

Harmony Gold Mining Company Limited  
 ("Harmony" or "Company")  
 Incorporated in the Republic of South Africa  
 Registration number 1950/038232/06  
 JSE Share code: HAR  
 NYSE Share code: HMY  
 ISIN: ZAE000015228

## RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

### KEY FEATURES

- Record operating profits
  - \* 45% increase in operating profit to R1.3 billion
- Highest ever revenue
- Headline earnings per share (HEPS) increased by 217% to 95 SA cents
- Production in line with forecast despite industrial action
  - \* turnaround at Joel; shaft-equipping completed
  - \* continued build-up at Phakisa, Kusasalethu and Doornkop
- Bambanani restructured – crews transferred to build-up operations
- More exciting exploration results from PNG
- Wafi-Golpu pre-feasibility study on track

### Financial review for the period ended 30 September 2011

		Quarter September 2011	Quarter June 2011	Q-on-Q Variance %
Gold produced (1)	- kg	10 207	10 152	0.5
	- oz	328 162	326 394	0.5
Cash operating costs	- R/kg	265 288	242 851	(9.2)
	- US\$/oz	1 156	1 115	(3.7)
Gold sold	- kg	9 948	10 412	(4.5)
	- oz	319 836	334 752	(4.5)
Gold price received	- R/kg	396 405	329 536	20.3
	- US\$/oz	1 727	1 513	14.1
Operating profit	- R million	1 306	901	45.0
	- US\$ million	183	133	37.6
Basic earnings/(loss)per share	- SAc/s	111	(10)	>100.0
	- USc/s	16	(1)	>100.0
Headline profit	- Rm	411	130	>100.0
	- US\$m	58	19	>100.0
Headline earnings per share	- SAc/s	95	30	>100.0
	- USc/s	13	4	>100.0
Exchange rate	- R/US\$	7.14	6.78	5.3

(1) Production statistics for Steyn 2 have been included. Steyn 2 is currently in a build-up phase and revenue and costs are capitalised for this period.

Quarter ending September 2011: 36 kg (June 2011 - 27 kg).

#### Shareholder information

Issued ordinary share capital at 30 September 2011		430 272 715
Issued ordinary share capital at 30 June 2011		430 084 628
Market capitalisation		
At 30 September 2011	ZARm	41 027
At 30 September 2011	US\$m	5 103
Harmony ordinary share and ADR prices		
12 month high (1 October 2010 - 30 September 2011)		R106.00
for ordinary shares		
12 month low (1 October 2010 - 30 September 2011)		R74.77
for ordinary shares		
12 month high (1 October 2010 - 30 September 2011)		US\$15.57
for ADRs		
12 month low (1 October 2010 - 30 September 2011)		US\$10.56
for ADRs		
Free float		
Ordinary shares		100%
ADR ratio		1:1
JSE Limited		HAR
Range for quarter (1 July 2011 - 30 September 2011 closing prices)		R85.80 - R106.00
Average daily volume for the quarter (1 July 2011 - 30 September 2011)		1 744 855 shares
New York Stock Exchange, Inc including other US trading		HMY
Range for quarter (1 July 2011 - 30 September 2011 closing prices)		US\$11.50 - US\$14.87
Average daily volume for the quarter		2 915 266 shares

(1 July 2011 -  
30 September 2011)

#### Forward-looking statements

This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbour provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts.

These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this quarterly report.

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in the countries in which we operate; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions; increases or decreases in the market price of gold; the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions; availability, terms and deployment of capital; changes in government regulation, particularly mining rights and environmental regulations; fluctuations in exchange rates; currency devaluations and other macroeconomic monetary policies; and socio-economic instability in the countries in which we operate.

Competent person's declaration

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC).

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). Newcrest is Harmony's joint venture partner in the Morobe Mining Joint Venture on the Hidden Valley mine and Wafi-Golpu project.

Chief Executive's Review

Introduction

The increased R/kg gold price received during the September 2011 quarter continued to strengthen Harmony's profit levels. A record operating profit was generated this quarter with production remaining steady despite industrial action. This is an indication of our improved operational efficiency and gives us confidence for the future.

As our growth projects come on stream, and our existing mines operate to tailored business plans, we remain confident of reaching our long-term targets.

Safety

It is with deep regret that I report that two of our colleagues died in work-related incidents during the quarter. Those who died were: Matoane Thabana, a locomotive guard at Unisel and Andries Bhambatha, water jet operator at Tshepong. I would like to extend my deepest condolences to their families, friends and colleagues.

#### Operational and financial overview

The gold price received increased by 20.3% to R396 405/kg in the September 2011 quarter from R329 536/kg received in the previous quarter. The increase in the gold price resulted in revenues increasing by 14.8% or R506.9 million. Operating profit for the September 2011 quarter increased by 45.0% (R405.7 million) to R1 306.4 million, compared to the R900.7 million recorded in the June 2011 quarter.

Production for the September 2011 quarter was only slightly higher than the previous quarter. Our targeted increase in production was negatively impacted by the wage strike in August 2011, which resulted in approximately 500kg being lost. As expected, higher electricity (due to winter tariffs) and labour costs resulted in the R/kg costs being 9.2% higher at R265 288/kg compared to R242 851/kg in the June 2011 quarter.

We continue to spend in a responsible manner, with total capital expenditure for the September 2011 quarter decreasing by 16.4% (R137.5 million) to R700.1 million, compared to the previous quarter (R837.6 million).

#### Exploration

Wafi Transfer Exploration (Morobe Mining JV Exploration  
(Harmony 50%))

Prospect development work continued at Zimake, and Bavaga on the Wafi Transfer structure. Results received from Zimake have outlined a significant new high tenor Cu-Au anomaly over a 1.5 km<sup>2</sup> area. The anomaly is associated with a bulls-eye magnetic target, contains surface soil results up to 0.5 g/t Au and 0.2% Cu, and is prospective for porphyry copper-gold mineralisation similar to Golpu.

Papua New Guinea (PNG) exploration (Harmony 100%)

Drilling at the Mt Hagen project has intersected anomalous intervals of porphyry copper style mineralisation and alteration. The drill core contains disseminated chalcopyrite and molybdenum associated with biotite-magnetite (potassic) altered metasediments and is highly encouraging. Assays received to date resulted in 285m @ 0.1% Cu, 83 ppm Mo from 72m (PNDD001).

#### Wafi-Golpu

The resource drilling programme continues to target orebody extension to the north and infill of deeper sections (indicatively in the Lift 2 and Lift 3 cave zones). Geotechnical investigation drilling is continuing along the access/conveyor decline route. Five drill rigs are currently at work at Wafi-Golpu with two additional drill rigs that have arrived on site that will commence drilling in the forthcoming quarter. Generally the drilling results are confirming the resource shell as outlined in the resource declaration (refer to the Integrated Annual Report at [www.harmony.co.za](http://www.harmony.co.za)).

The results of the significant borehole were:

WR406 861m @ 1.51g/t Au, 1.48% Cu including 199m @ 2.87g/t Au and 2.57% Cu

from 1 286m (Some assays are still pending).

#### Gold market

We remain bullish on the gold price, despite the recent fears that there is a gold bubble. We believe that the gold price will continue to strengthen as the fundamentals that drove the gold price up are still in place. Gold remains an attractive investment and a currency in these times of economic uncertainty. A number of record high gold prices were seen throughout the first quarter, with a record level of around \$1 900/oz at the beginning of September 2011. Despite the sharp decline in the gold price towards the end of September 2011, the Rand gold price performed well due to the benefit of the weakening of the R/\$ exchange rate around the same time. Harmony's South African assets represent 92% of total production. The combination of a higher gold price and a weaker Rand, as well as steady production worked to our advantage during the quarter.

#### Conclusion

Harmony has a solid portfolio of producing assets and a successful international exploration programme. 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. The Wafi-Golpu project has the potential to change this company materially.

In addition, the exploration results in PNG have been pleasing and we look forward to more exciting news from the region.

In the next few months we will be focussing on improving our grades, as well as improving costs per tonnes milled - all in line with our strategy, as well as progressing the pre-feasibility study at Wafi-Golpu.

Graham Briggs

Chief Executive Officer

#### Note:

Harmony updated the market on its strategy, operations and exploration on 24 August 2011. You are encouraged to view the presentations and information shared at [www.harmony.co.za](http://www.harmony.co.za) to allow you to make an informed decision on your investment or possible investment in Harmony.

Results for the period  
ended 30 September 2011

#### Safety and health

##### Safety

Safety remains Harmony's number one priority. To accelerate the execution of Harmony's safety and health strategy and to further improve its safety performance, Harmony appointed Alwyn Pretorius as the Executive for safety and health in August 2011, a newly created executive position. Alwyn has more than 18 years' experience in the mining industry and has a good understanding of underground conditions and the working environment our underground workers are

exposed to.

Our safety 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. It is therefore 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 mines.

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, two fatalities occurred at the South African operations during the September 2011 quarter, which indicates that even more needs to be done to ensure a safe working environment day after day.

We have made progress in terms of safety, with Harmony's Lost Time Injury Frequency Rate (LTIFR) (per million hours worked) remaining a single digit, for the twelfth consecutive quarter. In South Africa, our LTIFR improved by 6% quarter on quarter, from 9.64 to 9.06. The Reportable Injury Frequency Rate (RIFR) (per million hours worked) improved by 18% quarter on quarter (from 5.39 to 4.44). The Fatal Injury Frequency Rate (FIFR) improved by 31% (0.17 to 0.09) quarter on quarter.

Safety achievements for the quarter included:

South African (SA) underground operations:	1 000 000 fatality free shifts
Harmony SA surface operations:	3 000 000 fatality free shifts
Kusasalethu:	500 000 fatality free shifts
Evander total operations:	1 000 000 fatality free shifts
Kalgold plant:	1 000 000 fatality free shifts
Target 1:	750 000 fatality free shifts
Phakisa:	500 000 fatality free shifts
Bambanani:	500 000 fatality free shifts

The following operations completed the quarter without an injury:

- Target plant
- Harmony One plant
- Free State commercial services and transport

- Evander workshops.

## Health

The health and well-being of our workforce is essential to us, as they are the cornerstone of our ongoing business success. We continually invest in the wellness of our employees, through various health programmes and initiatives to ensure the well-being of each employee. Our focus is on preventative rather than curative health care and we encourage employees to live a healthy lifestyle, through health education and raising awareness. During the quarter our pro-active approach to health and wellness of our employees continued. Our objective remains to improve health management programmes and effectively utilise clinical information. This includes the review of policies, procedures and processes as well as training. These efforts have resulted in improved health and a better quality of life for our employees.

See our Sustainable Development Report FY11 for more details on our website [www.harmony.co.za](http://www.harmony.co.za).

## Financial overview

Operating profit increased by 45% to R1 306 million in the September 2011 quarter, with an increase in revenue being the main contributor.

## Revenue

The increase in revenue from R3 422 million to R3 929 million is due to an 14.3% higher US dollar gold price received and a weaker Rand, with the average R/kg gold price received increasing over 20% to R396 405/kg.

## Cost of sales

Production cost is slightly higher at R2 623 million, mainly due to increased winter electricity rates that resulted in a R133 million increase in electricity cost for the quarter.

Employment termination and restructuring costs for the September quarter amounted to R34 million. The cost is as a result of the restructuring process at Bambanani shaft.

## Reversal of impairment of investment in associate

The reversal of impairment of R48 million for the September 2011 quarter relates to foreign exchange movements relating to the agreed sale of 40% of Rand Uranium (Pty) Ltd to Gold One International Limited.

## Net loss on financial instruments

The loss for the September 2011 quarter is due to the changes in fair value of the Nedbank Equity Linked Deposits held by the Environmental Trusts.

## Earnings per share

Basic earnings per share increased from a loss of 10 SA cents to earnings of 111 SA cents per share. Headline earnings per share increased from 30 SA cents per share to 95 SA cents per share, an increase of 217%.

## Property, plant and equipment



The increase in property, plant and equipment is largely due to currency movements of R836 million as a result of the strengthening of the Kina against the South African Rand. The corresponding entry was recorded in other reserves through other comprehensive income.

#### Borrowings

Borrowings increased as a result of a net draw down of R100 million on the Nedbank facility and a US\$50 million draw down on the US dollar Revolving Credit Facility.

#### CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

Figures in million	Note	30 September 2011 (Unaudited)	Three months ended 30 June 2011 (Unaudited)
Continuing operations			
Revenue		3 929	3 422
Cost of sales	2	(3 192)	(3 491)
Production costs		(2 623)	(2 521)
Amortisation and depreciation		(475)	(477)
Impairment of assets		-	(264)
Employment termination and restructuring costs		(34)	-
Other items		(60)	(229)
Gross profit/(loss)		737	(69)
Corporate, administration and other expenditure		(84)	(71)
Social investment expenditure		(15)	(18)
Exploration expenditure	3	(97)	(102)
Profit on sale of property, plant and equipment		26	5
Other income/(expenses) - net		18	33
Operating profit/(loss)		585	(222)
Loss from associates		-	-
Reversal of impairment/(impairment) of investment in associate	5	48	18
Net (loss)/gain on financial instruments		(26)	22
Gain on farm-in option		-	-
Investment income		16	24
Finance cost		(73)	(89)
Profit/(loss) before taxation		550	(247)
Taxation		(72)	205
Normal taxation		(40)	10
Deferred taxation		(32)	195
Net profit/(loss) from continuing operations		478	(42)
Discontinued operations			
(Loss)/profit from discontinued			

operations	-	-
Net profit/(loss) for the period	478	(42)
Attributable to:		
Owners of the parent	478	(42)
Non-controlling interest	-	-
Earnings/(loss) per ordinary share (cents)	6	
Earnings/(loss) from continuing operations	111	(10)
(Loss)/earnings from discontinued operations	-	-
Total earnings/(loss) per ordinary share (cents)	111	(10)
Diluted earnings/(loss) per ordinary share (cents)	6	
Earnings/(loss) from continuing operations	111	(10)
(Loss)/earnings from discontinued operations	-	-
Total diluted earnings/(loss) per ordinary share (cents)	111	(10)

	30 September 2010 (Unaudited)	Year ended 30 June 2011 (Audited)
Figures in million		
Continuing operations		
Revenue	3 083	12 445
Cost of sales	(2 995)	(11 615)
Production costs	(2 431)	(9 170)
Amortisation and depreciation	(426)	(1 776)
Impairment of assets	-	(264)
Employment termination and restructuring costs	(78)	(158)
Other items	(60)	(247)
Gross profit/(loss)	88	830
Corporate, administration and other expenditure	(94)	(354)
Social investment expenditure	(16)	(84)
Exploration expenditure	(99)	(353)
Profit on sale of property, plant and equipment	16	29
Other income/(expenses) - net	(54)	(24)
Operating profit/(loss)	(159)	44
Loss from associates	(8)	(51)
Reversal of impairment/(impairment) of investment in associate	-	(142)
Net (loss)/gain on financial instruments	38	141
Gain on farm-in option	273	273
Investment income	14	140
Finance cost	(59)	(288)
Profit/(loss) before taxation	99	117
Taxation	6	480
Normal taxation	(9)	(12)

Deferred taxation	15	492
Net profit/(loss) from continuing operations	105	597
Discontinued operations		
(Loss)/profit from discontinued operations	(3)	20
Net profit/(loss) for the period	102	617
Attributable to:		
Owners of the parent	102	617
Non-controlling interest	-	-
Earnings/(loss) per ordinary share (cents)		
Earnings/(loss) from continuing operations	24	139
(Loss)/earnings from discontinued operations	(1)	5
Total earnings/(loss) per ordinary share (cents)	23	144
Diluted earnings/(loss) per ordinary share (cents)		
Earnings/(loss) from continuing operations	24	139
(Loss)/earnings from discontinued operations	(1)	5
Total diluted earnings/(loss) per ordinary share (cents)	23	144

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

#### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)

	30 September 2011 (Unaudited)	Three months ended 30 June 30 2011 (Unaudited)
Figures in million		
Net profit/(loss) for the period	478	(42)
Other comprehensive income for the period, net of income tax	955	418
Foreign exchange translation	924	473
Fair value movement of available-for-sale investments	31	(55)
Total comprehensive income for the period	1 433	376
Attributable to:		
Owners of the parent	1 433	376
Non-controlling interest	-	-

	September 2010 (Unaudited)	Year ended 30 June 2011 (Audited)
Figures in million		
Net profit/(loss) for the period	102	617
Other comprehensive income for the period, net of income tax	106	368
Foreign exchange translation	106	470
Fair value movement of available-for-sale investments	-	(102)
Total comprehensive income for the period	208	985
Attributable to:		

Owners of the parent	208	985
Non-controlling interest	-	-

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

# CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

		At 30 September 2011 (Unaudited)	At 30 June 2011 (Audited)	At 30 September 2010 (Unaudited)
Figures in million	Note			
<b>ASSETS</b>				
Non-current assets				
Property, plant and equipment	4	32 278	31 221	29 873
Intangible assets		2 171	2 170	2 199
Restricted cash		31	31	116
Restricted investments		1 860	1 883	1 787
Investments in associates		-	-	377
Deferred tax assets		1 287	1 149	734
Investments in financial assets		215	185	296
Inventories		168	172	237
Trade and other receivables		24	23	67
Total non-current assets		38 034	36 834	35 686
Current assets				
Inventories		1 006	837	902
Trade and other receivables		876	1 073	649
Income and mining taxes		100	139	73
Cash and cash equivalents		1 325	693	772
		3 307	2 742	2 396
Assets of disposal groups classified as held-for-sale	5	314	268	-
Total current assets		3 621	3 010	2 396
Total assets		41 655	39 844	38 082
<b>EQUITY AND LIABILITIES</b>				
Share capital and reserves				
Share capital		28 314	28 305	28 269
Other reserves		1 741	762	395
Retained earnings		1 313	1 093	578
Total equity		31 368	30 160	29 242
Non-current liabilities				
Deferred tax liabilities		4 300	4 216	4 306
Provision for environmental rehabilitation		2 046	1 971	1 723
Retirement benefit obligation and other provisions		174	174	169
Borrowings	7	1 684	1 229	970
Total non-current				

liabilities	8 204	7 590	7 168
Current liabilities			
Borrowings	7 331	330	207
Income and mining taxes	3	2	13
Trade and other payables	1 733	1 746	1 452
	2 067	2 078	1 672
Liabilities of disposal groups classified as held-for-sale	16	16	-
Total current liabilities	2 083	2 094	1 672
Total equity and liabilities	41 655	39 844	38 082

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand) (Unaudited)  
for the three months ended 30 September 2011

Figures in million	Note	Share capital	Other reserves
Balance - 30 June 2011		28 305	762
Issue of shares		9	-
Share-based payments		-	24
Net profit for the period		-	-
Other comprehensive income for the period		-	955
Dividends paid	9	-	-
Balance - 30 September 2011		28 314	1 741
Balance - 30 June 2010		28 261	258
Issue of shares		8	-
Share-based payments		-	31
Net profit for the period		-	-
Other comprehensive income for the period		-	106
Dividends paid		-	-
Balance - 30 September 2010		28 269	395

Figures in million	Retained earnings	Total
Balance - 30 June 2011	1 093	30 160
Issue of shares	-	9
Share-based payments	-	24
Net profit for the period	478	478
Other comprehensive income for the period	-	955
Dividends paid	(258)	(258)
Balance - 30 September 2011	1 313	31 368
Balance - 30 June 2010	690	29 209
Issue of shares	-	8
Share-based payments	-	31
Net profit for the period	102	102
Other comprehensive income for the period	-	106
Dividends paid	(214)	(214)

Balance - 30 September 2010

578

29 242

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

# CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)

	30 September 2011 (Unaudited)	Three months ended 30 June 30 2011 (Unaudited)
Figures in million		
Cash flow from operating activities		
Cash generated by operations	1 092	1 052
Interest and dividends received	16	24
Interest paid	(41)	(35)
Income and mining taxes paid	-	(19)
Cash generated by operating activities	1 067	1 022
Cash flow from investing activities		
(Increase)/decrease in restricted cash	-	(4)
Proceeds on disposal of investment in subsidiary	-	-
Proceeds on disposal of available-for-sale financial assets	-	-
Prepayment for Evander 6 and Twistdraai transaction	-	100
Other investing activities	-	(10)
Net additions to property, plant and equipment	(668)	(829)
Cash utilised by investing activities	(668)	(743)
Cash flow from financing activities		
Borrowings raised	799	150
Borrowings repaid	(352)	(415)
Ordinary shares issued - net of expenses	9	15
Dividends paid	(258)	-
Cash generated/(utilised) by financing activities	198	(250)
Foreign currency translation adjustments	35	8
Net increase/(decrease) in cash and cash equivalents	632	37
Cash and cash equivalents - beginning of period	693	656
Cash and cash equivalents - end of period	1 325	693

	September 2010 (Unaudited)	Year ended 30 June 2011 (Audited)
Figures in million		
Cash flow from operating activities		
Cash generated by operations	703	2 418
Interest and dividends received	14	140
Interest paid	(30)	(134)
Income and mining taxes paid	(4)	(45)
Cash generated by operating activities	683	2 379
Cash flow from investing activities		
(Increase)/decrease in restricted cash	30	116
Proceeds on disposal of investment in		

subsidiary	229	229
Proceeds on disposal of available-for-sale financial assets	-	16
Prepayment for Evander 6 and Twistdraai transaction	-	100
Other investing activities	10	(5)
Net additions to property, plant and equipment	(748)	(3 110)
Cash utilised by investing activities	(479)	(2 654)
Cash flow from financing activities		
Borrowings raised	-	925
Borrowings repaid	(7)	(546)
Ordinary shares issued - net of expenses	8	44
Dividends paid	(214)	(214)
Cash generated/(utilised) by financing activities	(213)	209
Foreign currency translation adjustments	11	(11)
Net increase/(decrease) in cash and cash equivalents	2	(77)
Cash and cash equivalents - beginning of period	770	770
Cash and cash equivalents - end of period	772	693

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2011 (Rand)

## 1. Accounting policies

### Basis of accounting

The condensed consolidated financial statements for the three months ended 30 September 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, JSE Listings Requirements and in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 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, except for the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

## 2. Cost of sales

	30 September 2011 (Unaudited)	Three months ended 30 June 2011 (Unaudited)
Figures in million		
Production costs	2 591	2 508
Royalty expense	32	13
Amortisation and depreciation	475	477
Impairment of assets(1)	-	264
Rehabilitation expenditure	5	61

Care and maintenance cost of restructured shafts	31	37
Employment termination and restructuring costs(2)	34	-
Share-based payments	24	45
Other(3)	-	86
Total cost of sales	3 192	3 491

	30 September 2010 (Unaudited)	Year ended 30 June 2011 (Audited)
Figures in million		
Production costs	2 408	9 074
Royalty expense	23	96
Amortisation and depreciation	426	1 776
Impairment of assets(1)	-	264
Rehabilitation expenditure	4	74
Care and maintenance cost of restructured shafts	25	124
Employment termination and restructuring costs(2)	78	158
Share-based payments	31	136
Other(3)	-	(87)
Total cost of sales	2 995	11 615

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

(2) The amount of R34 million in September 2011 quarter relates to restructuring at the Bambanani shaft.

(3) Included in Other for the June 2011 quarter is R41 million for the write down of the Steyn plant demolition project.

### 3. Exploration expenditure

	30 September 2011 (Unaudited)	Three months ended 30 June 2011 (Unaudited)
Figures in million		
Total exploration expenditure	105	111
Less: Expenditure capitalised(1)	(8)	(9)
Exploration expenditure per income statement	97	102

	30 September 2010 (Unaudited)	Year ended 30 June 2011 (Audited)
Figures in million		
Total exploration expenditure	106	398
Less: Expenditure capitalised(1)	(7)	(45)
Exploration expenditure per income statement	99	353

(1) Relates to brownfields exploration at Hidden Valley.

### 4. Property, plant and equipment



During the September quarter the Rand had weakened over 20% against the Kina and resulted in an increase of R836 million in the carrying amount. The corresponding entry was recorded in other reserves through other comprehensive income.

#### 5. Disposal groups classified as held for sale and discontinued operations

##### Investment in associate

The investment in Rand Uranium has been classified as held for sale following a decision by the shareholders of the company to commence with a process to sell the company. In terms of the binding offer accepted by the shareholders on 21 April 2011, the capital portion of the subordinated shareholder's loan of R61 million due to the group will be repaid out of the sale proceeds. The group's attributable portion of the sale proceeds amounts to US\$37.25 million. The investment is carried at the lower of carrying value and fair value less cost to sell. At each reporting date, the carrying value is remeasured for possible impairment or reversal of impairment. An impairment of R142 million has been recognised for the 2011 year. During September 2011 quarter, a reversal of impairment of R48 million was recognised resulting from changes in the US\$/R exchange rate.

#### 6. Earnings/(loss) and net asset value per share

Earnings/(loss) per share is calculated on the weighted average number of shares in issue for the three months ended 30 September 2011: 430.1 million (30 June 2011: 430.0 million, 30 September 2010: 428.7 million), and the year ended 30 June 2011: 429.3 million.

The diluted earnings/(loss) per share is calculated on weighted average number of diluted shares in issue for the three months ended 30 September 2011: 431.6 million (30 June 2011: 431.4 million, 30 September 2010: 429.9 million), and the year ended 30 June 2011: 430.4 million.

	Three months ended	
	30 September	30 June
	2011	2011
	(Unaudited)	(Unaudited)
Total earnings/(loss) per share (cents):		
Basic earnings/(loss)	111	(10)
Diluted earnings/(loss)	111	(10)
Headline earnings	95	30
- from continuing operations	95	30
- from discontinued operations	-	-
Diluted headline earnings	95	30
- from continuing operations	95	30
- from discontinued operations	-	-

Figures in million

Reconciliation of headline earnings:

Continuing operations		
Net profit/(loss)	478	(42)
Adjusted for:		
Profit on sale of property, plant and equipment	(26)	(5)
Taxation effect of profit on sale of property, plant and equipment	7	1
Net gain on financial instruments	-	(6)
Taxation effect of net gain on financial instruments	-	2
(Reversal of impairment)/impairment of investment in associate*	(48)	(18)
Foreign exchange loss reclassified from other comprehensive income*	-	-
Impairment of assets	-	264
Taxation effect of impairment of assets	-	(66)
Headline earnings	411	130
Discontinued operations		
Net (loss)/profit	-	-
Adjusted for:		
Profit on sale of investment in subsidiary	-	-
Taxation effect of profit on sale of investment in subsidiary	-	-
Foreign exchange loss reclassified from other comprehensive income	-	-
Headline earnings	-	-
Total headline earnings	411	130

	30 September 2010 (Unaudited)	Year ended 30 June 2011 (Audited)
--	-------------------------------------	--

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

Basic earnings/(loss)	23	144
Diluted earnings/(loss)	23	144
Headline earnings	33	223
- from continuing operations	33	223
- from discontinued operations	-	-
Diluted headline earnings	33	222
- from continuing operations	33	222
- from discontinued operations	-	-

Figures in million

Reconciliation of headline earnings:

Continuing operations		
Net profit/(loss)	105	597
Adjusted for:		
Profit on sale of property, plant and equipment	(16)	(29)
Taxation effect of profit on sale of property, plant and equipment	5	7

Net gain on financial instruments	-	(7)
Taxation effect of net gain on financial instruments	-	2
(Reversal of impairment)/impairment of investment in associate*	-	142
Foreign exchange loss reclassified from other comprehensive income*	47	47
Impairment of assets	-	264
Taxation effect of impairment of assets	-	(66)
Headline earnings	141	957
Discontinued operations		
Net (loss)/profit	(3)	20
Adjusted for:		
Profit on sale of investment in subsidiary	(138)	(138)
Taxation effect of profit on sale of investment in subsidiary	34	34
Foreign exchange loss reclassified from other comprehensive income	107	84
Headline earnings	-	-
Total headline earnings	141	957

\* There is no taxation effect on these items.

#### Net asset value per share (cents)

	At 30 September 2011 (Unaudited)	At 30 June 2011 (Audited)	At 30 September 2010 (Unaudited)
Number of shares in issue	430 272 715	430 084 628	428 850 584
Net asset value per share (cents)	7 290	7 013	6 819

#### 7. Borrowings

	At 30 September 2011 (Unaudited)	At 30 June 2011 (Audited)	At 30 September 2010 (Unaudited)
Figures in million			
Total long-term borrowings	1 684	1 229	970
Total current portion of borrowings	331	330	207
Total borrowings (1) (2)	2 015	1 559	1 177

(1) At 30 September 2011, R300 million (30 June 2011: R400 million, 30 September 2010: R300 million) of the Nedbank facilities had not been drawn down.

On 11 August 2011, the group entered into a US\$300 million syndicated revolving credit facility, which was jointly arranged by Nedbank Limited and Firststrand Bank Limited (acting through its Rand Merchant Bank division). The facility is repayable after four years and attracts interest at LIBOR plus 260 basis points, which is payable quarterly.

At 30 September 2011, US\$250 million of this facility had not been drawn down.

(2) Included in the borrowings is R52 million (30 June 2011: R51 million; September 2010: R74 million) owed to Westpac Bank Limited in terms of a finance lease agreement.

The future minimum lease payments are as follows:

	At 30 September 2011 (Unaudited)	At 30 June 2011 (Audited)	At 30 September 2010 (Unaudited)
Figures in million			
Due within one year	31	29	30
Due between one and five years	22	23	46
	53	52	76
Future finance charges	(1)	(1)	(2)
Total future minimum lease payments	52	51	74

#### 8. Commitments and contingencies

	At 30 September 2011 (Unaudited)	At 30 June 2011 (Audited)	At 30 September 2010 (Unaudited)
Figures in million			
Capital expenditure commitments:			
Contracts for capital expenditure	290	194	369
Authorised by the directors but not contracted for	3 570	1 504	2 070
	3 860	1 698	2 439

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

#### Contingent liability

For a detailed disclosure on contingent liabilities refer to Harmony's integrated annual report for the year ended 30 June 2011, available on the group's website at [www.harmony.co.za](http://www.harmony.co.za). There were no significant changes in contingencies since 30 June 2011.

#### 9. Dividends paid

On 12 August 2011, the board approved a payment of dividend of 60 SA cents per share for the year ended 30 June 2011. The total dividend amounting to R258 million was paid on 19 September 2011.

#### 10. Subsequent events

There are no subsequent events to report.

## 11. Segment reports

The segment reports follows after note 12.

## 12. Reconciliation of segment information to consolidated income statements

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
Figures in million		

The "Reconciliation of segment information to consolidated income statement" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the income statement and segment report:

### Reconciliation of production profit to gross profit:

Total segment revenue	3 929	3 083
Total segment production costs and royalty expense	(2 623)	(2 431)
Production profit per segment report	1 306	652
Cost of sales items other than production costs and royalty expense	(569)	(564)
Amortisation and depreciation	(475)	(426)
Employment termination and restructuring costs	(34)	(78)
Share-based payments	(24)	(31)
Rehabilitation costs	(5)	(4)
Care and maintenance costs of restructured shafts	(31)	(25)
Gross profit as per income statements *	737	88

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

### SEGMENT REPORT (Rand/Metric) (Unaudited) for the three months ended 30 September 2011

	Revenue September 2011      2010 R million		Production cost September 2011      2010 R million	
South Africa				
Underground				
Bambanani (1)	175	270	201	223
Doornkop	348	168	230	148
Evander	330	174	175	176
Joel	283	44	149	75
Kusasaletu	575	475	335	387
Masimong	314	374	215	202
Phakisa	206	112	188	111

Target (2)	459	244	311	189
Tshepong	466	500	305	294
Virginia	136	223	121	225
Surface				
All other surface operations (3)	378	317	250	238
Total South Africa	3 670	2 901	2 480	2 268
International				
Hidden Valley	259	182	143	163
Other	-	-	-	-
Total international	259	182	143	163
Total operations	3 929	3 083	2 623	2 431
Reconciliation of the segment information to the consolidated income statement (refer to note 12)	-	-	-	-
	3 929	3 083	2 623	2 431

	Production profit September		Capital expenditure September	
	2011	2010	2011	2010
	R million		R million	
South Africa				
Underground				
Bambanani (1)	(26)	47	77	83
Doornkop	118	20	65	70
Evander	155	(2)	38	59
Joel	134	(31)	13	18
Kusasaletu	240	88	98	104
Masimong	99	172	50	41
Phakisa	18	1	74	92
Target (2)	148	55	75	118
Tshepong	161	206	59	61
Virginia	15	(2)	16	30
Surface				
All other surface operations (3)	128	79	26	12
Total South Africa	1 190	633	591	688
International				
Hidden Valley	116	19	40	61
Other	-	-	69	-
Total international	116	19	109	61
Total operations	1 306	652	700	749
Reconciliation of the segment information to the consolidated income statement (refer to note 12)				

	Kilograms produced September		Tonnes milled September	
	2011	2010	2011	2010
	kg		t'000	
South Africa				

Underground				
Bambanani (1)	498	942	92	129
Doornkop	866	541	277	140
Evander	854	552	123	140
Joel	691	148	147	40
Kusasaletu	1 554	1 513	331	269
Masimong	796	1 263	232	243
Phakisa	526	377	113	86
Target (2)	1 180	947	288	205
Tshepong	1 183	1 688	287	338
Virginia	340	760	92	244
Surface				
All other surface operations (3)	927	1 069	2 473	2 837
Total South Africa	9 415	9 800	4 455	4 671

International				
Hidden Valley	792	671	415	427
Other	-	-	-	-
Total international	792	671	415	427
Total operations	10 207	10 471	4 870	5 098

Reconciliation of the segment information to the consolidated income statement and balance sheet  
(refer to note 12)

(1) Production statistics for Steyn 2 have been included. This mine is in a build-up phase and revenue and costs are currently capitalised, until commercial production levels are reached.

(2) The September 2010 production statistics includes Target 3 for information purpose. Target 3 was still in build-up phase with revenue and costs being capitalised.

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

#### Harmony's strategy

Harmony's strategy is to produce 1.8 - 2 million\* safe and profitable ounces of gold by 2015. Following a review of assets during 2011, action was taken and capital committed to increase production at existing operations, further the development of current projects and advance scoping studies so as to ensure the future production pipeline of tomorrow's gold by growing reserves and resources and strengthening the quality of our asset base. Our challenge going forward is to meet our targets and objectives and, more specifically, to deliver consistent production results, improve productivity, curb costs and to create and deliver value to shareholders.

\* Excludes future acquisitions or disposals.

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G P Briggs Chief Executive Officer

H O Meyer Financial Director

H E Mashego Executive Director

F F T De Buck\*\* Lead independent director

F Abbott\*, J A Chissano\*<sup>1</sup>, K V Dicks\*\*, Dr D S Lushaba\*\*, C Markus\*\*,

M Motloba\*\*, M Msimang\*\*, D Noko\*\*, C M L Savage\*\*, J Wetton\*\*,

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JSE Limited: HAR

New York Stock Exchange, Inc: HMY

London Stock Exchange Plc: HRM

Euronext, Brussels: HMY

Berlin Stock Exchange: HAM1

Registration number

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Incorporated in the Republic of South Africa

ISIN

ZAE 000015228

Harmony's Annual Report, Notice of Annual General Meeting, its Sustainable Development Report and its Annual Report filed on a form 20F with the United States' Securities and Exchange Commission for the year ended 30 June 2011 are available on our website: [www.harmony.co.za](http://www.harmony.co.za)