



**HARMONY™**

**“A NEW GAME PLAN FOR A  
RISING GOLD PRICE”**

**Quarter ended  
March 2006**



# PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOR STATEMENT

**This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. All statements other than those of historical facts included in this presentation are forward-looking statements including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales, (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves; and (viii) statements regarding modifications to the Company's hedge position. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Report on Form 20-F for the year ended June 30, 2005, which is on file with the Securities and Exchange Commission, as well as the Company's other SEC filings. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.**

- **Harmony highly geared to Rand gold price**
- **CONOPS implementation completed**
- **Tshepong holed with Phakisa after 5360m of development.**
- **EMP on Hidden Valley authorized**
- **Australian hedge book reduced by 25 000 oz.**
- **Operations generated R292M cash**
- **TGIO**



### **Findings**

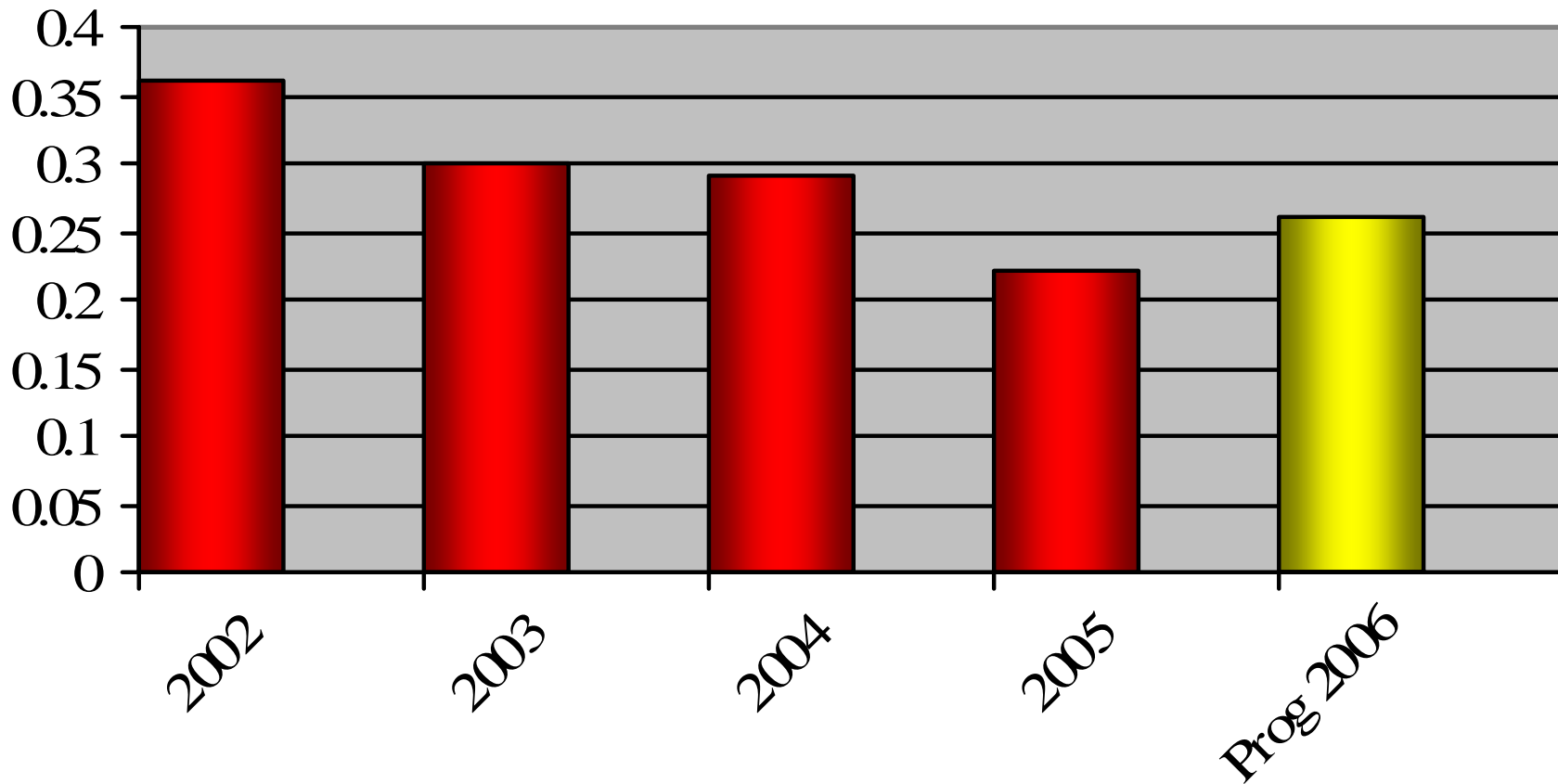
- **aftermath of restructuring**
  - skills and compliment rebalancing
  - ore body flexibility

### **Our action steps**

- **improved production capacity**
  - no of faces mined
  - staffing of crews
- **longer term flexibility through development and opening up**



### Fatality Injury Rate (Per Million Hours Worked)



		<b>MAR 2006</b>	<b>DEC 2005</b>	<b>% VAR</b>
<b>Gold produced</b>	<b>- kg</b>	<b>17 464</b>	<b>20 316</b>	<b>(14.0)</b>
<b>Revenue</b>	<b>- R/Kg</b>	<b>110 399</b>	<b>102 333</b>	<b>8.0</b>
<b>Exchange Rate</b>	<b>- R/US\$</b>	<b>6.14</b>	<b>6.53</b>	<b>(6.0)</b>
<b>Cash costs</b>	<b>- R/kg</b>	<b>92 914</b>	<b>83 154</b>	<b>(11.7)</b>
<b>Cash operating profit</b>	<b>- R (m)</b>	<b>306</b>	<b>389</b>	<b>(21.3)</b>
<b>Cash earnings</b>	<b>- cents per share (SA)</b>	<b>78</b>	<b>99</b>	<b>(21.2)</b>

		<b>MAR 2006</b>	<b>DEC 2005</b>	<b>% VAR</b>
<b>Gold produced</b>	<b>- oz</b>	<b>561 477</b>	<b>653 171</b>	<b>(14.0)</b>
<b>Revenue</b>	<b>- US\$/oz</b>	<b>559</b>	<b>487</b>	<b>14.8</b>
<b>Exchange Rate</b>	<b>- R/US\$</b>	<b>6.14</b>	<b>6.53</b>	<b>(6.0)</b>
<b>Cash costs</b>	<b>- \$/oz</b>	<b>470</b>	<b>396</b>	<b>(18.7)</b>
<b>Cash operating profit</b>	<b>- US\$ (m)</b>	<b>50</b>	<b>60</b>	<b>(16.7)</b>
<b>Cash earnings</b>	<b>- cents per share (US)</b>	<b>13</b>	<b>15</b>	<b>(13.3)</b>

<b>OPERATION</b>	<b>WORKING PROFIT (Rm)</b>		
	<b>Mar-06</b>	<b>Dec-05</b>	<b>Variance</b>
<b>South African operations</b>			
Quality ounces	<b>245.7</b>	<b>263.7</b>	<b>(18.0)</b>
Growth ounces	<b>(21.0)</b>	<b>(2.5)</b>	<b>(18.5)</b>
Leverage ounces	<b>36.2</b>	<b>76.0</b>	<b>(39.8)</b>
Surface operations	<b>13.0</b>	<b>10.9</b>	<b>2.1</b>
<b>Total SA Operations</b>	<b>273.9</b>	<b>348.1</b>	<b>(74.2)</b>
<b>Australian operations</b>	<b>31.7</b>	<b>41.3</b>	<b>(9.6)</b>
<b>Total Harmony</b>	<b>305.6</b>	<b>389.4</b>	<b>(83.8)</b>



**Cash operating profit – Dec 2005**

**R389,4 million**

**Value attributed to change in:**

- volume (R144.3) million
- working cost R 66.7 million
- recovery grade (R147.6) million
- Rand gold price R 141.4 million
- Net variance (R 83.8) million

**Cash operating profit – Mar 2006**

**R 305.6 million**



# RECONCILIATION OF HEADLINE EARNINGS

<b>EARNINGS PER SHARE (SA Cents)</b>	<b>QUARTER ENDED MARCH 2006</b>	<b>QUARTER ENDED DECEMBER 2005</b>
Cash earnings	78	99
Basic (loss)/earnings	(46)	6
Headline loss	(50)	(75)
Fully diluted (loss)/earnings	(46)	6

<b>OPERATIONAL CAPEX</b>	<b>ACTUAL MAR 2006</b>	<b>FORECAST JUN 2006</b>
South African Operations	225	195
Australian Operations	32	33
<b>Total Operational Capex</b>	<b>257</b>	<b>228</b>
<b>PROJECT CAPEX</b>		
Doornkop South Reef	33	36
Elandsrand New Mine	35	43
Tshepong North Decline	13	24
Phakisa Shaft	22	56
Target Shaft	12	14
PNG	19	26
<b>Total Project Capex</b>	<b>134</b>	<b>199</b>
<b>TOTAL CAPEX</b>	<b>391</b>	<b>427</b>

		<b>MAR 2006</b>	<b>DEC 2005</b>	<b>% VAR</b>
<b>U/g tonnes milled</b>	<b>('000)</b>	<b>1 522</b>	<b>1 574</b>	<b>(3.3)</b>
<b>U/g recovery grade</b>	<b>(g/t)</b>	<b>5,69</b>	<b>6,10</b>	<b>(6.7)</b>
<b>U/g kilograms produced</b>	<b>(kg)</b>	<b>8 661</b>	<b>9 604</b>	<b>(9.8)</b>
<b>U/g working costs</b>	<b>(R/kg)</b>	<b>81 886</b>	<b>74 725</b>	<b>(9.6)</b>
<b>U/g working costs</b>	<b>(R/tonne)</b>	<b>466</b>	<b>456</b>	<b>(2.2)</b>

- **Tshepong holing with Phakisa (5 360m)**
- **CONOPS implemented on Masimong**
- **Target starts to improve production levels**

## **JUNE QUARTER OUTLOOK**

- **Volume bounce back**
- **Grade improvements towards end of the year**

		<b>MAR 2006</b>	<b>DEC 2005</b>	<b>% VAR</b>
<b>U/g tonnes milled</b>	<b>(‘000)</b>	<b>343</b>	<b>312</b>	<b>9.9</b>
<b>U/g recovery grade</b>	<b>(g/t)</b>	<b>4,37</b>	<b>5,63</b>	<b>(22.4)</b>
<b>U/g kilograms produced</b>	<b>(kg)</b>	<b>1 498</b>	<b>1 756</b>	<b>(14.7)</b>
<b>U/g working costs</b>	<b>(R/kg)</b>	<b>124 774</b>	<b>104 188</b>	<b>(19.8)</b>
<b>U/g working costs</b>	<b>(R/tonne)</b>	<b>545</b>	<b>586</b>	<b>7.0</b>

- **orepass changeover on Elandsrand**
- **Elandsrand performance still problematic (Change over to new mine)**

## **JUNE QUARTER OUTLOOK**

- **improved production volumes expected from Elandsrand**

- **slimesdam re-treatment**
- **Saaiplaas plant available**
- **rehabilitation/clean-up**
- **400 000 tons treated for 70 kg gold per month**

### **Financial analysis**

<b>Capital Required</b>	<b>R34.7 mil</b>
<b>Head grade</b>	<b>0.35 g/t</b>
<b>Recovery</b>	<b>47%</b>
<b>Treatment Cost</b>	<b>R10.54/t</b>
<b>NPV @ R100 000/kg</b>	<b>R78.4 mil</b>
<b>NPV @ R120 000/kg</b>	<b>R122.5 mil</b>
<b>Payback</b>	<b>11 months</b>



		<b>MAR 2006</b>	<b>DEC 2005</b>	<b>% Var</b>
<b>U/g tonnes milled</b>	<b>(‘000)</b>	<b>1 055</b>	<b>1 252</b>	<b>(15.7)</b>
<b>U/g recovery grade</b>	<b>(g/t)</b>	<b>4,74</b>	<b>4,88</b>	<b>(2.9)</b>
<b>U/g kilograms produced</b>	<b>(kg)</b>	<b>4 996</b>	<b>6 113</b>	<b>(18.3)</b>
<b>U/g working costs</b>	<b>(R/kg)</b>	<b>102 857</b>	<b>90 074</b>	<b>(14.2)</b>
<b>U/g working costs</b>	<b>(R/tonne)</b>	<b>487</b>	<b>440</b>	<b>(10.7)</b>

- **Joel North Shaft commissioned**
- **development on Bambanani progressed well**

## **JUNE QUARTER OUTLOOK**

- **high gearing to current gold price**
- **flexibility starting to improve at Bambanani**
- **production volumes to improve at Joel**



# OPERATIONAL RESULTS - SURFACE OPERATIONS (INCLUDES KALGOLD)

		<b>MAR 2006</b>	<b>DEC 2005</b>	<b>% VAR</b>
<b>Surface tonnes milled</b>	<b>('000)</b>	<b>783</b>	<b>938</b>	<b>(16.5)</b>
<b>Surface recovery grade</b>	<b>(g/t)</b>	<b>0.98</b>	<b>0.99</b>	<b>(1.0)</b>
<b>Kilograms produced</b>	<b>(kg)</b>	<b>766</b>	<b>926</b>	<b>(17.3)</b>
<b>Working costs</b>	<b>(R/kg)</b>	<b>92 535</b>	<b>89 849</b>	<b>(3.0)</b>
<b>Working costs</b>	<b>(R/tonne)</b>	<b>91</b>	<b>89</b>	<b>(2.2)</b>

		<b>MAR 2006</b>	<b>DEC 2005</b>	<b>% VAR</b>
<b>Tonnes milled</b>	<b>('000)</b>	<b>763</b>	<b>781</b>	<b>(2.3)</b>
<b>Recovery grade</b>	<b>(g/t)</b>	<b>2,02</b>	<b>2,45</b>	<b>(17.6)</b>
<b>Kilograms produced</b>	<b>(kg)</b>	<b>1 543</b>	<b>1 917</b>	<b>(19.5)</b>
<b>Working costs</b>	<b>(R/kg)</b>	<b>91 876</b>	<b>80 820</b>	<b>(13.7)</b>
<b>Working costs</b>	<b>(R/tonne)</b>	<b>186</b>	<b>198</b>	<b>6.1</b>

- **Drilling results**
- **25 000oz closed out**

## **JUNE QUARTER OUTLOOK**

- **Shirl pit becoming reality**
- **hedge book restructuring reach a peak of 75 000oz**

# CASH RECONCILIATION FOR THE PERIOD OCTOBER 2005 TO DECEMBER 2005



**HARMONY™**

<b>Cash and equivalents on 31 December 2005 (R'million)</b>	<b>2 914.4</b>
<b>Operational</b>	<b>(51.2)</b>
Operating profit	305.6
Capex (net)	(231.1)
Development cost capitalised	(160.2)
Corporate / exploration expenditure	(26.7)
Care and maintenance costs	(29.4)
Interest paid	(96.1)
Movement in working capital (excl. accrued liabilities)	80.3
Movement in accrued liabilities	7.4
Other items	98.9
<b>Other</b>	<b>(1 082.0)</b>
Net sundry revenue	76.5
Foreign exchange losses	(1.1)
Shares issued (net of expenses)	12.2
Australian hedge close outs	(62.6)
SARS payments	(5.2)
Payment BOE loan (ARMgold)	(89.6)
RMB loan raised	1 000.0
Investment in Western Areas	(2 012.2)
<b>Cash and equivalents on 31 March 2006</b>	<b>1 781.2</b>

PROJECT		LOM OUNCES (‘000/OZ)	CAPITAL COST (US\$M)	US\$ COST/OZ	CASH COST \$/oz	g/t	oz/ ANNUM
Masimong	(SA)	2 530	30	12	370	5,2	260 000
Phakisa	(SA)	3 960	99	25	275	7,3	250 000
Elandsrand	(SA)	6 220	123	20	241	8,9	509 000
Doornkop South Reef	(SA)	2 960	148	50	336	6,5	325 000
Tshepong	(SA)	1 470	43	29	287	7,2	135 000
Hidden Valley	(PNG)	2 600	250	96	220	2.2	350 000
<b>TOTAL</b>		<b>19 740</b>	<b>693</b>	<b>35</b>	<b>277</b>	<b>-</b>	<b>1 829 000</b>

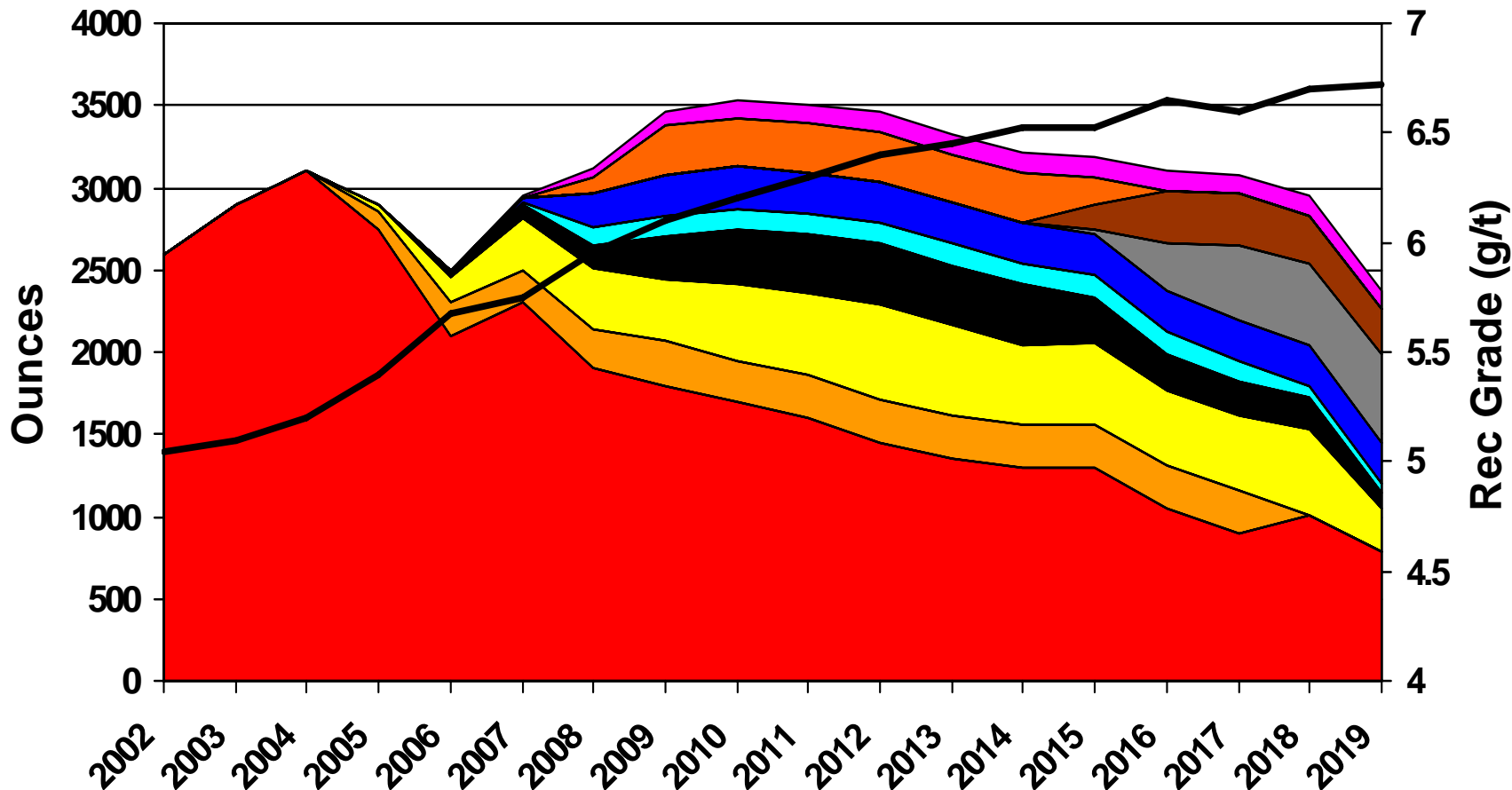
**Based on R92 000/kg and R6,50/US\$**

**WE ARE BUILDING SIX NEW MINES TO EXPLOIT  
19.7 M/oz OF GOLD AT 1,8 M/oz P/A AT AN  
AVERAGE CASH COST OF US\$277/oz**

# HARMONY PRODUCTION PROFILE



**HARMONY™**



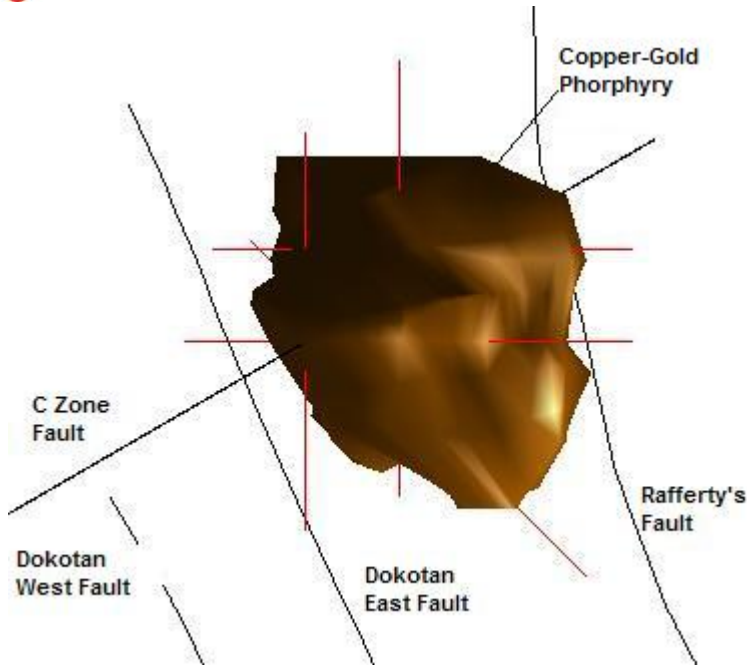
- Harmony excluding projects
- Doornkop (KR & SR)
- Rolspruit (Capex not yet approved)
- Western Areas
- Masimong 5
- Tshepong Sub 66
- Poplar (Capex not yet approved)
- Underground rec grade (SA OPS)
- Elandsrand
- Phakisa
- Hidden Valley



<b>Ore (40.5 Mt)</b>	<b>(M tonne/yr)</b>	<b>4.2</b>
<b>Recovery Grade</b>	<b>(Au g/t)</b>	<b>2.21</b>
<b>Recovery Grade</b>	<b>(Ag g/t)</b>	<b>35.7</b>
<b>Gold production per annum</b>	<b>(‘000 oz)</b>	<b>280</b>
<b>Silver production per annum</b>	<b>(‘000 oz)</b>	<b>3 900</b>
<b>Equivalent gold production</b>	<b>(‘000 oz)</b>	<b>350</b>
<b>LOM gold production</b>	<b>(‘000 oz)</b>	<b>2 600</b>
<b>LOM silver production</b>	<b>(‘000 oz)</b>	<b>39 000</b>
<b>Mine construction period</b>	<b>(months)</b>	<b>26</b>
<b>LOM</b>	<b>(years)</b>	<b>9,7</b>

	<b>At US\$ 500/oz Au, US\$ 7.50/oz Ag</b>	<b>At US\$ 550/oz Au, US\$ 10.50/oz Ag</b>
<b>Pre Tax Cash Flow</b>	<b>US\$ 456 M</b>	<b>US\$ 699 M</b>
<b>Pre Tax NPV @ 7,5%</b>	<b>US\$ 208 M</b>	<b>US\$ 351 M</b>
<b>Pre Tax IRR</b>	<b>28%</b>	<b>36%</b>
<b>Cash Cost (US\$/oz)</b>	<b>229</b>	<b>188</b>

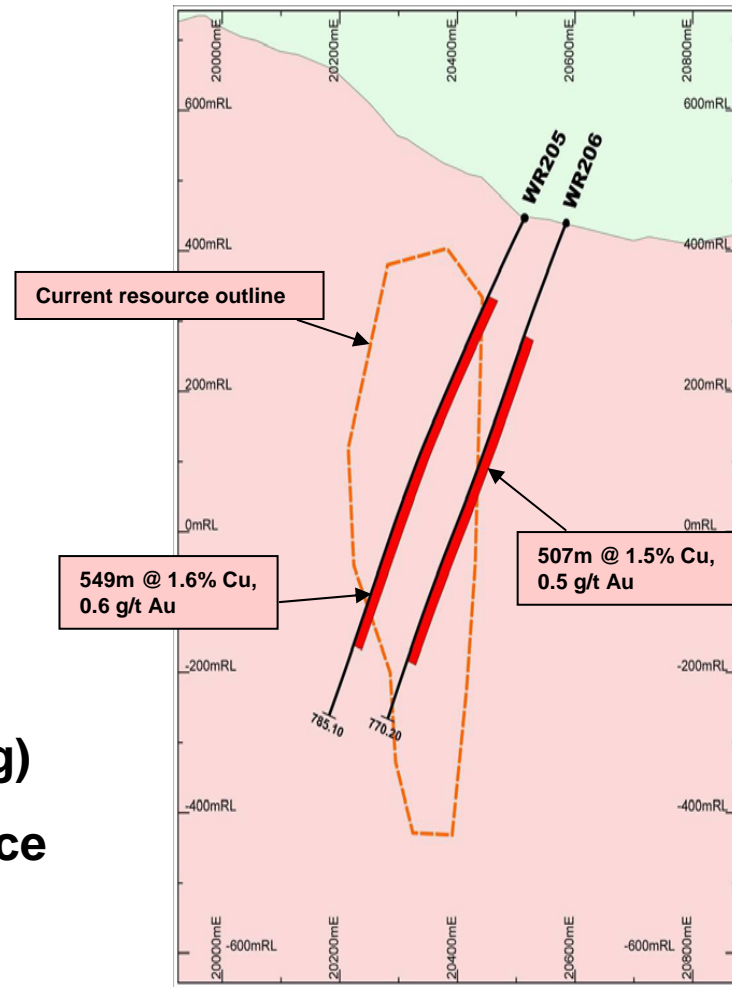
**CAPEX of US\$ 250 M**



## Golpu plan view showing major structures and geotechnical drilling program planned holes

- 4 holes drilled, 2 000m total (4 holes remaining)
- all holes test major structures and add resource confidence

## Isometric view of copper gold porphyry and geotechnical drilling program



<b>Gold Price (R/kg)</b>	110 000	130 000
<b>Gold production (Kg)</b>	20 000	20 000
<b>Revenue (Rm)</b>	2 200	2 600
<b>Working Cost (R85 000/Kg)</b>	1 700	1 700
<b>Operating Profit (Rm)</b>	500	900
<b>Profit Margin (%)</b>	23%	35%

## Company de-tox

+25 acquisitions  
LOM and labour mix  
Major retrenchments  
Retraining  
& redeployment  
CONOPS in place

## Introspection

Regaining profitability  
Mining flexibility  
Development focus  
Improved  
production volumes

## The right strategy

Making the most of  
our assets  
Organic growth  
Acquisitions

## HARMONY REMAINS

Highly geared  
Unhedged  
Outstanding project pipeline  
Track record of acquisitions



**HARMONY™**

# Questions

**Website**

**[www.harmony.co.za](http://www.harmony.co.za)**

**“A NEW GAME PLAN FOR A RISING GOLD PRICE”**