



Harmony

**SOLID OPERATIONAL
PERFORMANCE UNDERLIES
6% GROWTH IN EARNINGS
PER SHARE**

**QUARTER ENDED
DECEMBER 2002**

**HMY
LISTED
NYSE.**



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This presentation includes certain information that is based on management’s reasonable expectations and assumptions. These “forward-looking statements” include, but are not limited to, statements regarding estimates, intentions and beliefs, as well as anticipated future production, mine life, market conditions and costs. While management has prepared this information using the best of their experience and judgement, and in all good faith, there are risks and uncertainties involved which could cause results to differ from projections.

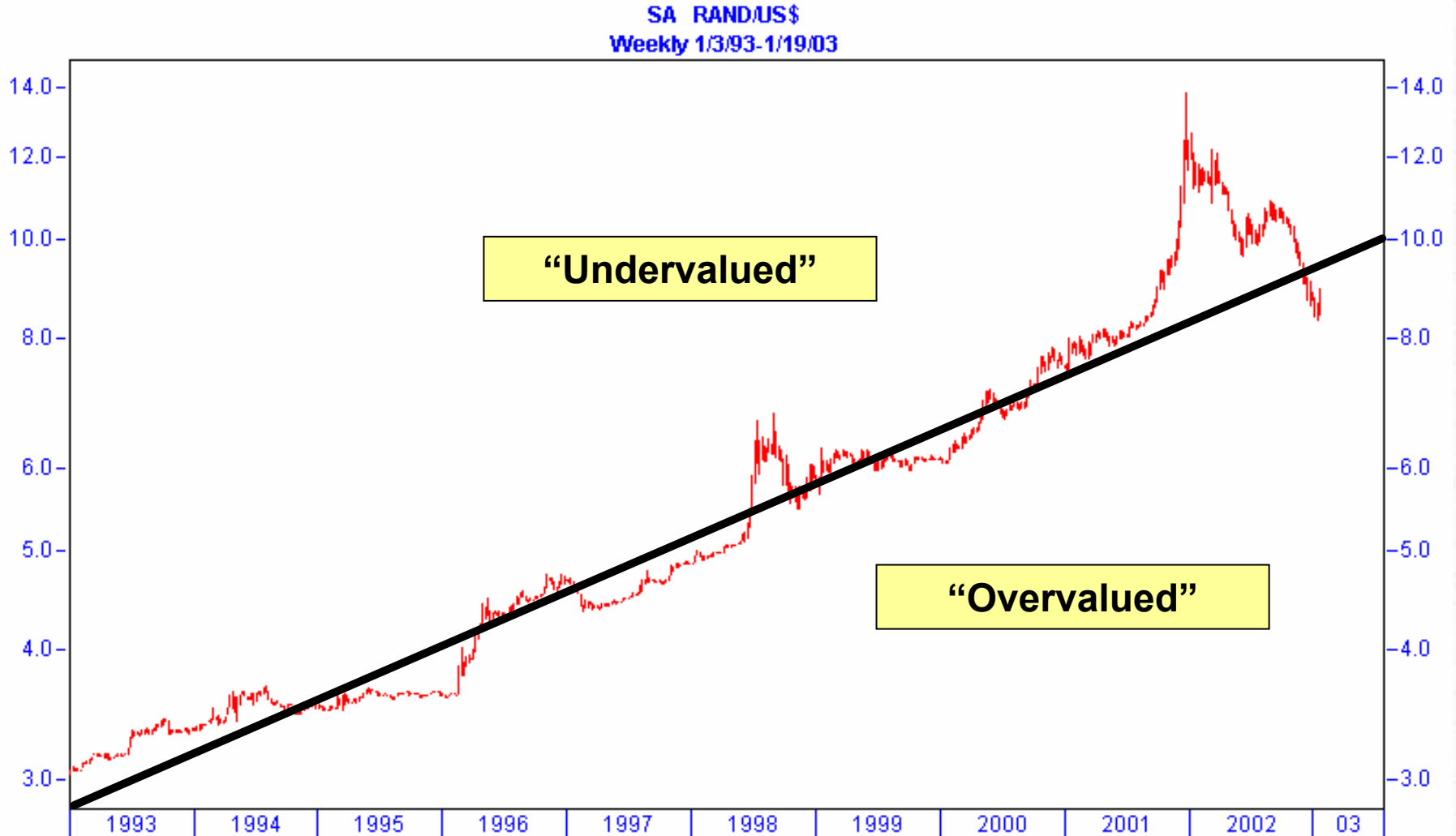


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- **earnings per share:**
 - 262 cents (+ 6%) in Rand terms**
 - 27,2 cents (+ 14%) in Dollar terms**
- **interim dividend of 125 cents (+ 67%)**
- **cash operating profit of R765 million (- 20%)**
- **stronger rand (- R150 million) (80% of variance)**
- **excellent cost control (- R38 million)**
- **three excellent organic growth projects**

RAND DEPRECIATION AGAINST THE DOLLAR

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**Harmony****SIX MONTHS COMPARISON OF RESULTS**

	Six mths ending 31 Dec 2002	Six mths ending 31 Dec 2001	% Variance
Gold produced oz	1 570 618	1 210 310	30
Cash operating costs R/Kg	68 302	63 473	(8)
Cash operating costs US\$/oz	213	213	0
Gold price R/Kg	103 362	81 199	27
Cash operating profit R	1 712 751	667 277	157
Earnings per share (SA cents)	509	270	89
Div. per share (SA cents)	125	75	67
Div. per share (US cents)	13	7	86
<u>Assumptions</u>			
US\$ exchange rate	R10,00	R9,28	(8)
Shares in issue	173, 5 million	149, 1 million	(16)

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Project/Operation	Acquisition cost (R'm)	Cash operating profit (R'm)
Evander – June '98	R415	R1 190
Randfontein – Dec '00	R750	R1 590
Elandskraal – Mar '01	R988	R651
Free Gold (50%) – Dec '01	R1 350	R916

TO BUY OR TO BUILD ???



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	Doornkop South Reef (74% JV)	Free Gold Tshepong (50% JV)
Project status	Approved	Approved
Acquisition cost	-\$26m	Nil
Construction cost	\$134m	\$30m
Total capital	\$108m	\$30m
Ounces recoverable	3,75m	1,25m
Capital cost/oz	\$20/oz	\$24/oz
Total cash cost @ R9,5/\$	190/oz	160/oz
TOTAL	219/oz	184/oz
Gold price	350/oz	350/oz
Profit margin	37%	47%

(Exchange Rate of US\$1,00 = R9,50)



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- **announced 22 January 2003**
- **26% BEE participation by Africa Vanguard Resources**
- **in situ resource of 20,1 million tonnes at 10,1 g/t with gold content of 6,6 million ounces**
- **project recovery of 117 tonnes or 3,75 million ounces of gold over 20 years**
- **capital expenditure of R1 270 million (US\$134 million)**



- **NPV of R876 million at real discount rate of 7,5%**
- **IRR of 48%**



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Sale of Mineral Rights;

- Randfontein retains ownership of - 74%
- Africa Vanguard Resources - 26% for R250 million

AVR pays;

- R140 million in cash
- R110 million in call options on 290 000 oz of gold (R120 000/kg escalated) - equal to 16% of gold produced during first 10 years

Joint Venture Agreement;

- Randfontein and AVR will manage the project as a Joint Venture
- in lieu of AVR contributing their mineral rights to the Joint Venture they are entitled to 16% of profits



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- **Board approved growth project for Free Gold**
- **development of decline at capital cost of R280 million**
- **additional 167 000 oz per annum over period of 8 years**
- **980 new employment opportunities**



- **NPV of R765 million at real discount rate of 10%**
- **IRR of 51%**

(50% attributable to Harmony)



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Tshepong South Shaft Project

- **project initiated by AngloGold in October 1993**
- **twice suspended during 1995 and in 1999 with shaft completed within 120 metres from full design depth**
- **shaft designed to hoist 80 000 tonnes reef per month at 7,24 g/t over 19 year period (6 843 kgs or 220 000 oz/annum)**

Joel North Shaft Project

- **restructured for profitability after acquisition from AngloGold**
- **re-evaluation of orebody underway – current results warrant a re-look at resource**

Nyala Shaft

- **current “care and maintenance” cost of R165,5 million over L.O.M – opportunity to re-open shaft is being evaluated**
- **extraction of shaft pillar and high grade reserve at a capital cost of R67,4 million allows for a life of mine of 7 years (560 000 ozs)**
- **NPV of R120 million at 10% discount**
- **IRR of 46%**
- **approximately 1 570 work opportunities to be created**



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Goldfields Limited Australia

- **Initial investment of R225 million (21% stake) now valued at R855 million**

Bendigo Mining NL Australia

- **32% stake in highly prospective mining project acquired on 14 December 2001 at A\$50m, now valued at A\$83m**
- **initial sampling of two orebodies completed**
- **results confirm existence of robust but highly variable orebodies that were predicted in original reports**
- **Harmony can exercise A\$104 million option to take control of company and develop mine (31 December 2003)**



Highland Gold Ltd Russia

- acquisition of 31% stake in Highland Gold at a cost of US\$18,9 million on 29 September 2002 allows for a promising entry point into the Russian gold sector
- followed our rights (US\$7,5 million)
- with successful listing of Highland Gold Limited on AIM on 17 December 2002, Harmony's 31,7% stake now valued at US\$134 million



High River Gold Mines Limited

- Toronto based company with gold interest in Russia, Canada and West Africa
- completed acquisition of 21% interest in High River Gold on 21 November 2002 for R141 million
- our US\$14,5 million investment is now valued at \$24 million



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- **R8,5 million spent on box cut excavation during quarter**
- **collection of bulk sample will be completed by end January 2003**
- **pilot plant flotation tests to be conducted by Mintek - results expected by end March**
- **the results of the tests will enhance our understanding and valuation of the 5 demarcated orebodies**



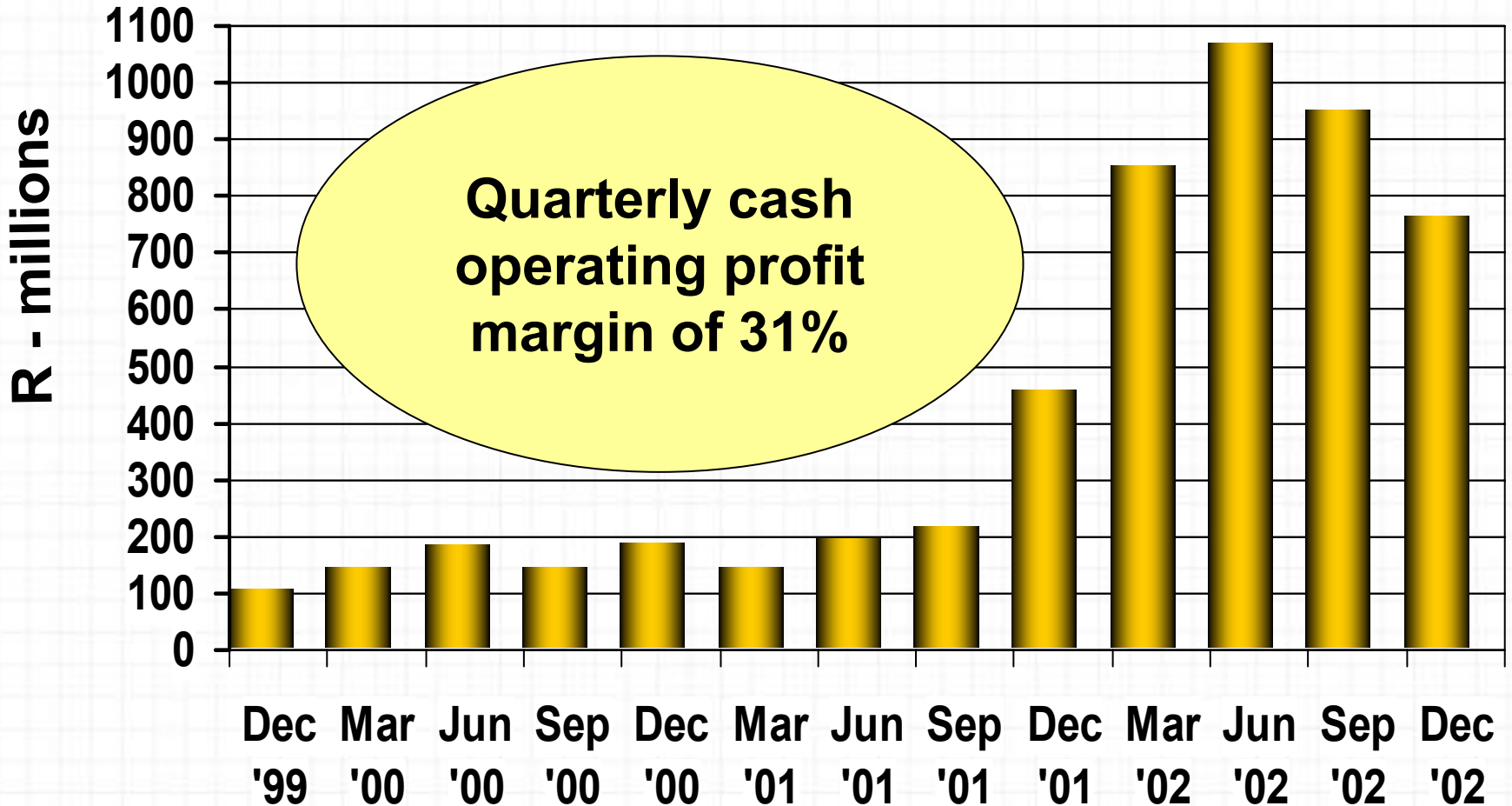
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- **cash operating profit of R763 million (R950 million in September 2002)**
- **quarterly e.p.s of 262 cents (247 cents in September 2002)**
- **R187 million reduction in cash operating profits mainly due to:-**
 - **appreciation of the SA Rand – R150 million, and**
 - **higher volumes at lower costs were more than offset by lower grades – R37 million**

VALUE CREATION THE "HARMONY WAY"

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CASH OPERATING PROFIT



QUARTERLY PERFORMANCE



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	Dec 2002	Sept 2002	% Variance
Production – kg	24 078	24 774	(3)
Production – oz	774 121	796 497	(3)
Revenue – R/kg	100 171	106 463	(6)
Revenue – US\$/oz	324	319	2
Cash cost – R/kg	68 500	68 110	(1)
Cash cost – US\$/oz	222	204	(9)
Exchange rate R/US\$	9,61	10,39	8

WORKING PROFIT ANALYSIS



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Operations	Dec 2002	Sept 2002	Variance (R'milliom)
Free State	117	190	(73)
Evander	88	101	(13)
Randfontein	180	200	(20)
Elandskraal	70	105	(35)
Kalgold	17	25	(8)
Australia	92	100	(8)
Sub-total	564	721	(157)
Free Gold (50%)	199	229	(30)
Total	763	950	(187)



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Bambanani

- **no underground fires have been reported over the past 12 months**
- **optimising ventilation reticulation has resulted in a more productive working environment**

Joel Mine

- **no reportable injuries for 7 consecutive months**
- **increased development charges to open up orebody (R40/tonne)**



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Tshepong Mine

- **achieved record of 39 000 m² in December 2002**
- **this resulted in records in:-**
 - **24,4 m²/stope employee**
 - **11,4 m²/total employee costed**
 - **5,4 m²/development employee**

Surface operations

- **R20 m/quarter contribution to cash operating profit by optimising plant utilisation**

Hospital costs

- **reduced by more than half**

AUSTRALIAN OPERATIONS – AGGRESSIVELY DELIVERING INTO HEDGEBOOKS



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- steady operational performance however,
- significant movements in US\$ gold price, A\$:US\$ and R:US\$ exchange rates impact on results

- 8% decrease in gold production
- 5% decrease in gold price
- 14% decrease in working costs



**8% decrease in cash operating profit to R92,3 million
(R100,4 million in September 2002)**



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- during the quarter 537 500 ozs of lease rate swaps were fixed or closed
- on 31 December 2002 mark-to-market value of contracts were R40 million (US\$5,0 million)
- total outstanding lease rate swap commitments of 1,4 million ounces

CAPITAL EXPENDITURE



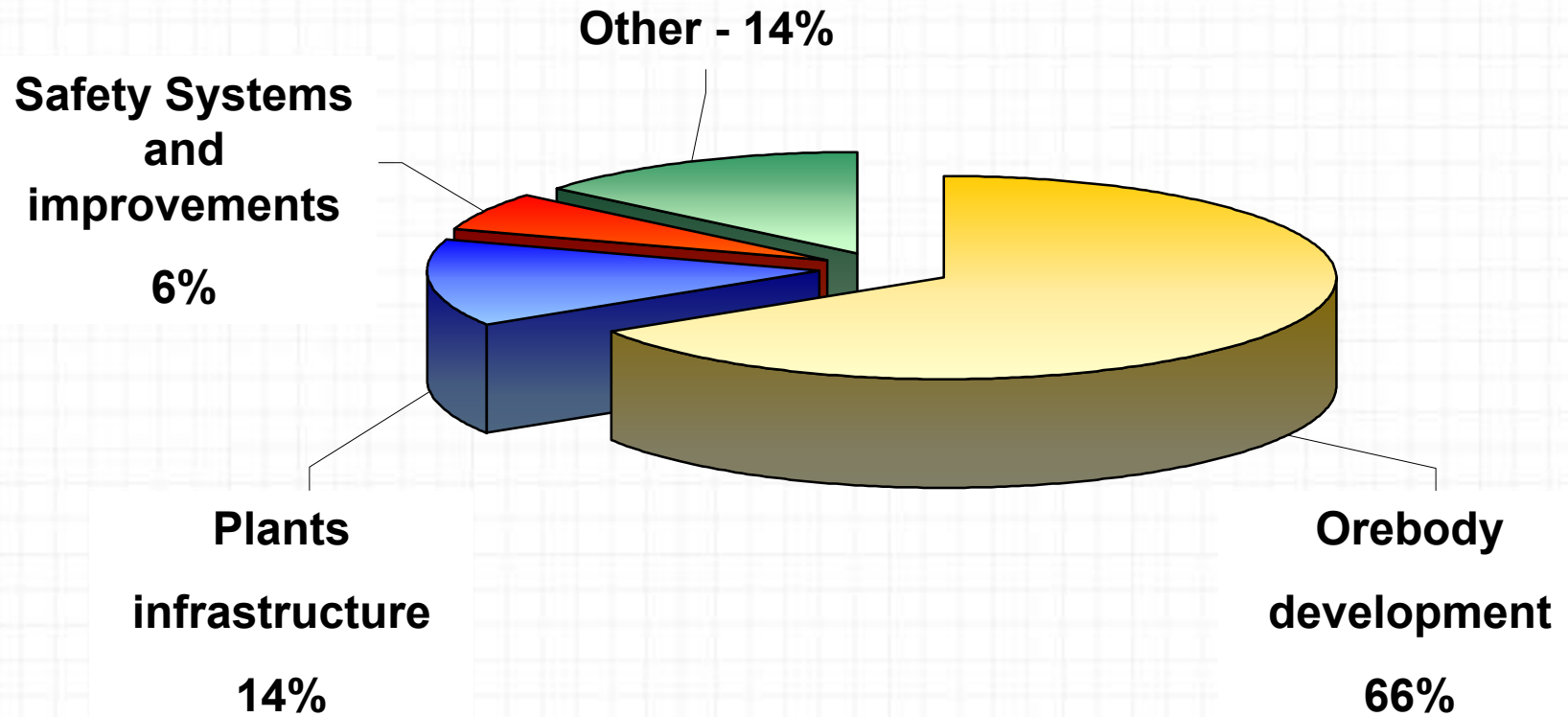
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	ACTUAL DECEMBER 2002	FORECAST MARCH 2003
Free State	34	31
Evander	27	34
Randfontein	2	31
Elandskraal	41	34
Kalgold	6	4
Free Gold (50%)	12	10
Australian Operations	58	60
TOTAL	180	204

CAPITAL EXPENDITURE PROFILE



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Questions

Website

www.harmony.co.za