HARMONY GOLD MINING CO LTD
Form 6-K
May 09, 2012
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 9 May 2012
**Harmony Gold Mining Company**
**Limited**
Randfontein Office Park
Corner Main Reef Road and Ward Avenue
Randfontein, 1759
South Africa
(Address of principal executive offices)
(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)
Form 20-F X Form 40-F
(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)
Yes No X

**Au**
Golpu pre-feasibility study on track
Optimising of asset portfolio continued
• sale of Rand Uranium completed
• sale agreement signed for Evander
Gold production lower than planned
Deferred tax credit of R652 million (US$84 million)
ESOP launched for employees
HEPS of 234 SA cents (30 US cents)

**KEY FEATURES**

*Shareholder information*
Issued ordinary
share capital at
31 March 2012
431 471 444
Issued ordinary
share capital at
31 December 2011
431 312 677
*Market capitalisation*
At 31 March 2012
ZARm
35 980
At 31 March 2012
US$m
4 688
*Harmony ordinary share and ADR prices*
12 month high
(1 April 2011 –
31 March 2012)
for ordinary shares
R115.75
12 month low
(1 April 2011 –
31 March 2012)
for ordinary shares
R82.88
12 month high
(1 April 2011 –
31 March 2012)
for ADRs
US$15.57
12 month low
(1 April 2011 –
31 March 2012)
for ADRs
US$10.70
*Free float*
Ordinary shares
100%
*ADR ratio*

1:1
*JSE Limited*
HAR
Range for quarter
(1 January 2012 –
31 March 2012
closing prices)
R82.88 – R101.75
Average daily volume
for the quarter
(1 January 2012 –
31 March 2012)
1 638 216 shares
*New York Stock Exchange, Inc*
*including other*
*US trading*
HMY
Range for quarter
(1 January 2012 –
31 March 2012
closing prices)
US$10.70 – US$13.31
Average daily volume
for the quarter
(1 January 2012 –
31 March 2012)
2 115 404 shares

**RESULTS FOR THE THIRD QUARTER FY12**
**ENDED 31 MARCH 2012**

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

**FINANCIAL SUMMARY FOR THE THIRD QUARTER AND NINE MONTHS**
**ENDED 31 MARCH 2012**

*Nine
*Nine
months
months
*Quarter
*Quarter
Q-on-Q
ended
ended
March
December
Variance
March

March
Variance
2012
2011
%
2012
2011
%
Gold
– kg
8 753
10 718
(18)
29 678
30 383
(2)
produced
– oz
281 415
344 592
(18)
954 169
976 834
(2)
Cash costs
– R/kg
293 842
249 356
(18)
267 959
221 166
(21)
– US$/oz
1 182
958
(23)
1 089
962
(13)
Gold sold
– kg
8 559
11 000
(22)
29 507
30 631
(4)
– oz
275 177
353 658
(22)

948 671
984 811
(4)
Gold price
– R/kg
419 649
438 183
(4)
418 749
300 386
39
received
– US$/oz
1 688
1 683
–
1 703
1 324
29
Operating
– R million
1 123
2 077
(46)
4 507
2 374
90
profit
(1)
–
US$
million 145 257
(43)
590
336
76
Basic earnings – SAc/s
235
243
(3)
589
154
282
per share*
– USc/s
30
30
–
77
22
250

Headline
– Rm
1 007
1 041
(3)
2 460
826
198
earnings* –
US$m
130 129 1 322 117 175
Headline
– SAc/s
234
242
(3)
571
192
198
earnings
– USc/s
30
30
–
75
27
178
per share*
Exchange rate
– R/US$
7.73
8.10
(5)
7.65
7.06
8
** Including discontinued operations.*
*(1) Operating pro t is comparable to the term production pro t in the segment report in the nancial statements and not to*
*the operating pro t line in the income statement.*
**Q3 FY12**

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**Forward-looking statements**

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

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

*These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates re ecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.*

*As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this quarterly report.*

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

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

Annual Report led on a Form 20F with
the United States' Securities and Exchange
Commission for the year ended
30 June 2011 are available on our
website: **www.harmony.co.za**

**Competent person's declaration**

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC). Harmony employs an ore reserve manager at each of its operations who takes responsibility for reporting mineral resources and mineral reserves at his operation.

The mineral resources and mineral reserves in this report are based on information compiled by the following competent persons:

Reserves and resources South Africa:

Jaco Boshoff, Pri Sci Nat, who has 16 years' relevant experience and is registered with the South African Council for Natural Scienti c Professions (SACNASP).

Reserves and resources PNG:

Stuart Hayward for the Wa -Golpu mineral resources, Gregory Job for the Golpu mineral reserve, James Francis for the Hidden Valley mineral resources and Anton Kruger for the Hidden Valley mineral reserve. Messers Job, Francis and Kruger are corporate members of the Australian Institute of Mining and Metallurgy and Mr Hayward is a member of the Australian Institute of Geoscientists. All have relevant experience in the type and style of mineralisation for which they are reporting, and are competent persons as de ned by the code.

These competent persons consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. Mr Boshoff and Mr Job are full-time employees of Harmony Gold Mining Company Limited and Mr Hayward is a full-time employee of Wa -Golpu Services Limited. Mr Francis and Mr Kruger are full-time employees of Newcrest Mining Limited (Newcrest). Newcrest is Harmony's joint venture partner in the Morobe Mining Joint Venture on the Hidden Valley mine and Wa -Golpu project.

Chief executive officer's review

We have made excellent strides in the last couple of years in achieving our stated strategy of creating a sustainable company that generates free cash flow that funds dividends and growth. The March 2012 quarter has been a difficult quarter and we have to ensure we continue to improve on all fronts – safety, production and returns.

Gold production in the March 2012 quarter was negatively impacted by a number of factors, some unexpected. This resulted in a reduction of gold production, the details of which are explained below in the commentary on operational results (pages 6 to 9).

It was with great excitement that we announced the launch of Harmony's employee share trust in March 2012, a venture that recognises the importance of the employees who sustain our business. Our employees are our 'human gold'. A core focus for Harmony therefore continues to be the improvement in safety and health of our employees and some good initiatives were undertaken that will improve this substantially going forward.

**Safety**

Given the high-risk nature of many of our underground operations, the safety, health and well-being of our people is our foremost priority. As part of our efforts to continually improve our safety, a number of audits were conducted by an external party during the quarter to identify potential areas of improvement in our safety strategy. Following the review, an improved safety framework for Harmony is being developed and we expect this to be rolled out during the next 12 months.

In the short term, a high level internal safety audit team, consisting of mining and safety experts, has been established. The main objective of this team is to verify conditions in the risk areas at Harmony's operations and establish the effectiveness of the management systems that are in place to ensure the safety of employees. The team will also review the level of implementation of strategic health and safety programmes and standards at all operations.

Despite our best efforts to curb fatalities, it is with deep regret that I report that five of our colleagues died in work-related incidents during the quarter. Those who died were: Zanekhaya Meteawdaba (belt attendant, Doornkop), Lefy David Ntsihlele (engineering assistant, Doornkop), Johannes Leepile and Zukisa Mentile (both winch operators at Kusasalethu) and Lisene Phidalis Rankopane (boilermaker aide at Bambanani West). I would like to extend my deepest condolences to their families, friends and colleagues.

Operations that showed significant improvements in safety trends during the quarter were Tshepong, Bambanani and Evander. In addition, Target 1, Target 3, Kalgold, Joel, Phakisa and Masimong are fatality-free for the year to date.

Other significant safety achievements during the quarter were the following:

- Kalgold operations
  2 500 000 fatality-free shifts
-

Harmony One Plant
1 250 000 fatality-free shifts

•

Target 1 shaft
1 000 000 fatality-free shifts

•

Masimong
2 237 688 fall of ground
fatality-free shifts

•

Doornkop
4 897 318 fall of ground
fatality-free shifts.

**Health**

Our pro-active approach to the health and wellness of our employees continue and we are continually investing in healthcare through policies, procedures and training, to achieve the optimal consolidated health and business solution for employees' wellness and productivity improvement.

See our 2011 Sustainable Development Report for more details on our website www.harmony.co.za.

**Gold market**

Although the gold price received decreased from R438 183/kg in the December 2011 quarter to R419 649/kg in the March 2012 quarter, a 4% variance, the R/kg gold price still provides us with a strong margin. The US dollar gold price remained fairly constant at US$1 688/oz, marginally up from the US$1 683/oz recorded in the December 2011 quarter. We believe that the gold price will strengthen in the long term as the same fundamentals are still in place and the uncertainty in the world-wide markets continues to support a higher gold price.

As we have no control over the gold price or the strength of the rand we have to continue to focus on factors within our control, such as safety, productivity, production and cost control.

**Operational results**

Gold production decreased by 18% (1 965kg) in the March 2012 quarter to 8 753kg from 10 718kg in the December 2011 quarter. The rand per kilogram unit cost for the March 2012 quarter increased by 18% from R249 356/kg in the December 2011 quarter to R293 842/kg in the quarter under review. This was due to an 18% decrease in the gold produced.

A number of factors contributed to a weaker than expected performance during the quarter:

• The festive season and public holiday disruptions associated with the March 2012 quarter;
• Safety stoppages;
• Shifts lost due to the one day protected strike of the Congress of South African Trade Unions (COSATU);
• High rainfall in Papua New Guinea impacted gold production at Hidden Valley negatively;
• The upgrade of the infrastructure at Doornkop resulted in gold

production at this shaft being 44% lower quarter on quarter (as guided in February 2012);

• Lower than expected recovered grades at most of our shafts contributed to a 13% decline in underground grade. Face grades are in line with geo-statistical models and, apart from Bambanani and Target 3, the face grades and shaft call factors at all the shafts improved. Belt grades, across almost all operations, were not in line with our plans – mainly as a result of the square metres not being blasted due to safety stoppages and high grade panels underperforming.

**Disposal of interest in Rand Uranium and Evander**

*Investment in Rand Uranium (Pty) Limited*

The sale transaction with Gold One International Limited (Gold One) was concluded on 6 January 2012, with the first payment of US$24 million (R193 million) being received on that day. The outstanding amount as at 31 March 2012 was R108 million. Subsequent to the March 2012 quarter-end, additional payments were received from Gold One in respect of the sale.

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**Results for the third quarter FY12**
**ended 31 March 2012**

*Evander Gold Mines Limited*

A sale of share and claims agreement was signed on 30 January 2012 with Pan African Resources plc and Witwatersrand Consolidated Gold Resources Limited (the Consortium). The disposal will be for an aggregate purchase consideration of R1.7 billion, less certain distributions made by Evander to Harmony between 1 April 2012 and the close of the transaction.

The transaction is subject to, among others, the following conditions precedent:

- the Consortium raising the required funding comprising of debt and/or equity;
- each of the Consortium members obtaining the requisite shareholder approval for the acquisition; and
- obtaining all relevant regulatory approvals.

**Wafi-Golpu**

Eight drilling rigs were operating by the end of the quarter. Two of which were engaged on geotechnical assessment for the proposed decline and mine infrastructure locations and six were engaged on further definition of the Golpu orebody. The initial Golpu pre-feasibility report will be subject to various internal discussions and review between Harmony and its joint venture partner, Newcrest Mining Limited.

The study gating process with technical experts from both companies as well as external independent reviewers for each key discipline commenced in April 2012. The outcomes of the pre-feasibility study will be shared with investors during the September 2012 quarter.

**Environmental management**

*Renewable energy initiatives and carbon trading*

Harmony has initiated a number of energy efficiency projects which have resulted in emission reductions for the group. In FY11, Harmony reduced its electricity consumption by 48.5GWh, decreasing emissions by 48 500t $CO_2$e ($CO_2$e= carbon dioxide equivalents). The Company has identified many other projects to implement. To this end, Harmony and Nedbank are in the process of registering three projects under the clean development mechanism for carbon trading.

*The Free State rehabilitation programme*

The Free State rehabilitation programme has been geared towards reducing environmental liability, eliminating potential safety and health exposures to both our people and society in general, as well as assisting the Free State Province in meeting some of its socio-economic imperatives especially job creation.

The Free State rehabilitation programme is progressing very well.

In the year to date, rehabilitation work has been performed at the following sites:

- Virginia 2 Shaft, its plant and hostel;
- Brand 1, 2 and 3 shafts;
- Saaiplaas plant;
- Saint Helena 2 shaft and hostel;
- Saint Helena 4 shaft;
- Saint Helena plant;
- Steyn 1 shaft; and
- Freddies 7 shaft.

These initiatives coupled with the Masimong hostel conversion project resulted in a total reduction in our rehabilitation liabilities of R60 million. This represents a 3% reduction of Harmony's overall rehabilitation liability.

Other initiatives underway that will further contribute to the reduction of the rehabilitation liability include:

- Reclaiming of waste rock dumps;
- Slimes retreatment through Saaiplaas plant which liberates a surface footprint and results in an improved footprint on the placement dam.

**Launch of Harmony's employees share trust:**

The employee share trust was successfully launched on 15 March 2012 with a lot of excitement from organised labour representatives and employees in general. The trust will be known as the Tlhakanelo Employee Share Trust.

**Conclusion**

During the next quarter we will continue to improve our safety performances across the company to reduce stoppages. To ensure an immediate uplift in grade, the top 10 higher grade panels at each operation will be focused on. A standardised short interval control monitoring initiative has also been rolled out to all the Harmony operations at the beginning of April 2012. As a result, production performances will be monitored on a daily basis, assisting us in identifying potential production challenges and addressing these immediately. In addition, we will increase the discipline on clean mining.

**Graham Briggs**
**Chief executive officer**

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Financial overview

**Net profit**

The net profit for the March 2012 quarter was R1 014 million, 3% lower than the previous quarter. This was due to the gross profit being 62% lower at R501 million offset by a deferred tax credit of R652 million.

The net profit for the nine months ended 31 March 2012 was R2 538 million compared to R659 million for the corresponding nine months of the previous year. This was as a result of the significant higher gold price received for the period of R418 749/kg versus R300 386/kg the previous year.

**Taxation**

Included in the large deferred taxation credit is an amount of R605 million related to the change in the mining tax rate formula. Prior to the change, some of our subsidiaries were exempt from paying Secondary Tax on Companies (STC) when declaring a dividend, but had to pay a higher mining tax rate.

With the repeal of STC and the introduction of the Dividend Tax, the higher gold mining tax rate formula was removed. The change in the mining tax rate affected the calculation of deferred tax, resulting in lower deferred tax balances.

The lower statutory tax rate would result in a lower tax liability over the life of mine and therefore a lower average deferred tax rate. Applying these lower rates to the temporary differences balances at the beginning of the year will result in a change in estimate of R605 million which has been credited to the taxation line in the income statement in the quarter ended 31 March 2012.

**Discontinued operations and assets and liabilities of disposal group classified as held for sale**

Evander Gold Mines Limited has been classified as a disposal group held for sale following the signing of a sales agreement on 30 January 2012. It has also been classified as a discontinued operation. The comparative information in the income statement for all periods shown has been re-presented accordingly.

**Earnings per share**

Total basic earnings per share for the March 2012 quarter decreased from 243 SA cents to 235 SA cents per share. Total headline earnings per share decreased from earnings of 242 SA cents per share to 234 SA cents per share.

For the nine month period to March 2012, total headline earnings per share amounts to 571 SA cents per share compared to 192 SA cents per share for the corresponding period in the previous year.

**Capital**

Total capital expenditure for the March 2012 quarter was R767 million, a R15 million decrease in comparison to the December 2011 quarter (R782 million). Capital expenditure at most SA operations decreased with Bambanani and Phakisa being the exceptions. Capital at Bambanani increased by R11 million for the backfill plant. Total capital spent at Hidden Valley increased by R29 million and Wafi-Golpu increased by R34 million.

**Deferred tax liabilities**

The change in the deferred tax rates (discussed above under Taxation) resulted in the reduction of the deferred tax liabilities.

**Cash flow**

The strong cash generated by operating activities for the nine months ended March 2012 of R3.2 billion paid for capital expenditure of R2.2 billion and reduced the net debt significantly.

**Dividend Tax (DT)**

The Minister of Finance announced in his budget speech in February 2012 that DT will be implemented effective 1 April 2012, at a rate of 15%. The dividend tax replaces the current Secondary Tax on Companies (STC). While STC was payable by the Company, the DT is normally levied on the shareholder, or the person entitled to the benefit of the dividend.

According to the new legislation, regulated intermediaries (e.g. share registrars and stockbrokers) will withhold the DT amount before the dividend is paid out. All South African companies and several other bodies are exempt from DT, while South African natural person shareholders will be liable for DT at 15%.

Foreign investors may be eligible for a reduced rate or be able to claim credit from taxes withheld depending on the relevant double tax treaty between South Africa and the relevant country.

The legislation allows for credits accumulated under STC to be carried forward and may be utilised within three years of the introduction of DT. Harmony had STC credits amounting to R151 million at 31 March 2012 which will be available for offset against future dividends. This means that no DT needs to be withheld on the next R151 million of dividend paid out by the Company, irrespective of the category of shareholder. If such a shareholder is a resident company these credits can be passed on to their beneficial shareholders.

**6**
**Results for the third quarter FY12**
**ended 31 March 2012**
Operational overview
**GROUP OPERATIONAL RESULTS**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| **Tonnes** | **000** | 4 595 | 4 542 | 1 |
| **Grade (total)** | **g/t** | 1.90 | 2.36 | (20) |
| ***Underground grade*** | ***g/t*** | *4.24* | *4.85* | *(13)* |
| **Gold produced** | **Kg** | 8 753 | 10 718 | (18) |
| **Cash operating costs** | **R/kg** | 293 842 | 249 356 | (18) |
| **Operating profit** | **R'000** | 1 122 827 | 2 077 067 | (46) |

**Continuing operations (excludes Evander)**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 4 423 | 4 388 | 1 |
| Grade (total) | g/t | | | |

1.78
2.24
(21)
*Underground grade*
*g/t*
*4.06*
*4.70*
*(14)*
Gold produced
Kg
7 891
9 824
(20)
Cash operating costs
R/kg
302 215
252 602
(20)
Operating profit
R'000
948 916 1 881 458
(50)

Gold production was 18% lower than the previous quarter at 8 753kg. An estimated 600 kilograms were lost due to safety stoppages alone. In addition, the operations' grade performance was poor, with overall recovered grade being 20% lower than the December 2011 quarter at 1.90g/t and underground grade being 13% lower at 4.24g/t. The reasons for the underperformance in grade are the following:

- belt grades, across almost all operations, were not in line with our plans – mainly as a result of the square metres not being blasted due to safety stoppages and high grade panels underperforming;
- more development waste was hoisted with ore at Kusasalethu and Masimong (the mixing of waste with ore is being addressed at both operations);
- One Plant – which processes the ore from Tshepong, Phakisa, Masimong, Bambanani, Steyn 2 and Unisel – had an exceptional plant call factor of 115% in December 2011. The March 2012 quarter is therefore much lower and more normalised at 104%;
- in the Free State, where one fatality occurred, we had a total of eight Section 54* safety-related stoppages, resulting in the loss of 368 kilograms. On average, following a Section 54* stoppage, it takes up to three days to safely restart operations. After one reportable accident at Unisel, Bambanani, Steyn 2, West Shaft and Unisel were all stopped as they are all the responsibility of one general manager. This resulted in a production loss of 21 days (cumulative);
- at Doornkop, 17 production days on South Reef (high grade) were lost due to the infrastructure upgrade announced in February 2012,

while the lower grade Kimberley Reef continued to be mined, resulting in a drop in face grade; and at Joel, 14 production days were lost due to a guide rope repair in North Shaft, resulting in ore tonnage being locked up underground; and

- at Hidden Valley production was adversely impacted by high rainfall during the quarter, impeding access to high grade ore.

** In terms of the Mine Health and Safety Act 29 of 1996.*

The increase in tonnes milled was insufficient to offset the decrease in recovered grade and consequently, gold production was 18% lower quarter on quarter at 8 753kg. Cash operating costs increased to R293 842/kg, a consequence of lower gold production.

Operating profit was lower at R1.1 billion due both to the decline in gold production and a 4% decrease in the average gold price received to R419 649/kg.

An improved safety performance, increased focus on the mining of the top 10 higher grade panels at each operation, daily monitoring of production performances and an increased focus on clean mining will result in improved production results in the June 2012 quarter.

**BUILD-UP AND STEADY OPERATIONS**

**Doornkop**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 158 | 232 | (32) |
| Grade | g/t | 3.16 | 3.87 | (18) |
| Gold produced | Kg | 500 | 897 | (44) |
| Cash operating costs | R/kg | 401 952 | 237 007 | (70) |
| Operating profit | R’000 | 15 663 | 179 225 | (91) |

During the past quarter, gold production at Doornkop was affected by safety stoppages relating to two fatalities and the upgrade of the South Reef's infrastructure. The temporary production interruption due to the upgrade is typical of a newly built operation. In a new mine, as production builds up, commissioning challenges are experienced. We have a lot of confidence in the geology and grade of South Reef and the upgrade allows us to exploit more of the developed South Reef reserves at an improved rate in future.

Tonnes decreased by 32% to 158 000t, while the recovery grade declined to 3.16g/t, as less of the higher grade South Reef was mined.

Due mainly to lower gold production, cash operating costs increased to R401 952/kg from R237 007/kg in the previous quarter.

Lower production, higher costs and a lower average Rand gold price received resulted in lower operating profit of R16 million.

**Kusasalethu**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 273 | 256 | 7 |
| Grade | g/t | 4.47 | 4.95 | (10) |
| Gold produced | Kg | 1 221 | 1 268 | (4) |
| Cash operating costs | R/kg | 289 818 | 283 053 | (2) |
| Operating profit | R'000 | 167 968 | 198 948 | (16) |

At Kusasalethu tonnes milled increased by 7% to 273 000t due to more development waste, which was hoisted in the previous quarter, being processed in the current quarter. This resulted in a 10% decrease in the recovered grade to 4.47g/t.

A safety stoppage in March 2012 resulted in further production losses.

Cash operating cost increased slightly to R289 818/kg. An operating profit of R168 million was recorded, 16% lower than the previous quarter.

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**Phakisa**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 129 | 126 | 2 |
| Grade | g/t | 4.78 | 5.22 | (8) |
| Gold produced | Kg | 616 | 658 | (6) |
| Cash operating costs | R/kg | 328 601 | 299 804 | (10) |
| Operating profit | R’000 | 55 374 | 93 819 | (41) |

Phakisa increased tonnes milled from 126 000t to 129 000t quarter on quarter. Recovered grade decreased by 8% to 4.78g/t. During the March 2012 quarter 616kg of gold was produced, a decrease of 6% quarter on quarter due to the decline in the grade.

Cash operating costs increased by 10% to R328 601/kg, due to lower gold production and additional labour costs (crews from Bambanani, post its restructuring, were transferred to Phakisa). An operating profit of R55 million was generated during the quarter.

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

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 418 | | |

474
(12)
Grade g/t
1.17
1.72
(32)
Gold produced
Kg
490
816
(40)
Cash operating costs
R/kg
427 753
268 500
(59)
Operating profit
R'000
18 910
188 062
(90)

Hidden Valley produced 490kg of gold and 5 319kg of silver at a cash cost of R427 753/kg. This compares with 816kg of gold and 8 564kg of silver produced in the December 2011 quarter at a cash cost of R268 500/kg.

Gold production was adversely affected by high rainfall during the months of January and February 2012, which impeded access to high-grade ore.

Increased reliance on low-grade oxide stockpiles during the period resulted in both lower mill throughput and lower recoveries, also contributing to lower overall gold and silver production.

Lower gold production was the main contributor to the increase in cash costs per ounce. Trucking of ore to the mill continues to supplement the use of the overland conveyor system and adds to the high-cost profile.

**Masimong**

March
December
%
Indicator Units
2012
2011
variance
Tonnes 000
238
232
3
Grade g/t
3.26
3.85
(15)

Gold produced
Kg
776
894
(13)
Cash operating costs
R/kg
264 233
240 999
(10)
Operating profit
R'000
119 556
178 560
(33)

Masimong increased tonnes milled by 3% during the current quarter to 238 000t, at a lower recovered grade of 3.26g/t, which resulted in a 13% decrease in gold production to 776kg. During the previous quarter it was identified that the reef ore pass system is beyond rehabilitation and a new ore pass will be developed. Until such time as the new ore pass is completed, reef and waste will be mixed and will affect the grade in the short term. This development has started and will be completed during the September 2012 quarter.

Cash operating costs were 10% higher at R264 233/kg due to lower gold production. Operating profit declined to R120 million due to lower gold production and a lower gold price received.

**Target 1**

March
December
%
Indicator Units
2012
2011
variance
Tonnes 000
190
208
(9)
Grade g/t
4.54
4.91
(8)
Gold produced
Kg
862
1 021
(16)
Cash operating costs
R/kg
240 175
202 816

(18)
Operating profit
R'000
148 186
240 255
(38)
Tonnage was down 9% at 190 000t, due to load-haul-dump trucks undergoing scheduled maintenance, which reduced loading from the massive stopes.
Recovered grade decreased to 4.54g/t. Due to lower tonnage and grade, the gold production declined by 16% to 862kg. Cash operating costs were R240 175kg, 18% higher than in the December 2011 quarter, mainly as a result of lower gold production. An operating profit of R148 million was recorded, a 38% decrease on the previous quarter, resulting both from lower gold production and a lower gold price received.
**Target 3**
March
December
%
Indicator Units
2012
2011
variance
Tonnes 000
82
76
8
Grade g/t
3.61
3.89
(7)
Gold produced
Kg
296
296
–
Cash operating costs
R/kg
354 581
350 851
(1)
Operating profit
R'000
20 423
24 174
(16)
Gold production from Target 3 remained flat at 296kg, with an increase of 8% in tonnage to 82 000t offsetting the effect of a decline in the recovered grade to 3.61g/t.

Operating profit of R20 million was recorded compared to R24 million during the previous quarter, the decline due to the lower gold price received during the quarter. Cash operating costs were stable at R354 581/kg.

**Tshepong**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 323 | 306 | 6 |
| Grade | g/t | 4.02 | 5.08 | (21) |
| Gold produced | Kg | 1 297 | 1 555 | (17) |
| Cash operating costs | R/kg | 244 231 | 203 708 | (20) |
| Operating profit | R’000 | 225 386 | 371 743 | (39) |

Tshepong increased tonnes milled by 6% to 323 000t.

**8**

**Results for the third quarter FY12**
**ended 31 March 2012**

Recovered grade was lower at 4.02g/t compared to the exceptional 5.08g/t in the previous quarter. Management is investigating ways to improve the waste/reef split from the decline, which currently negatively impacts on the recovered grade.

Tshepong produced 1 297kg for the quarter, a 17% reduction quarter on quarter.

Cash operating costs increased by 20% to R244 231/kg, a function of lower gold production. Operating profit was R225 million.

**OTHER OPERATIONS**

**Bambanani**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 20 | 25 | (20) |
| Grade | g/t | 8.35 | 8.56 | (3) |
| Gold produced | Kg | 167 | 214 | (22) |
| Cash operating costs | R/kg | 494 916 | 564 808 | 12 |
| Operating loss | R'000 | (12 782) | (30 458) | 58 |

Bambanani had a challenging quarter. In terms of a Section 54* stoppage imposed by the Department of Mineral Resources (DMR) following a fatality at West shaft, Bambanani, as well as Steyn 2, West Shaft and Unisel were stopped for 21 days as one general manager is responsible for all of these shafts. To safely resume operations after a stoppage can take up to three days.

Recovered grade was 8.35g/t, a decrease of 3% due to the decrease in face grade values. As a result of lower volumes and a decline in grade, only 167kg of gold was produced for the quarter.

Cash operating costs decreased to R494 916/kg as the restructuring process of only mining the shaft pillar in future is being finalised, but remained very high due to the low gold production. An operating loss of R13 million was recorded compared to a loss of R30 million in the December 2011 quarter.

**Steyn 2**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 11 | 15 | (27) |
| Grade | g/t | 6.91 | 7.53 | (8) |
| Gold produced | Kg | 76 | 113 | (33) |
| Cash operating costs | R/kg | 447 842 | 337 593 | (33) |
| Operating (loss)/profit | R'000 | (2 379) | 13 010 | >(100) |

Steyn 2 was also adversely affected by the 21-day stoppage (refer to the Bambanani commentary above) and a subsequent three-day safe start-up. Only 11 000t were milled in the March 2012 quarter. The transport of the ore is a constraint at Steyn 2 until West Shaft's infrastructure upgrade to facilitate more hosting capacity has been completed. This is expected to be completed by the end of June 2012.

** In terms of the Mine Health and Safety Act 29 of 1996.*

**Evander**

March

December

%

Indicator Units

2012

2011

variance
Tonnes 000
123
117
5
Grade g/t
6.75
7.19
(6)
Gold produced
kg
830
841
(1)
Cash operating costs
R/kg
214 901
214 379
–
Operating profit
R'000
169 427
183 652
(8)
Evander increased tonnes milled by 5% to 123 000t during the March 2012 quarter, while the recovered grade was 6% lower at 6.75g/t. Gold production was slightly lower at 830kg due to the decrease in grade.
Cash operating costs were stable at R214 901/kg for the quarter, while the operating profit decreased by 8% quarter on quarter to R169 million, due both to lower production and a lower gold price received.
**Joel**
March
December
%
Indicator Units
2012
2011
variance
Tonnes 000
113
150
(25)
Grade g/t
4.03
4.85
(17)
Gold produced
kg
455

727
(37)
Cash operating costs
R/kg
281 404
199 586
(41)
Operating profit
R'000
54 303
178 690
(70)
Unplanned rope guide repairs in North Shaft caused a 14-day stoppage at Joel, resulting in ore tonnage being locked up underground. Some 113 000t of ore were milled, 25% less than in the previous quarter, while recovered grade was 17% lower at 4.03g/t.
Due to lower volume and grade, gold production declined to 455kg from the previous quarter's 727kg. Cash operating costs increased to R281 404/kg due to lower gold production. Operating profit of R54 million was generated during the quarter.

**Unisel**

March
December
%
Indicator Units
2012
2011
variance
Tonnes milled
000
90
100
(10)
Grade g/t
3.69
4.62
(20)
Gold produced
Kg
332
462
(28)
Cash operating costs
R/kg
356 738
276 102
(29)
Operating profit
R'000
19 679
77 308

(75)

Unisel's tonnage decreased by 10% to 90 000t. Unisel was also subject to a safety stoppage due to a fatality that occurred at Bambanani West. Unisel's grade normalised to 3.69g/t in the quarter under review from an abnormally higher grade of 4.62g/t achieved in the December 2011 quarter. Gold production was 28% lower than the previous quarter due to lower volume and grade.

Cash operating costs increased to R356 738/kg as a result of lower gold production. Operating profit of R20 million was recorded for the quarter.

**9**

**TOTAL SOUTH AFRICAN SURFACE OPERATIONS**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| **Tonnes** | **000** | 2 427 | 2 225 | 9 |
| **Grade** | **g/t** | 0.34 | 0.43 | (21) |
| **Gold produced** | **Kg** | 835 | 956 | (13) |
| **Cash operating costs** | **R/kg** | 275 214 | 240 183 | (15) |
| **Operating profit** | **R'000** | 123 113 | 180 079 | (32) |

Surface sources increased tonnage by 9% to 2 427 000t, the main contribution coming from the Phoenix tailings. Gold production, however, was lower at 835kg due to a 21% decline in the recovered grade to 0.34g/t.

Cash operating costs increased to R275 214/kg due to the lower gold output. The South African surface sources generated an operating profit of R123 million, collectively, 32% lower than the December 2011 quarter as a result of lower gold output and a lower gold price received.

**Kalgold**

| Indicator | Units | March 2012 | December 2011 | % variance |
|---|---|---|---|---|
| Tonnes | 000 | 310 | 331 | (6) |
| Grade | g/t | 0.73 | | |

0.82
(11)
Gold produced
Kg
225
273
(18)
Cash operating costs
R/kg
323 222
268 462
(20)
Operating profit
R’000
25 607
41 495
(38)
Kalgold milled 310 000t during the quarter at a recovered grade of 0.73g/t. This represented decreases of 6% and 11%, respectively, when compared to the December 2011 quarter. Gold production declined to 225kg from the 273kg produced in the previous quarter.
Kalgold plant is replacing and repairing the carbon in leach (CIL) tanks, carbon regeneration circuit and the elution circuit. Satisfactory progress has been made on the CIL project during the quarter.
Cash operating costs increased by 20% to R323 222/kg due to lower gold production, additional repair work during the quarter and the rental costs of mobile crushers. As a result, the operating profit decreased to R26 million for the quarter.
**Phoenix (tailings)**
March
December
%
Indicator Units
2012
2011
variance
Tonnes
000
1 256
1 085
16
Grade g/t
0.16
0.19
(16)
Gold produced
Kg
200
207
(3)
Cash operating costs

R/kg
241 480
236 551
(2)
Operating profit
R'000
39 159
39 457
(1)
Phoenix tailings increased tonnage by 16% to 1 256 000t. However, the recovered grade decreased to more normal 0.16g/t.

**Surface dumps (includes Evander surface sources)**

March
December
%
Indicator Units
2012
2011
variance
Tonnes 000
861
809
6
Grade g/t
0.48
0.59
(19)
Gold produced
Kg
410
476
(14)
Cash operating costs
R/kg
265 324
225 544
(18)
Operating profit
R'000
58 347
99 127
(41)

Tonnage from the surface dumps increased by 6% during the March 2012 quarter to 861 000t. Recovered grade was 0.48g/t compared with the previous quarter's 0.59g/t, a consequence of most sources delivering lower grade material.

The lower recovered grade resulted in a reduction in gold production to 410kg.

Cash operating costs increased by 18% quarter on quarter to R265 324/kg. Operating profit of R58 million was generated, 41% lower than the December 2011 quarter due to the lower output and a decrease in the gold price.

Development

The main purpose of development is to explore the possibilities of future mining operations. A development programme is vital in the life of a mine. The on reef development grade on a shaft is an indication of the grades that will be mined in future. Important information is derived, such as expected geological structures, dip of the ore body and the channel width.

Depending on the shaft layout – such as raise line length and spacing – ledging and stoping will take place in approximately 18 to 36 months after on reef development.

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

**Mineral reserves block grades vs development grades**

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

**Doornkop**

There was a decrease in the development grade during the current quarter which is in line with expectations of the areas being developed on 202 level. On reef development was also stopped for the period in which the shaft infrastructure was being upgraded and this resulted in limited new information becoming available during the quarter. All on reef development has been re-started on the South Reef and better results are expected in the next quarter.

**Kusasalethu**

The quarter on quarter development grade has improved and the grades intersected continue to support the ore reserve estimates.

**Phakisa**

There was further progress with the development towards the north and these areas continue to return good grades, as expected. This resulted in an improved development grade for this quarter compared to the previous quarter.

**Masimong**

Basal Reef and B Reef development grades remained below expectation for the quarter and the areas being developed are receiving increased focus from the geologists in order to firm up on the geological models and provide improved guidance with respect to development target areas.

**Target (narrow reef mining)**

Quarter on quarter there was an increase in development grades of the narrow reef mining section at Target 1 shaft due to well-developed Dreyerskuil Reef that was intersected. At Target 3 there is still an encouraging improvement in both the metres developed and the development grade quarter on quarter.

**Tshepong**

The Basal Reef development grades were in line with expectations and returned good results especially from the areas to the west of the shaft and the decline area. The B Reef grade was lower quarter on quarter due to poorly developed reef that was intersected in some of the on reef development.

**Bambanani**

All of the development is taking place in the shaft pillar. There was a quarter on quarter drop in the wide raise development grade due to the intersection of an expected localised lower grade area.

**Evander**

Grade of the reef development, as expected, is down quarter on quarter due to developing only one winze in the high grade area down to 25 level. All the other development is at the lower grade edge of the bigger payshoot. In the next few months more winzes will start up within the high grade area of the main pay shoot and this will improve the overall development grade.

**Joel**

The development grades at Joel remained above the reserve grade and are in line with our expectations.

**Unisel**

At Unisel, the development grade of the Basal Reef improved due to higher grade pillars that are being developed. The Leader Reef grade was better than expected and returned encouraging results. No Middle Reef was developed during the quarter.

**11**

Exploration highlights

**International (Papua New Guinea)**

**Morobe Mining Joint Venture (50% Harmony)**

**Wafi-Golpu**

During the March 2012 quarter, the independent review of the pre-feasibility study began, with the final report expected to be released to the
Joint Venture partners (Harmony and Newcrest Mining Limited) during the September 2012 quarter. The upgrade of the existing Wafi camp
continued during the March 2012 quarter, supporting the extensive drilling activity being undertaken. Construction and upgrade of the road to
site progressed during the quarter. Stakeholder engagement with the community, landowners and various government agencies also continued
during the period.

The pre-feasibility study remains on schedule, for completion in the first half of calendar 2012, with consideration by the Joint Venture partners to
occur thereafter. The infill drilling programme continued to encounter challenging down-hole conditions associated with the deep targets at Golpu,
with only two holes completed in the quarter under review.

Infill resource drill hole WR418 intersected a significant zone of high grade mineralisation which returned 604m @ 2.01% Cu and 1.92g/t Au from 922m, including 436m @ 2.56% Cu and 2.51g/t Au. This intercept confirms the continuity of the high grade mineralisation within the central portion of the resource. Drilling in the upper levels of the system also intersected well-developed mineralisation.

Drill hole WR421 intersected 150 metres of highly mineralised porphyry, highlighting the potential for defining additional higher grade mineralisation within the upper levels. Assay results are pending.

Drilling in the north has expanded the 0.1% Cu shell, with WR408 intersecting 450m @ 0.18% Cu and 0.11g/t Au from 1 592m.

WR415W-2 drilled the southern-most part of the deposit and intersected a large zone of low grade gold-copper mineralisation associated with multiple porphyritic intrusions, returning 806m @ 0.30%Cu and 0.25g/t Au from 1 237m.

Results from the drilling are in line with the existing resource model. Six drill holes are currently in progress, seeking to extend the resource base along the eastern margins of the system and within the upper levels.

Drill testing of the highly prospective Wafi Transfer Zone began during the quarter, and is presently testing the Kesiago and Zimake prospects.

At the Kesiago prospect, previous shallow drilling returned 389m @

**Figure 1.** Golpu:

(1)
Refer www.harmony.co.za for Statement of Mineral Resources and Ore Reserves at 30 June 2011. Resource figures quoted on 100% basis.

**Note:** Cu = copper; Au = gold.

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**Results for the third quarter FY12**
**ended 31 March 2012**

0.24g/t Au and confirmed the presence of porphyry-related mineralisation. Drilling is targeting higher-grade mineralisation below this zone.

The second rig is testing the Zimake prospect, where surface sampling has confirmed the presence of outcropping gold and copper mineralisation
co-incident with an extensive surface gold-copper geochemical anomaly and large geophysical feature.

**Figure 2:** Wafi- transfer zone – porphyry corridor

(1)
Refer to www.harmony.co.za for Statement of Mineral Resources and Ore Reserves as at 30 June 2011. Resource figures quoted on 100% basis.

**Note:** Cu = copper; Au = gold.

**Figure 3:** Plan view of Wafi-transfer zone

(1)
Refer to www.harmony.co.za for Statement of Mineral
Resources and Ore Reserves as at 30 June 2011.
Resource figures quoted on 100% basis.

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**Hidden Valley district exploration**

Drilling at Hidden Valley confirmed the continuity and extent of the higher grade mineralisation within the current resource of the Hidden Valley and Kaveroi lodes, with the following significant results drilled this quarter:

- HVDD124
81m @ 1.6g/t Au from 214m
- HVDD126
35.3m @ 9.6g/t Au from 336.7m including 12m @ 23g/t Au from 345m
- HVDD131
13m @ 2.6g/t Au from 188m and 36m @ 2.4g/t Au from 256m
- HVDD130
10.4m @ 13g/t Au from 326.6m including 4m @ 31g/t Au from 333m

Results of the infill drill-hole HVDD126, designed to test for continuity of the high grade zone upon which the Kaveroi underground concept is based, have confirmed the geometry of this high grade domain.

Regionally, drill testing of the Heyu Prospect, located four kilometres northwest of the Hidden Valley mine, continued. Drilling has been successful, with the intersection of gold mineralisation. Significant results include:

- HEYDH001
9m @ 1.4g/t Au from 287m and 8m @ 0.53g/t Au from 592.5m

Drilling will continue to test the remainder of the prospective geochemical targets to help define the extent of the mineralisation.

**PNG exploration (Harmony 100%)**

Tenement processing at the Mineral Resource Authority progressed significantly. Six tenement renewals and five new tenement applications were approved during the quarter. This includes EL1786, a new tenement application at Lake Kopiago where a major porphyry Cu-Au target has been developed.

**Mt Hagen project (EL1611 and EL1596)**

Exploration work at Mt Hagen focused on the Kurunga Intrusive Complex (KIC) with the aim of completing first pass exploration over the target by December 2012.

Drilling during the quarter was undertaken at Penamb and Bakil prospects for a total of 2 304m. Reconnaissance Exploration activities comprised ridge and spur soil sampling and mapping, and stream sediment sampling at the Ganz, and Penamb east prospects (355 samples).

Initial gold results from Penamb East are highly encouraging.

**Bakil prospect (EL1611)**

Assays for BKDD002, and BKD003 were received during the quarter, but returned no significant results. No further work is planned at this stage.

**Penamb prospect (EL1596)**

Drilling during the quarter at Penamb prospect comprised three holes/1 674m (PND003-PND005). Results received include:

•

PNDD003

225m @ 0.1% Cu, 87ppm Mo from 456m

• PNDD004*

79m @ 0.1% Cu, 54ppm Mo from 60m

(*results incomplete)

Results for PNDD005 are pending. Previous results reported for the prospect include:

•

PNDD001

285m @ 0.1% Cu, 83 Mo from 63m

• PNDD002

144m @ 0.1% Cu, 27ppm Mo from 32m

190m @ 0.1% Cu, 47ppm Mo from 193m

Drilling to date has outlined a 400m x 300m zone of 0.1% Cu mineralisation. Chalcopyrite occurs as vein stockworks and is finely disseminated. Alteration generally comprises weak to moderate biotite +/– actinolite forming selvages along vein margins. At this stage the system remains open but logging has yet to establish vectors to a high-grade mineralised core.

**Figure 4:** PNDD003; 749m. Fine chalcopyrite vein stockwork and disseminations, with biotite alteration forming vein selvages. The sample is characteristic of outer potassic alteration off the margin of a big porphyry Cu-Au-Mo system.

**Penamb East prospect (EL1611)**

Ridge and spur soil sampling at the Penamb East prospect has outlined a +0.1 g/t Au soil anomaly over 1km long and up to 400m wide, with individual assays ranging up to 0.3 g/t Au.

Follow-up creek mapping and rock chip sampling has established a northeast trend to the mineralisation with several veined and mineralised outcrops identified. Sixteen of the 43 rock chips collected returned gold grades greater than 0.1ppm. A large number of these samples were collected from outcropping veins consisting of quartz, white clay, pyrite and base metal sulphides, notably galena. The samples are anomalous in As, Sb and Ag levels, confirming an epithermal nature to the vein system.

**Southern Highlands project (EL1786)**

EL1786 was granted during the quarter. The tenement encompasses a bull's-eye magnetic target with associated Au-Cu skarn mineralisation, and is considered highly prospective for an Ok Tedi-style copper gold system. Work during the quarter included camp set-up and community awareness ahead of an airborne magnetic survey starting late in April.

**South Africa**

**Masimong exploration**

Masimong 5 shaft has a vast area, greater than that which has been mined at Masimong to date, of unknown potential to the east of a North-South striking 270m up-throw-fault running to the east of the shaft. The B Reef channels are expected to continue into this ground but have not been explored.

The aim of this surface drilling is therefore to locate these channels, with a view to developing into them. Diamond drilling of the first two holes (ED7 and 8) has commenced. A total of 2 358m have been drilled and the depth of the two holes is now 1 403.69m (ED8) and 1 535.3m (ED7) below surface. Both holes are very close to the estimated position of the B Reef.

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**Results for the third quarter FY12**
**ended 31 March 2012**
**15**
Operating results
(Rand/Metric) (US$/Imperial)
South Africa
International
Discontinued
Operations
Underground production
Surface production
Three
months
ended
Bamba-
nani
Doorn-
kop
Joel
Kusasa-
lethu
Masi-
mong
Phakisa
Steyn 2
Target 1
Target 3
Tshepong
Unisel
Total
Under-
ground
Kalgold
Phoenix
Dumps
Total
Surface
Other
Total
South
Africa
Hidden
Valley
Other
Total
Continuing
Operations
Evander
Evander
Surface

Harmony
Total
**Ore milled**
**– t’000**
**Mar-12**
**20**
**158**
**113**
**273**
**238**
**129**
**11**
**190**
**82**
**323**
**90**
**1 627**
**310**
**1 256**
**812**
**2 378**
**–**
**4 005**
**418**
**–**
**4 423**
**123**
**49**
**4 595**
Dec-11
25
232
150
256
232
126
15
208
76
306
100
1 726
331
1 085
772
2 188
–
3 914
474
–
4 388

117
37
4 542
**Gold produced**
**– kg**
**Mar-12**
**167**
**500**
**455**
**1 221**
**776**
**616**
**76**
**862**
**296**
**1 297**
**332**
**6 598**
**225**
**200**
**378**
**803**
**–**
**7 401**
**490**
**–**
**7 891**
**830**
**32**
**8 753**
Dec-11
214
897
727
1 268
894
658
113
1 021
296
1 555
462
8 105
273
207
423
903
–
9 008
816
–

9 824
841
53
10 718
**Gold produced**
**– oz**
**Mar-12**
**5 369**
**16 075**
**14 629**
**39 256**
**24 949**
**19 805**
**2 443**
**27 714**
**9 517**
**41 699**
**10 674**
**212 130**
**7 234**
**6 430**
**12 153**
**25 817**
**–**
**237 947**
**15 754**
**–**
**253 701**
**26 685**
**1 029**
**281 415**
Dec-11
6 880
28 839
23 374
40 767
28 743
21 155
3 633
32 826
9 517
49 994
14 854
260 582
8 777
6 655
13 600
29 032
–
289 614
26 235

–
315 849
27 039
1 704
344 592
**Yield**
**–g/tonne**
**Mar-12**
**8.35**
**3.16**
**4.03**
**4.47**
**3.26**
**4.78**
**6.91**
**4.54**
**3.61**
**4.02**
**3.69**
**4.06**
**0.73**
**0.16**
**0.47**
**0.34**
**–**
**1.85**
**1.17**
**–**
**1.78**
**6.75**
**0.65**
**1.90**
Dec-11
8.56
3.87
4.85
4.95
3.85
5.22
7.53
4.91
3.89
5.08
4.62
4.70
0.82
0.19
0.55
0.41
–
2.30

1.72
–
2.24
7.19
1.43
2.36
**Cash operating**
**– R/kg**
**Mar-12**
**494 916**
**401 952**
**281 404**
**289 818**
**264 233**
**328 601**
**447 842**
**240 175**
**354 581**
**244 231**
**356 738**
**296 184**
**323 222**
**241 480**
**264 365**
**275 157**
**–**
**293 903**
**427 753**
**–**
**302 215**
**214 901**
**276 656**
**293 842**
**costs**
Dec-11
564 808
237 007
199 586
283 053
240 999
299 804
337 593
202 816
350 851
203 708
276 102
252 140
268 462
236 551
228 400
242 380

–
251 162
268 500
–
252 602
214 379
202 755
249 356
**Cash operating**
**– $/oz**
**Mar-12**
**1 991**
**1 617**
**1 132**
**1 166**
**1 063**
**1 322**
**1 801**
**966**
**1 426**
**982**
**1 435**
**1 191**
**1 300**
**971**
**1 063**
**1 107**
**–**
**1 182**
**1 721**
**–**
**1 216**
**864**
**1 132**
**1 182**
**costs**
Dec-11
2 170
910
767
1 087
926
1 152
1 297
779
1 348
783
1 061
969
1 031
909

877
931
–
965
1 031
–
970
824
767
958
**Cash operating**
**– R/tonne**
**Mar-12**
**4 133**
**1 272**
**1 133**
**1 296**
**862**
**1 569**
**3 094**
**1 090**
**1 280**
**981**
**1 316**
**1 201**
**235**
**38**
**123**
**93**
**–**
**543**
**501**
**–**
**539**
**1 450**
**181**
**560**
**costs**
Dec-11
4 835
916
967
1 402
929
1 566
2 543
996
1 366
1 035
1 276
1 184

221
45
125
100
–
578
462
–
566
1 541
290
588
**Gold sold**
**– kg**
**Mar-12**
**163**
**461**
**386**
**1 384**
**755**
**599**
**74**
**801**
**275**
**1 262**
**323**
**6 483**
**207**
**202**
**379**
**788**
**–**
**7 271**
**406**
**–**
**7 677**
**850**
**32**
**8 559**
Dec-11
218
911
749
1 201
910
670
115
1 040
302
1 583
471

8 170
274
201
418
893
–
9 063
1 066
–
10 129
818
53
11 000
**Gold sold**
**– oz**
**Mar-12**
**5 241**
**14 821**
**12 410**
**44 497**
**24 274**
**19 258**
**2 379**
**25 753**
**8 841**
**40 574**
**10 385**
**208 433**
**6 655**
**6 494**
**12 185**
**25 334**
**–**
**233 767**
**13 053**
**–**
**246 820**
**27 328**
**1 029**
**275 177**
Dec-11
7 009
29 289
24 081
38 613
29 257
21 541
3 697
33 437
9 710
50 895

15 143
262 672
8 809
6 462
13 439
28 710
–
291 382
34 273
–
325 655
26 299
1 704
353 658
**Revenue (R'000)**
**Mar-12**
**68 282**
**193 030**
**160 893**
**579 738**
**316 727**
**251 284**
**31 007**
**335 149**
**115 179**
**529 302**
**135 155**
**2 715 746**
**87 531**
**84 659**
**159 049**
**331 239**
**–**
**3 046 985**
**174 823**
**–**
**3 221 808**
**356 635**
**13 337**
**3 591 780**
Dec-11
96 114
398 020
328 950
523 510
401 168
295 476
50 584
455 504
132 145
698 006

207 517
3 586 994
120 867
88 082
182 727
391 676
–
3 978 670
460 778
–
4 439 448
357 866
22 703
4 820 017
**Cash operating**
**(R'000)**
**Mar-12**
**82 651**
**200 976**
**128 039**
**353 868**
**205 045**
**202 418**
**34 036**
**207 031**
**104 956**
**316 768**
**118 437**
**1 954 225**
**72 725**
**48 296**
**99 930**
**220 951**
**–**
**2 175 176**
**209 599**
**–**
**2 384 775**
**178 368**
**8 853**
**2 571 996**
**costs**
Dec-11
120 869
212 595
145 099
358 911
215 453
197 271
38 148
207 075

103 852
316 766
127 559
2 043 598
73 290
48 966
96 613
218 869
–
2 262 467
219 096
–
2 481 563
180 293
10 746
2 672 602
**Inventory (R'000)**
**Mar-12**
**(1 587)**
**(23 609)**
**(21 449)**
**57 902**
**(7 874)**
**(6 508)**
**(650)**
**(20 068)**
**(10 200)**
**(12 852)**
**(2 961)**
**(49 856)**
**(10 801)**
**(2 796)**
**5 256**
**(8 341)**
**–**
**(58 197)**
**(53 686)**
**–**
**(111 883)**
**8 840**
**–**
**(103 043)**
**movement**
Dec-11
5 703
6 200
5 161
(34 349)
7 155
4 386
(574)

8 174
4 119
9 497
2 650
18 122
6 082
(341)
(1 056)
4 685
–
22 807
53 620
–
76 427
(6 079)
–
70 348
**Production costs**
**(R’000)**
**Mar-12**
**81 064**
**177 367**
**106 590**
**411 770**
**197 171**
**195 910**
**33 386**
**186 963**
**94 756**
**303 916**
**115 476**
**1 904 369**
**61 924**
**45 500**
**105 186**
**212 610**
**–**
**2 116 979**
**155 913**
**–**
**2 272 892**
**187 208**
**8 853**
**2 468 953**
Dec-11
126 572
218 795
150 260
324 562
222 608
201 657

37 574
215 249
107 971
326 263
130 209
2 061 720
79 372
48 625
95 557
223 554
–
2 285 274
272 716
–
2 557 990
174 214
10 746
2 742 950
**Operating** **(R'000)**
**Mar-12**
**(12 782)**
**15 663**
**54 303**
**167 968**
**119 556**
**55 374**
**(2 379)**
**148 186**
**20 423**
**225 386**
**19 679**
**811 377**
**25 607**
**39 159**
**53 863**
**118 629**
**–**
**930 006**
**18 910**
**–**
**948 916**
**169 427**
**4 484**
**1 122 827**
**profit/(loss)***
Dec-11
(30 458)
179 225
178 690
198 948
178 560

93 819
13 010
240 255
24 174
371 743
77 308
1 525 274
41 495
39 457
87 170
168 122
–
1 693 396
188 062
–
1 881 458
183 652
11 957
2 077 067
**Operating**
**($'000)**
**Mar-12**
**(1 653)**
**2 025**
**7 024**
**21 721**
**15 461**
**7 161**
**(307)**
**19 163**
**2 641**
**29 147**
**2 545**
**104 928**
**3 312**
**5 064**
**6 965**
**15 341**
**–**
**120 269**
**2 446**
**–**
**122 715**
**21 911**
**580**
**145 206**
**profit/(loss)***
Dec-11
(3 762)
22 134
22 069

24 570
22 053
11 587
1 607
29 672
2 985
45 910
9 548
188 373
5 125
4 873
10 765
20 763
–
209 136
23 226
–
232 362
22 681
1 477
256 520
**Capital (R'000)**
**Mar-12**
**54 600**
**62 053**
**14 059**
**101 722**
**44 094**
**78 103**
**14 665**
**59 371**
**21 770**
**64 122**
**17 111**
**531 670**
**18 613**
**2 768**
**1 414**
**22 795**
**9 553**
**564 018**
**82 003**
**78 261**
**724 282**
**42 465**
**–**
**766 747**
**expenditure**
Dec-11
44 077
74 560

14 891
113 165
71 643
75 129
21 791
65 439
24 060
76 287
17 935
598 977
20 563
5 088
897
26 548
8 350
633 875
53 176
44 688
731 739
50 650
–
782 389
**Capital** **($'000)**
**Mar-12**
**7 061**
**8 025**
**1 818**
**13 155**
**5 702**
**10 100**
**1 896**
**7 678**
**2 815**
**8 292**
**2 213**
**68 755**
**2 407**
**358**
**158**
**2 923**
**1 261**
**72 939**
**10 605**
**10 121**
**93 665**
**5 492**
**–**
**99 157**
**expenditure**
Dec-11
5 444

9 208
1 839
13 976
8 848
9 279
2 691
8 082
2 971
9 422
2 215
73 975
2 540
628
111
3 279
1 031
78 285
6 567
5 519
90 371
6 255
–
96 626

* Operating profit/(loss) is comparable to the term production profit/(loss) in the segment report in the financial statements and not to the operating profit line
item in the income statement.

**16**

**Results for the third quarter FY12**

**and nine months ended 31 March 2012**

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Rand)

**Quarter ended**

**Nine months ended**

**Year ended**

31 March 31 December¹

31 March¹

31 March

31 March¹

30 June¹

2012 2011 2011 2012 2011 2011

Figures in million

Note

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

**Continuing operations**

Revenue

3 222

4 439

2 761

11 235

8 443

11 596

Cost of sales

2

(2 721)

(3 116)

(2 414)

(8 811)

(7 473)

(10 699)

Production costs

(2 273)

(2 558)

(1 928)

(7 271)

(6 144)

(8 504)

Amortisation and depreciation

(431)

(497)

(392)

(1 373)

(1 172)

(1 609)
Impairment
of
assets
– – – – –
(264)
Employment termination and
restructuring
costs
(19) (17) (26) (70)
(136)
(136)
Other
items
2 (44) (68) (97) (21)
(186)
**Gross profit**
**501**
**1 323**
**347**
**2 424**
**970**
**897**
Corporate, administration
and other expenditure
(96)
(85)
(84)
(261)
(258)
(322)
Social
investment
expenditure
(22) (14) (27) (50) (66) (82)
Exploration
expenditure
(143) (99) (75) (339) (225) (324)
Profit on sale of property,
plant and equipment
–
2
5
28
22
27
Other (expenses)/income – net
(5)
11
(7)
24

(55)
(21)
**Operating profit**
**235**
**1 138**
**159**
**1 826**
**388**
**175**
Loss from associates
–
–
(24)
–
(51)
(51)
Reversal of impairment/(impairment)
of investment in associate
3
6
2
(160)
56
(160)
(142)
Net gain on financial instruments
36
61
3
73
108
129
Gain on farm-in option
–
–
–
–
273
273
Investment
income
25 22 62 64
110
133
Finance
cost
(65) (80) (63) (214) (185) (268)
**Profit/(loss) before taxation**
**237**
**1 143**
**(23)**

**1 805**
**483**
**249**
Taxation
636 (256)
299 323 250 387
Normal
taxation
(16) (60) (5) (115) (26) (27)
Deferred
taxation
4 652 (196)
304 438 276 414
**Net profit from**
**continuing**
**operations**
**873 887 276 2 128 733 636**
**Discontinued operations**
Profit/(loss) from
discontinued
operations
3 141 159 (38) 410 (74) (19)
**Net profit for the period**
**1 014**
**1 046**
**238**
**2 538**
**659**
**617**
*Attributable to:*
Owners of the parent
1 014
1 046
238
2 538
659
617
**Earnings per ordinary share (cents)**
5
Earnings from continuing operations
202
206
64
494
171
148
Earnings/(loss) from
discontinued
operations
33 37 (9) 95
(17) (4)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Total earnings** | | **235** | **243** | **55** | **589** | **154** | **144** |
| **Diluted earnings per ordinary share (cents)** | 5 | | | | | | |
| Earnings from continuing operations | | 202 | 205 | 64 | 492 | 171 | 148 |
| Earnings/(loss) from discontinued operations | | 32 | 37 | (9) | 95 | (17) | (4) |
| **Total diluted earnings** | | **234** | **242** | **55** | **587** | **154** | **144** |

[1] The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.

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

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Rand)

| | **Quarter ended** | | | **Nine months ended** | | **Year ended** |
|---|---|---|---|---|---|---|
| | 31 March | 31 December | 31 March | 31 March | 31 March | 30 June |
| | 2012 | 2011 | 2011 | 2012 | 2011 | 2011 |
| Figures in million | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Net profit for the period | 1 014 | 1 046 | 238 | 2 538 | 659 | 617 |
| Other comprehensive (loss)/income for the period, net of income tax | (153) | 179 | 6 | 981 | (50) | 368 |
| Foreign exchange translation | (157) | 212 | 22 | 979 | (3) | 470 |
| Gain/(loss) on fair value movement of available-for-sale investments | 4 | (33) | (16) | 2 | (47) | (102) |

**Total comprehensive income for the period**
**861**
**1 225**
**244**
**3 519**
**609**
**985**
*Attributable to:*
Owners of the parent
861
1 225
244
3 519
609
985
The accompanying notes are an integral part of these condensed consolidated financial statements.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Rand) (Unaudited)
for the nine months ended 31 March 2012
Share
Other
Retained
Figures in million
capital
reserves
earnings
Total
Balance – 30 June 2011
28 305
762
1 093
30 160
Issue of shares
24
–
–
24
Share-based
payments
– 72 – 72
Net profit for the period
–
–
2 538
2 538
Other comprehensive income for the period
–
981
–
981
Dividends paid

– –
(431)
(431)
**Balance – 31 March 2012**
**28 329**
**1 815**
**3 200**
**33 344**
Balance – 30 June 2010
28 261
258
690
29 209
Issue of shares
29
–
–
29
Share-based
payments
– 91 – 91
Net profit for the period
–
–
659
659
Other comprehensive loss for the period
–
(50)
–
(50)
Dividends paid
– –
(214)
(214)
**Balance – 31 March 2011**
**28 290**
**299**
**1 135**
**29 724**
The accompanying notes are an integral part of these condensed consolidated financial statements.
The unaudited financial statements for the nine months ended 31 March 2012 have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry. This process was supervised by the financial director, Mr Frank Abbott and approved by the Board of Harmony Gold Mining Company Limited. These financial statements have not been audited or independently reviewed.

**18**

**Results for the third quarter FY12**
**and nine months ended 31 March 2012**

CONDENSED CONSOLIDATED BALANCE SHEETS

(Rand)

| Figures in million | Note | At 31 March 2012 | At 31 December 2011 | At 30 June 2011 | At 31 March 2011 |
|---|---|---|---|---|---|
| | | (Unaudited) | | (Audited) | (Unaudited) |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | | 31 949 | 32 830 | 31 221 | 30 557 |
| Intangible assets | | 2 194 | 2 185 | 2 170 | 2 188 |
| Restricted cash | | 30 | 31 | 31 | 27 |
| Restricted investments | | 1 808 | 1 929 | 1 883 | 1 866 |
| Deferred tax assets | | 1 042 | 1 179 | 1 149 | 2 310 |
| Investments in financial assets | | 187 | 183 | 185 | 236 |
| Inventories | | 165 | 169 | 172 | 227 |
| Trade and other receivables | | 35 | 28 | 23 | 69 |
| **Total non-current assets** | | **37 410** | **38 534** | **36 834** | **37 480** |
| **Current assets** | | | | | |
| Inventories | | 1 086 | 990 | 837 | 954 |
| Trade and other receivables | | | | | |

1 259
1 131
1 073
1 111
Income and mining taxes
142
194
139
119
Cash and cash equivalents
1 427
1 205
693
656
3 914 3 520 2 742 2 840
Assets of disposal groups classified as held for sale
3
1 326
315
268
174
**Total current assets**
**5 240 3 835 3 010 3 014**
**Total assets**
**42 650 42 369 39 844 40 494**
**EQUITY AND LIABILITIES**
**Share capital and reserves**
Share
capital
28 329 28 326 28 305 28 290
Other
reserves
1 815
1 945 762 299
Retained
earnings
3 200 2 359 1 093 1 135
**Total equity**
**33 344 32 630 30 160 29 724**
**Non-current liabilities**
Deferred
tax
liabilities
3 568 4 452 4 216 5 623
Provision for environmental rehabilitation
1 905
2 092
1 971
1 785
Retirement benefit obligation and other provisions
181

177
174
179
Borrowings
6 1 277 991 1 229 1 487
**Total**
**non-current liabilities**
**6 931 7 712 7 590 9 074**
**Current liabilities**
Borrowings
6 318 323 330 336
Income and mining taxes
7
3
2
17
Trade and other payables
1 543
1 684
1 746
1 343
1 868 2 010 2 078 1 696
Liabilities of disposal groups classified as held for sale
3
507
17
16
–
**Total current liabilities**
**2 375 2 027 2 094 1 696**
**Total equity and liabilities**
**42 650**
**42 369**
**39 844**
**40 494**
The accompanying notes are an integral part of these condensed consolidated financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(Rand)

| | **Quarter ended** | | | **Nine months ended** | | **Year ended** |
|---|---|---|---|---|---|---|
| | 31 March | 31 December | 31 March | 31 March | 31 March | 30 June |
| | 2012 | 2011 | 2011 | 2012 | 2011 | 2011 |
| Figures in million | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| **Cash flow from operating activities** | | | | | | |
| Cash generated by operations | 682 | 1 566 | 213 | 3 340 | 1 366 | 2 418 |
| Interest and dividends received | 32 | 12 | 64 | 60 | 116 | 140 |
| Interest paid | (26) | (36) | (34) | (103) | (99) | (134) |
| Income and mining taxes refunded/(paid) | 35 | (149) | 8 | (114) | (26) | (45) |
| **Cash generated by operating activities** | **723** | **1 393** | **251** | **3 183** | | |

**1 357**
**2 379**
**Cash flow from investing activities**
Decreased in restricted cash
–
–
–
–
120
116
Proceeds on disposal of investment in subsidiary
–
–
–
–
229
229
Proceeds on disposal of investment in associate
193
–
–
193
–
–
Proceeds on disposal of available-for-sale
financial
assets
– – – –
1
16
Pre-payment for Evander 6
and Twistdraai transaction
–
–
–
–
–
100
Other investing activities
(33)
3
16
(30)
20
(5)
Net additions to property,
plant and equipment
(740)
(779)
(687)
(2 187)

(2 281)
(3 110)
**Cash utilised by investing activities**
**(580)**
**(776)**
**(671)**
**(2 024)**
**(1 911)**
**(2 654)**
**Cash flow from financing activities**
Borrowings
raised
302
– 250 1 101 775 925
Borrowings
repaid
(17) (718) (17) (1 087) (130) (546)
Ordinary shares issued – net of expenses
3
11
13
23
29
44
Dividends
paid
(173)
–
– (431) (214) (214)
**Cash generated/(utilised)**
**by financing activities**
**115**
**(707)**
**246**
**(394)**
**460**
**209**
**Foreign currency translation adjustments**
**(36)**
**(30)**
**(7)**
**(31)**
**(20)**
**(11)**
Net increase/(decrease) in cash and
cash
equivalents
222 (120)
(181) 734 (114) (77)
Cash and cash equivalents
– beginning of period

1 205
1 325
837
693
770
770
**Cash and cash equivalents**
**– end of period**
**1 427**
**1 205**
**656**
**1 427**
**656**
**693**
The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2012 (Rand)

**1. Accounting policies**

*Basis of accounting*

The condensed consolidated financial statements for the nine months ended 31 March 2012 have been prepared in accordance with IAS 34,
Interim Financial Reporting, JSE Listings Requirements and in the manner required by the Companies Act of South Africa. They should be
read in conjunction with the annual financial statements for the year ended 30 June 2011, which have been prepared in accordance with
International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are
consistent with those described in the annual financial statements, except for the adoption of applicable revised and/or new standards issued
by the International Accounting Standards Board.

**2.**
**Cost of sales**

| | Quarter ended | | | Nine months ended | | Year ended |
|---|---|---|---|---|---|---|
| | 31 March | 31 December | 31 March | 31 March | 31 March | 30 June |
| | 2012 | 2011 | 2011 | 2012 | 2011 | 2011 |
| Figures in million | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Production costs – excluding royalty | 2 231 | 2 499 | 1 897 | 7 138 | 6 059 | 8 408 |
| Royalty | | | | | | |

expense
42 59 31 133 85 96
Amortisation and depreciation
431
497
392
1 373
1 172
1 609
Impairment of assets
–
–
–
–
–
264
Rehabilitation expenditure
2
(43)
1
5
(37)
13
43
Care and maintenance cost
of restructured shafts
20
20
32
69
82
117
Employment termination and
restructuring costs
3
19 17 26 70
136
136
Share-based
payments
21 23 26 66 82
125
Other –
–
5
(1)
(156)
(99)
**Total cost of sales**
**2 721**
**3 116**

**2 414**
**8 811**
**7 473**
**10 699**

1
The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.
2
The credit in the current quarter relates to a change in estimate on areas where rehabilitation work has been performed.
3
The amounts for the 2012 financial year relates to restructuring at the Bambanani shaft.

**3.**
**Disposal groups classified as held for sale and discontinued operations**

*Investment in Rand Uranium*

The investment in Rand Uranium (Proprietary) Limited (Rand Uranium) was classified as held for sale in the March 2011 quarter following a
decision to sell it. The transaction with Gold One International Limited (Gold One) was concluded on 6 January 2012, with the first payment
of US$24 million (R193 million) being received on that day. The outstanding amount as at 31 March 2012 was R108 million. Subsequent
to the March 2012 quarter-end, additional payments were received from Gold One for the sale. For further information refer to note 8.

*Evander Gold Mines Limited*

The assets and liabilities related to Evander Gold Mines Limited (Evander), a wholly-owned subsidiary of Harmony Gold Mining Company
Limited (Harmony), have been classified as held for sale following signing of the sale of share and claims agreement on 30 January 2012
with Pan African Resources plc and Witwatersrand Consolidated Gold Resources Limited (the Consortium). The disposal will be for an
aggregate purchase consideration of R1.7 billion, excluding the proceeds of the Taung Gold Limited transaction and less certain
distributions made by Evander to Harmony between 1 April 2012 and the close of the transaction.

The transaction is subject to, among others, the following conditions precedent:

- the Consortium raising the required funding comprising of debt and/or equity;
- each of the Consortium members obtaining the requisite shareholder approval for the acquisition; and
- obtaining all relevant regulatory approvals.

The operation also meets the requirements to be classified as a discontinued operation. The comparative figures in the income statement
have been re-presented as a result.

**4. Deferred taxation**

The deferred tax for the March 2012 quarter includes a tax credit of R605 million, relating to a change in the gold mining tax rate formula
in South Africa. Previously some of our subsidiaries were exempt from paying Secondary Tax on Companies when declaring a dividend,
but had to pay a higher mining tax rate. With the introduction of Dividend Tax, the higher gold mining tax rate formula was repealed
resulting in lower income tax and deferred tax rates. The affected subsidiaries are Randfontein, Freegold, Evander and Kalgold.

**21**

**5. Earnings and net asset value per share**

| | **Quarter ended** | | | **Nine months ended** | | **Year ended** |
|---|---|---|---|---|---|---|
| | 31 March | 31 December[1] | 31 March[1] | 31 March | 31 March[1] | 30 June[1] |
| | 2012 | 2011 | 2011 | 2012 | 2011 | 2011 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Weighted average number of shares (million) | 431.3 | 430.5 | 429.5 | 430.6 | 429.1 | 429.3 |
| Weighted average number of diluted shares (million) | 432.8 | 432.3 | 430.7 | 432.2 | 430.2 | 430.4 |
| **Total earnings per share (cents):** | | | | | | |
| Basic earnings | 235 | 243 | 55 | 589 | 154 | 144 |
| Diluted earnings | 234 | 242 | 55 | 587 | 154 | 144 |
| Headline earnings | 234 | 242 | 91 | 571 | 192 | 223 |
| – from continuing operations | 201 | 205 | 100 | 477 | 214 | 232 |
| – from discontinued operations | | | | | | |

33
37
(9)
94
(22)
(9)
Diluted headline earnings
233
241
91
569
192
222
– from continuing operations
200
204
100
475
214
231
– from discontinued operations
33
37
(9)
94
(22)
(9)
Figures in million
**Reconciliation of headline earnings:**
**Continuing operations**
Net
profit

| | | | | | |
|---|---|---|---|---|---|
| 873 | 887 | 276 | 2 128 | 733 | 636 |

*Adjusted for:*
(Reversal of impairment)/impairment
of investment in associate*
(6)
(2)
160
(55)
160
142
Foreign exchange loss reclassified
from other comprehensive income*
–
–
–
–
47
47
Impairment of assets

–
–
–
–
–
264
Taxation effect on impairment of assets
–
–
–
–
–
(66)
Other
adjustments
–

| | | | | |
|---|---|---|---|---|
| (3) | (9) | (28) | (26) | (34) |

Taxation effect on other adjustments
(1)
1
2
7
7
8
**Headline**
**earnings**

| | | | | | |
|---|---|---|---|---|---|
| **866** | **883** | **429** | **2 052** | **921** | **997** |

**Discontinued operations**
Net
profit/(loss)

| | | | | | |
|---|---|---|---|---|---|
| 141 | 159 | (38) | 410 | (74) | (19) |

*Adjusted for:*
Profit on sale of investment
in
subsidiary

| | | | |
|---|---|---|---|
| – | – | – | – |

(138)
(54)
Taxation effect of profit on sale
of investment in subsidiary
–
–
–
–
34
34
Profit on sale of property,
plant
and
equipment

| | | | | | |
|---|---|---|---|---|---|
| – | (1) | (2) | (2) | (2) | (2) |

Taxation effect of profit on sale of
property, plant and equipment
–
–
1
–
1
1
Foreign exchange loss reclassified
from other comprehensive income*
–
–
–
–
84
–
**Headline**
**earnings/(loss)**

| | | | | | |
|---|---|---|---|---|---|
| **141** | **158** | **(39)** | **408** | **(95)** | **(40)** |

**Total headline earnings**
**1 007**
**1 041**
**390**
**2 460**
**826**
**957**
1
The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.
* There is no taxation effect on these items.
**Net asset value per share**

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

31 March
31 December
30 June
31 March

| | | | |
|---|---|---|---|
| 2012 | 2011 | 2011 | 2011 |

(Unaudited)
(Audited)
(Unaudited)
Number of shares in issue
431 471 444

| | | | |
|---|---|---|---|
| 431 312 677 | 430 084 628 | 429 807 371 | |

Net asset value per share (cents)
7 728
7 565
7 013
6 916

**6. Borrowings**

The Nedbank revolving credit facility was repaid in full during the December 2011 quarter. The full R850 million facility is available until December 2013. The balance on Nedbank term facilities at the end of March 2012 quarter is R915 million.

In addition to the US$50 million drawn during the September 2011 quarter, a further US$40 million of the US$300 million syndicated revolving credit facility was drawn during the March 2012 quarter, with US$210 million still available. The facility is repayable by August 2015 and attracts interest at LIBOR plus 260 basis points, which is payable quarterly.

**7. Commitments and contingencies**

| Figures in million | At 31 March 2012 | At 31 December 2011 | At 30 June 2011 | At 31 March 2011 |
|---|---|---|---|---|
| | (Unaudited) | | (Audited) | (Unaudited) |
| **Capital expenditure commitments:** | | | | |
| Contracts for capital expenditure | 391 | 291 | 194 | 191 |
| Authorised by the directors but not contracted for | 3 032 | 3 373 | 1 504 | 2 175 |
| | **3 423** | **3 664** | **1 698** | **2 366** |

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

**Contingent liability**

For a detailed disclosure on contingent liabilities refer to Harmony's annual report for the financial year ended 30 June 2011, available on the group's website (www.harmony.co.za). There were no significant changes in contingencies since 30 June 2011, except as discussed below.

Harmony reached a mutually acceptable settlement with the plaintiff class and this settlement was found to be fair and reasonable and was approved by the United States District Court in November 2011. A single class member has filed an appeal of the District Court's order approving the settlement. That appeal is currently pending in the United States Court of Appeals for the Second Circuit. The settlement amount has been paid into escrow by the company's insurers and will be distributed to the plaintiffs once the appeal has been finalised.

**8. Subsequent events**

During April 2012, an amount of R86 million was received from Gold One relating to the sale of shares in Rand Uranium. An additional R25 million is being held in an escrow account for a period of 12 months.

**9. Segment report**

The segment report follows on the page 23.

**10. Reconciliation of segment information to consolidated income statements**

| | **Nine months ended** | |
|---|---|---|
| | 31 March | 31 March [1] |
| | 2012 | 2011 |
| Figures in million | (Unaudited) | (Unaudited) |
| The "Reconciliation of segment information to consolidated income statement" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the income statement and segment report: | | |
| **Reconciliation of production profit to gross profit** | | |
| Total segment revenue | 12 341 | 9 023 |
| Total segment production costs | (7 834) | (6 649) |
| Production profit per segment report | 4 507 | 2 374 |
| Discontinued operations | (543) | (75) |
| Production profit from continuing operations | 3 964 | 2 299 |
| Cost of sales items, other than production costs and royalty expense | (1 540) | (1 329) |
| **Gross profit as per income statements *** | **2 424** | **970** |

1 The comparative figures are re-presented due to Evander being reclassified as a discontinued operation. See note 3 in this regard.

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

**23**
SEGMENT REPORT
(Rand/Metric) (Unaudited)
for the nine months ended 31 March 2012

| | **Revenue** | | **Production cost** | | **Production profit/(loss)** | | **Capital expenditure** | | **Kilograms produced** | | **Tonnes milled** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31 March | | 31 March | | 31 March | | 31 March | | 31 March | | 31 March | |
| | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 |
| | R million | | R million | | R million | | R million | | kg | | t'000 | |
| **Continuing operations** | | | | | | | | | | | | |
| **South Africa** | | | | | | | | | | | | |
| **Underground** | | | | | | | | | | | | |
| Bambanani | 421 | 671 | 480 | 603 | (59) | 68 | 212 | 231 | 1 068 | 2 289 | 163 | 314 |
| Doornkop | 939 | 530 | 626 | 418 | 313 | 112 | 201 | 221 | 2 263 | 1 755 | 667 | 484 |

Joel
773 295 406 293 367 2 42 55
1 873
1 001 410 286
Kusasalethu
1 678
1 252
1 072 976 606 276 312 274
4 043
4 023 860 794
Masimong
1 032
1 045 635 571 397 474 166 129
2 466
3 453 702 678
Phakisa
753 390 585 337 168 53 227 276
1 800
1 290 368 281
Target
1 497 732 916 520 581 212 245 348
3 655
3 017 844 562
Tshepong
1 694
1 508 935 852 759 656 199 201
4 035
4 995 916
1 016
Virginia
479 539 366 451 113 88 51 63
1 134
1 793 282 470
**Surface**
All other surface operations
1 074 763 678 606 396 157
96
93 2 569 2 581 6 997 7 640
**Total South Africa**
**10 340 7 725 6 699 5 627 3 641 2 098 1 751 1 891 24 906 26 197**
**12 209 12 525**
**International**
Hidden
Valley
895 718 572 517 323 201 175 212 2 098 2 292
1 307 1 259
Other
– – – – – –
192 – – – – –
**Total international**

**895 718 572 517 323 201 367 212 2 098 2 292**
**1 307 1 259**
**Total continuing operations**
**11 235 8 443 7 271 6 144 3 964 2 299 2 118 2 103 27 004 28 489**
**13 516 13 784**
**Discontinued operations**
Evander
1 106 580 563 505 543 75 131 146
2 674
1 894 491 635
**Total discontinued operations**
**1 106 580 563 505 543 75 131 146**
**2 674**
**1 894 491 635**
**Total operations**
**12 341 9 023 7 834 6 649 4 507 2 374 2 249 2 249 29 678 30 383**
**14 007 14 419**
Reconciliation of the segment information to
the consolidated income statement (refer to note 10)
(1 106)
(580)
(563)
(505)
**11 235**
**8 443**
**7 271**
**6 144**

**24**
**Results for the third quarter FY12**
**ended 31 March 2012**
**25**
Operating results
(US$/Imperial)
South Africa
International
Discontinued
Operations
Underground production
Surface production
Three
months
ended
Bamba-
nani
Doorn-
kop
Joel
Kusasa-
lethu
Masi-
mong
Phakisa
Steyn 2
Target 1
Target 3
Tshepong
Unisel
Total
Under-
ground
Kalgold
Phoenix
Dumps
Total
Surface
Other
Total
South
Africa
Hidden
Valley
Other
Total
Continuing
Operations
Evander
Evander
Surface

Harmony
Total
**Ore milled**
**– t’000**
**Mar-12**
**22**
**174**
**125**
**301**
**262**
**142**
**12**
**210**
**90**
**356**
**99**
**1 793**
**342**
**1 385**
**895**
**2 622**
**–**
**4 415**
**461**
**–**
**4 876**
**136**
**54**
**5 066**
Dec-11
28
256
165
282
256
139
17
229
84
337
110
1 903
365
1 196
851
2 412
–
4 315
523
–
4 838

129
41
5 008
**Gold produced**
**– oz**
**Mar-12**
**5 369**
**16 075**
**14 629**
**39 256**
**24 949**
**19 805**
**2 443**
**27 714**
**9 517**
**41 699**
**10 674**
**212 130**
**7 234**
**6 430**
**12 153**
**25 817**
**–**
**237 947**
**15 754**
**–**
**253 701**
**26 685**
**1 029**
**281 415**
Dec-11
6 880
28 839
23 374
40 767
28 743
21 155
3 633
32 826
9 517
49 994
14 854
260 582
8 777
6 655
13 600
29 032
–
289 614
26 235
–

315 849
27 039
1 704
344 592
**Yield** **–**
**oz/t**
**Mar-12**
**0.244**
**0.092**
**0.117**
**0.130**
**0.095**
**0.139**
**0.204**
**0.132**
**0.106**
**0.117**
**0.108**
**0.118**
**0.021**
**0.005**
**0.014**
**0.010**
**–**
**0.054**
**0.034**
**–**
**0.052**
**0.196**
**0.019**
**0.056**
Dec-11
0.246
0.113
0.142
0.145
0.112
0.152
0.214
0.143
0.113
0.148
0.135
0.137
0.024
0.006
0.016
0.012
–
0.067
0.050

–
0.065
0.210
0.042
0.069
**Cash operating**
**– $/oz**
**Mar-12**
**1 991**
**1 617**
**1 132**
**1 166**
**1 063**
**1 322**
**1 801**
**966**
**1 426**
**982**
**1 435**
**1 191**
**1 300**
**971**
**1 063**
**1 107**
**–**
**1 182**
**1 721**
**–**
**1 216**
**864**
**1 113**
**1 182**
**costs**
Dec-11
2 170
910
767
1 087
926
1 152
1 297
779
1 348
783
1 061
969
1 031
909
877
931
–

965
1 031
–
970
824
779
958
**Cash operating**
**– $/t**
**Mar-12**
**486**
**149**
**132**
**152**
**101**
**184**
**367**
**127**
**151**
**115**
**155**
**141**
**27**
**5**
**14**
**11**
**–**
**64**
**59**
**–**
**63**
**170**
**21**
**66**
**costs**
Dec-11
533
103
109
157
104
175
277
112
153
116
143
133
25
5
14

11
–
65
52
–
63
173
32
66
**Gold sold**
**– oz**
**Mar-12**
**5 241**
**14 821**
**12 410**
**44 497**
**24 274**
**19 258**
**2 379**
**25 753**
**8 841**
**40 574**
**10 385**
**208 433**
**6 655**
**6 494**
**12 185**
**25 334**
**–**
**233 767**
**13 053**
**–**
**246 820**
**27 328**
**1 029**
**275 177**
Dec-11
7 009
29 289
24 081
38 613
29 257
21 541
3 697
33 437
9 710
50 895
15 143
262 672
8 809
6 462

13 439
28 710
–
291 382
34 273
–
325 655
26 299
1 704
353 658
**Revenue ($'000)**
**Mar-12**
**8 830**
**24 962**
**20 807**
**74 971**
**40 959**
**32 496**
**4 010**
**43 341**
**14 895**
**68 449**
**17 478**
**351 198**
**11 319**
**10 948**
**20 568**
**42 835**
**–**
**394 033**
**22 608**
**–**
**416 641**
**46 120**
**1 725**
**464 486**
Dec-11
11 870
49 156
40 626
64 654
49 545
36 492
6 247
56 255
16 320
86 204
25 629
442 998
14 927
10 878

22 567
48 372
–
491 370
56 907
–
548 277
44 197
2 804
595 278
**Cash operating**
**($'000)**
**Mar-12**
**10 688**
**25 990**
**16 557**
**45 762**
**26 516**
**26 177**
**4 401**
**26 773**
**13 573**
**40 964**
**15 316**
**252 717**
**9 404**
**6 246**
**12 923**
**28 573**
**–**
**281 290**
**27 105**
**–**
**308 395**
**23 066**
**1 145**
**332 606**
**costs**
Dec-11
14 928
26 256
17 920
44 326
26 608
24 363
4 711
25 574
12 826
39 121
15 754
252 387

9 051
6 047
11 932
27 030
–
279 417
27 059
–
306 476
22 267
1 327
330 070
**Inventory** **($'000)**
**Mar-12**
**(205)**
**(3 053)**
**(2 774)**
**7 488**
**(1 018)**
**(842)**
**(84)**
**(2 595)**
**(1 319)**
**(1 662)**
**(383)**
**(6 447)**
**(1 397)**
**(362)**
**680**
**(1 079)**
**–**
**(7 526)**
**(6 943)**
**–**
**(14 469)**
**1 143**
**–**
**(13 326)**
**movement**
Dec-11
704
766
637
(4 242)
884
542
(71)
1 009
509
1 173
327

2 238
751
(42)
(130)
579
–
2 817
6 622
–
9 439
(751)
–
8 688
**Production** **($'000)**
**Mar-12**
**10 483**
**22 937**
**13 783**
**53 250**
**25 498**
**25 335**
**4 317**
**24 178**
**12 254**
**39 302**
**14 933**
**246 270**
**8 007**
**5 884**
**13 603**
**27 494**
**–**
**273 764**
**20 162**
**–**
**293 926**
**24 209**
**1 145**
**319 280**
**costs**
Dec-11
15 632
27 022
18 557
40 084
27 492
24 905
4 640
26 583
13 335
40 294

16 081
254 625
9 802
6 005
11 802
27 609
–
282 234
33 681
–
315 915
21 516
1 327
338 758
**Operating ($'000)**
**Mar-12**
**(1 653)**
**2 025**
**7 024**
**21 721**
**15 461**
**7 161**
**(307)**
**19 163**
**2 641**
**29 147**
**2 545**
**104 928**
**3 312**
**5 064**
**6 965**
**15 341**
**–**
**120 269**
**2 446**
**–**
**122 715**
**21 911**
**580**
**145 206**
**profit/(loss)***
Dec-11
(3 762)
22 134
22 069
24 570
22 053
11 587
1 607
29 672
2 985

45 910
9 548
188 373
5 125
4 873
10 765
20 763
–
209 136
23 226
–
232 362
22 681
1 477
256 520
**Capital** **($'000)**
**Mar-12**
**7 061**
**8 025**
**1 818**
**13 155**
**5 702**
**10 100**
**1 896**
**7 678**
**2 815**
**8 292**
**2 213**
**68 755**
**2 407**
**358**
**158**
**2 923**
**1 261**
**72 939**
**10 605**
**10 121**
**93 665**
**5 492**
**–**
**99 157**
**expenditure**
Dec-11
5 444
9 208
1 839
13 976
8 848
9 279
2 691
8 082

2 971
9 422
2 215
73 975
2 540
628
111
3 279
1 031
78 285
6 567
5 519
90 371
6 255
–
96 626

* Operating profit/(loss) is comparable to the term production profit/(loss) in the segment report in the financial statements and not to the operating profit line
item in the income statement.

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

| Figures in million | **Quarter ended** 31 March 2012 (Unaudited) | 31 December[1] 2011 (Unaudited) | 31 March[1] 2011 (Unaudited) | **Nine months ended** 31 March 2012 (Unaudited) | 31 March[1] 2011 (Unaudited) | **Year ended** 30 June[1] 2011 (Audited) |
|---|---|---|---|---|---|---|
| **Continuing operations** | | | | | | |
| Revenue | 417 | 548 | 395 | 1 469 | 1 196 | 1 659 |
| Cost of sales | (351) | (385) | (345) | (1 151) | (1 059) | (1 533) |
| Production costs | (294) | (316) | (276) | (950) | (870) | (1 218) |
| Amortisation and depreciation | (55) | (61) | (55) | (179) | (166) | (230) |
| Impairment of assets | – | | | | | |

–
–
–
–
(39)
Employment termination
and restructuring costs
(2)
(2)
(4)
(9)
(19)
(20)
Other
items
–
(6) (10) (13) (4) (26)
**Gross**
**profit**
**66 163 50 318 137 126**
Corporate, administration and other expenditure
(13)
(10)
(12)
(34)
(37)
(46)
Social investment expenditure
(3)
(2)
(4)
(7)
(9)
(12)
Exploration
expenditure
(18) (12) (11) (44) (32) (46)
Profit on sale of property, plant and equipment
–
–
1
4
3
4
Other (expenses)/income – net
(1)
1
(1)
3
(8)
(3)

**Operating**
**profit**
**31 140 23 240 54 23**
Loss from associates
–
–
(3)
–
(7)
(7)
Reversal of impairment/(impairment)
of investment in associate
1
–
(23)
7
(23)
(20)
Net gain on financial instruments
5
8
–
10
15
18
Gain on farm-in option
–
–
–
–
39
38
Investment
income
3 3 9 8
16
19
Finance
cost
(8) (10) (9) (28) (26) (38)
**Profit before taxation**
**32**
**141**
**(3)**
**237**
**68**
**33**
Taxation
82 (31) 42 42 35 55
Normal
taxation

| | | | | | |
|---|---|---|---|---|---|
| (2) | (7) | (2) | (15) | (4) | (3) |

Deferred
taxation

| | | | | | |
|---|---|---|---|---|---|
| 84 | (24) | 44 | 57 | 39 | 58 |

**Net profit from continuing operations**
**114**
**110**
**39**
**279**
**103**
**88**
**Discontinued operations**
Profit/(loss) from discontinued operations
18
19
(5)
53
(10)
(2)
**Net profit for the period**
**132**
**129**
**34**
**332**
**93**
**86**
*Attributable to:*
Owners of the parent
132
129
34
332
93
86
**Earnings per ordinary share (cents)**
Earnings from continuing operations
26
25
9
65
24
21
Earnings/(loss) from discontinued operations
4
5
(1)
12
(2)
(1)
**Total**
**earnings**

| | | | | | |
|---|---|---|---|---|---|
| **30** | **30** | **8** | **77** | **22** | **20** |

**Diluted earnings per ordinary share (cents)**
Earnings from continuing operations
26
25
9
64
24
21
Earnings/(loss) from discontinued operations
4
5
(1)
12
(2)
(1)
**Total diluted earnings**
**30**
**30**
**8**
**76**
**22**
**20**

[1] The comparative figures are re-presented due to Evander being reclassified as a discontinued operation.

*The currency conversion average rates for the quarter ended: March 2012: US$1 = R7.73 (December 2011: US$1 = R8.10, March 2011: US$1 = 6.99).*

*Nine months ended: March 2012: US$1 = R7.65 (March 2011: US$1 = R 7.06).*

*The income statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report, but is re-presented due to Evander being reclassified as a discontinued operation.*

**Note on convenience translation**

Except where specific statements have been extracted from the 2011 Annual Report, the requirements of IAS 21, The Effects of the Changes in Foreign Exchange Rates, have not necessarily been applied in the translation of the US Dollar financial statements presented on pages 26 to 30.

**27**

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

| | **Quarter ended** | | | **Nine months ended** | | **Year ended** |
|---|---|---|---|---|---|---|
| | 31 March 2012 | 31 December 2011 | 31 March 2011 | 31 March 2012 | 31 March 2011 | 30 June 2011 |
| Figures in million | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Net profit for the period | 132 | 129 | 34 | 332 | 93 | 86 |
| Other comprehensive (loss)/income for the period, net of income tax | (19) | 22 | 1 | 128 | (7) | 540 |
| Foreign exchange translation | (20) | 26 | 3 | 128 | – | 555 |
| Gain/(loss) on fair value movement of available-for-sale investments | 1 | (4) | (2) | – | (7) | (15) |

**Total comprehensive income for the period**
**113**
**151**
**35**
**460**
**86**
**626**
*Attributable to:*
Owners of the parent
113
151
35
460
86
626
*The currency conversion average rates for the quarter ended: March 2012: US$1 = R7.73 (December 2011: US$1 = R8.10, March 2011:*
*US$1 = 6.99). Nine months ended: March 2012: US$1 = R7.65 (March 2011: US$1 = R 7.06).*
*The statement of comprehensive income for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.*
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(US$) (Unaudited)
for the nine months ended 31 March 2012
(Convenience translation)
Share
Other
Retained
Figures in million
capital
reserves
earnings
Total
Balance – 30 June 2011
3 686
99
142
3 927
Issue of shares
3 – – 3
Share-based
payments
– 9 – 9
Net profit for the period
–
–
331
331
Other comprehensive income for the period
–
128
–

128
Dividends paid
– –
(56)
(56)
**Balance – 31 March 2012**
**3 689**
**236**
**417**
**4 342**
Balance – 30 June 2010
4 171
38
102
4 311
Issue of shares
4 – – 4
Share-based
payments
– 13 – 13
Net profit for the period
–
–
97
97
Other comprehensive loss for the period
–
(7)
–
(7)
Dividends paid
– –
(32)
(32)
**Balance – 31 March 2011**
**4 175**
**44**
**167**
**4 386**

*The currency conversion closing rates for the period ended 31 March 2012: US$1 = R7.68 (March 2011: US$1 = R6.78).*

**Results for the third quarter FY12**
**and nine months ended 31 March 2012**

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

| Figures in million | At 31 March 2012 (Unaudited) | At 31 December 2011 (Unaudited) | At 30 June 2011 (Audited) | At 31 March 2011 (Unaudited) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 4 161 | 4 050 | 4 607 | 4 509 |
| Intangible assets | 286 | 269 | 320 | 323 |
| Restricted cash | 4 | 4 | 5 | 4 |
| Restricted investments | 235 | 238 | 278 | 275 |
| Deferred tax assets | 136 | 145 | 170 | 341 |
| Investments in financial assets | 24 | 23 | 27 | 35 |
| Inventories | 21 | 21 | 25 | 33 |
| Trade and other receivables | 5 | 3 | 3 | 10 |
| **Total non-current** | | | | |

**assets**
**4 872 4 753 5 435 5 530**
**Current assets**
Inventories
141 122 124 141
Trade and other receivables
164
139
158
164
Income and mining taxes
18
24
21
18
Cash and cash equivalents
186
149
102
97
509 434 405 420
Assets of disposal groups classified as held for sale
173
39
40
26
**Total**
**current**
**assets**
**682 473 445 446**
**Total**
**assets**
**5 554 5 226 5 880 5 976**
**EQUITY AND LIABILITIES**
**Share capital and reserves**
Share
capital
3 689 3 494 4 033 4 175
Other
reserves
236 240 519 44
Retained
earnings
417 291 (102) 167
**Total**
**equity**
**4 342 4 025 4 450 4 386**
**Non-current liabilities**
Deferred
tax
liabilities

| | | | | |
|---|---|---|---|---|
| | 465 | 549 | 623 | 830 |
| Provision for environmental rehabilitation | 248 | 258 | 291 | 263 |
| Retirement benefit obligation and other provisions | 24 | 22 | 26 | 26 |
| Borrowings | 166 | 122 | 181 | 219 |
| **Total non-current liabilities** | **903** | **951** | **1 121** | **1 338** |
| **Current liabilities** | | | | |
| Borrowings | 41 | 40 | 49 | 50 |
| Income and mining taxes | 1 | – | – | 3 |
| Trade and other payables | 201 | 208 | 258 | 199 |
| | 243 | 248 | 307 | 252 |
| Liabilities of disposal groups classified as held for sale | 66 | 2 | 2 | – |
| **Total current liabilities** | **309** | **250** | **309** | **252** |
| **Total equity and liabilities** | **5 554** | **5 226** | **5 880** | **5 976** |

*The balance sheet for March 2012 converted at a conversion rate of US$1 = R7.68 (December 2011: US$1 = R 8.11, March 2011: US$1 = R6.78).*

*The balance sheet as at 30 June 2011 has been extracted from the 2011 Annual Report.*

**29**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(US$)

(Convenience translation)

| | **Quarter ended** | | | **Nine months ended** | | **Year ended** |
|---|---|---|---|---|---|---|
| | 31 March | 31 December | 31 March | 31 March | 31 March | 30 June |
| | 2012 | 2011 | 2011 | 2012 | 2011 | 2011 |
| Figures in million | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| **Cash flow from operating activities** | | | | | | |
| Cash generated by operations | 88 | 193 | 30 | 437 | 194 | 346 |
| Interest and dividends received | 4 | 2 | 9 | 8 | 16 | 20 |
| Interest paid | (3) | (4) | (5) | (13) | (14) | (19) |
| Income and mining taxes refunded/(paid) | 5 | (18) | 1 | (15) | (4) | (7) |
| **Cash generated by operating activities** | **94** | **173** | **35** | **417** | | |

**192**
**340**
**Cash flow from investing activities**
Decrease in restricted cash
–
–
–
–
17
17
Proceeds on disposal of investment in subsidiary
–
–
–
–
32
30
Proceeds on disposal of investment in associate.
25
–
–
25
–
–
Pre-payment for Evander 6
and Twistdraai transaction
–
–
–
–
–
15
Other
investing
activities
(4) – 2 (4) 3 2
Net additions to property, plant and equipment
(96)
(96)
(98)
(286)
(323)
(445)
**Cash utilised by investing activities**
**(75)**
**(96)**
**(96)**
**(265)**
**(271)**
**(381)**

**Cash flow from financing activities**

Borrowings
raised
40
– 36 143 110 134

Borrowings
repaid
(2) (89) (2) (142) (18) (81)

Ordinary shares issued – net of expenses
–
1
2
3
4
6

Dividends
paid
(23)
–
– (57) (30) (30)

**Cash generated/(utilised) by**
**financing**
**activities**
**15 (88) 36 (53) 66 29**

**Foreign currency translation adjustments**
**(4)**
**(4)**
**(5)**
**(4)**
**9**
**13**

Net increase/(decrease) in cash and
cash
equivalents
30 (15)
(30) 95 (4) 1

Cash and cash equivalents
– beginning of period
156
164
127
91
101
101

**Cash and cash equivalents**
**– end of period**
**186**
**149**
**97**
**186**
**97**

**102**

*The currency conversion average rates for the quarter ended: March 2012: US$1 = R7.73 (December 2011: US$1 = R8.10, March 2011:*
*US$1 = 6.99). Nine months ended: March 2012: US$1 = R7.65 (March 2011: US$1 = R 7.06).*
*Closing balance translated at closing rates of: March 2012: US$1 = R7.68 (December 2011: US$1 = R8.11, March 2011: US$ = R6.78).*
*The cash flow statement for the year ended 30 June 2011 has been extracted from the 2011 Annual Report.*

**30**
**Results for the third quarter FY12**
**ended**
**31 March 2012**
Segment report (US$/Imperial) Unaudited
for the nine months ended 31 March 2012
**Production**
**Production**
**Capital**
**Ounces**
**Revenue**
**cost**
**profit/(loss)**
**expenditure**
**produced**
**Tons**
**milled**
31 March
31 March
31 March
31 March
31 March
31 March
**2012**
2011
**2012**
2011
**2012**
2011
**2012**
2011
**2012**
2011
**2012**
2011
US$ million
US$ million
US$ million
US$ million
oz
t'000
**Continuing**
**operations**
**South Africa**
**Underground**
Bambanani

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 55 | 95 | 63 | 85 | (8) | 10 | 28 | 33 |

34 336
73 593
180
346

Doornkop
123 75 82 59 41 16 26 31
72 757
56 425
735
534
Joel
101 42 53 42 48 – 6 8
60 219
32 182
452
315
Kusasalethu
219 177 140 138 79 39 41 39
129 985
129 343 948 876
Masimong
135
148 83 81 52 67 22 18
79 284
111 016
774
747
Phakisa
98 56 76 48 22 8 30 39
57 871
41 474
406
310
Target
196
104
120 74 76 30 32 49
117 512
96 999
931
620
Tshepong
221
214
122
121 99 93 26 29
129 727
160 592
1 009
1 120
Virginia
63 76 48 63 15 13 7 9
36 459
57 646
310

519
**Surface**
All other surface operations
141
107
88
86
53
21
9
13
82 628
82 980
7 717
8 426
**Total South Africa**
**1 352**
**1 094 875 797 477 297 227 268**
**800 778**
**842 250**
**13 462**
**13 813**
**International**
Hidden
Valley
117
102 75 73 42 29 23 30
67 452
73 690
1 442
1 389
Other
– – – – – – 25 – – – – –
**Total international**
**117**
**102 75 73 42 29 48 30**
**67 452**
**73 690**
**1 442**
**1 389**
**Total continuing operations**
**1 469**
**1 196 950 870 519 326 275 298**
**868 230**
**915 940**
**14 904**
**15 202**
**Discontinued operations**
Evander
145 82 74 72 71 10 17 21
85 939

60 894
539
697
**Total discontinued operations**
**145 82 74 72 71 10 17 21**
**85 939**
**60 894**
**539**
**697**
**Total operations**
**1 614**
**1 278**
**1 024 942 590 336 292 319**
**954 169**
**976 834**
**15 443**
**15 899**

**31**

DEVELOPMENT RESULTS (Metric)

Quarter ended March 2012

Channel
Reef
Sampled
Width
Value
Gold
Meters
Meters
(Cm’s)
(g/t)
(Cmg/t)

Tshepong

Basal 473
476
9.02
163.74
1
476

B Reef
80
42
86.14
9.97
858

All Reefs **554**
**518**
**15.27**
**93.39**
**1**
**426**

Phakisa & Nyala

Basal 550
544
92.70
12.06
1
118

All Reefs **550**
**544**
**92.70**
**12.06**
**1**
**118**

Total Bambanani
(Incl. Bambanani, Steyn 2)

Basal 54
54
146.80

14.18
2
082
All Reefs **54**
**54**
**146.80**
**14.18**
**2**
**082**
Doornkop
South Reef
228
264
38.00
16.52
632
All Reefs **228**
**264**
**38.00**
**16.63**
**632**
Kusasalethu
VCR Reef
537
532
78.20
27.17
2 125
All Reefs **537**
**532**
**78.20**
**27.17**
**2**
**125**
Total Target
(Incl. Target 1 & Target 3)
Elsburg 398
246
116.54
12.18
1
419
Basal 12
28
22.00
32.35
712
A Reef
72
86
182.00

8.58
1 562
B Reef
28
42
139.00
16.07
2 233
All Reefs **509**
**402**
**126.31**
**11.76**
**1**
**486**
Masimong
Basal 329
326
53.94
15.60
841
B Reef
91
87
88.94
4.83
430
All Reefs **420**
**413**
**61.31**
**12.31**
**755**
Evander
Kimberley 448
459
52
20.872
1
085
All Reefs **448**
**459**
**51.97**
**20.87**
**1**
**085**
Virginia
(Unisel)
Basal 133
76
191.66
10.60
2

031
Leader 229
216
217.28
5.46
1
186
All Reefs **362**
**292**
**210.61**
**6.68**
**1**
**406**
Joel
Beatrix 112
87
224.00
6.06
1
357
All Reefs **112**
**87**
**224.00**
**6.06**
**1**
**357**
Total Harmony
Basal
1 552
1 504
63.46
19.62
1 245
Beatrix 112
87
224.00
6.06
1
357
Leader 229
216
217.28
5.46
1
186
B Reef
199
171
100.55
9.73
978

A Reef
72
86
182.00
8.58
1 562
Elsburg 398
246
116.54
12.18
1
419
Kimberley 448
459
51.97
20.87
1
085
South Reef
228
264
38.00
16.63
632
VCR 537
532
78.20
27.17
2
125
All Reefs
**3 774**
**3 565**
**83.83**
**15.70**
**1 316**
DEVELOPMENT RESULTS (Imperial)
Quarter ended March 2012
Channel
Channel
Reef
Sampled
width
value
Gold
(feet)
(feet)
(inches)
(oz/t)
(in.oz/t)
Tshepong

Basal
1553
1
562
4.00
4.24
17
B Reef
263
138
34.00
0.29
10
All Reefs
**1 817**
**1 699**
**6.00**
**2.73**
**16**
Phakisa & Nyala
Basal
1 804
1
785
36.00
0.36
13
All Reefs
**1 804**
**1 785**
**36.00**
**0.36**
**13**
Total Bambanani
(Incl. Bambanani, Steyn 2)
Basal 178
178
58.00
0.41
24
All Reefs **178**
**178**
**58.00**
**0.41**
**24**
Doornkop
South Reef
748
866
15.00
0.48

7
All Reefs **748**
**866**
**15.00**
**0.48**
**7**
Kusasalethu
VCR Reef
1 762
1 745
31.00
0.79
24
All Reefs
**1 762**
**1 745**
**31.00**
**0.79**
**24**
Total Target
(Incl. Target 1 & Target 3)
Elsburg
1 305
807
46.00
0.35
16
Basal 38
92
9.00
0.91
8
A Reef
235
282
72.00
0.25
18
B Reef
92
138
55.00
0.47
26
All Reefs
**1 670**
**1 319**
**50.00**
**0.34**
**17**
Masimong

Basal
1 080
1
070
21.00
0.46
10
B Reef
298
285
35.00
0.14
5
All Reefs
**1 378**
**1 355**
**24.00**
**0.36**
**9**
Evander
Kimberley
1 470
1
506
20.00
0.62
12
All Reefs
**1 470**
**1 506**
**20.00**
**0.62**
**12**
Virginia
(Unisel)
Basal 438
249
75.00
0.31
23
Leader 751
709
86.00
0.16
14
All Reefs
**1 189**
**958**
**83.00**
**0.19**
**16**

Joel
Beatrix 366
285
88.00
0.18
16
All Reefs **366**
**285**
**88.00**
**0.18**
**16**
Total Harmony
Basal
5 092
4
936
25.00
0.57
14
Beatrix 366
285
88.00
0.18
16
Leader 751
709
86.00
0.16
14
B Reef
653
561
40.00
0.28
11
A Reef
235
282
72.00
0.25
18
Elsburg
1 305
807
46.00
0.35
16
Kimberley
1 470
1
506

20.00
0.62
12
South Reef
748
866
15.00
0.48
7
VCR
1 762
1
745
31.00
0.79
24
All Reefs
**12 382**
**11 698**
**33.00**
**0.46**
**15**

**32**
**32**
**32**
**CONTACT DETAILS**

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*Directors*
P T Motsepe* *Chairman*
D Noko*^ Deputy *Chairman*
G P Briggs *Chief Executive Office*r
F Abbott *Financial Director*
H E Mashego *Executive Director*
F F T De Buck*^ *Lead independent director*
J A Chissano*
1
^, K V Dicks*^, Dr D S Lushaba*^, C Markus*^,
M Motloba*^, M Msimang*^, J Wetton*^, A J Wilkens*
* Non-executive
^ Independent
1
Mozambican

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*Fax:* +27 11 507 0503

*Trading Symbols*
*JSE Limited:* HAR
*New York Stock Exchange, Inc:* HMY
*Euronext, Brussels:* HMY
*Berlin Stock Exchange:* HAM1

*Registration number*
1950/038232/06
*Incorporated in the Republic of South Africa*

*ISIN*
ZAE000015228

**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: May 9, 2012

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director