HARMONY GOLD MINING CO LTD
Form 6-K
October 31, 2011
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15d-16 UNDER THE SECURITIES
EXCHANGE ACT OF 1934
For 31 October 2011
Harmony Gold Mining Company
Limited
Randfontein Office Park
Corner Main Reef Road and Ward Avenue
Randfontein, 1759
South Africa
(Address of principal executive offices)
(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)
Form 20-F X Form 40-F
(Indicate by check mark whether the registrant by
furnishing the information contained in this form
is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.)
Yes No X

Au
Financial review for the period ended 30 September 2011

Quarter	Quarter			
September	June	Q-on-Q	2011	2011
		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				
– Rm				
1 306				

901
45.0
– US$m
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
– $m
58
19
>100.0
Headline earnings per share
– SAc/s
95
30
>100.0
– USc/s
13
4
>100.0
Exchange rate
– R/US$
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).

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

Wa -Golpu pre-feasibility study on track

KEY FEATURES

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) for ordinary shares

R106.00

12 month low (1 October 2010 – 30 September 2011) for ordinary shares

R74.77

12 month high (1 October 2010 – 30 September 2011) for ADRs

US$15.57

12 month low (1 October 2010 – 30 September 2011) for ADRs

US$10.56

Free oat

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
(1 July 2011 –
30 September 2011)
2 915 266 shares

RESULTS FOR THE PERIOD
ENDED 30 SEPTEMBER 2011
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

2
2

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 nancial condition, results of operations, business strategies, operating ef ciencies, 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 nancial 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 identi ed 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 re ecting 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 ef ciencies 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; uctuations in exchange rates; currency devaluations and other macroeconomic monetary policies; and socio-economic instability in the countries in which we operate.

Harmony's Annual Report, Notice of
Annual General Meeting, its Sustainable
Development Report and its Annual Report

led 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**

3 Chief Executive Of cer's review
4 Safety and health
4 Financial overview
5 Operational overview
5 Group results
5 Build-up operations
5 Doornkop
5 Kusasalethu
5 Phakisa
5 Hidden Valley
6 Target 1
6 Target 3
6 Steady-state operations
6 Tshepong
6 Masimong
6 Evander
7 Other operations
7 Bambanani
7 Steyn 2
7 Joel
7 Unisel
7 Surface operations (South Africa)
8 Kalgold
8 Phoenix tailings
8 Surface dumps
9 Development
10 Exploration
12 Operating results (Rand/Metric)
14 Condensed consolidated income statements (Rand)
15 Condensed consolidated statements of comprehensive income (Rand)
16 Condensed consolidated balance sheets (Rand)
17 Condensed consolidated statements of changes in equity (Rand)
18 Condensed consolidated cash ow statements (Rand)
19 Notes to the condensed consolidated nancial statements
23 Segment report (Rand/Metric)
26 Operating results (US$/Imperial)
28 Condensed consolidated income statements (US$)
29 Condensed consolidated statements of comprehensive income (US$)
30 Condensed consolidated balance sheets (US$)
31 Condensed consolidated statements of changes in equity (US$)
32 Condensed consolidated cash ow statements (US$)
33 Segmental report (US$/Imperial)
34 Development results – metric and imperial
36 Contact details
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 Scienti c Professions (SACNASP).

Reserves and resources PNG:

Stuart Hayward for the Wa -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 de ned 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 Wa -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 Wa -Golpu project.

3

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 2 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).

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 to allow you to make an informed decision on your investment or possible investment in Harmony.

4
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 proactive 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.
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 a 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) Limited 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.

5

Operational overview

GROUP RESULTS

Indicator	Units	September 2011	June 2011	% variance
Tonnes	**000**	4 870	4 861	0.2
Grade	**g/t**	2.09	2.08	0.5
Gold produced	**Kg**	10 207	10 152	0.5
Cash operating costs	**R/kg**	265 288	242 851	(9.2)
Operating profit	**R'000**	1 306 437	900 734	45.0

Gold production for the September 2011 quarter remained stable at 10 207kg, despite the negative impact of the wage strike in August 2011, which resulted in an estimated loss of 500kg.

Grade remained steady at 2.09g/t.

Higher electricity costs due to two months of winter tariffs and labour costs resulted in the R/kg costs being 9.2% higher at R265 288/kg.

In line with the wage agreement, cash operating costs now include a profit share based on 1% of operating profits less capital expenditure from Harmony's South African assets, which amounted to R5.9 million.

Harmony's profit levels were strengthened by a 20.3% increase in the R/kg gold price received, resulting in a 45.0% increase in operating profit to R1.3 billion.

BUILD-UP OPERATIONS

Doornkop

Indicator	Units	September 2011	June 2011	% variance

Tonnes 000
277
234
18.4
Grade g/t
3.13
3.24
(3.4)
Gold produced
Kg
866
757
14.4
Cash operating costs
R/kg
270 487
239 316
(13.0)
Operating profit
R’000
118 607
68 250
73.8

Doornkop had another outstanding production quarter. Gold production increased by 14.4% to 866kg, mainly due to tonnes milled being 18.4% higher at 277 000 tonnes. The stockpile accumulated during the two previous quarters was processed and added to the increased production during the quarter.

Additional emphasis was placed on cleaning, which resulted in an improved mine call factor (MCF) of 94%, up from 81% in the previous quarter.

Cash operating costs increased to R270 487/kg due to higher electricity costs and increased labour costs.

Higher production, combined with an increase in the gold price received, resulted in operating profit being 73.8% higher during the September 2011 quarter. This quarter marks the first quarter of positive operating cash flow after capital since the commencement of commercial production in May 2009.

Kusasalethu

September
June
%
Indicator Units
2011
2011
variance
Tonnes 000
331
305
8.5
Grade g/t

4.69
5.20
(9.8)
Gold produced
Kg
1 554
1 586
(2.0)
Cash operating costs
R/kg
239 336
219 880
(8.8)
Operating profit
R’000
239 736
176 354
35.9

Tonnes milled were 8.5% higher at 331 000 quarter on quarter, which countered a decrease in grade at 4.69g/t due to increased waste in the system. Gold production was 2.0% lower at 1 554kg as a result.

Cash operating costs increased by 8.8% to R239 336/kg due to higher electricity and labour costs.

A higher gold price received realised an operating profit of R239.7 million.

Phakisa

September
June
%
Indicator Units
2011
2011
variance
Tonnes 000
113
106
6.6
Grade g/t
4.65
4.45
4.5
Gold produced
Kg
526
472
11.4
Cash operating costs
R/kg
364 804
284 475
(28.2)

Operating profit
R’000
18 194
24 310
(25.2)

Phakisa achieved its third quarter of increased gold production, with gold production being 11.4% higher quarter on quarter at 526kg, due to an increase in both tonnes milled at 113 000 tonnes and recovery grade at 4.65g/t.

Cash operating costs increased to R364 804/kg, as a result of increased labour and electricity costs, as well as the change in classification of commissioning costs to cash operating costs (which were formerly capitalised).

An increase in gold produced and a higher gold price resulted in Phakisa recording an operating profit of R18.1 million.

Hidden Valley (held in Morobe Mining Joint Venture – 50% of attributable production reflected)

Indicator	Units	September 2011	June 2011	% variance
Tonnes	000	415	420	(1.2)
Grade	g/t	1.91	1.97	(3.0)
Gold produced	Kg	792	826	(4.1)
Cash operating costs	R/kg	206 563	238 644	13.4
Operating profit	R’000	115 633	59 904	93.0

Gold production at Hidden Valley was 4.1% lower quarter-on-quarter at 792kg primarily due to a lower gold grade. Silver production increased by 11% to 6 860kg associated with a higher grade.

6

Results for the period
ended 30 September 2011

Mill throughput remained constrained for most of the quarter as a result of the overland conveyor belt failure in March 2011. The rectification work and recommissioning of the conveyor was completed during September 2011 with operations expected to return to planned production levels during the December 2011 quarter.

Cash operating costs were lower at R206 563/kg mainly due to the increase in silver production, which is treated as a credit to costs.

Target 1

Indicator	Units	September 2011	June 2011	% variance
Tonnes	000	210	168	25.0
Grade	g/t	4.47	4.11	8.8
Gold produced	Kg	939	690	36.1
Cash operating costs	R/kg	223 578	269 323	17.0
Operating profit	R'000	160 102	51 169	>100

Target 1 had an excellent production quarter. Gold production increased by 36.1% to 939kg as a result of the 25.0% increase in tonnes milled and a higher recovery grade of 4.47g/t.

Increased production assisted in lowering cash operating costs by 17.0% quarter on quarter to R223 578/kg, despite increases in electricity and labour costs.

Operating profit increased more than threefold at R160.1 million, when compared to the June 2011 quarter due to higher gold production and an increase in the gold price received.

Target 3

Indicator	Units	September 2011	June 2011	% variance
Tonnes	000	78	75	4.0
Grade	g/t	3.09	3.65	(15.3)
Gold produced	Kg	241	274	(12.0)
Cash operating costs	R/kg	444 100	339 956	(30.6)
Operating (loss)/profit	R'000	(12 501)	930	>(100)

Tonnes milled increased by 4.0% to 78 000 tonnes. However, quarter on quarter, the lower recovery grade resulted in gold production decreasing by 12.0% to 241kg. The 15.3% decrease in the recovery grade to 3.09g/t is attributable to lower B reef values, the increase in stoping width at the Elsburg reef and shortage of Basal reef panels in the sub-shaft. We are currently focussing on the B reef progress, using pre-development reef slushers to identify high grade zones. A similar approach is used at Masimong. The Elsburg reef will be undercut to only expose the first and second band and leave the low grade third band in the hanging wall.

Maintenance to increase the support of the brattice wall (the cement wall dividing the shaft in two, a downcast area and an up cast area for the air flow in the main shaft), together with increased electricity and labour costs, resulted in a higher cash operating costs at R444 100/kg for the September 2011 quarter. Higher grades and production are expected when mining commences in the sub-shaft.

STEADY-STATE OPERATIONS

Tshepong

		September	June	%

Indicator	Units	2011	2011	variance
Tonnes	000	287	327	(12.2)
Grade	g/t	4.12	4.50	(8.4)
Gold produced	Kg	1 183	1 473	(19.7)
Cash operating costs	R/kg	263 276	209 333	(25.8)
Operating profit	R'000	161 493	179 753	(10.2)

Safety stoppages, the wage strike and a slow start-up after the wage strike resulted in tonnes milled decreasing by 12.2% to 287 000 tonnes. In addition, a lower recovery grade of 4.12g/t, due to more waste being mined from the decline, resulted in lower gold production of 1 183kg. Cash operating costs were 25.8% higher at R263 276/kg due to increases in electricity costs and labour costs and the decrease in gold production during the quarter. Despite a very challenging quarter at Tshepong, the operation still managed to record a profit of R161.5 million.

Masimong

Indicator	Units	September 2011	June 2011	% variance
Tonnes	000	232	190	22.1
Grade	g/t	3.43	4.35	(21.1)

Gold produced
Kg
796
827
(3.7)
Cash operating costs
R/kg
277 340
214 694
(29.2)
Operating profit
R'000
99 157
95 776
3.5

Masimong increased its tonnes milled by 22.1% to 232 000 tonnes. The waste pass system is currently under maintenance and therefore all the waste was milled, resulting in a lower recovery grade of 3.43g/t. Continued maintenance is expected to continue during the next three quarters, which will result in lower recovery grades.

Cash operating costs increased to R277 340/kg. The 29.2% increase is attributed to higher electricity costs, labour costs and plant costs due to higher volumes processed during the quarter.

Masimong has the potential to reach their production targets as before. The focus on the grade, especially the B reef, is important and is monitored in the form of a short interval control system.

Evander

September
June
%
Indicator Units
2011
2011
variance
Tonnes 000
123
132
(6.8)
Grade g/t
6.94
5.68
22.2
Gold produced
kg
854
750
13.9
Cash operating costs
R/kg
208 597
205 235

(1.6)
Operating profit
R'000
154 944
88 615
74.9

7

Evander demonstrated its transformation in yet another quarter with gold production being 13.9% higher at 854kg and achieving a much higher recovery grade of 6.94g/t. The higher recovery grade is attributable to the increase in face grade, as more mining crews moved into the main payshoot of the decline section.

Cash operating costs remained stable at R208 597/kg, with increased production offsetting the effect of higher labour costs and electricity increases during the quarter. Higher production and an increase in the gold price received resulted in an increase of 74.9% in operating profit to R154.9 million.

OTHER OPERATIONS

Bambanani

Indicator	Units	September 2011	June 2011	% variance
Tonnes	000	92	112	(17.9)
Grade	g/t	5.02	6.56	(23.5)
Gold produced	Kg	462	735	(37.1)
Cash operating costs	R/kg	437 706	302 668	(44.6)
Operating (loss)/profit	R’000	(25 696)	25 032	>(100)

Bambanani has struggled to meet its production targets and to curb its costs for a number of quarters. It was subsequently decided – in line with Harmony’s stated strategy to restructure for safe, profitable and quality ounces – to halt mining in the sub shaft. The current activities on the mine have moved from the deeper operating areas to the acceleration of the development of the shaft pillar. We mitigated the effect of the restructuring on jobs by redeploying the majority of the employees to our operations in build-up.

Although the decision impacted on the past quarter's production, production and profits in the long term will improve. Tonnes milled decreased by 17.9% to 92 000, while grade and gold production reduced to 5.02g/t and 462kg. The lower production levels and higher electricity costs resulted in a 44.6% increase in cash operating costs; with an operating loss of R25.7 million being recorded.

Steyn 2

Indicator	Units	September 2011	June 2011	% variance
Gold produced	Kg	36	27	33.3

The decision to restructure Bambanani also impacted Steyn 2 and mining of the decline section was terminated and our focus moved to the shaft pillar. An increase in gold production of 33.3% quarter-on-quarter at 36kg was recorded. The shaft pillar is delivering higher face grades.

Joel

Indicator	Units	September 2011	June 2011	% variance
Tonnes	000	147	121	21.5
Grade	g/t	4.70	3.70	27.0
Gold produced	kg	691	448	54.2
Cash operating costs	R/kg	202 729	259 121	21.8
Operating profit	R'000			

134 010
34 627
>100
Joel delivered an exceptional quarter, with improvements in all production measures. An increase of 27.0% in recovery grade together with an increase of 21.5% in tonnes milled resulted in a 54.2% increase in gold production at 691kg.
Joel recorded the lowest cash operating cost in the company for the quarter at R202 729/kg, which represents a 21.8% improvement quarter on quarter. As a result an operating profit of R134.0 million was achieved, supported by favourable gold price received during the September 2011 quarter.
Unisel

Indicator	Units	September 2011	June 2011	% variance
Tonnes milled	000	92	106	(13.2)
Grade	g/t	3.70	3.96	(6.6)
Gold produced	Kg	340	420	(19.0)
Cash operating costs	R/kg	360 400	255 486	(41.1)
Operating profit	R’000	15 341	31 884	(51.9)

Unisel lost twenty days of production due to safety stoppages and the wage strike. Tonnes milled decreased by 13.2% and with grade 6.6% lower at 3.7g/t, gold production was 19.0% lower at 340kg.
Grade at Unisel is variable when moving further to the south, due to the ratio between the Basal reef and Leader reef. The Leader reef is present which varies more than the Basal reef and will be closely monitored.
The continued increase in seismicity in the decline section of Unisel,

together with resulting damages in the footwall excavations, are being closely monitored.

Cash operating costs deteriorated to R360 400/kg owing to significant decreases in production, increased electricity and labour costs. A higher gold price resulted in an operating profit of R15.3 million being recorded for the September 2011 quarter.

SURFACE OPERATIONS (South Africa)

Indicator	Units	September 2011	June 2011	% variance
Tonnes	**000**	2 473	2 565	(3.6)
Grade	**g/t**	0.37	0.34	8.8
Gold produced				
Kg	927	867	6.9	
Cash operating costs	**R/kg**	263 671	268 657	1.9
Operating profit				
R'000		127 417	64 130	98.7

Surface sources achieved a 6.9% increase in gold production due to an 8.8% increase in the recovery grade at 0.37g/t. The increase is mainly attributable to the Phoenix tailings which recorded a much higher recovery grade when compared to the June 2011 quarter. Tonnes mined and treated decreased to 2 473 000.

Cash operating costs quarter on quarter remained stable at R263 671/kg. Operating profits generated almost doubled to R127.4 million in comparison to the previous quarter, due to the higher gold price received.

8
Results for the period
ended 30 September 2011
Kalgold
September
June
%
Indicator Units
2011
2011
variance
Tonnes 000
364
392
(7.1)
Grade g/t
0.74
0.69
7.2
Gold produced
Kg
270
270
0.0
Cash operating costs
R/kg
337 615
311 819
(8.3)
Operating profit
R'000
20 401
18 247
11.8
Recovery grade was 7.2% higher quarter on quarter at 0.74g/t and tonnes milled 7.1% lower at 364 000 tonnes, resulting in the gold production remaining steady at 270kg.
During the past quarter the cash operating costs increased to R337 615/kg, due to increased labour and electricity costs. An operating profit of R20.4 million was generated during the quarter; mainly due to the increased gold price received.
The pre-primary crushers broke down and will be repaired during the next three months. Ore will be crushed by two mobile plants. Any decrease in throughput will be mitigated by feeding higher grade material from the stock pile. A task team of external and internal experts has been assembled to evaluate the Kalgold plant and prepare an action plan to catch up on backlog maintenance and to implement improvements. Gold production in the next quarterly is likely to be more or less the same as during the September 2011 quarter.
Phoenix (tailings)
September

June
%
Indicator Units
2011
2011
variance
Tonnes
000
1 365
1 247
9.5
Grade g/t
0.16
0.11
45.5
Gold produced
Kg
215
137
56.9
Cash operating costs
R/kg
235 051
297 029
20.9
Operating profit
R'000
34 773
5 169
>100

An increase in tonnes milled and grade at 1 365 000 tonnes and 0.16g/t respectively, resulted in gold production being 56.9% higher at 215kg. Cash operating costs at R235 051/kg was 20.9% lower quarter on quarter due to higher gold production, whilst an operating profit of R34.8 million was generated.

Surface dumps

September
June
%
Indicator Units
2011
2011
variance
Tonnes 000
744
926
(19.7)
Grade g/t
0.59
0.50
18.0

Gold produced
Kg
442
460
(3.9)
Cash operating costs
R/kg
232 423
234 874
1.0
Operating profit
R'000
72 243
40 714
77.4
Treatment of tonnes at the surface dumps decreased to 744 000 tonnes, countered, with an increase in the recovery grade to 0.59g/t, resulting in lower gold production at 442kg.
Higher gold prices received, resulted in an operating profit of R72.2 million.

9

Development

The main object of development is to develop the known orebody to be able to exploit the orebody to its full potential. A development programme is vital in the life of a mine. The on reef development on a shaft is an indication of the grades that will be mined in future.

Important information is derived, such as expected geological structures, dip of the ore body and the channel width. Depending on the shaft layout – such as raise line length and spacing – ledging and stoping will take place in approximately 18 to 36 months after
on reef development.

Therefore, the target areas for development are extremely important to prove the existence of ore of sufficient mineral content to mine profitably and
to continuously upgrade the resources to reserves.

Mineral reserves block grades vs development grades

Note: The ore reserve block grades reflect the grades of the blocks in the life-of-mine plans for the various operations. These blocks are to a large degree the blocks above
a certain cut-off grade that has been targeted for mining. The development grades are those as sampled in the ongoing on-reef development at the operations
and no selectivity has been applied from a grade point of view.

Doornkop

The South reef development grades remained above 1 000 cmg/t in line with the previous quarter and the rolling four quarter grade is now slightly above the reserve grade. No on-reef development was planned for the Kimberly reef.

Kusasalethu

The quarter on quarter development grade has improved and continues to return grades that are in line with the overall ore body grade and as predicted for the areas that are being developed.

Phakisa

The development towards the north continues to show positive results in line with expectation. During the quarter under review, the overall development grades improved to above 1 000 cmg/t despite most of the development at Phakisa still taking place in the lower grade central block.

Masimong

Basal reef and B reef development grades were lower on a quarterly basis. On the Basal reef the reason for lower grade is due to lower values sampled in the new development to the south of the mine, while on the B reef a wide raise had to continue in an out-of-channel area for the purpose of top ventilation holing.

Target (narrow reef mining)

Quarter on quarter there was a decrease in development grades of the narrow reef mining section at Target 1 shaft due to the very erratic nature of the specific area being developed. At Target 3 there has been a steady improvement in metres developed quarter on quarter. However, no Basal reef development took place during the quarter due to the delay of getting back into the Basal reef areas of the sub-shaft. The development done on the A reef and B reef is very encouraging and returned better than expected values.

Tshepong

In general the Basal reef development grades have increased quarter on quarter, while the grades on the B reef were lower. The development

focus at Tshepong remains the development of new and existing raise lines on the Basal reef in the higher grade decline area where most of the future mining at the mine will take place.

Bambanani

Most of the development is taking place in the shaft pillar where the development grade remains above 3 000 cmg/t, which is in line with expectations.

10
Results for the period
ended 30 September 2011
Exploration
International (Papua New Guinea)
Morobe Mining Joint Venture (50% Harmony)
Wafi-Golpu
Drilling continues to confirm the world class nature of the mineral endowment. Early indications from metallurgical test work programs are confirming excellent recoveries and product grades. Two large capacity drill rigs arrived in Lae and will extend the drill fleet to eight rigs in latter part of Quarter 2.
Early construction activities have continued including an expansion of camp facilities to support an increase in the drilling and construction workforce with two of the additional three drill rigs now in country. Construction and improvement of the access road to the proposed site continued during the quarter and stakeholder engagement with the community, landowners and various government agencies is ongoing. The pre-feasibility study remains on schedule for completion in the first half of calendar 2012 and commencement of the detailed feasibility study by mid-2012.
Evander 8
There was an improvement in the quarter on quarter development grade with the rolling four quarter grade now matching the reserve grade. The reserve at Evander is now made up of the Kinross payshoot in the decline area of the mine where the grades in the raise lines being developed remained in line with expectations.
Joel
There was a slight decrease in the development grades quarter on quarter which is in line with the grade variability expected of the ore body. The grade in the winzes being developed from 121 level to 129 level, in the very prospective north-western portion of the mine, remains good.
Virginia (Unisel)
At Unisel, the development grade of the Basal reef is in line with expectations, while the Leader reef grade was lower than expected. In some areas in the decline section the separation between the Middle reef and Basal reef is less than one meter and they are being developed jointly and will be mined as such.
(1) Refer to Harmony's annual statement of Mineral resources and reserves at 30 June 2011. Resource figures quoted on 100% basis.
(2) Incomplete intersection reported.

11

Figure 2: PNDD001; 599m. Biotite altered metasediments with quartz vein stockwork containing chalcopyrite, molybdenum, pyrite and magnetite. Assays pending.

During the quarter, drilling at Wafi-Golpu focused on increasing the level of confidence in the geological model within the central and northern parts of the porphyry system to support a future reserve upgrade and the pre-feasibility study. Significant results include:

•
WR396_W2:
223m @ 0.61% Cu, 0.40g/t Au from 1 299m
•
WR402:
160m @ 0.51% Cu, 0.18g/t Au from 490m
•
WR405:
707m @ 0.53% Cu, 0.49g/t Au from 771m
including 126m @ 0.73% Cu
and 0.23g/t Au from 1 092m
• WR406
(1)
:
417m @ 1.49% Cu, 1.65g/t Au from 958m

The Golpu system has been extended at depth where drillhole WR406, designed to test 200m below the high grade intersection within WR377 (883m at 2.23g/t Au and 2.15% Cu), intersected 417m at 1.65g/t Au and 1.49%Cu. Mineralisation remains open to the north and at depth and step out drilling targeting the northern extent of the high grade mineralisation is in progress.

(1) Partial result

Wafi structural corridor

Zimake (EL1590)

Results received for broad spaced ridge and spur soil sampling at Zimake target has defined a +1.5 km² Cu-Au anomaly coincident with a circular magnetic anomaly. Copper and gold geochemistry in soil and rock chips correlate extremely well with values ranging up to 0.5 g/t Au and 0.2% Cu. The metal association from the soil indicates possible porphyry copper + gold mineralisation at depth.

Fieldwork including grid based soil sampling and mapping is underway to assist with drill targeting.

Hidden Valley district exploration

At Hidden Valley, drilling continued to increase the confidence in the mineral resource within the Kaveroi lode and test the down dip and strike extensions of Hidden Valley and Kaveroi lodes. The mineralisation in this direction has now been confirmed.

Significant results include:

•
HVDD106 8m @ 11g/t Au and 12g/t Ag from 170m
•
HVDD107 12m @ 2.1g/t Au and 8g/t Ag from 274m

- HVDD108 26m @ 1.2g/t Au and 7g/t Ag from 263m

Results from drill testing of the Hamata deposit confirm the presence of mineralisation down dip of the current Inferred Resource boundary. Significant intersections include:

- HMDD005 43.5m @ 4.7g/t Au from 24.5m
- HMDD009 13m @ 6.4g/t Au from 47m
- HMDD010 13m @ 8.7g/t Au from 49m and 7m @ 6.4g/t Au from 241m
- HMDD011 12.3m @ 4.9g/t Au from 45m

PNG Exploration (Harmony 100%)

Mount Hagen project (EL1611 and EL1596)

Exploration work at Mt Hagen remained focused on drill testing at the Kurunga Intrusive Complex (KIC). Exploration activities also included ridge and spur soil sampling and detailed mapping at the Ugti Creek, Mt Maragabui, and Rulna Prospects (495 samples), although results to date for these prospects have not warranted additional follow-up.

Bakil Prospect (EL1611)

No geological field work was undertaken during the quarter although drill pads for two holes were prepared ahead of drill testing scheduled for Q2FY12.

Kurunga Prospect (EL1596) and Penamb Prospect (EL1596)

Drilling to test Cu-Au-Mo anomalism associated with the KIC continued during the quarter with three holes for 1 160m completed. Drilling progressed to the Penamb anomaly where geology encountered was extremely encouraging.

The drilling intersected a mineralised potassic vein stockwork with an increase in disseminated chalcopyrite. This potassic zone transitions into 200m of phyllic stockwork to end of hole. This clear shift from outer potassic to phyllic alteration zones suggests potential and proximity of a significant mineralised Cu-Mo-Au system.

Vein mineralogies include quartz-pyrite-molybdenite-magnetite± chalcopyrite, quartz-carbonate-pyrite-sericite and quartz-anhydrite-pyrite-sericte, which is also highly encouraging.

Assays received to date resulted in 285m @ 0.1% Cu, 83 ppm Mo from 72m (PNDD001).

12
Results for the period
ended 30 September 2011
13

| Operating results (Rand/Metric) (US$/Imperial) | Underground production – South Africa | | | | | Surface production – South Africa | | | | |

– 168 75 327 106
1 876 392
1 247 926
2 565 –
4 441 420
– 4 861
Gold produced
– kg
Sep-11
462 866 854 691
1 554 796 526 36 939 241
1 183 340
8 488 270 215 442 927 –
9 415 792
–
10 207
Jun-11
735 757 750 448
1 586 827 472 27 690 274
1 473 420
8 459 270 137 460 867 –
9 326 826
– 10 152
Gold produced
– oz
Sep-11
14 854 27 843 27 457 22 216 49 962 25 592 16 911 1 157 30 190 7 748
38 034 10 931
272 895 8 681 6 912 14 211 29 804
– 302 699 25 463 –
328 162
Jun-11
23 631 24 338 24 113 14 404 50 991 26 589 15 175
868 22 184 8 809 47 358 13 503
271 963 8 681 4 405 14 789 27 875
– 299 838 26 556
– 326 394
Yield
– g/tonne
Sep-11
5.02 3.13 6.94 4.70 4.69 3.43 4.65
– 4.47 3.09 4.12 3.70 4.26 0.74 0.16 0.59 0.37
– 2.11 1.91
– 2.09
Jun-11
6.56 3.24 5.68 3.70 5.20 4.35 4.45
– 4.11 3.65 4.50 3.96 4.49 0.69 0.11 0.50 0.34
– 2.09 1.97
– 2.08
Cash operating
– R/kg

Sep-11
437 706 270 487 208 597 202 729 239 336 277 340 364 804
– 223 578 444 100 263 276 360 400 270 969 337 615 235 051 232 423 263 671 –
270 247
206 563 –
265 288
costs
Jun-11
302 668 239 316 205 235 259 121 219 880 214 694 284 475
– 269 323 339 956 209 333 255 486 240 610 311 819 297 029 234 874 268 657
– 243 225 238 644
– 242 851
Cash operating
– $/oz
Sep-11
1 907 1 178 909 883 1 043 1 208 1 589
– 974 1 935 1 147 1 570 1 180 1 471 1 024 1 013 1 149
– 1 177 900
– 1 156
costs
Jun-11
1 389 1 099 942 1 190 1 009 986 1 306
– 1 236 1 561 961 1 173 1 105 1 431 1 363 1 078 1 233
– 1 117 1 096
– 1 115
Cash operating
– R/tonne
Sep-11
2 198 846 1 448 953 1 124 952 1 698
– 1 000 1 372 1 085 1 332 1 156 250
37 138
99
–
569 394
– 554
costs
Jun-11
1 986 774 1 166 959 1 143 934 1 267
– 1 106 1 242 943 1 012 1 081 215
33 117
91
–
509 469
– 506
Gold sold
– kg
Sep-11
457 860 841 710
1 462 786 520 36 927 238
1 170 336
8 343 269 223 448 940 –

9 283 665
–
9 948
Jun-11
758 762 727 480
1 583 854 487 27 756 300
1 520 434
8 688 354 137 460 951 –
9 639 773
– 10 412
Gold sold
– oz
Sep-11
14 693 27 650 27 039 22 827 47 004 25 270 16 718 1 157 29 804 7 652
37 616 10 803
268 233 8 649 7 170 14 404 30 223
– 298 456 21 380 –
319 836
Jun-11
24 370 24 499 23 374 15 432 50 895 27 457 15 657
868 24 306 9 645 48 869 13 953
279 325 11 381 4 405 14 789 30 575
– 309 900 24 852
– 334 752
Revenue
(R'000)
Sep-11
175 069 348 165 329 960 282 825 575 039 314 230 205 781
– 366 466 92 696 466 248 135 929
3 292 408 108 833 89 235 179 650 377 718 –
3 670 126
259 038 –
3 929 164
Jun-11
249 573 251 188 239 907 158 441 521 415 281 110 160 566
– 248 583 98 673 499 685 142 338
2 851 479 116 059 45 336 151 481 312 876
–
3 164 355 257 876
– 3 422 231
Cash operating
(R'000)
Sep-11
202 220 234 242 178 142 140 086 371 928 220 763 191 887
– 209 940 107 028 311 456 122 536
2 290 228 91 156 50 536 102 731 244 423 –
2 534 651
163 598 –
2 698 249
costs Jun-11
222 461 181 162 153 926 116 086 348 730 177 552 134 272

– 185 833 93 148 308 348 107 304
2 028 822 84 191 40 693 108 042 232 926
–
2 261 748 197 120
– 2 458 868
Inventory
(R'000)
Sep-11
(1 455)
(4 684)
(3 126)
8 729 (36 625)
(5 690)
(4 300)
– (3 576)
(1 831)
(6 701)
(1 948)
(61 207)
(2 724)
3 926 4 676 5 878
– (55 329)
(20 193)
–
(75 522)
movement
Jun-11
2 080 1 776 (2 634) 7 728 (3 669) 7 782 1 984
– 11 581 4 595 11 584 3 150 45 957 13 621
(526) 2 725 15 820
– 61 777
852
– 62 629
Production costs
(R'000)
Sep-11
200 765 229 558 175 016 148 815 335 303 215 073 187 587
– 206 364 105 197 304 755 120 588
2 229 021 88 432 54 462 107 407 250 301 –
2 479 322
143 405 –
2 622 727
Jun-11
224 541 182 938 151 292 123 814 345 061 185 334 136 256
– 197 414 97 743 319 932 110 454
2 074 779 97 812 40 167 110 767 248 746
–
2 323 525 197 972
– 2 521 497
Operating profit*
(R'000)

Sep-11
(25 696)
118 607 154 944 134 010 239 736 99 157 18 194
– 160 102 (12 501)
161 493
15 341 1 063 387
20 401
34 773
72 243 127 417
– 1 190 804 115 633
– 1 306 437
Jun-11
25 032 68 250 88 615 34 627
176 354 95 776 24 310
– 51 169
930
179 753 31 884
776 700 18 247 5 169 40 714 64 130
– 840 830 59 904
– 900 734
Operating profit*
($'000)
Sep-11
(3 599)
16 611 21 702 18 768 33 578 13 888 2 548
– 22 424 (1 751)
22 619 2 148
148 936 2 857 4 869
10 118
17 844
–
166 780
16 195
–
182 975
Jun-11
3 694 10 074 13 080 5 110 26 029 14 135 3 588
– 7 552
137 26 530 4 706
114 635 2 693
763 6 009 9 465
– 124 100 8 842
– 132 942
Capital
(R'000)
Sep-11
43 790 64 717 37 580 13 227 97 564 50 101 73 938 32 907 62 600 11 899
58 700 15 689
562 712 9 635
63 12 647 22 345 5 771 590 828 39 937 69 337
700

102
expenditure**
Jun-11
52 308 70 860 50 484 18 350
105 246 48 441 93 305 37 490 76 220 14 189 72 124 16 440
655 457 5 765 5 526 22 655 33 946 21 311
710 714
76 972
49 954
837 640
Capital
($'000)
Sep-11
6 133 9 064 5 263 1 853
13 665 7 017
10 356 4 609 8 768 1 667 8 222 2 197
78 814 1 349
9 1 771 3 129 808 82 751 5 594 9 711
98
056
expenditure**
Jun-11
7 720 10 458 7 451 2 708 15 534 7 150 13 771 5 533 11 250 2 094
10 645 2 426 96 740
851
816 3 344 5 011 3 145 104 896 11 361
7 373
123 630

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.

* Operating profit is comparable to the term production profit in the segment report in the nancial statement and not to the operating profit line item
in the income statement.

** The total capital expenditure reported in the June 2011 quarter was R787.7 million (US$116.3 million), which excluded the capital expenditure for
International other.

14
Results for the period
ended 30 September 2011
CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)
Three months ended
Year ended
30 September
30 June
30 September
30 June
2011
2011
2010
2011
Figures in million
Note
(Unaudited)
(Unaudited)
(Unaudited)
(Audited)
Continuing operations
Revenue
3 929
3 422
3 083
12 445
Cost of sales
2
(3 192)
(3 491)
(2 995)
(11 615)
Production costs
(2 623)
(2 521)
(2 431)
(9 170)
Amortisation and depreciation
(475)
(477)
(426)
(1 776)
Impairment of assets
– (264)
– (264)
Employment termination and restructuring costs
(34)
– (78)
(158)
Other items
(60)

(229)
(60)
(247)
Gross profit/(loss)
737 **(69)** **88** **830**
Corporate, administration and other expenditure
(84)
(71)
(94)
(354)
Social investment expenditure
(15)
(18)
(16)
(84)
Exploration expenditure
3
(97)
(102)
(99)
(353)
Profit on sale of property, plant and equipment
26 5 16 29
Other income/(expenses) – net
18 33 (54)
(24)
Operating profit/(loss)
585
(222)
(159)
44
Loss from associates
– – (8)
(51)
Reversal of impairment/(impairment) of investment in associate
5
48 18 –
(142)
Net (loss)/gain on financial instruments
(26)
22 38
141
Gain on farm-in option
–
– 273 273
Investment income
16 24 14
140
Finance cost
(73)

(89)
(59)
(288)
Profit/(loss) before taxation
550
(247)
99
117
Taxation
(72)
205 6
480
Normal taxation
(40)
10 (9)
(12)
Deferred taxation
(32)
195 15
492
Net profit/(loss) from continuing operations
478
(42)
105
597
Discontinued operations
(Loss)/profit from discontinued operations
– – (3)
20
Net profit/(loss) for the period
478
(42)
102
617
Attributable to:
Owners of the parent
478 (42)
102 617
Non-controlling interest
– – – –
Earnings/(loss) per ordinary share (cents)
6
Earnings/(loss) from continuing operations
111 (10)
24 139
(Loss)/earnings from discontinued operations
– – (1)
5
Total earnings/(loss) per ordinary share (cents)
111
(10)

23
144
Diluted earnings/(loss) per ordinary share (cents)
6
Earnings/(loss) from continuing operations
111 (10)
24 139
(Loss)/earnings from discontinued operations
– – (1)
5
Total diluted earnings/(loss) per ordinary share (cents)
111
(10)
23
144
The accompanying notes are an integral part of these condensed consolidated financial statements.

15

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)

	Three months ended		**Year ended**
	30 September	30 June	30 September	30 June
	2011	2011	2010	2011
Figures in million	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net profit/(loss) for the period	478	(42)	102	617
Other comprehensive income for the period, net of income tax	955	418	106	368
Foreign exchange translation	924	473	106	470
Fair value movement of available-for-sale investments	31	(55)	–	(102)
Total comprehensive income for the period	**1 433**	**376**	**208**	**985**
Attributable to:				
Owners of the parent	1 433	376	208	985
Non-controlling interest	–	–	–	–

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

16
Results for the period
ended 30 September 2011

CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

Figures in million	Note	At 30 September 2011 (Unaudited)	At 30 June 2011 (Audited)	At 30 September 2010 (Unaudited)
ASSETS				
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
EQUITY AND LIABILITIES
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.

17

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	Retained earnings	Total
Balance – 30 June 2011		28 305	762	1 093	30 160
Issue of shares		9	–	–	9
Share-based payments		–	24	–	24
Net profit for the period		–	–	478	478
Other comprehensive income for the period		–	955	–	955
Dividends paid	9	–	–	(258)	(258)
Balance – 30 September 2011		**28 314**	**1 741**	**1 313**	**31 368**
Balance – 30 June 2010		28	261	258	690
		29	209		
Issue of shares		8	–	–	8
Share-based payments		–	31	–	31
Net profit for the period		–	–	102	102
Other comprehensive income for the period					

– 106
– 106
Dividends paid
– –
(214)
(214)
Balance – 30 September 2010
28 269
395
578
29 242
The accompanying notes are an integral part of these condensed consolidated financial statements.

18
Results for the period
ended 30 September 2011
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)
Three months ended
Year ended
30 September
30 June
30 September
30 June
2011
2011
2010
2011
Figures in million
(Unaudited)
(Unaudited)
(Unaudited)
(Audited)
Cash flow from operating activities
Cash generated by operations
1 092 1 052 703 2
418
Interest and dividends received
16 24 14
140
Interest paid
(41)
(35)
(30)
(134)
Income and mining taxes paid
– (19)
(4)
(45)
Cash generated by operating activities
1 067
1 022
683
2 379
Cash flow from investing activities
(Increase)/decrease in restricted cash
– (4)
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
– 100
Other investing activities
– (10)
10 (5)
Net additions to property, plant and equipment
(668)
(829)
(748)
(3 110)
Cash utilised by investing activities
(668)
(743)
(479)
(2 654)
Cash flow from financing activities
Borrowings raised
799 150
– 925
Borrowings repaid
(352)
(415)
(7)
(546)
Ordinary shares issued – net of expenses
9 15 8 44
Dividends paid
(258)
– (214)
(214)
Cash generated/(utilised) by financing activities
198
(250)
(213)
209
Foreign currency translation adjustments
35
8
11
(11)
Net increase/(decrease) in cash and cash equivalents
632 37 2 (77)
Cash and cash equivalents – beginning of period
693 656 770 770
Cash and cash equivalents – end of period
1 325
693
772
693
The accompanying notes are an integral part of these condensed consolidated financial statements.

19

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

Three months ended			**Year ended**
30 September	30 June	30 September	30 June
2011	2011	2010	2011
Figures in million	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Production costs	2 591	2 508	2 408	9 074
Royalty expense	32	13	23	96
Amortisation and depreciation	475	477	426	1 776
Impairment of assets	(1)	–	264	–	264
Rehabilitation expenditure	5	61	4	74
Care and maintenance cost of restructured shafts				

31 37 25
124
Employment termination and restructuring costs
(2)
34 –
78
158
Share-based payments
24 45 31
136
Other
(3)
– 86 – (87)
Total cost of sales
3 192
3 491
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 demolishment project.

3. Exploration expenditure

Three months ended
Year ended
30 September
30 June
30 September
30 June
2011
2011
2010
2011
Figures in million
(Unaudited)
(Unaudited)
(Unaudited)
(Audited)
Total exploration expenditure
105 111 106 398
Less: Expenditure capitalised
(1)
(8)
(9)
(7)
(45)
Exploration expenditure per income statement
97
102
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.

20
Results for the period
ended 30 September 2011

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		**Year ended**
	30 September 2011	30 June 2011	30 September 2010	30 June 2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total earnings/(loss) per share (cents):				
Basic earnings/(loss)	111	(10)	23	144
Diluted earnings/(loss)	111	(10)	23	144
Headline earnings	95	30	33	223
– from continuing operations	95	30	33	223
– from discontinued operations	–	–	–	–
Diluted headline earnings	95	30	33	222
– from continuing operations	95	30	33	222
– from discontinued operations	–	–	–	–

Figures in million

Reconciliation of headline earnings:

Continuing operations

Net profit/(loss)

478 (42)

105 597

Adjusted for:

Profit on sale of property, plant and equipment

(26)

(5)

(16)

(29)

Taxation effect of profit on sale of property, plant and equipment

7 1 5 7

Net gain on financial instruments

– (6)

– (7)

Taxation effect of net gain on financial instruments

– 2 – 2

(Reversal of impairment)/impairment of investment in associate*

(48)

(18)

– 142

Foreign exchange loss reclassified from other comprehensive income*

– – 47 47

Impairment of assets

– 264

– 264

Taxation effect of impairment of assets

– (66)

– (66)

Headline

earnings

411 130 141 957

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
411 130 141 957
* 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

21

7. Borrowings

At 30 September 2011	At 30 June 2011	At 30 September 2010
Figures in million		
(Unaudited)	(Audited)	(Unaudited)
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 FirstRand 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	At 30 June 2011	At 30 September 2010
Figures in million		
(Unaudited)	(Audited)	(Unaudited)
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	At 30 June 2011	At 30 September 2010
Figures in million		
(Unaudited)	(Audited)	(Unaudited)
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. 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 report

The segment report follow on page 23.

22

Results for the period
ended 30 September 2011

12. Reconciliation of segment information to consolidated income statements

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

23

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

	Revenue		**Production cost**		**Production profit**		**Capital expenditure**		**Kilograms produced**		**Tonnes milled**	
	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010
	R million		R million		R million		R million		kg		t'000	
South Africa												
Underground												
Bambanani												
(1)	175	270	201	223	(26)							
	47	77	83	498	942	92	129					
Doornkop	348	168	230	148	118	20	65	70	866	541		
	277	140										
Evander	330	174	175	176	155	(2)	38	59	854	552		
	123	140										
Joel	283	44	149	75	134	(31)	13	18	691	148		
	147	40										
Kusasalethu	575	475	335	387	240	88	98	104				
	1 554											
	1 513	331	269									
Masimong	314	374	215	202	99	172	50	41	796			
	1 263	232	243									
Phakisa	206	112	188	111	18	1	74	92	526	377		
	113	86										
Target												
(2)	459	244	311	189	148	55	75	118				
	1 180	947	288	205								
Tshepong	466	500	305	294	161	206	59	61				
	1 183											

1 688 287 338
Virginia
136 223 121 225 15 (2) 16 30 340 760
92 244
Surface
All other surface operations
(3)
378 317 250 238 128
79
26
12 927 1 069 2 473 2 837
Total South Africa
3 670 2 901 2 480 2 268 1 190 633 591 688 9 415 9 800
4 455 4 671
International
Hidden Valley
259 182 143 163 116 19 40 61 792 671
415 427
Other
– – – – – – 69 – – – – –
Total international
259 182 143 163 116 19 109 61 792 671
415 427
Total operations
3 929 3 083 2 623 2 431 1 306 652 700 749
10 207
10 471 4 870 5 098
Reconciliation of the segment information to the consolidated income statement (refer to note 12)
– – – –
3 929
3 083
2 623
2 431

(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.

24
RESULTS FOR THE THREE MONTHS
ENDED 30 SEPTEMBER 2011
(US$)

25

26
Results for the period
ended 30 September 2011
27
Operating results (US$/Imperial)
Underground production – South Africa
Surface production – South Africa
Three
Total
South
South
Inter-
months
Kusasa-
Under-
Total
Africa
Africa
Hidden
national
Harmony
ended
Bambanani
Doornkop
Evander
Joel
lethu Masimong
Phakisa
Steyn 2
Target 1
Target 3
Tshepong
Unisel
ground
Kalgold
Phoenix Dumps Surface Other
Total Valley Other
Total
Ore milled
– t'000
Sep-11
101 305 136 162 365 256 125
– 232 86 316 101
2 185 401
1 505 820
2 726 –
4 911 458
–
5 369
Jun-11
124 258 146 133 336 210 117

– 185 83 361 117
2 070 432
1 375
1 021
2 828 –
4 898 463
5 361
Gold produced
– oz
Sep-11
14 854 27 843 27 457 22 216 49 962 25 592 16 911 1 157 30 190 7 748
38 034 10 931
272 895 8 681 6 912 14 211 29 804
– 302 699 25 463 –
328 162
Jun-11
23 631 24 338 24 113 14 404 50 991 26 589 15 175
868 22 184 8 809 47 358 13 503
271 963 8 681 4 405 14 789 27 875
– 299 838 26 556
– 326 394
Yield
– oz/t
Sep-11
0.147 0.091 0.202 0.137 0.137 0.100 0.135
– 0.130 0.090 0.120 0.108 0.124 0.022 0.005 0.017 0.011
– 0.061 0.056
– 0.061
Jun-11
0.191 0.094 0.165 0.108 0.152 0.127 0.130
– 0.120 0.106 0.131 0.115 0.131 0.020 0.003 0.014 0.010
– 0.061 0.057
– 0.061
Cash operating
– $/oz
Sep-11
1 907 1 178 909 883 1 043 1 208 1 589
– 974 1 935 1 147 1 570 1 180 1 471 1 024 1 013 1 149
– 1 177 900
– 1 156
costs
Jun-11
1 389 1 099 942 1 190 1 009 986 1 306
– 1 236 1 561 961 1 173 1 105 1 431 1 363 1 078 1 233
– 1 117 1 096
– 1 115
Cash operating
– $/t
Sep-11
280 108 183 121 143 121 215
– 127 174 138 170 147 32

5 18 13 – 72 50
– 70
costs
Jun-11
265 104 156 129 153 125 169
– 148 166 126 135 145 29
4 16 12 – 68 63
– 68
Gold sold
– oz
Sep-11
14 693 27 650 27 039 22 827 47 004 25 270 16 718 1 157 29 804 7 652
37 616 10 803
268 233 8 649 7 170 14 404 30 223
– 298 456 21 380 –
319 836
Jun-11
24 370 24 499 23 374 15 432 50 895 27 457 15 657
868 24 306 9 645 48 869 13 953
279 325 11 381 4 405 14 789 30 575
– 309 900 24 852
– 334 752
Revenue
($'000)
Sep-11
24 520 48 764 46 214 39 612 80 540 44 011 28 822
– 51 327 12 983 65 303 19 038
461 134 15 243 12 498 25 162 52 903
– 514 037 36 281 –
550 318
Jun-11
36 835 37 074 35 409 23 385 76 957 41 490 23 698
– 36 689 14 563 73 750 21 008
420 858 17 129 6 691 22 357 46 177
– 467 035 38 061
– 505 096
Cash operating
($'000)
Sep-11
28 323 32 809 24 950 19 621 52 092 30 920 26 876
– 29 404 14 990 43 623 17 163
320 771 12 768 7 079 14 389 34 236
– 355 007 22 914 –
377 921
costs Jun-11
32 834 26 738 22 718 17 134 51 470 26 206 19 817
– 27 428 13 748 45 510 15 837
299 440 12 426 6 006 15 946 34 378
– 333 818 29 093
– 362 911
Inventory

($'000)
Sep-11
(204)
(656)
(438)
1 223 (5 130)
(797)
(602)
– (501)
(256)
(939)
(273)
(8 573)
(382)
550 655 823
–
(7 750)
(2 828) –
(10 578)
movement
Jun-11
307 262 (389) 1 141 (542) 1 149 293
– 1 709 678 1 710 465 6 783 2 010
(78) 402 2 334
– 9 117 126
– 9 243
Production costs
($'000)
Sep-11
28 119 32 153 24 512 20 844 46 962 30 123 26 274
– 28 903 14 734 42 684 16 890
312 198 12 386 7 629 15 044 35 059
– 347 257 20 086 –
367 343
Jun-11
33 141 27 000 22 329 18 275 50 928 27 355 20 110
– 29 137 14 426 47 220 16 302
306 223 14 436 5 928 16 348 36 712
– 342 935 29 219
– 372 154
Operating profit*
($'000)
Sep-11
(3 599)
16 611 21 702 18 768 33 578 13 888 2 548
– 22 424 (1 751)
22 619 2 148
148 936 2 857 4 869
10 118
17 844
–

166 780
16 195
–
182 975
Jun-11
3 694 10 074 13 080 5 110 26 029 14 135 3 588
– 7 552
137 26 530 4 706
114 635 2 693
763 6 009 9 465
– 124 100 8 842
– 132 942
Capital
($'000)
Sep-11
6 133 9 064 5 263 1 853
13 665 7 017
10 356 4 609 8 768 1 667 8 222 2 197
78 814 1 349
9 1 771 3 129 808 82 751 5 594 9 711
98
056
expenditure**
Jun-11
7 720 10 458 7 451 2 708 15 534 7 150 13 771 5 533 11 250 2 094
10 645 2 426 96 740
851
816 3 344 5 011 3 145 104 896 11 361
7 373
123 630

* Operating profit is comparable to the term production profit in the segment report in the nancial statement and not to the operating profit line item
in the income statement.

** The total capital expenditure reported in the June 2011 quarter was US$116.3 million, which excluded the capital expenditure for International other.

28

Results for the period
ended 30 September 2011

CONDENSED CONSOLIDATED INCOME STATEMENTS (US$)
(Convenience translation)

	Three months ended		**Year ended**
	30 September	30 June	30 September	30 June
	2011	2011	2010	2011
Figures in million	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Continuing operations				
Revenue	550	505	422	1 781
Cost of sales	(447)	(515)	(411)	(1 664)
Production costs	(367)	(372)	(333)	(1 313)
Amortisation and depreciation	(67)	(70)	(58)	(254)
Impairment of assets	–	(39)	–	(39)
Employment termination and restructuring costs	(5)	–	(11)	(23)
Other items	(8)	(34)	(9)	

(35)
Gross profit/(loss)
103 **(10)** **11** **117**
Corporate, administration and other expenditure
(12)
(10)
(13)
(51)
Social investment expenditure
(2)
(3)
(2)
(12)
Exploration expenditure
(14)
(15)
(14)
(51)
Profit on sale of property, plant and equipment
4 1 2 4
Other income/(expenses) – net
3 5 (7)
(3)
Operating profit/(loss)
82
(32)
(23)
4
Loss from associates
– – (1)
(7)
Reversal of impairment/(impairment) of investment in associate
7 3 –
(20)
Net (loss)/gain on financial instruments
(4)
3 5
20
Gain on farm-in option
– – 38 38
Investment income
2 4 2
20
Finance cost
(10)
(13)
(8)
(41)
Profit/(loss) before taxation
77

(35)
13
14
Taxation
(10)
30 1
69
Normal taxation
(6)
1 (1)
(2)
Deferred taxation
(4)
29 2
71
Net profit/(loss) from continuing operations
67
(5)
14
83
Discontinued operations
Profit from discontinued operations
– – – 3
Net profit/(loss) for the period
67
(5)
14
86
Attributable to:
Owners of the parent
67 (5)
14 86
Non-controlling interest
– – – –
Earnings/(loss) per ordinary share (cents)
Earnings/(loss) from continuing operations
16 (1)
3 19
Earnings from discontinued operations
– – – 1
Total earnings/(loss) per ordinary share (cents)
16
(1)
3
20
Diluted earnings/(loss) per ordinary share (cents)
Earnings/(loss) from continuing operations
16 (1)
3 19
Earnings from discontinued operations
– – – 1

Total diluted earnings/(loss) per ordinary share (cents)
16
(1)
3
20

The currency conversion average rates for the three months ended: September 2011: US$1 = R7.14 (June 2011: US$ = R6.78, September 2010:
US$1 = R7.31).

The income statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.

Note on convenience translation

Except where speci c statements have been extracted from the 2011 Annual Report, the requirements of IAS 21, The Effects of the Changes in Foreign
Exchange Rates, have not necessarily been applied in the translation of the US dollar nancial statements presented on page 28 to 33.

29

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US$)

(Convenience translation)

	Three months ended		**Year ended**
	30 September	30 June	30 September	30 June
	2011	2011	2010	2011
Figures in million	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net profit/(loss) for the period	67	(5)	14	86
Other comprehensive income for the period, net of income tax	134	62	15	540
Foreign exchange translation	129	70	15	555
Fair value movement of available-for-sale investments	4	(8)	–	(15)
Total comprehensive income for the period	**201**	**57**	**29**	**626**
Attributable to:				
Owners of the parent	201	57	29	626
Non-controlling interest	–	–	–	–

The currency conversion average rates for the three months ended: September 2011: US$1 = R7.14 (June 2011: US$ = R6.78, September 2010:
US$1 = R7.31).

The statement of comprehensive income for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.

30
Results for the period
ended 30 September 2011

CONDENSED CONSOLIDATED BALANCE SHEETS (US$)
(Convenience translation)

At 30 September 2011	At 30 June 2011	At 30 September 2010
Figures in million		
(Unaudited)	(Audited)	(Unaudited)
ASSETS		
Non-current assets		
Property, plant and equipment		
3 997	4 607	4 289
Intangible assets		
269	320	316
Restricted cash		
4	5	17
Restricted investments		
230	278	257
Investments in associates		
–	–	54
Deferred tax assets		
159	170	105
Investments in financial assets		
27	27	43
Inventories		
21	25	34
Trade and other receivables		
3	3	10
Total non-current assets		
4 710	**5 435**	**5 125**
Current assets		
Inventories		
125	124	130
Trade and other receivables		
109	158	93
Income and mining taxes		
12	21	10
Cash and cash equivalents		
164	102	111
410	405	344
Assets of disposal groups classified as held-for-sale		
39	40	–
Total current assets		

449 445 344
Total assets
5 159 5 880 5 469
EQUITY AND LIABILITIES
Share capital and reserves
Share capital
3 506 4 033 4 059
Other reserves
216 519 57
Retained earnings/(accumulated loss)
163 (102)
83
Total equity
3 885 4 450 4 199
Non-current liabilities
Deferred tax liabilities
533 623 618
Provision for environmental rehabilitation
253 291 247
Retirement benefit obligation and other provisions
22 26 24
Borrowings
209 181 139
Total non-current liabilities
1 017
1 121
1 028
Current liabilities
Borrowings
41 49 30
Income and mining taxes
– – 2
Trade and other payables
214 258 210
255 307 242
Liabilities of disposal groups classified as held-for-sale
2 2 –
Total current liabilities
257 309 242
Total equity and liabilities
5 159
5 880
5 469
The balance sheet for September 2011 converted at a conversion rate of US$1 = R8.08 (September 2010: US$1 = R6.96).
The balance sheet as at 30 June 2011 has been extracted from the 2011 Annual Report.

31

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US$) (Unaudited)
for the three months ended 30 September 2011 (Convenience translation)

Figures in million	Share capital	Other reserves	Retained earnings	Total
Balance – 30 June 2011	3 505	95	136	3 736
Issue of shares	1	–	–	1
Share-based payments	–	3	–	3
Net profit for the period	–	–	59	59
Other comprehensive income for the period	–	118		118
Dividends paid	–	–	(32)	(32)
Balance – 30 September 2011	**3 506**	**216**	**163**	**3 885**
Balance – 30 June 2010	4 058	38	99	4 195
Issue of shares	1	–	–	1
Share-based payments	–	4	–	4
Net profit for the period	–	–	15	15
Other comprehensive income for the period	–	15	–	15
Dividends paid	–	–	(31)	(31)

Balance – 30 September 2010
4 059
57
83
4 199

The currency conversion closing rates for the three months ended 30 September 2011: US$1 = R8.08 (September 2010: US$1 = R6.96).

32
Results for the period
ended 30 September 2011
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US$)
(Convenience translation)
Three months ended
Year ended
30 September
30 June
30 September
30 June
2011
2011
2010
2011
Figures in million
(Unaudited)
(Unaudited)
(Unaudited)
(Audited)
Cash flow from operating activities
Cash generated by operations
153 155 96 346
Interest and dividends received
2 4 2
20
Interest paid
(6)
(5)
(4)
(19)
Income and mining taxes paid
– (3)
(1)
(7)
Cash generated by operating activities
149
151
93
340
Cash flow from investing activities
(Increase)/decrease in restricted cash
– (1)
4 17
Proceeds on disposal of investment in subsidiary
– – 31 32
Proceeds on disposal of available-for-sale financial assets
– – – –
Prepayment for Evander 6 and Twistdraai transaction
– 15 – 15
Other investing activities

– (1)
1 –
Net additions to property, plant and equipment
(94)
(122)
(102)
(445)
Cash utilised by investing activities
(94)
(109)
(66)
(381)
Cash flow from financing activities
Borrowings raised
112 22 –
134
Borrowings repaid
(49)
(60)
(1)
(81)
Ordinary shares issued – net of expenses
1 2 1 6
Dividends paid
(36)
– (29)
(30)
Cash generated/(utilised) by financing activities
28
(36)
(29)
29
Foreign currency translation adjustments
35
(1)
12
13
Net increase in cash and cash equivalents
118 5
10 1
Cash and cash equivalents – beginning of period
102 97 101 101
Cash and cash equivalents – end of period
164
102
111
102
Operating activities translated at average rates for the three months ended: September 2011: US$1 = R7.14 (June 2011: US$1 = R6.78,
September 2011: US$1 = R6.96).

Closing balance translated at closing rates of: September 2011: US$1 = R8.08 (June 2011: US$1 = R6.78, September 2010: US$ = R6.96).
The cash ow statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.

33
SEGMENT REPORT (US$/Imperial) (Unaudited)
for the three months ended 30 September 2011

	Revenue		**Production cost**		**Production profit**		**Capital expenditure**		**Ounces produced**		**Tons milled**	
	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010
	US$ million		US$ million		US$ million		US$ million		oz		t'000	
South Africa												
Underground												
Bambanani	(1)											
	24	37	28	31	(4)							
	6											
	11											
	11	16	011	30	286							
	101											
	142											
Doornkop												
	49	23	32	20	17	3	9	10				
	27 843											
	17 394											
	305											
	154											
Evander												
	46	24	24	24	22	–	5	8				
	27 457											
	17 747											
	136											
	154											
Joel												
	40	6	21	10	19	(4)	2	3				
	22 216											
	4 758											
	162	44										
Kusasalethu												
	81	65	47	53	34	12	14	14				
	49 962											
	48 644											

365
297
Masimong
44 51 30 28 14 23 7 6
25 592
40 606
256
268
Phakisa
29 15 26 15 3 – 10 12
16 911
12 121
125 95
Target
(2)
64 33 44 26 20 7 11 16
37 938
30 447
318
226
Tshepong
65 69 43 40 22 29 8 8
38 034
54 270
316
373
Virginia
19
31
17
31 2 – 2 4
10 931
24 435
101
269
Surface
All other surface operations
(3)
53 43 35 33 18 10 3 2
29 804
34 369
2 726
3 128
Total South Africa
514
397
347
311
167
86
82

94
302 699
315 077
4 911
5 150
International
Hidden Valley
36 25 20 22 16 3 6 9
25 463
21 573
458
471
Other
– – – – – – 10 – – – – –
Total international
36 25 20 22 16 3 16 9
25 463
21 573
458
471
Total operations
550 422 367 333 183 89 98 103
328 162
336 650
5 369
5 621

(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.

34

Results for the period
ended 30 September 2011

DEVELOPMENT RESULTS (Metric)
For the three months ended 30 September 2011

	Channel Reef Sampled (metres)	Channel Width (metres)	Value (cm's)	Gold (g/t)	(cmg/t)
Tshepong					
Basal	590	551	10.89	91.93	1 001
B Reef	113	74	107.28	30.65	3 288
All Reefs	**703**	**625**	**22.23**	**57.13**	**1**
					270
Phakisa & Nyala					
Basal	331	361	66.28	13.64	904
All Reefs	**331**	**361**	**66.28**	**13.64**	**904**
Total Bambanani (incl. Bambanani. Steyn 2)					
Basal	90	92	156.81		

15.75
2 470
All Reefs **90**
92
156.81
15.75
2
470
Doornkop
South Reef
371
384
60.45
18.17
1 099
All Reefs **371**
384
60.45
18.17
1
099
Kusasalethu
VCR Reef
649
642
75.18
16.61
1 249
All Reefs
649 **642** **75.18**
16.61
1
249
Total Target
Elsburg 465
272
119.52
8.21
981
A Reef
48
35
111.17
14.02
1 558
B Reef
36
24
40.33
17.72
715

All Reefs **549**
331
112.90
9.06
1
023
Target 1
Elsburg 166
61
230.66
9.06
2 089
All Reefs **166**
61
230.66
9.06
2
089
Target 3
Elsburg 299
212
87.77
7.57
664
A Reef
48
35
111.17
14.02
1 558
B Reef
36
24
40.33
17.72
715
All Reefs **383**
271
86.59
9.06
784
Masimong
Basal 418
367
50.44
17.55
885
B Reef
129
136
67.14

14.41
968
All Reefs **547**
503
54.97
16.51
908
Evander
Kimberley 359
344
42.92
40.32
1 730
All Reefs **359**
344
42.92
40.32
1
730
Virginia
(incl. Unisel)
Basal 444.6
342
140.90
8.57
1 207
Leader 362.3
316
192.79
6.01
1 159
Middle 30.6
32
125.83
13.14
1 653
B Reef
6.4
3
9.00
80.49
724
All Reefs **844**
692
163.41
7.37
1
204
Joel
Beatrix 462
469

137.89
10.98
1 515
All Reefs **462**
469
137.89
10.98
1
515
Total Harmony
Basal 1 874
1 713
64.85
16.59
1 076
Beatrix 462
469
137.89
10.98
1 515
Leader 362
316
192.79
6.01
1 159
B Reef
284
236
76.28
21.77
1 661
A Reef
47.8
35
111.17
14.02
1 558
Middle 30.6
31.5
125.83
13.14
1 653
Elsburg 465.2
272.25
119.52
8.21
981
Kimberley 358.8
344.25
42.92
40.32

1 730
South Reef
371
384
60.45
18.17
1 099
VCR 649
641.5
75.18
16.61
1 249
All Reefs
4 905
4 442
85.81
14.44
1 239
DEVELOPMENT RESULTS (Imperial)
For the three months ended 30 September 2011
Channel
Channel
Reef
Sampled
Width
Value
Gold
(feet)
(feet)
(inches)
(oz/t)
(in.oz/t)
Tshepong
Basal 1 937
1 808
4
2.87
11
B Reef
371
241
42
0.90
38
All Reefs **2 308**
2
049
9
1.62
15
Phakisa & Nyala

Basal 1 086
1184
26
0.40
10
All Reefs **1 086**
1 184
26
0.40
10
Total Bambanani
(incl. Bambanani. Steyn 2)
Basal 294
303
62
0.46
28
All Reefs **294**
303
62
0.46
28
Doornkop
South Reef
1 218
1 260
24
0.53
13
All Reefs **1**
218
1
260
24
0.53
13
Kusasalethu
VCR Reef
2 129
2 105
30
0.48
14
All Reefs
2 129
2 105
30
0.48
14
Total Target
Elsburg 1 526

893
47
0.24
11
A Reef
157
115
44
0.41
18
B Reef
117
79
16
0.51
8
All Reefs **1 800**
1 087
44
0.27
12
Target 1
Elsburg 545
198
91
0.26
24
All Reefs **545**
198
91
0.26
24
Target 3
Elsburg 982
695
35
0.22
8
A Reef
157
115
44
0.41
18
B Reef
117
79
16
0.51
8
All Reefs **1 255**

888
34
0.27
9
Masimong
Basal 1 371
1 203
20
0.51
10
B Reef
422
448
26
0.43
11
All Reefs **1 794**
1
651
22
0.47
10
Evander
Kimberley 1 177
1 129
17
1.17
20
All Reefs **1 177**
1
129
17
1.17
20
Virginia
(incl. Unisel)
Basal 1 459
1 122
55
0.25
14
Leader 1 189
1 035
76
0.18
13
Middle 100
103
50
0.38
19

B Reef
21
8
4
2.08
8
All Reefs **2 769**
2
269
64
0.22
14
Joel
Beatrix 1 517
1 538
54
0.32
17
All Reefs **1 517**
1
538
54
0.32
17
Total Harmony
Basal 6 147
5 620
26.00
0.48
12.36
Beatrix 1 517
1 538
54.00
0.32
17.39
Leader 1 189
1 035
76.00
0.18
13.31
B Reef
931
776
30.00
0.64
19.07
A Reef
157
115
44.00
0.41

17.89
Middle 100
103
50.00
0.38
18.98
Elsburg 1 526
893
47.00
0.24
11.26
Kimberley 1 177
1 129
17.00
1.17
19.87
South Reef
1 218
1 260
24.00
0.53
12.62
VCR 2 129
2 105
30.00
0.48
14.34
All Reefs **16 091**
14
575
34.00
0.42
14
PRINTED BY INCE (PTY) LTD
W2CF12636

35

35

Harmony’s strategy is to produce 1.8 to 2 million* safe and pro table 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 speci cally, to deliver consistent production results, improve productivity, curb costs and to create and deliver value to shareholders.

Harmony’s strategy

* Excludes future acquisitions or disposals.

36
36
CONTACT DETAILS
Corporate Of ce
Randfontein Of ce Park
PO Box 2, Randfontein, 1760, South Africa
Corner Main Reef Road/Ward Avenue, Randfontein, 1759, South Africa
Telephone: +27 11 411 2000
Website: **www.harmony.co.za**
Directors
P T Motsepe *Chairman**
G P Briggs *Chief Executive Of ce*r
H O Meyer *Financial Director*
H E Mashego *Executive Director*
F F T De Buck*^ *Lead independent director*
F Abbott*, J A Chissano*
1
^, K V Dicks*^, Dr D S Lushaba*^, C Markus*^,
M Motloba*^, M Msimang*^, D Noko*^, C M L Savage*^, J Wetton*^,
A J Wilkens*
* Non-executive
^ Independent
1
Mozambican
Investor relations team
Henrika Baster eld
Investor Relations Of cer
Telephone: +27 11 411 2314
Fax: +27 11 692 3879
Mobile: +27 82 759 1775
E-mail: henrika@harmony.co.za
Marian van der Walt
Executive: Corporate and Investor Relations
Telephone: +27 11 411 2037
Fax: +27 86 614 0999
Mobile: +27 82 888 1242
E-mail: marian@harmony.co.za
Company Secretary
iThemba Governance and Statutory Solutions (Pty) Ltd
Riana Bisschoff
Telephone: 011 411 2127
Mobile: +2783 629 4706
E-mail: riana@ithembaonline.co.za
South African Share Transfer Secretaries
Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001
PO Box 4844, Johannesburg, 2000, South Africa
Telephone: +27 86 154 6572
Fax: +27 86 674 4381
United Kingdom Registrars

Capita Registrars
The Registry, 34 Beckenham Road, Beckenham
Kent BR3 4TU, United Kingdom
Telephone: 0871 664 0300 (UK) *(calls cost 10p a minute plus network extras, lines are open 8:30am – 5:30pm, Monday to Friday)*
or +44 (0) 20 8639 3399 *(calls from overseas)*
Fax: +44 (0) 20 8639 2220
ADR Depository
Deutsche Bank Trust Company Americas
c/o American Stock Transfer and Trust Company, Peck Slip Station
PO Box 2050, New York, NY 10272-2050
E-mail queries: db@amstock.com
Toll free: +1-886-249-2593
Int: +1-718-921-8137
Fax: +1-718-921-8334
Sponsor
JP Morgan Equities Limited
1 Fricker Road, corner Hurlingham Road, Illovo, Johannesburg, 2196
Private Bag X9936, Sandton, 2146
Telephone: +27 11 507 0300
Fax: +27 11 507 0503
Trading Symbols
JSE Limited: HAR
New York Stock Exchange, Inc: HMY
London Stock Exchange Plc: HRM
Euronext, Brussels: HMY
Berlin Stock Exchange: HAM1
Registration number
1950/038232/06
Incorporated in the Republic of South Africa
ISIN
ZAE 000015228

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: October 31, 2011

Harmony Gold Mining Company Limited

By: /s/ Hannes Meyer

Name: Hannes Meyer

Title: Financial Director