

HARMONY GOLD MINING CO LTD

Form 6-K

February 15, 2008

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 the second quarter ending 31 December 2007

Harmony Gold Mining Company

Limited

PO Box 2

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 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

SALIENT FEATURES

Harmony signs agreement on establishing a separate uranium company

Total operating costs down by 8.1%

Cash operating profit up by 43.0%

Elandsrand repaired and back in production

Financial results for six months ended 31 December 2007 reviewed by external auditors

FINANCIAL SUMMARY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2007

(All results exclude Discontinued Operations unless otherwise indicated)

Quarter*

Quarter

Q-on-Q

Quarter*

Financial year

Sep 2007

Dec 2007

% change

Dec 2006

2007

Gold produced

– kg

13 523

12 403

(8.3)

13 515

25 926

– oz

434 773

398 764

(8.3)

434 515

833 537

Cash costs

– R/kg

132 920

133 234

(0.2)

102 382

133 053

– \$/oz

582

613

(5.3)

435

597

Cash operating profit

– Rm

315
450
43.0
568
764
– US\$m
44
66
50.0
78
110
Cash earnings
– SA c/s
79
113
43.0
143
192
– US c/s
11
17
54.6
20
28
Basic (loss)/earnings
– SA c/s
(129)
(49)
62.0
116
(178)
– US c/s
(18)
(7)
61.1
16
(26)
Headline (loss)/earnings
– SA c/s
(30)
(43)
(43.3)
43
(73)
– US c/s
(4)
(6)
(50.0)
6
(11)
Fully diluted (loss)/earnings

– SA c/s

(128)

(48)

62.5

114

(176)

– US c/s

(18)

(7)

61.1

16

(25)

*The figures were adjusted to exclude further discontinued operations. See financial statements.

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FINANCIAL REVIEW FOR THE SECOND QUARTER ENDED

31 DECEMBER 2007

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CHIEF EXECUTIVE'S REVIEW

In this, my first report to Harmony shareholders as Chief Executive Officer, I would firstly like to thank the selection panel and

the board of directors for their confidence in my leadership to take Harmony forward and I look forward to working closely

with them in the years ahead.

Harmony will continue to focus on creating shareholder value and, over time, to out-perform the market. One of my priorities for

the company is to outline a long-term strategy. Harmony has in the past few years been focusing on organic growth and these

projects are now mines under construction, most building up in production from now to 2010. All of these mines will have longer

life with generally higher grades. These production units are larger and we will be expecting more consistent results, both in tonnes

and grade. These long life mines, together with those already in production, will be the core of Harmony in the future. They make

up the bulk of Harmony's reserves and will have lower cash costs.

Management time will continue to be focused on striving to achieve desired returns by reducing the planning gap and continually reviewing to squeeze the best from the orebodies. Some short life assets will remain within the Harmony stable,

operations which under certain circumstances, possibly with a capital injection, could have their lives vastly extended. These

assets will continue to have high cash cost, however, at today's high gold prices these assets could deliver significant profits.

Management will endeavour to explore ways and means of obtaining good value for shareholders from these assets by investigating ways of recapitalising them.

Harmony is thus moving to a producer with a higher focus on quality. Our aspirations are to have sustainable growth, a culture

of achievement, a buoyant and rising stock price, to be a responsible corporate citizen, have professional business practice and

have inspired, enthusiastic and competent employees.

Turning to the second quarter's financial results for the period ended 31 December 2007, I draw your attention to changes

made to this quarter's reporting format. The previous structure of quality, growth, leverage and international assets has been

replaced with South African underground, surface and international assets. We believe that it had become essential to re-assess

our company structure as four of our projects have begun to contribute to turnover and as Harmony begins its transformation

to a quality producer.

In addition to the company structure changes, and in accordance with the new accounting regulations, we highlight the fact

that four of Harmony's operations, Orkney shafts 1 – 7, St Helena, Cooke shafts and plant in Randfontein, and Mt Magnet and

South Kal in Australia, are now being reported as discontinued operations in the income statement.

The company's operational results for the second quarter 2008 were negatively affected by the 44 days of stoppage time at

Elandsrand after a shaft incident, in order to carry out the investigation into the mine incident of 3 October 2007.

Elandsrand

accounted for 67.1% or 1 177 kg loss of production in the December quarter. The one-day national strike called by the National

Union of Mineworkers in support of safety also impacted on production. However, both the Elandsrand accident and the one-day strike has resulted in increased safety focus and we are hopeful that this will result in positive safety behaviour and a renewed safety effort from all Harmony employees.

Harmony's total production for its underground continuing operations decreased by 1.3% to 4 445 000 tonnes resulting in an 8.3% decrease in kilograms produced to 12 403 kg and a 3.9% drop in grade to 4.87g/t. Cash operating costs remained almost unchanged at R133 234/kg.

The gold price received at R169 502/kg was 8.5% higher than the September quarter but the Rand/US dollar exchange rate was 4.7% stronger at 677 cents. Harmony's operating profit from continuing operations improved 43.0% to R449.8 million. Capital expenditure increased during the quarter under review to R808 million, this is mainly due to the ramp up in expenditure at Hidden Valley in Papua New Guinea.

The benefits of Harmony's intensive cost control measures that commenced early in October 2007 will only materialise in the next half of the financial year. Measures implemented included the termination of 2 827 external contractors and the voluntary retrenchments and natural attrition of 2 123 and transfer to more efficient shafts of 4 859 employees. The transfers were mainly service staff from Randfontein central offices and from non-productive to productive areas.

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St Helena Nos. 4 and 8 shafts were placed on care and maintenance and its 650 employees have been redeployed at other Harmony operations. The transfer of the centralised staff at Randfontein to the operations is part of the company's decentralisation process to compel operations to take ownership of their costs. Our total complement now stands at 43 800 employees and 5 700 contractors compared with 47 431 employees and 7 019 contractors at 30 June 2007. During the quarter, the internal due diligences on the effectiveness of the continuous mining (Conops) method were completed at the Tshepong, Elandsrand, Masimong, Evander No. 8 and Winkelhaak shafts, as well as Cooke 2 operations. These operations and Target are the only Harmony shafts that operate on Conops. The review revealed that Conops was not an effective mining method at Masimong and it has subsequently been terminated and the majority of the workforce transferred to Phakisa. Conops will be reviewed continually and it is our intention to phase out Conops at those operations that do not deliver on our objectives. The costs savings drive have had effects of positively decreasing the working cost from R1 798 million to R1 652 million and hence despite producing less gold (mainly due to the Elandsrand accident) the cash cost remained virtually unchanged. All conditions precedent relating to South Kal disposal were met on 30 November 2007, with Dioro Exploration NL taking over operations on that date and the purchase price of A\$25 million cash paid and A\$20 million of shares issued to Harmony. Harmony also signed the sales contract with Australian-based junior miner Monarch Gold Mining Company Limited for the sale of Mount Magnet. The Mount Magnet operations completed mining during December 2007 and consequently the last tonnages for Harmony's account from this operation have been milled in January 2008. Harmony believes that partnerships may be one of the primary vehicles through which we will enhance our growth strategy in the south-east Asian region. We are thus pursuing alliances with interested parties with technical mining skills and capital to equally share the Hidden Valley Gold and Silver Mine, the Wafi/Golpu projects and the extensive exploration licenses in Papua New Guinea. We will only consider transactions that are of good value to Harmony's shareholders. To this end, we have progressed to a shortlist of leading international mining companies with whom we are in discussions. We are confident that we will be in a position to finalise this process in April 2008, with a partner to be introduced thereafter. This new partnership will build on the excellent relationships Harmony enjoys with the local government and contribute significantly to the domestic economic growth. Shareholders were advised on 19 December 2007 that a significant decision had been made with regard to the future of Harmony's Cooke shafts and its uranium assets in the Randfontein area. Several proposals from interested parties were considered but only the offer from Pamodzi Resources Fund was in line with Harmony's strategy of realising value for its shareholders. In essence, the signed agreement proposes that certain uranium and gold assets of the Randfontein Cooke Section be sold into a new company (Newco). The purchase price payable by the still to be named Newco for these assets amounts to

US\$420 million. In addition, Pamodzi Resources Fund will acquire a 60% shareholding in Newco from Investco, the subsidiary of ArmGold/Harmony Joint Investment Company, for a purchase consideration of US\$252 million, with Harmony retaining a 40% shareholding in Newco.

Both parties are currently in the process of meeting conditions precedent and we are confident that these will be completed by 31 March 2008. A new dedicated executive management team will assume responsibility for developing the project and we will soon be appointing a chief executive officer to manage Newco. The revenues from the Randfontein Cooke shafts will be equity accounted and the profit from associates will be reflected in the income statement.

In the light of Eskom's electricity supply disruptions and with mines operating only at 90% of Harmony's previous power

supply, the company's production for the March 2008 quarter could decrease.

Harmony's management is devising new strategies on optimising operations to produce at 90% of electricity to ensure that we deliver returns on our shareholders' investments.

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SAFETY AND HEALTH REPORT

Six mines in the Free State achieve 500 000 fatality free shifts

Two Harmony mines achieve one million fatality free shifts

Fatality injury rate (per million hours worked)

Group Safety

Harmony experienced a sharp regression of 62% in its Fatality Injury Frequency Rate (FIFR) for the second quarter ended

31 December 2007.

The Lost Time Injury Frequency Rate (LTIF) rate for the South African operations improved during the quarter from a rate of

14.26 to 12.64 for the second quarter of financial year 2008 an improvement of 11.4%. The Reportable Injury Frequency Rate

(RIFR) also improved from 7.53 in 2007 to 6.63 for the first quarter of 2008, showing an improvement of 12.0%.

Eight employees regrettably lost their lives during the course of work on Harmony's mines during the quarter under review.

One LTI and two medical treatment injuries occurred at our Hidden Valley project in Papua New Guinea.

Despite the regression in the fatality injury rate some excellent safety records were achieved. Six of Harmony's SA underground shafts, Tshepong, Bambanani, Masimong, Harmony 2 and Merriespruit 1 and 3 achieved half-a-million fatality

free shifts. Evander 8 shaft and Harmony 2 shaft achieved one million fatality free shifts during the quarter.

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THE SECOND QUARTER ENDED 31 DECEMBER 2007 UNDER REVIEW

Harmony's SA underground operations, excluding the discontinued operations, delivered a steady operational performance for the second quarter of financial year 2008.

Tonnes Milled

Tonnes milled from the company's underground operations, excluding discontinued operations, decreased by 6.5% to 2 297 000 tonnes (2 457 000 tonnes). This decrease in tonnes milled is mainly attributed to Elandsrand's loss of production for the quarter. The quarter saw Bambanani and Joel mine back in production but the closure of St Helena and the restructuring at Masimong impacted negatively on the company's underground production.

Recovery Grades

Gold production dropped by 10.3% on lower recovery grade from SA underground mines but mainly due to Elandsrand's

1 177 kg loss of production. This impacted on recovery grades which fell by 3.9% when compared with the previous quarter to 4.87g/t (5.07g/t).

Cost Control

Cash operating costs were well contained with Target, Bambanani, Joel and Virginia being the main contributors. Elandsrand's

costs impacted on an otherwise cost-conscious quarter. Cash operating costs increased by 2.0% to R138 531/kg (R135 776/kg).

The performance of the company is best highlighted in the following table*:

Q-on-Q

Sep 2007

Dec 2007

% Variance

Dec 2006

Production

– kg

13 523

12 403

(8.3)

13 515

Production

– oz

434 773

398 764

(8.3)

434 515

Revenue

– R/kg

156 187

169 502

8.5

144 416

Revenue

– US\$/oz

684

779

13.9

614
Cash cost
– R/kg
132 920
133 234
(0.2)
102 382
Cash cost
– US\$/oz
582
613
(5.3)
435
Exchange rate
– USD/ZAR
7.10
6.77
4.7
7.32
Cash Operating Profit and Margin*
Q-on-Q
Sep 2007
Dec 2007
% Variance
Dec 2006
Cash operating profit (Rm)
315
450
43.0
568
Cash operating profit margin (%)
14.9
21.4
43.6
29.1
* Continuing Operations only
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Quarter-on-quarter cash operating profit variance analysis (Continuing Operations)

Cash operating profit – September 2007

R314.6 million*

– volume change

(118.7)

– working cost change

145.0

– recovery grade change

(56.5)

– gold price change

165.4

– net variance

135.2

Cash operating profit – December 2007

R449.8 million

*The figure was adjusted to exclude further discontinued operations. See financial statements.

Analysis of earnings per share from continuing operations

Quarter ended

Quarter ended

Quarter ended

Earnings per share (SA cents)

September 2007

December 2007

December 2006

Cash earnings

79

113

143

Basic (loss)/earnings

(129)

(49)

116

Headline (loss)/earnings

(30)

(43)

43

Fully diluted (loss)/earnings

(128)

(48)

114

Reconciliation between basic loss and headline loss from continuing operations

Quarter ended

Quarter ended

Headline earnings/(loss) per share (SA cents)

September 2007

December 2007

Basic loss

(129)

(49)

Loss on sale of property, plant and equipment

(1)

(7)

Profit on disposal of investment in Gold Fields Limited

100

—

Provision for doubtful debt

—

13

Headline loss

(30)

(43)

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CAPITAL EXPENDITURE (Continuing Operations)

Harmony's capital projects are at various stages of completion. Capital expenditure at Hidden Valley reflects a sharp increase

from R161 million to R275 million as development of the mine accelerates. Good progress is being made at the South African-

based projects with all of the projects in production build-up mode.

Actual

Actual

Operational Capex

September 2007

December 2007

Rm

Rm

South African Operations

320

348

Total Operational Capex

320

348

Capital

Actual

Actual

invested

Project Capex

September 2007

December 2007

to date

Rm

Rm

Rm

Doornkop South Reef

71

91

790

Elandsrand New Mine

44

22

750

Tshepong North Decline

21

17

278

Phakisa Shaft

58

55

720

Hidden Valley, PNG

161

275

1 057

Total Project Capex

355
 460
 3 595
 Total Capex
 675
 808
 Quarterly profit comparison for Continuing Operations
 Operation
 Working profit (Rm)
 Variances (Rm)
 September December
 2007
 2007
 Variance
 Volume
 Grade
 Price
 Costs
 Operations
 SA Underground Operations
 255.3
 345.4
 90.1
 (126.9)
 (74.3)
 147.3
 144.0
 Surface Operations
 59.3
 104.4
 45.1
 8.2
 17.8
 18.1
 1.0
 International Operations
 -
 -
 -
 -
 -
 -
 -
 Total Harmony
 314.6
 449.8
 135.2
 (118.7)
 (56.5)
 165.4
 145.0

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SOUTH AFRICAN UNDERGROUND OPERATIONS

Includes the following shafts: Tshepong, Phakisa, Doornkop, Elandsrand, Target, Masimong, Evander, Bambanani, Joel and

Virginia Operations

Q-on-Q

September 2007

December 2007

% Variance

December 2006

U/g tonnes milled

('000)

2 457

2 297

(6.5)

2 727

U/g recovery grade

(g/t)

5.07

4.87

(3.9)

4.70

U/g kilograms produced

(kg)

12 462

11 175

(10.3)

12 825

U/g operating costs

(R/kg)

135 776

138 531

(2.0)

103 841

U/g working costs

(R/tonne)

689

674

2.2

488

Tshepong Mine

Production

The two fatalities during December 2007 impacted negatively on production volumes. Other negative contributory factors were

geological complexities, flexibility problems and difficult mining conditions due to multiple faulting.

Tshepong's incorrect mining mix of under-performance in volume from high grade areas and over-performance in low grade

areas resulted in a decrease in grade.

Rand per kilogram costs were up by 3.2% to R107 616 (R104 334) due to higher volumes mined at 388 000 tonnes (386 000 tonnes) and 143 fewer kilograms produced at 2 202 kg (2 345 kg). This resulted in a 6.6% drop in grade from 6.08g/t

to 5.68g/t.

Project overview

Sub 66 decline is currently in production build-up phase and the total project is 95% complete. An area of 4 112m²

was mined

during the quarter, an increased of 73% and reef metres developed increased by 52%. The majority of the remaining development is on 71 level.

As a result of geological complexities, additional development was required for most of the raise lines under the scope.

The 69 – 72 level main ore passes will require rehabilitation due to excessive scaling and the rehabilitation will start in the next

quarter. On 71 level, the first raise line intersected reef in December 2007.

Annual Capital Expenditure Profile

Table (Rm)

2003

2004

2005

2006

2007

2008

2009

Total

Actual Sunk

32.8

66.6

40.6

52.9

57.8

27.1

–

277.8

Forecast

6.6

–

6.6

Total

32.8

66.6

40.6

52.9

57.8

33.7

–

284.4

1st production

April 2007

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Full production
July 2009
Future milestones

72 level dam pump station design to Sub 71 requirements
– February 2008

Equipping of ore passes and 72 belt cross-cut
– March 2008

Extensive secondary support programme in the chairlift decline
– May 2008

Equipping of ore passes and 72 belt cross-cut complete
– December 2008

Phakisa
Production

In its debut production quarter Phakisa milled 6 000 tonnes and produced 18 kg of gold at 3g/t.

Volumes from the stoping operations are on target and development metres are slightly up quarter-on-quarter but below plan.

This is as a result of ventilation constraints and poor cleaning. These issues are being addressed.

Phakisa's cash operating costs should be viewed as part of its production build-up phase.

Project overview

Settlers design changed due to adverse ground conditions and 31% progress has been made to date. Blasting on No. 2 Settler

was completed during the quarter.

Phase 1 of the surface infrastructure was completed, whilst civil construction and erection of main building has commenced.

Annual Capital Expenditure Profile

Table (Rm)

2004

2005

2006

2007

2008

2009

2010

Total

Actual Sunk

117

116

147

227

113

–

–

720

Forecast

119

68

32

219

Total

117

116

147

227

232

68

32

939

1st production

June 2008

Full production

August 2010

Future milestones

Commissioning of 2nd Rail-veyor

– February 2008

Commissioning of 55 level bulk air cooler

– April 2008

69 level 1st raise line completion

– May 2008

Start first revenue on 69 level

– July 2008

Decline project completed

– April 2010

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Doornkop
Production

Grade at Doornkop was affected by lower volumes from the South Reef section due to pressure on logistics as production and shaft equipping compete. More focus will be given to shaft equipping in the third quarter to alleviate this problem. Tonnes milled decreased 3.2% to 122 000 compared with 126 000 for the previous quarter. Recovery grade dropped by 10.8% from 3.60g/t to 3.21g/t. Total cash costs were 3.7% higher at R144 360/kg as a result of the lower gold production of 392 kg (454 kg).

Project overview

Station development continues on 202, 205, 207 and 212 levels with a total of 3 364 cubic metres excavated. Access development also continued on 192 and 197 levels with 467m excavated. Secondary development is also underway on 192 and

197 levels with 636m achieved.

The shaft has been excavated to final size and lined to 212 station elevation. Equipping of the loading station on 212 level is

all that remains of the major shaft-sinking tasks and this is already underway. Construction of the pump station and loading

levels is due to start during the next quarter following the completion of these excavations on 205, 207 and 212 levels.

The

main shaft is expected to be partially commissioned in April 2008.

Annual Capital Expenditure Profile

Table (Rm)

2003

2004

2005

2006

2007

2008

2009

2010

2011

Total

Actual Sunk

13

98

114

147

256

162

790

Forecast

131

290

91

70

582

Total

13

98

114

147
256
294
290
91
70
1 372
1st production
July 2007
Full production
March 2010
Future milestones

Rock winder engineering commissioned
– March 2008

Main shaft partially commissioned
– March 2008

Rock winder hoisting
– August 2008

Elandsrand
Production
The Elandsrand operations were severely impaired by the incident of 2 October 2007, when a compressed air pipe fell down the shaft and damaged infrastructure, as well as by the fall of ground later in the quarter. Volumes from the operations were a mere 94 000 tonnes compared with 289 000 tonnes previously. Gold production amounted to 576 kg, a drop of 67.1% when compared with 1 753 kg for the previous quarter with a recovery grade of 6.13g/t (6.07g/t). The cost of treating the drastically reduced volumes resulted in an increase in R/kg costs of R231 705/kg (R137 315/kg).

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Project overview

The accident in the men and material shaft resulted in work being delayed by two months in various project areas.

Various

crews from the project assisted with the rehabilitation of the mine and machinery shaft.

The 92 level Turbine Dam progressed well during the quarter and at the end of December 2007 the excavation had been

completely supported and lined.

The mechanicals (pumps, pipes, etc) in the 115 level pump station should be finished by end January 2008. During the next

quarter the electrics and instrumentation will be installed. The switchgear for the 115 level sub-station was delivered and

installed. Commissioning did not occur in November 2007 and is now scheduled for February 2008.

The third 22 kV feeder from 75 to 100 level and the last 6.6 kV feeder from 109 to 115 level, were installed during the Christmas

break. The HT cable installations in the sub-shaft are 100% complete. The chambers for the 109 and 113 level mobile refrigeration plants were completed as well as the installation of the 102 level east and west bulk air coolers.

Annual Capital Expenditure Profile

Table (Rm)

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

Total

Actual Sunk

35.6

107.0

106.2

105.5

96.1

119.6

113.7

66.1

749.8

Forecast

69.5

141.0

29.1

239.6

Total

35.6

107.0

106.2

105.5

96.1

119.6

113.7

135.6

141.0

29.1

989.4

Project Production

Tonnes milled

% Split

Kilograms

% Split

Old Mine

35 344

38

256

47

New Mine

589 189

62

286

53

Total Mine

93 533

543

1st production

October 2003

Full production

June 2012

Future milestones

115 level main electrical sub-station commission

– February 2008

100 level 22 kV sub-station complete

– March 2008

115 level pump station commission

– June 2008

Access development on 113 level complete

– July 2008

No. 3 Service Shaft sub-bank, headgear and winder installation complete

– July 2008

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Target Mine

Despite persistent difficulties with truck availability and extensive damage to a loader in a fall of ground towards the end of

December, Target experienced a better quarter with a 6.7% increase in volumes from 150 000 to 160 000 tonnes. Kilograms produced were higher at 725 kg from 688 kg, notwithstanding the decline in recovery grade of 1.3% to 4.53g/t (4.59g/t).

The first new trackless fleet arrived at Target late in the quarter and more units are expected during the March 2008 quarter,

which will enhance Targets ability to move tonnes from the massive stopes. The water handling system is also being addressed

and already there is much improvement.

Total cash costs were well-contained at R109 394/kg from R131 888/kg previously, a saving of 17.1%.

Masimong Mine

The discontinuation of Conops at Masimong and resulting disruption of labour resulted in a decrease in tonnes.

Tonnes milled

were down by 15.8% to 203 000 from 241 000. Consequently, gold production fell 17.4% to 905 kg (1 096 kg) and recovery

grade declined 2% from 4.55g/t to 4.46g/t.

Costs of treating lower tonnes together with the decreased gold production resulted in a 3.7% increase in total cash costs of

R180 355/kg (R173 958/kg).

Evander Operations

Volumes mined at the Evander operations decreased by 2.7% to 362 000 tonnes (372 000 tonnes), as a result of an effort to

improve the mining mix by moving to more profitable panels.

Recovery grade remained stable at 6.01g/t (6.03g/t), but kilograms produced were down 3.0% to 2 176 kg (2 244 kgs) as a result

of lower volumes.

Cash costs increased by R5 431/kg to R116 291/kg compared with R110 860/kg for the September quarter.

A new production plan is being implemented with promising improvements in efficiencies and profitability.

Bambanani

Bambanani experienced a better quarter. Volumes increased by 25.6% from 238 000 to 299 000 tonnes, producing 1 595 kg

(1 275 kg) of gold on a lower yield of 5.33g/t compared with 5.36g/t, a 5.6% decline.

Cash operating cost was well-contained down by 11.2% at R141 056/kg (R158 769/kg).

Joel

Increased volumes and the commencement of hoisting at the North shaft resulted in improved tonnages of 99 000 tonnes

(81 000 tonnes) for the December quarter. More steady state production is expected from Joel in the coming quarters.

Gold produced increased to 455 kg (419 kg) but grade was down at 4.60 g/t (5.17 g/t) due to excessive channel widths. Costs

showed a 5.5% improvement of R154 963/kg (R163 928/kg) for the December 2007 quarter.

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Virginia Operations

Harmony, Merriespruit, Unisel, Brand

Q-on-Q

September 2007

December 2007

% Variance

December 2006

U/g tonnes milled

('000)

574

564

(1.7)

596

U/g recovery grade

(g/t)

3.81

3.78

(0.8)

3.25

U/g kilograms produced

(kg)

2 188

2 131

(2.6)

1 935

U/g working costs

(R/kg)

156 390

153 154

2.1

119 378

U/g working costs

(R/tonne)

596

579

2.9

388

Gold produced decreased by 2.6% to 2 131 kg compared with 2 188 kg due to lower tonnes milled from 564 000 to 574 000

and a lower yield of 3.78g/t from 3.81g/t when compared with the September quarter.

Lower costs mainly from Harmony 2 and the improved production translated into lower Rand per kilogram costs of R153 154/kg (R156 390/kg) for the current quarter.

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SOUTH AFRICAN SURFACE OPERATIONS

Kalgold, Phoenix, Free Gold surface and Target surface

Q-on-Q

September 2007

December 2007

% Variance

December 2006

Surface tonnes milled

('000)

2 047

2 148

4.9

1 032

Surface recovery grade

(g/t)

0.52

0.57

9.6

0.67

Kilograms produced

(kg)

1 061

1 228

15.7

690

Working costs

(R/kg)

99 379

85 031

14.4

75 227

Working costs

(R/tonne)

52

49

5.8

50

Kalgold

Kalgold experienced one of its more profitable quarters despite the abnormally high rainy conditions and electricity disruptions

which resulted in 18 production days being lost. Good plant performance and the availability of water partially mitigated the

negative factors. Tonnages milled were up by 25%, grade was 4% up due to higher feed grade from the stockpiles.

The D-zone pit is nearing the end of its life and it is likely that production from the D-Zone may cease within the next two

quarters.

Project Phoenix

Slime reclamation tonnage throughput is now averaging about 525 000 tonnes per month. Existing deposition capacity is

about three years.

Costs increased mainly on reagents.

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INTERNATIONAL OPERATIONS

Hidden Valley

Project overview

The overall project schedule was maintained during the December quarter, with first gold still targeted in March 2009. Manufacturing delays with the SAG mill have been contained, with the work being closely monitored at the manufacturing site

to prevent further delays, as it remains on the project critical path to completion, together with the conveyor construction.

Project engineering is 74% complete and approximately 78% of process equipment ordered. Most of the plant platforms have

now been completed, with the main civil contractor mobilising to site in the March quarter to start plant pad preparation and construction.

Work on the permanent camp construction is progressing well, with five 40 man dormitories handed over in December. Work

on the tailings storage facility also accelerated during the quarter, with the starter dam now up to it final level over two thirds

of its length.

The Kaveroi resource drilling continued during the quarter with 5000 meters drilled. The program continues to confirm known

mineralisation at depth as well as the continuity of a previously unmodelled supergene zone at the meta-sediment/grano-

diorite contact. A preliminary geology model has been completed, with lower volumes of meta sediment to be pre stripped,

compared to the previous model. This drilling program will be completed in the March quarter.

The mining fleet continues with waste movement and the development of the Hamata open pit, with the stripping of organics

and construction of an access road to haul waste to the main dam of the tailings storage facility.

Annual Capex Expenditure Profile: (Construction Capital: Cash Flow)

Table (A\$m)

2006

2007

2008

2009

2010

2011

2012

2013

Total

Actual Sunk

20

90

49

159

Forecast

188

142*

330

Total

20

90

237

142

489

*Includes A\$28m for Rio Tinto Royalty buy-out

1st production

March 2009

Full production

June 2009

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DISCONTINUED OPERATIONS

Orkney

Orkney has been under the management of Pamodzi Gold since September 2007.

Australia

At the end of November, Harmony announced that the conditions required to settle the South Kal sale agreement had been finalised.

During the quarter, Harmony also announced that it had signed a sales contract with Australian-based junior miner Monarch

Gold Mining Company for the sale of its Mount Magnet Operations. Harmony mined its last tonnages in December 2007 and

milling ceased at the end of January 2008.

The Australian Operations delivered a good performance for the December 2007 quarter.

Randfontein Operations

Shareholders were advised on 19 December 2007 that in line with Harmony's stated strategy of realising value for the uranium

assets, Randfontein Estates Limited had entered into an agreement with Pamodzi Resources Fund to sell certain of the uranium

and gold assets of Randfontein and create a new company (Newco).

The purchase price payable by Newco for Randfontein's Cooke section and old Randfontein section assets is US\$420 million.

Pamodzi Resources Fund is to acquire a 60% shareholding in Newco for a purchase price of US\$252 million, with Harmony

retaining 40% in Newco.

Turning to the quarter's operational performance, Randfontein experienced two days of production losses which led to a 4.1%

decrease in volumes from 321 000 to 308 000 tonnes. Consequently kilograms produced were down by 358 kg from 1 968 kg

to 1 610 kg due to incorrect mining mix.

Yields decreased by 14.7% to 5.23g/t from 6.13g/t due to lower recovery grades from VCR and A5 reef horizon.

Cash costs increased by 11.8% quarter on quarter to R121 625/kg from R108 816/kg.

Cooke Plant Operations

The Cooke plant project involves mechanical reclamation of sand from the dump and hydraulic transportation to Cooke plant

where it will be milled and treated. To achieve this, a pipeline will be installed from Dump 20 to Cooke plant.

The project was approved by both Harmony and Pamodzi Resource Fund and procurement of all the equipment is currently

being done. Construction will start by April 2008 and will be completed by the end of November 2008.

During the quarter persistent rain made production difficult by hampering access to the reclamation site and thus the delivery

of sand. The quarter saw the acceleration of waste depletion and thus the decrease in recovery grade.

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EXPLORATION

Wafi/Golpu

Project overview

The Wafi Golpu pre-feasibility study was reviewed by a Harmony project team and subjected to a Competent Person's Review (CPR) by RSG Global (Australia) during the quarter.

The CPR recommended that further exploration and drilling is warranted on the identified exploration targets. A detailed

feasibility study on the Golpu Copper Project is also justified as is further mining studies at Wafi.

Exploration results and programme

The exploration potential at Wafi is considered to be very high, with gold resource definition at the Western Zone likely in the

short term. The Western Zone ore displays similar mineralogical properties to the Link Zone and definition of a resource in the area

will directly improve the overall economics of the project. The current Wafi/Golpu exploration programme and some of the recent

drill hole intercepts also has the potential to significantly change the economics of both the copper and gold prospects.

Wafi "Near Mine" (Brownfields)

Drilling continued at the Western Zone with the aim of proving up additional high-grade underground resources for the

Wafi Au feasibility. Significant intercepts returned from WR261 included:

WR261:

23m

@ 7.0 g/t Au from 187m

21m

@ 3.9 g/t Au from 229m

13m

@ 8.4 g/t Au from 286m

13m

@ 8.5 g/t Au from 343m

Excellent first pass drill results and rock chip samples from Biamena Prospect.

Results for the two initial holes drilled at Biamena prospect were received during the quarter and included:

BMA002: 24m

@ 3.41 g/t Au from 177m

Including: 11m

@ 5.38 g/t Au from 181m

The initial intercept in BMA002 is particularly significant as no previous drilling exists in the area and mineralisation encountered is completely open.

Reconnaissance geological mapping on gridlines cut for the induced polarisation geophysical survey have outlined several

new zones of mineralisation south of the main prospect area. Rock chip sampling obtained high grade gold, silver and base metal assays up to 88g/t Au, 400g/t Ag, 5.8% Cu and 2.3% Pb. The results more than double the footprint of the anomalous area at Biamena, and highlight the prospectivity of the area for porphyry copper-gold and related epithermal

Au mineralisation.

Nambonga North

Based 2 km northwest of Golpu, Nambonga North prospect has significant porphyry Cu/Au potential (similar to Golpu) and together with the polymetallic massive sulphide lode developed off the western margin of the intrusive could have a major positive impact on the economics of Wafi-Golpu project. Results received for the mineralised porphyry stock during the quarter included:

WR262:

178m @ 1.2 g/t Au, 0.3 % Cu from 232m

WR264:

213m @ 1.1 g/t Au, 0.3% Cu from 300m

In addition, the down dip extension of the high-grade polymetallic Au-Zn-Ag-Pb sulphide lode adjacent to the porphyry mineralisation was also intersected:

WR264:

6m

@ 3.6 g/t Au, 5.3 % Zn, 27 g/t Ag and 1.1 % Pb from 286m

Four rigs are now drilling at the prospect in order to accelerate the work programme. Additional drilling capacity is currently being sourced.

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FINANCIAL REVIEW FOR THE SECOND QUARTER ENDED
31 DECEMBER 2007

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OPERATING RESULTS – CONTINUING OPERATIONS (Rand/Metric)

Underground production – South Africa

Total SA

South

Total

Doorn-

Elands-

Evander

Virgina

Under-

Kalgold

Project

Other

Total SA

African

Inter-

Harmony

Tshepong

Phakisa

kop

rand

Target

Masimong

Operations

Bambanani

Joel

Operations

ground

Surface

Phoenix

Surface

Surface

Total

Australia

PNG

national

Total

Ore milled

– t'000

Dec–07

388

6

122

94

160

203

362

299
99
564
2 297
421
1 623
104
2 148
4 445
—
—
—
4 445
Sep-07
386
—
126
289
150
241
372
238
81
574
2 457
336
1 577
134
2 047
4 504
—
—
—
4 504
Gold Produced
— kg
Dec-07
2 202
18
392
576
725
905
2 176
1 595
455
2 131
11 175
858
268
102

| | | | | | | | | |
|----------------------|------|------|------|------|------|------|------|------|
| 1 228 | | | | | | | | |
| 12 403 | | | | | | | | |
| – | | | | | | | | |
| – | | | | | | | | |
| – | | | | | | | | |
| 12 403 | | | | | | | | |
| Sep–07 | | | | | | | | |
| 2 345 | | | | | | | | |
| – | | | | | | | | |
| 454 | | | | | | | | |
| 1 753 | | | | | | | | |
| 688 | | | | | | | | |
| 1 096 | | | | | | | | |
| 2 244 | | | | | | | | |
| 1 275 | | | | | | | | |
| 419 | | | | | | | | |
| 2 188 | | | | | | | | |
| 12 462 | | | | | | | | |
| 663 | | | | | | | | |
| 297 | | | | | | | | |
| 101 | | | | | | | | |
| 1 061 | | | | | | | | |
| 13 523 | | | | | | | | |
| – | | | | | | | | |
| – | | | | | | | | |
| – | | | | | | | | |
| 13 523 | | | | | | | | |
| Yield | | | | | | | | |
| – | | | | | | | | |
| g/tonne | | | | | | | | |
| Dec–07 | | | | | | | | |
| 5.68 | | | | | | | | |
| 3.00 | | | | | | | | |
| 3.21 | | | | | | | | |
| 6.13 | | | | | | | | |
| 4.53 | 4.46 | 6.01 | 5.33 | 4.60 | 3.78 | 4.87 | 2.04 | 0.17 |
| 0.98 | 0.57 | 2.79 | | | | | | |
| – | | | | | | | | |
| – | – | 2.79 | | | | | | |
| Sep–07 | | | | | | | | |
| 6.08 | – | | | | | | | |
| 3.60 | | | | | | | | |
| 6.07 | | | | | | | | |
| 4.59 | 4.55 | 6.03 | 5.36 | 5.17 | 3.81 | 5.07 | 1.97 | 0.19 |
| 0.75 | 0.52 | 3.00 | | | | | | |
| – | – | – | | | | | | |
| 3.00 | | | | | | | | |
| Cash Operating Costs | | | | | | | | |
| – R/kg | | | | | | | | |
| Dec–07 | | | | | | | | |
| 107 616 | | | | | | | | |

200 722
 144 360
 231 705
 109 394
 180 355
 116 291
 141 056
 154 963
 153 154
 138 531
 82 341
 88 873
 97 559
 85 031
 133 234
 –
 –
 –
 133 234
 Sep–07
 104 334
 –
 139 205
 137 315
 131 888
 173 958
 110 860
 158 769
 163 928
 156 390
 135 776
 109 582
 73 327
 109 010
 99 379
 132 920
 – – –
 132
 920
 Cash Operating Costs
 – R/tonne
 Dec–07
 611
 602
 464
 1 420
 496
 804
 699
 752
 712

| | | | | | | | | | |
|-----------------|-----|-----|-----|-----|-----|---|---|---|-----|
| 579 | | | | | | | | | |
| 674 | | | | | | | | | |
| 168 | | | | | | | | | |
| 15 | | | | | | | | | |
| 96 | | | | | | | | | |
| 49 | | | | | | | | | |
| 372 | | | | | | | | | |
| - | | | | | | | | | |
| - | | | | | | | | | |
| - | | | | | | | | | |
| 372 | | | | | | | | | |
| Sep-07 | | | | | | | | | |
| 634 | - | | | | | | | | |
| 502 | | | | | | | | | |
| 833 | | | | | | | | | |
| 605 | 791 | 669 | 851 | 848 | 596 | | | | |
| 689 | 216 | 14 | 82 | 52 | 399 | - | - | - | 399 |
| Working Revenue | | | | | | | | | |
| (R'000) | | | | | | | | | |
| Dec-07 | | | | | | | | | |
| 371 921 | | | | | | | | | |
| 2 981 | | | | | | | | | |
| 67 889 | | | | | | | | | |
| 98 321 | | | | | | | | | |
| 122 333 | | | | | | | | | |
| 154 848 | | | | | | | | | |
| 363 129 | | | | | | | | | |
| 269 653 | | | | | | | | | |
| 77 485 | | | | | | | | | |
| 364 957 | | | | | | | | | |
| 1 893 517 | | | | | | | | | |
| 145 511 | | | | | | | | | |
| 45 675 | | | | | | | | | |
| 17 628 | | | | | | | | | |
| 208 814 | | | | | | | | | |
| 2 102 331 | | | | | | | | | |
| - | | | | | | | | | |
| - | | | | | | | | | |
| - | | | | | | | | | |
| 2 102 331 | | | | | | | | | |
| Sep-07 | | | | | | | | | |
| 366 461 | | | | | | | | | |
| - | | | | | | | | | |
| 70 601 | | | | | | | | | |
| 273 085 | | | | | | | | | |
| 106 477 | | | | | | | | | |
| 171 164 | | | | | | | | | |
| 350 933 | | | | | | | | | |
| 202 629 | | | | | | | | | |
| 64 888 | | | | | | | | | |
| 341 129 | | | | | | | | | |

1 947 367
103 184
46 024
15 548
164 756
2 112 123
—
—
—
2 112 123
Cash Operating Costs
(R'000)
Dec-07
236 971
3 613
56 589
133 462
79 311
163 221
253 049
224 985
70 508
326 372
1 548 081
70 649
23 818
9 951
104 418
1 652 499
—
—
—
1 652 499
Sep-07
244 664
—
63 199
240 713
90 739
190 658
248 769
202 430
68 686
342 181
1 692 039
72 653
21 778
11 010
105 441
1 797 480
—

—
—
1 797 480
Cash Operating Profit
(R'000)
Dec-07
134 950
(632)
11 300
(35 141)
43 022
(8 373)
110 080
44 668
6 977
38 585
345 436
74 862
21 857
7 677
104 396
449 832
—
—
—
449 832
Sep-07
121 797
—
7 402
32 372
15 738
(19 494)
102 164
199
(3 798)
(1 052)
255 328
30 531
24 246
4 538
59 315
314 643
—
—
—
314 643
Capital Expenditure
(R'000)
Dec-07
50 009

60 520
93 926
56 350
49 671
32 466
63 306
38 450
10 305
38 949
493 952
2 030
2 375
34 746
39 151
533 103
–
274 832
274 832
807 935
Sep–07
51 777
62 276
71 296
83 697
33 983
30 167
70 148
25 078
11 394
42 977
482 793
2 031
650
28 415
31 096
513 889
–
160 704
160 704
674 593

Evander Operations – Evander 5, Evander 7 and Evander 8

Virgina Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

P
22
P
23
OPERATING RESULTS INCLUDING DISCONTINUED OPERATIONS (Rand/Metric)
Underground production – South Africa
Rand-
Virginia
Total SA
Cooke
South
Total
Doorn-
Elands-
Evander
fontein
Bamba-
Opera-
Under-
Kalgold
Project
plant
Other
Total SA
Africa
Inter-
Harmony
Tshepong
Phakisa
kop
rand
Target
Masimong Operations Operations
nani
Joel
tions
St Helena
ARMgold
ground
Surface
Phoenix Operations
Surface
Surface
Total Australia
PNG
national
Total
Ore milled
– t'000
Dec-07
388

6
122
94
160
203
362
308
299
99
564
25
212
2 842
421
1 623
659
104
2 807
5 649
603
—
603
6 252
Sep-07
386
—
126
289
150
241
372
321
238
81
574
53
198
3 029
336
1 577
513
134
2 560
5 589
672
—
672
6 261
Gold Produced
— kg
Dec-07

2 202
18
392
576
725
905
2 176
1 610
1 595
455
2 131
84
741
13 610
858
268
308
102
1 536
15 146
1 946
—
1 946
17 092
Sep-07
2 345
—
454
1 753
688
1 096
2 244
1 968
1 275
419
2 188
176
736
15 342
663
297
272
101
1 333
16 675
1 260
—
1 260
17 935
Yield
—

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g/tonne

Dec-07

5.68 3.00 3.21 6.13 4.53 4.46 6.01 5.23 5.33 4.60

3.78 3.36 3.50

4.79 2.04 0.17 0.47 0.98 0.55 2.68 3.23

– 3.23 2.73

Sep-07

6.08

– 3.60 6.07 4.59 4.55 6.03 6.13 5.36 5.17

3.81 3.32 3.72

5.07 1.97 0.19 0.53 0.75 0.52 2.98 1.88

– 1.88 2.86

Cash Operating Costs – R/kg

Dec-07

107 616

200 722

144 360

231 705 109 394

180 355

116 291

121 625

141 056

154 963

153 154

420 821

182 009

140 640

82 341

88 873

113 390

97 559

90 717

135 578

98 719

–

98 719

131 381

Sep-07

104 334

–

139 205

137 315 131 888

173 958

110 860

108 816

158 769 163 928

156 390

259 523

197 072

136 678 109 582

73 327

80 272
 109 010
 95 480
 133 384
 146 588

–
 146 588
 134 312

Cash Operating Costs – R/tonne

Dec–07

611
 602
 464
 1 420
 496
 804
 699
 636
 752
 712
 579
 1 414
 636
 674
 168
 15
 53
 96
 50
 364
 319

–
 319
 359
 Sep–07

| | | | |
|-----|-----|-----|-----|
| 634 | – | | |
| 502 | | | |
| 833 | | | |
| 605 | 791 | 669 | 667 |
| 851 | | | |
| 848 | 596 | | |
| 862 | | | |
| 733 | 692 | | |
| 216 | 14 | 43 | 82 |
| 50 | 398 | | |
| 275 | – | | |
| 275 | 385 | | |

Working Revenue

(R'000)

Dec–07

371 921

2 981
 67 889
 98 321 122 333
 154 848
 363 129
 279 270 269 653
 77 485
 364 957
 13 881
 128 053
 2 314 721 145 511
 45 675
 52 652
 17 628 261 466 2 576 187 324 424
 – 324 424 2 900 611
 Sep–07
 366 461
 –
 70 601 273 085 106 477
 171 164
 350 933
 307 438
 202 629
 64 888
 341 129
 27 481
 114 303
 2 396 589 103 184
 46 024
 42 402
 15 548
 207 158 2 603 747
 191 438
 –
 191 438 2 795 185
 Cash Operating Costs (R'000)
 Dec–07
 236 971
 3 613
 56 589 133 462
 79 311
 163 221
 253 049
 195 816
 224 985
 70 508
 326 372
 35 349
 134 869
 1 914 115
 70 649

23 818
34 924
9 951
139 342 2 053 457
192 107
—
192 107
2 245 564
Sep-07
244 664
—
63 199
240 713
90 739
190 658
248 769
214 150
202 430
68 686
342 181
45 676
145 045
2 096 910
72 653
21 778
21 834
11 010
127 275 2 224 185
184 701
—
184 701 2 408 886
Cash Operating Profit (R'000)
Dec-07
134 950
(632)
11 300
(35 141)
43 022
(8 373)
110 080
83 454
44 668
6 977
38 585
(21 468)
(6 816)
400 606
74 862
21 857
17 728
7 677

122 124
522 730
132 317
– 132 317
655 047
Sep–07
121 797
–
7 402
32 372
15 738
(19 494)
102 164
93 288
199
(3 798)
(1 052)
(18 195)
(30 742)
299 679
30 531
24 246
20 568
4 538
79 883
379 562
6 737
–
6 737
386 299
Capital Expenditure
(R'000)
Dec–07
50 009
60 520
93 926
56 350
49 671
32 466
63 306
35 187
38 450
10 305
38 949
834
977
530 950
2 030
2 375
573
34 746

39 724
570 674
28 095 274 832

302 927
873 601

Sep-07

51 777

62 276

71 296

83 697

33 983

30 167

70 148

42 556

25 078

11 394

42 977

3 335

25 380

554 064

2 031

650

20

28 415

31 116

585 180

91 516

160 704

252 220

837 400

Evander Operations – Evander 5, Evander 7 and Evander 8

Randfontein Operations – Cooke 1, Cooke 2 and Cooke 3

Virginia Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

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CONDENSED CONSOLIDATED INCOME STATEMENT (Rand)

For the quarter ended

For the six months ended

December

September

December

December

December

2007

2007

2006

2007

2006

(Unaudited)

(Unaudited)

(Unaudited)

Notes

*(restated)**

*(restated)**

*(restated)**

R million

R million

R million

R million

R million

Continuing operations

Revenue

2 102

2 112

1 952

4 214

4 003

Production cost

(1 652)

(1 798)

(1 384)

(3 450)

(2 736)

Amortisation and depreciation

(228)

(201)

(130)

(429)

(351)

Corporate expenditure

(68)

(72)

(60)

(140)

| |
|---|
| (116) |
| Exploration expenditure |
| (42) |
| (44) |
| (51) |
| (86) |
| (85) |
| Care and maintenance costs of restructured shafts |
| (10) |
| (9) |
| (16) |
| (19) |
| (32) |
| Employment termination and restructuring costs |
| 2 |
| (75) |
| – |
| – |
| (75) |
| – |
| Share-based compensation |
| (9) |
| (10) |
| (12) |
| (19) |
| (23) |
| (Loss)/gain on financial instruments |
| (14) |
| 4 |
| 17 |
| (10) |
| 36 |
| Provision for doubtful debt |
| 3 |
| (75) |
| – |
| – |
| (75) |
| – |
| Other (expenses)/income – net |
| (6) |
| (19) |
| 41 |
| (25) |
| 71 |
| Operating (loss)/profit |
| (77) |
| (37) |
| 357 |
| (114) |
| 767 |

| | |
|--|--|
| Profit/(loss) from associates | |
| — | |
| — | |
| 30 | |
| — | |
| (18) | |
| Mark-to-market of listed investments | |
| — | |
| 33 | |
| 27 | |
| 33 | |
| 51 | |
| Loss on sale of listed investments | |
| 4 | |
| — | |
| (459) | |
| — | |
| (459) | |
| — | |
| Profit on sale of investment in associate | |
| 4 | |
| — | |
| — | |
| 236 | |
| — | |
| 236 | |
| Investment income | |
| 74 | |
| 67 | |
| 42 | |
| 141 | |
| 78 | |
| Finance cost** | |
| (138) | |
| (121) | |
| (97) | |
| (259) | |
| (184) | |
| (Loss)/profit before taxation | |
| (141) | |
| (517) | |
| 595 | |
| (658) | |
| 930 | |
| Taxation | |
| (54) | |
| 2 | |
| (134) | |
| (52) | |
| (262) | |
| Net (loss)/profit from continuing operations | |

(195)
 (515)
 461
 (710)
 668
 Discontinued operations
 5
 Profit/(loss) from discontinued operations
 226
 (44)
 10
 182
 85
 Loss on the sale of the
 South Kal operations
 (51)
 –
 –
 (51)
 –
 Profit/(loss) from measurement to
 fair value less cost to sell
 66
 (7)
 –
 59
 –
 Net profit/(loss)
 46
 (566)
 471
 (520)
 753
 (Loss)/earnings per share from
 continuing operations attributable
 to the equity holders of the company
 during the year (cents)
 6
 – Basic (loss)/earnings
 (49)
 (129)
 116
 (178)
 168
 – Headline (loss)/earnings
 (43)
 (30)
 43
 (73)
 92
 – Fully diluted (loss)/earnings

(48)

(128)

114

(176)

166

Earnings/(loss) per share from
discontinuing operations attributable
to the equity holders of the company
during the year (cents)

6

– Basic earnings/(loss)

60

(13)

3

47

21

– Headline earnings/(loss)

57

(11)

2

46

21

– Fully diluted earnings/(loss)

59

(13)

2

46

21

* The comparative figures were adjusted to exclude further discontinued operations. See Note 3.

** The comparative figures were adjusted to exclude interest capitalised. See Note 1b.

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CONDENSED CONSOLIDATED BALANCE SHEET (Rand)

| | | |
|----|----|----|
| At | At | At |
|----|----|----|

| | | |
|----------|--|--|
| December | | |
|----------|--|--|

| | | |
|-----------|--|--|
| September | | |
|-----------|--|--|

| | | |
|------|--|--|
| June | | |
|------|--|--|

| | | |
|------|--|--|
| 2007 | | |
|------|--|--|

| | | |
|------|--|--|
| 2007 | | |
|------|--|--|

| | | |
|------|--|--|
| 2007 | | |
|------|--|--|

Notes

(Unaudited)

(Audited)

R million

R million

R million

ASSETS

Non-current assets

Property, plant and equipment

| | | |
|--------|--|--|
| 25 133 | | |
|--------|--|--|

| | | |
|--------|--|--|
| 25 015 | | |
|--------|--|--|

| | | |
|--------|--|--|
| 24 506 | | |
|--------|--|--|

Intangible assets

| | | |
|-------|--|--|
| 2 307 | | |
|-------|--|--|

| | | |
|-------|--|--|
| 2 308 | | |
|-------|--|--|

| | | |
|-------|--|--|
| 2 307 | | |
|-------|--|--|

Restricted cash

| | | |
|----|--|--|
| 81 | | |
|----|--|--|

| | | |
|---|--|--|
| 5 | | |
|---|--|--|

| | | |
|---|--|--|
| 5 | | |
|---|--|--|

Investments in financial assets

| | | |
|---|--|--|
| 7 | | |
|---|--|--|

| | | |
|-------|--|--|
| 1 402 | | |
|-------|--|--|

| | | |
|-------|--|--|
| 1 461 | | |
|-------|--|--|

| | | |
|-------|--|--|
| 1 387 | | |
|-------|--|--|

Investments in associates

| | | |
|---|--|--|
| 7 | | |
|---|--|--|

| | | |
|---|--|--|
| 7 | | |
|---|--|--|

| | | |
|---|--|--|
| 7 | | |
|---|--|--|

Deferred income tax

| | | |
|-------|--|--|
| 2 462 | | |
|-------|--|--|

| | | |
|-------|--|--|
| 2 396 | | |
|-------|--|--|

| | | |
|-------|--|--|
| 2 321 | | |
|-------|--|--|

Trade and other receivables

| | | |
|----|--|--|
| 39 | | |
|----|--|--|

| | | |
|-----|--|--|
| 100 | | |
|-----|--|--|

| | | |
|----|--|--|
| 95 | | |
|----|--|--|

| | | |
|--------|--|--|
| 31 431 | | |
|--------|--|--|

| | | |
|--------|--|--|
| 31 292 | | |
|--------|--|--|

| | | |
|--------|--|--|
| 30 628 | | |
|--------|--|--|

Current assets

Inventories

709

790

742

Investments in financial assets

7

—

—

2 484

Trade and other receivables

851

778

918

Income and mining taxes

41

26

16

Restricted cash

—

—

274

Cash and cash equivalents

425

1 567

711

2 026

3 161

5 145

Non-current assets classified as held for sale

5

2 001

1 383

1 284

4 027

4 544

6 429

Total assets

35 458

35 836

37 057

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

25 677

25 652

25 636

Other reserves

84

20

(349)

Accumulated loss
 (2 124)
 (2 175)
 (1 604)
 23 637
 23 497
 23 683
 Non-current liabilities
 Borrowings
 8
 1 878
 3 842
 1 743
 Deferred income tax
 5 191
 5 119
 5 031
 Provisions for other liabilities and charges
 1 082
 1 231
 1 216
 8 151
 10 192
 7 990
 Current liabilities
 Trade and other payables
 981
 1 421
 1 755
 Borrowings
 8
 1 995
 15
 2 855
 Bank overdraft
 –
 –
 220
 Shareholders for dividends
 7
 7
 7
 2 983
 1 443
 4 837
 Liabilities directly associated with non-current assets
 classified as held for sale
 5
 687
 704
 547

3 670

2 147

5 384

Total equity and liabilities

35 458

35 836

37 057

Number of ordinary shares in issue

400 196 978

400 011 182

399 608 384

Net asset value per share (cents)

5 906

5 874

5 927

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

| | |
|--|-------------|
| P | |
| 26 | |
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Rand) | |
| Issued share | |
| Other | Accumulated |
| capital | |
| reserves | |
| loss | |
| Total | |
| <i>R million</i> | |
| <i>R million</i> | |
| <i>R million</i> | |
| <i>R million</i> | |
| Balance – 30 June 2007 (as previously reported) | |
| 25 636 | |
| (349) | |
| (1 681) | |
| 23 606 | |
| Change in accounting policy for the capitalisation | |
| of interest on assets under construction | |
| – | |
| – | |
| 77 | |
| 77 | |
| Balance – 30 June 2007 (restated) | |
| 25 636 | |
| (349) | |
| (1 604) | |
| 23 683 | |
| Issue of share capital | |
| 41 | |
| – | |
| – | |
| 41 | |
| Currency translation adjustment and other | |
| – | |
| 433 | |
| – | |
| 433 | |
| Net loss | |
| – | |
| – | |
| (520) | |
| (520) | |
| Balance as at 31 December 2007 | |
| 25 677 | |
| 84 | |
| (2 124) | |
| 23 637 | |
| Balance – 30 June 2006 (as previously reported) | |
| 25 489 | |

(271)
(2 015)
23 203
Change in accounting policy for the capitalisation
of interest on assets under construction
—
—
48
48
Balance – 30 June 2006 (restated)
25 489
(271)
(1 967)
23 251
Issue of share capital
99
—
—
99
Currency translation adjustment and other
—
85
—
85
Net profit
—
—
753
753
Balance as at 31 December 2006
25 588
(186)
(1 214)
24 188

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Rand)

Three months ended

Six months ended

December

September

December

December

2007

2007

2007

2006

Notes

(Unaudited)

(Unaudited)

R million

R million

R million

R million

Cash flow from operating activities

Cash (utilised)/generated by operations

(376)

54

(322)

958

Interest and dividends received

76

69

145

81

Interest paid

(118)

(59)

(177)

(95)

Income and mining taxes paid

(9)

(12)

(21)

(6)

Cash (utilised)/generated by operating activities

(427)

52

(375)

938

Cash flow from investing activities

(Increase)/decrease in restricted cash

(71)

274

203

–
 Net proceeds on disposal of listed investments
 4
 –
 1 310
 1 310
 30
 Net additions to property, plant and equipment
 (734)
 (833)
 (1 567)
 (1 058)
 Other investing activities
 65
 (51)
 14
 (14)
 Cash (utilised)/generated by investing activities
 (740)
 700
 (40)
 (1 042)
 Cash flow from financing activities
 Long-term loans raised
 8
 10
 2 088
 2 098
 –
 Long-term loans repaid
 8
 –
 (1 802)
 (1 802)
 (1)
 Ordinary shares issued – net of expenses
 5
 19
 24
 98
 Cash generated by financing activities
 15
 305
 320
 97
 Foreign currency translation adjustments
 16
 20
 36
 5
 Net (decrease)/increase in cash and equivalents

(1 136)

1 077

(59)

(2)

Cash and equivalents – beginning of period

1 571

494

494

906

Cash and equivalents – end of period

9

435

1 571

435

904

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2007

1.

Accounting policies

(a) Basis of accounting

The condensed consolidated interim financial statements for the period ended 31 December 2007 have been prepared using accounting policies that comply with International Financial Reporting Standards (IFRS), which are consistent with the accounting policies used in the audited annual financial statements for the year ended 30 June 2007, except for accounting policy changes made after the date of the annual financial statements. These condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with the financial statements for the year ended 30 June 2007.

New accounting standards and IFRIC interpretations

Certain new accounting standards and IFRIC interpretations have been published that are mandatory for accounting periods beginning on or after 1 January 2008. These new standards and interpretations have not been early adopted by the Group and a reliable estimate of the impact of the adoption thereof for the Group cannot yet be determined for all of them, as management are still in the process of determining the impact thereof on future financial statements.

At the date of finalising of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

Title

Effective date

New Statement

- IFRS 8 – Operating Segments

^

Financial year commencing on or after

1 January 2009

Amendments

- IAS 1 (Revised) – Presentation of Financial Statements

^

Financial year commencing on or after

1 January 2009

- IAS 27 (Revised) – Consolidated and Separate

Financial year commencing on or after

Financial Statements

1 July 2009

- IFRS 3 (Revised) – Business Combination

Financial year commencing on or after

1 July 2009

New Interpretation

- IFRIC 12 – Service Concession Arrangements

* Financial year commencing on or after

1 January 2008

- IFRIC 13 – Customer Loyalty Programmes

* Financial year commencing on or after

1 July 2008

- IFRIC 14 – IAS 19 The Limit on a Defined Benefit Asset,

Financial year commencing on or after

Minimum Funding Requirements and their Interactions

1 January 2008

^

Affects disclosure

** Will not impact materially*

Not yet assessed

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(b) Implementation of accounting policy

IAS 23 (Revised) – Borrowing Costs: The company early adopted IAS 23 (Revised) – Borrowing Costs, retrospectively as of 1 July 2000, which requires that management capitalise borrowing costs directly attributable to the acquisition and construction of qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use.

The impact of this adjustment was as follows:

Quarter ended

Six months ended

December

September

December

December

December

2007

2007

2006

2007

2006

(Unaudited)

(Unaudited)

(Unaudited)

R million

R million

R million

R million

R million

Effect on net loss:

Decrease in interest expense

21

8

6

29

12

Income tax

(6)

(2)

(2)

(8)

(3)

Decrease in net loss

15

6

4

21

9

Effect on opening accumulated loss:

Decrease in interest expense

116

108

74

108

68

Income tax

(33)

(31)

(22)

(31)

(20)

Decrease in accumulated loss

83

77

52

77

48

The borrowing costs are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are dealt with in the income statement in the period in which they are incurred.

2.

Employment termination and restructuring costs

During the December 2007 quarter, a voluntary retrenchment process was commenced due to the decision to decentralise services.

3.

Provision for doubtful debts

The full amount outstanding on the sale of the Deelkraal surface asset was provided for as there is uncertainty whether the consideration will be received. This does not take into account any amounts that may be recovered if the assets are salvaged.

4.

Loss on sale of listed investments

Harmony accounted for its 29.2% stake in Western Areas Limited through its subsidiary, ARMgold/Harmony Joint Investment Company Pty Ltd, on the equity basis of accounting until 1 December 2006. On this date Harmony accepted

Gold Fields Limited's (GFI) offer of 35 GFI shares for every 100 Western Area Limited shares held. The remaining investment

in these GFI shares were sold during the September 2007 quarter for a loss of R459 million.

P

30

5.

Non-current assets held for sale and discontinued operations

The assets and liabilities related to Mt Magnet and South Kal (operations in Australia), ARMgold Welkom and Orkney

operations (operations in the Free State and Northwest areas), and Kudu and Sable (operations in the Free State area), have

been presented as held for sale on 30 June 2007.

On 6 December 2007, the sale relating to the South Kal operation (operation in Australia) was concluded at a loss, net of

tax, of R51 million and the assets were derecognised.

The assets and liabilities relating to the Cooke 1, Cooke 2, Cooke 3, Cooke plant and relating surface operations (operations

in the Gauteng area) have been presented as held for sale following the approval of the Group's management on 16 October 2007.

Underground operations at St Helena shaft were ceased during November 2007 and was classified as a discontinued operation.

The comparative results have been restated due to these reclassifications.

6.

(Loss)/earnings per share

(Loss)/earnings per share is calculated on the weighted average number of shares in issue for the quarter ended 31 December 2007: 399.8 million (30 September 2007: 399.5 million, 31 December 2006: 397.7 million) and the six months

ended 31 December 2007: 399.7 million (31 December 2006: 397.7 million).

The fully diluted (loss)/earnings per share is calculated on weighted average number of diluted shares in issue for the quarter ended 31 December 2007: 402.1 million (30 September 2007: 402.8 million, 31 December 2006: 403.7 million) and

the six months ended 31 December 2007: 402.4 million (31 December 2006: 403.7 million). The effect of the share options

is anti-dilutive.

P
 31
 Quarter ended
 Six months ended
 December
 September
 December
 December
 December
 2007
 2007
 2006
 2007
 2006
(Unaudited)
(Unaudited)
(Unaudited)
 Total earnings/(loss) per share (cents):
 Basic earnings/(loss)
 11
 (142)
 119
 (131)
 189
 Headline earnings/(loss)
 14
 (41)
 45
 (27)
 113
 Fully diluted earnings/(loss)
 11
 (141)
 116
 (130)
 187
R million
R million
R million
R million
R million
 Reconciliation of headline earnings/(loss):
 Continued operations
 Net (loss)/profit
 (195)
 (515)
 461
 (710)
 668
Adjusted for, net of tax:
 Profit on sale of property, plant and equipment

(29)
 (2)
 (71)
 (27)
 (84)
 Loss on sale of listed investment (Gold Fields)
 –
 392
 –
 392
 –
 Profit on sale of associate (Western Areas)
 –
 –
 (220)
 –
 (220)
 Provision for doubtful debt
 53
 –
 –
 53
 –
 Headline (loss)/profit
 (171)
 (125)
 170
 (292)
 364
 Discontinued operations
 Net profit/(loss)
 241
 (51)
 10
 190
 85
Adjusted for:
 (Profit)/loss on sale of property,
 plant and equipment
 51
 –
 (2)
 51
 (2)
 Loss on sale of listed investment
 (GBS investment)
 –
 –
 –
 –
 1

Impairment of assets

(66)

7

—

(59)

—

Headline profit/(loss)

226

(44)

8

182

84

Total headline profit/(loss)

55

(169)

178

(110)

448

7.

Investment in financial assets

December

September

June

2007

2007

2007

(Unaudited)

(Audited)

R million

R million

R million

Current

Investment in African Rainbow Minerals Limited (see Note 8)

—

—

1 051

Investment in GoldFields Limited (see Note 4)

—

—

1 433

—

—

2 484

Non-current

Environmental Trust Funds

1 233

1 368

1 332

Other

169

93

55

1 402

1 461

3 871

P

32

8.

Borrowings

December

September

June

2007

2007

2007

(Unaudited)

(Audited)

R million

R million

R million

Unsecured long-term borrowings

Convertible unsecured fixed rate bonds

1 583

1 562

1 541

Africa Vanguard Resources (Proprietary) Limited

32

32

32

1 615

1 594

1 573

Less: Short-term portion

–

–

–

Total unsecured long-term borrowings

1 615

1 594

1 573

Secured long-term borrowings

Westpac Bank Limited

(1)

100

88

2

Africa Vanguard Resources (Doornkop) (Pty) Limited (Nedbank Limited)

181

175

170

ARM Empowerment Trust 1 (Nedbank Limited)

(2)

–

–

450

ARM Empowerment Trust 2 (Nedbank Limited)

(2)
 –
 –
 601
 Rand Merchant Bank
 –
 –
 1 802
 Nedbank Limited
 2 000
 2 000
 –
Less: Transaction costs
 (23)
 –
 –
 2 258
 2 263
 3 025
Less: Short-term portion
 (1 995)
 (15)
 (2 855)
 Total unsecured long-term borrowings
 263
 2 248
 170
 Total long-term borrowings
 1 878
 3 842
 1 743
 (1)
 The lease was entered into for the purchase of mining fleet to be used on the Hidden Valley project.
 The future minimum lease payments are as follows:
 December
 September
 June
 2007
 2007
 2007
(Unaudited)
(Audited)
R million
R million
R million
 Due within one year
 26
 21
 –
 Due between one and five years
 97

83

–

123

104

–

(2)

The guarantees relating to the Nedbank loans were cancelled on 28 September 2007 and consequently Harmony has no further obligations to

Nedbank. The ARM investment and associated Nedbank loans were derecognised from this date.

9.

Cash and cash equivalents

Comprises:

December

September

December

2007

2007

2006

(Unaudited)

R million

R million

R million

Continuing operations

425

1 567

904

Discontinued operations

10

4

–

Total cash and cash equivalents

435

1 571

904

P

33

10. Commitments and contingencies

December

September

June

2007

2007

2007

(Unaudited)

(Audited)

R million

R million

R million

Capital expenditure commitments

Contracts for capital expenditure

819

462

352

Authorised by the directors but not contracted for

1 987

1 870

1 881

2 806

2 332

2 233

This expenditure will be financed from existing resources

and where appropriate, borrowings.

Contingent liabilities

Guarantees and suretyships

18

18

18

Environmental guarantees

152

129

129

170

147

147

11. Subsequent events

On 24 January 2008, ESKOM advised Harmony that it would be interrupting the power supply to the Company's South

African operations. As the safety of the miners could not be guaranteed, mining was halted for four days, after which shafts operated at between 60% – 80%. A meeting between ESKOM and its industrial consumers was held on 29 January

2008, whereby ESKOM committed to supplying 90% of the Company's electricity demand prior to the shut down.

This

came into effect on 1 February 2008. Management is restructuring operating processes in order to gain the most effective

and efficient use of the electricity allotted. At this stage, the effect of the interruption as well as the decreased power

supply has not been quantified but will impact on the gold production.

12. Segment report

The primary reporting format of the Company is by business segment. As there is only one business segment, being mining, extraction and production of gold, the relevant disclosures have been given in the condensed consolidated financial statements.

13. Review report

The condensed consolidated financial statements for the six months ended 31 December 2007 on pages 24 to 33 have been reviewed in accordance with International Standards on Review Engagements 2410 – “*Review of interim financial information performed by the Independent Auditors of the entity*” by PricewaterhouseCoopers Inc. Their unqualified review opinion is available for inspection at the Company’s registered office.

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DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2007 (Rand/Metric)
Cash
Cash
operating
operating
Capital
Kilograms
Tonnes
Operating
Revenue
cost
profit/(loss)
expenditure
gold
milled Grade
cost
South Africa
R million
R million
R million
R million
T'000
R/kg
Tshepong
738
482
256
102
4 547
774
5.87
105 924
Phakisa
3
4
(1)
123
18
6
3.00
200 722
Doornkop
138
120
18
165
846
248
3.41

141 593
Elandsrand
371
374
(3)
140
2 329
383
6.08
160 659
Target
229
170
59
84
1 413
310
4.56
120 347
Masimong
326
354
(28)
63
2 001
444
4.51
176 851
Evander Operations
Evander 5
166
134
32
21
1 025
171
5.99
130 566
Evander 7
209
148
61
63
1 296
204
6.35
114 509
Evander 8
339
220
119

49
2 099
359
5.85
104 614
Evander 9
—
—
—
—
—
—
—
—
Total Evander
Operations
714
502
212
133
4 420
734
6.02
113 533
Bambanani
472
427
45
64
2 870
537
5.34
148 925
Joel
142
139
3
22
874
180
4.86
159 261
Virginia Operations
Harmony 2
143
134
9
17
875
249
3.51

153 454

Merriespruit 1

116

119

(3)

16

706

193

3.64

168 706

Merriespruit 3

117

118

(1)

16

715

215

3.33

164 669

Unisel

196

163

33

20

1 197

266

4.50

136 133

Brand 3

135

126

9

12

826

215

3.84

152 663

Brand 5

—

8

(8)

—

—

—

—

—

Total Virginia

Operations

707

668

39

81
4 319
1 138
4.00
163 664
Kalgold
249
143
106
4
1 521
757
2.01
94 216
Project Phoenix
92
46
46
3
565
3 200
0.18
80 701
Other entities
33
21
12
63
203
238
0.86
101 724
Total South Africa
4 214
3 450
764
1 047
25 926
8 949
2.90
133 053
Australia
PNG
—
—
—
436
—
—
—
—

Total Australia

—

—

—

436

—

—

—

—

Total Harmony

– Continuing

Operations

4 214

3 450

764

1 483

25 926

8 949

2.90

133 053

P
35
Cash
Cash
operating
operating
Capital
Kilograms
Tonnes
Operating
Revenue
cost
profit/(loss)
expenditure
gold
milled Grade
cost
R million
R million
R million
R million
T'000
R/kg
Discontinued
Operations
South Africa
Orkney 2
112
110
2
6
681
126
5.45
161 722
Orkney 4
89
110
(21)
9
542
163
3.33
202 648
Orkney 7
42
60
(18)
11
254
121

2.10
236 012
ARM surface

—
—
—
—
—
—
—
—
—

Kudu/Sable

—
—
—
—
—
—
—
—

St Helena

41
81
(40)
4
260
78
3.33
311 635
Cooke 1
158
123
35
8
967
161
6.00
127 562
Cooke 2
181
110
71
17
1 101
184
5.98
100 070
Cooke 3
247
177
70

53
1 510
284
5.32
116 930
Cooke Plant Operations
95
57
38
1
580
1 172
0.49
97 859
Total South Africa
965
828
137
109
5 895
2 289
2.55
132 579
Australia
Mt Magent
379
272
107
28
2 342
842
2.78
116 318
South Kal
137
105
32
91
864
433
2.00
120 812
Total Australia
516
377
139
119
3 206
1 275
2.51
117 532

Total Harmony
– Discontinued
Operations

1 481

1 205

276

228

9 101

3 564

2.54

132 394

Total Harmony

5 695

4 655

1 040

1 711

35 027

12 513

2.80

132 882

P
36
DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2006 (Rand/Metric)
Cash
Cash
operating
operating
Capital
Kilograms
Tonnes
Operating
Revenue
cost
profit/(loss)
expenditure
gold
milled Grade
cost
South Africa
R million
R million
R million
R million
T'000
R/kg
Tshepong
774
408
366
94
5 390
880
6.13
75 682
Phakisa
-
-
-
115
-
-
-
-
Doornkop
140
107
33
118
975
267
3.65

110 117
Elandsrand
447
358
89
120
3 096
530
5.84
115 630
Target
304
117
187
42
2 110
399
5.29
55 333
Masimong
340
250
90
53
2 356
487
4.84
106 119
Evander Operations
Evander 5
121
109
12
21
832
187
4.45
131 209
Evander 7
123
114
9
41
851
196
4.35
133 697
Evander 8
268
168
100

39
1 845
394
4.68
90 800
Evander 9
—
—
—
—
—
—
—
—
Total Evander
Operations
512
391
121
101
3 528
777
4.54
110 678
Bambanani
496
402
94
60
3 458
700
4.94
116 307
Joel
214
124
90
16
1 489
280
5.32
83 486
Virginia Operations
Harmony 2
90
100
(10)
14
622
215
2.89

161 327
Merriespruit 1
107
83
24
11
743
219
3.40
111 793
Merriespruit 3
98
81
17
10
680
205
3.31
119 648
Unisel
179
108
71
17
1 240
283
4.38
87 428
Brand 3
101
85
16
4
702
211
3.32
120 975
Brand 5
1
6
(5)
—
10
4
2.60
549 731
Total Virginia
Operations
576
463
113

56
3 997
1 137
3.51
115 993
Kalgold
136
91
45
2
945
944
1.00
96 352
Project Phoenix
44
23
21
—
310
799
0.39
72 205
Other entities
20
2
18
39
98
152
0.65
17 054
Total South Africa
4 003
2 736
1 267
816
27 752
7 352
3.78
98 578
Australia
PNG
—
—
—
132
—
—
—
—

Total Australia

–

–

–

132

–

–

–

–

Total Harmony

– Continuing

Operations

4 003

2 736

1 267

948

27 752

7 352

3.78

98 578

P
37
Cash
Cash
operating
operating
Capital
Kilograms
Tonnes
Operating
Revenue
cost
profit/(loss)
expenditure
gold
milled Grade
cost
R million
R million
R million
R million
T'000
R/kg
Discontinued
Operations
South Africa
Orkney 2
120
96
24
16
843
151
5.58
114 277
Orkney 3
-
-
-
-
-
-
-
-
Orkney 4
130
102
28
19
907
208

4.36
112 677
Orkney 7
47
39
8
22
330
105
3.14
117 356
ARM surface
—
—
—
—
3
—
—
—
Kudu/Sable
—
—
—
—
—
—
—
St Helena
41
64
(23)
4
284
97
2.92
224 888
Cooke 1
166
124
42
8
1 156
201
5.76
106 954
Cooke 2
153
98
55

12
1 066
182
5.86
92 253
Cooke 3
250
173
77
39
1 737
300
5.79
99 385
Cooke Plant Operations
26
12
14
—
181
118
1.54
66 089
Total South Africa
933
708
225
120
6 507
1 362
4.78
108 757
Australia
Mt Magent
360
255
105
33
2 534
898
2.82
100 813
South Kal
199
150
49
48
1 403
678
2.07
106 948

Total Australia

559

405

154

81

3 937

1 576

2.50

103 000

Total Harmony

– Discontinued

Operations

1 492

1 113

379

201

10 444

2 938

3.56

106 594

Total Harmony

5 495

3 849

1 646

1 149

38 196

10 290

3.71

100 770

P

38

P

39

OPERATING RESULTS – CONTINUING OPERATIONS (US\$/Imperial)

Underground production – South Africa

Total SA

South

Total

Doorn-

Elands-

Evander

Virgina

Under-

Kalgold

Project

Other

Total SA

African

Inter-

Harmony

Tshepong

Phakisa

kop

rand

Target

Masimong

Operations

Bambanani

Joel

Operations

ground

Surface

Phoenix

Surface

Surface

Total

Australia

PNG

national

Total

Ore milled

– t'000

Dec–07

428

7

135

104

176

224

399

330
109
622
2 534
464
1 790
115
2 369
4 903
—
—
—
4 903
Sep-07
426
—
139
319
165
266
410
262
89
633
2 709
371
1 739
148
2 258
4 967
—
—
—
4 967
Gold Produced
— oz
Dec-07
70 796
579
12 603
18 519
23 309
29 096
69 960
51 280
14 629
68 513
359 284
27 585
8 616
3 279

39 480
398 764
—
—
—
398 764
Sep-07
75 393
—
14 596
56 360
22 120
35 237
72 146
40 992
13 471
70 346
400 661
21 316
9 549
3 247
34 112
434 773
—
—
—
434 773
Yield —
oz/t
Dec-07
0.17
0.08
0.09
0.18
0.13
0.13
0.18
0.16
0.13
0.11
0.14
0.06
0.01
0.03
0.02
0.08
—
—
—
0.08
Sep-07

0.18
-
0.11
0.18
0.13
0.13
0.18
0.16
0.15
0.11
0.15
0.06
0.01
0.02
0.02
0.09
-
-
-
0.09
Cash Operating Costs
- \$/oz
Dec-07
495
922
664
1 065
503
829
535
649
712
704
637
379
409
449
391
613
-
-
-
613
Sep-07
457
-
609
602
578
762
486

696
718
685
595
480
321
478
435
582
—
—
—
582
Cash Operating Costs
— \$/t
Dec-07
82
76
62
190
67
108
94
101
96
78
90
23
2
13
7
50
—
—
—
50
Sep-07
81
—
64
106
77
101
85
109
109
76
88
28
2
10

7
 51
 -
 -
 -
 51
 Working Revenue
 (\$'000)
 Dec-07
 54 976
 441
 10 035
 14 533
 18 083
 22 889
 53 676
 39 859
 11 453
 53 946
 279 891
 21 509
 6 751
 2 606
 30 866
 310 757
 -
 -
 -
 310 757
 Sep-07
 51 631
 -
 9 947
 38 475
 15 002
 24 115
 49 443
 28 549
 9 142
 48 062
 274 366
 14 538
 6 484
 2 191
 23 213
 297 579
 -
 -
 -
 297 579
 Cash Operating Costs

(\$'000)
 Dec-07
 35 028
 534
 8 365
 19 728
 11 723
 24 127
 37 405
 33 256
 10 422
 48 243
 228 831
 10 443
 3 521
 1 471
 15 435
 244 266
 -
 -
 -
 244 266
 Sep-07
 34 471
 -
 8 904
 33 914
 12 784
 26 862
 35 049
 28 521
 9 677
 48 210
 238 392
 10 236
 3 068
 1 551
 14 855
 253 247
 -
 -
 -
 253 247
 Cash Operating Profit
 (\$'000)
 Dec-07
 19 948
 (93)
 1 670
 (5 195)
 6 360

(1 238)
16 271
6 603
1 031
5 703
51 060
11 066
3 230
1 135
15 431
66 491
—
—
—
66 491
Sep-07
17 160
—
1 043
4 561
2 218
(2 747)
14 394
28
(535)
(148)
35 974
4 302
3 416
640
8 358
44 332
—
—
—
44 332
Capital Expenditure
(\$'000)
Dec-07
7 392
8 946
13 884
8 329
7 342
4 799
9 358
5 683
1 523
5 757
73 013
300

351
5 136
5 787
78 800
—
40 624
40 624
119 424
Sep-07
7 295
8 774
10 045
11 792
4 788
4 250
9 883
3 533
1 605
6 055
68 020
286
92
4 003
4 381
72 401
—
22 642
22 642
95 043

Evander Operations – Evander 5, Evander 7 and Evander 8

Virgina Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

P
40
P
41
OPERATING RESULTS INCLUDING DISCONTINUED OPERATIONS (US\$/Imperial)
Underground production – South Africa
Rand-
Virginia
Total SA
Cooke
South
Total
Doorn-
Elands-
Evander
fontein
Bamba-
Opera-
Under-
Kalgold
Project
plant
Other
Total SA
Africa
Inter-
Harmony
Tshepong
Phakisa
kop
rand
Target
Masimong Operations Operations
nani
Joel
tions
St Helena
ARMgold
ground
Surface
Phoenix Operations
Surface
Surface
Total Australia
PNG
national
Total
Ore milled
– t'000
Dec-07
428

7
135
104
176
224
399
340
330
109
622
28
233
3 135
464
1 790
726
115
3 095
6 230
665
—
665
6 895
Sep-07
426
—
139
319
165
266
410
354
262
89
633
58
218
3 339
371
1 739
566
148
2 824
6 163
741
—
741
6 904
Gold Produced
— oz
Dec-07

70 796
579
12 603
18 519
23 309
29 096
69 960
51 762
51 280
14 629
68 513
2 701
23 824
437 571
27 585
8 616
9 902
3 279
49 382
486 953
62 565
—
62 565
549 518
Sep-07
75 393
—
14 596
56 360
22 120
35 237
72 146
63 272
40 992
13 471
70 346
5 659
23 663
493 255
21 316
9 549
8 745
3 247
42 857
536 112
40 510
—
40 510
576 622
Yield –
oz/t

Dec-07

0.17

0.08

0.09

0.18

0.13

0.13

0.18

0.15

0.16

0.13

0.11

0.10

0.10

0.14

0.06

0.01

0.01

0.03

0.02

0.08

0.09

-

0.09

0.08

Sep-07

0.18

-

0.11

0.18

0.13

0.13

0.18

0.18

0.16

0.15

0.11

0.10

0.11

0.15

0.06

0.01

0.02

0.02

0.02

0.09

0.05

-

0.05

0.08

Cash Operating Costs – \$/oz

Dec-07

495

922

664

1 065

503

829

535

559

649

712

704

1 934

837

647

379

409

521

449

417

623

454

-

454

604

Sep-07

457

-

610

602

578

762

486

477

696

718

685

1 137

864

599

480

321

352

478

418

585

642

-

642

589

Cash Operating Costs – \$/t

Dec-07

82

76

62

190

67

108

94

85

101

96

78

187

86

90

23

2

7

13

7

49

43

-

43

48

Sep-07

81

-

64

106

77

101

85

85

109

109

76

111

94

88

28

2

5

10

6

51

35

-

35

49

Working Revenue

(\$'000)
Dec-07
54 976
441
10 035
14 533
18 083
22 889
53 676
41 280
39 859
11 453
53 946
2 052
18 928
342 151
21 509
6 751
7 783
2 606
38 649
380 800
47 955
—
47 955
428 755
Sep-07
51 631
—
9 947
38 475
15 002
24 115
49 443
43 315
28 549
9 142
48 062
3 872
16 104
337 657
14 538
6 484
5 974
2 191
29 187
366 844
26 972
—
26 972
393 816

Cash Operating Costs (\$'000)

Dec-07

35 028

534

8 365

19 728

11 723

24 127

37 405

28 945

33 256

10 422

48 243

5 225

19 936

282 937

10 443

3 521

5 162

1 471

20 597

303 534

28 396

—

28 396

331 930

Sep-07

34 471

—

8 904

33 914

12 784

26 862

35 049

30 172

28 521

9 677

48 210

6 435

20 435

295 434

10 236

3 068

3 076

1 551

17 931

313 365

26 023

—

26 023

339 388

Cash Operating Profit (\$'000)

Dec-07

19 948

(93)

1 670

(5 195)

6 360

(1 238)

16 271

12 335

6 603

1 031

5 703

(3 173)

(1 008)

59 214

11 066

3 230

2 621

1 135

18 052

77 266

19 559

—

19 559

96 825

Sep-07

17 160

—

1 043

4 561

2 218

(2 747)

14 394

13 143

28

(535)

(148)

(2 563)

(4 331)

42 223

4 302

3 416

2 898

640

11 256

53 479

949

—

949

54 428

Capital Expenditure (\$'000)

Dec-07

7 392

8 946

13 884

8 329

7 342

4 799

9 358

5 201

5 683

1 523

5 757

123

144

78 481

300

351

85

5 136

5 872

84 353

4 153

40 624

44 777

129 130

Sep-07

7 295

8 774

10 045

11 792

4 788

4 250

9 883

5 996

3 533

1 605

6 055

470

3 576

78 062

286

92

3

4 003

4 384

82 446

12 894

22 642

35 536

117 982

Evander Operations – Evander 5, Evander 7 and Evander 8

Randfontein Operations – Cooke 1, Cooke 2 and Cooke 3

Virginia Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

P

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CONDENSED CONSOLIDATED INCOME STATEMENT (Unaudited) (US\$)

For the quarter ended

For the six months ended

December

September

December

December

December

2007

2007

2006

2007

2006

*(restated)**

*(restated)**

*(restated)**

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

Continuing operations

Revenue

311

298

267

609

554

Production cost

(244)

(253)

(189)

(498)

(378)

Amortisation and depreciation

(34)

(28)

(18)

(62)

(49)

Corporate expenditure

(10)

(10)

(8)

(20)

(16)

Exploration expenditure

(6)

(6)

(7)
(12)
(12)
Care and maintenance costs of restructured shafts
(1)
(1)
(2)
(3)
(4)
Employment termination and restructuring costs
(11)
—
—
(11)
—
Share based compensation
(1)
(1)
(2)
(3)
(3)
(Loss)/gain on financial instruments
(2)
1
2
(1)
5
Provision for doubtful debt
(11)
—
—
(11)
—
Other (expenses)/income – net
(1)
(2)
6
(3)
10
Operating (loss)/profit
(10)
(2)
49
(15)
107
Profit/(loss) from associates
—
—
4
—
(2)

Mark-to-market of listed investments

—

5

4

5

7

Loss on sale of listed investments

—

(65)

—

(66)

—

Profit on sale of investment in associate

—

—

32

—

33

Investment income

11

9

6

20

11

Finance cost**

(20)

(17)

(13)

(37)

(25)

(Loss)/profit before taxation

(19)

(70)

82

(93)

131

Taxation

(8)

—

(18)

(8)

(36)

Net (loss)/profit from continuing operations

(27)

(70)

64

(101)

95

Discontinued operations

Profit/(loss) from discontinued operations

33

| | |
|---|--|
| (6) | |
| 1 | |
| 26 | |
| 12 | |
| Loss on the sale of the South Kal operations | |
| (8) | |
| – | |
| – | |
| (7) | |
| – | |
| Profit/(loss) from measurement to fair value less cost to sell | |
| 10 | |
| (1) | |
| – | |
| 8 | |
| – | |
| Net profit/(loss) | |
| 8 | |
| (77) | |
| 65 | |
| (74) | |
| 107 | |
| (Loss)/earnings per share from continuing operations attributable to the equity holders of the company during the year (cents) | |
| – Basic (loss)/earnings | |
| (7) | |
| (18) | |
| 16 | |
| (26) | |
| 23 | |
| – Headline (loss)/earnings | |
| (6) | |
| (4) | |
| 6 | |
| (11) | |
| 13 | |
| – Fully diluted (loss)/earnings | |
| (7) | |
| (18) | |
| 16 | |
| (25) | |
| 23 | |
| Earnings/(loss) per share from discontinuing operations attributable to the equity holders of the company during the year (cents) | |
| – Basic earnings/(loss) | |
| 9 | |
| (2) | |
| – | |
| 7 | |
| 3 | |
| – Headline earnings/(loss) | |

8

(2)

—

7

3

— Fully diluted earnings/(loss)

9

(2)

—

7

3

The currency conversion rates average for the quarters ended: December 2007: US\$1 = R6.77 (September 2007: US\$1 = R7.10, December 2006: US\$1 = R7.32)

The currency conversion rates average for the six months ended: December 2007: US\$1 = R6.92 (December 2006: US\$1 = R7.23)

* The comparative figures were adjusted to exclude further discontinued operations.

** The comparative figures were adjusted to exclude interest capitalised.

P

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CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited) (US\$)

| At | At | |
|---------------------------------|------|------|
| At | | |
| December | | June |
| September | 2007 | 2007 |
| 2007 | | 2007 |
| <i>US\$ million</i> | | |
| <i>US\$ million</i> | | |
| <i>US\$ million</i> | | |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | | |
| 3 664 | | |
| 3 636 | | |
| 3 481 | | |
| Intangible | | |
| assets | | |
| 336 | 335 | 328 |
| Restricted | | |
| cash | | |
| 12 | 1 | 1 |
| Investments in financial assets | | |
| 204 | | |
| 212 | | |
| 197 | | |
| Investments in associates | | |
| 1 | | |
| 1 | | |
| 1 | | |
| Deferred income tax | | |
| 359 | | |
| 348 | | |
| 330 | | |
| Trade and other receivables | | |
| 6 | | |
| 15 | | |
| 13 | | |
| 4 582 | | |
| 4 548 | | |
| 4 351 | | |
| Current assets | | |
| Inventories | | |
| 103 | 115 | 105 |
| Investments in financial assets | | |
| – | | |
| – | | |
| 353 | | |
| Trade and other receivables | | |
| 124 | | |

| | | |
|--|-----|-----|
| 113 | | |
| 130 | | |
| Income and mining taxes | | |
| 6 | | |
| 4 | | |
| 2 | | |
| Restricted cash | | |
| – | | |
| – | | |
| 39 | | |
| Cash and cash equivalents | | |
| 62 | | |
| 228 | | |
| 101 | | |
| 295 | 460 | 730 |
| Non-current assets classified as held for sale | | |
| 292 | | |
| 201 | | |
| 182 | | |
| 587 | 661 | 912 |
| Total assets | | |
| 5 169 | | |
| 5 209 | | |
| 5 263 | | |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves | | |
| Share capital | | |
| 3 743 | | |
| 3 728 | | |
| 3 641 | | |
| Other reserves | | |
| 12 | | |
| 3 | | |
| (50) | | |
| Accumulated loss | | |
| (310) | | |
| (316) | | |
| (228) | | |
| 3 445 | | |
| 3 415 | | |
| 3 363 | | |
| Non-current liabilities | | |
| Borrowings | | |
| 274 | 558 | 248 |
| Deferred income tax | | |
| 757 | | |
| 744 | | |
| 715 | | |
| Provisions for other liabilities and charges | | |
| 158 | | |
| 179 | | |

| | | |
|---|-------------|-----|
| 173 | | |
| 1 189 | | |
| 1 481 | | |
| 1 136 | | |
| Current liabilities | | |
| Trade and other payables | | |
| 143 | | |
| 208 | | |
| 248 | | |
| Borrowings | | |
| 291 | 2 | |
| 406 | | |
| Bank overdraft | | |
| — | | |
| — | | |
| 31 | | |
| Shareholders for dividends | | |
| 1 | | |
| 1 | | |
| 1 | | |
| 435 | 211 | 686 |
| Liabilities directly associated with non-current assets classified as held for sale | | |
| 100 | | |
| 102 | | |
| 78 | | |
| 535 | 313 | 764 |
| Total equity and liabilities | | |
| 5 169 | | |
| 5 209 | | |
| 5 263 | | |
| Number of ordinary shares in issue | | |
| 400 196 978 | | |
| 400 011 182 | 399 608 384 | |
| Net asset value per share (cents) | | |
| 861 | | |
| 854 | | |
| 842 | | |
| <i>Balance sheet converted at conversion rate of US\$1 = R6.86 (September 2007: US\$1 = R6.88) (June 2006: US\$1 = R7.04)</i> | | |

| | |
|--|-------------|
| P | |
| 44 | |
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (US\$) | |
| Issued share | |
| Other | Accumulated |
| capital | |
| reserves | |
| loss | |
| Total | |
| <i>US\$ million</i> | |
| <i>US\$ million</i> | |
| <i>US\$ million</i> | |
| <i>US\$ million</i> | |
| Balance – 30 June 2007 (as previously reported) | |
| 3 737 | |
| (51) | |
| (245) | |
| 3 441 | |
| Change in accounting policy for the capitalisation | |
| of interest on assets under construction | |
| – | |
| – | |
| 11 | |
| 11 | |
| Balance – 30 June 2007 (restated) | |
| 3 737 | |
| (51) | |
| (234) | |
| 3 452 | |
| Issue of share capital | |
| 6 | |
| – | |
| – | |
| 6 | |
| Currency translation adjustment and other | |
| – | |
| 63 | |
| – | |
| 63 | |
| Net loss | |
| – | |
| – | |
| (76) | |
| (76) | |
| Balance as at 31 December 2007 | |
| 3 743 | |
| 12 | |
| (310) | |
| 3 445 | |
| Balance – 30 June 2006 (as previously reported) | |
| 3 621 | |

(38)
(286)
3 297
Change in accounting policy for the capitalisation
of interest on assets under construction
—
—
7
7
Balance – 30 June 2006 (restated)
3 621
(38)
(279)
3 304
Issue of share capital
14
—
—
14
Currency translation adjustment and other
—
12
—
12
Net profit
—
—
107
107
Balance as at 31 December 2006
3 635
(26)
(172)
3 437

P

45

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Unaudited) (US\$)

Three months ended

Six months ended

December

September

December

December

2007

2007

2007

2006

US\$ million

US\$ million

US\$ million

US\$ million

Cash flow from operating activities

Cash (utilised)/generated by operations

(56)

8

(48)

132

Interest and dividends received

11

10

21

11

Interest paid

(17)

(8)

(26)

(13)

Income and mining taxes paid

(1)

(2)

(3)

(1)

Cash (utilised)/generated by operating activities

(63)

8

(56)

129

Cash flow from investing activities

(Increase)/decrease in restricted cash

(10)

39

30

—

Net proceeds on disposal of listed investments

—

183
 183
 4
 Net additions to property, plant and equipment
 (109)
 (117)
 (232)
 (146)
 Other investing activities
 10
 (7)
 2
 (2)
 Cash (utilised)/generated by investing activities
 (109)
 98
 (17)
 (144)
 Cash flow from financing activities
 Long-term loans raised
 1
 303
 304
 –
 Long-term loans repaid
 –
 254
 254
 –
 Ordinary shares issued – net of expenses
 1
 3
 4
 14
 Cash generated by financing activities
 2
 52
 54
 14
 Foreign currency translation adjustments
 5
 –
 12
 2
 Net (decrease)/increase in cash and equivalents
 (165)
 158
 (7)
 1
 Cash and equivalents – beginning of period
 228

70

70

127

Cash and equivalents – end of period

63

228

63

128

Operating activities translated at average rates of: Three months ended December 2007: US\$1 = R6.77 (September US\$1 = R7.10)

Six months ended December 2007: US\$1 = R6.77 (December 2006: US\$ = R7.23)

Closing balance translated at closing rates of: December 2007: US\$1 = R6.86 (September 2007: US\$1 = R6.88, December 2006:

US\$1 = R7.04)

P
 46
 DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2007 (US\$/Imperial)
 Cash
 Cash
 operating
 operating
 Capital
 Gold
 Tonnes
 Operating
 Revenue
 cost
 profit/(loss)
 expenditure
 Produced
 milled
 Grade
 cost
 South Africa
 US\$ million US\$ million
 US\$ million
 US\$ million
 Ounces
 (Imperial) (Imperial)
 \$/ounce
 Tshepong
 108
 69
 39
 15
 146 189
 854
 0.171
 476
 Phakisa
 –
 1
 (1)
 18
 579
 7
 0.087
 902
 Doornkop
 20
 17
 3
 24
 27 199
 274

0.099
636
Elandsrand
53
54
(1)
20
74 879
423
0.177
722
Target
33
25
8
12
45 429
341
0.133
541
Masimong
47
51
(4)
9
64 333
490
0.131
794
Evander Operations
Evander 5
24
19
5
3
32 955
188
0.175
586
Evander 7
30
21
9
9
41 667
225
0.185
514
Evander 8
49
32

17
7
67 484
396
0.170
470
Evander 9
—
—
—
—
—
—
—
—
Total Evander
Operations
103
72
31
19
142 106
809
0.176
510
Bambanani
68
62
6
9
92 272
592
0.156
669
Joel
21
20
1
3
28 100
198
0.142
715
Virginia Operations
Harmony 2
21
19
2
3
28 132
275

0.102
689
Merriespruit 1
17
17
—
2
22 699
213
0.106
758
Merriespruit 3
17
17
—
2
22 988
237
0.097
740
Unisel
28
24
4
3
38 484
293
0.131
611
Brand 3
19
18
1
2
26 556
237
0.112
686
Brand 5
—
1
(1)
—
—
—
—
—
Total Virginia
Operations
102
96

6
12
138 859
1 255
0.111
695
Kalgold
36
21
15
1
48 901
835
0.059
423
Project Phoenix
13
7
6
—
18 165
3 529
0.005
362
Other entities
5
3
2
9
6 526
263
0.025
457
Total South Africa
609
498
111
151
833 537
9 870
0.084
597
Australia
PNG
—
—
—
63
—
—
—

-
Total Australia
-
-
-
63
-
-
-
-
Total Harmony
- Continuing
Operations
609
498
111
214
833 537
9 870
0.084
597

P
 47
 Cash
 Cash
 operating
 operating
 Capital
 Gold
 Tonnes
 Operating
 Revenue
 cost
 profit/(loss)
 expenditure
 Produced
 milled
 Grade
 cost
 US\$ million US\$ million
 US\$ million
 US\$ million
 Ounces
 (Imperial) (Imperial)
 \$/ounce
 Discontinued
 Operations
 South Africa
 Orkney 2
 16
 16
 –
 1
 21 895
 138
 0.159
 726
 Orkney 4
 13
 16
 (3)
 1
 17 426
 180
 0.097
 910
 Orkney 7
 6
 9
 (3)
 2
 8 166

133
0.061
1 060
ARM surface
—
—
—
—
—
—
—
—
Kudu/Sable
—
—
—
—
—
—
—
St Helena
6
12
(6)
1
8 359
86
0.097
1 400
Cooke 1
22
18
4
1
31 090
178
0.175
573
Cooke 2
26
16
10
3
35 398
203
0.174
449
Cooke 3
36
25
11

7
48 547
313
0.155
525
Cooke Plant Operations
14
8
6
—
18 647
1 292
0.014
440
Total South Africa
139
120
19
16
189 528
2 523
0.075
631
Australia
Mt Magent
55
39
16
4
75 233
930
0.081
522
South Kal
20
15
5
13
27 842
476
0.058
543
Total Australia
75
54
21
17
103 075
1 406
0.073
528

Total Harmony
– Discontinued
Operations

214
174
40
33
292 603
3 929
0.074
594

Total Harmony

823
672
151
247 1 126 140
13 799
0.082
597

| | | |
|--|--------------|--|
| P | | |
| 48 | | |
| DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2006 (US\$/Imperial) | | |
| Cash | | |
| Cash | | |
| operating | | |
| operating | | |
| Capital | | |
| Gold | | |
| Tonnes | | |
| Operating | | |
| Revenue | | |
| cost | | |
| profit/(loss) | | |
| expenditure | | |
| Produced | | |
| milled | | |
| Grade | | |
| cost | | |
| South Africa | | |
| US\$ million | US\$ million | |
| US\$ million | | |
| US\$ million | | |
| Ounces | | |
| (Imperial) | (Imperial) | |
| \$/ounce | | |
| Tshepong | | |
| 107 | | |
| 55 | | |
| 52 | | |
| 13 | | |
| 173 294 | | |
| 970 | | |
| 0.179 | | |
| 326 | | |
| Phakisa | | |
| - | | |
| - | | |
| - | | |
| 15 | | |
| - | | |
| - | | |
| - | | |
| Doornkop | | |
| 19 | | |
| 15 | | |
| 4 | | |
| 16 | | |
| 31 331 | | |
| 294 | | |

0.107
474
Elandsrand
62
50
12
16
99 538
585
0.170
497
Target
42
16
26
6
67 821
440
0.154
238
Masimong
47
35
12
7
75 762
537
0.141
456
Evander Operations
Evander 5
17
15
2
3
26 761
206
0.130
564
Evander 7
17
16
1
6
27 361
216
0.127
575
Evander 8
37
23

14
5
59 324
435
0.136
391
Evander 9
—
—
—
—
—
—
—
—
Total Evander
Operations
71
54
17
14
113 446
857
0.132
476
Bambanani
69
56
13
8
111 173
772
0.144
500
Joel
30
17
13
2
47 870
309
0.155
359
Virginia Operations
Harmony 2
12
14
(2)
2
19 983
237

0.084
694
Merriespruit 1
15
11
4
1
23 891
241
0.099
481
Merriespruit 3
14
11
3
1
21 876
226
0.097
515
Unisel
25
15
10
2
39 860
312
0.128
376
Brand 3
14
12
2
1
22 562
233
0.097
520
Brand 5
-
1
(1)
-
324
4
0.076
2 364
Total Virginia
Operations
80
64

16
7
128 496
1 253
0.102
499
Kalgold
19
13
6
—
30 389
1 041
0.029
414
Project Phoenix
6
3
3
—
9 965
881
0.011
311
Other entities
2
—
2
6
3 142
166
0.019
73
Total South Africa
554
378
176
110
892 227
8 105
0.110
424
Australia
PNG
—
—
—
18
—
—
—

-
Total Australia
-
-
-
18
-
-
-
-
Total Harmony
- Continuing
Operations
554
378
176
128
892 227
8 105
0.110
424

P
49
Cash
Cash
operating
operating
Capital
Gold
Tonnes
Operating
Revenue
cost
profit/(loss)
expenditure
Produced
milled
Grade
cost
US\$ million US\$ million
US\$ million
US\$ million
Ounces
(Imperial) (Imperial)
\$/ounce
Discontinued
Operations
South Africa
Orkney 2
16
13
3
2
27 104
167
0.163
492
Orkney 3
-
-
-
-
-
-
-
-
Orkney 4
18
14
4
3
29 155

229
0.127
485
Orkney 7
7
5
2
3
10 623
116
0.091
505
ARM surface
—
—
—
—
99
—
—
—
Kudu/Sable
—
—
—
—
—
—
—
—
St Helena
6
9
(3)
—
9 126
107
0.085
967
Cooke 1
23
17
6
1
37 177
221
0.168
460
Cooke 2
21
14

7
2
34 282
201
0.171
397
Cooke 3
34
24
10
5
55 846
331
0.169
427
Cooke Plant Operations
4
2
2
—
5 819
130
0.045
284
Total South Africa
129
98
31
16
209 231
1 502
0.139
468
Australia
Mt Magent
49
35
14
5
81 466
991
0.082
434
South Kal
28
21
7
7
45 111
747
0.060

460
Total Australia
77
56
21
12
126 577
1 738
0.073
443
Total Harmony
– Discontinued
Operations
206
154
52
28
335 808
3 240
0.104
458
Total Harmony
760
532
228
156 1 228 035
11 345
0.108
433

P

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DEVELOPMENT RESULTS (Metric)

Quarter ending December 2007

Channel* Channel* Channel*

Reef Sampled

Width

Value

Gold

Metres

Metres

(Cm's)

(g/t) (Cmg/t)

Randfontein

VCR Reef

904

741

33

18.36

608

UE1A

653

823

162

4.27

691

E8 Reef

70

39

99

7.85

777

Kimberley Reef

216

141

270

4.18

1,128

E9GB Reef

323

183

110

4.37

479

All Reefs

2,165

1,927

114

5.90

673

Free State

Basal
1,499
1,135
76
12.22
924
Leader
1,249
1,006
167
6.16
1,030
A Reef
712
644
126
5.15
652
Middle
63
28
139
7.07
983
B Reef
180
280
295
2.98
880
All Reefs
3,702
3,093
136
6.58
899
Evander
Kimberley Reef 1,556
1,413
75
15.67
1,174
Elandskraal
VCR Reef
79
92
169
5.96
1,010
Orkney
Vaal Reef

-
-
-
-
-

VCR

-
-
-
-
-

All Reefs

-
-
-
-

Target

Elsburg

464

507

292

5.55

1,619

Freegold JV

Basal

1,529

1,424

37

42.35

1,587

Beatrix

213

243

100

8.90

892

Leader

-
-
-
-
-

B Reef

103

76

72

9.36

676

All Reefs

1,845

1,743

48

30.39

1,450

DEVELOPMENT RESULTS (Imperial)

Quarter ending December 2007

Channel* Channel* Channel*

Reef Sampled

Width

Value

Gold

Feet

Feet

(inches)

(oz/t)

(in.ozt)

Randfontein

VCR Reef

2,964

2,431

13

0.54

7

UE1A

2,142

2,700

64

0.13

8

E8 Reef

230

128

39

0.23

9

Kimberley Reef

709

463

106

0.12

13

E9GB Reef

1,058

600

43

0.12

5

All Reefs

7,103

6,322

45

0.18
8
Free State
Basal
4,917
3,724
30
0.35
11
Leader
4,096
3,301
66
0.18
12
A Reef
2,336
2,113
50
0.15
7
Middle
207
92
55
0.21
11
B Reef
590
919
116
0.09
10
All Reefs
12,147
10,148
54
0.19
10
Evander
Kimberley Reef 5,105
4,636
29
0.46
13
Elandskraal
VCR Reef
259
302
67
0.17

12
Orkney
Vaal Reef
—
—
—
—
—
VCR
—
—
—
—
—
All Reefs
—
—
—
—
—
Target
Elsburg
1,523
1,663
115
0.16
19
Freegold JV
Basal
5,016
4,672
15
1.21
18
Beatrix
700
797
39
0.26
10
Leader
—
—
—
—
—
B Reef
337
249
28
0.28

8

All Reefs

6,053

5,719

19

0.88

17

*The totals for these columns are the weighted average figure and not the sum thereof.

Mineral Resources and Ore Reserves

No material changes were made to Harmony's Mineral Resources and Ore Reserves for the quarter ended December 2007. Taking

into account the last six months' depletion of reserves, the Harmony Mineral Resources and Ore Reserves as stated in the Harmony

2007 annual report are an accurate reflection of the company's current position. The Mineral Resources and Ore Reserves are

comprehensively audited by a team of internal competent persons that operate independently from the operating units.

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CONTACT DETAILS

Harmony Gold Mining Company Limited

Corporate Office

PO Box 2

Randfontein, 1759

South Africa

Corner Main Reef Road

and Ward Avenue

Randfontein, 1759

Johannesburg

South Africa

Telephone:

+27 11 411 2000

Website: <http://www.harmony.co.za>

Directors

P T Motsepe (Chairman)*

G Briggs (Chief Executive Officer)

F Abbott*, J A Chissano*

†

,

F T De Buck*, Dr D S Lushaba*

C Markus*, M Motloba*,

C M L Savage*, A J Wilkens*

(*non-executive)

(

†

Mozambique)

Further Information

Amelia Soares

General Manager, Investor Relations

Telephone:

+27 11 411 2314

Cell:

+27 (0) 82 654 9241

E-mail:

amelia.soares@harmony.co.za

Marian van der Walt

Company Secretary

Telephone:

+27 11 411 2037

Fax:

+27 11 411 2398

Cell:

+27 (0) 82 888 1242

E-mail:

marian.vanderwalt@harmony.co.za

South African Share Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

5th Floor, 11 Diagonal Street
Johannesburg, 2001
South Africa

PO Box 4844
Johannesburg, 2000
South Africa

Telephone:
+27 11 832 2652

Fax:
+27 11 834 4398

United Kingdom Registrars

Capita Registrars

The Registry

34 Beckenham Road

Beckenham

Kent BR3 4TU

United Kingdom

Telephone:

+44 870 162 3100

Fax:
+44 208 639 2342

ADR Depositary

The Bank of New York

101 Barclay Street

New York, NY 10286

United States of America

Telephone:

+1888-BNY ADRS

Fax:
+1 212 571 3050

Trading Symbols

JSE Limited

HAR

New York Stock Exchange, Inc.

HMY

NASDAQ

HMY

London Stock Exchange plc

HRM

Euronext Paris

HG

Euronext Brussels

HMY

Berlin Stock Exchange

HAM1

Issuer code

HAPS

Registration number 1950/038232/06

Incorporated in the Republic of South Africa

ISIN: ZAE000015228

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NOTES

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REF W2CF05071

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:

15 February, 2008

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Interim Chief Financial Officer