



Budget, costs and planning parameters

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Strategic plan 2010/11 assumptions

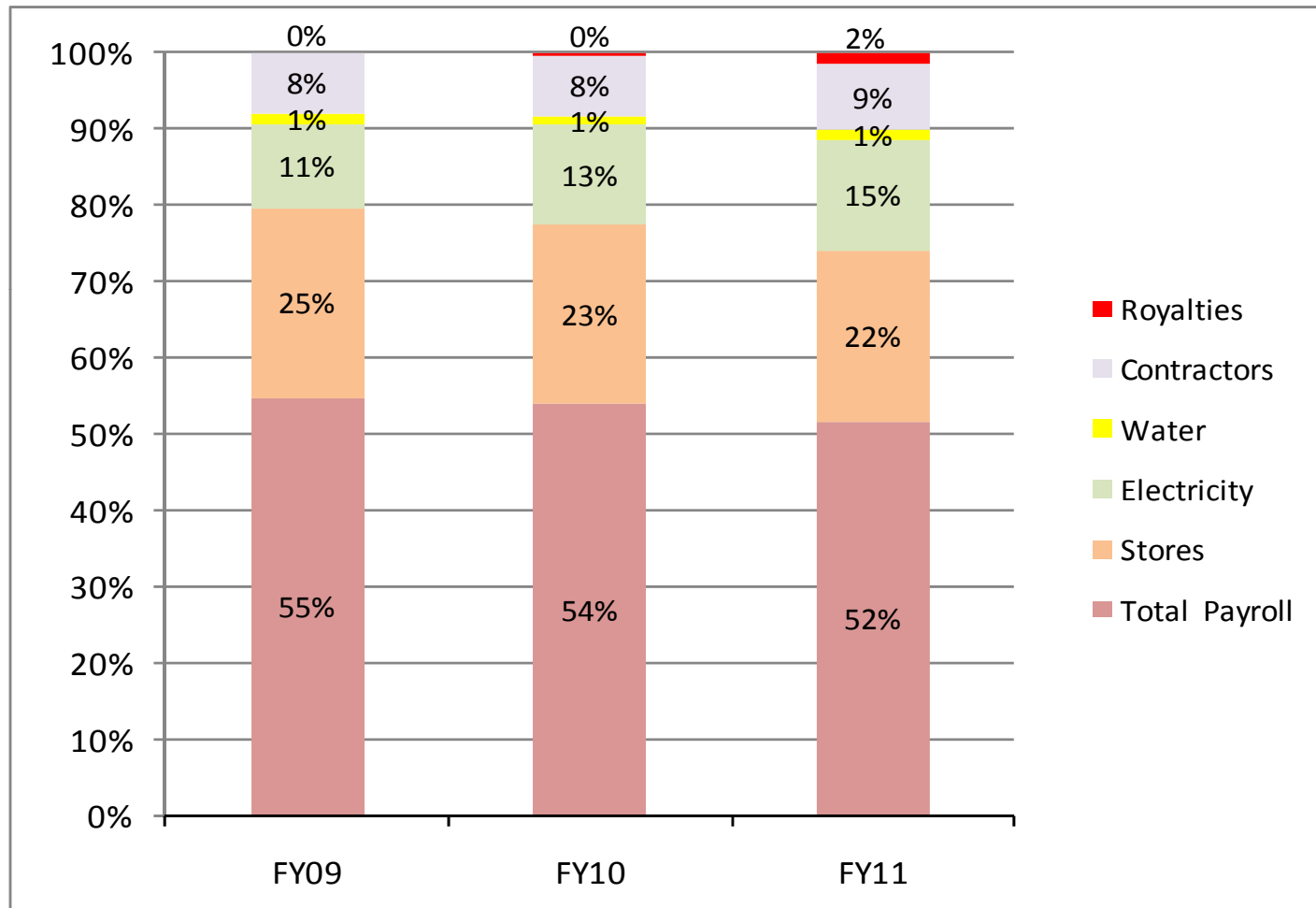


- Gold price
 - financial plan – R275 000/kg
 - cut-off gold price \$950/oz, R8.19/US\$ = R250 000/kg
- Royalties
 - included in the plans
- Salary increases
 - cat 9+ (union men and officials) 7.50% – from July 2010
 - quarterly increase of R50 million
 - once-off leave liability increase of R30 million
 - managers' payroll 6% – from January 2011
- Stores and other cost increases
 - 10% on stores and other costs in FY11

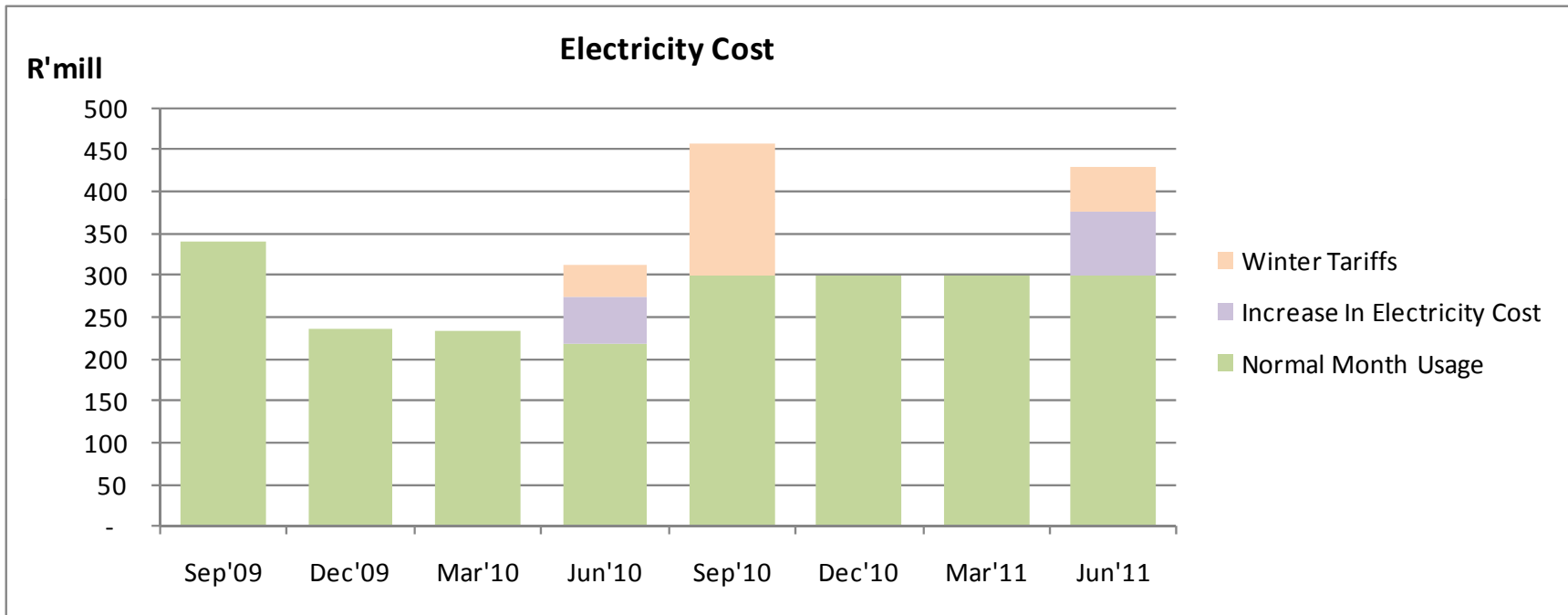
- Electricity increases
 - Apr 2011 25%
 - Apr 2012 19% real terms
 - Apr 2013 – 2015 7% real terms
- Water increases
 - Aug 2010 12%
 - Aug 2011 – 2014 7% real terms
- Contractor costs
 - 6% increase in FY11
- Other costs
 - 6% increase in FY11
- Uranium
 - US\$65/lb

- Gold price – budget \$950 (A\$1 145)
- Silver price – budget \$14 (A\$16.87)
- AUD/USD rate – A\$0.83
- ZAR/AUD rate – R6.80
- PGK/AUD rate – K2.30
- Diesel – US\$80/bbl
- Salary increase – 3%
- Copper – \$4 410/t (US\$2.00/lb)
- Molybdenum – \$13/lb

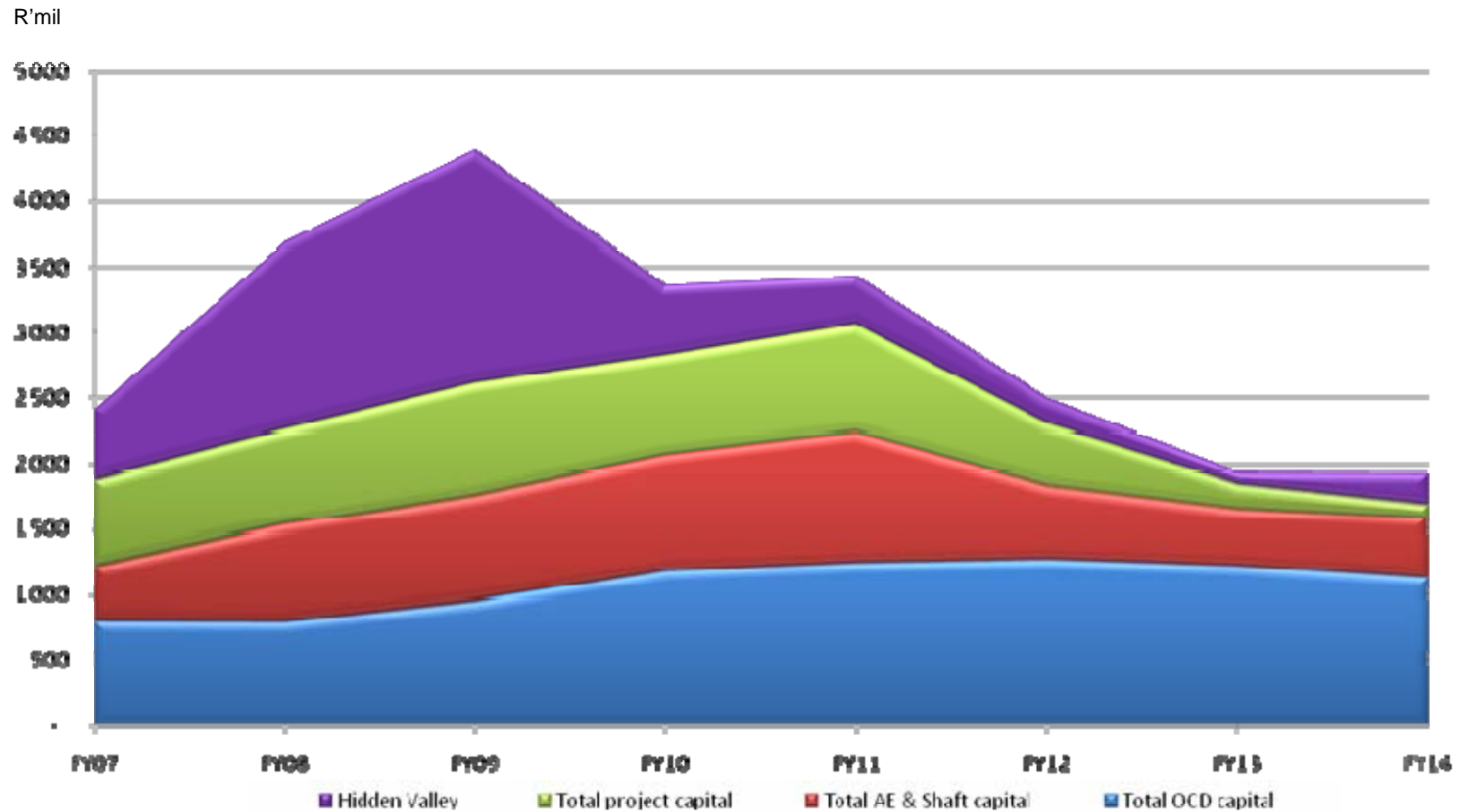
Percentage of total cash operating cost



Effect of increase per quarter



Total Harmony capital profile



Total Harmony Capital	Stratplan R'mill	FY 9/10	
		Actual R'mill	Var. R'mill
Ongoing Dev Capital	1,181	1,187	-6
Total AE's	290	241	49
Major Capex	777	758	19
Shaft / Plants / Other Projects	604	626	-22
Total SA - CAPEX	2,852	2,812	40
Total PNG CAPEX	311	541	-230
Total Harmony CAPEX	3,163	3,353	(190)

Note: PNG working cost capitalised during the year

FY 10/11

Total Harmony Capital	Strat plan		Sub total				New	New	New Strat plan
	Last Yr FY 10/11 R'mill	Closed Shafts R'mill	before inflation R'mill	Inflation R'mill	Including Inflation R'mill	New Shafts R'mill	items 10/11 R'mill	FY 10/11 R'mill	
Ongoing Dev Capital	1 105	-82	1 023	79	1 102	45	112	1 259	
Total AE's	264	-11	253	25	278	10	5	293	
Major Capex	519	-	519	43	562	16	255	833	
Shaft / Plants / Other Projects	524	-4	520	43	563	68	62	693	
Total SA - CAPEX	2 411	(97)	2 314	191	2 505	139	434	3 078	
PNG	143	-	143	12	155	-	218	373	
Total Harmony - CAPEX	2 555	(97)	2 458	203	2 660	139	652	3 451	



Capital reconciliation FY11, cont'd

<u>New items detail:</u>	Ongoing	AE's	Major capital	Shaft capital	Total
Phakisa			128		128
Evander			106		106
Target 1	80				80
Doornkop	50			26	76
Kalgold Mine		14		41	55
Masimong				47	47
Dredging project			34		34
Joel				19	19
Unisel				11	11
Other projects	-18	-9	-13	-81	-121
Total SA - CAPEX	112	5	255	62	434
Hidden Valley @ 50%				139	139
Wafi Golpu @ 50%				47	47
PNG other @ 50%				24	24
Morobe @ 50%				1	1
Other Projects				7	7
Total PNG				218	218
Total Harmony - CAPEX	112	5	255	280	652

Shaft / Plant Capital

Masimong 5	Rail bound equipment	19
Masimong 5	Fridgeplant	28
Doornkop	Kimberley Reef TM3 fleet of equipment and infrastructure requirements	26
Unisel	Cooling project	11
Joel	Lift shaft deepening	19
Kalgold Plant	Replace CIL tanks	41
Other projects		-81
<hr/>		
Total		62
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Total Harmony	Budget YR 10/11 R'mill
1 Corporate, Statutory, Administration and Other expenditure	229
2 Care & Maintenance Shafts	136
3 Social investment (excl R75mill LED already in shaft plan)	39
4 Total Exploration and Pre feasibility	377
-Australia- Exploration and Prefeasibility	292
Australia- Total Outside JV 100%	76
PNG 50% Hidden Valley	54
PNG 50% Morobe	28
PNG 50% Wafi Golpu	134
-SA Exploration	70
-SA Prefeasibility	15
5 Total Cost	781

Harmony	Avgold
<ul style="list-style-type: none"> - Masimong - President Steyn - Virginia shafts 	<ul style="list-style-type: none"> - Target - Target 3
<ul style="list-style-type: none"> - Elected to pay STC*: <ul style="list-style-type: none"> - Marginal tax rate 34% - Zero rate on first 5% 	

Freegold	Randfontein	Evander
<ul style="list-style-type: none"> - Tshepong - Phakisa - Bambanani - Joel 	<ul style="list-style-type: none"> - Doornkop - Kusasaletu 	<ul style="list-style-type: none"> - Evander
		<ul style="list-style-type: none"> - Kalgold
		<ul style="list-style-type: none"> - Kalgold
<ul style="list-style-type: none"> - Elected not to pay STC*: <ul style="list-style-type: none"> - Marginal tax rate 43% - Zero rate on first 5% 		

*STC: Secondary tax on companies



Deferred tax principles assuming tax rate of 25%

	Y1	Y2	Y3	Y4	Y5
<u>Tax & Cash flow</u>					
Capex	(100)				
Tax	25				
<u>Accounting</u>					
Amortisation	(20)	(20)	(20)	(20)	(20)
Tax	5	5	5	5	5
• Normal tax	25				
• Deferred tax	(20)	5	5	5	5

Deferred tax principles: Tax rate change to 30% in Y3

	Y1	Y2	Y3	Y4	Y5
<u>Tax & Cash flow</u>					
Capex	(100)				
Tax	25				
<u>Accounting</u>					
Amortisation	(20)	(20)	(20)	(20)	(20)
Tax	5	5	6	6	6
• Normal tax	25				
• Deferred tax	(20)	5	6	6	6

Effect of additional tax credit of 1 (6-5) in Y3-5

Accounting entry end of Y2 – Dt Def tax 3 (Income statement),
Ct Def tax 3 (Liability in Balance sheet)

Average deferred tax rate by entity

	Jun 2010	Jun 2009	Impact Rm
Harmony	23%	17%	79
Randfontein	21%	20%	24
Evander	23%	7%	103
Kalgold	21%	24%	(1)
Freegold (0.6% change Y-Y)	29%	29%	28
Avgold	0%	0%	-
Australia	30%	30%	-
Total			233