Directors' report

The Harmony group 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 and on behalf of its stakeholders.

The Directors of the company 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 the financial statements of the company, together with those of the group for the year ended 30 June 2010. The financial statements presented on pages 216 to 312 and pages 314 to 351 have been prepared in accordance with IFRS and the Companies Act of South Africa.

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

The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position for the Harmony group at year-end. The directors have also prepared the additional information included in the annual 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 company to enable the directors to ensure that the financial statements comply with the relevant legislation.

Harmony and its subsidiaries operate in a well 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 the risks facing the group are being controlled. The Sarbanes-Oxley compliance process assisted in identifying potential deficiencies in controls.

The going concern criterion has been adopted in preparing the financial statements. Based on current plans as compiled and various initiatives to improve cash flow, the Harmony group will be able to continue as a going concern.

The Code of Ethics has been adhered to. Please refer to the *Corporate Governance* section on page 184 for more information.

The Harmony group's external auditors, PricewaterhouseCoopers Incorporated, have audited the financial statements and their report is presented on page 215. The financial statements were approved by the Board of Directors on 11 October 2010 and signed on its behalf by:

Mr GP Briggs
Chief Executive Officer
Randfontein,
South Africa
25 October 2010

Mr HO Meyer
Financial Director
Randfontein,
South Africa
25 October 2010

Board of directors

Name	Date of appointment
Mr PT Motsepe*(Chairman)	23 September 2003
Ms FFT De Buck#†*	30 March 2006
Mr GP Briggs (Chief executive officer)	7 August 2007
Mr HO Meyer (Financial director)	1 November 2009
Mr F Abbott (Executive director)^	1 October 1994
Mr HE Mashego (Executive director)	24 February 2010
Mr JA Chissano*	20 April 2005
Dr CM Diarra*#	5 March 2008
Mr KV Dicks*#	13 February 2008
Dr DS Lushaba*#	18 October 2002
Ms CE Markus*#	31 May 2007
Mr MJ Motloba*#	30 July 2004
Mr CML Savage*#	23 September 2003
Mr AJ Wilkens*	7 August 2007

* Non-executive directors

\# Independent

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

† Appointed lead independent director after 30 June 2010.

Directorate

The abovementioned directors served on the Harmony board during FY10. Abridged CVs of all directors appear on pages 165 to 167 of this report. In terms of the company's Articles of Association, Mr PT Motsepe, Mr JA Chissano, Ms CE Markus and Mr AJ Wilkens qualify for retirement by rotation at the forthcoming Annual General Meeting. The retiring directors are eligible and have made themselves available for re-election to the board. In addition, Mr HE Mashego will be elected as a director of the company.

Directors' interests

The Board of Directors indicated that, at the date of this report, other than Mr 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 2010. Mr André Wilkens holds 101 303 shares in Harmony

Financial statement and results

Financial overview

Following on from the previous financial year in which the company achieved financial stability as part of the previous back-to-basics strategy, Harmony continued with a new 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 in the company's growth projects. The once-off cost associated with closure of marginal shafts placed pressure on the income statement while the funding of the growth projects was managed with existing cash resources and the addition of a small amount of debt.

These actions placed Harmony in a strong position to generate sustainable earnings in the future as the asset portfolio is optimised and higher margin operations ramp up to full production. This stability will also ensure that Harmony is well positioned to unlock maximum value for shareholders from our exciting Wafi-Golpu project.

Despite a difficult year from an income statement perspective, these positives have enabled the board to declare a second annual dividend.

Directors' report cont.

Results for the year

The total net loss for FY10 was R192 million (US$24 million), compared with a net profit of R2 927 million (US$311 million) in FY09. Loss per share for FY10 was 46 SA cents (6 US cents), compared to earnings per share of 707 SA cents (75 US cents) in FY09.

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

Commodity price

During FY10, we received an average gold price of R266 009/kg, an increase of 6% on the R250 826/kg received in FY09. In US dollar terms, we received an average of US$1 092/oz, an increase of 26% an US$867/oz in FY09. This was mainly due to the higher average gold spot price during the year of US$1 089/oz, compared to US$874/oz in FY09. Our average sales price differs from the average gold price owing to the timing of gold sales within each year. During FY10, the gold price traded between a low of US$908.50/oz and a high of US$1 261.00.

Exchange rates

The average exchange rate for the year ended 30 June 2010 was R7.58/US$1, compared to R9.00/US$1. The closing rate at 30 June 2010 was R7.63/US$1, compared to R7.72/US$1 at 30 June 2009. The average value of the rand versus the Australian dollar for FY10 was R6.70/A$1, compared to R6.66/A$1 in FY09. The average value of the kina versus the Australian dollar for FY10 was K2.26/A$1, compared to K1.92/A$1 in FY09.

Gold is priced and sold throughout the world in US dollars, but most of Harmony's operating costs are incurred either in rands, Australian dollars or kina in PNG. As a result, any significant and sustained appreciation of these currencies against the US dollar will serve to reduce Harmony's revenues and overall net income.

Production

Kilograms produced declined by 2%, or 1 004kg, to 44 433kg (of which 1 588kg were capitalised) during 2010. This was mainly a consequence of several shafts at the Evander and Virginia operations being placed on care and maintenance during the year. Offsetting this decrease was the inclusion of production from Hidden Valley, as well as increased production from Doornkop and Phakisa as development of the new mining sections was completed. The average recovered grade at the underground operations decreased from 4.6g/t to 4.5g/t in FY10. Gold production from surface operations in South Africa increased by 5% to 3 731kg.

Revenue

Gold sales decreased by 2% in FY10, from R11 496 million to R11 284 million, a result of the decrease in gold sold. This was offset by the 6% increase in the rand gold price received. In US dollar terms, gold revenue increased by 17%, from US$1 277 million to US$1 489 million, mainly as a result of the increase in the gold price received.

Cost of sales

Cost of sales increased by R825 million (US$300 million) from R9 659 million (US$1 083 million) in 2009 to R10 484 million (US$1 383 million) in 2010. The main changes in cost of sales are analysed as follows:

- Production costs rose by R701 million (US$253 million) in 2010, from R7 657 million (US$850 million) to R8 358 million (US$1 103 million). This equates to an increase in cash costs of R26 501/kg, or 16%. In US dollar terms, owing to the appreciation of the rand against the US dollar, cash costs increased by 37%, or US$218/oz. These increases were driven by the escalating cost of electricity and labour as well as the introduction of royalties in South Africa. The closure of certain shafts in Evander and Virginia also negatively impacted costs.
- Amortisation and depreciation increased by R122 million (US$42 million) during FY10 to R1 375 million (US$181 million). This increase was due to the ramping up of production as the various growth projects moved into the production phase, as well as the general increase in the capital expenditure.
- The charge for the impairment of assets decreased from R546 million (US$71 million) in FY09 to R331 million (US$43 million) in FY10. The impairments for FY10 resulted primarily from the placement of certain Evander and Virginia shafts on care and maintenance, and the impairment of the remaining carrying values. The impairment charge for 2009 resulted primarily from a decrease in the expected life of mine at certain operations, as well as an increase in costs to operate the shafts.

- Employment termination and restructuring costs increased from R39 million (US$4 million) in FY09 to R205 million (US$27 million) in FY10. The costs for 2010 related primarily to the closure of certain shafts at Evander and Virginia. The costs in 2009 were a result of the voluntary retrenchment programme started in December 2007 to decentralise certain central services departments and the cessation of continuous operations.

Operating profit

The group reported an operating profit of R164 million (US$22 million) in FY10, compared with R2 062 million (US$236 million) in FY09. This decrease was as a result of the decline in revenue and the increase in production costs, depreciation and employment termination costs. The inclusion of profit from the sale of the PNG assets to Newcrest in operating profit for FY09 also contributed to the decrease year-on-year.

Other income and expenses

- Profit from associates consists of Harmony's 40% share in the profits of Rand Uranium.
- The amount for FY09 for impairment of investment in associates relates to the impairment of the remaining carrying value of the investment in Pamodzi Gold Limited when it was placed in liquidation.
- The group recognised an amount of R24 million (US$3 million) for loss on sale of investment in subsidiaries on the disposal of Big Bell Operations (Proprietary) Limited (Big Bell) in January 2010.
- The gain of R7 million (US$1 million) recognised in fair value gain/(loss) on financial instruments for FY10 (FY09: loss of R101 million (US$10 million)) relates mainly to movements in the fair value of certain investments recycled from other reserves to the income statement on their disposal or when the investment was considered to be permanently impaired.
- Investment income decreased from R443 million (US$49 million) in FY09 to R218 million (US$29 million) in FY10. The decrease relates to a reduction in interest received on cash balances and loans receivables, where the balances were lower throughout the year. Interest received from the investments held by the environmental trusts was also lower as the profile of these investment portfolios were changed from cash only to include equity-linked instruments.
- A loss of R32 million (US$4 million) from discontinued operations for FY10 was recognised for the Mount Magnet operations. The profit from discontinued operations for FY09 was R1.0 billion (US$95 million), primarily comprising the profit from the sale of the Cooke operations.

Headline earnings

Headline earnings from continuing operations decreased from earnings of 304 SA cents (35 US cents) in 2009 to 1 SA cent (0 US cents) in 2010. The total headline loss including discontinued operations was 7 SA cents (1 US cent) per share in FY10, compared to earnings of 262 SA cents (29 US cents) per share in FY09.

Cash flows

Operating activities

Net cash generated from operating activities was R1 583 million (US$210 million) in FY10, a decrease of R703 million (US$45 million) when compared to the corresponding amount of R2 286 million (US$254 million) in FY09. This decrease related primarily to the decrease of R1 233 million (US$109 million) in cash generated from operations, a result of higher production costs owing to inflationary pressures caused by the increased cost of labour, materials and electricity. Also contributing to the decrease in net cash generated was the reduction in interest received of R240 million (US$23 million). Offsetting these increases was the decrease in interest paid as a result of lower debt balances, as well as the decrease of R579 million (US$68 million) in taxation paid.

Investing activities

Cash utilised by investing activities was R3 416 million (US$453 million) in FY10, compared with cash generated of R817 million (US$94 million) in FY09. Total capital expenditure for FY10 was R3 353 million (US$442 million), a decrease of R1 029 million (US$45 million) from FY09. An amount of R280 million (US$36 million) was used to acquire the restructured Steyn and Loraine shafts from Pamodzi FS. Proceeds from the disposal of property, plant and equipment totalled R146 million (US$19 million) in 2010, compared with R4 029 million (US$450 million) in FY09. The FY09 total comprised mainly proceeds from the disposal of the Cooke assets and 50% of the PNG assets.

Directors' report cont.

Financing activities

Financing activities generated R650 million (US$85 million) in FY10, compared with R1 785 million (US$233 million) utilised in FY09. During FY10, the group entered into a loan facility with Nedbank and drew down R1.2 billion (US$160 million) during the year. Loan repayments amounted to R391 million (US$57 million) during FY10, compared to R3 738 million (US$427 million) during FY09. During FY09, Harmony issued shares into the market for cash and raised R1.9 billion (US$192 million) in two capital raising transactions.

Net cash flow

The net result of Harmony's operating, investing and financing activities was an outflow of R1 183 million (US$158 million), which combined with the opening balance of R1 950 million (US$253 million) and a positive foreign exchange translation of R3 million and US$6 million, resulted in a closing cash and cash equivalents balance of R770 million (US$101 million).

Capital

Capital expenditure for FY11 is estimated at R3 451 million (US$452 million), 3% more than in FY10.

Share capital

Full details of the authorised, issued and unissued share capital of the company as at 30 June 2010 are set out in the statements of changes in shareholders' equity on page 219 of this report.

Shareholders

Information on shareholder spread, the range of shareholdings and public shareholders, as well as major shareholders, is presented on pages 357 and 358 of this report.

Investments

A schedule of investments in subsidiaries, associates and joint ventures appears on pages 348 to 351 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 the business. The directors do not, however, believe that liabilities related to such claims and proceedings are likely to be material, individually or in aggregate, to the company's consolidated financial condition.

Borrowings

i) Movement in borrowings
   See note 29 to the group financial statements.

ii) Borrowing powers

The level of the company's borrowing powers, as determined by its Articles of Association, shall 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 group. At year-end, total borrowings amounted to R1 190 million (US$156 million) (FY09: R362 million (US$47 million)).

Acquisitions

During FY10, the group acquired the President Steyn 1 and 2 shafts, Loraine 3 and the Freddies 7 and 9 shafts, together with the President Steyn gold plant, collectively known as the Pamodzi Free State assets, for R405 million (US$53 million). The assets were acquired from Pamodzi Gold Free State (Proprietary) Limited (in Liquidation) (Pamodzi FS), a subsidiary of Pamodzi Gold Limited, an associate of the group.

In March 2010, the conditions precedent to the agreement between Harmony and African Vanguard Resources (Doornkop) (Proprietary) Limited (AVRD) became effective. As a result, the 26% interest in the Doornkop mining right was transferred from AVRD to Harmony in exchange for Harmony repayment of the Nedbank loan of R244 million (US$33 million) and the issue of 2 162 359 Harmony ordinary shares.

In August 2009, Harmony acquired two new exploration tenements, the Mount Hagen and Amanab Projects, in PNG.

Disposals

On 18 January 2010, the group disposed of the investment in its Australian subsidiary, Big Bell, to Fulcrum Resources (Proprietary) Limited for R24 million (US$3 million).

During FY10, the group sold its interest in Avoca Resources Limited into the market over a period of several months for a total consideration of R42 million (US$6 million).

In June 2010, the group sold the Jeanette prospecting rights to Taung Gold Limited for a total consideration and profit of R75 million (US$10 million).

Class action

There is a pending class action in the United States whereby certain ADR holders are seeking damages against Harmony pertaining to its business practices. Harmony filed a Motion to Dismiss all claims asserted in the class action case with the US courts, which was denied. A Motion for Reconsideration was then filed, which was also denied. Harmony is defending the matter and allowing the legal process to take its course.

Related parties

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had interests, direct or indirectly, in any transaction since 1 July 2008 or in any proposed transaction that affected or would materially affect Harmony or its subsidiaries, other than as stated below.

African Rainbow Minerals Limited (ARM) currently holds 14.6% of Harmony's shares. Patrice Motsepe, André Wilkens, Joaquim Chissano and Frank Abbott are directors of ARM.

Harmony owns a 40% interest in Rand Uranium. Graham Briggs, Hannes Meyer and Fikile De Buck are directors of Rand Uranium and Dr Simo Lushaba is a member of Rand Uranium's Investment Committee.

Material transactions with associates, joint ventures and SPEs

During the year, Harmony acquired the Pamodzi Free State assets from Pamodzi FS, a subsidiary of Pamodzi, an associate in which Harmony has a 32% interest. Harmony also acquired a 26% interest in the Doornkop mining right from AVRD, which was consolidated into the group in prior years as an SPE. For details, refer to note 35 of the consolidated financial statements.

Recent developments

Sale of Mount Magnet

On 20 July 2010, the group concluded an agreement with Ramelius Resources Limited to sell its 100% share in Mount Magnet Gold NL (Mount Magnet), for a total consideration of R269 million (US$35 million). Refer to note 14 to the consolidated financial statements in this regard.

Merriespruit South region and Freegold option

On 3 September 2010, Harmony concluded two transactions with Witwatersrand Consolidated Gold Resources Limited (Wits Gold), in which Wits Gold will obtain a prospecting right over Harmony's Merriespruit South area and the cancellation of the option held by ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited (Freegold) to acquire a beneficial interest of up to 40% in any future mines established by Wits Gold on certain properties in the Southern Free State (Freegold option).

The total consideration was R336 million (US$47 million), (R61 million (US$9 million) for the prospecting area and R275 million (US$38 million) for the cancellation of the option agreement. The consideration will be settled in cash or in a combination of cash and shares in Wits Gold, when all remaining conditions precedent to the transaction have been fulfilled.

Taung (Evander 6 and Twistdraai)

On 10 September 2010, Harmony concluded a sale of assets agreement with Taung Gold Limited (Taung), in which Taung acquired the Evander 6 shaft, the related infrastructure and surface right permits as well as a mining right over the Evander 6 and Twistdraai areas. The total purchase consideration is R225 million ($29 million at 30 June 2010 exchange rate) which will be settled in cash, when all remaining conditions precedent to the transaction have been fulfilled.

Directors' report cont.

On 4 October 2010, the decision was made to finally close Merriespruit 1 shaft under Section 189 (of the Labour Relations Act) already in place. The closure was postponed in terms of an agreement reached with organised labour to keep the shaft open while it remained profitable.

Dividend

On 13 August 2010, the Board of Directors approved a final dividend for FY10 of 50 SA cents per share. The total dividend amounts to R214 million. As the dividend was declared after the reporting date, it has not been reflected in the financial statements for the year ended 30 June 2010. Included in the statement of changes in shareholders' equity for FY10 is an amount of R213 million for the dividend declared in August 2009.

Special resolutions

No special resolutions were passed during FY10

Shareholdings exceeding 5%

As at 30 June 2010, those shareholders with holdings of more than 5% were as follows:

Institution	Number of shares held	% shareholding
African Rainbow Minerals Limited	63 632 922	14.57%
Allan Gray Investment Counsel	56 483 026	12.94%
Blackrock Investment Management (UK) Ltd	41 346 382	9.47%
Public Investment Corporation of South Africa	27 707 406	6.35%

Remuneration

Annual incentive scheme

Harmony's Remuneration Committee ensures that Harmony's directors and senior executives are fairly rewarded for their individual contributions to Harmony's overall performance. In September 2006, the Remuneration Committee approved an annual incentive scheme as part of Harmony's reward philosophy to benefit executive directors and members of management.

The principles of the scheme are based on certain key performance targets, namely improvements in safety and performance against budget of: kilograms of gold produced, underground grade, cash cost and capital expenditure.

Long-term incentives

In addition to employees' annual salaries, Harmony has implemented various share option schemes including the Harmony 2006 Share Plan. In all, 60 011 669 of Harmony's share capital is reserved for long-term incentive schemes.

The Harmony 2001 and 2003 Share Schemes

Harmony has two share option schemes, namely the 2001 share option scheme and the 2003 share option scheme (collectively, the existing schemes), which both have similar rules. Since the implementation of the 2006 Share Plan, no options have been nor will be issued in terms of the existing schemes. Options granted before the implementation of the 2006 Share Plan remain open for acceptance for 10 years after the date of grant, subject to the terms of the relevant option scheme.

Broad-Based Employee Share Scheme (ESOP)

The company intends to structure the Broad-Based ESOP Scheme so as to maximise the recognition of black participation therein, both from the perspective of the MPRDA and the Broad-Based Black Economic Empowerment Act. Discussions relating to option benefits for non-managerial employees are ongoing with unions representing these employees.

The Harmony 2006 Share Plan

The Harmony 2006 Share Plan (the Plan) was adopted by shareholders at the annual general meeting held 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 best practice and emerging South African practice, which in combination serves to reward the required attributes of shareholder alignment and long-term, sustained performance.

In terms of the Plan, executive directors and senior employees of Harmony and its subsidiaries and associates are awarded rights to receive shares in Harmony. This is based on the value of these awards 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.

The primary intent of the Plan is to reward executive and senior management for long-term, sustained performance achievements which are aligned to shareholder value.

The nature of the Plan, which is linked to performance conditions, is not as dilutive as a normal share option scheme.

Annual allocations of SARs awards and performance shares and grants of restricted shares are governed by Harmony's reward philosophy, in which inter alia the 'expected value' of long-term incentive rewards is set for defined categories of executive and senior management. The expected value is defined as the present value of the future reward outcome of an allocation/award/grant, given the targeted future performance of Harmony and its share price. See table on pages 212 and 213 for details of executive directors and management long-term incentives.

The 2006 allocations and awards became eligible for vesting during the year. The SARs vested as the performance conditions were met, but the performance conditions for the performance shares were not met. All performance shares for the 2006 allocations therefore did not vest and these awards lapsed.

Directors' emoluments

Harmony's Remuneration Committee (see pages 180 and 181 for details) ensures that Harmony's directors and senior executives are fairly rewarded for their individual contributions to Harmony's overall performance.

The board has agreed to an increase in non-executive directors' fees, effective from 1 July 2010. The increase granted is to ensure that non-executive directors' fees remain competitive. Shareholders will be to approve the increase in fees, as set out in the Notice of Meeting, at the annual general meeting that will be held on 1 December 2010.

Directors' and executive management remuneration

Name	Directors' fees (R000) FY10	Salaries and benefits (R000) FY10	Retirement contri-butions during the year (FY10)	Bonuses* paid (R000) FY10	Total (R000) FY10	Total (R000) FY09
Non-executive directors						
Patrice Motsepe	798	–	–	–	798	745
Joaquim Chissano	373	–	–	–	373	365
Fikile De Buck	455	–	–	–	455	389
Dr Cheick Diarra	150	–	–	–	150	140
Ken Dicks	311	–	–	–	311	282
Dr Simo Lushaba	373	–	–	–	373	345
Cathie Markus	250	–	–	–	250	233
Modise Motloba	480	–	–	–	480	455
Cedric Savage	644	–	–	–	644	498
André Wilkens	395	–	–	–	395	370
Executive directors						
Frank Abbott	–	2 766	140	518	3 424	3 212
Graham Briggs	–	5 038	–	1 560	6 598	6 674
Mashego Mashego[1]	–	602	55	134	791	–
Hannes Meyer[2]	–	1 662	–	143	1 805	–
Executive management	–	19 201	1 375	4 386	24 962	24 300
Total	4 229	29 269	1 570	6 741	41 809	38 008

(1) March 2010 to June 2010 (appointed 24 February 2010).
(2) November 2009 to June 2010 (appointed 1 November 2009).
* Refer to annual incentives scheme for principles used in determining bonuses.

Share allocation as at 30 June 2010

See pages 212 and 213 for details of Harmony's long-term share incentive schemes.

Directors' report cont.

Executive directors' and management share incentives

As at 30 June 2010

	GP Briggs		HO Meyer	
	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)
Closing balance as at 30 June 2009[2]	543 642		–	
Share options	91 938	48.55	–	–
Share appreciation rights	237 488	78.14	–	–
Performance shares	214 216	n/a	–	n/a
Options granted	88 820		36 459	
Share options	–	–	–	–
Share appreciation rights	14 286	77.28	8 557	77.28
Performance shares	74 534	n/a	27 902	n/a
Options exercised	–		–	
Share options[1]	–	–	–	–
Share appreciation rights	–	–	–	–
Performance shares	–	n/a	–	n/a
Options forfeited and lapsed	(11 326)		–	
Share options	–	–	–	–
Share appreciation rights	–	–	–	–
Performance shares	(11 326)	n/a	–	n/a
Closing balance as at 30 June 2010	621 136		36 459	
Share options	91 938	48.55	–	–
Share appreciation rights	251 774	78.09	8 557	77.28
Performance shares	277 424	n/a	27 902	n/a
Grant date				
Share options	91 938		–	
24 April 2001	–	36.50	–	–
20 November 2001	–	49.60	–	–
23 September 2002	–	66.00	–	–
27 March 2003	–	91.60	–	–
10 August 2004	32 340	66.15	–	–
26 April 2005	59 598	39.00	–	–
Share appreciation rights	251 774		8 557	
15 November 2006	3 473	112.64	–	–
15 November 2007	159 484	70.54	–	–
7 March 2008	46 154	102.00	–	–
5 December 2008	28 377	77.81	–	–
16 November 2009	14 286	77.28	8 557	77.28
Performance shares	277 424		27 902	
15 November 2007	42 529	n/a	–	n/a
7 March 2008	12 308	n/a	–	n/a
5 December 2008	148 053	n/a	–	n/a
16 November 2009	74 534	n/a	27 902	n/a
Closing balance as at 30 June 2010	**621 136**		**36 459**	

[1] The following are the average selling prices received (in rands):

Executive management	79.73
Other management	78.13

[2] The balance has been adjusted to take account of transfers from management to the Executive Management.

HE Mashego		Executive management		Other 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)
114 654		1 516 576		8 530 436		10 705 308	
–	–	396 484	53.47	2 362 136	48.46	2 850 558	49.14
56 983	74.58	599 826	73.24	3 658 289	80.68	4 552 586	81.04
57 671	n/a	520 266	n/a	2 510 011	n/a	3 302 164	n/a
22 699		266 305		2 937 050		3 351 333	
–	–	–	–	–	–	–	–
5 327	77.28	62 500	77.28	2 616 853	77.28	2 707 523	77.28
17 372	n/a	203 805	n/a	320 197	n/a	643 810	n/a
–		(61 263)		(501 653)		(562 916)	
–	–	(61 263)	43.12	(501 653)	42.49	(562 916)	42.56
–	–	–	–	–	–	–	–
–	n/a	–	n/a	–	n/a	–	n/a
(7 131)		(61 288)		(881 410)		(961 155)	
–	–	–	–	(23 057)	43.75	(23 057)	43.75
–	–	–	–	(484 524)	78.51	(484 524)	78.51
(7 131)	n/a	(61 288)	n/a	(373 829)	n/a	(453 574)	n/a
130 222		1 660 330		10 084 423		12 532 570	
–	–	335 221	51.86	1 837 426	47.84	2 264 585	48.47
62 310	74.81	662 326	72.27	5 790 618	79.41	6 775 585	78.60
67 912	n/a	662 783	n/a	2 456 379	n/a	3 492 400	n/a
–		335 221		1 837 426		2 264 585	
–	–	–	36.50	17 000	36.50	17 000	36.50
–	–	–	49.60	167 901	49.60	167 901	49.60
–	–	–	66.00	–	66.00	–	66.00
–	–	20 300	91.60	105 000	91.60	125 300	91.60
–	–	119 503	66.15	331 124	66.15	482 967	66.15
–	–	195 418	39.00	1 216 401	39.00	1 471 417	39.00
62 310		662 326		5 790 618		6 775 585	
3 645	112.64	21 477	112.64	493 430	112.64	522 025	112.64
42 756	70.54	479 618	70.54	1 047 753	70.54	1 729 611	70.54
–	–	–	–	–	–	46 154	102.00
10 582	77.81	98 731	77.81	1 797 090	77.81	1 934 780	77.81
5 327	77.28	62 500	77.28	2 452 345	77.28	2 543 015	77.28
67 912		662 783		2 456 379		3 492 400	
16 033	n/a	145 822	n/a	573 526	n/a	777 910	n/a
–	n/a	–	n/a	–	n/a	12 308	n/a
34 507	n/a	313 156	n/a	1 562 656	n/a	2 058 372	n/a
17 372	n/a	203 805	n/a	320 197	n/a	643 810	n/a
130 222		**1 660 330**		**10 084 423**		**12 532 570**	

Directors' report cont.

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 268G(d) of the Companies Act, 1973, certified that: "All such returns as are required of a public company in terms of the Act have been made and are true, correct and up to date".

Independent auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with section 270(2) of the Companies Act of South Africa.

Their address is:
2 Eglin Road
Sunninghill 2157
South Africa