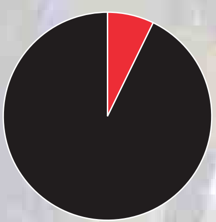
Review of operations and projects

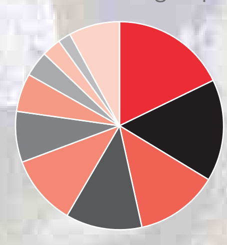
Harmony's operations are located in the world-renowned Witwatersrand Basin, the Kraaipan Greenstone Belt and one of the world's newest, promising gold provinces, Papua New Guinea (PNG). Harmony has, over the past two years, embarked on a process to transform the company from a marginal, highly-leveraged and relatively short-life gold producer, to a sustainable, lower-cost, lower-risk company, with a substantial growth pipeline.

South Africa – Surface versus underground (%) FY09



Surface	7%
Underground	93%

South Africa – gold production by operation (%) FY09

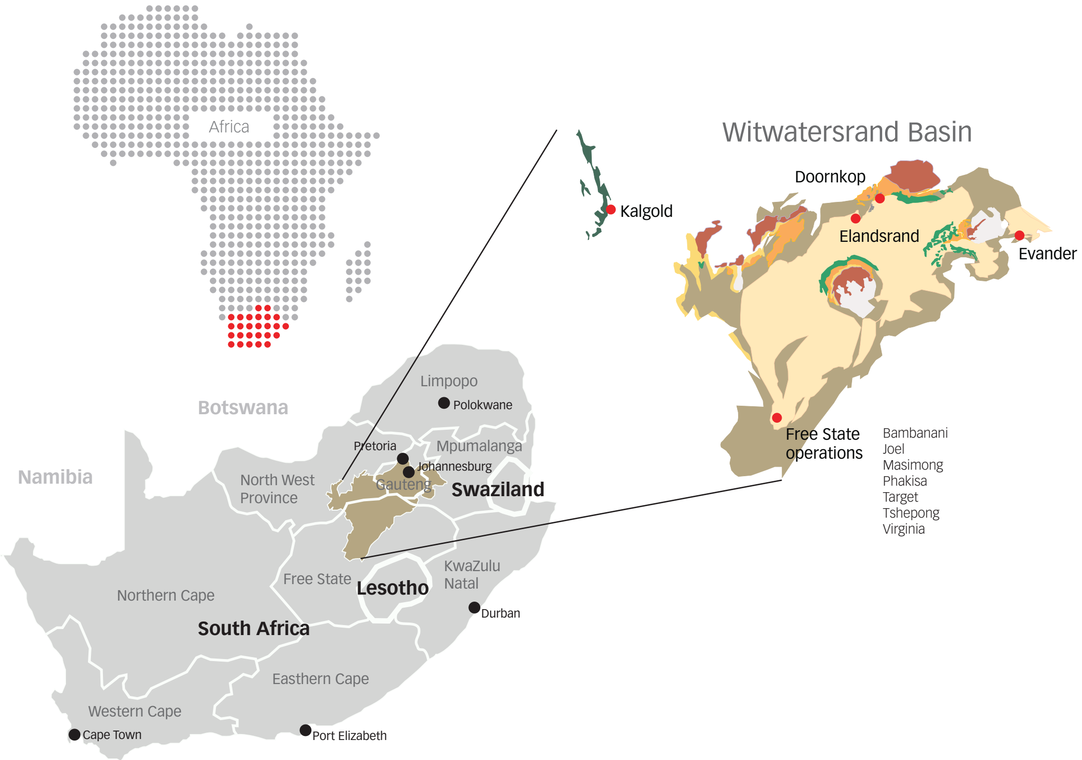


Virginia	18%
Tshepong	16%
Evander	13%
Elandsrand	12%
Masimong	11%
Bambanani	8%
Target	6%
Joel	4%
Doornkop	3%
Phakisa	2%
Surface	7%

Review of operations and projects, Alwyn Pretorius, Bob Atkinson and Tom Smith

South Africa

Harmony's South African operations comprise mainly underground mines (10), the Kalgold open pit mine, the Phoenix project and other surface operations, as well as eight gold plants. Together these mines produced 1 460 831 ounces of gold (45 437 kilograms) during the year, which is a similar level to last year's production (FY08: 47 419 kilograms; 1 524 557 ounces). This level of production was achieved despite the sale of the Cooke operations, which came into effect in early FY09, and the down-scaling of operations at a number of shafts in response to the South African electricity crisis in FY08.



Underground sources made up 93% of Harmony's FY09 production, with the balance coming from Kalgold, Project Phoenix and other surface sources. Four operational complexes currently dominate production, namely Virginia (18%), Tshepong (16%), Evander (13%) and Elandsrand (12%). This production profile is likely to change going forward as projects ramp up and grow their output.

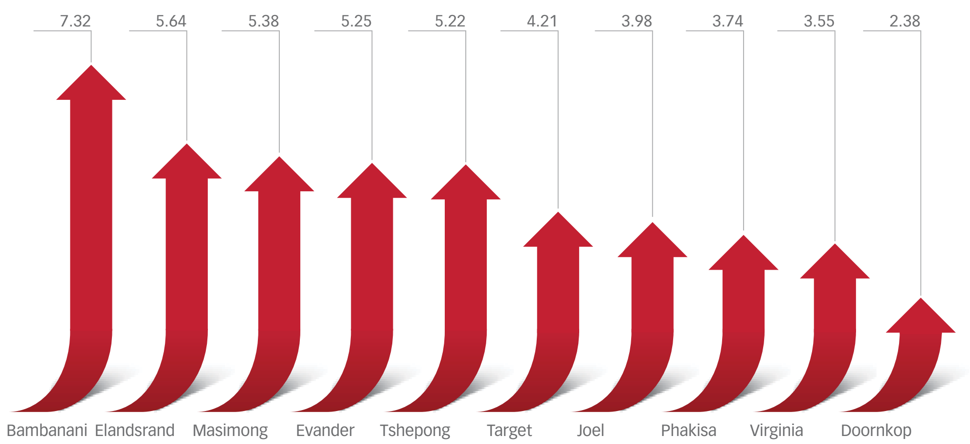
Review of operations cont.

Gold production South Africa – Continuing operations*

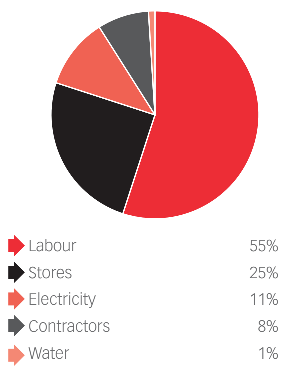
	Kilograms produced FY09	Kilograms produced FY08	Ounces produced FY09	Ounces produced FY08	% change
Underground					
Bambanani	**3 780**	4 817	**121 530**	154 879	**(22)**
Doornkop	**1 311**	1 370	**42 150**	44 038	**(4)**
Elandsrand	**5 422**	5 108	**174 321**	164 215	**6**
Evander	**5 912**	7 210	**190 075**	231 799	**(18)**
Evander 2 & 5	**1 354**	1 814	**43 532**	58 328	**(25)**
Evander 7	**1 016**	1 693	**32 665**	54 413	**(40)**
Evander 8	**3 542**	3 703	**113 878**	119 058	**(4)**
Joel	**2 043**	1 852	**65 684**	59 557	**10**
Masimong	**4 791**	3 621	**154 034**	116 424	**32**
Phakisa	**691**	125	**22 216**	4 024	**>100**
St Helena	**0**	259	**0**	8 305	**(100)**
Target	**2 713**	2 476	**87 225**	79 602	**10**
Tshepong	**7 178**	8 271	**230 778**	265 914	**(13)**
Virginia	**8 030**	7 708	**258 170**	247 820	**4**
Harmony 2	**1 521**	1 484	**48 901**	47 716	**2**
Merriespruit 1	**1 678**	1 446	**53 949**	46 494	**16**
Merriespruit 3	**1 292**	1 246	**41 539**	40 048	**4**
Brand 3	**1 368**	1 450	**43 982**	46 615	**(6)**
Unisel	**2 171**	2 082	**69 799**	66 947	**4**
Surface					
Kalgold	**2 015**	2 869	**64 784**	92 229	**(30)**
Phoenix	**695**	1 002	**22 345**	32 210	**(31)**
Other	**856**	731	**27 519**	23 541	**17**
Total	**45 437**	**47 419**	**1 460 831**	**1 524 557**	**(4)**

*excludes production from Randfontein prior to that operation being sold.

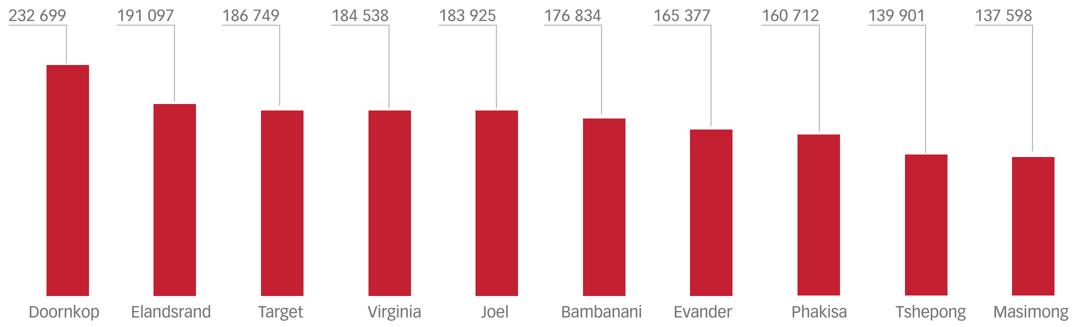
Grade South Africa (g/t)



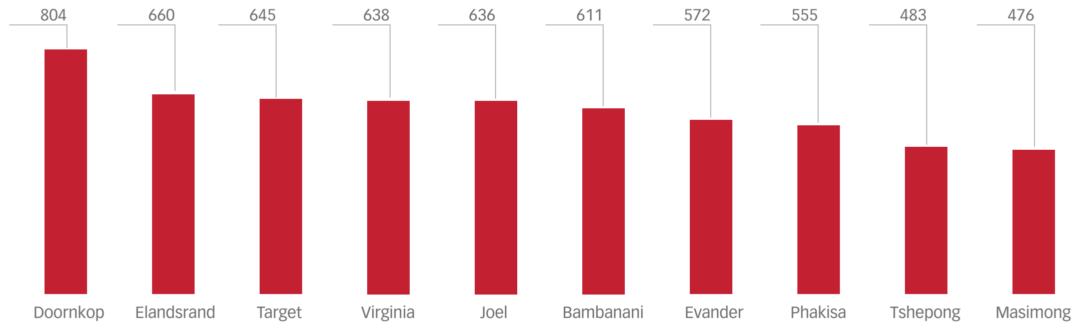
Components of costs (%)
30 June 2009



Cash costs South Africa (R/kg)



Cash costs South Africa (US$/oz)



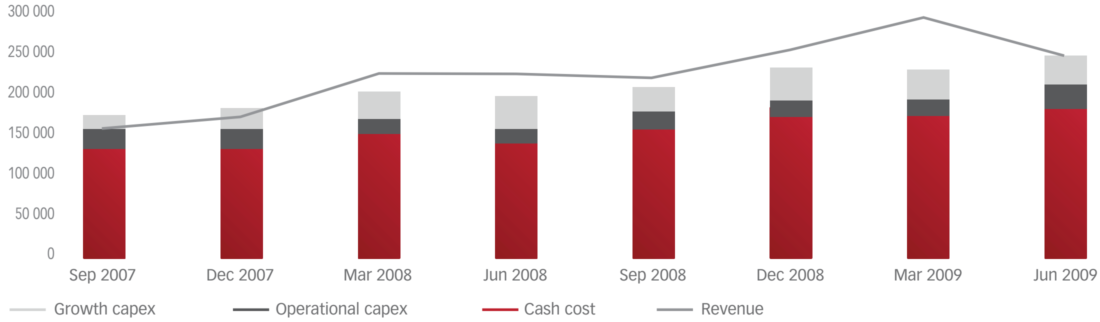
In total, Harmony's operations generated revenue of R11 496 million (US$1 277 million) and a cash operating profit of R3 839 million (US$427 million) for the year.

Review of operations cont.

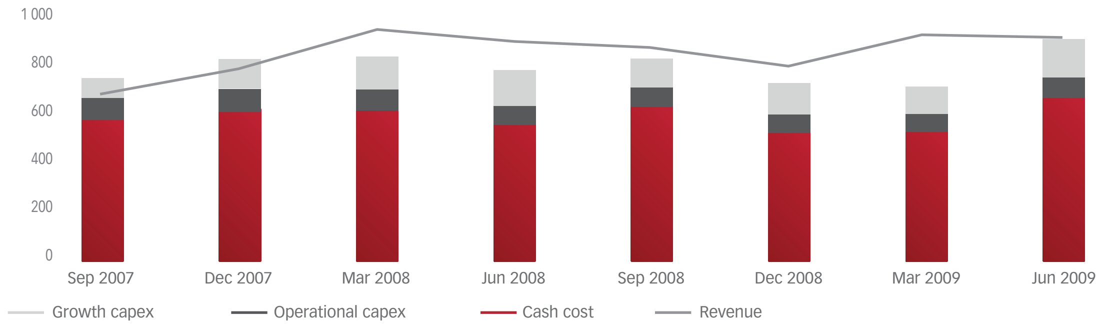
Cash operating costs, at R168 661/kg (US$583/oz), were well-contained despite significant inflationary pressure during the year. Key cost drivers continued to be higher electricity tariffs, labour costs and rising costs related to consumables.

A two-year wage agreement was reached in August 2009. This provides for a wage increase of between 9% and 10.5% across the bargaining units, which will be an effective 9.3% increase in labour costs. In the second year, a guaranteed wage increase of 7.5% or the Consumer Price Index (CPIX) plus 1%, whichever is the higher of the two, has been agreed.

On track to profitability – Cash costs – (R/Kg)



On track to profitability – Cash costs – ($/oz)



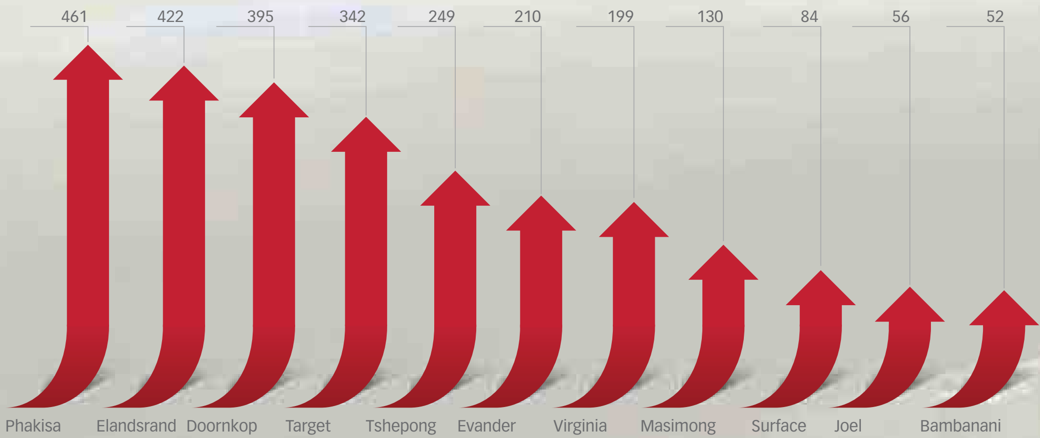
The average underground grade for the year was 4.64 g/t, while the average surface grade was 0.40 g/t. In FY08, these were 4.73 g/t and 0.53 g/t respectively.

Over the past two years, Harmony has placed significant emphasis on ore reserve development with the aim of improving flexibility and therefore also productivity at its operations. For FY09, a total of 123 245 metres were developed, which resulted in the overall planned m^2/metre development ratio for the South African underground operations being met.

Capital expenditure of R4.4 billion (US$487 million) – R2.6 billion (US$289 million) in South Africa and R1.8 billion (US$198 million) in PNG – remained high as the group continued to transform its operations into longer-life, higher-value mines and invested more in the development of the orebodies.

The review that follows provides greater operational detail. Operational information on a quarterly basis is available on our website at www.harmony.co.za. For the first time Harmony has provided an indication of the outlook for its operations in the next financial year. This information is based on current planning and assumes that the current situation (gold price, exchange rate) will prevail. Inflation has not been built into the estimate of costs.

Capital expenditure* – South Africa (Rm)



*Includes capital expenditure for plants and surface sources