



Productivity

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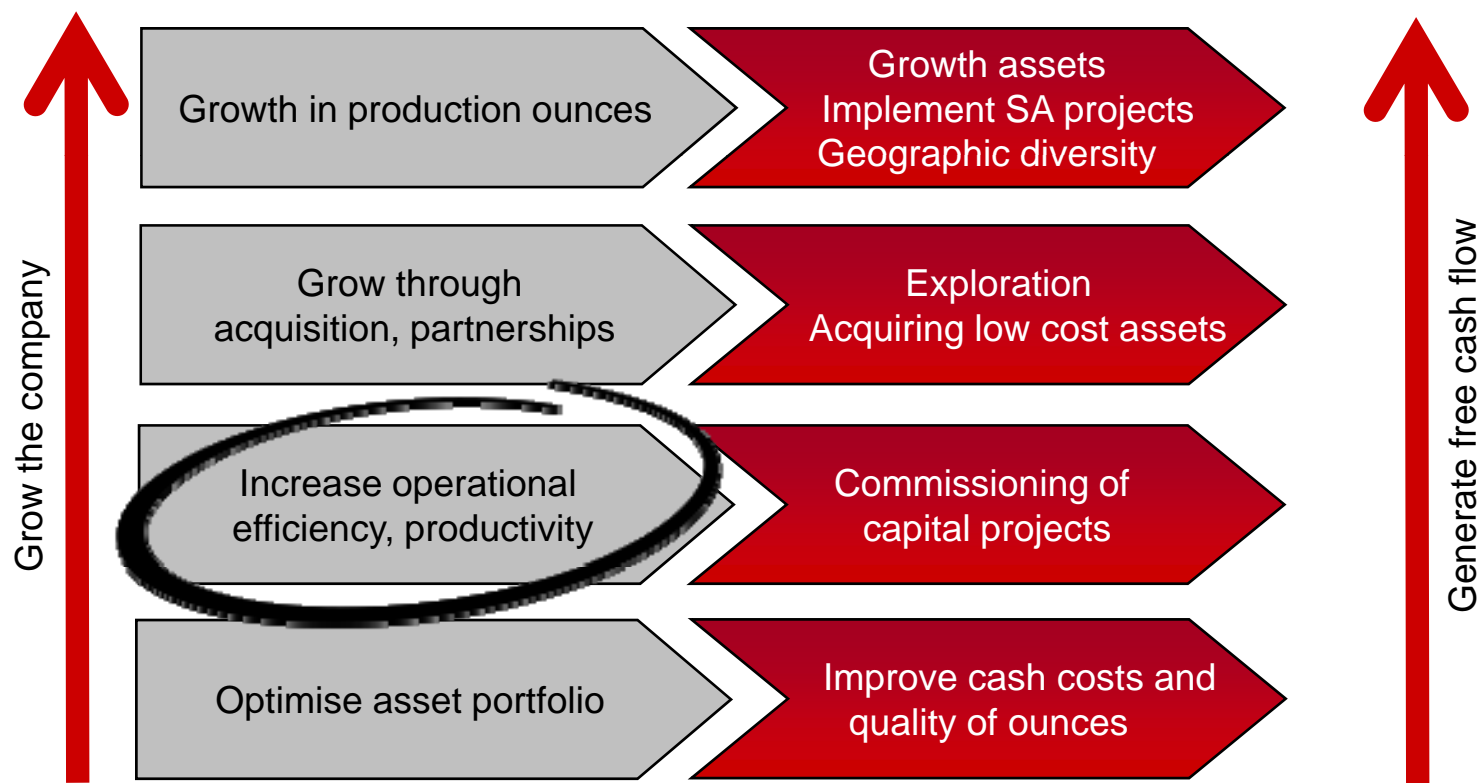




Private Securities Litigation Reform Act Safe Harbour Statement

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Creating a sustainable company – generating earnings that fund dividends and growth...a company with free cash flow



- The company has planned to improve labour productivity for FY2010/11 as follows
 - This will include focus on:
 - behavioural training
 - improving labour availability
 - nutrition for hostel residents

Total SA incl Kal & Surf		FY2009/10	FY2010/11	% Improvement
	M ² /TEC	3.99	4.63	16.1%
	g/TEC	113	132	17.0%
	Tonne/TEC	47.9	54.9	14.5%
Total SA U/G				
	M ² /TEC	4.1	4.8	17.1%
	g/TEC	106	121.51	14.6%
	Tonne/TEC	22.7	25.72	13.3%

- Mining layouts
- Infrastructure
- Rails and locos (logistics)
- Stope conditions (cooling)
- Development
- Pay grades
- Full teams of employees
- Good communication
- Good supervision
- Mine and shaft infrastructure
- Services (water and air)



- Equipment in good working condition
- Surface infrastructure supporting underground demands
- Trained staff
- Skills with the right people at the right place
- Proactive planning tools (grade, safety, seismic)
- Healthy employees
- Ensuring proper leave planning
- Reducing absenteeism
- Supply of equipment on time (timber, etc)





Example: reduction in absenteeism

In 2009/10 an objective was set for pro-active management of Harmony's healthcare needs and business risks to reduce sick absenteeism by 10%

2009/10 achievement:

Sick absenteeism reduced by 12.29%
or
83 109 less sick shifts,
R35 321 168 impact at R425 per shift

- Builds and sustains constructive relationships with unions
- Minimises operational downtime and industrial action and improves morale and productivity
- Forums and channels for the resolution of conflict
 - Harmony has only had 4 work stoppages confined to single operations, resolved in 24 hours, over 6 years
- Negotiations include:
 - productivity bonus parameters
 - changes to working arrangements and practices
 - changes to employee responsibilities and reporting lines

