are as follows:

JSE Limited	HAR
NYSE Euronext	HMY
London Stock Exchange	HRM
Berlin Stock Exchange	HAM1
Brussels Stock Exchange	HMY

Share information

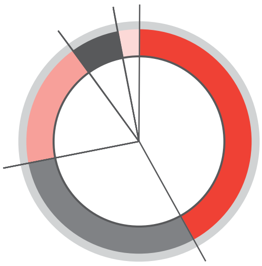
Sector		Resources
Sub-sector		Gold
Nature of business		Harmony Gold Mining Company Limited and its subsidiaries are engaged in underground and open-pit gold mining, exploration and related activities in South Africa and Papua New Guinea.
Issued share capital as at 30 June 2011		430 084 628 shares in issue
Market capitalisation		
	at 30 June 2011	R38.7 billion or US$5.7 billion
	at 30 June 2010	R34.9 billion or US$4.5 billion
Share price statistics – FY 2011		
JSE:	12-month high	R103.25
	12-month low	R71.90
	Closing price	R89.95
NYSE:	12-month high	U$15.57
	12-month low	US$9.72
	Closing price	US$13.22
Free float		100%
ADR ratio		1:1
Performance on JSE in FY11		
Number of shares traded		392 million
Total issued shares		430 084 628
Value of shares traded		R33.2 billion
ADR performance in FY11		
Number of ADRs traded		647 million
Total number of ADRs outstanding		131 million
Value of ADRs traded		US$7.9 billion

Shareholder spread as at 30 June 2011

	Number of shareholders	% of shareholders	Number of issued shares held	% of issued shares held
Public	12 268	99.98	366 329 819	85.18
Non-public	3	0.02	63 754 809	14.82
Holdings exceeding 10%	1	0.01	63 632 922	14.80
Directors*	1	0.01	101 303*	0.02
Long-term share incentive scheme	1	0.00	20 584	0.00
Totals	12 271	100.00	430 084 628	100.00

** Held by AJ Wilkens*

Geographic distribution of shareholders – 30 June 2011



South Africa: 42%
United States: 30%
United Kingdom: 18%
Rest of Europe: 7%
Rest of the world: 3%

Ownership summary as at 30 June 2011

Rank	Institution	Current combined position	% total shares outstanding
1	ARM Ltd	63 632 922	14.87
2	Blackrock Investment Management (UK) Ltd	46 062 952	10.77
3	Allan Gray Unit Trust Management Ltd	39 282 219	9.18
4	Public Investment Corporation of South Africa	27 261 749	6.37
5	First Eagle Investment Management LLC	22 172 485	5.18
6	Van Eck Global	14 983 954	3.50
7	Capital International Research & Management	14 081 735	3.29
8	Investec Asset Management Pty Ltd (South Africa)	12 162 827	2.84
9	Dimensional Fund Advisors Inc	10 964 483	2.56
10	Vanguard Group Inc	8 503 699	1.99
11	BlackRock Fund Advisors	8 474 763	1.98
12	Fidelity Management & Research	8 421 072	1.97
13	FIL Investments International	7 017 268	1.64
14	Regarding Capital Management (Pty) Ltd	6 204 366	1.45
15	BlackRock Advisors LLC	6 014 935	1.41
16	Government of Singapore Investment Corp Pte Ltd (Investment Management)	5 759 973	1.35
17	Absa Capital Prime Brokerage Account	5 656 559	1.32
18	Soges Fiducem (IDRs)	5 390 925	1.26
19	Retail Brokers (ADR)	5 284 931	1.24
20	Domestic broker dealers	4 256 186	0.99

Analysis of ordinary shares (Strate) as at 30 June 2011

	Number of shareholders	% of shareholders	Number of shares held	% of issued shared held
1 to 10 000	11 695	95.31	4 813 486	1.12
10 001 to 100 000	353	2.88	13 962 565	3.25
100 001 to 1 000 000	179	1.46	52 710 747	12.26
1 000 001 and more	44	0.36	358 597 830	83.38
Total	12 271	100.0	430 084 628	100.0

Historical performance of shares on the JSE

	FY11	FY10
As at 30 June: (R/share)	**89.95**	81.40
Year high (R/share)	**103.25**	87.51
Year low (R/share)	**71.90**	68.65
Number of ordinary shares issued (000)	**430 085**	428 655
Volume of shares traded (000)	**392 035**	463 826
Volume of shares traded as % of total issued shares	**91**	108

Historical performance of shares on the ADR program

	FY11	FY10
As at 30 June: (US$/share)	**13.22**	10.57
Year high (US$/share)	**15.73**	12.96
Year low (US$/share)	**10.26**	8.73
Number of ADRs issued (000)	**19 213**	11 978
Volume of ADRs traded (000)	**647 222**	850 096
ADRs outstanding	**131 048 775**	120 922 003

Shareholders' diary

Financial year end	30 June
Annual financial statements issued	24 October 2011
Form 20-F issued	24 October 2011
Annual general meeting	30 November 2011
Dividend dates:	
Dividend declared	12 August 2011
Quarterly results presentations FY12:	
Quarter 1	31 October 2011
Quarter 2	6 February 2012
Quarter 3	10 May 2012
Quarter 4	15 August 2012

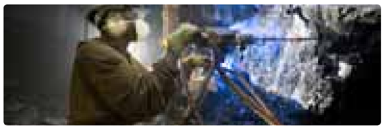
GLOSSARY OF TERMS

$	United States dollar.
A$	Australian dollar.
Available-for-sale financial asset	A financial asset designated as available-for-sale or one other than those classified as loans and receivables, held-to-maturity investments or derivative instruments.
BEE/BBBEE	Black economic empowerment/broad-based black economic empowerment.
By-products	Any products emanating from the core process of producing gold, including silver and uranium in South Africa and copper, silver and molybdenum in Papua New Guinea.
Capital expenditure (capex)	Expenditure on tangible assets – includes ongoing and project capital. In particular, capex includes spending on ongoing development, abnormal expenditure, shaft projects and major projects, and covers both sustaining and growing operations.
Cash costs	Total cash costs include site costs for all mining, processing and administration, reduced by contributions from by-products and include royalties and production taxes. Amortisation, rehabilitation, corporate administration, retrenchment, capital and exploration costs are excluded. Total cash costs per ounce are attributable total cash costs divided by attributable ounces of gold produced.
CDP	Carbon Disclosure Project – an independent not-for-profit organisation that acts as an intermediary between shareholders and corporations on all climate change-related issues, providing primary climate change data from the world's largest corporations to the global marketplace.
CO_2 emissions	Total CO_2 emissions calculated from direct emissions generated from petrol and diesel consumption and indirect emissions generated from electricity consumption (expressed in tonnes).
Cyanide Code	International management code for the manufacture, transport and use of cyanide in the production of gold. The aim is to promote responsible management of cyanide used in gold mining; to protect human health and reduce the potential for environmental impacts.
Cut-off grade	Minimum grade at which a unit of ore will be mined to achieve the desired economic outcome.
Depletion	Decrease in quantity of ore in a deposit or property due to extraction or production.
Development	Process of accessing an orebody through shafts or tunnelling in underground mining operations.
Discontinued operation	A component of an entity that has been disposed of or abandoned or classified as held-for-sale until conditions precedent to the sale have been fulfilled.
DMR	Department of Mineral Resources.
EBITDA	Earnings before interest, tax, depreciation and amortisation.

Effective tax rate	Current and deferred taxation as a percentage of profit before taxation.
Electricity use	Energy use calculated from electricity purchased and diesel and petrol consumed during the reporting period.
Employment equity	Percentage of black employees (as defined by die DTI Codes) per occupational level.
Equity	Shareholders' equity adjusted for other comprehensive income and deferred taxation.
FIFR	Fatal injury frequency rate, the number of fatalities per million hours worked.
Financial asset	Cash or cash equivalents, an equity instrument, a contractual right to receive cash, or a contractual right to exchange a financial instrument under favourable conditions.
Financial liability	A contractual obligation to pay cash or transfer other benefits or a contractual obligation to exchange a financial instrument under unfavourable conditions. This includes debt.
GHG	Greenhouse gas – a gas that contributes to the greenhouse effect by absorbing infrared radiation, such as carbon dioxide and chlorofluorocarbons (CFCs).
Gold produced	Refined gold derived from the mining process, measured in ounces or kilograms in saleable form.
Grade	Quantity of gold contained in a unit weight of gold-bearing material generally expressed in ounces per short ton of ore (oz/t), or grams per metric tonne (g/t).
HAART	Highly active antiretroviral treatment.
HDSAs	Historically disadvantaged South Africans – all people and groups who were discriminated against on the basis of race, gender and disability as per the MPRDA definition.
Indicated mineral resource	Part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information using appropriate techniques from outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but close enough for continuity to be assumed.
Inferred mineral resource	Part of a mineral resource for which tonnage, grade resource and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.
Interest cover	EBITDA divided by finance costs and unwinding of obligations.
ISO 14001	Published in 1996 by the International Organisation for Environmental Standardisation, it specifies actual requirements for an environmental management system.
JIBAR	Johannesburg interbank agreed rate.

GLOSSARY OF TERMS CONTINUED

JORC	Australian code for reporting exploration results, mineral resources and mineral reserves.
JSE	JSE Limited
Kina	Papua New Guinea currency.
King III	King report on corporate governance for South Africa published in 2010.
LED spend	Local economic development project spend.
LIBOR	London interbank offer rate.
Life-of-mine (LOM)	Number of years an operation is scheduled to mine and treat ore, based on current mine plan.
Loans and receivables	A financial asset with fixed or determinable repayments that are not quoted in an active market, other than a derivative instrument or a financial asset classified as available-for-sale.
LTIFR	Lost-time injury frequency rate per million hours, refers to work-related injuries which result in the employee being unable to perform his/her normal occupation on the next scheduled work day or shift.
Measured mineral resource	Part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from outcrops, trenches, pits, workings and drill holes. Locations are spaced closely enough to confirm geological and grade continuity.
Mineral resource	A concentration or occurrence of material of intrinsic economic interest in/on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories.
Mineral reserve	The economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that at the time of reporting, extraction could reasonably be justified. Mineral reserves are sub-divided in order of increasing confidence into probable and proved ore reserves.
Mining Charter	Broad-based social-economic empowerment charter for the South African mining industry. The goal of the charter is to create an industry that reflects the promise of a non-racial South Africa.
MMJV	Morobe Mining Joint Ventures, the 50:50 partnership between Harmony and Newcrest Mining Company Limited.



MPRDA	Mineral and Petroleum Resources Development Act No 28 of 2002.
Ongoing capital	Capital expenditure to maintain existing production assets. This includes replacement of vehicles, plant and machinery, ore reserve development and capital expenditure related to safety, health and the environment.
PNG	Papua New Guinea.
Probable mineral reserve	Economically mineable part of an indicated, and in some cases, a measured mineral resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.
Productivity	An expression of labour productivity based on the ratio of grams of gold produced per month to the total number of employees in underground mining operations.
Proved reserve	Economically mineable part of a measured mineral resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.
Project capital	Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset.
Reclamation	In South Africa, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry that is pumped back to metallurgical plants for processing.
Reef	A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.
SAMREC	South African code for the reporting of exploration results, mineral resources and mineral reserves.
Tailings	Finely ground rock of low residual value from which valuable minerals have been extracted. Discarded tailings stored in dam facilities.
Tonne (t)	Metric = 1 000 kilograms.
Ton	Imperial = 2 000 pounds (1 016kg). Referred to as a short ton.
US	United States.
Waste	Material with insufficient mineralisation for future treatment and discarded.

Water consumption from primary activities	Total new or make-up water entering the operation and used for the operation's primary activities which include those activities in which the operation engages to produce their product and includes dust suppression within the operational area.
Weighted average number of ordinary shares	Number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period in which they have participated in the income of the company, and increased by share options that are virtually certain to be exercised.
Yield	Amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne.

DIRECTORATE AND ADMINISTRATION

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2. GP Briggs (Chief executive officer)
3. HO Meyer (Financial director)
4. HE Mashego (Executive director)
5. FFT De Buck*^ (Lead independent director)
6. F Abbott*
7. JA Chissano*[1]^
8. Dr C Diarra*†^ (Resigned – 31 May 2011)
9. KV Dicks*^
10. Dr DS Lushaba*^
11. C Markus*^
12. M Motloba*^
13. M Msimang*^
14. D Noko*^
15. CML Savage*^
16. J Wetton*^ (appointed in new financial year on 1 July 2011)
17. AJ Wilkens*

** Non-executive*
^ Independent
[1] Mozambican
† US/Mali Citizen

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Trading symbols
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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

BASTION GRAPHICS

www.harmony.co.za