



HARMONY™

**QUARTERLY RESULTS
PRESENTATION FOR AVGOLD
AND HARMONY**

December 2003



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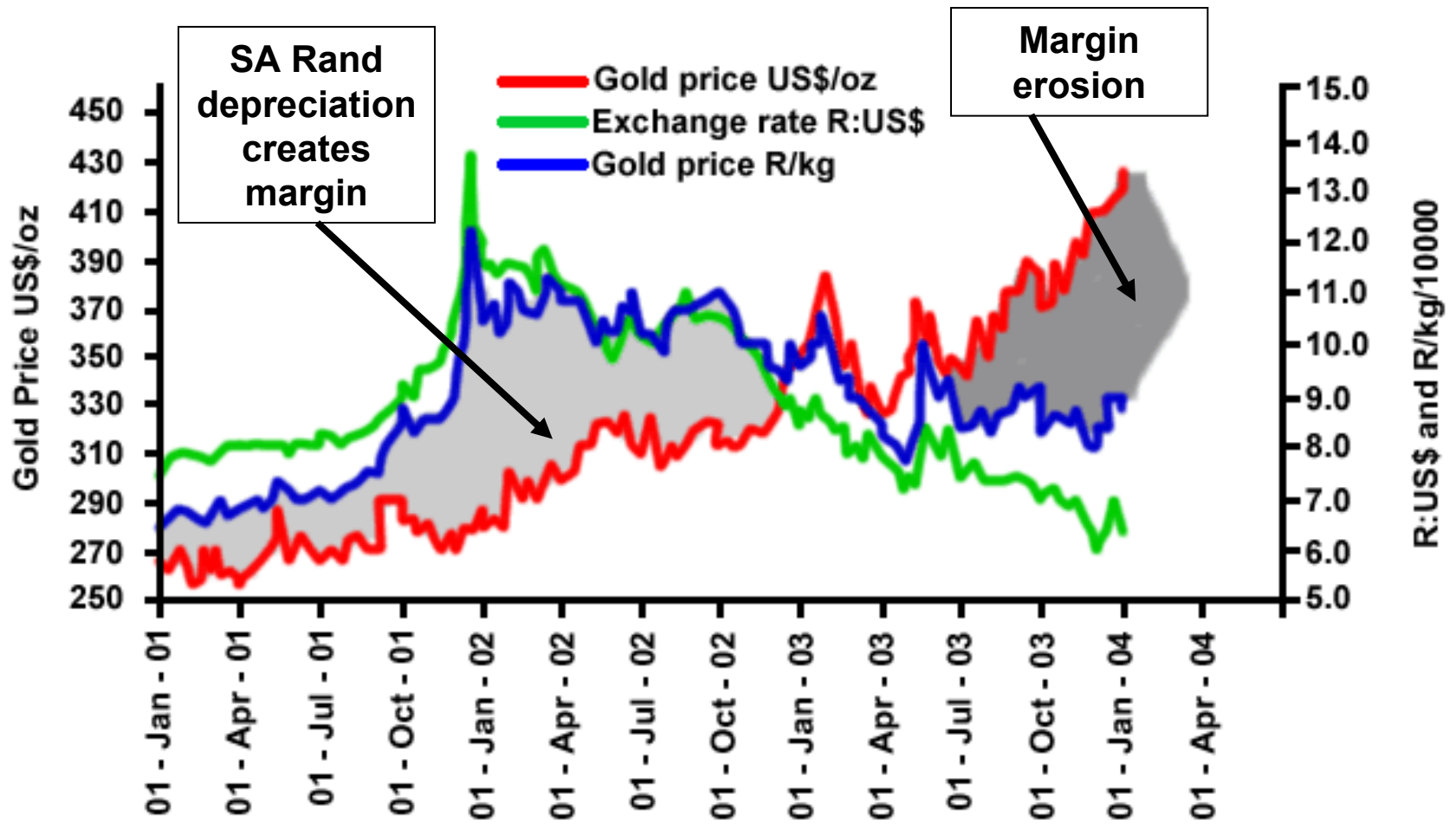
**EXCELLENT COST CONTROL
AND RECOVERY IN GRADES
OFFSETS LOWER GOLD
REVENUES**

December 2003

ARE THE SOUTH AFRICAN PRODUCERS MISSING THE GOLD BULL RUN ?



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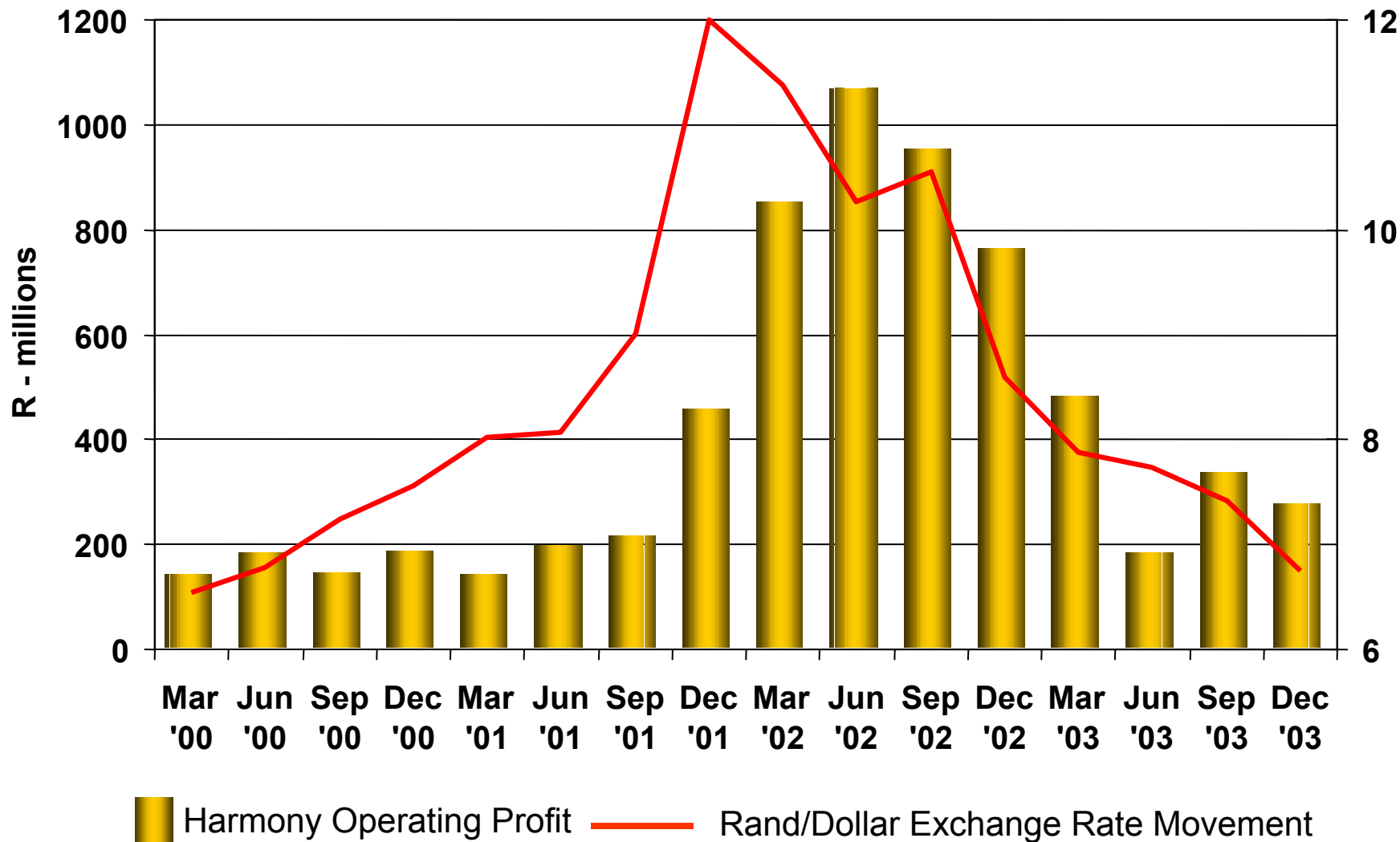


- **solid operational performance with excellent cost control**
- **CONOPS implemented at Free Gold and Deelkraal. Negotiations underway for remainder of operations**
- **good cash earnings allow for an interim dividend of 40 cents per share**
- **ARMI converts its Harmony equity**
- **acquisition of 42,2% of Avgold from Avmin. Offer to minorities to follow**
- **growth projects on schedule and within budget**
- **Abelle Limited – feasibility study on Morobe completed and further good exploration results from Wafi**



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CASH OPERATING PROFIT



A quarter on quarter cash operating profit variance analysis

Cash operating profit – September 2003		R332,9 million
- volume decrease (tonnes)	(5%)	(R124,5 million)
- working cost decrease (%)	2%	R47,4 million
- recovery grade increase (g/t)	2%	R50,9 million
- Rand gold price reduction (R/kg)	(1%)	<u>(R35,7 million)</u>
- net variance		(R61,9 million)
Cash operating profit – December 2003		R271,0 million

	DEC 2003	SEPT 2003	% VARIANCE
Production kg	29 294	30 145	(3)
Production oz	941 820	969 179	(3)
Revenue R/kg	85 139	86 364	(1)
Cash cost R/kg	75 888	75 319	(1)
Revenue US\$/oz	393	362	9
Cash cost US\$/oz	350	316	(11)
Exchange rate R/US\$	6,75	7,42	(9)

WE GENERATE GOOD CASH EARNINGS



EARNINGS PER SHARE (SA Cents)	QUARTER ENDED DEC 2003	QUARTER ENDED SEPT 2003
Cash earnings	105	130
Basic earnings	92	(24)
Headline earnings	(66)	(28)
Fully diluted earnings	92	(24)

- Using volume weighted average share capital of 230 324 449 shares, fully diluted earnings for six months is 76 cents per share
- Interim dividend of 40 SA cents per share



RECONCILIATION BETWEEN BASIC AND HEADLINE EARNINGS

	Earnings in cents per share	
	Quarter ended Dec 2003	Quarter ended Sep 2003
Basic earnings	92	(24)
Less profit on sale of mining assets	1	4
Less profit on disposal of Russian investments net of tax	173	-
Add amortisation on ARMgold goodwill	16	-
	<hr/>	<hr/>
	(66)	(28)



**WE REMAIN HIGHLY LEVERAGED TO
CURRENCY FLUCTUATIONS**

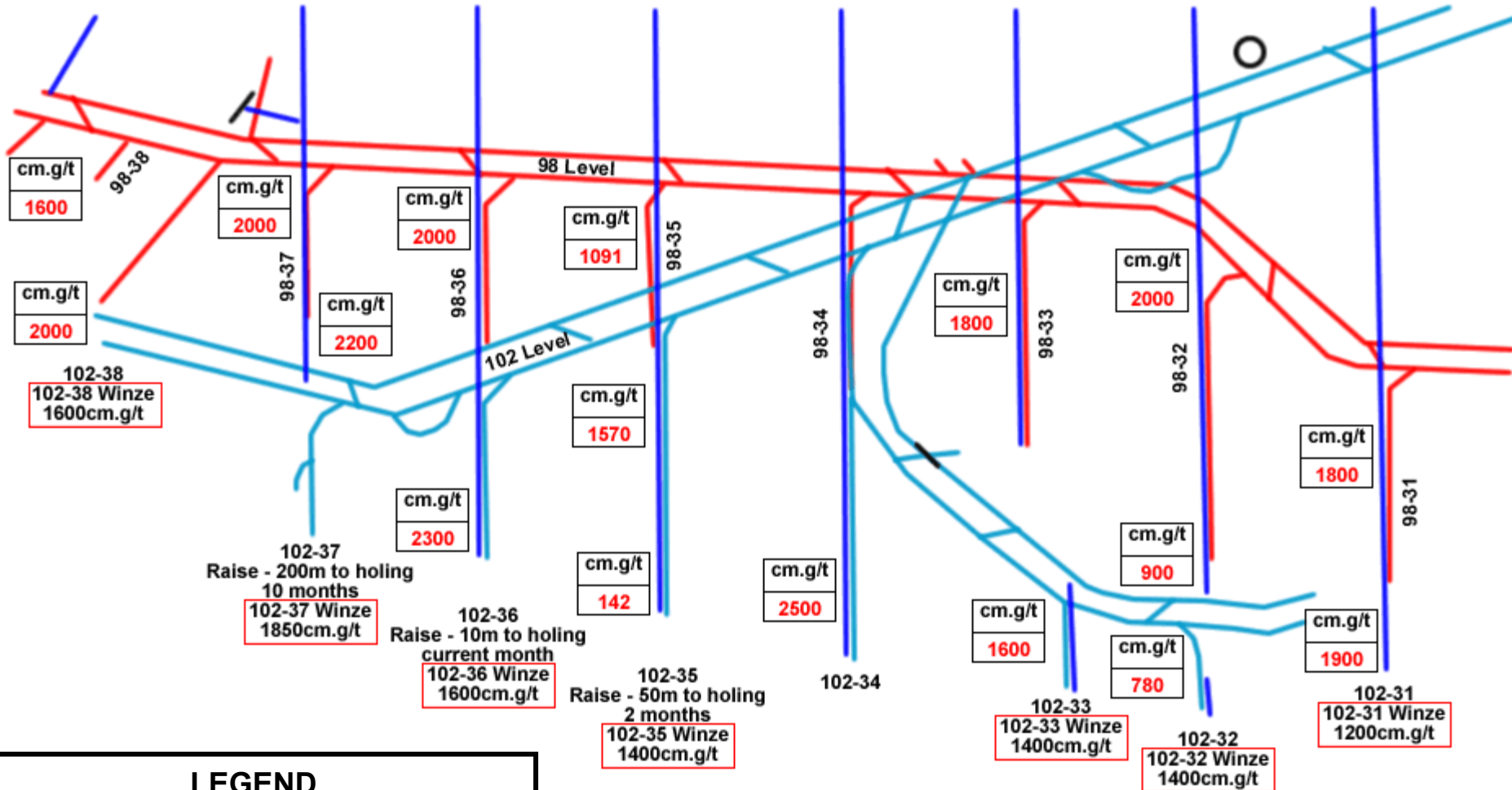
GOLD PRICE (R/KG)	CASH OPERATING PROFIT (R'MILLION)	% GOLD PRICE VARIANCE	% PROFIT VARIANCE
85 139	271,0	Actual results for December 2003 quarter	
90 000	413,4	6%	52%
95 000	560,0	12%	107%
100 000	706,4	18%	161%
105 000	852,8	24%	215%

OPERATIONS	DEC 2003 (R'million)	SEPT 2003 (R'million)	VARIANCE (R'million)
Free Gold	149	165	(16)
Free State	25	7	18
Evander	22	39	(17)
Randfontein	28	40	(12)
Elandskraal	(29)	(6)	(23)
Welkom/Orkney	26	33	(7)
Kalgold	9	13	(4)
Australian Operations	41	42	(1)
Total	271	333	(62)



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ELANDSRAND NEW MINE DEVELOPMENT RESULTS CONFIRMS QUALITY OF OREBODY



LEGEND

- Winze - Orebody Access Point
- cm.g/t - Current Values

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CAPITAL EXPENDITURE – INVESTING IN OUR FUTURE

OPERATIONAL CAPEX	ACTUAL DECEMBER 2003	FORECAST MARCH 2004
Free State	12	10
Evander	23	27
Randfontein	15	12
Elandskraal	4	5
Kalgold	-	-
Free Gold	17	16
Welkom/Orkney	2	-
Australian Operations	46	40
Total Operational Capex	119	110
PROJECT CAPEX	ACTUAL DECEMBER 2003	FORECAST MARCH 2004
Doornkop South Reef	21	24
Elandsrand Shaft Deepening	25	22
Tshepong Decline	27	30
Phakisa Shaft	24	26
Nyala Shaft	7	4
Total Project Capex	104	106
TOTAL CAPEX	223	216

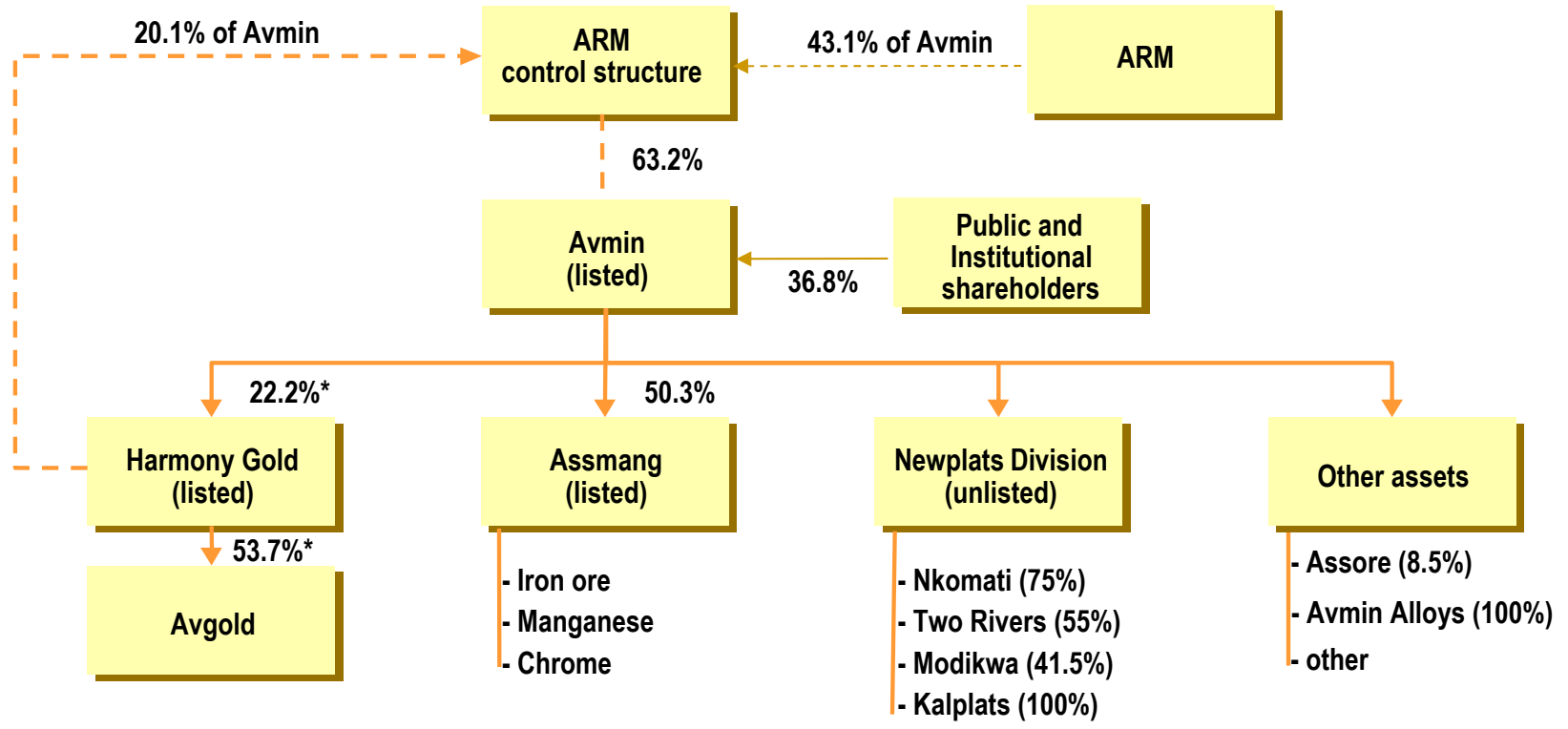


ARMI CONVERTS HARMONY EQUITY INTO AVMIN

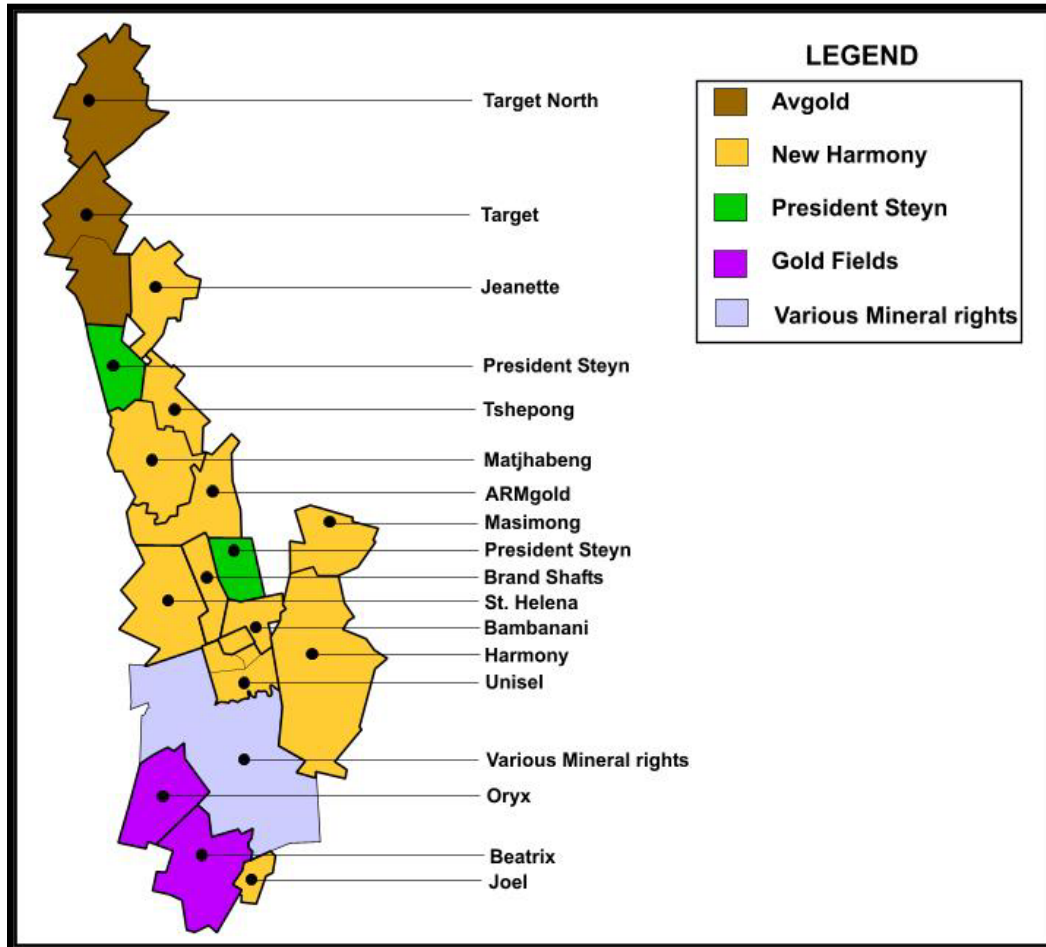
- Step 1** - **Harmony acquires Avmin's shareholding (42%) in Avgold**
- Step 2** - **Avmin acquires ARMI's shareholding (14%) in Harmony and its effective interest of 41,5% in the Modikwa Platinum Joint Venture**
- Step 3** - **Avmin acquires Kalplats from Harmony for R100 million**
- Step 4** - **Conclusion of a voting pool agreement between Harmony and ARMI with respect to their shareholding in Avmin**



ARM STRUCTURE FOLLOWING TRANSACTIONS



* Prior to implementation of mandatory offer



Target Mine

- production - +300 000 oz/pa
- production costs - US\$230/oz
- reserves - 3.9 Moz
- resource – 3.9 Moz
- L.O.M. - ± 18 years

Target North

- resource - 59,6 million oz (excluding Oribi)
- in process of completing feasibility study

(note: resources are calculated excluding reserves)

Wednesday, 11 February – Avgold board approve scheme and independent Avgold committee provides opinion and recommendation

Tuesday, 17 February 2004 – publication of full terms of the Scheme of Arrangement

Wednesday, 24 March 2004 – Avgold Scheme meeting to be held

Tuesday, 6 April 2004 – court hearing to sanction Scheme

Monday, 19 April 2004 – new Harmony shares listed

Bendigo

- **option to acquire 360 million new shares at A\$0,30 cents expired on 31 December 2003**
- **stock price of A\$0,19 cents on that date**
- **we retain 31,6% of company and exposure to prospective resource**

Kalgold Disposal

- **disposal of Kalgold to Alease for consideration of R275 million**
- **R137,5 million in cash and R137,5 million in shares**
- **conditions precedent remaining:**
 - **Alease making cash payment by 28 February 2004**
 - **consent of Minister of Minerals and Energy**

Morobe (Hidden Valley) Feasibility Study

- **feasibility study completed by Abelle**
- **production of 300 000 oz gold per annum and 4,5 million ounces of silver (total gold equivalent 360 000 oz/annum)**
- **2,04 million ounces of gold produced in Phase I (plus 27,5 million oz silver)**
- **significant inferred resources already identified not included in mining schedules**
- **6,5 million tonnes per annum plant purchased from Misima Mines Limited for A\$8,5 million**

Wafi Gold Project

Drilling at the Link Zone of the Wafi gold project continues to confirm and extend the mineralisation previously discovered, with the most significant results including:

<u>Hole</u>	<u>Intersection length</u>	<u>Grade</u>	<u>Depth below collar</u>	
WR 186	43m	@	3,05 g/t	from 192m
	17m	@	4,58 g/t	from 358m
	16m	@	6,17 g/t	from 446m
WR 188	55m	@	10,58 g/t	from 373m
WR 189	58m	@	6,45 g/t	from 295m
	17m	@	5,36 g/t	from 525m



PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOR STATEMENT

This presentation 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. All statements other than those of historical facts included in this presentation 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; (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves; and (viii) statements regarding modifications to the Company's hedge position. 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, as well as political and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Report on Form 20-F for the year ended June 30, 2002, which is on file with the Securities and Exchange Commission, as well as the Company's other SEC filings. 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.



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Questions

Website

www.harmony.co.za