





**HARMONY™**

**“OUR SOUTH AFRICAN ASSET  
BASE IS BEING RESTRUCTURED  
FOR IMPROVED OPERATIONAL  
PERFORMANCE AND A SOUND  
FINANCIAL POSITION”**

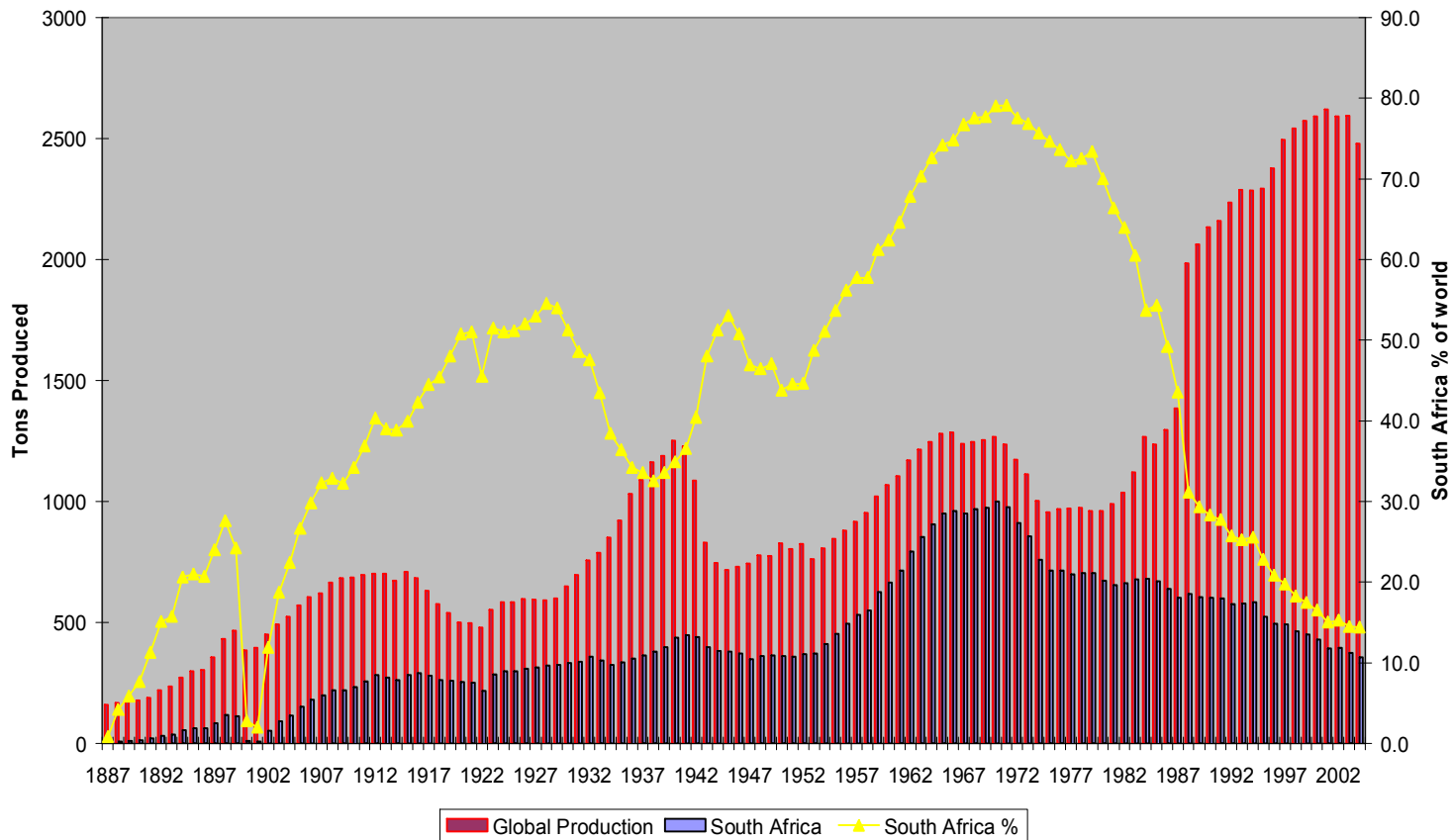
**Quarter ended  
March 2005**



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## THE SHRINKING SOUTH AFRICAN GOLD MINING INDUSTRY

Global and South African Gold Production





- **production decrease of 8% to 343 tonnes, lowest since 1931**
- **combination of factors:-**
  - **fall in R/kg gold price**
  - **cost pressures remain despite productivity and efficiency improvements**
  - **mature industry with generally associated higher costs**

**The need to further consolidate the  
local gold industry remains !!**



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## THE GOLD FIELDS BID

- **no conditions precedent except Competition Authorities, Tribunal hearing set for 3 to 6 May 2005**
  - **extension to these hearing days is possible**
- **Norilsk's irrevocable undertaking remains intact**

**Our offer of 1,275 Harmony shares for one Gold Fields share offers full and fair value, which also includes a premium for control. We are price sensitive and will not destroy value by paying last Friday's closing ratio of 1.516x**

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# OUR ESTIMATED TO DATE COSTS ASSOCIATED WITH THE GOLD FIELDS BID

Costs to date	
Quarter ending	R millions
September 04	46,5
December 04	39,3
March 05	64,7
Total	150,5

	To date	Estimated total cost for 11,5%
Cost Allocation	R millions	R millions
Investment Banking Fees	17,1	17,2
Legal Fees	53,1	58,0
Creation and share issue expenses	47,3	47,3
Printing and publication	27,9	28,0
CPR report	-	3,5
Other	5,1	5,1
Total	150,5	159,2

		Jan-05	CPR Jan05	Variance
		Ounces (000)	Ounces (000)	Ounces
1. Operations	Proven and Probable	43,737	41,720	2017
2. Projects				
Below infrastructure	Proven and Probable	10,116	9,91	- 206
3. Stockpiles				
Underground				
(Vamping)	Proven and Probable	1,095	-	1095
4. Surface	Proven and Probable	703	548	155
5. TOTAL	Proven and Probable	55,651	52,186	- 3465
	Inferred in Life of Mine	6,696	8,279	1583
	Total in LoM	62,347	60,416	1931
				-3%

## Reconciliation

Jan '05	Proven and Probable ozs ('000)	55,651
	Vamping	(1,095)
	Interpretation difference in probable reserve	(1,534)
	Closure of Saaiplaas 3 Shaft	(268)
	Percentage extraction	(568)
SRK Jan '05	Proven and Probable ozs ('000)	52,186

**During March quarter:**

- **sale of 3% of our ARM shares for R200 million**

**Post quarter events:**

- **sold 14% of our ARM shares for R830 million**
- **disposal of our 11,5% stake in Bendigo for A\$32 million**



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## INTERPRETATION OF FINANCIAL POSITION

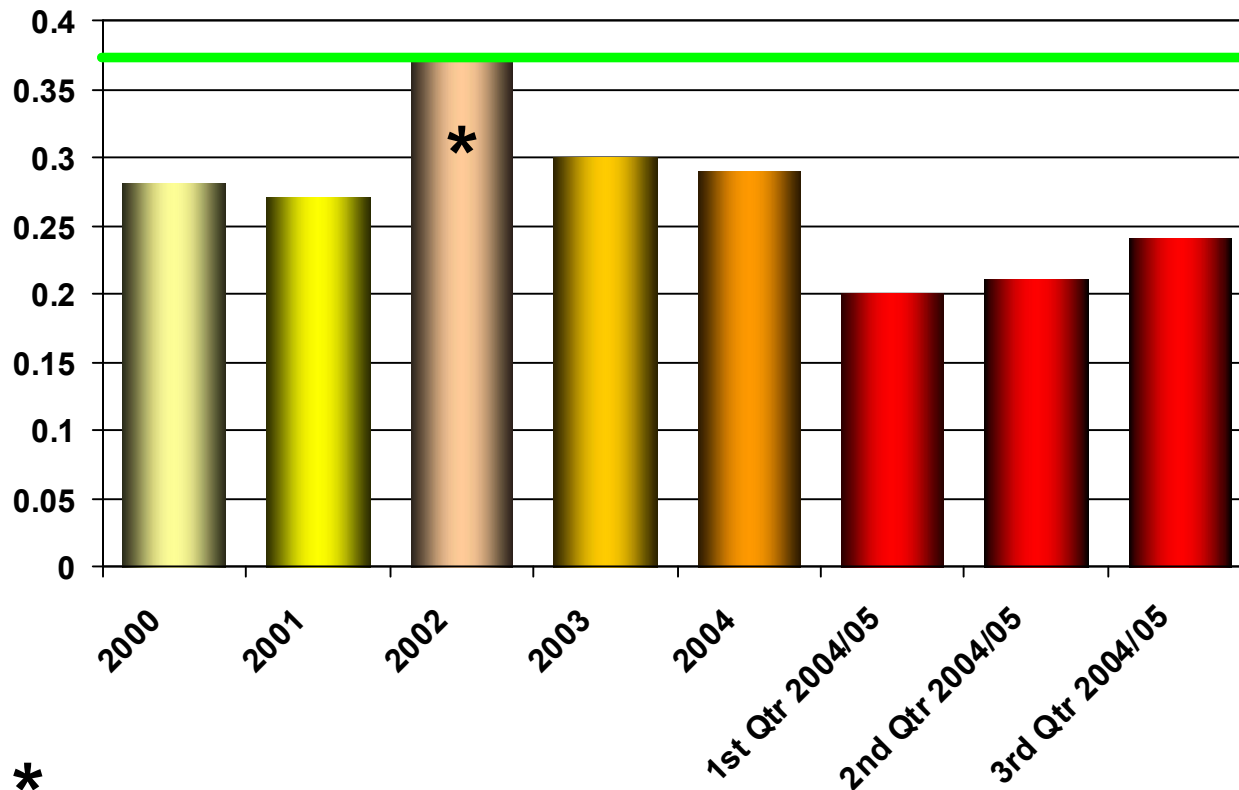
	<u>Mar '05</u>	<u>Dec '04</u>
	<u>R million</u>	<u>R million</u>
Net debt	3,177	2,565
Near cash and cash equivalent	6,298	7,593
Net Asset Value	22,491	23,616
Solvency ratios		
Debt : Asset	0.27	0.27
Debt : Equity	0.37	0.37

**A strong balance sheet**



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## FATALITY INJURY RATE (PER MILLION HOURS WORKED)



\*

Note: Incorporation of Free Gold assets



- **critical phase of restructuring underway**
- **cash operating loss of R54,7 million  
(Dec '04 - profit of R163 million)**
- **working costs of R85 863/kg  
(Dec '04 – R77 415/kg)**
- **CONOPS roll out progresses well, with the  
exception of the Free State**
- **Hidden Valley Mine in PNG gets final mining and  
environmental permitting**

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# QUARTER ON QUARTER ANALYSIS

		March 2005	Dec 2004	% Variance
Production	- kg	21 126	24 604	-14
Production	- oz	679 251	791 033	-14
Revenue	- R/kg	83 273	84 031	-1
Revenue	- US\$/oz	431	434	-1
Cash cost	- R/kg	85 863	77 415	+11
Cash cost	- US\$/oz	445	400	+11
Exchange rate	- USDZAR	6,00	6,03	-1

**HARMONY™****ON TRACK WITH OUR DELIVERY  
ON WORKING COSTS**

QUARTER	TARGET	ACHIEVED
• June 2004		R83 173/kg
• Sept 2004	R80 000/kg	R77 881/kg
• Dec 2004	R77 500/kg	R77 415/kg
• June 2005	R75 000/kg	on target for 30 June 2005

**Our cost for the financial year to date totals R80 077/kg**  
**Our gold price year to date totals R83 444/kg**

**Cash operating profit – Dec 2004****R 162,8 million**

- volume change (tonnes) **R(294,0)million**
- working cost change (%) **R 90,8 million**
- recovery grade change (g/t) **R 1,9 million**
- Rand gold price change (R/kg) **R (16,2)million**
- net variance **R(217,4)million**

**Cash operating loss – Mar 2005****R (54,7)million**

**Decrease in volumes impacted  
significantly**

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# RECONCILIATION OF HEADLINE EARNINGS

EARNINGS PER SHARE (SA Cents)	QUARTER ENDED MARCH 2005	QUARTER ENDED DEC 2004
Cash earnings	(14)	47
Basic loss	(432)	(80)
Fully diluted loss	(432)	(80)
Headline loss	(107)	(88)

**Headline loss in cents per share****Quarter ended  
Mar 2005**

Basic loss	(432)
Profit on sale of mining assets	(5)
Loss on sale of ARM Ltd – net of tax	28
<u>Impairment of fixed assets – net of tax</u>	<u>301</u>
Headline loss	(107)

# IMPAIRMENT CALCULATIONS

**HARMONY™****SA Operations**

	Impairment	% of Book Value	Reserve
<u>Shafts</u>	<u>R' millions</u>	<u>Impaired</u>	<u>m/ozs</u>
Bambanani	149,0	24	-
Unisel	119,8	85	-
St Helena	118,7	100	0,6
E 2/3/5	138,7	100	0,8
Nyala	96,2	100	0,4
Free State other assets	180,0	54	-
Kudu/Sable/Eland	77,3	100	-
B2/B3 complex	33,4	100	-
Joel	22,0	55	-
M1	21,0	100	1,4
Orkney 3/6	2,8	100	-
Kalgold	64,9	46	-
Sub Total	1 023,8		3,2

**Optionality of these 3,2 million reserve ounces is retained**



**ANNUAL COST OF RETAINING OREBODY OPTIONALITY**

<b>Estimated annual cost of care and maintenance (Rm)</b>	<b>R 35 million</b>
<b>Resource ounces contained in care and maintenance shafts (m)</b>	<b>113,8 million</b>
<b>% of total Resource base</b>	<b>22%</b>

**It is costing the company US\$0,06  
cents per ounce per annum to retain  
the optionality on these ounces**

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# IMPAIRMENT CALCULATION (CONTINUED)

		<u>R'millions</u>
<u>SA Operations</u>		1 023,8
	Undeveloped properties	72,0 (Kalgold)
<u>Australia</u>	Operations	200,1
	Undeveloped properties	<u>217,7</u>
<b>Total</b>		<u>1 513,6</u>
Less deferred tax		<u>331,5</u>
<u>Net impairment</u>		<u>1 182,2</u>

**Estimated Annualised Production @ R6,25 per US\$**

	<b>Ounces</b>	<b>Cash Costs (R/kg)</b>	<b>Cash Costs (\$/oz)</b>	<b>Cash costs plus capex (R/kg)</b>	<b>Cash costs plus capex (\$/oz)</b>
<b>Leveraged shafts</b>	<b>865 000</b>	<b>84 394</b>	<b>420</b>	<b>85 387</b>	<b>425</b>
<b>Quality Shafts</b>	<b>1 383 000</b>	<b>66 881</b>	<b>333</b>	<b>70 497</b>	<b>351</b>
<b>Project Shafts</b>	<b>323 000</b>	<b>80 626</b>	<b>401</b>	<b>111 244</b>	<b>554</b>
<b>SA u/ground sources</b>	<b>2 571 000</b>	<b>74 497</b>	<b>371</b>	<b>80 624</b>	<b>401</b>
<b>Australia</b>	<b>273 000</b>	<b>71 875</b>	<b>358</b>	<b>83 854</b>	<b>417</b>
<b>SA Surface Operations</b>	<b>103 000</b>	<b>71 214</b>	<b>354</b>	<b>71 214</b>	<b>354</b>
<b>Total Harmony</b>	<b>2 947 000</b>	<b>74 140</b>	<b>369</b>	<b>80 595</b>	<b>401</b>

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# CASH RECONCILIATION FOR THE PERIOD APRIL 2004 TO MARCH 2005

	R million
Cash and equivalents on 31 March 2004	2 337
Operational	(2 184)
Operating profit	198
Capex (net)	(607)
Corporate / exploration expenditure	(235)
Retrenchment and restructuring	(618)
Interest paid	(287)
Other income - net	99
Other cash flow items and adjustments	(342)
Movement in working capital	(392)
Other investing and financing activities	(386)
Cash and equivalents on 31 March 2005	(233)

<b>OPERATIONS</b>	<b>Mar 2005 (R'million)</b>	<b>Dec 2004 (R'million)</b>	<b>Variance (R'million)</b>
<b>Quality ounces</b>	<b>66,7</b>	<b>218,1</b>	<b>(151,4)</b>
<b>Growth projects</b>	<b>(18,2)</b>	<b>(19,1)</b>	<b>0,9</b>
<b>Leveraged ounces</b>	<b>(131,5)</b>	<b>(101,6)</b>	<b>(29,9)</b>
<b>Surface operations</b>	<b>8,9</b>	<b>6,2</b>	<b>2,7</b>
<b>Total South Africa</b>	<b>(74,0)</b>	<b>103,6</b>	<b>(177,6)</b>
<b>Australasian operations</b>	<b>19,3</b>	<b>59,2</b>	<b>(39,9)</b>
<b>Total</b>	<b>(54,7)</b>	<b>162,8</b>	<b>(217,5)</b>

**HARMONY™****OPERATIONAL RESULTS -  
QUALITY OUNCES**

	<b>Mar 2005</b>	<b>Dec 2004</b>	<b>% Variance</b>
<b>U/g tonnes milled ('000)</b>	<b>1 570</b>	<b>1 815</b>	<b>(13)</b>
<b>U/g recovery grade (g/t)</b>	<b>6.25</b>	<b>6,43</b>	<b>(3)</b>
<b>U/g kilograms produced (kg)</b>	<b>9 819</b>	<b>11 676</b>	<b>(16)</b>
<b>U/g working costs (R/kg)</b>	<b>76 518</b>	<b>65 224</b>	<b>(17)</b>
<b>U/g working costs (R/tonne)</b>	<b>479</b>	<b>420</b>	<b>(14)</b>

	<b>Mar 2005</b>	<b>Dec 2004</b>	<b>% Variance</b>
<b>U/g tonnes milled ('000)</b>	<b>1 062</b>	<b>1 426</b>	<b>(25)</b>
<b>U/g recovery grade (g/t)</b>	<b>5,16</b>	<b>4,88</b>	<b>6</b>
<b>U/g kilograms produced (kg)</b>	<b>5 481</b>	<b>6 956</b>	<b>(21)</b>
<b>U/g working costs (R/kg)</b>	<b>107 805</b>	<b>98 600</b>	<b>(9)</b>
<b>U/g working costs (R/tonne)</b>	<b>556</b>	<b>481</b>	<b>(16)</b>



	<b>Mar 2005</b>	<b>Dec 2004</b>	<b>% Variance</b>
<b>U/g tonnes milled ('000)</b>	<b>323</b>	<b>360</b>	<b>(10)</b>
<b>U/g recovery grade (g/t)</b>	<b>6,56</b>	<b>5,62</b>	<b>17</b>
<b>U/g kilograms produced (kg)</b>	<b>2 119</b>	<b>2 022</b>	<b>5</b>
<b>U/g working costs (R/kg)</b>	<b>91 828</b>	<b>93 376</b>	<b>2</b>
<b>U/g working costs (R/tonne)</b>	<b>602</b>	<b>524</b>	<b>(15)</b>



	<b>Mar 2005</b>	<b>Dec 2004</b>	<b>% Variance</b>
<b>Opencast tonnes milled ('000)</b>	<b>1 533</b>	<b>1 334</b>	<b>15</b>
<b>Opencast recovery grade (g/t)</b>	<b>1,02</b>	<b>1,09</b>	<b>(6)</b>
<b>Kilograms produced (kg)</b>	<b>1 564</b>	<b>1 454</b>	<b>8</b>
<b>Working costs (R/kg)</b>	<b>76 187</b>	<b>80 183</b>	<b>5</b>
<b>Working costs (R/tonne)</b>	<b>78</b>	<b>87</b>	<b>10</b>

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# AUSTRALASIAN OPERATIONS

	<b>Mar 2005</b>	<b>Dec 2004</b>	<b>% Variance</b>
<b>Kilograms produced (kg)</b>	<b>2 143</b>	<b>2 496</b>	<b>(14)</b>
<b>Working costs (R/kg)</b>	<b>73 729</b>	<b>60 859</b>	<b>(21)</b>
<b>Working costs (R/tonne)</b>	<b>162</b>	<b>155</b>	<b>(5)</b>

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# **CAPITAL EXPENDITURE**

## **– “INVESTING IN OUR FUTURE”**

<b>OPERATIONAL CAPEX</b>	<b>ACTUAL MAR 2005</b>	<b>FORECAST JUNE 2005</b>
<b>South African Operations</b>	<b>29</b>	<b>34</b>
<b>Australasian Operations</b>	<b>34</b>	<b>47</b>
<b>Total Operational Capex</b>	<b>63</b>	<b>81</b>
<b>PROJECT CAPEX</b>		
<b>Doornkop South Reef</b>	<b>25</b>	<b>29</b>
<b>Elandsrand New Mine</b>	<b>15</b>	<b>26</b>
<b>Tshepong North Decline</b>	<b>8</b>	<b>11</b>
<b>Phakisa Shaft</b>	<b>27</b>	<b>19</b>
<b>Target Shaft</b>	<b>7</b>	<b>9</b>
<b>PNG</b>	<b>11</b>	<b>9</b>
<b>Total Project Capex</b>	<b>93</b>	<b>103</b>
<b>TOTAL CAPEX</b>	<b>156</b>	<b>184</b>



- received our mining licence and environmental permit
- a total of 1 312 metres of diamond drilling was completed

<u>Hole ID</u>	<u>From</u> (m)	<u>To</u> (m)	<u>Average Grade</u> g/t
<b>HDVD 156</b>	<b>67</b>	<b>73</b>	<b>4,29</b>
<b>“ 156</b>	<b>55</b>	<b>63</b>	<b>8,60</b>
<b>“ 156</b>	<b>85</b>	<b>96</b>	<b>11,03</b>
<b>“ 156</b>	<b>39</b>	<b>43</b>	<b>11,76</b>
<b>“ 158</b>	<b>301</b>	<b>308</b>	<b>4,60</b>
<b>“ 158</b>	<b>220</b>	<b>229</b>	<b>11,43</b>
<b>“ 159</b>	<b>114</b>	<b>118</b>	<b>3,68</b>
<b>“ 159</b>	<b>138</b>	<b>144</b>	<b>4,32</b>



- a total of 1 540 metres of diamond drilling was completed

<u>Hole ID</u>		<u>From</u> (m)	<u>To</u> (m)	<u>Average Grade</u> g/t
WR	194	32	67	4,10
“	196	166	179	2,59
“	196	134	159	2,71
“	196	52	69	6,15
“	198	71	101	6,00



## Next quarter (June '05)

- gold price – R83 000 – R85 000/kg
- even more focus on our cost structure
- finality on our Gold Fields bid ???



**We remain on track to our targeted  
cash cost of R75 000/kg**



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## POSITIVE SIDE EFFECTS

### Restructurex

First stage treatment of restructuring for long-term profitability and sustainability.

#### Composition

Restructuring, strikes, public uncertainty, oppositional mud slinging.

#### Pharmacological Classification

Schedule 8.

Medicine acting on local and global economic shifts within the gold mining industry.

#### Pharmacological Action

Repositions the organization to a point for long term profitability and sustainability through comprehensive restructuring. Undergoes considerable public scrutiny in initial stages becoming more stable as effects are recognized, ultimately normalising the operations of organization.

#### Indications

Continued use until desired effects are achieved.

#### Contra-indications

Restructurex is contra-indicated in organizations with a hypersensitivity to honesty with employees and the public sector.

#### Warning

Restructurex should be used with caution in organisations suffering from denial of the current economic climate.

#### Side effects and special precautions

Public concern and oppositional finger pointing has been witnessed in extreme cases. This is easily counteracted with the timely release of scrupulous research.

#### Identification

A bitter tasting red pill, engraved with the bold image of the Harmony arrow.

#### Storage instructions

Store within view of employees and public sector. Keep out of reach of cowards.



**The directors of Harmony accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the directors of Harmony (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.**



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# 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, 2004, 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](http://www.harmony.co.za)**