




**Results for the quarter and six months ended 31 December 2010**

Graham Briggs, Chief Executive Officer  
 Hannes Meyer, Financial Director  
 Monday, 7 February 2011



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 Safe Harbour 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 then 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 latest Annual Report on Form 20-F for the year ended June 30, 2010, 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.

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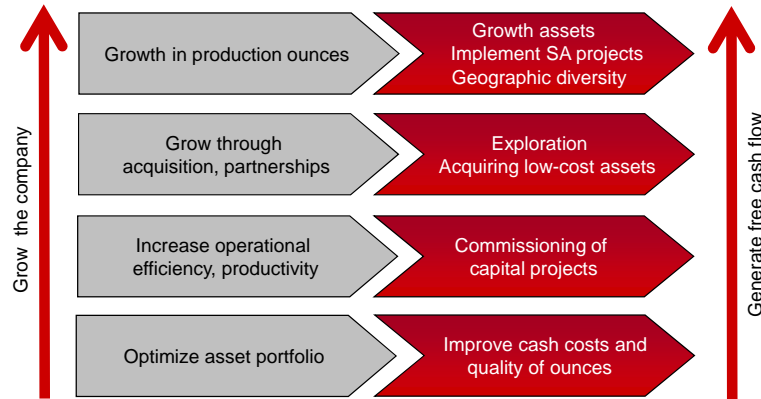
<b>1</b>	Our strategy
<b>2</b>	Growth ounces
<b>3</b>	Exploration
<b>4</b>	Operational efficiency
<b>5</b>	Developments in quarter
<b>6</b>	Financial overview
<b>7</b>	Conclusion





## Focussed on delivering long-term value

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



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## Growth in production ounces

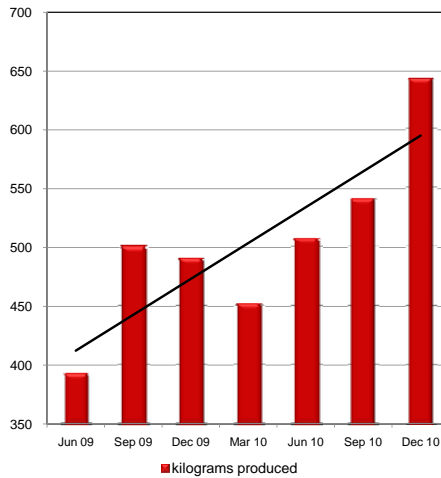


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## Doornkop: Higher production, lower costs (q-on-q)



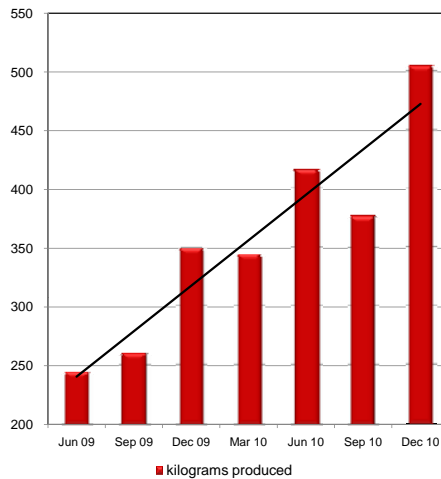
- 3 consecutive quarters of increased production:
  - gold production (643kg/20 673oz) increased by 19% due to:
    - 12% increase in square metres
    - mine call factor increased from 86% to 94%
- R/kg cash cost decreased by 8% to R229 894/kg
- 12 crews transferred from Merriespruit 1 are starting to produce
- Production target FY2013: 1 600kg/49 000oz per quarter

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## Phakisa: Higher production, lower costs (q-on-q)



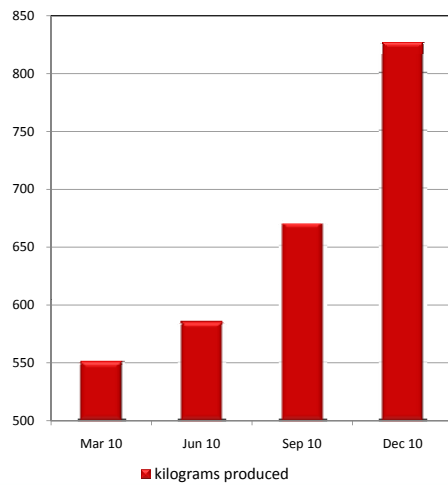
- Production (505kg/16 236oz) increased by 34%
- Grade increased by 8% to 4.72g/t
- Cash cost R/kg decreased by 25% to R221 491/kg
- Significantly higher profit
- Production target FY2013: 1 700kg/55 000oz per quarter

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## Hidden Valley: Excellent quarter (q-on-q)



- Production increased by 23% to 827kg/26 589oz\*
- Unit cash cost decreased by 15% to US\$884/oz\*
- Silver production increased by 44% to 191 327oz\*
- Recovery grade improved by 24% to 1.95g/t
- Production target FY2013: 1 140kg/36 600oz\* per quarter

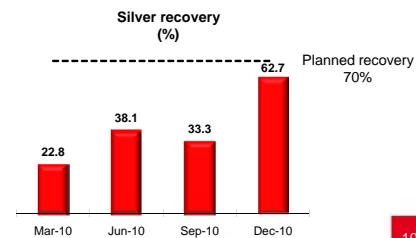
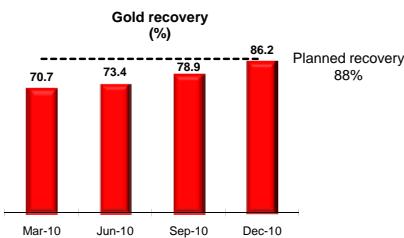
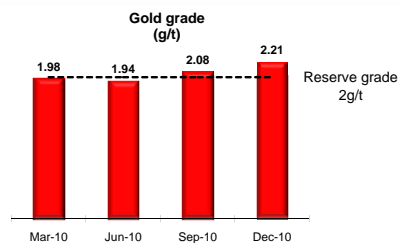
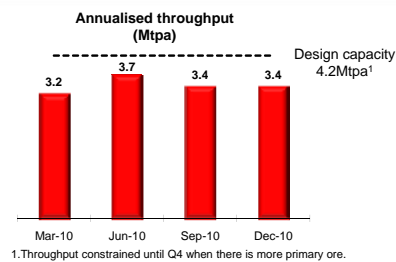
\*This represents 50% of the total production at Hidden Valley.

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## Hidden Valley improvement



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Growth through acquisition,  
partnerships...exploration

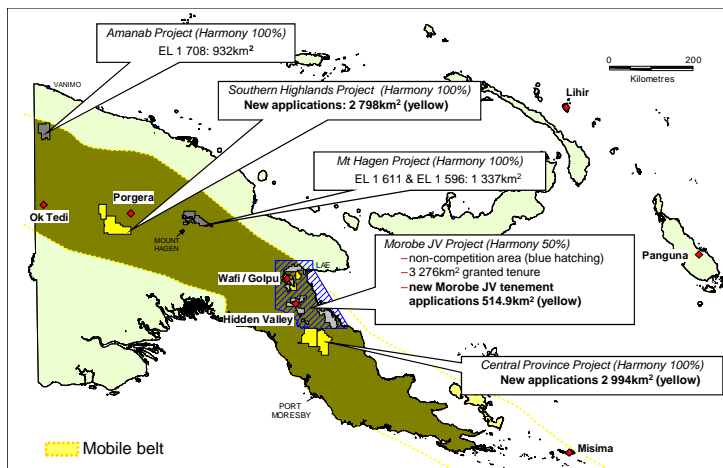


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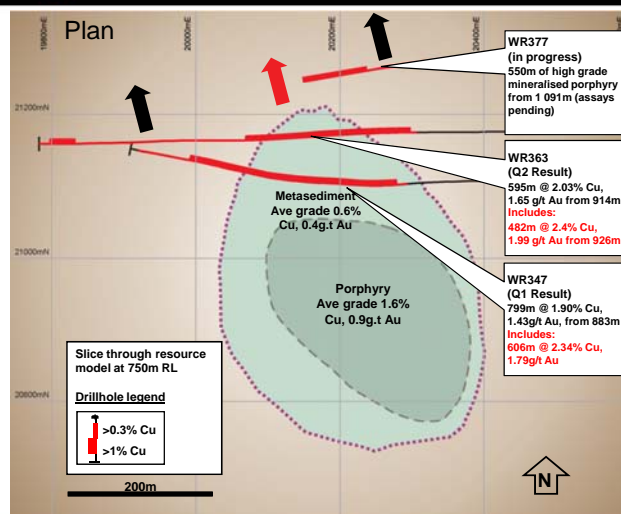
PNG tenement portfolio



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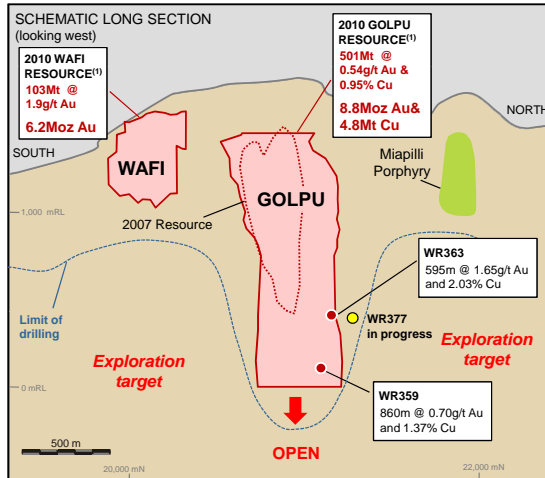
- Harmony 100%
  - 8 000km<sup>2</sup> of exploration tenements
  - Mount Hagen Project (EL1611 & EL1596)
  - Kurunga Prospect
  - Bakil Prospect
  - Amanab Projects (EL1708)
- Within the 50% joint venture with Newcrest
  - 3 200 km<sup>2</sup> exploration tenements
  - Wafi-Golpu transfer structure
  - Waterfall Prospect – Hidden Valley ML151
  - Kulang Prospect (EL497)
  - Morobe Coast (EL1403)



### Latest drill results

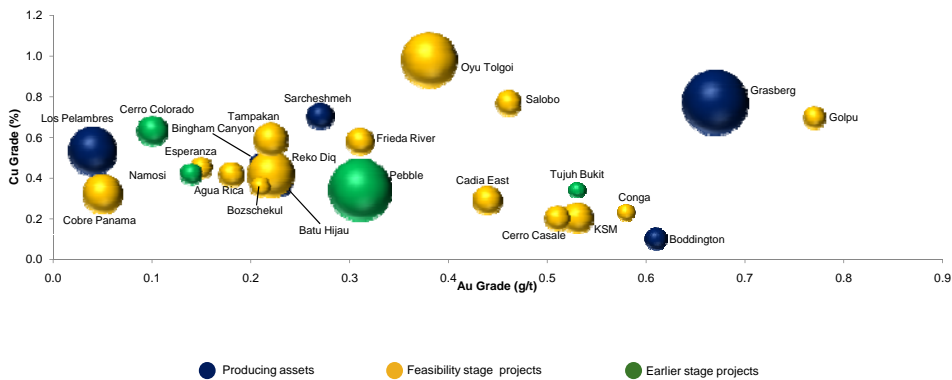
WR359	860m @ 1.37% Cu and 0.70g/t Au (2.68g/t Au equivalent*) from 1 017m
WR361	186m @ 2.01% Cu and 0.35g/t Au (3.25g/t Au equivalent*) from 446m
WR362	274m @ 1.07% Cu and 0.29g/t Au (1.83g/t Au equivalent*) from 160m
WR363	595m @ 2.03% Cu and 1.65g/t Au (4.58g/t Au equivalent*) from 914m

\*Gold equivalents using a gold price of US\$ 950/oz and copper price of US\$2.00/lb and assuming 100% recovery for all metals.



- Golpu resource at 30 June 2010:
  - 16Moz Au
  - 4.8Mt Cu
- Wafi/Golpu exploration target of:
  - 30Moz Au
  - 8Mt Cu
- Pre-feasibility study will test:
  - 600Mt – 800Mt mining inventory
  - 300 000 – 700 000oz gold/yr
  - 200 000 – 320 000t copper/yr
  - lowest quartile cash cost
  - multiple mining and infrastructure options

(1) Gold equivalents using a gold price of US\$950/oz and copper price of US\$2.00/lb and assuming 100% recovery for all metals.







## Funding options Wafi-Golpu

- 50% of Wafi-Golpu required capital contribution estimated at US\$1.5 billion
- Various financing options available given balance sheet strength and conclusion of growth capex spend in South Africa
  - project finance (at Wafi-Golpu level)
  - commodity-backed financing on copper
    - Harmony's 50% share of targeted Golpu copper output is 100 000-160 000tpa
    - 5-year copper loan or forward sale (1/3 of our share) potential to raise approximately US\$1bn
  - commercial debt
  - bond (conventional/convertible)
- Optimal funding mix to be decided as part of the feasibility study

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## Increased operational efficiency

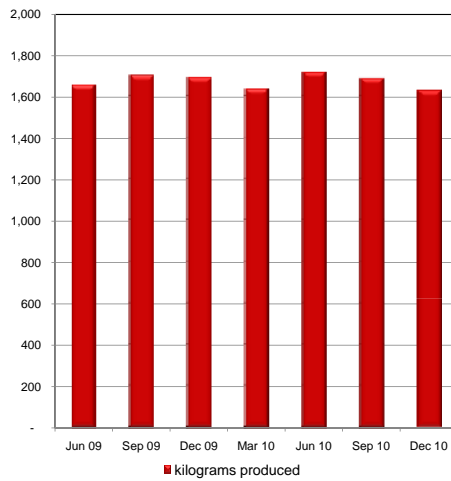


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### Tshepong: Remains a steady producer (q-on-q)



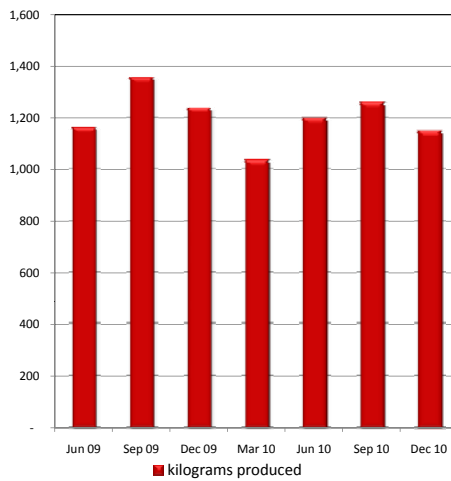
- 2<sup>nd</sup> lowest cost producer in the company at R176 052/kg
- Tonnes milled increased by 2%
- Production decreased by 4% to 1 628kg (52 341oz)
- Recovery grade decreased by 5% to 4.72g/t

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### Masimong: Lowest R/kg (q-on-q)



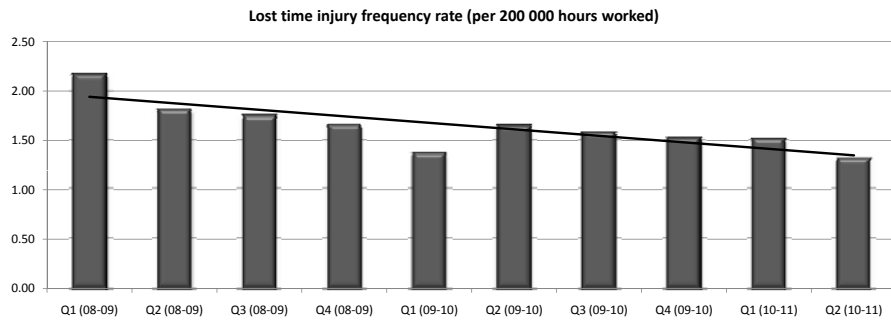
- The lowest cost producer in the company at R168 907/kg
- Successful change in ventilation circuit completed in the quarter
- Production (1 151kg/37 005oz) decreased by 9%
- Recovery grade steady at 5.26g/t

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- 4 fatalities
- Every person has the right to withdraw from an unsafe area
- Improvements in LTIFR – 9 consecutive quarters



- Sediment control
- Engineered tailings facility
- Engineered waste dumps
- Compensation paid
- On-going community benefits
- Technical advisory panel to be formed



		Dec 2010	Sept 2010	% change
Gold produced*	kg	10 055	10 471	(4)
	oz	323 275	336 650	(4)
Gold sold*	kg	10 046	10 869	(8)
	oz	322 986	349 447	(8)
Gold price	R/kg	303 354	287 401	6
	US\$/oz	1371	1 224	12
Cash operating costs	R/kg	216 595	228 658	5
	US\$/oz	979	974	(1)
Cash operating profit	Rm	867	652	33
	US\$m	126	89	41
Exchange rate	US\$/R	6.88	7.31	(6)

\*Sep 2010: Target 3 (111kg/3569oz) and Steyn 2 (31kg/997oz) capitalised  
 Dec 2010: Target 3 (170kg/5466oz) and Steyn 2 (18kg/579oz) capitalised



## SA underground operating results, q-on-q

		Dec 2010	Sept 2010	% Change
Tonnes milled	'000 (metric)	1 759	1 834	(4)
	'000 (imperial)	1 939	2 022	(4)
Recovery grade	g/t	4.60	4.68	(2)
Gold produced*	kg	8 273	8 731	(5)
	oz	265 982	280 708	(5)
Gold sold*	kg	8 239	9 139	(10)
	oz	264 890	293 826	(10)
Cash operating costs	R/kg	218 881	228 946	4
	US\$/oz	989	975	(1)
Cash operating costs	R/t	1 006	1 072	6
	US\$/t	133	133	-
Exchange rate	ZAR/US\$	6.88	7.31	(6)

\*Sep 2010: Target 3 (111kg/3569oz) and Steyn 2 (31kg/997oz) capitalised  
Dec 2010: Target 3 (170kg/5466oz) and Steyn 2 (18kg/579oz) capitalised

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## SA surface operating results, q-on-q

		Dec 2010	Sept 2010	% change
Tonnes milled	'000 (metric)	2 491	2 837	(12)
	'000 (imperial)	2 746	3 128	(12)
Recovery grade	g/t	0.38	0.38	-
Gold produced	kg	955	1 069	(11)
	oz	30 704	34 369	(11)
Gold sold	kg	898	1 103	(19)
	oz	28 871	35 463	(19)
Operating costs	R/kg	215 422	216 260	-
	US\$/oz	974	921	(6)
Operating costs	R/t	83	81	(3)
	US\$/t	11	10	(10)
Exchange rate	ZAR/US\$	6.88	7.31	(6)

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## Hidden Valley operating results\*, q-on-q

		Dec 2010	Sept 2010	% change
Tonnes milled	'000 (metric)	425	427	(1)
	'000 (imperial)	469	471	(1)
Recovery grade	g/t	1.95	1.57	24
Gold produced	kg	827	671	23
	oz	26 589	21 573	23
Gold sold	kg	909	627	45
	oz	29 225	20 158	45
Operating costs	R/kg	195 605	244 720	20
	US\$/oz	884	1 042	15
Operating costs	R/t	381	385	1
	US\$/t	50	48	(4)
Exchange rate	ZAR/US\$	6.88	7.31	(6)

\*Represents Harmony's 50% interest in the Morobe Mining Joint Ventures

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## Financial overview: December 2010 quarter



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## Income statement, q-on-q (Rand)

*Extracts from Condensed Consolidated Income Statement –  
excludes discontinued operations*

	Dec 2010 (Rm)	Sept 2010 (Rm)	% change
Revenue	2 990	3 083	(3)
Cash operating costs	(2 107)	(2 339)	10
Royalties	(30)	(23)	( 30)
Operating profit as per Operating Results	867	652	33
Employment termination and restructuring costs	(54)	(78)	31
Insurance credits	179	-	100
Exploration expenditure	(76)	(99)	23
Gain on financial instruments	78	311	( 75)
Taxation	(28)	6	<(100)
- Current tax	-	(9)	100
- Deferred tax	(28)	15	<(100)
<b>Net profit</b>	<b>296</b>	<b>105</b>	<b>&gt;100</b>
<b>Headline earnings</b>	<b>294</b>	<b>141</b>	<b>&gt;100</b>
<b>Headline earnings – SAc/s</b>	<b>69</b>	<b>33</b>	<b>&gt;100</b>

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## Income statement, q-on-q (US\$)

*Extracts from Condensed Consolidated Income Statement –  
excludes discontinued operations*

	Dec 2010 (US\$m)	Sept 2010 (US\$m)	% change
Exchange rate (R/\$)	6.88	7.31	(6)
Revenue	434	422	3
Cash operating costs	( 306)	(320)	4
Royalties	( 4)	(3)	(33)
Operating profit as per Operating Results	126	89	42
Employment termination and restructuring costs	( 8)	(11)	27
Insurance credits	26	-	100
Exploration expenditure	( 11)	(14)	21
Gain on financial instruments	11	43	(74)
Taxation	(4)	1	<(100)
- Current tax	-	(1)	-
- Deferred tax	(4)	2	<(100)
<b>Net profit</b>	<b>43</b>	<b>14</b>	<b>&gt;100</b>
<b>Headline earnings</b>	<b>43</b>	<b>19</b>	<b>&gt;100</b>
<b>Headline earnings – SAc/s</b>	<b>10</b>	<b>5</b>	<b>100</b>

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## Cash cost decrease (q-on-q)

- Cash cost decreased by R225 million (US\$33 million)
- Electricity
  - maximum demand due to winter tariffs: R147 million (US\$22 million)
- Restructuring benefits
  - Merriespruit 1: R33 million (US\$5 million)



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## Balance sheet (Rand), q-on-q

- Low gearing:
  - debt to equity: 5.0%
  - debt to EBITDA: 0.5:1

	Debt	Cash	Net	Sept 2010
At 30 September 2010: Net debt	(1 177)	772	(405)	(420)
Cash flow from operations and other items			631	940
Capital expenditure			(820)	(746)
Exploration expenditure capitalised			(26)	(2)
Exploration expenditure			(76)	(99)
Restructuring			(54)	(78)
At 31 December 2010: Net debt	(1 587)	837	(750)	(405)

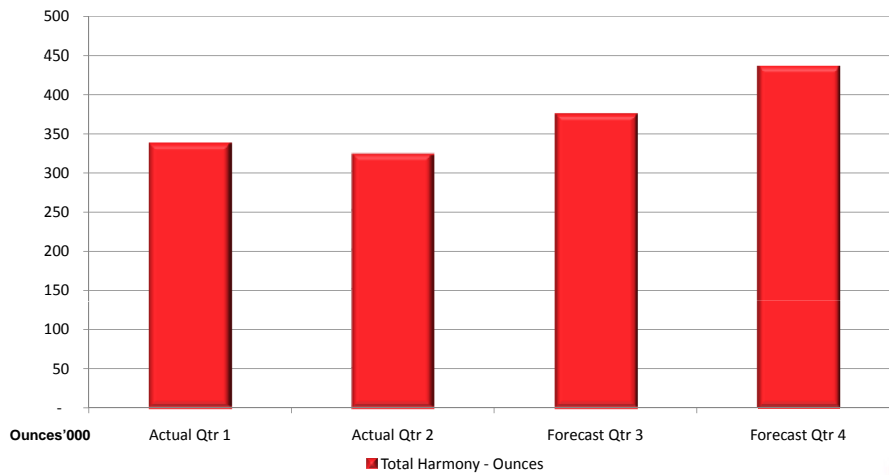
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- Low gearing:
  - debt to equity: 5.0%
  - debt to EBITDA: 0.5:1

	Debt	Cash	Net	Sept 2010
At 30 September 2010: Net debt	(169)	111	(58)	(55)
Cash flow from operations and other items			87	124
Capital expenditure			(119)	(102)
Exploration expenditure capitalised			(4)	-
Exploration expenditure			(11)	(14)
Restructuring			(8)	(11)
At 31 December 2010: Net debt	(240)	127	(113)	(58)





- Closed non-profitable operations
- Growth projects in South Africa
  - increased production
  - quality ounces
- Majority of capital expenditure spent
- Hidden Valley a great mine
  - gold and silver recoveries improved
  - commissioned and building up
- Wafi/Golpu growing q-on-q
- Experienced and focused management team







**HARMONY™ – an exciting investment proposition**



- ✓ One of the best explorers worldwide
- ✓ Wafi-Golpu 'find of the century'
- ✓ Unhedged, low debt
- ✓ Building low-cost, high-grade mines
- ✓ Experienced, focused management team
- ✓ Exciting long-term possibilities
- ✓ Dividends

JSE (HAR) NYSE (HMY) LSE (HRM)

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Henrika Basterfield  
Investor Relations Officer

Tel: +27 (0)11 411 2314  
Mobile: +27 (0)82 759 1775

Fax: +27 (0)11 692 3879

Email: [henrika@harmony.co.za](mailto:henrika@harmony.co.za)

Marian van der Walt  
Executive: Corporate and Investor Relations

Tel: +27 (0)11 411 2037  
Mobile: +27 (0)82 888 1242

Fax: +27 (0)866 140 999

Email: [marian@harmony.co.za](mailto:marian@harmony.co.za)