HARMONY™

Financial review for the second quarter and six months ended 31 December 2008

Incorporated in the Republic of South Africa
Registration Number 1950/038232/06
("Harmony" or "Company")
JSE Share code: HAR
NYSE Share code: HMY
ISIN: ZAE 000015228

Shareholder Information

Shares in issue

Issued ordinary shares at 31 December 2008	417 637 697

Market capitalisation

At 31 December 2008 (ZARm)	R40 803
At 31 December 2008 (US$m)	$4 111

Harmony ordinary share and ADR prices

12 month high (1 January 2008 to 31 December 2008) for ordinary shares	ZAR118.50
12 month low (1 January 2008 to 31 December 2008) for ordinary shares	ZAR52.10
12 month high (1 January 2008 to 31 December 2008) for ADRs	US$14.56
12 month low (1 January 2008 to 31 December 2008) for ADRs	US$5.47

Free float — 100%

ADR ratio — 1:1

JSE Limited — HAR SJ

Range for quarter (1 October 2008 to 31 December 2008 – closing prices)	ZAR62.50 – ZAR103.75
Average daily volume for the quarter (1 October 2008 – 31 December 2008)	1 985 801 shares traded

New York Stock Exchange, Inc. — HMY US

Range for quarter (1 October 2008 to 31 December 2008 – closing prices)	US$5.58 – US$10.97
Average daily volume for the quarter (1 October 2008 – 31 December 2008)	3 007 722 shares traded

Nasdaq — HMY

Range for quarter (1 October 2008 to 31 December 2008 – closing prices)	US$5.58 – US$10.97
Average daily volume for the quarter (1 October 2008 – 31 December 2008)	2 989 680 shares traded

The quarter at a glance

- Safety performance improves
- Net debt reduction of R1.1 billion
- Total headline earnings of R492 million (>100%)
- Cash operating profit of R1.1 billion (+38%)
- Operating margin of 35%
- Rand Uranium transaction concluded (R901 million profit ex-tax)
- 8% decline in total gold production
- 7% increase in cash operating costs (R/kg)

Financial review for the second quarter and six months ended 31 December 2008

(All results exclude Discontinued Operations, unless otherwise stated)

		Quarter December 2008	Quarter September 2008	Q-on-Q variance*	6 months December 2008	6 months December 2007	Year on year variance*
Gold produced	– kg	11 267	12 287	(8%)	23 554	25 635	(8%)
	– oz	362 242	395 035	(8%)	757 277	824 181	(8%)
Cash costs	– R/kg	168 299	157 279	(7%)	162 550	136 877	(19%)
	– $/oz	527	629	16%	580	614	6%
Gold sold	– kg	12 415	12 342	1%	24 757	26 186	(5%)
	– oz	399 150	396 803	1%	795 953	841 896	(5%)
Cash operating profit	– Rm	1 113	808	38%	1 921	725	>100%
	– US$m	112	104	8%	216	105	>100%
Basic profit/(loss)	– SAc/s	81	118	(31%)	199	(188)	>100%
	– USc/s	8	15	(46%)	23	(27)	>100%
Headline profit/(loss)	– SAc/s	101	8	>100%	109	(83)	>100%
	– USc/s	10	1	>100%	12	(12)	>100%

** Note that where the variance exceeded 100%, it has been indicated by >100%.*

Harmony's Annual Report, Notice of Meeting, Sustainable Development Report and its Annual Report filed on a Form 20F with the United States' Securities and Exchange Commission for the year ended 30 June 2008 are available on our website at www.harmony.co.za

Forward-looking statements

This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this quarterly report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements include, without limitation:

- overall economic and business conditions in South Africa and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- increases/decreases in the market price of gold;
- the occurrence of hazards associated with underground and surface gold mining;
- the occurrence of labor disruptions;
- availability, terms and deployment of capital;
- changes in Government regulation, particularly mining rights and environmental regulations;
- fluctuations in exchange rates;
- currency devaluations and other macro-economic monetary policies; and
- socio-economic instability in South Africa and regionally.

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Chief executive's review

Overview

Harmony concluded two major transactions in the past six months, raised almost R1 billion by issuing shares and our share price increased by 38% over the year, in spite of market volatility.

We realise there is continuing market uncertainty, particularly with regard to commodities. We are often asked what we are doing in these uncertain times.

Harmony weathered a storm of its own in late 2007. We have made the tough decisions, restructured and decided to continue investing in the mines which will be the future of Harmony. We do not plan further job reductions, provided the gold price remains strong, and we intend keeping our capital expenditure plans intact. We have created a reasonable margin and continue to secure our future amidst turmoil and uncertain times.

Each of our mines has its own targets, compiled by and committed to by the shaft employees themselves. These targets are the driving force behind our teams. Some of the results have not been seen in our financial figures as yet, but we will continue to focus on the fundamentals.

Safety

Our behaviour-based safety initiative that has been rolled out to all of the shafts and the efforts put into leading by example are proving to have a positive effect. The main aim is to change the attitude and mindset of people and to create a safer working place as a whole. All stakeholders are involved and the continuous communication on safety in the working place as well as off the job is receiving priority attention from all parties.

The past quarter was marked by some outstanding safety performances. I am very grateful to all who assisted in reducing Harmony's Fatality Injury Frequency Rate from 0.18 to 0.10 year on year and its Lost Time Injury Frequency Rate from 10.0 to 9.13 quarter on quarter.

However, we have not yet reached our target of zero fatalities. It is with deep regret that we report that three of our colleagues died in work-related incidents during the quarter under review. On behalf of the Board and Management, I extend my heartfelt condolences to their families and friends.

Those who died were: Elandsrand employee Amandio Julai Massingue, an underground assistant; Bambanani employee Moeti Mololo, a rock drill operator; and Tshepong employee Matli Lazaro, a scraper winch operator.

Gold market

While the gold price had weakened in terms of the US Dollar during the quarter, the average Rand gold price remained strong. In the current faltering global economy all the signs are that the metal retains its status as a safe haven and store of wealth. This demand pattern, combined with declining supply as juniors struggle to explore or continue with project development due to a lack of funding, adds credence to the argument that the gold price is likely to rise in the medium to long term.

During the quarter our average gold price received was R253 441/kg, 17% higher than the previous quarter, due to the weaker average Rand/$ exchange rate of R9.93/$. The weaker exchange rate was a great benefit to us, notwithstanding the negative impact on the cost of imported supplies.

Looking forward

Overall, I believe calendar 2009 has every prospect to be a good year for Harmony. Commodity prices have come down and this should reflect in our mining input costs. Elandsrand should be a safer and improved production business once it has completed its "intensive care" phase. Two of our growth mines, Doornkop and Phakisa, will have most of their shaft infrastructure completed, and finally Hidden Valley will be in production as from mid-2009, resulting in an increase in production.

The world finds itself in very uncertain times and it is clear that the rules of our game will be:

- conserving our cash;
- having a reasonable margin;
- being debt-free;
- keeping the company as simple as possible;
- rewarding our shareholders.

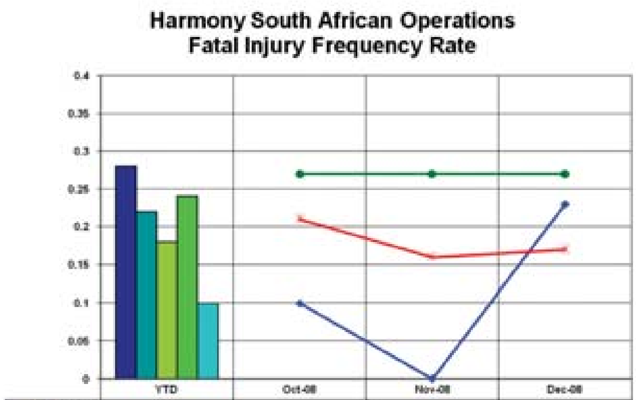
During the last six months we have looked at a number of assets that may potentially fit the Harmony portfolio. Our strategy is not restricted to any particular area, but is aimed at acquiring long-life assets that offer higher margins. The financial climate has put a lot of companies into dire straits, and although a number of due diligences are being performed at the moment, Harmony is unlikely to make any acquisitions before June 2009. We believe that the number of opportunities may increase, but we will not make any rushed decisions. Our aim is to have net zero debt by June 2009 and reward our shareholders for their loyalty in financial year 2009/2010.

Chief Executive Officer
Graham Briggs

Safety and health

Safety

The Fatal Injury Frequency Rate (FIFR) improved by 58% from 0.24 to 0.10 quarter on quarter and by 56% compared with the previous year (from 0.18 to 0.10). Three work-related fatalities were recorded in the quarter under review compared with seven in the previous quarter.



	YTD	Oct-08	Nov-08	Dec-08
2005 - 2006	0.28			
2006 - 2007	0.22			
2007 - 2008	0.18			
Quarter 1	0.24			
Quarter 2	0.1			
ACTUAL		0.1	0	0.23
INDUSTRY		0.27	0.27	0.27
PROG. YTD		0.21	0.16	0.17

Fatal accidents occurred at Elandsrand, Tshepong and Bambanani mines during the quarter under review.

The Lost Time Injury Frequency Rate (LTIFR) improved by 29% from 12.8 to 9.13 compared with the same quarter in the previous year and by 16% from 10.9 to 9.13 quarter on quarter. Single-digit LTIFRs were in fact achieved for four consecutive months. This is a milestone never achieved in Harmony's South African Operations' history.

The Reportable Injury Frequency Rate (RIFR) improved by 20% from the previous year, from 6.03 to 4.81, and by 20% from 6.06 to 4.81 quarter on quarter. The second quarter's rate is also a milestone which has never been achieved previously.

Safety achievements during the quarter under review were:

- South Region: 133 days fatality-free (which equates to 2 723 478 shifts).
- North Region: 1 million fatality-free shifts.
- Corporate Total: 2 million fatality-shifts for the third time in two years.
- Kalgold: 2 million fatality-free shifts.
- Evander Services: 1.5 million fatality free shifts.
- South Region Surface: 1.5 million fatality free shifts.
- Evander 5: 1 million fatality free shifts.
- Evander Total: 1 million fatality free shifts.

Phakisa achieved exceptional safety results, ranking as world-class. It recorded an outstanding LTIFR of 0.98, which is a 77% improvement on last quarter. Phakisa also recorded a zero RIFR. Further achievements are: four months free of loss time injuries, six months free of reportable injuries and seven months free of fall of ground incidents.

Safety at Elandsrand

Elandsrand managed to show improvement on all safety indicators during the quarter after strategic actions were implemented to turn the poor safety trend around. The LTIFR improved to 13.61 (20.25) and the FIFR to 0.28 (0.87). The FOGFR improved to 2.22 (6.94), indicating a reduction in the number of FOG accidents recorded during the quarter. A number of actions were implemented to improve safety:

- A leadership communication and awareness plan was implemented, reaching everyone on the mine.
- Non-negotiable rules per discipline were communicated and implemented. No mining takes place if the workplace does not comply with these rules.
- Daily underground visits by management to workplaces on all shifts increased visibility and awareness.
- Stoping panels with energy release ratings of higher than 20MJ/m^2, indicating a high seismic risk, were stopped.
- All stoping production crews went through a one-day safety course, introducing the new safety programme and the non-negotiable rules.
- Safety workplace audits started and all reports were reviewed by management with the applicable supervisors. Disciplinary action was taken against supervisors and crews in cases where non-compliance was observed.
- All stoping miners and shift bosses went through a two-day training course on Elandsrand's standards and basic mining knowledge.

Management continues to improve the mine's safety systems and to increase capacity in the safety department in order to ensure that improvements are sustainable. Although the improved safety performance is satisfying, it is recognised that a lot more effort is needed to change the culture and behaviour of people at the mine.

Health

We are pleased to report that, in ensuring that noise-induced hearing loss is prevented, good progress was made during the quarter under review. Implementation of personalised hearing protection devices (HPDs) is 89.4% completed, the installation of fan silencers is 99.0% completed and installation of rock drill mufflers is 99.8% completed.

The industry's silica dust exposure milestone requires that by December 2008, 95% of all exposure measurement results were below the occupational exposure limit for respirable crystalline silica of 0.1 mg/m^3. For the quarter under review Harmony's milestone compliance is 85.4%.

Radiation audits were ongoing during the quarter throughout the company's operations and corrective actions are in place where required. Radon exposures on all operations are well under control.

Sustainable development reporting

Harmony released its Sustainable Development Report for the FY08 financial year during October 2008. This report has been produced in line with the guidelines of the Global Reporting Initiative and, for the first time, certain key indicators in this report were assured by an independent third party. This report is available at www.harmony.co.za.

Financial review

Overview

During the quarter under review, Harmony reported a net profit of R1 316 million compared to R402 million in the September quarter. This improvement can be attributed primarily to the profit on the sale of the Randfontein Cooke assets of R901 million after tax and an increase in gold revenue from continuing operations of R464 million. The benefits of lower debt levels and higher cash balances also contributed with a decrease in finance costs of R23 million and an increase in investment income of R31 million. These benefits were offset by an increase in total production costs from continuing operations of R159 million and exploration costs of R30 million.

Total basic earnings increased from 100 cents per share in the September 2008 quarter to 324 cents per share in the December 2008 quarter, with total headline earnings increasing from 24 cents per share to 121 cents per share.

A more detailed discussion of significant events and changes occurring during the December 2008 quarter is presented below. Unless stated otherwise, all amounts below refer to continuing operations.

Meeting our objective to be debt free

Harmony's stated strategy is to have zero net debt by June 2009. On 22 December 2008 we announced that Harmony completed a capital raising by issuing shares for cash in the open market pursuant to its mandate given by shareholders at the Annual General Meeting. In the capital raising, 10 504 795 shares were placed between 25 November 2008 and 19 December 2008 at an average subscription price of R93.20, raising R979 million before costs. The number of shares issued is equivalent to 2.6% of Harmony's issued share capital. The cost of the placement was approximately R15 million, or 1.5% of the value of shares issued. The proceeds of the capital raised will be used primarily to reduce Harmony's debt levels.

Harmony's outstanding debt amounts to R2.86 billion, comprising the Nedcor loan of R750 million, short-term debt in the amount of R410 million and the convertible bond of R1.7 billion (repayable in May 2009). We intend settling the convertible bond by using the proceeds from the Rand Uranium transaction.

At the end of December 2008 Harmony had a cash balance of R1.6 billion, which includes the proceeds from the capital raising. Harmony's borrowings were reduced from R3.54 billion in the September 2008 quarter to R2.86 billion in the quarter under review, resulting in a 19% decrease in its borrowings.

Transactions

Randfontein Cooke assets

We announced on 21 November 2008 that all conditions precedent in respect of the Cooke transaction had been met and that the transaction was effective from 21 November 2008. The Group recognised a profit of R901 million net of tax on the transaction, which is included in profit from discontinued operations, and has accounted for its 40% portion of Rand Uranium as an associate.

The total transaction price for 60% of Randfontein's Cooke shafts is US$209 million. The first tranche of the consideration price – US$40 million – has been received. A further US$157 million, plus interest at 5% per annum, is due by 22 April 2009 and the balance of the purchase consideration of approximately US$12 million as soon as the second stage of the transaction, which relates to Harmony's Old Randfontein assets, is finalised. This is expected to be on or shortly after 22 April 2009. At 31 December 2008, the outstanding balance due was R1.6 billion and has been included under current trade and other receivables.

Mt Magnet

Mt Magnet continues on care and maintenance at an estimated cost of A$5 million per year. Exploration work is being carried out to meet expenditure commitments on tenements and keep them in good standing.

Wafi-Golpu royalty

During December 2008, Harmony issued 3 364 675 shares to Rio Tinto, valued at R242 million, in exchange for the royalty right on Wafi-Golpu. This amount has been capitalised as part of property, plant and equipment, in line with the Group's accounting policy.

Revenue

Harmony's continuing operations reported an increase in cash operating profit of R305 million for the quarter under review, which is mainly due to the increase in the Rand gold price quarter on quarter from R217 295/kg to R253 441/kg.

Total underground gold production was 6% lower at 10 497 kg due to the decrease in volumes and grade, which were negatively impacted by the following: Elandsrand's safety campaign, Tshepong which has not recovered as yet from the underground fires in the previous quarter, and the underground fires at Bambanani.

Inventory

Gold inventory includes bullion on hand as well as gold in process. Gold in process inventories represent materials that are in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but include mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process material is measured based on assays of the material fed to process and the projected recoveries at the respective plants. During the Christmas period the plants continued to mill, although no input from the shafts was received. Gold available was processed and dispatched, resulting in the reduction of normal gold stock levels. Due to the significant movement in gold stock during December 2008, the standard operational reporting format has been changed.

The change in gold stock levels affected both gold sold, as well as operating costs. Gold sold increased due to gold being released by the plants during the Christmas break. The gold sold for the December 2008 quarter was 12 415 kg compared to 12 342 kg in the September 2008 quarter.

Cash operating costs

Cash operating unit cost has been adjusted and is now based on gold produced, thus excluding the effect of the gold stock movement on gold as well as the related operating costs. Cash operating cost increased by 7% from R157 279/kg in the September 2008 quarter to R168 299/kg in the December 2008 quarter. In US$ terms, these costs decreased from $629/oz to $527/oz, which can be attributed to the weakening of the Rand against the US Dollar.

Operating margin

The operating margin improved from 30.1% in the September 2008 quarter to 35.4% in the December 2008 quarter as a result of the increase in the Rand gold price.

Capital expenditure

During the December 2008 quarter, R1.2 billion was spent on capital expenditure, with significant increases in expenditure at Phakisa and Target. Included in the total is an amount of R533 million funded by Newcrest in terms of the farm-in agreement.

Operational review

South African underground operations

		December 2008	September 2008	Variance
Tonnes milled	**('000)**	2 255	2 337	(4%)
Recovery grade	**(g/t)**	4.65	4.77	(3%)
Kilograms produced	**(kg)**	10 497	11 136	(6%)
Gold sold	**(kg)**	11 552	11 191	3%
Operating costs	**(R/kg)**	169 247	161 136	(5%)
Operating costs	**(R/tonne)**	788	768	(3%)

Note that where the variances in the tables below exceeded 100%, it has been indicated by >100%.

Bambanani

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	122	142	(14%)
Grade	(g/t)	7.60	8.37	(9%)
Gold produced	(kg)	927	1 189	(22%)
Gold sold	(kg)	992	1 188	(17%)
Cash costs	(R/kg)	182 422	145 265	(26%)
Cash operating profit	(R'000)	81 989	84 890	(3%)

Gold production was 22% lower, a consequence of the three fires during the quarter. Grade was also negatively affected, as the fires occurred in very high grade areas. While crews were moved, some had to be deployed to lower grade panels. The decrease in production resulted in a 26% increase in cash costs to R182 422/kg. The higher gold price helped to contain the decrease in operating profit to 3%. Every effort is being made to return the mine to planned production levels.

Gold produced for the quarter was 927 kg. An additional 65 kg were sold from inventory resulting in total gold sold being 992 kg.

Doornkop

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	143	110	30%
Grade	(g/t)	2.34	2.32	1%
Gold produced	(kg)	334	255	31%
Gold sold	(kg)	402	255	58%
Cash costs	(R/kg)	225 838	264 224	15%
Cash operating profit/(loss)	(R'000)	22 924	(3 988)	>100%

A good increase in tonnage was achieved at Doornkop. Gold production improved by 31% to 334 kg, reflecting a 30% increase in throughput to 143 000 t and a 1% increase in the average grade to 2.34 g/t.

Gold produced for the quarter was 334 kg. An additional 68 kg were sold from inventory resulting in total gold sold being 402 kg.

An increase of 23.64% in square metres produced resulted in a 30% increase in tonnes milled during the quarter. Production from the South Reef should improve further during the March quarter due to 197 level on the South Reef coming into production. Procurement of additional equipment for the mechanised Kimberley section should also further enhance production. Development metres advance increased by 14.7% from 995 m to 1 096 m. The second belt system on the South Reef was commissioned during December 2008 and will support further improvements in development for the March quarter.

Recovered grade showed a small improvement (1%) against the previous quarter. The unavoidable addition of 7 100 waste tonnes into the reef stream diluted the recovered grade. Excluding the waste tonnes, the recovered grade was 6% higher at 2.45 g/t. The second belt system on 207 level will eliminate the waste contamination from 202 level, resulting in an improvement in the recovered grade.

Higher production resulted in a decrease of 15% in cash operating costs from R264 224/kg in the previous quarter to R225 838/kg during the quarter under review.

Elandsrand

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	215	288	(25%)
Grade	(g/t)	5.57	5.31	5%
Gold produced	(kg)	1 197	1 528	(22%)
Gold sold	(kg)	1 556	1 530	2%
Cash costs	(R/kg)	215 697	170 618	(26%)
Cash operating profit	(R'000)	68 738	86 461	(21%)

Elandsrand's production was impacted negatively by the decision to stop all working places which were not regarded as safety or production-worthy. The safety drive and stopping of high-risk workplaces negatively impacted production by approximately 300 kg of gold. All stoping production crews went through a one-day safety course, introducing the new Qaphelangozi programme and the non-negotiable rules. Qaphelangozi is aimed at changing the safety behaviour of people.

Production volumes decreased by 25% compared to the previous quarter due to a reduction in square metres mined. Some 22% less gold was produced compared with the previous quarter. Gold produced for the quarter was 1 197 kg. An additional 359 kg were sold from inventory resulting in total gold sold being 1 556 kg.

The recovered grade was better than in the previous quarter due to high grades mined at the start of the quarter under review.

Cash operating costs (R/kg) were 26% higher due to lower production.

Cash operating profit was 21% lower due to lower production and higher cash operating costs.

Evander

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	304	306	(1%)
Grade	(g/t)	5.15	5.27	(2%)
Gold produced	(kg)	1 566	1 612	(3%)
Gold sold	(kg)	1 816	1 609	13%
Cash costs	(R/Kg)	157 018	154 789	(1%)
Cash operating profit	(R'000)	173 539	108 782	60%

Evander continued to deliver a good performance during the quarter under review, with a marginal decrease in gold production of 3% to 1 566 kg. This resulted from a 1% decrease in throughput to 304 000 t and a 2% decrease in the average grade to 5.15 g/t.

Gold produced for the quarter was 1 566 kg, gold sold was higher than gold produced at 1 816 kg, due to an additional 250 kg of gold sold from inventory.

Production is being constrained by environmental conditions at No 8 Shaft which will be relieved by the raise bore hole originally planned to be completed in December 2008 but which will only be completed in March 2009. The hole will supply cool air to 24 level from 17 level to improve working conditions.

Cash costs were 1% higher at R157 018/kg due to the decrease in production. Cash operating profit increased by 60% as a result of the stronger gold price received as well as the additional gold sold.

Joel

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	138	137	1%
Grade	(g/t)	4.18	3.93	6%
Gold produced	(kg)	577	538	7%
Gold sold	(kg)	617	538	15%
Cash costs	(R/kg)	168 392	172 480	2%
Cash operating profit	(R'000)	58 880	22 145	>100%

Joel recorded an improved production quarter with improvements in all production indicators. Gold production was 7% higher at 577 kg due to a 6% increase in average grade to 4.18 g/t. This was as a consequence of fewer breakdowns experienced in the North Shaft. Although winder, loading and water problems were encountered in the shaft, maintenance and repair programmes were put in place and good progress was made during the quarter.

Gold produced for the quarter was 577 kg. An additional 40 kg were sold from inventory resulting in 617 kg of gold being sold.

The cash operating costs was 2% lower at R168 392/kg due to increased production. Cash operating profit increased by more than 100% to R59 million, a consequence both of a stronger gold price and the increase in gold production.

Masimong

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	222	235	(6%)
Grade	(g/t	5.28	5.41	(2%)
Gold produced	(Kg)	1 173	1 272	(8%)
Gold sold	(kg)	1 213	1 272	(5%)
Cash costs	(R/kg)	140 188	131 930	(6%)
Cash operating profit	(R'000)	142 653	112 877	26%

A 6% decrease in throughput to 222 000 t and a 2% decrease in average grade to 5.28 g/t resulted in a 8% decrease in gold production to 1 173 kg, mainly due to the Christmas break.

Gold produced for the quarter was 1 173 kg. An additional 40 kg were sold from inventory increasing gold sold to 1 213 kg.

The cash costs were 6% higher at R140 188/kg, as a result of lower production. The higher gold price offset the impact on cash operating profit, which rose by 26% to R143 million.

Phakisa

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	36	30	20%
Grade	(g/t	3.75	3.63	3%
Gold produced	(kg)	135	109	24%
Gold sold	(kg)	145	109	33%
Cash costs	(R/kg)	181 326	164 844	(10%)
Cash operating profit	(R'000)	12 013	5 421	>100%

Gold production was 24% higher at 135kg due to a 20% increase in throughput to 36 000 t and a 3% increase in recovered grade to 3.75g/t. Grade remains low as the mining is confined to only one raise line, which is not in a high grade zone. This will continue for another six months, after which the flexibility will improve.

Gold produced for the quarter was 135 kg. An additional 10 kg were sold from inventory resulting in total gold sold being 145 kg.

Development progressed well with more than 1 000 m per month achieved. The installation of the ice plant has been delayed by two months due to customs issues, which have all been resolved. The second railveyor train has now been fully commissioned and is operating above expectations.

Our aim remains to have Phase 1 completed by June 2009, which will result in Phakisa being a fully operational mine. Costs increased by 10%, due to Phakisa being in build-up phase.

Higher gold production and a stronger gold price resulted in a cash operating profit of R12 million, more than 100% higher than the previous quarter.

Target

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	151	167	(10%)
Grade	(g/t	4.43	3.17	40%
Gold produced	(kg)	669	530	26%
Gold sold	(kg)	693	588	18%
Cash costs	(R/kg)	179 581	260 600	31%
Cash operating profit	(R'000)	36 232	9 186	>100%

Target is recovering well, with gold production 26% higher at 669 kg and recovery grade increasing by 40% to 4.43g/t. Throughput was 10% lower due to the lack of massive stopes in October 2008 and November 2008 and the recommencement of waste packing. The situation improved in December 2008, when two massive stopes came into production. A further improvement in production is expected in the next quarter when a third massive stope will be brought into production.

The 40% improvement in grade is as a result of a concerted effort by the Target management team to improve the shaft's performance. Initiatives included back-analysis of the ore body with the assistance of a consultant, an improved planning process and the implementation of a more effective control system.

An additional 24 kg of gold were sold from inventory, which explains gold sold being 693 kg and gold produced being 669 kg.

Cash operating costs were 31% lower at R179 581/kg due to increased gold production. The stronger gold price, together with the increase in gold production, resulted in an increase of more than 100% in cash operating profit to R36 million.

A decision, prompted by poor ventilation conditions, was taken to stop all development in Block 3. The focus has moved to Block 4, which is much smaller, with a slightly lower grade. Block 4 is also quicker to access, with less development required. The benefits to the change in strategy is two-fold: it will reduce this financial year's capital expenditure by R52 million and provide additional time to remedy the ventilation system and to test the new geological model of Block 3. Despite the decision to first develop Block 4, Block 3 remains the future of Target mine.

Action plans are in place to address the current inefficiencies affecting Target and assistance has been sourced where needed. We have a realistic expectation on the way forward and understand that we need to remain focused on the critical areas of concern to ensure Target's success. We believe that we will start seeing positive results in the fourth quarter.

Tshepong

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	343	354	(3%)
Grade	(g/t)	5.26	5.38	(2%)
Gold produced	(kg)	1 803	1 906	(5%)
Gold sold	(kg)	1 929	1 904	1%
Cash costs	(R/kg)	137 451	132 661	(4%)
Cash operating profit	(R'000)	242 833	159 565	52%

Gold production was 5% lower at 1 803 kg. Production was affected by stoppages caused by power supply failures, labour go-slows and under-performance in one mining section. While the previous quarter's grade improvement was not sustained, dropping by 2%, at 5.26g/t it remains 14% higher than the grades of the previous two to five quarters. This is a clear indication that the clean mining initiatives, reported on last quarter, are starting to show results. Further improvements in sweepings may assist in further improving the belt grade.

Gold produced for the quarter was 1 803 kg. An additional 126 kg were sold from inventory resulting in gold sold being 1 929 kg.

Lower gold production resulted in cash operating costs increasing by 4% to R137 451/kg. Tshepong achieved the lowest cash operating cost in the company for the quarter, including underground and surface operations. Cash operating profit increased by 52% to R243 million as a result of a stronger gold price.

To ensure that Tshepong's level of production improves, there will have to be focus on addressing the fridge plant, pumping and flexibility shortcomings. The flexibility problem created by the fires last year is being addressed through improved development metres over the last couple of months.

Virginia

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	581	568	2%
Grade	(g/t	3.64	3.87	(6%)
Gold produced	(kg)	2 116	2 197	(4%)
Gold Sold	(kg)	2 189	2 198	(1%)
Cash costs	(R/kg)	176 716	170 481	(4%)
Cash operating profit	(R'000)	176 856	108 064	64%

The pleasing results achieved during the previous quarter were sustained for the quarter under review. Throughput increased by 2% to 581 000 t but a 6% decrease in the recovery grade to 3.64g/t resulted in a 4% decrease in gold produced. Merriespruit 1 was the main contributor to the increased volumes with a 15.1% improvement, whilst the other operations remained at the previous quarter's levels. The drop in grade was mainly due to a decline in the average recovery grade at Merriespruit 1 of 8.8%, a decline in recovery grade at Unisel of 9.6% and a decline in recovery grade at Merriespruit 3 of 8.3%. Plans to improve the grades at these three operations are being actioned.

Gold produced for the quarter was 2 116 kg. Gold sold was at 2 189 kg, due to an additional 73 kg that were sold from inventory.

Cash costs were well controlled but lower production resulted in cash operating costs rising 4% to R176 716/kg. Cash operating profit improved by 64% to R177 million, driven by the gold price.

South African surface operations

		December 2008	September 2008	Variance
Tonnes	**('000)**	1 936	2 262	(14%)
Grade	**(g/t)**	0.40	0.51	(22%)
Gold produced	**(kg)**	770	1 151	(33%)
Gold sold	**(kg)**	863	1 151	(25%)
Cash costs	**(R/kg)**	155 366	119 958	(30%)
Cash operating profit	**(R'000)**	96 697	114 599	(16%)

Kalgold

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	372	437	(15%)
Grade	(g/t)	1.19	1.72	(31%)
Gold produced	(kg)	441	751	(41%)
Gold sold	(kg)	534	751	(29%)
Cash costs	(R/kg)	154 129	109 903	(40%)
Cash operating profit	(R'000)	64 577	81 328	(21%)

Gold production declined by 41% to 441 kg, reflecting a 15% decrease in throughput to 372 000 t and a 31% decrease in average grade to 1.19 g/t. Lower throughput resulted from a drop in feed rate and the failure and subsequent replacement of the front-end trunion bearing on the C-Mill. In addition, production was negatively affected by the inconsistency of power supply due to thunderstorms.

The recovery grade decreased due to mining and feeding from the D-zone being lower.

Phoenix

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	1 306	1 481	(12%)
Grade	(g/t	0.11	0.14	(21%)
Gold produced	(kg)	150	204	(27%)
Gold sold	(kg)	150	204	(27%)
Cash costs	(R/kg)	155 913	119 480	(31%)
Cash operating profit	(R'000)	14 823	20 717	(29%)

Gold production was 27% lower due to a decrease in throughput of 12% and in recovered grade of 21% to 0.11g.t. As a result, management changes were made. Production was largely impacted by a lack of water supply just before the start of the rains in November 2008, three strikes by contractor employees responsible for the water-jetting on the dumps and a grade drop on H1 dam.

Cash costs rose by 31% to R155 913/kg, driven by lower production.

International operations

Hidden Valley

Significant construction progress was made during the quarter. Total project construction is 74% complete. The project remains on target for mill commissioning in mid-2009.

Site construction activities focused on the overland conveyor earthworks, power station and process plant areas. Installation of the SAG mill, flotation cells, CIL tanks and refinery mechanical components were well-advanced at quarter-end. The embankments for the tailings storage facility were also completed.

Open pit mining activities continued at the Hidden Valley and Hamata open pits to expose ore zones and establish waste dump access. Material movement volumes were in line with the mine plan with ore stocks of 350 000 t. An Operational Readiness Plan was prepared to enable the transition to full mine operations. Recruitment of key maintenance and processing roles progressed during the quarter.

Wafi-Golpu

The Joint Venture completed a concept study to assess the technical and economic feasibility of mining the Wafi-Golpu deposits. This study used updated parameters to assess the economic resource.

The outcomes of the study will be used to define an exploration and assessment work programme that will support development of a mining operation.

Discontinued operations

Cooke

In the quarter under review the sale of the Cooke operations to Rand Uranium was completed on 21 November 2008 and therefore includes results for only two months, rendering all comparisons irrelevant.

Indicator		December 2008	September 2008	Variance
Tonnes	('000)	174	292	(40%)
Grade	(g/t)	4.72	4.68	1%
Gold produced	(kg)	822	1 367	(40%)
Gold sold	(kg)	989	1 367	(28%)
Cash costs	(R/kg)	194 270	167 126	(16%)
Cash operating profit	(R'000)	79 933	93 838	(15%)

HARMONY™

Financial review for the second quarter and six months ended 31 December 2008

Incorporated in the Republic of South Africa
Registration Number 1950/038232/06
("Harmony" or "Company")
JSE Share code: HAR
NYSE Share code: HMY
ISIN: ZAE 000015228

Financial review for the second quarter and six months ended 31 December 2008 (Rand)

OPERATING RESULTS – CONTINUING OPERATIONS (Rand/Metric)

			Underground production – South Africa					
			Tshepong	Phakisa	Doornkop	Elandsrand	Target	Masimong
Ore Milled	**– t'000**	**Dec-08**	**343**	**36**	**143**	**215**	**151**	**222**
		Sep-08	354	30	110	288	167	235
Gold Produced	**– kg**	**Dec-08**	**1 803**	**135**	**334**	**1 197**	**669**	**1 173**
		Sep-08	1 906	109	255	1 528	530	1 272
Yield	**– g/tonne**	**Dec-08**	**5.26**	**3.75**	**2.34**	**5.57**	**4.43**	**5.28**
		Sep-08	5.38	3.63	2.32	5.31	3.17	5.41
Cash Operating Costs	**– R/kg**	**Dec-08**	**137 451**	**181 326**	**225 838**	**215 697**	**179 581**	**140 188**
		Sep-08	132 661	164 844	264 224	170 618	260 600	131 930
Cash Operating Costs	**– R/tonne**	**Dec-08**	**723**	**680**	**527**	**1 201**	**796**	**741**
		Sep-08	714	599	613	905	827	714
Gold Sold	**– Kg**	**Dec-08**	**1 929**	**145**	**402**	**1 556**	**693**	**1 213**
		Sep-08	1 904	109	255	1 530	588	1 272
Revenue	**(R'000)**	**Dec-08**	**493 241**	**36 747**	**101 756**	**388 776**	**168 522**	**310 324**
		Sep-08	409 939	23 213	55 486	331 494	127 071	281 565
Cash Operating Costs	**(R'000)**	**Dec-08**	**247 825**	**24 479**	**75 430**	**258 189**	**120 140**	**164 440**
		Sep-08	252 852	17 968	67 377	260 705	138 118	167 815
Inventory Movement	**(R'000)**	**Dec-08**	**2 583**	**255**	**3 402**	**61 849**	**12 150**	**3 231**
		Sep-08	(2 478)	(176)	(7 903)	(15 672)	(20 233)	873
Production Costs	**(R'000)**	**Dec-08**	**250 408**	**24 734**	**78 832**	**320 038**	**132 290**	**167 671**
		Sep-08	250 374	17 792	59 474	245 033	117 885	168 688
Cash Operating Profit	**(R'000)**	**Dec-08**	**242 833**	**12 013**	**22 924**	**68 738**	**36 232**	**142 653**
		Sep-08	159 565	5 421	(3 988)	86 461	9 186	112 877
Capital Expenditure	**(R'000)**	**Dec-08**	**62 081**	**131 719**	**101 354**	**115 982**	**104 413**	**34 653**
		Sep-08	54 775	104 843	115 355	95 264	61 100	32 850

						Surface production – South Africa					
Evander	Bamba-nani	Joel	Virginia	St Helena	Total SA Under-ground	Kalgold	Phoenix	Dumps	Total SA Surface	Other	South Africa Total
304	**122**	**138**	**581**	**–**	**2 255**	**372**	**1 306**	**258**	**1 936**	**–**	**4 191**
306	142	137	568	–	2 337	437	1 481	344	2 262	–	4 599
1 566	**927**	**577**	**2 116**	**–**	**10 497**	**441**	**150**	**179**	**770**	**–**	**11 267**
1 612	1 189	538	2 197	–	11 136	751	204	196	1 151	–	12 287
5.15	**7.60**	**4.18**	**3.64**	**–**	**4.65**	**1.19**	**0.11**	**0.69**	**0.40**	**–**	**2.69**
5.27	8.37	3.93	3.87	–	4.77	1.72	0.14	0.57	0.51	–	2.67
157 018	**182 422**	**168 392**	**176 716**	**–**	**169 247**	**154 129**	**155 913**	**157 955**	**155 366**	**–**	**168 299**
154 789	145 265	172 480	170 481	–	161 136	109 903	119 480	158 985	119 958	–	157 279
809	**1 386**	**704**	**644**	**–**	**788**	**183**	**18**	**110**	**62**	**–**	**452**
815	1 216	677	659	–	768	189	16	91	61	–	420
1 816	**992**	**617**	**2 189**	**–**	**11 552**	**534**	**150**	**179**	**863**	**–**	**12 415**
1 609	1 188	538	2 198	–	11 191	751	204	196	1 151	–	12 342
457 571	**252 856**	**157 055**	**558 584**	**–**	**2 925 432**	**137 253**	**38 210**	**45 571**	**221 034**	**–**	**3 146 466**
346 299	255 917	114 030	484 693	–	2 429 707	163 336	45 091	43 715	252 142	–	2 681 849
245 890	**169 105**	**97 162**	**373 931**	**–**	**1 776 591**	**67 971**	**23 387**	**28 274**	**119 632**	**–**	**1 896 223**
249 520	172 720	92 794	374 547	–	1 794 416	82 537	24 374	31 161	138 072	–	1 932 488
38 142	**1 762**	**1 013**	**7 797**	**–**	**132 184**	**4 705**	**–**	**–**	**4 705**	**–**	**136 889**
(12 003)	(1 693)	(909)	2 082	–	(58 112)	(529)	–	–	(529)	–	(58 641)
284 032	**170 867**	**98 175**	**381 728**	**–**	**1 908 775**	**72 676**	**23 387**	**28 274**	**124 337**	**–**	**2 033 112**
237 517	171 027	91 885	376 629	–	1 736 304	82 008	24 374	31 161	137 543	–	1 873 847
173 539	**81 989**	**58 880**	**176 856**	**–**	**1 016 657**	**64 577**	**14 823**	**17 297**	**96 697**	**–**	**1 113 354**
108 782	84 890	22 145	108 064	–	693 403	81 328	20 717	12 554	114 599	–	808 002
57 754	**8 872**	**13 227**	**41 377**	**–**	**671 435**	**510**	**498**	**–**	**1 008**	**18 884**	**691 327**
53 430	10 744	11 099	40 169	(8)	579 621	1 840	–	–	1 840	11 059	592 520

CONDENSED CONSOLIDATED INCOME STATEMENT (Rand)

		Quarter ended			Six months ended	
	Notes	December 2008 (Unaudited) R million	September 2008 (Unaudited) R million	December 2007 (Unaudited) R million	December 2008 R million	December 2007 R million
Continuing operations						
Revenue		3 146	2 682	2 116	5 828	4 255
Cost of sales	2	(2 383)	(2 225)	(2 009)	(4 608)	(4 073)
Production cost		(2 033)	(1 874)	(1 687)	(3 907)	(3 531)
Amortisation and depreciation		(310)	(308)	(228)	(618)	(429)
Employment termination and restructuring costs		(16)	(12)	(75)	(28)	(75)
Other items		(24)	(31)	(19)	(55)	(38)
Gross profit		**763**	**457**	**107**	**1 220**	**182**
Corporate, administration and other expenditure		(92)	(91)	(68)	(183)	(140)
Exploration expenditure		(75)	(45)	(42)	(120)	(86)
Other income/(expenses) – net	3	78	505	(95)	583	(110)
Operating profit/(loss)		**674**	**826**	**(98)**	**1 500**	**(154)**
(Loss)/profit from associates		(52)	1	–	(51)	–
Profit on sale of investment in associate		–	1	–	1	–
Impairment of investment in associate	6	–	(112)	–	(112)	–
Mark-to-market of listed investments		(116)	–	–	(116)	33
Loss on sale of listed investments		–	–	–	–	(459)
Investment income		107	77	74	184	141
Finance cost		(61)	(85)	(138)	(146)	(259)
Profit/(loss) before taxation		**552**	**708**	**(162)**	**1 260**	**(698)**
Taxation		(220)	(234)	(54)	(454)	(52)
Net profit/(loss) from continuing operations		**332**	**474**	**(216)**	**806**	**(750)**
Discontinued operations	4					
Profit/(loss) from discontinued operations		984	(72)	262	912	230
Net profit/(loss)		**1 316**	**402**	**46**	**1 718**	**(520)**
Earnings/(loss) per ordinary share (cents)	5					
– Earnings/(loss) from continuing operations		81	118	(54)	199	(188)
– Earnings/(loss) from discontinued operations		243	(18)	65	225	57
Total earnings/(loss) per ordinary share (cents)		**324**	**100**	**11**	**424**	**(131)**
Diluted earnings/(loss) per ordinary share (cents)	5					
– Earnings/(loss) from continuing operations		81	117	(54)	198	(186)
– Earnings/(loss) from discontinued operations		242	(18)	65	224	56
Total diluted earnings/(loss) per ordinary share (cents)		**323**	**99**	**11**	**422**	**(130)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (Rand)

	Quarter ended			Six months ended	
	December 2008 (Unaudited) R million	September 2008 (Unaudited) R million	December 2007 (Unaudited) R million	December 2008 R million	December 2007 R million
Net profit/(loss) for the period	**1 316**	**402**	**46**	**1 718**	**(520)**
Attributable to:					
Owners of the parent	1 316	402	46	1 718	(520)
Non-controlling interest	–	–	–	–	–
Other comprehensive (loss)/income for the period, net of income tax	(115)	88	52	(27)	415
Foreign exchange translation (loss)/profit	(208)	119	(15)	(89)	(110)
Mark-to-market of available-for-sale investments	93	(31)	67	62	525
Total comprehensive income/(loss) for the period	**1 201**	**490**	**98**	**1 691**	**(105)**
Attributable to:					
Owners of the parent	1 201	490	98	1 691	(105)
Non-controlling interest	–	–	–	–	–

CONDENSED CONSOLIDATED BALANCE SHEET (Rand)

	Notes	At December 2008 R million	At September 2008 (Unaudited) R million	At June 2008 (Audited) R million
ASSETS				
Non-current assets				
Property, plant and equipment		27 786	26 886	27 556
Intangible assets		2 223	2 213	2 209
Restricted cash		169	181	78
Restricted investments		1 567	1 512	1 465
Investments in financial assets		28	48	67
Investments in associates	6	228	34	145
Trade and other receivables		56	127	137
		32 057	31 001	31 657
Current assets				
Inventories		898	752	693
Trade and other receivables		2 732	875	875
Income and mining taxes		108	54	82
Cash and cash equivalents	7	1 645	1 186	413
		5 383	2 867	2 063
Non-current assets classified as held for sale	4	407	1 408	1 537
		5 790	4 275	3 600
Total assets		**37 847**	**35 276**	**35 257**
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital		27 126	25 904	25 895
Other reserves		671	777	676
Accumulated loss		(114)	(1 430)	(1 832)
		27 683	25 251	24 739
Non-current liabilities				
Borrowings	8	188	176	242
Deferred income tax		3 699	3 008	2 990
Provisions for other liabilities and charges		1 342	1 297	1 273
		5 229	4 481	4 505
Current liabilities				
Trade and other payables		1 613	1 394	1 372
Provisions and accrued liabilities		273	295	287
Borrowings	8	2 671	3 363	3 857
		4 557	5 052	5 516
Liabilities directly associated with non-current assets classified as held for sale	4	378	492	497
		4 935	5 544	6 013
Total equity and liabilities		**37 847**	**35 276**	**35 257**
Number of ordinary shares in issue		417 637 697	403 424 148	403 253 756
Net asset value per share (cents)		6 628	6 259	6 135

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Rand)

	Issued share capital R million	Other reserves R million	Accumulated loss R million	Total R million
Note	10			
Balance – 30 June 2008	25 895	676	(1 832)	24 739
Issue of share capital	1 231	–	–	1 231
Deferred share-based payments	–	22	–	22
Comprehensive (loss)/income for the period	–	(27)	1 718	1 691
Balance as at 31 December 2008	**27 126**	**671**	**(114)**	**27 683**
Balance – 30 June 2007	25 636	(349)	(1 581)	23 706
Issue of share capital	41	–	–	41
Deferred share-based payments	–	21	–	21
Comprehensive income/(loss) for the period	–	415	(520)	(105)
Balance as at 31 December 2007	**25 677**	**87**	**(2 101)**	**23 663**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Rand)

	Note	Quarter ended December 2008 (Unaudited) R million	Quarter ended September 2008 (Unaudited) R million	Quarter ended December 2007 (Unaudited) R million	Six months ended December 2008 R million	Six months ended December 2007 R million
Cash flow from operating activities						
Cash generated/(utilised) by operations		1 155	670	(376)	1 825	(322)
Interest and dividends received		112	82	76	194	145
Interest paid		(62)	(112)	(118)	(174)	(177)
Income and mining taxes paid		(142)	(1)	(9)	(143)	(21)
Cash generated/(utilised) by operating activities		1 063	639	(427)	1 702	(375)
Cash flow from investing activities						
Decrease/(increase) in restricted cash		13	(103)	(71)	(90)	203
Net proceeds on disposal of listed investments		–	–	–	–	1 310
Net (additions)/disposals of property, plant and equipment		(840)	798	(734)	(42)	(1 567)
Other investing activities		64	10	65	74	14
Cash (utilised)/generated by investing activities		(763)	705	(740)	(58)	(40)
Cash flow from financing activities						
Long-term loans raised		–	–	10	–	2 098
Long-term loans repaid		(698)	(588)	–	(1 286)	(1 802)
Ordinary shares issued – net of expenses		980	8	5	988	24
Cash generated/(utilised) by financing activities		282	(580)	15	(298)	320
Foreign currency translation adjustments		(122)	7	16	(115)	36
Net increase/(decrease) in cash and cash equivalents		460	771	(1 136)	1 231	(59)
Cash and cash equivalents – beginning of period		1 186	415	1 571	415	494
Cash and cash equivalents – end of period	7	**1 646**	**1 186**	**435**	**1 646**	**435**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

1. Accounting policies

(a) Basis of accounting

The condensed consolidated interim financial statements for the period ended 31 December 2008 have been prepared using accounting policies that comply with International Financial Reporting Standards (IFRS), which are consistent with the accounting policies used in the audited annual financial statements for the year ended 30 June 2008. These condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with the financial statements for the year ended 30 June 2008.

2. Cost of sales

	Quarter ended			Six months ended	
	December 2008 (Unaudited) R million	September 2008 (Unaudited) R million	December 2007 (Unaudited) R million	December 2008 R million	December 2007 R million
Production costs	2 033	1 874	1 687	3 907	3 531
Amortisation and depreciation	310	308	228	618	429
Provision for rehabilitation costs	4	6	–	10	–
Care and maintenance cost of restructured shafts	10	12	10	22	19
Employment termination and restructuring costs	16	12	75	28	75
Share-based compensation	9	13	9	22	19
Provision for post-retirement benefits	1	–	–	1	–
Total cost of sales	**2 383**	**2 225**	**2 009**	**4 608**	**4 073**

3. Other income/(expenses) – net

Included in other income/(expenses) in the September 2008 quarter is R523 million profit on sale of 30.01% of Harmony's Papua New Guinea gold and copper assets to Newcrest Mining Limited.

4. Non-current assets held for sale and discontinued operations

The assets and liabilities related to Mount Magnet (operations in Australia) have been presented as held for sale following approval of the Group's management and Board of Directors on 20 April 2007. During fiscal 2008, we entered into an agreement with Monarch Gold Mining Company (Monarch) for the sale of these operations. However, during July 2008 we were advised that Monarch had placed itself in voluntary administration and on 1 August 2008 the Administrator indicated that Monarch would not proceed with the proposed purchase, and consequently the purchase agreement has been terminated. Management is still intent on the disposal of Mount Magnet despite the asset being classified as held for sale for more than 12 months.

The assets and liabilities relating to the Cooke 1, Cooke 2, Cooke 3, Cooke plant and relating surface operations (operations in the Gauteng area) have been presented as held for sale following the approval of the Group's management on 16 October 2007. These operations were also deemed to be discontinued operations.

The conditions precedent on the sale of Randfontein's Cooke assets to Rand Uranium have been fulfilled and the transaction became effective on 21 November 2008.

In exchange for 60% of the issued share capital of Rand Uranium, Harmony received US$40 million out of the total purchase consideration of US$209 million on the effective date of the transaction. A further US$157 million, plus interest thereon at 5% per annum, will be received by 22 April 2009. The balance of the purchase consideration of approximately US$12 million is due as soon as the second stage of the transaction, which relates to its Old Randfontein assets, is finalised, which is anticipated to be on or shortly after 22 April 2009. Pamodzi Resources Fund 1, LLP's (PRF) investors, affiliates of First Reserve and AMCI Capital, have provided Harmony with a guarantee in respect of the payment of the above amounts. In addition, PRF pledged its shares in Rand Uranium to Harmony as security for RPF's obligation to pay the purchase consideration to Harmony.

As a result of the transaction, the Group recognised a profit on sale of assets of R1 722 million before tax in the income statement in the December 2008 quarter.

Included in profit/(loss) from discontinued operations for the September 2008 quarter is an impairment charge for the Mount Magnet assets for R152 million, relating to the decrease in the fair value less cost to sell.

5. Earnings/(loss) per ordinary share

Earnings/(loss) per ordinary share is calculated on the weighted average number of ordinary shares in issue for the quarter ended 31 December 2008: 406.8 million (30 September 2008: 403.1 million, 31 December 2007: 399.8 million) and the six months ended 31 December 2008: 405.0 million (31 December 2007: 399.7 million).

The fully diluted earnings/(loss) per ordinary share is calculated on weighted average number of diluted ordinary shares in issue for the quarter ended 31 December 2008: 409.1 million (30 September 2008: 404.6 million, 31 December 2007: 402.1 million) and the six months ended 31 December 2008: 407.1 (31 December 2007: 402.4 million)

	Quarter ended			Six months ended	
	December 2008 (Unaudited) R million	September 2008 (Unaudited) R million	December 2007 (Unaudited) R million	December 2008 R million	December 2007 R million
Total earnings/(loss) per ordinary share (cents):					
Basic earnings/(loss)	324	100	11	424	(131)
Fully diluted earnings/(loss)	323	99	11	422	(130)
Headline earnings/(loss)	121	24	14	145	(27)
– Continuing operations	101	8	(48)	109	(83)
– Discontinued operations	20	16	62	36	56
Reconciliation of headline earnings/(loss):					
Continuing operations					
Net profit/(loss)	332	474	(216)	806	(750)
Adjusted for (net of tax):					
Loss/(profit) on sale of property, plant and equipment	78	(553)	(29)	(476)	(27)
Loss on sale of listed investment	–	–	–	–	392
Profit on sale of associate	–	(1)	–	–	–
Impairment of investment in associates	–	112	–	112	–
Provision for doubtful debt	–	–	53	–	53
Headline profit/(loss)	**410**	**32**	**(192)**	**442**	**(332)**
Discontinued operations					
Net profit/(loss)	984	(72)	262	912	230
Adjusted for (net of tax):					
(Profit)/loss on sale of property, plant and equipment	(901)	(14)	51	(915)	51
Impairment of property, plant and equipment	(1)	152	(66)	151	(59)
Headline profit	**82**	**66**	**247**	**148**	**222**
Total headline profit/(loss)	**492**	**98**	**55**	**590**	**(110)**

6. Investment in associate

Harmony Gold Mining Company owns 32.4% of Pamodzi Gold Limited. At 30 September 2008, management tested for impairment of the investment in associate and an amount of R112 million was impaired. During the December 2008 quarter the Group recognised a loss of R34 million, its share of the associate loss, resulting in a carrying value of R0.

On 21 November 2008, Harmony Group sold 60% of the issued share capital of Rand Uranium to PRF. Refer to note 4 for details. This resulted in the Group owning 40% of Rand Uranium. The book value of the investment at 31 December 2008 was R228 million.

7. Cash and cash equivalents

Comprises:

	December 2008 R million	September 2008 (Unaudited) R million	June 2008 (Audited) R million
Continuing operations	1 645	1186	413
Discontinued operations	1	–	2
Total cash and cash equivalents	**1 646**	**1 186**	**415**

8. Borrowings

	December 2008 R million	September 2008 (Unaudited) R million	June 2008 (Audited) R million
Unsecured borrowings			
Convertible unsecured fixed rate bonds	1 672	1 649	1 626
Africa Vanguard Resources (Proprietary) Limited	32	32	32
	1 704	1 681	1 658
Less: Short-term portion	(1 672)	(1 649)	(1 626)
Total unsecured long-term borrowings	**32**	**32**	**32**
Secured borrowings			
Westpac Bank Limited*	198	183	258
Africa Vanguard Resources (Doornkop) (Pty) Limited (Nedbank Limited)	209	201	194
Nedbank Limited	750	1 482	2 000
Less: Unamortised transaction costs	(2)	(8)	(11)
	1 155	1 858	2 441
Less: Short-term portion	(999)	(1 714)	(2 231)
Total secured long-term borrowings	**156**	**144**	**210**
Total long-term borrowings	188	176	242
Total current portion of borrowings	2 671	3 363	3 857
Total long-term borrowings	**2 859**	**3 539**	**4 099**

* The future minimum lease payments to Westpac Bank Limited are as follows:

	December 2008 R million	September 2008 (Unaudited) R million	June 2008 (Audited) R million
Due within one year	63	46	57
Due between two and five years	156	156	228
	219	202	285
Future finance charges	(21)	(19)	(27)
Total future minimum lease payments	**198**	**183**	**258**

9. Commitments and contingencies

	December 2008 R million	September 2008 (Unaudited) R million	June 2008 (Audited) R million
Capital expenditure commitments			
Contracts for capital expenditure	692	512	1 164
Authorised by the directors but not contracted for	1 689	2 132	1 720
	2 381	**2 644**	**2 884**

This expenditure will be financed from existing resources and where appropriate, borrowings.

	December 2008 R million	September 2008 (Unaudited) R million	June 2008 (Audited) R million
Contingent liabilities			
Guarantees and suretyships	18	18	18
Environmental guarantees	305	303	171
	323	**321**	**189**

Contingent liability

On 18 April 2008, Harmony Gold Mining Company Limited was made aware that it has been named or may be named as a defendant in a lawsuit filed in the U.S. District Court in the Southern District of New York on behalf of certain purchasers and sellers of Harmony's American Depositary Receipts (ADRs). Harmony has retained legal counsel, who will advise Harmony on further developments in the U.S.

10. Share capital

Wafi-Golpu royalty

On 1 December 2008, Harmony issued 3 364 675 shares to Rio Tinto Limited. The Harmony shares were issued to cancel the Rio Tinto royalty rights over Wafi-Golpu in Papua New Guinea. The value of issued shares was R242 million (US$24 million) at R71.98 per share.

Capital raising

Harmony engaged in capital raising between 25 November 2008 and 19 December 2008 by issuing shares into the open market following the resolution passed by shareholders at the Annual General Meeting held on 24 November 2008. In the capital raising, 10 504 795 Harmony shares were issued at an average subscription price of R93.20, resulting to R979 million before costs being raised. The number of shares issued is equivalent to 2.6% of Harmony's issued share capital of 403 424 148 shares. The cost of the issue was R15 million or 1.5% of the value of shares issued.

11. Segment report

The Group early adopted IFRS 8 – Operating Segments in the 2008 financial year. The standard requires a " management approach", under which segment information is presented on the same basis as that used for internal reporting to the chief operating decision maker (CODM).

The Group has only one product, being gold. In order to determine operating and reportable segments, management reviewed various factors, including geographical location as well as managerial structure. It was determined that an operating segment consists of a shaft or a group of shafts managed by a single general manager and management team.

After applying the quantitative thresholds from the standard, the reportable segments were determined as:

Tshepong, Phakisa, Bambanani, Masimong, Target, Doornkop, Elandskraal, Evander, Virginia, Cooke (held for sale and discontinued) and Papua New Guinea. All other operating segments have been grouped together under other – underground or other – surface, under their classification as either continuing or discontinued.

The comparative segment reports have been restated for these changes.

When assessing profitability, the CODM considers the revenue and production costs of each segment. The net of these amounts is the cash operating or loss. Therefore, cash operating profit has been disclosed in the segment report as the measure of profit or loss.

The CODM does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report.

The segment report follows on page 23 and 24.

12. Review report

The condensed consolidated financial statements for the six months ended 31 December 2008 on pages 14 to 24 have been reviewed in accordance with International Standards on Review Engagements 2410 – *"Review of interim financial information performed by the Independent Auditors of the entity"* by PricewaterhouseCoopers Inc. Their unqualified review opinion is available for inspection at the Company's registered office.

SEGMENT REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2008 (Rand/Metric)

Continuing operations South Africa	Revenue R million	Production cost R million	Operating profit R million	Capital expenditure R million	Kilograms sold	Tonnes milled t'000
Underground						
Tshepong	903	501	402	117	3 833	697
Phakisa	60	43	17	237	254	66
Bambanani	509	342	167	20	2 180	264
Doornkop	157	138	19	217	657	253
Elandsrand	720	565	155	211	3 086	503
Target	296	250	46	166	1 281	318
Masimong	592	336	256	68	2 485	457
Evander	804	522	282	111	3 425	610
Virginia	1 043	758	285	82	4 387	1 149
Other (1)	271	190	81	24	1 155	275
Surface						
Other (2)	473	262	211	31	2 014	4 198
Total South Africa	**5 828**	**3 907**	**1 921**	**1 284**	**24 757**	**8 790**
International						
Papua New Guinea (3)	–	–	–	933	–	–
Total international	**–**	**–**	**–**	**933**	**–**	**–**
Total continuing operations	**5 828**	**3 907**	**1 921**	**2 217**	**24 757**	**8 790**
Discontinued operations						
Cooke	614	447	167	87	2 667	1 287
Total discontinued operations	**614**	**447**	**167**	**87**	**2 667**	**1 287**
Total operations	**6 442**	**4 354**	**2 088**	**2 304**	**27 424**	**10 077**

Notes:

(1) Includes Joel and St Helena.

(2) Includes Kalgold, Phoenix and Dumps.

(3) Included in the capital expenditure is an amount of R694 million contributed by Newcrest in terms of the farm-in agreement.

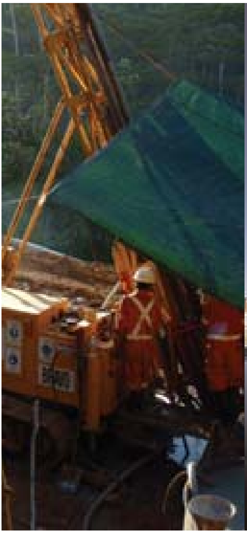
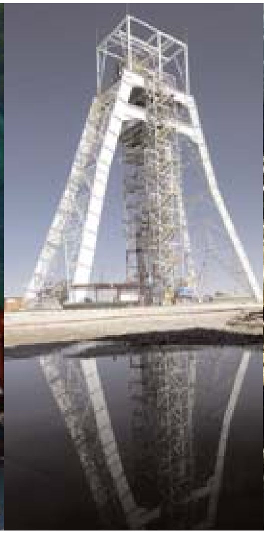
SEGMENT REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2007 (Rand/Metric)

Continuing operations South Africa	Revenue R million	Production cost R million	Operating profit/(loss) R million	Capital expenditure R million	Kilograms sold	Tonnes milled t'000
Underground						
Tshepong	738	482	256	102	4 547	774
Phakisa	3	4	(1)	123	18	6
Bambanani	472	427	45	64	2 870	537
Doornkop	138	120	18	165	846	248
Elandsrand	371	374	(3)	140	2 329	383
Target	229	170	59	84	1 413	310
Masimong	326	354	(28)	63	2 001	444
Evander	714	502	212	133	4 420	734
Virginia	707	668	39	81	4 319	1 138
Other [(1)]	183	220	(37)	26	1 134	258
Surface						
Other [(2)]	374	210	164	70	2 289	4 195
Total South Africa	**4 255**	**3 531**	**724**	**1 051**	**26 186**	**9 027**
International						
Papua New Guinea	–	–	–	436	–	–
Total international	**–**	**–**	**–**	**436**	**–**	**–**
Total continuing operations	**4 255**	**3 531**	**724**	**1 487**	**26 186**	**9 027**
Discontinued operations						
Cooke	681	467	214	79	4 158	1 801
Other	759	657	102	145	4 683	1 685
Total discontinued operations	**1 440**	**1 124**	**316**	**224**	**8 841**	**3 486**
Total operations	**5 695**	**4 655**	**1 040**	**1 711**	**35 027**	**12 513**

Notes:

(1) Includes Joel and St Helena.

(2) Includes Kalgold, Phoenix and Dumps.


HARMONY™

Financial review for the second quarter and six months ended 31 December 2008

Incorporated in the Republic of South Africa
Registration Number 1950/038232/06
("Harmony" or "Company")
JSE Share code: HAR
NYSE Share code: HMY
ISIN: ZAE 000015228

Financial review for the second quarter and six months ended 31 December 2008 (US$)

OPERATING RESULTS – CONTINUING OPERATIONS (US$/Imperial)

			Underground production – South Africa					
			Tshepong	Phakisa	Doornkop	Elandsrand	Target	Masimong
Ore Milled	**– t'000**	**Dec-08**	**378**	**40**	**158**	**237**	**167**	**245**
		Sep-08	390	33	121	318	184	259
Gold Produced	**– oz**	**Dec-08**	**57 968**	**4 340**	**10 738**	**38 484**	**21 509**	**37 713**
		Sep-08	61 279	3 504	8 198	49 126	17 040	40 896
Yield	**– oz/t**	**Dec-08**	**0.15**	**0.11**	**0.07**	**0.16**	**0.13**	**0.15**
		Sep-08	0.16	0.11	0.07	0.15	0.09	0.16
Cash Operating Costs	**– $/oz**	**Dec-08**	**431**	**568**	**708**	**676**	**563**	**439**
		Sep-08	530	659	1 056	682	1 042	527
Cash Operating Costs	**– $/t**	**Dec-08**	**66**	**62**	**48**	**110**	**72**	**68**
		Sep-08	64	75	63	82	66	64
Gold Sold	**– oz**	**Dec-08**	**62 019**	**4 662**	**12 925**	**50 026**	**22 280**	**38 999**
		Sep-08	61 215	3 504	8 198	49 190	18 905	40 896
Revenue	**($'000)**	**Dec-08**	**49 696**	**3 702**	**10 252**	**39 171**	**16 979**	**31 267**
		Sep-08	52 683	2 983	7 131	42 601	16 330	36 185
Cash Operating Costs	**($'000)**	**Dec-08**	**24 970**	**2 466**	**7 600**	**26 013**	**12 105**	**16 568**
		Sep-08	32 494	2 310	8 659	33 504	17 750	21 567
Inventory Movement	**($'000)**	**Dec-08**	**260**	**26**	**343**	**6 232**	**1 224**	**326**
		Sep-08	(318)	(23)	(1 016)	(2 014)	(2 600)	112
Production Costs	**($'000)**	**Dec-08**	**25 230**	**2 492**	**7 943**	**32 245**	**13 329**	**16 894**
		Sep-08	32 176	2 287	7 643	31 490	15 150	21 679
Operating Profit	**($'000)**	**Dec-08**	**24 466**	**1 210**	**2 309**	**6 926**	**3 650**	**14 373**
		Sep-08	20 507	696	(512)	11 111	1 180	14 506
Capital Expenditure	**($'000)**	**Dec-08**	**6 255**	**13 271**	**10 212**	**11 686**	**10 520**	**3 491**
		Sep-08	7 039	13 474	14 825	12 243	7 852	4 222

						Surface production – South Africa					
Evander	Bamba-nani	Joel	Virginia	St Helena	Total SA Under-ground	Kalgold	Phoenix	Dumps	Total SA Surface	Other	South Africa Total
335	**135**	**152**	**641**	**–**	**2 488**	**410**	**1 440**	**285**	**2 135**	**–**	**4 623**
337	157	151	626	–	2 576	482	1 633	379	2 494	–	5 070
50 348	**29 804**	**18 551**	**68 031**	**–**	**337 486**	**14 178**	**4 823**	**5 755**	**24 756**	**–**	**362 242**
51 827	38 227	17 297	70 635	–	358 029	24 145	6 559	6 302	37 006	–	395 035
0.15	**0.22**	**0.12**	**0.11**	**–**	**0.14**	**0.03**	**0.00**	**0.02**	**0.01**	**–**	**0.08**
0.15	0.24	0.11	0.11	–	0.14	0.05	0.00	0.02	0.01	–	0.08
492	**572**	**528**	**554**	**–**	**530**	**483**	**488**	**495**	**487**	**–**	**527**
619	581	689	681	–	644	439	478	636	479	–	629
74	**126**	**64**	**59**	**–**	**72**	**17**	**2**	**10**	**6**	**–**	**41**
74	109	65	60	–	69	14	1	8	5	–	38
58 385	**31 893**	**19 837**	**70 378**	**–**	**371 404**	**17 168**	**4 823**	**5 755**	**27 746**	**–**	**399 150**
51 730	38 195	17 297	70 667	–	359 797	24 145	6 559	6 302	37 006	–	396 803
46 102	**25 476**	**15 824**	**56 280**	**–**	**294 749**	**13 829**	**3 850**	**4 591**	**22 270**	**–**	**317 019**
44 504	32 889	14 654	62 289	–	312 249	20 991	5 795	5 618	32 404	–	344 653
24 775	**17 038**	**9 790**	**37 675**	**–**	**179 000**	**6 848**	**2 356**	**2 849**	**12 053**	**–**	**191 053**
32 067	22 197	11 925	48 134	–	230 607	10 607	3 132	4 005	17 744	–	248 351
3 843	**178**	**102**	**786**	**–**	**13 320**	**474**	**–**	**–**	**474**	**–**	**13 794**
(1 543)	(218)	(117)	268	–	(7 469)	(68)	–	–	(68)	–	(7 537)
28 618	**17 216**	**9 892**	**38 461**	**–**	**192 320**	**7 322**	**2 356**	**2 849**	**12 527**	**–**	**204 847**
30 524	21 979	11 808	48 402	–	223 138	10 539	3 132	4 005	17 676	–	240 814
17 484	**8 260**	**5 932**	**17 819**	**–**	**102 429**	**6 507**	**1 494**	**1 742**	**9 743**	**–**	**112 172**
13 980	10 910	2 846	13 887	–	89 111	10 452	2 663	1 613	14 728	–	103 839
5 819	**894**	**1 333**	**4 169**	**–**	**67 650**	**51**	**50**	**–**	**101**	**1 903**	**69 654**
6 866	1 381	1 426	5 162	(1)	74 489	236	–	–	236	1 421	76 146

CONDENSED CONSOLIDATED INCOME STATEMENT (Unaudited)

(Convenience translation into US$)

	Quarter ended			Six months ended	
	December 2008 US$ million	September 2008 US$ million	December 2007 US$ million	December 2008 US$ million	December 2007 US$ million
Continuing operations					
Revenue	317	345	313	659	614
Cost of sales	(240)	(288)	(296)	(521)	(588)
Production cost	(205)	(241)	(249)	(442)	(510)
Amortisation and depreciation	(31)	(40)	(34)	(70)	(62)
Employment termination and restructuring costs	(2)	(2)	(11)	(3)	(11)
Other items	(2)	(5)	(2)	(6)	(5)
Gross profit	**77**	**57**	**17**	**138**	**26**
Corporate, administration and other expenditure	(9)	(11)	(10)	(21)	(20)
Exploration expenditure	(8)	(6)	(6)	(14)	(12)
Other income/(expenses) – net	8	65	(14)	66	(15)
Operating profit/(loss)	**68**	**105**	**(13)**	**169**	**(21)**
Loss from associates	(5)	–	–	(6)	–
Impairment of investment in associate	–	(14)	–	(13)	–
Mark-to-market of listed investments	(12)	–	–	(13)	5
Loss on sale of listed investments	–	–	–	–	(66)
Investment income	11	10	11	21	20
Finance cost	(6)	(11)	(20)	(16)	(37)
Profit/(loss) before taxation	**56**	**90**	**(22)**	**142**	**(99)**
Taxation	(22)	(30)	(8)	(51)	(8)
Net profit/(loss) from continuing operations	**34**	**60**	**(30)**	**91**	**(107)**
Discontinued operations					
Profit/(loss) from discontinued operations	99	(9)	38	103	33
Net profit/(loss)	**133**	**51**	**8**	**194**	**(74)**
Earnings/(loss) per ordinary share (cents)					
– Earnings/(loss) from continuing operations	8	15	(8)	23	(27)
– Earnings/(loss) from discontinued operations	24	(2)	10	25	8
Total earnings/(loss) per ordinary share (cents)	**32**	**13**	**2**	**48**	**(19)**
Diluted earnings/(loss) per ordinary share (cents)					
– Earnings/(loss) from continuing operations	8	15	(8)	22	(26)
– Earnings/(loss) from discontinued operations	24	(2)	10	25	8
Total diluted earnings/(loss) per ordinary share (cents)	**32**	**13**	**2**	**47**	**(18)**

The currency conversion average rates for the quarters ended: December 2008: US$1 = R9.93 (September 2008: US$1 = R7.78, December 2007: US$1 = R6.77)

The currency conversion average rates for the six months ended: December 2008: US$1 = R8.84 (December 2007: US$1 = R6.92)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (Unaudited)

(Convenience translation into US$)

	Quarter ended			Six months ended	
	December 2008 US$ million	September 2008 US$ million	December 2007 US$ million	December 2008 US$ million	December 2007 US$ million
Net profit/(loss) for the period	**133**	**51**	**8**	**194**	**(74)**
Attributable to:					
Owners of the parent	133	51	8	194	(74)
Non-controlling interest	–	–	–	–	–
Other comprehensive (loss)/income for the period, net of income tax	(12)	11	8	(3)	60
Foreign exchange translation (loss)/profit	(21)	15	(2)	(10)	(16)
Mark-to-market of available-for-sale investments	9	(4)	10	7	76
Total comprehensive profit/(loss) for the period	**121**	**62**	**16**	**191**	**(14)**
Attributable to:					
Owners of the parent	121	62	16	191	(14)
Non-controlling interest	–	–	–	–	–

CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)

(Convenience translation into US$)

	At December 2008 US$ million	At September 2008 US$ million	At June 2008 US$ million
ASSETS			
Non-current assets			
Property, plant and equipment	2 988	3 233	3 531
Intangible assets	239	266	283
Restricted cash	18	22	10
Restricted investments	168	182	188
Investments in financial assets	3	6	9
Investments in associates	24	4	19
Trade and other receivables	6	15	18
	3 446	3 728	4 058
Current assets			
Inventories	97	90	89
Trade and other receivables	293	105	112
Income and mining taxes	12	6	11
Cash and cash equivalents	177	143	53
	579	344	265
Non-current assets classified as held for sale	44	169	197
	623	513	462
Total assets	**4 069**	**4 241**	**4 520**
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	2 917	3 115	3 787
Other reserves	72	93	(196)
Accumulated loss	(12)	(172)	(419)
	2 977	3 036	3 172
Non-current liabilities			
Borrowings	20	21	31
Deferred income tax	398	362	383
Provisions for other liabilities and charges	144	156	163
	562	539	577
Current liabilities			
Trade and other payables	173	168	176
Provisions and accrued liabilities	29	35	37
Borrowings	287	404	494
	489	607	707
Liabilities directly associated with non-current assets classified as held for sale	41	59	64
	530	666	771
Total equity and liabilities	**4 069**	**4 241**	**4 520**
Number of ordinary shares in issue	417 637 697	403 424 148	403 253 756
Net asset value per share (cents)	713	753	787

Balance sheet converted at a conversion rate of US$1 = R9.30 (September 2008: US$1 = 8.32). The June 2008 balance sheet has been extracted from the 2008 Annual Report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

(Convenience translation into US$)

	Issued share capital US$ million	Other reserves US$ million	Accumulated loss US$ million	Total US$ million
Balance – 30 June 2008	2 784	73	(197)	2 660
Issue of share capital	132	–	–	132
Deferred share-based payments	–	2	–	2
Comprehensive (loss)/income for the period	–	(3)	185	182
Balance as at 31 December 2008	**2 916**	**72**	**(12)**	**2 976**
Balance – 30 June 2007	3 737	(51)	(230)	3 456
Issue of share capital	6	–	–	6
Deferred share-based payments	–	3	–	3
Comprehensive income/(loss) for the period	–	60	(76)	(16)
Balance as at 31 December 2007	**3 743**	**12**	**(306)**	**3 449**

The currency conversion closing rates for the six months ended: December 2008: US$1 = R9.30 (December 2007: US$1 = R6.86)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Unaudited)

(Convenience translation into US$)

	Quarter ended			Six months ended	
	December 2008 US$ million	September 2008 US$ million	December 2007 US$ million	December 2008 US$ million	December 2007 US$ million
Cash flow from operating activities					
Cash generated/(utilised) by operations	118	86	(56)	206	(48)
Interest and dividends received	11	11	11	22	21
Interest paid	(6)	(14)	(17)	(20)	(26)
Income and mining taxes paid	(14)	–	(1)	(16)	(3)
Cash generated/(utilised) by operating activities	107	83	(63)	192	(56)
Cash flow from investing activities					
Decrease/(increase) in restricted cash	1	(13)	(10)	(10)	30
Net proceeds on disposal of listed investments	–	–	–	–	183
Net (additions)/disposals of property, plant and equipment	(85)	103	(109)	(8)	(232)
Other investing activities	6	1	10	8	2
Cash (utilised)/generated by investing activities	(78)	91	(109)	(10)	(17)
Cash flow from financing activities					
Long-term loans raised	–	–	1	–	304
Long-term loans repaid	(100)	(76)	–	(176)	(254)
Ordinary shares issued – net of expenses	98	1	1	99	4
Cash generated/(utilised) by financing activities	(2)	(75)	2	(77)	54
Foreign currency translation adjustments	7	(9)	5	19	12
Net increase/(decrease) in cash and cash equivalents	34	90	(165)	124	(7)
Cash and cash equivalents – beginning of period	143	53	228	53	70
Cash and cash equivalents – end of period	**177**	**143**	**63**	**177**	**63**

Operating activities translated at average rates of: Three months ended December 2008: US$1 = R9.92 (September 2008: US$1 = R7.77, December 2007: US$1 = R6.77). Six months ended December 2008: US$1 = R8.84 (December 2007: US$1 = R6.77)

Closing balance translated at closing rates of: December 2008: US$1 = R9.30 (September 2008: US$1 = R8.32, December 2007 US$1 = R6.86)

SEGMENT REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2008 (Unaudited) (US$/Imperial)

Continuing operations South Africa	Revenue US$ million	Production cost US$ million	Cash operating profit US$ million	Capital expenditure US$ million	Ounces sold	Tons milled t'000
Underground						
Tshepong	102	57	45	13	123 234	768
Phakisa	7	5	2	27	8 166	73
Bambanani	58	39	19	2	70 088	292
Doornkop	17	16	1	25	21 123	279
Elandsrand	82	64	18	24	99 216	555
Target	33	28	5	18	41 185	351
Masimong	67	39	28	8	79 895	504
Evander	91	59	32	13	110 115	672
Virginia	119	87	32	9	141 045	1 267
Other (1)	30	22	8	3	37 134	303
Surface						
Other (2)	53	26	27	4	64 752	4 629
Total South Africa	**659**	**442**	**217**	**146**	**795 953**	**9 693**
International						
Papua New Guinea (3)	–	–	–	105	–	–
Total international	**–**	**–**	**–**	**105**	**–**	**–**
Total continuing operations	**659**	**442**	**217**	**251**	**795 953**	**9 693**
Discontinued operations						
Cooke	71	52	19	10	85 746	1 419
Total discontinued operations	**71**	**52**	**19**	**10**	**85 746**	**1 419**
Total operations	**730**	**494**	**236**	**261**	**881 699**	**11 112**

Notes:

(1) Includes Joel and St Helena.

(2) Includes Kalgold, Phoenix and Dumps.

(3) Included in the capital expenditure is an amount of US$78 million contributed by Newcrest in terms of the farm-in agreement.

SEGMENT REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2007 (Unaudited) (US$/Imperial)

Continuing operations South Africa	Revenue US$ million	Production cost US$ million	Cash operating profit/(loss) US$ million	Capital expenditure US$ million	Ounces sold	Tons milled t'000
Underground						
Tshepong	108	69	39	15	146 189	854
Phakisa	–	1	(1)	18	579	7
Bambanani	68	62	6	9	92 272	592
Doornkop	20	17	3	24	27 199	274
Elandsrand	53	54	(1)	20	74 879	423
Target	33	25	8	12	45 429	341
Masimong	47	51	(4)	9	64 333	490
Evander	103	72	31	19	142 106	809
Virginia	102	96	6	12	138 859	1 255
Other (1)	27	32	(5)	4	36 459	284
Surface						
Other (2)	54	31	23	10	73 592	4 627
Total South Africa	**615**	**510**	**105**	**152**	**841 896**	**9 956**
International						
Papua New Guinea	–	–	–	63	–	–
Total international	**–**	**–**	**–**	**63**	**–**	**–**
Total continuing operations	**615**	**510**	**105**	**215**	**841 896**	**9 956**
Discontinued operations						
Cooke	98	67	31	11	133 682	1 986
Other	110	95	15	21	150 562	1 857
Total discontinued operations	**208**	**162**	**46**	**32**	**284 244**	**3 843**
Total operations	**823**	**672**	**151**	**247**	**1 126 140**	**13 799**

Notes:

(1) Includes Joel and St Helena.

(2) Includes Kalgold, Phoenix and Dumps.

DEVELOPMENT RESULTS (Metric)

Quarter ended December 2008

	Reef (Metres)	Sampled (Metres)	Channel Width (Cm's)	Channel Value (g/t)	Gold (Cmg/t)
Randfontein					
VCR Reef	1,169	992	71	20.82	1,486
UE1A	965	811	134	7.56	1,012
E8 Reef	45	54	54	16.30	875
Kimberley Reef	14	48	185	4.99	921
E9GB Reef	215	208	81	7.81	635
All Reefs	**2,408**	**2,113**	**98**	**12.10**	**1,192**
Free State					
Basal	1,835	1,158	68	14.04	960
Leader	950	780	164	4.73	777
A Reef	840	754	89	8.08	723
Middle	31	38	98	5.08	500
B Reef	155	271	88	11.55	1011
All Reefs	**3,811**	**3,001**	**101**	**8.45**	**851**
Evander					
Kimberley Reef	**1,623**	**1,623**	**65**	**11.16**	**721**
Elandskraal					
VCR Reef	**363**	**366**	**143**	**12.21**	**1,746**
Target					
Elsburg	**50**	**18**	**199**	**15.56**	**3,097**
Freegold					
Basal	1,083	1,062	27	40.40	1,089
Beatrix	332	351	166	9.48	1,577
Leader	–	–	–	–	–
B Reef	41	58	68	5.62	381
All Reefs	**1,456**	**1,471**	**62**	**19.04**	**1,178**

DEVELOPMENT RESULTS (Imperial)

Quarter ended December 2008

	Reef (Feet)	Sampled (Feet)	Channel Width (inches)	Channel Value (oz/t)	Gold (in.oz/t)
Randfontein					
VCR Reef	3,837	3,255	28	0.61	17
UE1A	3,165	2,661	53	0.23	12
E8 Reef	147	177	21	0.48	10
Kimberley Reef	47	157	73	0.15	11
E9GB Reef	704	682	32	0.22	7
All Reefs	**7,900**	**6,932**	**39**	**0.36**	**14**
Free State					
Basal	6,022	3,799	27	0.41	11
Leader	3,116	2,559	65	0.14	9
A Reef	2,756	2,474	35	0.24	8
Middle	101	125	39	0.15	6
B Reef	508	889	34	0.34	12
All Reefs	**12,502**	**9,846**	**40**	**0.24**	**10**
Evander					
Kimberley Reef	**5,325**	**5,325**	**25**	**0.33**	**8**
Elandskraal					
VCR Reef	**1,191**	**1,201**	**56**	**0.36**	**20**
Target					
Elsburg	**163**	**59**	**78**	**0.46**	**36**
Freegold					
Basal	3,552	3,484	11	1.14	13
Beatrix	1,089	1,152	66	0.27	18
Leader	–	–	–	–	–
B Reef	135	190	27	0.16	4
All Reefs	**4,776**	**4,826**	**24**	**0.56**	**14**

Mineral Resources and Ore Reserves

No material changes were made to Harmony's Mineral Resources and Ore Reserves for the period ended December 2008. Taking into account the last six months' depletion of reserves, the Harmony Mineral Resources and Ore Reserves as stated in Harmony's 2008 Annual Report are an accurate reflection of the Company's current position. The Mineral Resources and Ore Reserves are comprehensively audited by a team of internal competent persons that operate independently from the operating units.

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Trading Symbols

JSE Limited	HAR
New York Stock Exchange, Inc.	HMY
NASDAQ	HMY
London Stock Exchange Plc	HRM
Euronext, Paris	HG
Euronext, Brussels	HMY
Berlin Stock Exchange	HAM1

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