

HARMONY GOLD MINING CO LTD

Form 6-K

October 30, 2009

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

30 October 2009

**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 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

Shareholder information

Issued ordinary share capital

at 30 September 2009

426 024 653

Market capitalisation

At 30 September 2009 (ZARm)

R34 082

At 30 September 2009 (US\$m)

\$4 380

Harmony ordinary share

and ADR prices

12-month high (1 October 2008 to

30 September 2009) for

ordinary shares

R132.85

12-month low (1 October 2008 to

30 September 2009) for

ordinary shares

R61.99

12-month high (1 October 2008 to

30 September 2009) for ADRs

\$13.25

12-month low (1 October 2008 to

30 September 2009) for ADRs

\$5.47

Free float

100%

ADR ratio

1:1

JSE Limited

HAR

Range for quarter

(1 July 2009 to 30 September 2009 R69.05 –

– closing prices)

R87.51

Average daily volume for

the quarter (1 July 2009 to

30 September 2009)

2 153 250

New York Stock

Exchange, Inc.

HMY

Range for quarter

(1 July 2009 to 30 September 2009 \$8.50 –

– closing prices)

\$11.75

Average daily volume for

the quarter (1 July 2009 to

30 September 2009)

3 090 206

Nasdaq

HMY

Range for quarter

(1 July 2009 to 30 September 2009 \$8.50 –

– closing prices)

\$11.78

Average daily volume for

the quarter (1 July 2009 to

30 September 2009)

582 680

Key features for the quarter

6% increase in total gold production – higher than guidance provided

°

6% increase in underground tonnage

° 10% improvement in average recovery grade

5.2% increase in total R/kg costs

° mainly related to wages and electricity increases

Capital efficiencies

° capital expenditure 17% less than previous quarter

On track to delivering annual production target

° increased ounces

°

improved performance at all shafts – except Virginia and Evander

Financial summary for the first quarter ended 30 September 2009

Quarter

Quarter

Sept

June

Q-on-Q

2009

2009

%

variance

Gold –

kg

11 615

11 003

5.6

produced –

oz

373 431

353 752

5.6

Cash –

R/kg

188 362

179 074

(5.2)

costs –

US\$/oz

753 661

(13.9)

Cash

– R million

552

743

(25.7)

operating

– US\$ million

71

88

(19.3)

profit

Gold –

kg

11 471

10 829

5.9

sold –

oz

368 800

348 160

5.9

Gold price

– R/kg

239 438

245 953

(2.69)

Exchange rate – R/US\$

7.78 **8.42**

(7.6)

HARMONY'S ANNUAL REPORTS

Harmony's Annual Report, Notice of Annual General Meeting, its Sustainable Development Report and its annual report filed on a Form 20F with the United States' Securities and Exchange Commission for the year ended 30 June 2009 are available on our website at www.harmony.co.za.

Results for the first quarter
ended 30 September 2009

Incorporated in the Republic of South Africa

Registration Number 1950/038232/06

("Harmony" or "Company")

JSE Share code: HAR

NYSE Share code: HMY

ISIN Code: ZAE 000015228

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

Forward-looking statements

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

These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements. These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this quarterly report.

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

overall economic and business conditions in South Africa and elsewhere;
the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
increases/decreases in the market price of gold;
the occurrence of hazards associated with underground and surface gold mining;
the occurrence of labour disruptions;
availability, terms and deployment of capital;
changes in government regulation, particularly mining rights and environmental regulations;
fluctuations in exchange rates;
currency devaluations and other macro-economic monetary policies; and
socio-economic instability in South Africa and regionally.

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Chief Executive Officer's Review

Overview

The first quarter of FY10 marked the start of our 'Four-phase Growth Path', the objective of which is to produce more ounces from those assets we have and to acquire further ounces through acquisitions and strategic partnerships.

Safety

We are deeply saddened by the death of eight of our colleagues during the quarter and I extend my heartfelt condolences to their families, friends and workmates.

Those who died were: Phakisa employee Tokelo Maliba, a loader driver; Masimong employee Letsema Hlaeli, a team leader; Unisel employees Simiao Alexandre Bila, a miner, Thabiso Belekwane and Tseliso Lekeka, both locomotive operators; Evander employee Boy Sikobi, a rock drill operator; Elandsrand employee Samuel Tsabedze, a stope team leader; and Doornkop employee Clement Rantjelebane, an engineering foreman.

Safety concerns are being addressed through: management leading by example, improved communication and safety awareness campaigns.

Our safety strategy and initiatives have resulted in improved safety statistics quarter-on-quarter, but we continue to strive for an even safer working environment.

Gold market

Primarily a South African gold producer, we continued to experience the negative impact of a strong South African Rand, and a consequent lower average Rand gold price received, on revenue. In the quarter under review, the Rand/US Dollar exchange rate averaged R7.78/US\$ compared with R8.42/US\$ in the previous quarter. The average Rand gold price received during the period declined by 3% to R239 438/kg. It is encouraging, nonetheless, to note the 7% improvement in the US Dollar gold price – from US\$935/oz at the start of the quarter to US\$996/oz at the close. This serves to underpin our confidence in gold, particularly during times of global economic stress.

None of the fundamentals supporting the metal have changed: overall demand is little affected by increased scrap entering the market; central banks continue to exercise prudence in respect of their holdings; and supply of newly-mined gold is likely to continue to be constrained by fewer new discoveries, as well as the costs and timeframes associated with exploration, development and mining, and by the availability of funding for new projects.

Operational performance

Total gold production increased by 6% to 11 615kg, reflecting increases in gold production from both underground and surface sources and exceeding guidance provided in September 2009. While total throughput was 4% lower at 4 484 000t, the average yield was 10% higher at 2.59g/t.

Underground gold production was 5% higher at 10 724kg, resulting from a 6% rise in throughput from underground to 2 392 000t. The average underground yield was slightly lower at 4.48g/t. With the exception of Evander and Virginia, all of the underground operations

delivered improvements in gold production. Particularly noteworthy was Doornkop's 28% increase in gold production. This was the consequence of a 45% increase in yield, due largely to a remarkable improvement in development metres achieved, which will ensure that the build-up plan on the South Reef Project is achieved.

A 26% increase in surface yield to 0.43g/t more than offset the impact of a 13% decrease in surface throughput, resulting in a 10% increase in surface gold production to 891kg. The Kalgold open-pit operation recorded a 16% increase in gold production on the back of higher throughput due to improved plant availability, while the surface retreatment operations, excluding Phoenix, showed a 61% improvement in yield and delivered 14% more gold.

Financial performance

Higher gold production helped to overcome the negative impact of a 3% drop in the average Rand gold price received to R239 438/kg. Consequently, total revenue was 3% higher at R2.7 billion. After accounting for an 11% increase in cash operating costs to R2.2 billion – the main drivers of which were electricity and labour – cash operating profit was 26% down on the previous quarter at R552 million.

Labour costs increased by R162 million when compared to the previous quarter, due to annual wage increases implemented and a once off leave liability adjustment of R35 million. Electricity costs increased by R135 million, R75 million of which was attributable to winter tariffs.

As previously advised, capital expenditure is beginning to edge downward as the major projects reach advanced stages of development and start to come on stream. The September quarter's capital expenditure was 17% down at R915 million.

Project progress

Our South African growth projects, Phakisa, Doornkop, Elandsrand and the Tshepong decline are working towards contributing lower cost per unit ounces. These projects are well on their way towards achieving their targets.

Despite some setbacks during the commissioning phase, good progress was made at Hidden Valley in Papua New Guinea. Completion and commissioning of the conveyor is scheduled during the December 2009 quarter, with production expected to ramp up to commercial levels during the December 2009 quarter.

Exploration

Generally, exploration results were pleasing and the drilling programmes are on track. For more information see the exploration section on page 11.

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

Investor Day

On 19 August 2009 Harmony held an Investor Day, the purpose of which was to share with investors our planning parameters, strategic plan and outlook for the next five years. We have spent R1.1 billion on capital development in the past year, which is already showing results, as illustrated in the graph below:

Corporate matters

It is pleasing to report that all agreements relating to our acquisition of the Free State assets from Pamodzi Gold Free State (Pty) Limited (in provisional liquidation) (Pamodzi Gold Free State) have been signed, following indications of support from the main creditors being the Industrial Development Corporation and the Unions, and the sanction of the High Court.

The waste rock dump agreement became unconditional on 16 September 2009 and R20 million in terms of this agreement was paid to Pamodzi Gold Free State. It is likely that the remaining agreements will become unconditional towards the end of November 2009, which will result in Harmony having to pay the balance of the consideration price, being R380 million.

The assets, to be known collectively for now as the President Steyn Shafts, are an excellent fit with our existing Free State assets. As reported previously, we expect to be able to exploit numerous synergies between the two, and to deliver significant profitable ounces into our growth profile as a result.

Harmony paid its first dividend in five years on 21 September 2009. We believe that paying a dividend is a sign of a healthy company and, depending on operational performance and revenue, we intend paying regular dividends to shareholders.

Looking ahead

In the short term, we would expect gold production to increase marginally as the various restructuring measures we have taken in respect of existing operations continue to bed down and as our new projects start to deliver.

We will have to contend with the likelihood of continuing Rand strength for now, and the negative consequences of this on Rand gold receipts. Indeed, we may have to consider some restructuring at our lowest-grade, highest-cost operations.

In terms of costs, while we are into summer and free for a couple of quarters from higher winter electricity tariffs, the spectre of further extraordinary price hikes from power utility Eskom to fund its growth imperative looms large. In addition, our wage bill will reflect the impact of the recently agreed two-year wage settlement.

Our weapon in managing the strong Rand and rising costs, must be improved productivity – in short, we need to work harder and smarter.

Our focus remains producing more profitable ounces.

Looking further ahead, we remain bullish on the fundamentals of the gold sector in the medium and longer term. This is what encourages

us to continue to pursue our four-phase growth path:
optimising our asset portfolio;
improving operational efficiency and productivity;
making further acquisitions and entering into other strategic
partnerships when it makes sense to do so; and
growing organically.

Chief Executive Officer

Graham Briggs

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Safety and health

Safety

Safety remains a key focus at all of Harmony's operations. It is with deep regret that we report that eight fatalities occurred during the September 2009 quarter. Falls of ground were the main cause of most of these incidents. Our management teams continue to roll out effective behavior-based safety programmes to ensure that safety standards are adhered to and that best practices are applied at all workplaces.

We are pleased to announce that, during the September quarter, there was an improvement in the key safety rates compared to the previous quarter. The Lost Time Injury Frequency Rate (LTIFR) improved by 26% compared to the actual figure for the previous year (from 9.35 to 6.91) and by 17% quarter-on-quarter from 8.35 to 6.91, the best rate ever achieved at Harmony. A single-digit LTIFR was achieved for the fourth consecutive quarter. The year to date Reportable Injury Frequency Rate (RIFR) improved by 29% compared to the actual figure for the previous year (from 4.97 to 3.55) and by 20% from 4.43 in the June 2009 quarter to 3.55 in the current quarter; again, the best ever achieved RIFR at Harmony. Although the Fatality Injury Frequency Rate (FIFR) declined 52% compared to the actual figure for the previous year (from 0.21 to 0.32), an improvement of 9% was achieved for the quarter under review at 0.32 compared with a FIFR of 0.35 in the previous quarter. These improvements in safety rates bear testimony to the emphasis placed on safety at Harmony and we are starting to see the positive effects of behaviour change among our employees.

Harmony's management team is dedicated to ensuring that these safety improvements are sustainable and to ensure that through the continued implementation of effective behaviour-based safety programmes at all our operations, the safety culture and mindset of safety is maintained throughout the company.

Operational overview

South African underground operations

September

June

%

Indicator

2009

2009

Variance

Tonnes (‘000)

2 392

2 267

6

Grade (g/t)

4.48

4.50

-

Gold produced**(kg)**

10 724

10 192

5

Gold sold

(kg)

10 617

10 035

6

Cash operating costs (R/kg)

191 627

179 181

(7)

Operating profit

(R'000)

483 717

682 608

(29)

The following operations achieved outstanding safety results:

Evander 8 Shaft – 2 000 000 fatality free shifts

Doornkop Shaft – 1 000 000 fatality free shifts

Merriespruit 1 Shaft – 750 000 fatality free shifts

Evander Plant – 500 000 fatality free shifts

Health

The well-being and healthcare of our employees is another key focus for the company. Harmony continues to consolidate the various components of healthcare that will contribute to the well-being of our employees and improve productivity in the company in the longer term.

In terms of occupational hygiene, noise and dust are the key problem areas. Much is being done to curb the impact of these and ensure that our employees are protected against them in their workplaces. During the quarter under review, implementation of personalised hearing protection devices (HPDs) was 90% completed. The installation of sound attenuators on mechanical loaders has been scheduled and some of the operations have already begun installation of the devices.

Bambanani

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

147

138

7

Grade

(g/t)

6.44

6.35

1

Gold produced

(kg)

946

876

8

Gold sold

(kg)

973

792

23

Cash operating costs

(R/kg)

199 533

193 207

(3)

Operating profit

(R'000)

40 633

44 050

(8)

Bambanani had a satisfactory quarter, with a 7% increase in tonnes milled and a 1% increase in grade, resulting in an 8% increase in gold production to 946kg. The improvements were due to a stronger emphasis on disciplined mining, in particular the achievement of daily tramming and hoisting targets, as well as clean mining.

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

Cash operating costs rose by 12% due mainly to wage increases and higher electricity costs. Increased gold production contained the increase in R/kg unit costs to 3%, at R199 533/kg. Operating profit dropped by 8% due to a decrease in the R/kg gold price received.

Doornkop

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

130

148

(12)

Grade

(g/t)

3.85

2.65

45

Gold produced

(kg)

500

392

28

Gold sold

(kg)

500

394

27

Cash operating costs

(R/kg)

171 476

211 855

19

Operating profit

(R'000)

18 536

27 651

(33)

Doornkop's gold production for the quarter increased by 28% to 500kg, a 45% increase in recovered grade offsetting a 12% decrease in tonnes milled. Doornkop has seen a remarkable improvement in development metres achieved, which will ensure that the build-up on the South Reef project is achieved. Total cash operating costs rose by 3% due to

increased labour and electricity costs.

Cash operating costs in R/kg terms improved by 19% and are expected to improve further as a result of increased square metres to be mined from the higher grade South Reef areas.

Elandsrand

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

260

233

12

Grade

(g/t)

6.25

6.30

(1)

Gold produced

(kg)

1 625

1 469

11

Gold sold

(kg)

1 433

1 368

5

Cash operating costs

(R/kg)

182 729

180 732

(1)

Operating profit

(R'000)

68 904

103 204

(33)

Elandsrand recorded a good performance. A 12% increase in tonnes milled negated a 1% decrease in recovered grade, resulting in an 11% increase in gold production to 1 625kg.

Improved production resulted in cash operating costs rising by only 1% to R182 729/kg.

Cash operating profit was 33% lower at R69 million, due mainly to a lower R/kg gold price received and a four-day production stoppage following a fatal accident.

Evander

September	
June	
%	
Indicator	
2009	
2009	
Variance	
Tonnes	
('000)	
259	
248	
4	
Grade	
(g/t)	
4.78	
5.44	
(12)	
Gold produced	
(kg)	
1 239	
1 348	
(8)	
Gold sold	
(kg)	
1 203	
1 429	
(16)	
Cash operating costs	
(R/kg)	
226 699	
185 361	
(22)	
Operating profit	
(R'000)	
16 880	
85 014	
(80)	

Evander continues to deliver disappointing results. While tonnes milled rose by 4% to 259 000t reflecting improved volumes from Evander 7 and 8 shafts, recovered grade was 12% down due to lower yields from Evander 2, 5 and 8 shafts. Increased throughput was not sufficient to offset the lower yield and gold production was 8% down at 1 239kg. Lower production, together with increased labour and electricity costs, led to a 22% increase in cash operating costs to R226 699/kg. Fewer ounces and higher costs resulted in an 80% drop in cash operating profit to R17 million.

The overall performance of Evander 2 and 5 shafts during the quarter was negatively affected both by actions taken to improve safety and implementation of a new mining plan during August 2009 to deliver lower volumes and higher grade.

Joel

September	
June	
%	
Indicator	
2009	
2009	
Variance	
Tonnes	
('000)	
136	
131	
4	
Grade	
(g/t)	
3.79	
3.76	
1	
Gold produced	
(kg)	
515	
492	
5	
Gold sold	
(kg)	
529	
443	
19	
Cash operating costs	
(R/kg)	
198 792	
198 069	
–	
Operating profit	
(R'000)	
22 944	
21 674	
6	

Joel had a pleasing quarter in terms of both safety and operational performance. Tonnes milled continue to improve and was 4% higher at 136 000t. Overall, recovered grade improved from 3.76 g/t to 3.79 g/t which, together with higher grades and higher tonnes, resulted in a 5% increase in gold production.

In spite of significant labour and electricity cost increases, cash operating costs were well controlled, rising by only 0.4% to R198 792/kg. Cash operating profit for the quarter increased by 6% to R23 million, the result of increased gold production and the shaft's ability to curb its costs.

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Masimong

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

234

222

5

Grade

(g/t)

5.81

5.24

11

Gold produced

(kg)

1 359

1 164

17

Gold sold

(kg)

1 349

1 245

8

Cash operating costs

(R/kg)

137 986

141 947

3

Operating profit

(R'000)

138 159

135 373

2

Masimong excelled once again, recording improved tonnage, grade and gold production. Tonnes milled rose by 5%, due to improved square metres mined. Recovered grade was 11% higher at 5.81g/t, a consequence of an increase in face grades from the B Reef and improved sweepings and stoping widths.

While cash operating costs were 14% higher due mainly to increased labour and electricity costs, the 17% increase in gold production resulted in R/kg unit costs decreasing by 3% to R137 986/kg. This was the best R/kg cost performance in the company during the quarter.

Cash operating profit was R138 million.

Masimong is in good shape and well-positioned to produce consistent safety, production and profitability results.

Phakisa

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

71

67

6

Grade

(g/t)

3.66

3.64

1

Gold produced

(kg)

260

244

7

Gold sold

(kg)

268

219

22

Cash operating costs

(R/kg)

222 000

159 652

(39)

Operating

(R'000)

5 244

18 724

(72)

Phakisa recorded moderate operational results. Tonnes milled improved by 6% to 71 000t. A geological feature in the 63 line caused delays in production during the quarter, but has been resolved.

There was a slight increase in recovered grade from 3.64g/t to 3.66g/t in the past quarter. Gold produced increased by 7% to 260kg.

Total cash operating costs were 48% higher, inflated by production build-up costs and higher labour and electricity costs. This impacted negatively on R/kg costs, which rose by 39% to R222 000/kg. Cash operating profit was thus 72% lower at R5 million. Costs are likely to improve in the next quarter, as production is brought back in line with the planned upward trend.

Four ice plants have been commissioned, resulting in improved ventilation and cooling. This will have a positive effect on productivity

and production. The fifth ice plant will be up and running in the next quarter.

Target

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

193

167

16

Grade

(g/t)

4.71

4.78

(1)

Gold produced

(kg)

909

798

14

Gold sold

(kg)

955

765

25

Cash operating costs

(R/kg)

166 448

153 876

(8)

Operating profit

(R'000)

59 779

36 965

62

Target delivered an excellent safety performance during the quarter and gold production rose by 14% to 909kg. A 16% improvement in tonnes milled to 193 000t – reflecting increased availability of the massive stopes and improved environmental conditions in the narrow reef, conventional stoping section – offset the effect of a 1% decline in yield to 4.71g/t. A higher plant call factor and continued underground clean-up helped to boost production.

Cash operating costs were 8% higher due to higher tonnage milled, as well as wage and electricity increases. Increased gold production, as well as more gold sold, resulted in a 62% improvement in cash operating profit.

A programme of geological re-modelling and a re-estimation of the orebody is almost complete. This is expected to lead to better estimates of ore mined going forward.

Tshepong

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

418

348

20

Grade

(g/t)

4.07

4.76

(14)

Gold produced

(kg)

1 703

1 655

3

Gold sold

(kg)

1 751

1 503

17

Cash operating costs

(R/kg)

168 445

157 819

(7)

Operating profit

(R'000)

127 136

137 647

(8)

Tshepong achieved a 20% improvement in tonnes milled due to higher square metres mined and additional waste development tonnes milled from the decline trammed to reef. The increase in tonnage resulted in 1 703kg of gold produced, 3% up from the previous quarter.

Recovered grade was 14% lower at 4.07g/t, the reason being more erratic values as panels were mined on the edge of the pay shoot.

Cash operating costs increased by 10%, mainly as a result of the significant hikes in labour, electricity and stores costs. This resulted in R/kg unit costs increasing by 7% to R168 445/kg. Cash operating profit decreased by 8% due to cost increases and lower grade achieved.

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009**Virginia**

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

544

565

(4)

Grade

(g/t)

3.07

3.10

(1)

Gold produced

(kg)

1 668

1 754

(5)

Gold sold

(kg)

1 656

1 877

(12)

Cash operating costs

(R/kg)

249 947

212 624

(18)

Operating loss

(R'000)

(14 498)

72 306

(120)

Virginia recorded poor operational results. Its performance was affected by several issues, including a stoppage resulting from a fatality, power failures, seismic events and back-breaks. These incidents caused a decline in square metres mined, as well as a 4% decline in tonnes milled to 544 000t. The recovered grade decreased by only 1% to 3.07g/t. Lower throughput and grade resulted in a 5% decrease in gold production to 1 668kg.

Cash operating costs increased by 12% to R249 947/kg, due to lower gold production and increases in labour and electricity costs. An

operating loss of R14 million was recorded

Due to economic conditions, as well as the low grade of the declining orebody, restructuring alternatives are being evaluated at Brand and Harmony 2 operations.

South African surface operations

September

June

%

Indicator

2009

2009

Variance

Tonnes

(‘000)

2 092

2 397

(13)

Grade (g/t)

0.43

0.34

26

Gold produced

(kg)

891

811

10

Gold sold

(kg)

854

794

8

Cash operating costs (R/kg)

149 072

177 721

16

Operating profit

(R’000)

68 432

60 782

13

Kalgold

September

June

%

Indicator

2009

2009

Variance

Tonnes

(‘000)

452

385
 17
 Grade
 (g/t)
 0.92
 0.93
 (2)
 Gold produced
 (kg)
 415
 359
 16
 Gold sold
 (kg)
 378
 342
 11
 Cash operating costs
 (R/kg)
 172 831
 204 017
 15
 Operating profit
 (R'000)
 14 758
 20 232
 (27)

Kalgold exceeded its plans for the quarter, with tonnes milled 17% higher at 452 000t. Grade remained fairly fl at at 0.92tg/t. Gold produced was 16% higher at 415 kg. Cash operating costs decreased by 15% due to an increase in gold production. Cash operating profi t, however, was 27% lower due to a lower Rand gold price received.

Phoenix

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

1 382

1 649

(16)

Grade

(g/t)

0.117

0.107

9

Gold produced

(kg)
 162
 177
 (9)
 Gold sold
 (kg)
 162
 177
 (9)
 Cash operating costs
 (R/kg)
 173 827
 182 492
 5
 Operating profit
 (R'000)
 10 951
 11 513
 (5)

Phoenix experienced operational problems, resulting in a disappointing performance. Although recovered grade increased by 9% to 0.117g/t, due to improved grades from both Brand A and H1, tonnes milled were 16% lower and gold production declined by 9% to 162kg.

Slimes reclamation at Brand A has now reached the bottom strip and the improved grades are expected to continue during the December quarter.

Cash operating costs were 5% lower at R173 827/kg, due mainly to lower volumes treated. The lower costs contributed to a 4.7% decrease in R/kg costs. Cash operating profit was 5% lower at R11 million, resulting from a decrease in gold production and a lower gold price received.

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Rock dumps

September

June

%

Indicator

2009

2009

Variance

Tonnes

('000)

258

363

(29)

Grade

(g/t)

1.22

0.76

61

Gold produced

(kg)

314

275

14

Gold sold

(kg)

314

275

14

Cash operating costs

(R/kg)

104 898

140 324

25

Operating profit

(R'000)

42 723

29 037

47

Despite a 29% decrease in tonnes milled, gold production increased by 14% to 314kg. Gold production includes 94kg of gold retrieved from the Winkelhaak plant following its closure. Higher gold production resulted in a 25% improvement in cash operating cost to R104 898/kg.

Cash operating profit increased by 47% to R43 million as a result of the increase in gold sold.

International operations

At Hidden Valley heavy rain and plant commissioning issues, including a mill gearbox failure, reduced planned production levels by approximately 15 000 ounces.

Hidden Valley processing plant commissioning and production ramp up was slower than planned.

Morobe Mining Joint Venture, PNG (50%)

Hidden Valley

Project construction and process plant commissioning activities were delayed during the quarter. Exceptionally heavy rain during July 2009 (exceeding a 1-in-20-year event) and the premature failure of a mill gearbox and plant modifications in September 2009, significantly impacted commissioning production. Harmony's 50% share of production for the quarter was 3 168 ounces.

By the end of September 2009 the process plant had been largely commissioned. Mill utilisation and throughput rates, after the gearbox repairs and Carbon-in-Leach (CIL) plant modifications, were ramping up satisfactorily.

Overland conveyor construction was similarly impacted by wet weather and is behind schedule. Construction should be substantially complete by the end of November 2009. Production will not be impacted by the conveyor delay as higher grade ore from the Hamata pit (located adjacent to the processing plant) is to be processed first. Work continues with establishment and management of waste dumps as well as a continued focus on community engagement, employment and training of local employees. The engineering and design contract for the Hidden Valley expansion project as part of the concept study was awarded during the quarter. Initial work will focus on identifying and completing 'early wins' based upon data and process information obtained during the ongoing plant commissioning.

Gold production summary

September 2009 quarter

Mine production

Gold production

(t

000's)

(oz)

Hidden Valley

(1)

3 917

3 168

(1) Hidden Valley production is treated as commissioning production. Costs associated with these ounces have been excluded from the cost calculations throughout this report.

Wafi-Golpu

The integrated geological model for Wafi -Golpu was used to target the ongoing drilling programme. A desktop study has identified a potential mining concept for the Golpu porphyry deposit. The block cave concept in conjunction with an open pit mine remains the preferred route pending confirmation of drilling results.

10

Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

Development

Note:

The ore reserve block grades reflect the grades of the blocks in the life of mine plans of the various operations. Those blocks are to a large

degree the blocks above a certain cut off grade that have been targeted for mining. The development grades are the grades as sampled in

the ongoing on-reef development at the operations and no selectivity has been applied from a grade point of view.

Bambanani

The Bambanani ore reserve grade is to a large degree a reflection of the future extraction of the high grade Basal Reef shaft pillar. No on-reef development was done in the high grade shaft pillar during the quarter and the current development grade is in line with the planned grades. However, the development grade is expected to increase over the next quarter as some of the raises move into better areas.

Doornkop

Limited South Reef has been exposed to date and on-reef development metres are below plan in the expected higher grade area of 192 Level. Although the ore body remains high-risk with the limited information available, development grades are starting to improve as more reef metres are being developed. The 197 Level grades improved to over 1000 cmg/t, which is in line with the reserve grade. 192 Level is still low at a grade of approximately 700 cmg/t, but, as mentioned, is expected to improve.

Elandsrand

The quarter-on-quarter drop in development grade is as a result of a combination of lower raise values in the Old Mine and also between 105 and 109 Level in the New Mine. The 109-33 and 109-32 raise lines developed into poorly mineralised VCR with poor values as expected. Grades are however expected to increase as 109-32 and 109-33 raise lines moves out of the poorly mineralised zones.

Evander

There was a slight increase in grade due to mainly Evander 8 shaft raises developing from the pay shoot edges towards the main pay shoot. An increase in grades at Evander 8 is expected to continue.

Joel

There was a quarter-on-quarter drop in development grade which can be attributed to the variability of the Beatrix Reef in the areas that are being developed. The rolling four-quarter development grade, however, remains higher than the reserve grade.

Masimong

The development grade is lower than the reserve grade due mainly to an underperformance on the 'B' Reef drives. The current grades on the Basal Reef on-reef development are also slightly below expectation.

Ore Reserve Block Grades v Development Grades

Ore Reserve

(cmg/t)

Rolling
4 quarter average
(cmg/t)
Current
quarter
(cmg/t)

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Phakisa

With Phakisa being a new mine, the development is currently taking place close to the shaft in the lower-grade southern areas. Grades will improve as the development progresses towards the north and more reef is exposed within the major north west- to south east-trending Basal Reef payshoot.

There was an increase in development grade for the raises being developed in the southern area, compared with the previous quarter.

Target (Narrow Reef Mining)

Development sampling is now reported only on those raises being developed for “gold” as distinct from those raises developed on selected horizons to “de-stress” future massive stopes. Further, sampling of access drives for massive mining are also not reported as they are not representative of the reefs on which the massives are designed. As such, development sampling reported represents a relatively small portion of future production.

No on-reef raise development took place during the current quarter due to environmental conditions in certain areas of the mine.

Tshepong

A large proportion of the on-reef development is currently taking place on the edges of the north west- to south east-trending Basal Reef payshoot. The development grade is expected to improve as new raise lines become available within the deeper extension of the payshoot in the Sub 66 and Sub 71 decline area.

There was an increase in grade reported for the “B” Reef as opposed to a drop in grade for the Basal Reef on-reef development.

Virginia

In general the development at Unisel produced good results, especially on the Basal Reef where good channels were intersected between waste on contact areas to the south of the shaft.

At the Merriespruit shafts there were disappointing results as development for both the Leader Reef and Basal Reef intersected areas of poorly developed reef and areas of eroded reef remnants.

Exploration

South Africa

Evander 6 shaft and Twistdraai (Taung JV)

Harmony’s objective is to complete a bankable feasibility study of the two areas within five years. During the quarter under review, permission from the Department of Mineral Resources (DMR) was sought to begin surface drilling of three holes in the Twistdraai area. Consultations with stakeholders have taken place and no objections have been recorded.

We are now awaiting final DMR approval and it is likely that drilling will start in the new year.

A study entailing a detailed mine plan and schedule of the Evander 6 shaft was completed during the quarter. The purpose of the study is to optimise the extraction of the orebody and improve the project financials.

Evander South surface drilling

Good progress was made at Evander South during the September quarter, with a total of 7 461 metres drilled compared to the

7 440 metres that were planned (+0.3% variance). Progressively, the programme is 5% ahead of schedule and is almost complete with 96% of the planned metres having been drilled. One rig has already demobilised with the others due to finish in mid-November.

Waste Metres / Reef Metres / Ave cmg/t

12

Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

Joel North surface drilling – exploration progress

The current surface drilling programme at Joel North involves drilling six holes to a depth of between 1 300 metres and 1 400 metres to the north of the current Joel mine workings to allow an upgrade of the resource between 129 Level and 137 Level. During the quarter, 3 445 metres were drilled. The programme is 36% complete and projected completion is March 2010. The first reef intersection was made on 24 October 2009.

Project Saints

Project Saints entails the re-treating of surface tailings in the Free State at a rate of 1 million tonnes per month. During the quarter detailed modelling of each of the dams was completed with particular attention paid to the distribution of the grade and the mining methodology. We decided to follow a recommendation from a recent ore resource/reserve audit conducted to drill additional holes on each of the dams.

We are currently awaiting approval from the Department of Mineral Resources of the re-aligned environmental management programmes that were delivered. Furthermore, most of the licences for servitudes have been received and those that are outstanding are not thought to pose a significant risk to the project proceeding.

Project Libra

With regard to Project Libra, the re-treating of surface tailings at a rate of 1 million tonnes per month from the Winkelhaak, Leslie and Kinross tailings dams at Evander, the feasibility study has now been initiated and consultants have been engaged to carry out the environmental impact assessment and to complete a conceptual design of the tailings storage facilities. The dams will also be re-drilled and samples collected for assay and metallurgical recovery test work.

Project TPM

Ore from Harmony's Free State mines contains uranium as a by-product of gold processing and the TPM project envisages treating current arisings from the Tshepong, Phakisa and Masimong (TPM) mines primarily for uranium.

During the quarter, a sampling programme was devised. At the end of the quarter assaying of samples began and permission was granted for the pilot plant to be constructed. Assaying of these samples will only be complete by the end of February. In the meantime, the resource models for project TPM will be updated and it is likely that the pre-feasibility for the project will be reviewed again in March 2010. The pilot plant is due to be commissioned by the end of October and for flotation test work to start thereafter.

Environmental impact specialist studies concerning the building of a new uranium plant were completed during the quarter.

St Helena 10 shaft

This project involves the re-opening of St Helena No 10 shaft. During the September quarter we began preparation of block plans incorporating the faulting structure and this is due for completion by the middle of November. The digitising of the Basal Reef has also started and will be followed by the Leader Reef. A more detailed mine plan will then be drawn up and the feasibility study finalised within the next few months.

International

1. Wafi-Golpu JV

Wafi Near Mine (Brownfields)

Northern Diatreme Margin

Two holes (WR316 and WR318) for 1 405m were completed during the quarter as part of a broader programme to define and test the northeast margin of the diatreme intrusive. The target was based on an area of elevated surface Au geochemistry adjacent to the diatreme contact, which had seen little previous drill testing.

Drilling of a third hole, WR231, is in progress.

Miapili Prospect

A new zone of copper-gold mineralisation has been intersected on the Wafi Transfer Structure approximately 900m northeast of Golpu. Miapili prospect was drilled to test a magnetic target and intersected several broad intervals of highly anomalous copper-gold mineralisation including a higher grade interval of 52m @ 1.0 g/t Au, 0.2% Cu from 409m. The mineralisation correlates with a broad zone of stockwork vein mineralisation in metasediments that sits along the contact of a porphyry intrusive. The style of mineralisation is similar to Nambonga with laminated quartz-sulphide-magnetite veins. The drill intercept is open to the south and follow-up drilling is planned for this December 2009 quarter.

Golpu Deeps and Wafi Project studies

One aspect of concept studies underway is that it appears possible to achieve significant value enhancement for the project if a single decline and high-lift block cave are utilised, as opposed to the double-lift twin decline scenario used in the original pre-feasibility study. Two deep drill holes are proposed to test the size and shape of the Golpu ore body at depth in order to determine if the concept is viable. Drilling is scheduled to start in November.

2. Morobe Exploration JV

Grassroots exploration during the quarter was undertaken on nine separate prospect areas across four exploration licences including EL1403 (Morobe Coast), EL1629 (Garaina), EL1103 (Zilani) and EL1316 (Mumeng). In line with the strategy, work to date continues to focus on the Wafi Transfer structure and surrounding prospects in order to develop a province with multiple gold and porphyry copper-gold deposits. Results from Pekumbe have been highly encouraging.

3. Hidden Valley JV

ML151 (Brownfields)

Exploration drilling on ML151 Hidden Valley reduced during the quarter to two holes (976m). The exploration drill rig was redirected onto resource definition work at Kaveroi North in order to allow additional time for interpretation and ranking of targets in

the context of the new Hidden Valley Geological Model.

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Yafo Prospect

Drilling at the Yafo prospect on ML151 comprised one hole for 381.9m to follow up below the historic intercept in MP001 (20m @ 12.88g/t Au from 36m). Although the drill hole intersected a zone of strong sericite-clay-pyrite-k-feldspar alteration, results returned were disappointing. No work is planned at this stage until results are interpreted in context with the Hidden Valley Geological Model.

Apu Creek

The Apu Creek prospect is located approximately 800m east of the Hidden Valley – Kaveroi ore system. Drilling re-started late in the quarter to follow up of anomalous silver mineralisation intersected by APDH001 and historical drill results associated with southern extensions of the Hidden Valley fault system (i.e. HV018: 10m @ 0.53g/t Au; 35m @ 0.41g/t Au). The intent of the drilling is to understand metal/alteration zonation and structural setting in relation to the HV-Kaveroi system and generate targets for extensions to the known mineralised system.

4. PNG Exploration (Harmony 100%)

West Sepik Project – ELA1708 (Amanab)

The tenement is located approximately 160km north of the OK Tedi copper-gold mine in the Sandaun Province. The tenement was pegged to target the bedrock source of the alluvial goldfield centred on the Yup River. EL1708 was granted on 6 July 2009 and title documents were received during the quarter. Data compilation and programme planning began for work programmes in the second half of FY10.

Mt Hagen Project – EL1611 (Angiki) and EL1596 (Jimi Valley)

Transactions to acquire the Mt Hagen Project were finalised during the quarter. Harmony acquired 100% of the mineral rights for EL1596 from Frontier Resources for the cash consideration of A\$300 000. Harmony also acquired the rights to explore the adjacent tenement EL1611 over a four-year period, with the condition that Harmony's exploration programme meets the minimum annual statutory expenditure commitment. At any time during this period Harmony may exercise an option to purchase 100% of the tenement for a total cash consideration of 6 million Kina.

A brief field visit was completed during the quarter. Work focused on setting up procedural, safety and administrative controls ahead of field operations. Field operations are set to begin in October 2009 with establishment of a base camp at Kurunga and initial trenching and surface sampling across the strike of the mineralised outcrop.

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Results for the first quarter

ended 30 September 2009

Harmony Quarterly Report 2009 **15**

Operating results

(Rand/Metric)

Underground production – South Africa

Surface production – South Africa

Total

SA

Total

SA

South

Africa

Bambanani

Doornkop

Elandsrand

Evander

Joel

Masimong

Phakisa

Target

Tshepong

Virginia

Underground

Kalgold

Phoenix

Dumps

Surface

Other

Total

Ore milled

– t'000

Sep-09

147

130

260

259

136

234

71

193

418

544

2 392

452

1 382

258

2 092

–

4 484

Jun-09

138

148
233
248
131
222
67
167
348
565
2 267
385
1 649
363
2 397
—
4 664
Gold produced
— kg
Sep-09
946
500
1 625
1 239
515
1 359
260
909
1 703
1 668
10 724
415
162
314
891
—
11 615
Jun-09
876
392
1 469
1 348
492
1 164
244
798
1 655
1 754
10 192
359
177
275

811

–

11 003

Yield

– g/tonne

Sep-09

6.44

3.85

6.25

4.78

3.79

5.81

3.66

4.71

4.07

3.07

4.48

0.92

0.12

1.22

0.43

–

2.59

Jun-09

6.35

2.65

6.30

5.44

3.76

5.24

3.64

4.78

4.76

3.10

4.50

0.93

0.11

0.76

0.34

–

2.36

Cash operating costs

– R/kg

Sep-09

199 533

171 476

182 729

226 699

198 792

137 986

222 000

166 448
168 445
249 947
191 627
172 831
173 827
104 898
149 072

–

188 362

Jun-09

193 207

211 855

180 732

185 361

198 069

141 947

159 652

153 876

157 819

212 624

179 181

204 017

182 492

140 324

177 721

–

179 074

Cash operating costs

– R/tonne

Sep-09

1 284

660

1 142

1 084

753

801

813

784

686

766

859

159

20

128

63

–

488

Jun-09

1 226

561

1 139
1 008
744
744
581
735
751
660
806
190
20
106
60
—
422
Gold sold
— Kg
Sep-09
973
500
1 433
1 203
529
1 349
268
955
1 751
1 656
10 617
378
162
314
854
—
11 471
Jun-09
792
394
1 368
1 429
443
1 245
219
765
1 503
1 877
10 035
342
177
275
794

—
 10 829
Revenue
(R'000)
Sep-09
233 738
120 432
349 650
290 373
127 680
323 889
64 293
219 345
420 604
398 125
2 548 129
83 694
39 111
75 661
198 466

—
2 746 595

Jun-09
 195 988
 94 870
 331 745
 347 441
 109 157
 308 757
 53 695
 188 380
 372 123
 464 875
 2 467 031
 84 952
 43 814
 67 626
 196 392

—
 2 663 423

Cash operating costs
(R'000)
Sep-09
188 758
85 738
296 935
280 880
102 378
187 523
57 720
151 301

286 862
416 911
2 055 006
71 725
28 160
32 938
132 823

—

2 187 829

Jun-09

169 249

83 047

265 496

249 867

97 450

165 226

38 955

122 793

261 190

372 943

1 826 216

73 242

32 301

38 589

144 132

—

1 970 348

Inventory movement

(R'000)

Sep-09

4 347

16 158

(16 189)

(7 387)

2 358

(1 793)

1 329

8 265

6 606

(4 288)

9 406

(2 789)

—

—

(2 789)

—

6 617

Jun-09

(17 311)

(15 828)

(36 955)

12 560
(9 967)
8 158
(3 984)
28 622
(26 714)
19 626
(41 793)
(8 522)

—

—

(8 522)

—

(50 315)

Operating costs

(R'000)

Sep-09

193 105

101 896

280 746

273 493

104 736

185 730

59 049

159 566

293 468

412 623

2 064 412

68 936

28 160

32 938

130 034

—

2 194 446

Jun-09

151 938

67 219

228 541

262 427

87 483

173 384

34 971

151 415

234 476

392 569

1 784 423

64 720

32 301

38 589

135 610

—

1 920 033

Cash operating profit

(R'000)

Sep-09

40 633

18 536

68 904

16 880

22 944

138 159

5 244

59 779

127 136

(14 498)

483 717

14 758

10 951

42 723

68 432

–

552 149

Jun-09

44 050

27 651

103 204

85 014

21 674

135 373

18 724

36 965

137 647

72 306

682 608

20 232

11 513

29 037

60 782

–

743 390

Capital expenditure

(R'000)

Sep-09

23 019

72 766

111 325

51 651

17 809

38 866

127 689

83 710

71 169

51 557
649 561
1 811
1 503
—
3 314
13 456
666 331
Jun-09
17 783
96 198
111 500
56 477
18 369
33 000
103 916
92 693
68 364
71 903
670 203
5 444
739
—
6 183
21 203
697 589

16

Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

CONDENSED CONSOLIDATED INCOME STATEMENT (Rand)

Quarter ended

Year ended

September

June

September¹

June

2009

2009

2008

2009

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Note

R million

R million

R million

R million

Continuing operations

Revenue

2 747

2 663

2 682

11 496

Cost of sales

2

(2 604)

(2 863)

(2 377)

(9 836)

Production cost

(2 195)

(1 920)

(1 874)

(7 657)

Amortisation and depreciation

(350)

(546)

(308)

(1 467)

Impairment of assets

–

(330)

(152)

(484)

Employment termination and restructuring costs

—

—

(12)

(39)

Other items

(59)

(67)

(31)

(189)

Gross profit/(loss)

143

(200)

305

1 660

Corporate, administration and other expenditure

(88)

(99)

(91)

(362)

Exploration expenditure

(60)

(77)

(51)

(289)

Other (expenses)/income – net

(72)

(74)

524

864

Operating (loss)/profit

(77)

(450)

687

1 873

Profit from associates

31

49

1

12

Profit on sale of investment in associate

—

—

1

1

Impairment of investment in associate

—

—

(112)

(112)

Fair value movement of listed investments

-
12
-
(101)
Profit on sale of listed investments
2
-
-
-
Impairment of investments
(2)
-
-
-
Investment income
71
108
77
444
Finance cost
(35)
(20)
(85)
(212)
(Loss)/profit before taxation
(10)
(301)
569
1 905
Taxation
(19)
547
(237)
(196)
Net (loss)/profit from continuing operations
(29)
246
332
1 709
Discontinued operations
3
(Loss)/profit from discontinued operations
-
(8)
70
1 218
Net (loss)/profit
(29)
238
402
2 927

(Loss)/earnings per ordinary share (cents)

4
– (Loss)/earnings from continuing operations
(7)
58
83
413
– (Loss)/earnings from discontinued operations
–
(2)
17
294

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

(7)
56
100
707
Diluted (loss)/earnings per ordinary share (cents)

4
– (Loss)/earnings from continuing operations
(7)
58
82
411
– (Loss)/earnings for discontinued operations
–
(2)
17
293

Total diluted (loss)/earnings per ordinary share (cents)

(7)
56
99
704

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

¹ The comparative figures are re-presented due to Mount Magnet being reclassified as part of continuing operations. See note 3 in this regard.

Harmony Quarterly Report 2009 **17**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (Rand)

Quarter ended

Year ended

September June

September June

2009 2009

2008 2009

(Unaudited) (Unaudited)

(Unaudited) (Audited)

R million

R million

R million

R million

Net (loss)/profit for the period

(29)

238

402

2 927

Attributable to:

Owners of the parent

(29)

238

402

2 927

Non-controlling interest

–

–

–

–

Other comprehensive income/(loss) for the period, net of income tax

15

(203)

88

(450)

Foreign exchange translation profit/(loss)

19

(205)

119

(497)

Mark-to-market of available-for-sale investments

(4)

2

(31)

47

Total comprehensive (loss)/income for the period

(14)

35

490

2 477

Attributable to:

Owners of the parent

(14)

35

490

2 477

Non-controlling interest

—

—

—

—

18

Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

CONDENSED CONSOLIDATED BALANCE SHEET (Rand)

At	At	At
September	September	2008
2009	2009	2008
(Unaudited)	(Audited)	(Unaudited)

Note

R million

R million

R million

ASSETS**Non-current assets**

Property, plant and equipment

28 457

27 912

27 020

Intangible assets

2 218

2 224

2 213

Restricted

cash

165 161

181

Restricted investments

1 668

1 640

1 512

Investments in financial assets

39

57

48

Investments in associates

360

329

34

Trade and other receivables

72

75

127

32 979

32 398

31 135

Current assets

Inventories

1 147

1 035

752

Trade and other receivables			
838			
885			
875			
Income and mining taxes			
45			
45			
54			
Cash and cash equivalents			
1 094			
1 950			
1 186			
3 124			
3 915			
2 867			
Assets of disposal groups classified as held-for-sale			
3			
—			
—			
1 408			
3 124			
3 915			
4 275			
Total assets			
36 103			
36 313			
35 410			
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
28 093			
28 091			
25 904			
Other reserves			
388	339	777	
Retained earnings/(accumulated loss)			
853			
1 095			
(1 430)			
29 334			
29 525			
25 251			
Non-current liabilities			
Borrowings			
5	108	110	176
Deferred tax			
3 265			
3 251			
3 008			
Provision for environmental rehabilitation			

1 564

1 530

1 152

Retirement benefit obligation and other provisions

166

166

145

5 103

5 057

4 481

Current liabilities

Trade and other payables

1 385

1 460

1 528

Income and mining taxes

21

19

295

Borrowings

260

252

3

363

1 666

1 731

5 186

Liabilities of disposal groups classified as held-for-sale

–

–

492

1 666

1 731

5 678

Total equity and liabilities

36 103

36 313

35 410

Number of ordinary shares in issue

426 024 653

425 986 836

403 424 148

Net asset value per share (cents)

6 886

6 931

6 259

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

Harmony Quarterly Report 2009 **19**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (Rand)

Retained	
Issued	
earnings/	
share	
Other	
(accumulated	
capital	
reserves	
loss)	
Total	
Note	
R million	
R million	
R million	
R million	
Balance – 30 June 2009	
28 091	
339	
1 095	
29 525	
Issue of share capital	
2	
–	
–	
2	
Deferred share-based payments	
–	
34	
–	
34	
Comprehensive income/(loss) for the period	
–	
15	
(29)	
(14)	
Dividends paid	
6	
–	
–	
(213)	
(213)	
Balance as at 30 September 2009	
28 093	
388	
853	
29 334	
Balance – 30 June 2008	
25 895	
676	

(1 832)
24 739
Issue of share capital
9
—
9
Deferred share-based payments
—
13
—
13
Comprehensive income for the period
—
88
402
490
Balance as at 30 September 2008
25 904
777
(1 430)
25 251

20

Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Rand)

Quarter ended

Year ended

September

June

September

June

2009

2009

2008

2009

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

R million

R million

R million

R million

Cash flow from operating activities

Cash generated by operations

225

780

670

2 813

Interest and dividends received

68

107

82

457

Interest

paid

(9)

(65)

(112)

(280)

Income and mining taxes paid

(25)

(428)

(1)

(704)

Cash generated by operating activities

259

394

639

2 286

Cash flow from investing activities

(Increase)/decrease in restricted cash

(3)

6

(103)

(83)

Net proceeds on disposal of listed investments

15

–

–

–

Net additions to property, plant and equipment

(907)

1 093

798

979

Other investing activities

8

51

10

(79)

Cash (utilised)/generated by investing activities

(887)

1 150

705

817

Cash flow from financing activities

Long-term loans repaid

(7)

(2 462)

(588)

(3 738)

Ordinary shares issued – net of expenses

2

10

8

1 953

Dividends

paid

(213)

–

–

–

Cash utilised by financing activities

(218)

(2 452)

(580)

(1 785)

Foreign currency translation adjustments

(10)

18

7

217

Net (decrease)/increase in cash and cash equivalents

(856)

(890)

770

1 535

Cash and cash equivalents – beginning of period

1 950

2 840

415

415

Cash and cash equivalents – end of period

1 094

1 950

1 186

1 950

Harmony Quarterly Report 2009 **21**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**1. Accounting policies**

Basis of accounting

The condensed consolidated interim financial statements for the period ended 30 September 2009 have been prepared using accounting

policies that comply with International Financial Reporting Standards (IFRS), which are consistent with the accounting policies used in the

audited annual financial statements for the year ended 30 June 2009. These condensed consolidated interim financial statements are

prepared in accordance with IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the financial statements for the year ended 30 June 2009.

2.**Cost of sales**

Quarter ended

Year ended

September

June

September¹

June

2009	2009	2008	2009
------	------	------	------

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

R million

R million

R million

R million

Production costs

2 195

1 920

1 874

7 657

Amortisation and depreciation

350

546

308

1 467

Impairment of assets

-

330

152

484

Provision for rehabilitation costs

4

13

6

21

Care and maintenance cost of restructured shafts

21

15

12

53

Employment termination and restructuring costs

–

–

12

39

Share-based compensation

34

38

13

113

Provision for post retirement benefits

–

1

–

2

Total cost of sales

2 604

2 863

2 377

9 836

¹ The comparative figures are re-presented due to Mount Magnet being reclassified as part of continuing operations. See note 3 in this regard.

3.

Disposal groups classified as held-for-sale and discontinued operations

Following approval by the Board of Directors in April 2007, the assets and liabilities related to Mount Magnet (operations in Australia) were classified as held-for-sale. This operation also met the criteria to be classified as discontinued operations in terms of IFRS 5. During the June 2009 quarter, it was decided that further drilling at the site to define the orebody would enhance the selling potential of the operation. As a result, the operation no longer met the requirements of IFRS 5 to be classified as held-for-sale, and was therefore reclassified as continuing operations again. Consequently, the income statements and earnings per share amounts for all comparative periods have been represented taking this change into account.

4.

(Loss)/earnings per ordinary share

(Loss)/earnings per ordinary share is calculated on the weighted average number of ordinary shares in issue for the quarter ended 30 September 2009: 425.9 million (30 June 2009: 425.7 million, 30 September 2008: 403.1 million) and for the year ended 30 June 2009: 414.1 million.

The fully diluted (loss)/earnings per ordinary share is calculated on weighted average number of diluted ordinary shares in issue for the

quarter ended 30 September 2009: 427.2 million (30 June 2009: 427.5 million, 30 September 2008: 404.6 million) and for the year ended 30 June 2009: 416.0 million.

22

Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

Quarter ended

Year ended

September

June

September

June

2009 2009 2008 2009

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

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

Basic

(loss)/earnings

(7) 56 100 707

Fully diluted (loss)/earnings

(7)

56

99

704

Headline (loss)/earnings

(12)

107

24

262

– from continuing operations

(12)

107

7

239

– from discontinued operations

–

–

17

23

R million

R million

R million

R million

Reconciliation of headline (loss)/earnings:**Continuing operations**

Net (loss)/profit

(29)

246

332

1 709

Adjusted for (net of tax):

Profit on sale of property, plant and equipment
 (1)
 (83)
 (567)
 (975)
 Profit on sale of listed investments
 (1)
 -
 -
 -
 Fair value movement of listed investments
 -
 (9)
 -
 71
 Foreign exchange gain reclassified from equity
 (22)
 -
 -
 (384)
 Profit on sale of associate
 -
 -
 (1)
 (1)
 Impairment of investment in associates
 -
 -
 112
 112
 Impairment of investments
 2
 -
 -
 -
 Impairment of property, plant and equipment
 -
 303
 152
 457
Headline (loss)/earnings
(51)
457
28
989
Discontinued operations
 Net (loss)/profit
 -
 (8)
 70
 1 218

Adjusted for (net of tax):

Profit/(loss) on sale of property, plant and equipment

–

6

–

(1 121)

Headline (loss)/earnings

–

(2)

70

97

Total headline (loss)/earnings

(51)

455

98

1 086

5. Borrowings

September		June
-----------	--	------

September		
-----------	--	--

2009	2009	2008
------	------	------

(Unaudited)	(Audited)	
-------------	-----------	--

(Unaudited)		
-------------	--	--

R million		
-----------	--	--

R million		
-----------	--	--

R million		
-----------	--	--

Total long-term borrowings		
----------------------------	--	--

108		
-----	--	--

110		
-----	--	--

176		
-----	--	--

Total current portion of borrowings		
-------------------------------------	--	--

260		
-----	--	--

252		
-----	--	--

3 363		
-------	--	--

Total borrowings

(1)		
-----	--	--

368		
------------	--	--

362		
------------	--	--

3		
----------	--	--

539		
------------	--	--

(1)		
-----	--	--

Included in the borrowings is R104 million (June 2009: R106 million; September 2008: R183 million) owed to Westpac Bank Limited in terms

of a finance lease agreement. The future minimum lease payments to the loan are as follows:

Harmony Quarterly Report 2009 **23**

September	June	
September	2009	2008
2009	2009	2008
(Unaudited)	(Audited)	
(Unaudited)		
R million		
R million		
R million		
Due within one year		
31	30	46
Due between one and fi ve years		
76		
80		
156		
107	110	202
Future fi nance charges		
(3)		
(4)		
(19)		
Total future minimum lease payments		
104		
106		
183		

6. Dividend declared

On 13 August 2009, the board of directors approved a fi nal dividend for the 2009 fi nancial year of 50 SA cents per share. The total dividend, amounting to R213 million was paid on 21 September 2009.

September	June	
September	2009	2008
2009	2009	2008
(Unaudited)	(Audited)	
(Unaudited)		
Dividend declared (R million)		
213		
–		
–		
Number of shares in issue (thousands)		
426 025		
425 987		
403 424		
Dividend per share (cents)		
50		
–		
–		

7.**Commitments and contingencies**

September	June	
September	2009	2008
2009	2009	2008
(Unaudited)	(Audited)	

(Unaudited)

R million

R million

R million

Capital expenditure commitments

Contracts for capital expenditure

528

478

512

Authorised by the directors but not contracted for

1 829

734

2 467

2 357

1 212

2 979

This expenditure will be financed from existing resources.

Contingent liability

Class action

We have filed with the Court a Motion to Dismiss all claims asserted in the Class Action Case, the plaintiffs have filed an opposing response, and we have since replied to that response. At this point the matter is in the hands of the Court and we are awaiting a ruling by the Court.

It is not possible to predict with certainty when the Court will rule on the Motion to Dismiss as the timing of the ruling is entirely within the discretion of the Court.

8. Subsequent events

During October 2009, Harmony sold its remaining Avoca shares of 2 465 295 at an average price of A\$1.66 per share, amounting to the sale proceeds of A\$4.1 million.

9. Segment report

The segment report follows on page 25 and 26.

24

Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009**10. Reconciliation of segment information to consolidated income statements and balance sheet**

September 2009 (Unaudited)	September 2008 (Unaudited)
----------------------------------	----------------------------------

R million

R million

The “reconciliation of segment data to consolidated financials” line item in the segment reports are broken down in the following elements, to give a better understanding of the differences between the income statement, balance sheet and segment report.

Revenue from:

Discontinued operations

– 338

Production costs from:

Discontinued operations

– 248

Reconciliation of cash operating profit to gross profit:

Total segment revenue

2 747

3 020

Total segment production costs

(2 195)

(2 122)

Cash operating profit as per segment report

552

898

Less:

Discontinued operations

– (90)

Cash operating profit as per segment report

552

808

Cost of sales items other than production costs

(409)

(503)

Amortisation and depreciation

(350) (308)

Impairment of assets

– (152)

Employment termination and restructuring costs

–

(12)

Share-based compensation

(34) (13)

Rehabilitation costs

(4) (6)

Care and maintenance costs of restructured shafts

(21)	
(12)	
Gross profit as per income statements*	
143	
305	
Reconciliation of total segment mining assets to consolidated property, plant and equipment:	
Property, plant and equipment not allocated to a segment:	
Mining assets	
596	459
Undeveloped property	
5 139	
5 139	
Other non-mining assets	
66	48
Less:	
Non-current assets previously classified as held-for-sale	
—	
(272)	
Less:	
Non-current assets classified as held-for-sale	
—	
(737)	
5 801	
4 637	

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

Harmony Quarterly Report 2009 **25**

SEGMENT REPORT FOR THE PERIOD ENDED 30SEPTEMBER 2009 (Unaudited) (Rand/Metric)

Cash

Production

operating

Mining

Capital

Kilograms

Tonnes

Revenue

cost

profit/(loss)

assets

expenditure

produced

milled

R million

R million

R million

R million

R million

kg

t'000

Operations

South Africa

Underground

Bambanani

234

193

41

672

23

946

147

Doornkop

120

101

19

2 618

73

500

130

Elandsrand

350

281

69

2 797

111

1 625

260

Evander

290
273
17
958
52
1 239
259
Masimong
324
186
138
684
39
1 359
234
Phakisa
64
59
5
3 778
128
260
71
Target
219
160
59
2 262
84
909
193
Tshepong
421
294
127
3 660
71
1 703
418
Virginia
398
413
(15)
868
52
1 668
544
Other
(1)
128
105

23
230
18
515
136
Surface
Other
(2)
199
130
69
141
15
891
2 092
Total South Africa
2 747
2 195
552
18 668
666
11 615
4 484
International
Papua New Guinea
—
—
—
3 713
249
—
—
Other operations
(3)
—
—
—
275
—
—
—
Total international
—
—
—
3 988
249
—
—
Total operations
2 747

2 195

552

22 656

915

11 615

4 484

Reconciliation of the segment
information to the consolidated
income statement and
balance sheet (refer to note 10)

—

—

5 801

2 747

2 195

28 457

Notes:

(1)

Includes Joel.

(2)

Includes Kalgold, Phoenix and Dumps.

(3)

Includes Mount Magnet.

26
Harmony Quarterly Report 2009
Results for the first quarter
ended 30 September 2009
SEGMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (Unaudited) (Rand/Metric)

Cash
Production
operating
Mining
Capital
Kilograms
Tonnes
Revenue
cost
profit/(loss)
assets
expenditure
produced
milled
R million
R million
R million
R million
R million
kg
t'000

Continuing operations
South Africa
Underground
Bambanani
256
171
85
731
11
1 189
142
Doornkop
55
59
(4)
2 229
83
255
110
Elandsrand
332
245
87
2 450
95

1 528
288
Evander
346
238
108
1 226
50
1 612
306
Masimong
282
169
113
647
33
1 272
235
Phakisa
23
18
5
3 265
105
109
30
Target
127
118
9
2 259
61
530
167
Tshepong
410
250
160
3 586
51
1 906
354
Virginia
485
377
108
928
39
2 197
568
Other

(1)
114
92
22
233
11
538
137
Surface
Other
(2)
252
137
115
151
54
1 151
2 262
Total South Africa
2 682
1 874
808
17 705
593
12 287
4 599
International
Papua New Guinea
—
—
—
3 669
400
—
—
Other operations
(3)
—
—
—
272
—
—
—
Total international
—
—
—
3 941
400
—

-
Total continuing operations
2 682
1 874
808
21 646
993
12 287
4 599
Discontinued operations
Cooke operations
338
248
90
737
53
1 564
801
Total discontinued operations
338
248
90
737
53
1 564
801
Total operations
3 020
2 122
898
22 383
1 046
13 851
5 400
Reconciliation of the segment
information to the consolidated
income statement and
balance sheet (refer to note 10)
(338)
(248)
4 637
2 682
1 874
27 020
Notes:
(1)
Includes Joel.
(2)
Includes Kalgold, Phoenix and Dumps.
(3)
Includes Mount Magnet.

Harmony Quarterly Report 2009 **27**

Results for the first quarter

ended 30 September 2009

Incorporated in the Republic of South Africa

Registration Number 1950/038232/06

("Harmony" or "Company")

JSE Share code: HAR

NYSE Share code: HMY

ISIN Code: ZAE 000015228

Results for the

first quarter ended

30 September 2009

(US\$)

28 Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

Harmony Quarterly Report 2009 **29**

OPERATING RESULTS

(US\$/Imperial)

Underground production – South Africa

Surface production – South Africa

Total

SA

Total

SA

South

Africa

Bambanani

Doornkop

Elandsrand

Evander

Joel

Masimong

Phakisa

Target

Tshepong

Virginia

Underground

Kalgold

Phoenix

Dumps

Surface

Other

Total

Ore milled

– t'000

Sep-09

162

143

287

286

150

258

78

213

461

600

2 638

498

1 524

285

2 307

–

4 945

Jun-09

152

163
257
273
144
245
74
184
384
623
2 499
425
1 818
400
2 643

—
5 142

Gold produced

— oz
Sep-09
30 415
16 075
52 245
39 835
16 558
43 693
8 359
29 225
54 753
53 627
344 785
13 343
5 208
10 095
28 646

—
373 431
Jun - 09
28 164
1 260 3
4 722 9
4 333 9
1 581 8
3 742 3
7 845
2 565 6
5 320 9
5 639 2
3 276 7 8
1 154 2
5 691
8 841

2 6 0 7 4

-

3 5 3 7 5 2

Yield

- oz/t

Sep-09

0.19

0.11

0.18

0.14

0.11

0.17

0.11

0.14

0.12

0.09

0.13

0.03

0.00

0.04

0.01

-

0.08

Jun - 09

0.19

0.08

0.18

0.16

0.11

0.15

0.11

0.14

0.14

0.09

0.13

0.03

0.00

0.02

0.01

-

0.07

Cash operating costs

- \$/oz

Sep-09

798

685

730

906

795

552

887

665
673
999
766
691
695
419
596
-
753
Jun - 09
714
783
668
685
732
524
590
568
583
785
662
754
674
518
656
-
661
Cash operating costs
- \$/t
Sep-09
150
77
133
126
88
93
95
91
80
89
100
19
2
15
7
-
57
Jun - 09
132
61

1 2 3
1 0 9
8 0
8 0
6 3
7 9
8 1
7 1
8 7
2 0
2
1 1
6
—
4 6
Gold sold
— oz
Sep-09
31 283
16 075
46 072
38 677
17 008
43 371
8 616
30 704
56 296
53 242
341 344
12 153
5 208
10 095
27 456
—
368 800
J u n - 0 9
2 5 4 6 3
1 2 6 6 7
4 3 9 8 2
4 5 9 4 3
1 4 2 4 3
4 0 0 2 8
7 0 4 1
2 4 5 9 5
4 8 3 2 3
6 0 3 4 7
3 2 2 6 3 2
1 0 9 9 6
5 6 9 1
8 8 4 1
2 5 5 2 8

—
3 4 8 1 6 0

Revenue

(\$'000)

Sep-09

30 037

15 477

44 933

37 315

16 408

41 622

8 262

28 188

54 051

51 162

327 455

10 755

5 026

9 723

25 504

—

352 959

J u n - 0 9

2 3 2 7 3

1 1 2 6 6

3 9 3 9 4

4 1 2 5 8

1 2 9 6 2

3 6 6 6 4

6 3 7 6

2 2 3 7 0

4 4 1 8 9

5 5 2 0 3

2 9 2 9 5 5

1 0 0 8 8

5 2 0 3

8 0 3 0

2 3 3 2 1

—

3 1 6 2 7 6

Cash operating costs

(\$'000)

Sep-09

24 257

11 018

38 158

36 095

13 156

24 098

7 417

19 444

36 864

53 576

264 083

9 217

3 619

4 233

17 069

-

281 152

Jun - 09

20098

9862

31527

29672

11572

19620

4626

14581

31016

44286

216860

8697

3836

4582

17115

-233

975

Inventory movement

(\$'000)

Sep-09

559

2 076

(2 080)

(949)

303

(230)

171

1 062

849

(551)

1 210

(358)

-

-

(358)

-

852

Jun - 09

(2056)

(1880)

(4388)

1 4 9 1
 (1 1 8 4)
 9 6 9
 (4 7 3)
 3 3 9 9
 (3 1 7 2)
 2 3 3 1
 (4 9 6 3)
 (1 0 1 2)

—
 —
 (1 0 1 2)

—
 (5 9 7 5)

Operating costs

(\$'000)

Sep-09

24 816

13 094

36 078

35 146

13 459

23 868

7 588

20 506

37 713

53 025

265 293

8 859

3 619

4 233

16 711

—

282 004

Jun - 09

1 8 0 4 2

7 9 8 2

2 7 1 3 9

3 1 1 6 3

1 0 3 8 8

2 0 5 8 9

4 1 5 3

1 7 9 8 0

2 7 8 4 4

4 6 6 1 7

2 1 1 8 9 7

7 6 8 5

3 8 3 6

4 5 8 2

1 6 1 0 3

— 2 2 8 0 0 0

Operating profit

(\$'000)

Sep-09

5 221

2 383

8 855

2 169

2 949

17 754

674

7 682

16 338

(1 863)

62 162

1 896

1 407

5 490

8 793

—

70 955

J u n - 0 9

5 2 3 1

3 2 8 4

1 2 2 5 5

1 0 0 9 5

2 5 7 4

1 6 0 7 5

2 2 2 3

4 3 9 0

1 6 3 4 5

8 5 8 6

8 1 0 5 8

2 4 0 3

1 3 6 7

3 4 4 8

7 2 1 8

—

8 8 2 7 6

Capital expenditure

(\$'000)

Sep-09

2 958

9 351

14 306

6 638

2 289

4 995

16 409

10 757

9 146

6 625

83 474

233

193

-

426

1 729

85 629

Jun - 09

2 1 1 2

1 1 4 2 3

1 3 2 4 0

6 7 0 7

2 1 8 1

3 9 1 9

1 2 3 4 0

1 1 0 0 7

8 1 1 8

8 5 3 8

7 9 5 8 5

6 4 6

8 8

-

7 3 4

2 5 1 8

8 2 8 3 7

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

CONDENSED CONSOLIDATED INCOME STATEMENT (US\$)

(Convenience translation)

Quarter ended

Year ended

September

June

September¹

June

2009

2009

2008

2009

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

US\$ million

US\$ million

US\$ million

US\$ million

Continuing operations

Revenue

353

316

345 1

277

Cost of sales

(335)

(340)

(306)

(1 104)

Production

cost

(282)

(228)

(241)

(850)

Amortisation and depreciation

(45)

(65)

(40)

(167)

Impairment of assets

-

(39)

(19)

(61)

Employment termination and restructuring costs

-

-

(2)

(4)

Other items

(8)

(8)

(4)

(22)		
Gross profit/(loss)		
18		
(24)		
39		
173		
Corporate, administration and other expenditure		
(11)		
(12)		
(12)		
(40)		
Exploration expenditure		
(8)		
(9)		
(6)		
(32)		
Other (expenses)/income – net		
(9)		
(9)		
67		
113		
Operating (loss)/profit		
(10)		
(54)		
88		
214		
Profit from associates		
4		
6		
–		
1		
Impairment of investment in associate		
–		
–		
(14)		
(14)		
Fair value movement of listed investments		
–		
1		
–		
(10)		
Impairment of investments		
–		
–		
–		
–		
Investment income		
9		
13	10	49
Finance		

cost		
(4)		
(2)	(11)	(24)
(Loss)/profit before taxation		
(1)		
(36)		
73		
216		
Taxation		
(2)	65	
(30)		
(23)		
Net (loss)/profit from continuing operations		
(3)		
29		
43		
193		
Discontinued operations		
(Loss)/profit from discontinued operations		
–		
(1)		
8		
118		
Net (loss)/profit		
(3)		
28		
51		
311		
(Loss)/earnings per ordinary share (cents)		
– (Loss)/earnings from continuing operations		
(1)		
7		
11		
47		
– Earnings from discontinued operations		
–		
–		
2		
28		
Total (loss)/earnings per ordinary share (cents)		
(1)		
7		
13		
75		
Diluted (loss)/earnings per ordinary share (cents)		
– (Loss)/earnings from continuing operations		
(1)		
7		
11		
46		
– Earnings from discontinued operations		

–

–

2

28

Total diluted (loss)/earnings per ordinary share (cents)

(1)

7

13

74

¹ The comparative figures are re-presented due to Mount Magnet being reclassified as part of continuing operations. The currency conversion average rates for the quarter ended: September 2009: US\$1 = R7.78 (June 2009: US\$1 = R8.42, September 2008: US\$1=R7.78)

The income statement for the year ended 30 June 2009 has been extracted from the 2009 Annual Report.

Note on convenience translations

Except where specific statements have been extracted from the 2009 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 page 30 to 36.

Harmony Quarterly Report 2009 **31**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (US\$)

(Convenience translation)

Quarter ended

Year ended

September	June
-----------	------

September	June
-----------	------

2009	2009
------	------

2008	2009
------	------

(Unaudited)	(Unaudited)
-------------	-------------

(Unaudited)	(Audited)
-------------	-----------

US\$ million

US\$ million

US\$ million

US\$ million

Net (loss)/profit for the period

(3)

28

51

311

Attributable to:

Owners of the parent

(3)

28

51

311

Non-controlling interest

—

—

—

—

Other comprehensive income/(loss) for the period, net of income tax

1

(24)

11

111

Foreign exchange translation profit/(loss)

2

(24)

15

105

Mark-to-market of available-for-sale investments

(1)

—

(4)

6

Total comprehensive (loss)/income for the period

(2)

4

62

422

Attributable to:

Owners of the parent

(2)

4

62

422

Non-controlling interest

—

—

—

—

The currency conversion average rates for the quarter ended: September 2009: US\$1 = R7.78 (June 2009: US\$1 = R8.42, September 2008:

US\$1=R7.78)

The statement of other comprehensive income for the year ended 30 June 2009 has been extracted from the 2009 Annual Report.

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

CONDENSED CONSOLIDATED BALANCE SHEET (US\$)

(Convenience translation)

At	At	At
September	June	
September		
2009	2009	2008
(Unaudited)	(Audited)	
(Unaudited)		
US\$ million		
US\$ million		
US\$ million		
ASSETS		
Non-current assets		
Property, plant and equipment		
3 774		
3 614		
3 249		
Intangible assets		
294	288	266
Restricted cash		
22	21	22
Restricted investments		
221	212	182
Investments in financial assets		
5		
7		
6		
Investments in associates		
48	43	4
Trade and other receivables		
10		
10		
15		
4 374		
4 195		
3 744		
Current assets		
Inventories		
152	134	90
Trade and other receivables		
111		
115		
105		
Income and mining taxes		
6	6	6
Cash and cash equivalents		
145		

253		
143		
414	508	344
Assets of disposal groups classified as held-for-sale		
—		
—		
169		
414	508	513
Total assets		
4 788		
4 703		
4 257		
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital		
3 726		
4 004		
3 115		
Other reserves		
51	(72)	93
Retained earnings/(accumulated loss)		
113		
(108)		
(172)		
3 890		
3 824		
3 036		
Non-current liabilities		
Borrowings		
14	14	21
Deferred income tax		
433	421	362
Provisions for other liabilities and charges		
207		
198		
139		
Retirement benefit obligation and other provisions		
22		
22		
17		
676	655	539
Current liabilities		
Trade and other payables		
185	189	184
Income and mining taxes		
3	2	
35		
Borrowings		
34	33	
404		
222	224	623

Liabilities of disposal groups classified as held-for-sale

—
—
59
222 224 682

Total equity and liabilities

4 788

4 703

4 257

Number of ordinary shares in issue

426 024 653

425 986 836

403 424 148

Net asset value per share (cents)

913

898

753

Balance sheet for September 2009 converted at a conversion rate of US\$1 = R7.54 (September 2008: R8.32).

The balance sheet as at 30 June 2009 has been extracted from the 2009 Annual Report.

Harmony Quarterly Report 2009 **33**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (US\$) (Unaudited)

(Convenience translation)

Retained

Issued

earnings/

share

Other

(accumulated

capital reserves

loss)

Total

US\$ million

US\$ million

US\$ million

US\$ million

Balance – 30 June 2009

3 727

45

145

3 917

Issue of share capital

–

–

–

–

Deferred share-based payments

–

5

–

5

Comprehensive income/(loss) for the period

–

1

(5)

(4)

Dividends paid

–

–

(28)

(28)

Balance as at 30 September 2009

3 727

51

112

3 890

Balance – 30 June 2008

3 114

81

(220)

2 975

Issue of share capital

1

-

-

1

Deferred share-based payments

-

2

-

2

Comprehensive income for the period

-

11

51

62

Balance as at 30 September 2008

3 115

94

(169)

3 040

The currency conversion closing rates for the quarter ended: September 2009: US\$1 = R7.54 (September 2008: US\$1 = R8.32)

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (US\$)

(Convenience translation)

Quarter ended

Year ended

September

June

September

June

2009 2009

2008

2009

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

US\$ million

US\$ million

US\$ million

US\$ million

Cash flow from operating activities

Cash generated by operations

29

93

86

319

Interest and dividends received

9

13

11

51

Interest

paid

(1)

(8) (14) (31)

Income and mining taxes paid

(3)

(51)

—

(85)

Cash generated by operating activities

34

47

83

254

Cash flow from investing activities

(Increase)/decrease in restricted cash

—

1			
(13)			
(9)			
Net proceeds on disposal of listed investments			
2			
–			
–			
–			
Net additions to property, plant and equipment			
(117)			
130			
103			
111			
Other investing activities			
1			
6			
1			
(8)			
Cash (utilised)/generated by investing activities			
(114)			
137			
91			
94			
Cash flow from financing activities			
Long-term loans repaid			
(1)			
(292)			
(76)			
(427)			
Ordinary shares issued – net of expenses			
–			
1			
1			
194			
Dividends			
paid			
(29)	–	–	–
Cash utilised by financing activities			
(30)			
(291)			
(75)			
(233)			
Foreign currency translation adjustments			
2			
61			
(9)			
85			
Net (decrease)/increase in cash and cash equivalents			
(108)			
(46)			
90			

200
Cash and cash equivalents – beginning of period
253
299
53
53
Cash and cash equivalents – end of period
145
253
143
253
Operating activities translated at average rates for the quarter ended September 2009: US\$1=R7.78 (June 2009: US\$1 = R8.42, September 2008: US\$1 = R7.78).
Closing balance translated at closing rates of: September 2009: US\$1 = R7.54 (June 2009: US\$1 = R7.72, September 2008: US\$1 = R8.32)
The cash flow statement for the year ended 30 June 2009 has been extracted from the 2009 Annual Report.

Harmony Quarterly Report 2009 **35**

SEGMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009 (Unaudited) (US\$/Imperial)
(Convenience translation)

Cash

Production

operating

Mining

Capital

Ounces

Tons

Revenue

cost

profit/(loss)

assets

expenditure

produced

milled

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

Operations

South Africa

Underground

Bambanani

30

25

5

371

3

30 415

162

Doornkop

16

13

3

128

9

16 075

143

Elandsrand

45

36

9

91

14

52 245

287

Evander
37
35
2
485
7
39 835
286
Masimong
42
24
18
300
5
43 693
258
Phakisa
8
8
—
347
17
8 359
78
Target
28
20
8
501
11
29 225
213
Tshepong
54
38
16
89
9
54 753
461
Virginia
51
53
(2)
115
7
53 627
600
Other
(1)
16

13
3
31
2
16 558
150
Surface
Other
(2)
26
17
9
19
2
28 646
2 307
Total South Africa
353
282
71
2 477
86
373 431
4 945
International
Papua New Guinea
—
—
—
492
32
—
—
Other operations
(3)
—
—
—
36
—
—
Total international
—
—
528
32
—
—
Total operations

353

282

71

3 005

118

373 431

4 945

Reconciliation of the segment
information to the consolidated
income statement and
balance sheet (refer to note 10)

–

–

769

353

282

3 774

Notes:

(1)

Includes Joel and St Helena.

(2)

Includes Kalgold, Phoenix and Dumps.

(3)

Includes Mount Magnet.

All income statement items, including capital expenditure, are converted at the average currency conversion rate for the quarter of US\$1 = R7.78

Mining assets are converted at the closing currency conversion rate for the quarter of US\$1 = R7.54

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Harmony Quarterly Report 2009
Results for the first quarter
ended 30 September 2009
SEGMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (Unaudited) (US\$/Imperial)
(Convenience translation)
Cash
Production
operating
Mining
Capital
Ounces
Tons
Revenue
cost
profit/(loss)
assets
expenditure
produced
milled
US\$ million
US\$ million
US\$ million
US\$ million
US\$ million
oz
t'000
Continuing operations
South Africa
Underground
Bambanani
33
22
11
88
1
29 804
157
Doornkop
7
8
(1)
268
11
10 738
121
Elandsrand
43
31
12
295

12
38 484
318
Evander
45
31
14
147
6
50 348
337
Masimong
36
22
14
78
4
37 713
259
Phakisa
3
2
1
393
13
4 340
33
Target
16
15
1
272
8
21 509
184
Tshepong
53
32
21
431
7
57 968
390
Virginia
62
48
14
112
5
68 031
626

Other

(1)

15

12

3

28

1

18 551

151

Surface

Other

(2)

32

18

14

18

7

24 756

2 494

Total South Africa

345

241

104

2 130

75

362 242

5 070

International

Papua New Guinea

—

—

—

441

52

—

—

Other operations

(3)

—

—

—

33

—

—

—

Total international

—

—

—

474

52

—
—
Total continuing operations
345
241
104
2 604
127
362 242
5 070
Discontinued operations
Cooke operations
43
32
11
89
7
50 284
883
Total discontinued operations
43
32
11
89
7
50 284
883
Total operations
388
273
115
2 693
134
412 526
5 953

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

(43)

(32)

556

345

241

3 249

Notes:

(1)

Includes Joel and St Helena.

(2)

Includes Kalgold, Phoenix and Dumps.

(3)

Includes Mount Magnet.

All income statement items, including capital expenditure, are converted at the average currency conversion rate for the quarter of US\$1 = R7.78

Mining assets are converted at the closing currency conversion rate for the quarter of US\$1 = R8.32

Harmony Quarterly Report 2009 **37**
 DEVELOPMENT RESULTS (Metric)
 Quarter ended September 2009

Channel	
Channel	
Reef	
Sampled	
Width	
Value	
Gold	
(metres)	
(metres)	
(cm's)	
(g/t)	
(cmg/t)	
Tshepong	
Basal	785
796	
7.36	
145.79	
1	
073	
B Reef	
110	
98	
88.20	
12.03	
1 061	
All Reefs	
895	894
16.22	
66.05	
1	
071	
Phakisa	
Basal	258
256	
28.23	
23.95	
676	
All Reefs	
258	256
28.23	
23.95	676
Bambanani	
Basal	102.9
104	
175.20	
8.22	
1	
441	

All Reefs

103 **104**
175.20 **8.22**

1

441

Doornkop

Kimberley Reef

241.7

210

478.63

2.14

1 026

South Reef

226.0

219

45.21

18.99

859

All Reefs

468 **429**
257.37 **3.65** **940**

Elandsrand

VCR Reef

600.3 602 83.43

12.00

1

001

All Reefs

600 **602**
83.43
12.00

1

001

Target

Elsburg 25.5

—

—

—

—

All Reefs

26 — — — —

Masimong

Basal 567.0

408

53.00

18.69

991

B Reef

58.2

30

80.00

21.51	
1 721	
All Reefs	
625	438
54.85	
18.98	
1	
041	
Evander	
Kimberley	814.9
758	
48.25	
19.88	
959	
All Reefs	
815	758
48.25	
19.88	959
Virginia	
(incl. Unisel & Brand 3)	
Basal	
1 254.9	
1 122	
94.27	
10.79	
1 017	
Leader	963.7
834	
154.68	
5.90	
912	
A Reef	
442.4	
388	
100.13	
7.92	
793	
Middle	153.0
136	
187.06	
8.29	
1	
550	
B Reef	
14.2	
-	
-	
-	
-	
All Reefs	
2 828	

2 480
120.59
8.09
976
 Joel
 Beatrix 597.0
 452
 150.00
 6.02
 903
 All Reefs
597 452
150.00 6.02 903
 Total
 Harmony
 Basal
 2 968
 2 686
 59.08
 17.15
 1 013.50
 Beatrix 597
 452
 150.00
 6.02
 903.00
 Leader 964
 834
 154.68
 5.90
 912.21
 B Reef
 183
 128
 86.28
 14.09
 1 215.58
 A Reef
 442.4
 388
 100.13
 7.92
 793.35
 Middle 153.0
 136
 187.06
 8.29
 1
 550.09
 Elsburg 25.5
 -

-
 -
 -
 Kimberley 1 056.6
 968
 141.62
 6.88
 973.73
 South Reef
 226
 219
 45.21
 18.99
 858.67
 VCR 600
 602
 83.43
 12.00
 1
 001.17
 All Reefs
7 215
6 413
97.93
10.03
982
 DEVELOPMENT RESULTS Imperial)
 Quarter ended September 2009
 Channel
 Channel
 Reef
 Sampled
 Width
 Value
 Gold
 (feet)
 (feet)
 (inches)
 (oz/t)
 (in.oz/t)
 Tshepong
 Basal
 2 574
 2 612
 3.00
 4.11
 12
 B Reef
 362
 322
 35.00

0.35
 12
 All Reefs
2 937
2 933
6.00
2.05
12
 Phakisa
 Basal 847
 840
 11.00
 0.71
 8
 All Reefs
847 840
11.00 0.71
8
 Bambanani
 Basal 338
 341
 69.00
 0.24
 17
 All Reefs
338 341
69.00 0.24 17
 Doornkop
 Kimberley Reef
 793
 689
 188.00
 0.06
 12
 South Reef
 741
 719
 18.00
 0.55
 10
 All Reefs
1 534
1 407
101.00
0.11
11
 Elandsrand
 VCR Reef
 1 969
 1 975
 33.00

0.35
 12
 All Reefs
1 969
1 975
33.00
0.35
12
 Target
 Elsburg 84
 -
 -
 -
 -
 All Reefs
84 - - - -
 Masimong
 Basal
 1 860
 1 339
 21.00
 0.54
 11
 B Reef
 191
 98
 31.00
 0.64
 20
 All Reefs
2 051
1 437
22.00
0.54
12
 Evander
 Kimberley
 2 674
 2 487
 19.00
 0.58
 11
 All Reefs
2 674
2 487
19.00
0.58
11
 Virginia
 (incl. Unisel & Brand 3)
 Basal

4 117	
3 681	
37.00	
0.32	
12	
Leader	
3 162	
2 736	
61.00	
0.17	
10	
A Reef	
1 451	
1 273	
39.00	
0.23	
9	
Middle	502
446	
74.00	
0.24	
18	
B Reef	
47	
-	
-	
-	
-	
All Reefs	
9 279	
8 136	
47.00	
0.24	
11	
Joel	
Beatrix	
1 959	
1 483	
59.00	
0.18	
10	
All Reefs	
1 959	
1 483	
59.00	
0.18	
10	
Total	
Harmony	
Basal	
9 737	

8 812	
23.00	
0.51	
11.64	
Beatrix	
1 959	
1 483	
59.00	
0.18	
10.37	
Leader	
3 162	
2 736	
61.00	
0.17	
10.47	
B Reef	
600	
420	
34.00	
0.41	
13.96	
A Reef	
1 451	
1 273	
39.00	
0.23	
9.11	
Middle	502
446	
74.00	
0.24	
17.80	
Elsburg	84
-	
-	
-	
-	
Kimberley	
3 467	
3 176	
56.00	
0.20	
11.18	
South Reef	
741	
719	
18.00	
0.55	
9.86	
VCR	

1 969
1 975
33.00
0.35
11.50
All Reefs
23 672
21 040
39.00
0.29
11

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

NOTES

Harmony Quarterly Report 2009 **39**
NOTES

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Harmony Quarterly Report 2009

Results for the first quarter

ended 30 September 2009

CONTACT DETAILS

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Directors

P T Motsepe (Chairman)*

G Briggs (Chief Executive Officer)

F Abbott (Interim Financial Director)

J A Chissano*

1

F F T De Buck*, Dr C Diarra*+,

K V Dicks*, Dr D S Lushaba*, C Markus*,

M Motloba*, C M L Savage*, A J Wilkens*

(* non-executive)

(

1

Mocambican)

(+ US/Mali Citizen)

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Trading Symbols

JSE Limited
HAR
New York Stock Exchange, Inc.
HMY
NASDAQ HMY
London Stock Exchange Plc
HRM
Euronext, Paris
HG
Euronext, Brussels
HMY
Berlin Stock Exchange
HAM1

Registration number

1950/038232/06
Incorporated in the Republic of South Africa

ISIN:

ZAE 000015228
PRINTED BY INCE (PTY) LTD
W2CF07873

SIGNATURES

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

Dated:

October 30, 2009

Harmony Gold Mining Company Limited

By:

/s/

Frank Abbott

Name:

Frank Abbott

Title:

Interim Financial Director