HARMONY
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

Results for the quarter and the year ended 30 June 2011

SHAREHOLDER INFORMATION

Issued ordinary shares at 30 June 2011	430 084 628
Issued ordinary shares at 31 March 2011	429 807 371
Issued ordinary shares at 30 June 2010	428 654 779

Market capitalisation

At 30 June 2011 (ZARm)	38 686
At 30 June 2011 (US$m)	5 724
At 31 March 2011 (ZARm)	42 676
At 31 March 2011 (US$m)	6 304
At 30 June 2010 (ZARm)	34 888
At 30 June 2010 (US$m)	4 530

Harmony ordinary share and ADR prices

12 month high (1 July 2010 to 30 June 2011) for ordinary shares	R103.25
12 month low (1 July 2010 to 30 June 2011) for ordinary shares	R71.90
12 month high (1 July 2010 to 30 June 2011) for ADRs	US$15.57
12 month low (1 July 2010 to 30 June 2011) for ADRs	US$9.72

Free float

Ordinary shares	100%
ADR ratio	1:1
JSE Limited	HAR
Range for quarter (1 April to 30 June 2011 closing prices)	R83.29 - R103.25
Average daily volume for the quarter (1 April to 30 June 2011)	1 546 143 shares
Range for quarter (1 April to	R68.65 -

30 June 2010 closing prices)	R81.40
Average daily volume for the quarter (1 April to 30 June 2010)	1 918 132 shares

New York Stock Exchange, Inc including other US trading	HMY
Range for quarter (1 April to 30 June 2011 closing prices)	US$12.34 - US$15.57
Average daily volume for the quarter (1 April to 30 June 2011)	2 771 880 shares
Range for quarter (1 April to 30 June 2010 closing prices)	US$9.04 - US$10.57
Average daily volume for the quarter (1 April to 30 June 2010)	1 072 003 shares

Key features
Of the quarter...

- Gold production 3% higher at 10 152 kg (326 394 ounces)
- Grade remained steady
- R/kg cost higher at R242 851/kg ($1 115/oz) due to increased electricity and stores costs, as well as inclusion of Target 3
- Cash operating profit 5% higher at R901m (US$133m)

Of the year...

- Improved safety rates
- Operations in build-up showed 22% improvement in production
- Improved underground grade at 4.60g/t
- Net profit of R617m/US$87m (loss of R192m/US$24m in FY10)
- Basic earnings per share at R1.44 (loss of 46c in FY10)
- Headline earnings of R957m/US$137m (R4m in FY10)
- Wafi-Golpu resource at more than 1 billion tonnes
- Created financial flexibility: US$300m debt facility

Financial summary for the fourth quarter and year ended 30 June 2011

		Quarter June 2011	Quarter March 2011	Q on Q Variance %
Gold produced (1)	- kg	10 152	9 857	3
	- oz	326 394	316 909	3
Cash costs	- R/kg	242 851	217 802	(12)
	- US$/oz	1 115	970	(15)
Gold sold	- kg	10 412	9 716	7
	- oz	334 752	312 378	7
Gold price received	- R/kg	329 536	312 029	6
	- US$/oz	1 513	1 389	9
Operating profit	- R million	901	855	5
	- US$ million	133	122	9

Basic (loss)/earnings per share*	- SAc/s	(10)	55	<(100)
	- USc/s	(1)	8	<(100)
Headline profit*	- Rm	130	390	(67)
	- US$m	19	56	(66)
Headline earnings per share*	- SAc/s	30	91	(67)
	- USc/s	4	13	(69)
Exchange rate	- R/US$	6.78	6.99	(3)

		Year ended June 2011	Year ended June 2010	Y on Y variance %
Gold produced (1)	- kg	40 535	44 433	(9)
	- oz	1 303 228	1 428 545	(9)
Cash costs	- R/kg	226 667	195 162	(16)
	- US$/oz	1 009	801	(26)
Gold sold	- kg	41 043	43 969	(7)
	- oz	1 319 563	1 413 633	(7)
Gold price received	- R/kg	307 875	266 009	16
	- US$/oz	1 370	1 092	25
Operating profit	- R million	3 275	2 926	12
	- US$ million	468	386	21
Basic (loss)/earnings per share*	- SAc/s	139	(38)	>100
	- USc/s	20	(5)	>100
Headline profit*	- Rm	957	4	>100
	- US$m	137	1	>100
Headline earnings per share*	- SAc/s	223	1	>100
	- USc/s	32	-	100
Exchange rate	- R/US$	6.99	7.58	(8)

* Reported amounts include continuing operations only

(1) Production statistics for Steyn 2 and Target 3 have been included. Steyn 2 is currently in a build-up phase and Target 3 was in build-up phase up to the end of March 2011. Revenue and costs are capitalised for the period that these mines are in build-up phase. Revenue capitalised includes: Quarter ending June 2011 Steyn 2, 27 kg (Mar 2011 - 14 kg) and Target 3, 0 kg (Mar 2011 - 250 kg), year ended June 2011 Steyn 2, 90 kg (June 2010 - 33 kg) and Target 3, 531 kg (June 2010 - 117 kg).

Harmony's Annual Report, Notice of Annual General Meeting, its 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 2010 are available on our website (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 harbour 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 the countries in which we operate;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;

- increases or decreases in the market price of gold;

- the occurrence of hazards associated with underground and surface gold mining;

- the occurrence of labour 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 the countries in which we operate.

Chief Executive's Review

With another financial year that has drawn to a close, it is important to take stock of what we have achieved and to assess the progress made against our ambition to create a company capable of generating earnings that fund growth and dividends on a sustainable basis.

During financial year 2011, we:

- commissioned excellent gold mines in South Africa and Papua New Guinea (PNG);

- expanded the world class Wafi-Golpu resource to 9 million tonnes (Mt) of copper and 26.6 million ounces (Moz) of gold (100%);

- increased production from growth projects by 22% year on year;

- tailored each mine's business plans to its unique requirements;

- pro-actively addressed industry challenges;

- improved production and productivity at most of our mines, and continue to work at replicating that level of success across the board;

- increased Harmony's exploration exposure in PNG - a country with world class exploration potential - to 8000 km^2;

- improved the quality of our asset portfolio through the disposal and closure of non-core assets;

- celebrated Harmony's 60th year in operation on 25 August 2010.

We made good progress in getting the company where we want it to be - producing better quality ounces. Hidden Valley in PNG is now an operating mine, Harmony's first greenfields offshore development, which was formally opened in September 2010; in South Africa we have Kusasalethu, Doornkop and Phakisa projects, all of which are in build-up, and Tshepong and Masimong which have been steady contributors to production. We dealt with the challenges at mines such as Evander, Target and Joel to ensure these mines are positioned to deliver on their production targets.

Harmony has invested a great deal in the expansion of its production base in South Africa and PNG. The investment in exploration continues to pay dividends, with the Wafi-Golpu resource showing a phenomenal 57% increase to over 1 billion tonnes during the year. Golpu's grade is over 1% copper, confirming it is one of the highest grade copper gold porphyry systems in South East Asia. These excellent results validate our long-held belief that PNG is a game-changing region for Harmony.

On a 100% basis, Golpu alone now hosts a resource of 869Mt, containing 19.3Moz of gold and 9.0Mt of copper (62Moz on a gold equivalent (note 1) basis). This represents a significant year-on-year increase, with an additional 368Mt (73% increase), comprising 8 956kt copper (88% increase) and 10.5Moz ounces of gold (119% increase). Our resource base in PNG now represent 10% of Harmony's total gold resources (or 21% of the resource on a gold equivalent basis), which is in line with the Company's strategy to increase its geographic diversification.

Annual production was lower than planned at 1.3Moz, largely due to safety stoppages and under-performance at some of the shafts. We continue to improve the business planning process, using benchmarks and targets we believe to be realistic. Our `life of mine' plans support our commitment to improving the grades from our underground operations, lowering our cost base and benchmarking our costing parameters internally across our operations as well as externally against other gold producers. Our focus remains on producing safe, profitable ounces and our operations in build-up will add to our production in future.

Safety

Tragically, three employees (South Africa) and one contractor (PNG) lost their lives during the final quarter of the financial year. The deceased were Mbuzeni Sihoyiya, a locomotive guard at Kusasalethu, Michael Sello Matea, underground assistant at Joel, Mbuyiseli Malungisa, a locomotive guard at Masimong and Kerry Kowitz, a contractor working on the Wafi-Golpu access road. I would like to extend my deepest condolences to their families, friends and colleagues.

Safety is a top priority at Harmony. We have put in place a number of safety initiatives, which have resulted in excellent safety achievements. Fatalities do, however, continue to occur. As a result, we appointed Alwyn Pretorius (previously the chief operating officer: North region), who is very familiar with Harmony's underground working environment, to assist in further improving and accelerating the execution of our safety and health strategy.

Gold price

Increasing global economic uncertainty is making gold an even stronger investment option than it already was. At over $1 700/oz, gold remains a currency and we believe the gold price will continue its strength. Investors in Harmony have complete exposure to the spot gold price, as the company does not hedge its gold. During the past quarter the gold price received strengthened from R312 029/kg to R329 536/kg.

Operational results

Quarter on quarter

Gold production for the June 2011 quarter is 3% higher than the previous quarter, despite days lost to public holidays. The past quarter saw excellent improvements in development metres, mainly at the build-up operations. Build-up at Phakisa, Doornkop, Kusasalethu and Hidden Valley progressed well.

Grade remained steady at 2.08g/t.

Year on year

Tonnes milled for the year under review increased by 7% or 1 317 000 tonnes when compared to the previous financial year. The main contributors were:

- Doornkop: The build-up resulted in an additional 178 000 tonnes (33%) being milled for the year under review;

- Target 3: The inclusion of its first commercial production during the June 2011 quarter (75 000 tonnes);

- Free State surface operations: Tonnes increased by 1.2 million tonnes, mainly waste rock dumps;

- Hidden Valley: Recorded a full year of production and tonnes milled increased by 1.4 million tonnes to 1.7 million tonnes, achieving its production guidance for the year.

The operations in build-up showed an increase in gold production. Hidden Valley produced 3 118kg, an additional 1 215kg (64%) in comparison to the 1 903kg it produced in the previous financial year. Doornkop's production increased by 562kg (29%), Phakisa's by 391kg (29%) and Kusasalethu's by 165kg (3%). Gold production for the year under review decreased by 9% (3 898kg), mainly as a result of the shafts that were closed in the 2011 financial year. Closed shafts accounted for a decrease in gold produced of 4 092kg year on year. Underground grade increased year-on-year to 4.60g/t.

Financial overview

Quarter on quarter

Quarter on quarter, cash operating costs in R/kg terms were 12% higher, mainly due to higher electricity and stores costs, as well as the inclusion of Target 3 (which reached commercial production during the quarter) in our operating results. Higher stores costs are due to additional maintenance performed during public holidays. Electricity costs are higher due to a 25% increase in tariffs as from April 2011 and the inclusion of one month's winter tariff.

Operating profit at R901 million was 5% higher, mainly due to the increase in the average Rand gold price received to R329 536/kg.

Year on year

Cash operating costs in Rand terms increased by R686 million or 8%, mainly due to restructuring costs, the inclusion of Target 3, higher electricity costs and higher labour costs. This resulted in the cash operating cost in R/kg terms increasing by 16% from R195 162/kg in FY10 to R226 667/kg in FY11. Rand per tonne unit costs remained stable at R469/tonnes.

Capital expenditure for FY11 decreased by R317 million (10%) compared to the previous financial year. This is mainly attributed to a reduction in capital spent on Hidden Valley of 47% or R252 million. Capital from the South African operations decreased by R65 million (2%), due to reduced expenditure at Phakisa (R117 million), Doornkop (R50 million) and Kusasalethu (R50 million).

Reserves and resources

As at 30 June 2011, Harmony's mineral reserves amounted to 41.6Moz of gold, spread across Harmony's assets in South Africa and PNG. The reserves of Kusasalethu, Doornkop, Tshepong and Phakisa in South Africa and Hidden Valley in PNG now constitute 45% of Harmony's total mineral reserves. Once the pre-feasibility study of Wafi-Golpu has been completed, more ounces from PNG will be added to Harmony's reserves.

The reserve declaration excludes Rand Uranium reserves (the asset which is being held for sale), as well as some Evander projects which are no longer included in Harmony's long term mining plans. These exclusions, together with mine depletion, resulted in a decrease of 6.5Moz year on year, allowing Harmony to refocus on growing, developing and operating its portfolio of quality assets.

As at 30 June 2011 Harmony's attributable gold mineral resources were 163.9Moz. Gold resources in PNG increased 51% year on year to 16.3Moz and now comprise 10% of the group's total resource base.

Harmony's PNG resource inventory also includes economically significant copper, molybdenum and silver that co-occur with gold. Attributable copper resources grew by 2.1Mt to 4.5Mt, up 86% year on year (and equates to 9.75Moz on a gold equivalent basis (note 1)). Molybdenum increased to 84 000 tonnes (up 50%) and silver increased to 55.16Moz (up 7.8%).

These increases were driven by resource expansions at Hidden Valley and Wafi-Golpu.

Creating financial flexibility

Harmony has strengthened its financial flexibility through obtaining a 4 year US$300 million revolving credit facility with Nedbank Limited and FirstRand Bank Limited. The loan agreement was signed on 11 August 2011. This facility is specifically ear-marked for Harmony's activities in PNG.

Dividend

We are pleased to declare a dividend of 60 SA cents per ordinary share for the year ended 30 June 2011.

Looking ahead

Post year-end, following a five day strike, Harmony signed a two year wage agreement with the National Union of Mineworkers (NUM), Solidarity and UASA (collectively referred to as the "Unions") on the 2nd of August 2011. The increase in wages will be off-set by improvements in productivity aimed at the more effective utilization of our mining assets. Approximately 500kg of production was lost due to the strike.

The wage agreement between Harmony and the Unions also includes a profit share scheme in which all employees in the bargaining unit will share on a quarterly basis. The profit share will be based on 1% of operating profits less capital expenditure from the company's South African assets.

We look forward to having the Unions as our partners in creating a sustainable mining industry.

Financial year 2011 was filled with great achievements. We have improved our safety rates, secured excellent exploration results, continue to build up our operations and future production potential and certain operations have generated free operational cash flow.

Financial year 2012 promises to be equally exciting. We remain focussed on continuing to deliver on our long term targets and to maximise shareholder value.

Graham Briggs
Chief Executive Officer

Note 1. Gold equivalent ounces are calculated assuming a US$1150/oz Au, US$2.50/lb Cu and US$13.50/oz Ag with 100% recovery for all metals

Safety and health

Safety

The provision of safe and healthy working places remains a key priority for Harmony, as does the elimination of all workplace injuries and work-related ill health effects. This has always been an important area of focus for Harmony.

Harmony will continue to implement and maintain safety initiatives and is in the process of rolling out a new improved fall of ground strategy to further reduce fall of ground incidents - one of the main contributors to fatal accidents.

It is with deep regret that we report four fatalities during the June 2011 quarter, bringing total fatalities for the 2011 financial year to 16. This is an improvement on the previous financial year, which recorded 22 fatalities. However, we need to continue to work towards avoiding these incidents altogether.

Harmony's Lost Time Injury Frequency Rate (LTIFR) in South Africa remains a single digit, for the eleventh consecutive quarter. Quarter on quarter the LTIFR rate regressed from 8.65 to 9.64, whilst LTIFR also regressed with 8% to 8.32 when compared to the previous year.

The Reportable Injury Frequency Rate (RIFR) (per million hours worked) in South Africa regressed by 13% when compared to the previous year (from 4.19 to 4.73) and by 17% quarter-on-quarter (from 4.62 to 5.39).

The Fatal Injury Frequency Rate (FIFR) improved by 19% when compared to the previous year, but regressed by 44% quarter-on- quarter (from 0.09 to 0.13)

Safety achievements for the quarter included:

South African underground operations:	1 000 000 fatality free shifts
Doornkop shaft operations:	1 000 000 fatality free shifts
Doornkop total operations:	1 000 000 fatality free shifts
Phakisa:	500 000 fatality free shifts
Target:	500 000 fatality free shifts

Ongoing behavioural-based safety, competency training and development and research, together with the vigilant co-operation of our stakeholders, will continue to enable Harmony to become an even safer company to work for.

Health

Our pro-active approach to the health and wellness of our employees continues. Various programmes and initiatives are supported and sponsored by the company to ensure the wellbeing of our employees. Our objective remains to improve health management programs and effectively utilise clinical information. This includes the review of policies, procedures, and processes, as well as training, on an ongoing basis.

See our Sustainable Development Report for more details on our website www.harmony.co.za.

Financial overview

Quarter on quarter

Cash operating profits increased by 5% quarter on quarter to R901 million, mainly due to an increase in revenue driven by the 6% increase in the R/kg gold price received. The increase in revenue was offset by an 18% increase in production cost.

Earnings per share

Basic earnings per share decreased from 55 SA cents to a loss of 10 SA cents per share. Headline earnings per share decreased from 91 SA cents to 30 SA cents. Headline earnings have been adjusted for the impairment of assets as well as the reversal of the impairment of investment in associate.

Revenue

Revenue increased from R2 949 million to R3 422 million, or 16%, mainly due to the 6% increase in the rand gold price received to R329 536/kg. The increase of gold sold by 7% or 696kg, together with the inclusion of the results of Target 3, also contributed to the higher revenue total for the June 2011 quarter.

Cost of sales

Cost of sales increased from R2 623 million to R3 491 million in the June 2011 quarter. The main reasons for this increase are:

- higher production costs, driven by higher electricity costs which include the annual increase by Eskom as well as one month's winter tariff (R115 million increase); increased labour costs of R67 million as a result of an increase in employees due to the build-up at certain shafts; an increase in stores cost due to higher production. Also contributing to the increase is the inclusion of costs related to Target 3, amounting to R93 million for the June 2011 quarter.

- an increase in amortisation and depreciation from R431 million in the March 2011 quarter to R477 million. This increase relates primarily to an increase in tonnes mined at several shafts as well as depreciation commencing at Target 3 as it was brought into commercial production;

- impairment of assets amounting to R264 million. The impairments relate to President Steyn 1 and 2 shafts (R99 million and R103 million respectively) and St Helena (R61 million of which R9 million relates to goodwill);

- the annual adjustment on the rehabilitation provision amounting to R61 million;

- annual assessments of gold inventory balances resulting in write downs for Steyn Plant (R41 million) and Target stockpile (R30 million) and an adjustment on the gold in lock-up (R21 million).

Exploration expenditure

During the June 2011 quarter, R102 million was spent on exploration. Of the amount spent during the quarter, R90 million relates to the PNG projects. The expenditure for the March 2011 quarter was R77 million, R68 million of which related to PNG. The increase quarter on quarter relates primarily to the pre-feasibility study being conducted at Wafi-Golpu.

Reversal of impairment/(impairment) of investment in associate

This movement relates to the limiting of costs relating to the Rand Uranium transaction as well as some foreign exchange movements.

Net gain on financial instruments

The movement for the June 2011 quarter comprises of the changes in fair value of the Nedbank Equity Linked Deposits held by the environmental trusts.

Investment income

Investment income for the June 2011 quarter was R24 million. This was a R40 million decrease quarter-on-quarter as the March 2011 quarter included amounts related to the successful appeal against interest levied by SARS as well as interest on outstanding diesel refunds, which were not repeated in the current quarter.

Finance cost

Finance cost increased by R18 million quarter-on-quarter. This was mainly due to the draw-down of additional funds from the Nedbank facility during the previous quarter.

Taxation

The deferred taxation credit for the June 2011 quarter of R195 million credit consists mainly of credits relating to the change in the Life-of-Mine rates, amounting to R119 million, as well as additional temporary differences.

Capital expenditure

Capital expenditure increased from R667 million to R788 million in the June 2011 quarter, as expected.

Borrowings

The long term portion of borrowings decreased from R1 487 million to R1 229 million in the June 2011 quarter as a result of the net repayment of R100 million on the Revolving Credit Facility and the instalment payments on the term facilities of R153 million.

Year on year

Cash operating profits increased by 12% to R3 275 million for 2011. This was mainly due to an increase in revenue driven by the 16% increase in the rand/kilogram gold price.

Earnings per share

Basic earnings per share increased from a loss of 46 SA cents to earnings of 144 SA cents per share. Headline earnings per share also increased from a loss of 7 SA cents to earnings of 223 SA cents.

Revenue

Revenue increased from R11 284 million to R12 445 million, or 10%, mainly due to the 16% increase in the rand gold price received to R307 875/kg. This increase was offset by the 7% decrease in gold sold.

Cost of sales

Cost of sales increased from R10 484 million to R11 615 million for 2011. This is mainly due to increases in production costs (driven by increased labour, electricity and stores costs) and amortisation and depreciation.

Exploration expenditure

During 2011, R353 million was spent on exploration with R296 million for PNG. The exploration expense in the income statement for 2010 was R219 million, with R165 million being spent in PNG.

Net gain on financial instruments

The movement in net gain on financial instruments for 2011 was R414 million, which includes R273 million recognised on the Witsgold transaction. The balance of the total relates to the changes in fair value of the Nedbank Equity Linked Deposits held by the Environmental Trusts.

Taxation

The deferred taxation credit for the year amounted to R492 million of which approximately R363 million relates to the change in the Freegold unredeemed capital allowance. The 2010 deferred tax charge of R251 million primarily related to increases in average deferred tax rates, notably at Evander.

Notice of cash dividend

Dividend No. 82 of 60 cents per ordinary share, being the dividend for the year ended 30 June 2011, has been declared payable on Monday, 19 September 2011 to those shareholders recorded in the books of the company at the close of business on Friday, 16 September 2011. The dividend is declared in the currency of the Republic of South Africa. Any change in address or dividend instruction to apply to this dividend must be received by the company's transfer secretaries or registrar not later than Friday, 9 September 2011.

Last date to trade ordinary shares cum dividend	Friday, 9 September 2011
Ordinary shares trade ex dividend	Monday, 12 September 2011
Currency conversion date in respect of the UK own name shareholders	Monday, 12 September 2011
Record date	Friday, 16 September 2011
Payment date	Monday, 19 September 2011

No dematerialisation or rematerialisation of share certificates may occur between Monday, 12 September 2011 and Friday, 16 September 2011, both dates inclusive, nor may any transfers between registers take place during this period.

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

	Note	Quarter ended 30 June 2011 (Unaudited) R million	31 March 2011 (Unaudited) R million	30 June 2010 (Unaudited) R million
Continuing operations				
Revenue		3 422	2 949	3 045
Cost of sales	2	(3 491)	(2 623)	(2 649)
Production costs		(2 508)	(2 064)	(2 075)
Royalty expense		(13)	(30)	(28)
Amortisation and depreciation		(477)	(431)	(383)
Impairment of assets		(264)	-	(30)
Employment termination and restructuring costs		-	(26)	(82)
Other items		(229)	(72)	(51)
Gross (loss)/profit		(69)	326	396
Corporate, administration and other expenditure		(71)	(93)	(124)
Social investment expenditure		(18)	(27)	(28)
Exploration expenditure	3	(102)	(77)	(60)
Profit on sale of property, plant and equipment		5	8	101
Other income/(expenses) - net		33	(8)	40
Operating (loss)/profit		(222)	129	325
(Loss)/profit from associates		-	(24)	(7)
Reversal of impairment/ (impairment) of investment in associate	6	18	(160)	-
Loss on sale of investment in subsidiary		-	-	-
Net gain on financial instruments	4	22	3	11
Investment income		24	64	25
Finance cost		(89)	(71)	(94)
(Loss)/profit before taxation		(247)	(59)	260
Taxation		205	297	(227)
Normal taxation		10	(12)	(20)
Deferred taxation	5	195	309	(207)
Net (loss)/profit from continuing operations		(42)	238	33
Discontinued operations				
(Loss)/profit from discontinued operations	6	-	-	(20)

Net (loss)/profit		(42)	238	13
Attributable to:				
Owners of the parent		(42)	238	13
Non-controlling interest		-	-	-
(Loss)/earnings per ordinary share (cents)	7			
- (Loss)/earnings from continuing operations		(10)	55	8
- (Loss)/earnings from discontinued operations		-	-	(5)
Total (loss)/earnings per ordinary share (cents)		(10)	55	3
Diluted (loss)/earnings per ordinary share (cents)	7			
- (Loss)/earnings from continuing operations		(10)	55	8
- (Loss)/earnings from discontinued operations		-	-	(5)
Total diluted(loss)/earnings per ordinary share (cents)		(10)	55	3

		Year ended
	30 June 2011	30 June 2010 (Audited)
	R million	R million
Continuing operations		
Revenue	12 445	11 284
Cost of sales	(11 615)	(10 484)
Production costs	(9 074)	(8 325)
Royalty expense	(96)	(33)
Amortisation and depreciation	(1 776)	(1 375)
Impairment of assets	(264)	(331)
Employment termination and restructuring costs	(158)	(205)
Other items	(247)	(215)
Gross (loss)/profit	830	800
Corporate, administration and other expenditure	(354)	(382)
Social investment expenditure	(84)	(81)
Exploration expenditure	(353)	(219)
Profit on sale of property, plant and equipment	29	104
Other income/(expenses) - net	(24)	(58)
Operating (loss)/profit	44	164
(Loss)/profit from associates	(51)	56

Reversal of impairment/ (impairment) of investment in associate	(142)	-
Loss on sale of investment in subsidiary	-	(24)
Net gain on financial instruments	414	38
Investment income	140	187
Finance cost	(288)	(246)
(Loss)/profit before taxation	117	175
Taxation	480	(335)
Normal taxation	(12)	(84)
Deferred taxation	492	(251)
Net (loss)/profit from continuing operations	597	(160)
Discontinued operations		
(Loss)/profit from discontinued operations	20	(32)
Net (loss)/profit	617	(192)
Attributable to:		
Owners of the parent	617	(192)
Non-controlling interest	-	-
(Loss)/earnings per ordinary share (cents)		
- (Loss)/earnings from continuing operations	139	(38)
- (Loss)/earnings from discontinued operations	5	(8)
Total (loss)/earnings per ordinary share (cents)	144	(46)
Diluted (loss)/earnings per ordinary share (cents)		
- (Loss)/earnings from continuing operations	139	(38)
- (Loss)/earnings from discontinued operations	5	(8)
Total diluted(loss)/earnings per ordinary share (cents)	144	(46)

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

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (Rand)

		Quarter ended	
	30 June 2011 (Unaudited) R million	31 March 2011 (Unaudited) R million	30 June 2010 (Unaudited) R million
Net (loss)/profit for the period	(42)	238	13

Other comprehensive income/(loss) for the period, net of income tax	418	6	(166)
Foreign exchange translation	473	22	(161)
Fair value movement of available-for-sale investments	(55)	(16)	(5)
Total comprehensive income/(loss) for the period	376	244	(153)
Attributable to:			
Owners of the parent	376	244	(153)
Non-controlling interest	-	-	-

	Year ended	
	30 June 2011	30 June 2010 (Audited)
	R million	R million
Net (loss)/profit for the period	617	(192)
Other comprehensive income/(loss) for the period, net of income tax	368	(131)
Foreign exchange translation	470	(127)
Fair value movement of available-for-sale investments	(102)	(4)
Total comprehensive income/(loss) for the period	985	(323)
Attributable to:		
Owners of the parent	985	(323)
Non-controlling interest	-	-

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

CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

	Note	At 30 June 2011 R million	At 31 March 2011 (Unaudited) R million	At 30 June 2010 (Audited) R million
ASSETS				
Non-current assets				
Property, plant and equipment	8	31 221	30 557	29 556
Intangible assets	8	2 170	2 188	2 210
Restricted cash		31	27	146
Restricted investments		1 883	1 866	1 742
Investments in financial assets		185	236	12
Investments in associates		-	-	385
Inventories	9	172	227	214

Trade and other receivables		23	69	75
		35 685	35 170	34 340
Current assets				
Inventories	9	837	954	987
Trade and other receivables		1 073	1 111	932
Income and mining taxes		139	119	74
Cash and cash equivalents		693	656	770
		2 742	2 840	2 763
Assets of disposal groups classified as held for sale	6	268	174	245
		3 010	3 014	3 008
Total assets		38 695	38 184	37 348
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital		28 305	28 290	28 261
Other reserves		762	299	258
Retained earnings		1 093	1 135	690
		30 160	29 724	29 209
Non-current liabilities				
Deferred tax liability		3 067	3 313	3 534
Provision for environmental rehabilitation	10	1 971	1 785	1 692
Retirement benefit obligation and other provisions		174	179	169
Borrowings	11	1 229	1 487	981
		6 441	6 764	6 376
Current liabilities				
Borrowings	11	330	336	209
Income and mining taxes		2	17	9
Trade and other payables	12	1 746	1 343	1 410
		2 078	1 696	1 628
Liabilities of disposal groups classified as held for sale	6	16	-	135
		2 094	1 696	1 763
Total equity and liabilities		38 695	38 184	37 348

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand)
for the year ended 30 June 2011

	Share capital R million	Other reserves R million	Retained earnings R million	Total R million
Balance - 30 June 2010	28 261	258	690	29 209
Issue of shares	44	-	-	44
Share-based payments	-	136	-	136

Total comprehensive income for the year	-	368	617	985
Dividends paid	-	-	(214)	(214)
Balance as at 30 June 2011	28 305	762	1 093	30 160
Balance - 30 June 2009	28 091	339	1 095	29 525
Issue of shares	175	-	-	175
Share-based payments	(5)	148	-	143
Repurchase of equity interest	-	(98)	-	(98)
Total comprehensive loss for the year	-	(131)	(192)	(323)
Dividends paid	-	-	(213)	(213)
Balance as at 30 June 2010	28 261	258	690	29 209

The statement of changes in equity for the year ended 30 June 2010 has been audited. The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)

			Quarter ended	
	Note	30 June 2011 (Unaudited) R million	31 March 2011 (Unaudited) R million	30 June 2010 (Unaudited) R million
Cash flow from operating activities				
Cash generated by operations		1 052	213	877
Interest and dividends received		24	64	32
Interest paid		(35)	(34)	(38)
Income and mining taxes (paid)/refund		(19)	8	(55)
Cash generated by operating activities		1 022	251	816
Cash flow from investing activities				
(Increase)/decrease in restricted cash		(4)	-	-
Proceeds on disposal of investment in subsidiary		-	-	-
Proceeds on disposal of available-for-sale financial assets		-	-	8
Prepayment for Evander 6 and Twistdraai transaction	12	100	-	-
Other investing				

activities	(10)	16	(11)
Net additions to property, plant and equipment	(829)	(687)	(708)
Cash utilised by investing activities	(743)	(671)	(711)
Cash flow from financing activities			
Borrowings raised	150	250	300
Borrowings repaid	(415)	(17)	(106)
Ordinary shares issued - net of expenses	15	13	7
Dividends paid	-	-	-
Cash (utilised)/generated by financing activities	(250)	246	201
Foreign currency translation adjustments	8	(7)	(17)
Net increase/(decrease) in cash and cash equivalents	37	(181)	289
Cash and cash equivalents - beginning of period	656	837	481
Cash and cash equivalents - end of period	693	656	770

	Year ended	
	30 June 2011	30 June 2010 (Audited)
	R million	R million
Cash flow from operating activities		
Cash generated by operations	2 418	1 611
Interest and dividends received	140	187
Interest paid	(134)	(90)
Income and mining taxes (paid)/refund	(45)	(125)
Cash generated by operating activities	2 379	1 583
Cash flow from investing activities		
(Increase)/decrease in restricted cash	116	15
Proceeds on disposal of investment in subsidiary	229	24
Proceeds on disposal of available-for-sale financial assets	1	50
Prepayment for Evander 6 and Twistdraai transaction	100	-
Other investing activities	10	(12)
Net additions to property, plant and equipment	(3 110)	(3 493)
Cash utilised by investing activities	(2 654)	(3 416)
Cash flow from financing activities		

Borrowings raised	925	1 236
Borrowings repaid	(546)	(391)
Ordinary shares issued - net of expenses	44	18
Dividends paid	(214)	(213)
Cash (utilised)/generated by financing activities	209	650
Foreign currency translation adjustments	(11)	3
Net increase/(decrease) in cash and cash equivalents	(77)	(1 180)
Cash and cash equivalents - beginning of period	770	1 950
Cash and cash equivalents - end of period	693	770

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2011

1. Accounting policies

Basis of accounting

The condensed consolidated financial statements for the year ended 30 June 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, JSE Listing Requirements and in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2010, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements, except for the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

2. Cost of sales

	Quarter ended		
	30 June 2011 (Unaudited) R million	31 March 2011 (Unaudited) R million	30 June 2010 (Unaudited) R million
Production costs	2 508	2 064	2 075
Royalty expense	13	30	28
Amortisation and depreciation	477	431	383
Impairment of assets(1)	264	-	30
Rehabilitation expenditure(2)	61	4	14
Care and maintenance cost of restructured shafts	37	35	15
Employment termination and restructuring costs	-	26	82
Share based payments	45	28	41
Other(3)	86	5	(19)
Total cost of sales	3 491	2 623	2 649

	Year ended 30 June 2011 R million	30 June 2010 (Audited) R million
Production costs	9 074	8 325
Royalty expense	96	33
Amortisation and depreciation	1 776	1 375
Impairment of assets(1)	264	331
Rehabilitation expenditure(2)	74	29
Care and maintenance cost of restructured shafts	124	57
Employment termination and restructuring costs	158	205
Share based payments	136	148
Other(3)	(87)	(19)
Total cost of sales	11 615	10 484

(1) During the June 2011 quarter, an impairment of R264 million relating to President Steyn 1 and 2 shafts and St Helena was recorded. The impairments for the year ended 30 June 2010 relates mainly to the Virginia and Evander operations, which was recorded as a result of shaft closures. (2) The expense for the June 2011 quarter results from the annual re-estimation of the rehabilitation obligation. (3) Included in Other for the June 2011 quarter is R41 million for the write down of the Steyn plant demolishment project.

3. Exploration expenditure

	Quarter ended		
	30 June 2011 (Unaudited) R million	31 March 2011 (Unaudited) R million	30 June 2010 (Unaudited) R million
Total exploration expenditure	111	87	60
Less: expenditure capitalised(1)	(9)	(10)	-
Exploration expenditure per income statement	102	77	60

	Year ended 30 June 2011 R million	30 June 2010 (Audited) R million
Total exploration expenditure	398	219
Less: expenditure capitalised(1)	(45)	-
Exploration expenditure per income statement	353	219

(1) Relates to Brownfields exploration at Hidden Valley

4. Net gain on financial instruments

During the September 2010 quarter, a gain of R273 million was recognised on the Freegold option. This was following Harmony Gold Mining Company Limited (Harmony) entering into two transactions with Witwatersrand Consolidated Gold Resources Limited (Wits Gold), whereby Wits Gold obtains a prospecting right over Harmony's Merriespruit South area and the option held by ARMgold/Harmony Freegold Joint Venture Company (Proprietary) Limited (Freegold), a wholly owned subsidiary of Harmony, is cancelled. The remainder of the total relates primarily to the increase in the fair value of the Nedbank Equity Linked Deposits held by the Environmental Trusts.

5. Deferred taxation

The deferred taxation credit of R195 million includes credits of R119 million related to the annual re-assessment of the deferred tax rates.

The deferred taxation credit of R309 million in the March 2011 quarter includes a deferred tax credit of R333 million relating to Freegold. South African Revenue Service (SARS) previously disallowed Freegold's "post 1973 gold mine" additional capital allowance claim, and also disallowed Freegold's application of mining ringfencing. The disputed matters were setdown to be heard in the Income Tax Court of Johannesburg on 14 March 2011, but SARS withdrew the additional capital allowance claim on 10 March 2011, conceding that the Freegold operations are entitled to claim this capital allowance. The inclusion of the capital allowance caused an increase in the deferred tax asset on the balance sheet and the resulting credit in the income statement. For additional disclosure on the mining ringfencing application refer to note 13.

6. Disposal groups classified as held for sale and discontinued operations

Mount Magnet

The conditions precedent for the sale of Mount Magnet were fulfilled and the transaction became effective on 20 July 2010. A total purchase consideration of R238 million was received from Ramelius Resources Limited in exchange for 100% of the issued shares of Mount Magnet. The group recognised a total profit of R104 million net of tax, before the realisation of accumulated foreign exchange losses of R84 million from other comprehensive income to the consolidated income statement. The income statement and earnings per share amounts for all comparative periods have been re-presented to disclose the operation as a discontinued operation.

Investment in associate

The investment in Rand Uranium has been classified as held for sale following the decision by the shareholders to sell the business. In terms of the binding offer accepted by the shareholders on 21 April 2011, the capital portion of the subordinated shareholder's loan of R61 million due to the group will be repaid out of the sale proceeds. Where the carrying value of the investment exceeds the expected proceeds, an impairment is recognised in the income statement. An impairment of R142 million has been recognised for the 2011 year.

Evander 6 and Twistdraai

On 10 September 2010, Harmony concluded a sale of assets agreement with Taung Gold Limited (Taung), in which Taung acquired the Evander 6 Shaft, the related infrastructure and surface rights permits as well as a mining right over the Evander 6 and Twistdraai areas. The total purchase consideration is R225 million, which will be settled in cash when all remaining conditions precedent to the transaction have been fulfilled. In terms of an amended agreement Taung paid an amount of R100 million in April 2011. Refer to note 12 for additional disclosure.

7. (Loss)/earnings and net asset value per share

(Loss)/earnings per share is calculated on the weighted average number of shares in issue for the quarter ended 30 June 2011: 430.0 million (31 March 2011: 429.5 million, 30 June 2010: 427.6 million), and the year ended 30 June 2011: 429.3 million (30 June 2010: 426.4 million).

The diluted (loss)/earnings per share is calculated on weighted average number of diluted shares in issue for the quarter ended 30 June 2011: 431.4 million (31 March 2011: 430.7 million, 30 June 2010: 429.1 million), and the year ended 30 June 2011: 430.4 million (30 June 2010: 427.8 million).

		Quarter ended	
	30 June 2011 (Unaudited)	31 March 2011 (Unaudited)	30 June 2010 (Unaudited)
Total (loss)/earnings per share (cents):			
Basic (loss)/earnings	(10)	55	3
Diluted (loss)/earnings	(10)	55	3
Headline earnings/(loss)	30	91	(10)
- from continuing operations	30	91	(6)
- from discontinued operations	-	-	(4)
Diluted headline earnings/(loss)	30	91	(10)
- from continuing operations	30	91	(6)
- from discontinued operations	-	-	(4)
	R million	R million	R million
Reconciliation of headline earnings/(loss):			
Continuing operations			
Net (loss)/profit	(42)	238	33
Adjusted for (net of tax):			
Profit on sale of property, plant and equipment	(5)	(8)	(101)
Taxation effect of profit on sale			

of property, plant and equipment	1	2	21
Net gain on financial instruments	(6)	(3)	(4)
Taxation effect of net gain on financial instruments	2	1	1
(Reversal of impairment)/impairment of investment in associate*	(18)	160	-
Foreign exchange loss/(gain) reclassified from other comprehensive income*	-	-	-
Loss on sale of investment in subsidiary	-	-	-
Taxation effect of loss on sale of investment in subsidiary	-	-	-
Impairment of assets	264	-	30
Taxation effect of impairment of assets	(66)	-	(4)
Headline earnings/(loss)	130	390	(24)
Discontinued operations			
Net (loss)/profit	-	-	(20)
Adjusted for (net of tax):			
Profit on sale of investment in subsidiary	-	-	-
Taxation effect of profit on sale of investment in subsidiary	-	-	-
Foreign exchange loss reclassified from other comprehensive income*	-	-	-
Headline loss	-	-	(20)
Total headline earnings/(loss)	130	390	(44)

	Year ended 30 June 2011	30 June 2010 (Audited)
Total (loss)/earnings per share (cents):		
Basic (loss)/earnings	144	(46)
Diluted (loss)/earnings	144	(46)
Headline earnings/(loss)	223	(7)
- from continuing operations	223	1
- from discontinued operations	-	(8)
Diluted headline earnings/(loss)	222	(7)
- from continuing operations	222	1
- from discontinued operations	-	(8)

	R million	R million

Reconciliation of headline earnings/(loss):
Continuing operations

Net (loss)/profit	597	(160)
Adjusted for (net of tax):		
Profit on sale of property, plant and equipment	(30)	(104)
Taxation effect of profit on sale of property, plant and equipment	8	22
Net gain on financial instruments	(7)	(7)
Taxation effect of net gain on financial instruments	2	2
(Reversal of impairment)/impairment of investment in associate*	142	-
Foreign exchange loss/(gain) reclassified from other comprehensive income*	47	(22)
Loss on sale of investment in subsidiary	-	24
Taxation effect of loss on sale of investment in subsidiary	-	(7)
Impairment of assets	264	331
Taxation effect of impairment of assets	(66)	(75)
Headline earnings/(loss)	957	4
Discontinued operations		
Net (loss)/profit	20	(32)
Adjusted for (net of tax):		
Profit on sale of investment in subsidiary	(138)	(1)
Taxation effect of profit on sale of investment in subsidiary	34	-
Foreign exchange loss reclassified from other comprehensive income*	84	-
Headline loss	-	(33)
Total headline earnings/(loss)	957	(29)

*There is no taxation effect on these items.

Net asset value per share (cents)

	At 30 June 2011	At 31 March 2011	At 30 June 2010
Number of shares in issue	430 084 628	429 807 371	428 654 779
Net asset value per share (cents)	7 013	6 916	6 814

8. Property, plant and equipment and intangible assets

An impairment of R264 million has been recognised at 30 June 2011 for the President Steyn 1 and 2 shafts and St Helena. R9 million of the impairment relates to goodwill, which is included in intangible assets.

9. Inventories

A write down of R41 million was recorded for the Steyn plant demolishment project as well as R21 million for the net realisable value adjustment for other gold in lock-up. In addition, a write down of R30 million was recorded for certain stockpiles.

10. Provision for environmental rehabilitation

An adjustment of R157 million was made to the liability following the annual re-estimation of the rehabilitation obligation.

11. Borrowings

	30 June 2011 R million	31 March 2011 (Unaudited) R million	30 June 2010 (Audited) R million
Total long-term borrowings	1 229	1 487	981
Total current portion of borrowings	330	336	209
Total borrowings(1)(2)	1 559	1 823	1 190

(1) In December 2009, the Company entered into a loan facility with Nedbank Limited, comprising of a Term Facility of R900 million and a Revolving Credit Facility of R600 million. Interest accrues on a day to day basis over the term of the loan at a variable interest rate, which is fixed for a three month period, equal to JIBAR plus 3.5%. Interest is repayable quarterly. The Term Facility is repayable bi-annually in equal instalments of R90 million over five years. The first instalment was paid on 30 June 2010.

In December 2010, the Company entered into an additional loan facility with Nedbank Limited, comprising of a Term Facility of R500 million and a Revolving Credit Facility of R250 million. Interest terms are identical to the original facility. The Term Facility is repayable bi-annually in equal instalments of R62.5 million over four years. The first instalment was paid on 30 June 2011. The terms of the original Revolving Credit Facility were amended to coincide with the repayment terms of the new Revolving Credit Facility, being payable after three years from December 2010.

At 30 June 2011, R400 million (31 March 2011: R300 million, 30 June 2010: R300 million) of these facilities had not been drawn down.

(2) Included in the borrowings is R51 million (31 March 2011: R58 million; June 2010: R91 million) owed to Westpac Bank Limited in terms of a finance lease agreement. The future minimum lease payments are as follows:

	30 June 2011 R million	31 March 2011 (Unaudited) R million	30 June 2010 (Audited) R million
Due within one year	29	29	33
Due between one and five years	22	30	60
	51	59	93
Future finance charges	(1)	(1)	(2)
Total future minimum lease payments	50	58	91

12. Trade and other payables

Included in the balance at 30 June 2011 is an amount of R100 million paid by Taung to Harmony in terms of the amended agreement for the purchase of the Evander 6 shaft and Twistdraai areas. In terms of the amended agreement, the amount is repayable to Taung should the outstanding conditions for the transactions not be fulfilled.

13. Commitments and contingencies

	30 June 2011	31 March 2011 (Unaudited)	30 June 2010 (Audited)
	R million	R million	R million
Capital expenditure commitments:			
Contracts for capital expenditure	194	191	335
Authorised by the directors but not contracted for	1 504	2 175	1 006
	1 698	2 366	1 341

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

Contingent liability

For a detailed disclosure on contingent liabilities refer to Harmony's annual report for the financial year ended 30 June 2010, available on the group's website at www.harmony.co.za. In addition the following contingencies have been added or amended:

(a) During March 2011, the Constitutional Court handed down judgement in the case of Mr Thembekile Mankayi v AngloGold Ashanti Limited (AGA) regarding litigation in terms of the Occupational Diseases in Mines and Works Act (ODIMWA). The judgement allows Mr Mankayi's executor to proceed with the case in the High Court of South Africa. Harmony was named as a second defendant in the original case. Should anyone bring similar claims against Harmony in future, those claimants would need to provide evidence proving that silicosis was contracted while in the employment of the Company and that it was contracted due to negligence on the Company's part. The link between the cause (negligence by the Company while in its employ) and the effect (the silicosis) will be an essential part of any case. It is therefore uncertain as to whether the Company will incur any costs related to silicosis claims in the future and due to the limited information available on any potential claims and the uncertainty of the outcome of these claims, no estimation can be made for the possible obligation.

(b) The Court's decision on Freegold's appeal regarding the South African Revenue Service's (SARS) application of mining tax ring-fencing was received on 1 August 2011 and the Court found in favour of SARS. The case was concluded in March 2011, but judgement was reserved at that time. The Company has decided to appeal the finding by the Court. Any additional income taxes payable are expected to be offset by additional deferred tax credits due to the impact this application will have on unredeemed capital.

(c) On 18 April 2008, Harmony Gold Mining Company Limited was made aware that it had been named or might 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 Depository Receipts (ADRs) and options with regard to certain of its business practices. Harmony has retained legal counsel. During January 2009, the plaintiff filed an Amended Complaint with the United States District Court (Court). Subsequently, the Company filed a Motion to Dismiss all claims asserted in the Class Action Case. On 19 March 2010, the Court denied the Company's application for dismissal and subsequently the Company filed a Motion for Reconsideration in which it requested the Court to reconsider its judgement. This matter was heard on 27 April 2010 and the Company's request for reconsideration of judgement was denied. The Company has subsequent to 30 June 2011 reached a mutually acceptable settlement with the lead plaintiff. The settlement requires final approval from the Court and no assurance can be given that the settlement will ultimately be approved.

14. Subsequent events

(a) Refer to note 13(b) for details on the post balance sheet date event relating to the Freegold court case.

(b) On 11 August 2011, the group entered into a US$300 million Revolving Credit Facility. The facility has a term of four years and attracts interest at LIBOR plus 260 basis points. This arrangement is subject to certain conditions precedent being satisfied. The facility was jointly arranged by Nedbank Limited and Firstrand Bank Limited (acting through its Rand Merchant Bank division).

(c) On 12 August 2011 the board approved a payment of dividend of 60 SA cents per share for the year ended 30 June 2011.

15. Segment report

The segment report follows on page 28 and 29.

16. Reconciliation of segment information to consolidated income statements and balance sheets

	30 June 2011 R million	30 June 2010 (Audited) R million
The "Reconciliation of segment information to consolidated income statement and balance sheet" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the income statement, balance sheet and segment report:		

Revenue from:		
Discontinued operations	-	-
Production costs from:		
Discontinued operations	-	-

Reconciliation of production profit to gross profit:

Total segment revenue	12 445	11 284
Total segment production costs and royalty expense	(9 170)	(8 358)
Production profit as per segment report	3 275	2 926
Less: discontinued operations	-	-
	3 275	2 926
Cost of sales items other than production costs and royalty expense	(2 445)	(2 126)
Amortisation and depreciation	(1 776)	(1 375)
Impairment of assets	(264)	(331)
Employment termination and restructuring costs	(158)	(205)
Share-based payments	(136)	(148)
Rehabilitation costs	(74)	(29)
Care and maintenance costs of restructured shafts	(124)	(57)
Other	87	19
Gross profit as per income statements *	830	800

Reconciliation of total segment mining assets to consolidated property, plant and equipment:

Property, plant and equipment not allocated to a segment:

Mining assets	871	786
Undeveloped property	5 139	5 139
Other non-mining assets	70	72
Less: Non-current assets classified as held for sale	-	(226)
	6 080	5 771

* The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.

17. Audit review

The condensed consolidated financial statements for the year ended 30 June 2011 on pages 18 to 29 have been reviewed in accordance with the 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 YEAR ENDED 30 JUNE 2011 (Rand/Metric)

	Production	Production	Mining

	Revenue R million	cost(1) R million	profit R million	assets R million
Continuing operations				
South Africa				
Underground				
Bambanani(2)	921	828	93	965
Doornkop	781	601	180	3 085
Evander	717	622	95	946
Joel	454	417	37	183
Kusasalethu	1 774	1 321	453	3 220
Masimong	1 326	756	570	899
Phakisa	551	473	78	4 317
Target(2)	1 080	815	265	2 729
Tshepong	2 007	1 172	835	3 589
Virginia	682	562	120	672
Surface				
All other surface operations(3)	1 176	888	288	155
Total South Africa	11 469	8 455	3 014	20 760
International				
Papua New Guinea	976	715	261	4 381
Total international	976	715	261	4 381
Total operations	12 445	9 170	3 275	25 141
Reconciliation of the segment information to the consolidated income statements and balance sheets (refer to note 16)	-	-		6 080
	12 445	9 170		31 221

	Capital expenditure(4) R million	Kilograms produced kg*	Tonnes milled t'000*
Continuing operations			
South Africa			
Underground			
Bambanani(2)	321	3 051	426

Doornkop	292	2 512	718
Evander	196	2 302	541
Joel	73	1 449	407
Kusasalethu	380	5 609	1 099
Masimong	178	4 280	868
Phakisa	369	1 762	387
Target(2)	439	3 981	805
Tshepong	273	6 468	1 343
Virginia	79	2 213	576
Surface			
All other surface operations(3)	147	3 790	10 431
Total South Africa	2 747	37 417	17 601
International			
Papua New Guinea	289	3 118	1 679
Total international	289	3 118	1 679
Total operations	3 036	40 535	19 280

(1) Production costs includes royalty expense.

(2) Production statistics for Steyn 2 and up to March 2011 for Target 3 are included for information purposes. Steyn 2 is in build-up phase and revenue and costs are currently capitalised until commercial levels of production are reached. Target 3 had reached commercial production levels in April 2011.

(3) Includes Kalgold, Phoenix, Dumps and President Steyn plant clean-up.

(4) The total excludes non-operational capital expenditure of R67 million relating to Papua New Guinea.

* Production statistics are not reviewed

SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2010 (Rand/Metric)

	Revenue R million	Production cost R million	Operating profit R million	Mining assets R million
Continuing operations				
South Africa				
Underground				
Bambanani(2)	1 114	745	369	954
Doornkop	517	410	107	2 837
Evander	910	859	51	922
Joel	524	379	145	175

Kusasalethu	1 392	1 091	301	2 974
Masimong	1 277	702	575	799
Phakisa	375	326	49	4 065
Target(2)	878	664	214	2 537
Tshepong	1 823	1 147	676	3 645
Virginia	1 415	1 340	75	682
Surface				
All other surface operations(1)	980	632	348	127
Total South Africa	11 205	8 295	2 910	19 717
International				
Papua New Guinea(3)	79	63	16	3 771
Total international	79	63	16	3 771
Total continuing operations	11 284	8 358	2 926	23 488
Discontinued operations				
Mount Magnet	-	-	-	226
Total discontinued operations	-	-	-	226
Total operations	11 284	8 358	2 926	23 714
Reconciliation of the segment information to the consolidated income statement and balance sheet (refer to note 16)	-	-		5 771
	11 284	8 358		29 485

	Capital expenditure R million	Kilograms produced kg*	Tonnes milled t'000*
Continuing operations			
South Africa			
Underground			
Bambanani(2)	207	4 137	528
Doornkop	342	1 950	540
Evander	175	3 475	788
Joel	88	2 006	439
Kusasalethu	430	5 444	1 035
Masimong	177	4 840	899

Phakisa	486	1 371	339
Target(2)	382	3 539	777
Tshepong	261	6 749	1 518
Virginia	180	5 288	1 656
Surface			
All other surface operations(1)	84	3 731	9 140
Total South Africa	2 812	42 530	17 659
International			
Papua New Guinea(3)	541	1 903	304
Total international	541	1 903	304
Total continuing operations	3 353	44 433	17 963
Discontinued operations			
Mount Magnet	-	-	-
Total discontinued operations	-	-	-
Total operations	3 353	44 433	17 963

Notes:
(1) Includes Kalgold, Phoenix, Dumps and President Steyn plant clean-up

(2) Production statistics for President Steyn and Target 3 are included for information purposes. These mines are in build-up phase and revenue and costs are currently capitalised until commercial levels of production are reached.

(3) Production statistics for Papua New Guinea are included for the full year for information purposes. The mine was in build-up phase until the end of April 2010, when commercial levels of production were reached. Revenue and costs up to this date were capitalised.

*   Production statistics are not reviewed

CONTACT DETAILS
HARMONY GOLD MINING COMPANY LIMITED

Corporate Office
Randfontein Office Park
PO Box 2
Randfontein, 1760
South Africa
Corner Main Reef Road and Ward Avenue
Randfontein, 1759
South Africa
Telephone: +27 11 411 2000
Website: http://www.harmony.co.za

Directors

P T Motsepe (Chairman)*

G P Briggs (Chief Executive Officer)
H O Meyer (Financial Director)
H E Mashego (Executive Director)
F F T De Buck*^ (Lead independent director)
F Abbott*, J A Chissano*1, K V Dicks*^
Dr D S Lushaba*^, C Markus*^,
M Motloba*^, M Msimang*^, D Nokó*^,
C M L Savage*^, A J Wilkens*, J Wetton*^
* Non-executive
^ Independent
1 Mozambican

Investor Relations Team
Henrika Basterfield
Investor Relations Officer
Telephone: +27 11 411 2314
Fax: +27 11 692 3879
Mobile: +27 82 759 1775
E-mail: henrika@harmony.co.za

Marian van der Walt
Executive: Corporate and Investor Relations
Telephone: +27 11 411 2037
Fax: +27 86 614 0999
Mobile: +27 82 888 1242
E-mail: marian@harmony.co.za

Company Secretary
iThemba Governance and Statutory Solutions (Pty) Ltd
Annamarie van der Merwe
Telephone: +27 86 111 1010
Fax: +27 86 504 1315
Mobile: +27 83 264 0328
E-mail: avdm@ithemba.co.za

South African Share Transfer Secretaries
Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
PO Box 4844
Johannesburg, 2000
South Africa
Telephone: +27 86 154 6572
Fax: +27 86 674 4381

United Kingdom Registrars
Capita Registrars
The Registry
34 Beckenham Road

Bechenham
Kent BR3 4TU
United Kingdom
Telephone: 0871 664 0300 (UK)
(calls cost 10p a minute plus network extras, lines are open
8:30 am to 5:30 pm (Monday to Friday)
or +44 (0) 20 8639 3399 (calls from overseas)
Fax: +44 (0) 20 8639 2220

ADR Depositary
BNY Mellon
101 Barclay Street
New York, NY 10286
United States of America
Telephone: +1888-BNY-ADRS
Fax: +1 212 571 3050

Sponsor
JP Morgan Equities Limited
1 Fricker Road, corner Hurlingham Road
Illovo, Johannesburg, 2196
Private Bag X9936, Sandton, 2146
Telephone: +27 11 507 0300
Fax: +27 11 507 0503

Trading Symbols
JSE Limited: HAR
New York Stock Exchange, Inc: HMY
London Stock Exchange Plc: HRM
Euronext, Brussels: HMY
Berlin Stock Exchange: HAM1

Registration number 1950/038232/06
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ISIN: ZAE 000015228