



FINANCIAL REVIEW FOR THE SECOND QUARTER ENDED 31 DECEMBER 2007

SALIENT FEATURES

- Harmony signs agreement on establishing a separate uranium company
- Total operating costs down by 8.1%
- Cash operating profit up by 43.0%
- Elandsrand repaired and back in production
- Financial results for six months ended 31 December 2007 reviewed by external auditors

FINANCIAL SUMMARY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2007

(All results exclude Discontinued Operations unless otherwise indicated)

		Quarter* Sep 2007	Quarter Dec 2007	Q-on-Q % change	Quarter* Dec 2006	Financial year 2007
Gold produced	– kg	13 523	12 403	(8.3)	13 515	25 926
	– oz	434 773	398 764	(8.3)	434 515	833 537
Cash costs	– R/kg	132 920	133 234	(0.2)	102 382	133 053
	– \$/oz	582	613	(5.3)	435	597
Cash operating profit	– Rm	315	450	43.0	568	764
	– US\$m	44	66	50.0	78	110
Cash earnings	– SA c/s	79	113	43.0	143	192
	– US c/s	11	17	54.6	20	28
Basic (loss)/earnings	– SA c/s	(129)	(49)	62.0	116	(178)
	– US c/s	(18)	(7)	61.1	16	(26)
Headline (loss)/earnings	– SA c/s	(30)	(43)	(43.3)	43	(73)
	– US c/s	(4)	(6)	(50.0)	6	(11)
Fully diluted (loss)/earnings	– SA c/s	(128)	(48)	62.5	114	(176)
	– US c/s	(18)	(7)	61.1	16	(25)

*The figures were adjusted to exclude further discontinued operations. See financial statements.

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CHIEF EXECUTIVE'S REVIEW

In this, my first report to Harmony shareholders as Chief Executive Officer, I would firstly like to thank the selection panel and the board of directors for their confidence in my leadership to take Harmony forward and I look forward to working closely with them in the years ahead.

Harmony will continue to focus on creating shareholder value and, over time, to out-perform the market. One of my priorities for the company is to outline a long-term strategy. Harmony has in the past few years been focusing on organic growth and these projects are now mines under construction, most building up in production from now to 2010. All of these mines will have longer life with generally higher grades. These production units are larger and we will be expecting more consistent results, both in tonnes and grade. These long life mines, together with those already in production, will be the core of Harmony in the future. They make up the bulk of Harmony's reserves and will have lower cash costs.

Management time will continue to be focused on striving to achieve desired returns by reducing the planning gap and continually reviewing to squeeze the best from the orebodies. Some short life assets will remain within the Harmony stable, operations which under certain circumstances, possibly with a capital injection, could have their lives vastly extended. These assets will continue to have high cash cost, however, at today's high gold prices these assets could deliver significant profits. Management will endeavour to explore ways and means of obtaining good value for shareholders from these assets by investigating ways of recapitalising them.

Harmony is thus moving to a producer with a higher focus on quality. Our aspirations are to have sustainable growth, a culture of achievement, a buoyant and rising stock price, to be a responsible corporate citizen, have professional business practice and have inspired, enthusiastic and competent employees.

Turning to the second quarter's financial results for the period ended 31 December 2007, I draw your attention to changes made to this quarter's reporting format. The previous structure of quality, growth, leverage and international assets has been replaced with South African underground, surface and international assets. We believe that it had become essential to re-assess our company structure as four of our projects have begun to contribute to turnover and as Harmony begins its transformation to a quality producer.

In addition to the company structure changes, and in accordance with the new accounting regulations, we highlight the fact that four of Harmony's operations, Orkney shafts 1 – 7, St Helena, Cooke shafts and plant in Randfontein, and Mt Magnet and South Kal in Australia, are now being reported as discontinued operations in the income statement.

The company's operational results for the second quarter 2008 were negatively affected by the 44 days of stoppage time at Elandsrand after a shaft incident, in order to carry out the investigation into the mine incident of 3 October 2007. Elandsrand accounted for 67.1% or 1 177 kg loss of production in the December quarter. The one-day national strike called by the National Union of Mineworkers in support of safety also impacted on production. However, both the Elandsrand accident and the one-day strike has resulted in increased safety focus and we are hopeful that this will result in positive safety behaviour and a renewed safety effort from all Harmony employees.

Harmony's total production for its underground continuing operations decreased by 1.3% to 4 445 000 tonnes resulting in an 8.3% decrease in kilograms produced to 12 403 kg and a 3.9% drop in grade to 4.87g/t. Cash operating costs remained almost unchanged at R133 234/kg.

The gold price received at R169 502/kg was 8.5% higher than the September quarter but the Rand/US dollar exchange rate was 4.7% stronger at 677 cents. Harmony's operating profit from continuing operations improved 43.0% to R449.8 million.

Capital expenditure increased during the quarter under review to R808 million, this is mainly due to the ramp up in expenditure at Hidden Valley in Papua New Guinea.

The benefits of Harmony's intensive cost control measures that commenced early in October 2007 will only materialise in the next half of the financial year. Measures implemented included the termination of 2 827 external contractors and the voluntary retrenchments and natural attrition of 2 123 and transfer to more efficient shafts of 4 859 employees. The transfers were mainly service staff from Randfontein central offices and from non-productive to productive areas.

St Helena Nos. 4 and 8 shafts were placed on care and maintenance and its 650 employees have been redeployed at other Harmony operations. The transfer of the centralised staff at Randfontein to the operations is part of the company's decentralisation process to compel operations to take ownership of their costs. Our total complement now stands at 43 800 employees and 5 700 contractors compared with 47 431 employees and 7 019 contractors at 30 June 2007.

During the quarter, the internal due diligences on the effectiveness of the continuous mining (Conops) method were completed at the Tshepong, Elandsrand, Masimong, Evander No. 8 and Winkelhaak shafts, as well as Cooke 2 operations. These operations and Target are the only Harmony shafts that operate on Conops. The review revealed that Conops was not an effective mining method at Masimong and it has subsequently been terminated and the majority of the workforce transferred to Phakisa. Conops will be reviewed continually and it is our intention to phase out Conops at those operations that do not deliver on our objectives.

The costs savings drive have had effects of positively decreasing the working cost from R1 798 million to R1 652 million and hence despite producing less gold (mainly due to the Elandsrand accident) the cash cost remained virtually unchanged.

All conditions precedent relating to South Kal disposal were met on 30 November 2007, with Dioro Exploration NL taking over operations on that date and the purchase price of A\$25 million cash paid and A\$20 million of shares issued to Harmony. Harmony also signed the sales contract with Australian-based junior miner Monarch Gold Mining Company Limited for the sale of Mount Magnet. The Mount Magnet operations completed mining during December 2007 and consequently the last tonnages for Harmony's account from this operation have been milled in January 2008.

Harmony believes that partnerships may be one of the primary vehicles through which we will enhance our growth strategy in the south-east Asian region. We are thus pursuing alliances with interested parties with technical mining skills and capital to equally share the Hidden Valley Gold and Silver Mine, the Wafi/Golpu projects and the extensive exploration licenses in Papua New Guinea. We will only consider transactions that are of good value to Harmony's shareholders.

To this end, we have progressed to a shortlist of leading international mining companies with whom we are in discussions. We are confident that we will be in a position to finalise this process in April 2008, with a partner to be introduced thereafter. This new partnership will build on the excellent relationships Harmony enjoys with the local government and contribute significantly to the domestic economic growth.

Shareholders were advised on 19 December 2007 that a significant decision had been made with regard to the future of Harmony's Cooke shafts and its uranium assets in the Randfontein area. Several proposals from interested parties were considered but only the offer from Pamodzi Resources Fund was in line with Harmony's strategy of realising value for its shareholders.

In essence, the signed agreement proposes that certain uranium and gold assets of the Randfontein Cooke Section be sold into a new company (Newco). The purchase price payable by the still to be named Newco for these assets amounts to US\$420 million. In addition, Pamodzi Resources Fund will acquire a 60% shareholding in Newco from Investco, the subsidiary of ArmGold/Harmony Joint Investment Company, for a purchase consideration of US\$252 million, with Harmony retaining a 40% shareholding in Newco.

Both parties are currently in the process of meeting conditions precedent and we are confident that these will be completed by 31 March 2008. A new dedicated executive management team will assume responsibility for developing the project and we will soon be appointing a chief executive officer to manage Newco.

The revenues from the Randfontein Cooke shafts will be equity accounted and the profit from associates will be reflected in the income statement.

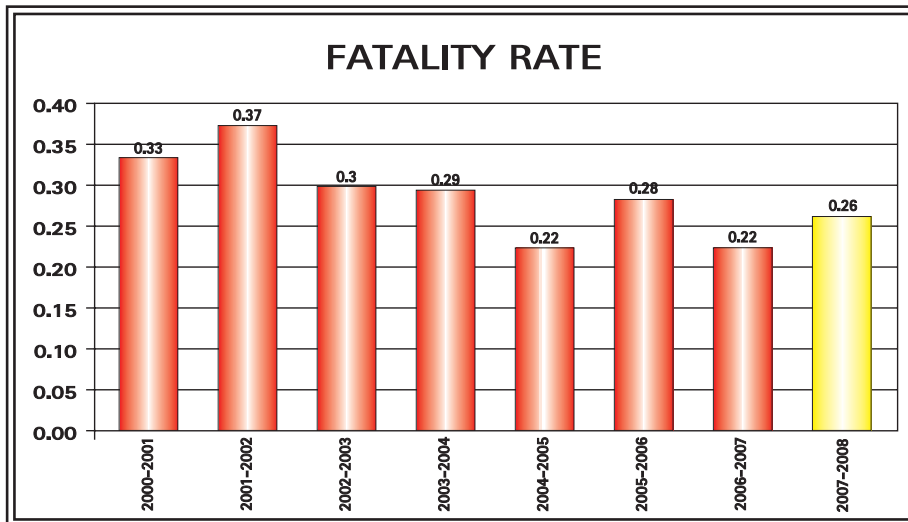
In the light of Eskom's electricity supply disruptions and with mines operating only at 90% of Harmony's previous power supply, the company's production for the March 2008 quarter could decrease.

Harmony's management is devising new strategies on optimising operations to produce at 90% of electricity to ensure that we deliver returns on our shareholders' investments.

SAFETY AND HEALTH REPORT

- Six mines in the Free State achieve 500 000 fatality free shifts
- Two Harmony mines achieve one million fatality free shifts

Fatality injury rate (per million hours worked)



Group Safety

Harmony experienced a sharp regression of 62% in its Fatality Injury Frequency Rate (FIFR) for the second quarter ended 31 December 2007.

The Lost Time Injury Frequency Rate (LTIF) rate for the South African operations improved during the quarter from a rate of 14.26 to 12.64 for the second quarter of financial year 2008 an improvement of 11.4%. The Reportable Injury Frequency Rate (RIFR) also improved from 7.53 in 2007 to 6.63 for the first quarter of 2008, showing an improvement of 12.0%.

Eight employees regrettably lost their lives during the course of work on Harmony's mines during the quarter under review.

One LTI and two medical treatment injuries occurred at our Hidden Valley project in Papua New Guinea.

Despite the regression in the fatality injury rate some excellent safety records were achieved. Six of Harmony's SA underground shafts, Tshepong, Bambanani, Masimong, Harmony 2 and Merriespruit 1 and 3 achieved half-a-million fatality free shifts. Evander 8 shaft and Harmony 2 shaft achieved one million fatality free shifts during the quarter.

THE SECOND QUARTER ENDED 31 DECEMBER 2007 UNDER REVIEW

Harmony's SA underground operations, excluding the discontinued operations, delivered a steady operational performance for the second quarter of financial year 2008.

Tonnes Milled

Tonnes milled from the company's underground operations, excluding discontinued operations, decreased by 6.5% to 2 297 000 tonnes (2 457 000 tonnes). This decrease in tonnes milled is mainly attributed to Elandsrand's loss of production for the quarter. The quarter saw Bambanani and Joel mine back in production but the closure of St Helena and the restructuring at Masimong impacted negatively on the company's underground production.

Recovery Grades

Gold production dropped by 10.3% on lower recovery grade from SA underground mines but mainly due to Elandsrand's 1 177 kg loss of production. This impacted on recovery grades which fell by 3.9% when compared with the previous quarter to 4.87g/t (5.07g/t).

Cost Control

Cash operating costs were well contained with Target, Bambanani, Joel and Virginia being the main contributors. Elandsrand's costs impacted on an otherwise cost-conscious quarter. Cash operating costs increased by 2.0% to R138 531/kg (R135 776/kg).

The performance of the company is best highlighted in the following table*:

		Sep 2007	Dec 2007	Q-on-Q % Variance	Dec 2006
Production	– kg	13 523	12 403	(8.3)	13 515
Production	– oz	434 773	398 764	(8.3)	434 515
Revenue	– R/kg	156 187	169 502	8.5	144 416
Revenue	– US\$/oz	684	779	13.9	614
Cash cost	– R/kg	132 920	133 234	(0.2)	102 382
Cash cost	– US\$/oz	582	613	(5.3)	435
Exchange rate	– USD/ZAR	7.10	6.77	4.7	7.32

Cash Operating Profit and Margin*

		Sep 2007	Dec 2007	Q-on-Q % Variance	Dec 2006
Cash operating profit (Rm)		315	450	43.0	568
Cash operating profit margin (%)		14.9	21.4	43.6	29.1

* Continuing Operations only

Quarter-on-quarter cash operating profit variance analysis (Continuing Operations)

Cash operating profit – September 2007	R314.6 million*
– volume change	(118.7)
– working cost change	145.0
– recovery grade change	(56.5)
– gold price change	165.4
– net variance	135.2
Cash operating profit – December 2007	R449.8 million

*The figure was adjusted to exclude further discontinued operations. See financial statements.

Analysis of earnings per share from continuing operations

Earnings per share (SA cents)	Quarter ended September 2007	Quarter ended December 2007	Quarter ended December 2006
Cash earnings	79	113	143
Basic (loss)/earnings	(129)	(49)	116
Headline (loss)/earnings	(30)	(43)	43
Fully diluted (loss)/earnings	(128)	(48)	114

Reconciliation between basic loss and headline loss from continuing operations

Headline earnings/(loss) per share (SA cents)	Quarter ended September 2007	Quarter ended December 2007
Basic loss	(129)	(49)
Loss on sale of property, plant and equipment	(1)	(7)
Profit on disposal of investment in Gold Fields Limited	100	–
Provision for doubtful debt	–	13
Headline loss	(30)	(43)

CAPITAL EXPENDITURE (Continuing Operations)

Harmony's capital projects are at various stages of completion. Capital expenditure at Hidden Valley reflects a sharp increase from R161 million to R275 million as development of the mine accelerates. Good progress is being made at the South African-based projects with all of the projects in production build-up mode.

Operational Capex	Actual	Actual	
	September 2007	December 2007	
	Rm	Rm	
South African Operations	320	348	
Total Operational Capex	320	348	

Project Capex	Actual	Actual	Capital invested to date
	September 2007	December 2007	
	Rm	Rm	Rm
Doornkop South Reef	71	91	790
Elandsrand New Mine	44	22	750
Tshepong North Decline	21	17	278
Phakisa Shaft	58	55	720
Hidden Valley, PNG	161	275	1 057
Total Project Capex	355	460	3 595
Total Capex	675	808	

Quarterly profit comparison for Continuing Operations

Operation	Working profit (Rm)			Variances (Rm)			
	September 2007	December 2007	Variance	Volume	Grade	Price	Costs
Operations							
SA Underground Operations	255.3	345.4	90.1	(126.9)	(74.3)	147.3	144.0
Surface Operations	59.3	104.4	45.1	8.2	17.8	18.1	1.0
International Operations	–	–	–	–	–	–	–
Total Harmony	314.6	449.8	135.2	(118.7)	(56.5)	165.4	145.0

SOUTH AFRICAN UNDERGROUND OPERATIONS

Includes the following shafts: Tshepong, Phakisa, Doornkop, Elandsrand, Target, Masimong, Evander, Bambanani, Joel and Virginia Operations

		Q-on-Q		December 2006
		September 2007	December 2007	
			% Variance	
U/g tonnes milled	('000)	2 457	2 297	(6.5)
U/g recovery grade	(g/t)	5.07	4.87	(3.9)
U/g kilograms produced	(kg)	12 462	11 175	(10.3)
U/g operating costs	(R/kg)	135 776	138 531	(2.0)
U/g working costs	(R/tonne)	689	674	2.2

Tshepong Mine

Production

The two fatalities during December 2007 impacted negatively on production volumes. Other negative contributory factors were geological complexities, flexibility problems and difficult mining conditions due to multiple faulting.

Tshepong's incorrect mining mix of under-performance in volume from high grade areas and over-performance in low grade areas resulted in a decrease in grade.

Rand per kilogram costs were up by 3.2% to R107 616 (R104 334) due to higher volumes mined at 388 000 tonnes (386 000 tonnes) and 143 fewer kilograms produced at 2 202 kg (2 345 kg). This resulted in a 6.6% drop in grade from 6.08g/t to 5.68g/t.

Project overview

Sub 66 decline is currently in production build-up phase and the total project is 95% complete. An area of 4 112m² was mined during the quarter, an increased of 73% and reef metres developed increased by 52%. The majority of the remaining development is on 71 level.

As a result of geological complexities, additional development was required for most of the raise lines under the scope. The 69 – 72 level main ore passes will require rehabilitation due to excessive scaling and the rehabilitation will start in the next quarter. On 71 level, the first raise line intersected reef in December 2007.

Annual Capital Expenditure Profile

Table (Rm)	2003	2004	2005	2006	2007	2008	2009	Total
Actual Sunk	32.8	66.6	40.6	52.9	57.8	27.1	–	277.8
Forecast						6.6	–	6.6
Total	32.8	66.6	40.6	52.9	57.8	33.7	–	284.4

1st production

April 2007

Full production

July 2009

Future milestones

- 72 level dam pump station design to Sub 71 requirements – February 2008
- Equipping of ore passes and 72 belt cross-cut – March 2008
- Extensive secondary support programme in the chairlift decline – May 2008
- Equipping of ore passes and 72 belt cross-cut complete – December 2008

Phakisa

Production

In its debut production quarter Phakisa milled 6 000 tonnes and produced 18 kg of gold at 3g/t.

Volumes from the stoping operations are on target and development metres are slightly up quarter-on-quarter but below plan. This is as a result of ventilation constraints and poor cleaning. These issues are being addressed.

Phakisa's cash operating costs should be viewed as part of its production build-up phase.

Project overview

Settlers design changed due to adverse ground conditions and 31% progress has been made to date. Blasting on No. 2 Settler was completed during the quarter.

Phase 1 of the surface infrastructure was completed, whilst civil construction and erection of main building has commenced.

Annual Capital Expenditure Profile

Table (Rm)	2004	2005	2006	2007	2008	2009	2010	Total
Actual Sunk	117	116	147	227	113	–	–	720
Forecast					119	68	32	219
Total	117	116	147	227	232	68	32	939

1st production

June 2008

Full production

August 2010

Future milestones

- Commissioning of 2nd Rail-vveyor – February 2008
- Commissioning of 55 level bulk air cooler – April 2008
- 69 level 1st raise line completion – May 2008
- Start first revenue on 69 level – July 2008
- Decline project completed – April 2010

Doornkop

Production

Grade at Doornkop was affected by lower volumes from the South Reef section due to pressure on logistics as production and shaft equipping compete. More focus will be given to shaft equipping in the third quarter to alleviate this problem.

Tonnes milled decreased 3.2% to 122 000 compared with 126 000 for the previous quarter. Recovery grade dropped by 10.8% from 3.60g/t to 3.21g/t. Total cash costs were 3.7% higher at R144 360/kg as a result of the lower gold production of 392 kg (454 kg).

Project overview

Station development continues on 202, 205, 207 and 212 levels with a total of 3 364 cubic metres excavated. Access development also continued on 192 and 197 levels with 467m excavated. Secondary development is also underway on 192 and 197 levels with 636m achieved.

The shaft has been excavated to final size and lined to 212 station elevation. Equipping of the loading station on 212 level is all that remains of the major shaft-sinking tasks and this is already underway. Construction of the pump station and loading levels is due to start during the next quarter following the completion of these excavations on 205, 207 and 212 levels. The main shaft is expected to be partially commissioned in April 2008.

Annual Capital Expenditure Profile

Table (Rm)	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Actual Sunk	13	98	114	147	256	162				790
Forecast						131	290	91	70	582
Total	13	98	114	147	256	294	290	91	70	1 372

1st production

July 2007

Full production

March 2010

Future milestones

- Rock winder engineering commissioned – March 2008
- Main shaft partially commissioned – March 2008
- Rock winder hoisting – August 2008

Elandsrand

Production

The Elandsrand operations were severely impaired by the incident of 2 October 2007, when a compressed air pipe fell down the shaft and damaged infrastructure, as well as by the fall of ground later in the quarter. Volumes from the operations were a mere 94 000 tonnes compared with 289 000 tonnes previously.

Gold production amounted to 576 kg, a drop of 67.1% when compared with 1 753 kg for the previous quarter with a recovery grade of 6.13g/t (6.07g/t). The cost of treating the drastically reduced volumes resulted in an increase in R/kg costs of R231 705/kg (R137 315/kg).

Project overview

The accident in the men and material shaft resulted in work being delayed by two months in various project areas. Various crews from the project assisted with the rehabilitation of the mine and machinery shaft.

The 92 level Turbine Dam progressed well during the quarter and at the end of December 2007 the excavation had been completely supported and lined.

The mechanicals (pumps, pipes, etc) in the 115 level pump station should be finished by end January 2008. During the next quarter the electrics and instrumentation will be installed. The switchgear for the 115 level sub-station was delivered and installed. Commissioning did not occur in November 2007 and is now scheduled for February 2008.

The third 22 kV feeder from 75 to 100 level and the last 6.6 kV feeder from 109 to 115 level, were installed during the Christmas break. The HT cable installations in the sub-shaft are 100% complete. The chambers for the 109 and 113 level mobile refrigeration plants were completed as well as the installation of the 102 level east and west bulk air coolers.

Annual Capital Expenditure Profile

Table (Rm)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Actual Sunk	35.6	107.0	106.2	105.5	96.1	119.6	113.7	66.1			749.8
Forecast								69.5	141.0	29.1	239.6
Total	35.6	107.0	106.2	105.5	96.1	119.6	113.7	135.6	141.0	29.1	989.4

Project Production

	Tonnes milled	% Split	Kilograms	% Split
Old Mine	35 344	38	256	47
New Mine	58 189	62	286	53
Total Mine	93 533		543	

1st production

October 2003

Full production

June 2012

Future milestones

- 115 level main electrical sub-station commission – February 2008
- 100 level 22 kV sub-station complete – March 2008
- 115 level pump station commission – June 2008
- Access development on 113 level complete – July 2008
- No. 3 Service Shaft sub-bank, headgear and winder installation complete – July 2008

Target Mine

Despite persistent difficulties with truck availability and extensive damage to a loader in a fall of ground towards the end of December, Target experienced a better quarter with a 6.7% increase in volumes from 150 000 to 160 000 tonnes.

Kilograms produced were higher at 725 kg from 688 kg, notwithstanding the decline in recovery grade of 1.3% to 4.53g/t (4.59g/t).

The first new trackless fleet arrived at Target late in the quarter and more units are expected during the March 2008 quarter, which will enhance Targets ability to move tonnes from the massive stopes. The water handling system is also being addressed and already there is much improvement.

Total cash costs were well-contained at R109 394/kg from R131 888/kg previously, a saving of 17.1%.

Masimong Mine

The discontinuation of Conops at Masimong and resulting disruption of labour resulted in a decrease in tonnes. Tonnes milled were down by 15.8% to 203 000 from 241 000. Consequently, gold production fell 17.4% to 905 kg (1 096 kg) and recovery grade declined 2% from 4.55g/t to 4.46g/t.

Costs of treating lower tonnes together with the decreased gold production resulted in a 3.7% increase in total cash costs of R180 355/kg (R173 958/kg).

Evander Operations

Volumes mined at the Evander operations decreased by 2.7% to 362 000 tonnes (372 000 tonnes), as a result of an effort to improve the mining mix by moving to more profitable panels.

Recovery grade remained stable at 6.01g/t (6.03g/t), but kilograms produced were down 3.0% to 2 176 kg (2 244 kgs) as a result of lower volumes.

Cash costs increased by R5 431/kg to R116 291/kg compared with R110 860/kg for the September quarter.

A new production plan is being implemented with promising improvements in efficiencies and profitability.

Bambanani

Bambanani experienced a better quarter. Volumes increased by 25.6% from 238 000 to 299 000 tonnes, producing 1 595 kg (1 275 kg) of gold on a lower yield of 5.33g/t compared with 5.36g/t, a 5.6% decline.

Cash operating cost was well-contained down by 11.2% at R141 056/kg (R158 769/kg).

Joel

Increased volumes and the commencement of hoisting at the North shaft resulted in improved tonnages of 99 000 tonnes (81 000 tonnes) for the December quarter. More steady state production is expected from Joel in the coming quarters.

Gold produced increased to 455 kg (419 kg) but grade was down at 4.60 g/t (5.17 g/t) due to excessive channel widths. Costs showed a 5.5% improvement of R154 963/kg (R163 928/kg) for the December 2007 quarter.

Virginia Operations

Harmony, Merriespruit, Unisel, Brand

		September 2007	December 2007	Q-on-Q % Variance	December 2006
U/g tonnes milled	('000)	574	564	(1.7)	596
U/g recovery grade	(g/t)	3.81	3.78	(0.8)	3.25
U/g kilograms produced	(kg)	2 188	2 131	(2.6)	1 935
U/g working costs	(R/kg)	156 390	153 154	2.1	119 378
U/g working costs	(R/tonne)	596	579	2.9	388

Gold produced decreased by 2.6% to 2 131 kg compared with 2 188 kg due to lower tonnes milled from 564 000 to 574 000 and a lower yield of 3.78g/t from 3.81g/t when compared with the September quarter.

Lower costs mainly from Harmony 2 and the improved production translated into lower Rand per kilogram costs of R153 154/kg (R156 390/kg) for the current quarter.

SOUTH AFRICAN SURFACE OPERATIONS

Kalgold, Phoenix, Free Gold surface and Target surface

		September 2007	December 2007	Q-on-Q % Variance	December 2006
Surface tonnes milled	('000)	2 047	2 148	4.9	1 032
Surface recovery grade	(g/t)	0.52	0.57	9.6	0.67
Kilograms produced	(kg)	1 061	1 228	15.7	690
Working costs	(R/kg)	99 379	85 031	14.4	75 227
Working costs	(R/tonne)	52	49	5.8	50

Kalgold

Kalgold experienced one of its more profitable quarters despite the abnormally high rainy conditions and electricity disruptions which resulted in 18 production days being lost. Good plant performance and the availability of water partially mitigated the negative factors. Tonnages milled were up by 25%, grade was 4% up due to higher feed grade from the stockpiles.

The D-zone pit is nearing the end of its life and it is likely that production from the D-Zone may cease within the next two quarters.

Project Phoenix

Slime reclamation tonnage throughput is now averaging about 525 000 tonnes per month. Existing deposition capacity is about three years.

Costs increased mainly on reagents.

INTERNATIONAL OPERATIONS

Hidden Valley

Project overview

The overall project schedule was maintained during the December quarter, with first gold still targeted in March 2009. Manufacturing delays with the SAG mill have been contained, with the work being closely monitored at the manufacturing site to prevent further delays, as it remains on the project critical path to completion, together with the conveyor construction.

Project engineering is 74% complete and approximately 78% of process equipment ordered. Most of the plant platforms have now been completed, with the main civil contractor mobilising to site in the March quarter to start plant pad preparation and construction.

Work on the permanent camp construction is progressing well, with five 40 man dormitories handed over in December. Work on the tailings storage facility also accelerated during the quarter, with the starter dam now up to its final level over two thirds of its length.

The Kaveroi resource drilling continued during the quarter with 5000 meters drilled. The program continues to confirm known mineralisation at depth as well as the continuity of a previously unmodelled supergene zone at the meta-sediment/grano-diorite contact. A preliminary geology model has been completed, with lower volumes of meta sediment to be pre stripped, compared to the previous model. This drilling program will be completed in the March quarter.

The mining fleet continues with waste movement and the development of the Hamata open pit, with the stripping of organics and construction of an access road to haul waste to the main dam of the tailings storage facility.

Annual Capex Expenditure Profile: (Construction Capital: Cash Flow)

Table (A\$m)	2006	2007	2008	2009	2010	2011	2012	2013	Total
Actual Sunk	20	90	49						159
Forecast			188	142*					330
Total	20	90	237	142					489

*Includes A\$28m for Rio Tinto Royalty buy-out

1st production

March 2009

Full production

June 2009

DISCONTINUED OPERATIONS

Orkney

Orkney has been under the management of Pamodzi Gold since September 2007.

Australia

At the end of November, Harmony announced that the conditions required to settle the South Kal sale agreement had been finalised.

During the quarter, Harmony also announced that it had signed a sales contract with Australian-based junior miner Monarch Gold Mining Company for the sale of its Mount Magnet Operations. Harmony mined its last tonnages in December 2007 and milling ceased at the end of January 2008.

The Australian Operations delivered a good performance for the December 2007 quarter.

Randfontein Operations

Shareholders were advised on 19 December 2007 that in line with Harmony's stated strategy of realising value for the uranium assets, Randfontein Estates Limited had entered into an agreement with Pamodzi Resources Fund to sell certain of the uranium and gold assets of Randfontein and create a new company (Newco).

The purchase price payable by Newco for Randfontein's Cooke section and old Randfontein section assets is US\$420 million. Pamodzi Resources Fund is to acquire a 60% shareholding in Newco for a purchase price of US\$252 million, with Harmony retaining 40% in Newco.

Turning to the quarter's operational performance, Randfontein experienced two days of production losses which led to a 4.1% decrease in volumes from 321 000 to 308 000 tonnes. Consequently kilograms produced were down by 358 kg from 1 968 kg to 1 610 kg due to incorrect mining mix.

Yields decreased by 14.7% to 5.23g/t from 6.13g/t due to lower recovery grades from VCR and A5 reef horizon.

Cash costs increased by 11.8% quarter on quarter to R121 625/kg from R108 816/kg.

Cooke Plant Operations

The Cooke plant project involves mechanical reclamation of sand from the dump and hydraulic transportation to Cooke plant where it will be milled and treated. To achieve this, a pipeline will be installed from Dump 20 to Cooke plant.

The project was approved by both Harmony and Pamodzi Resource Fund and procurement of all the equipment is currently being done. Construction will start by April 2008 and will be completed by the end of November 2008.

During the quarter persistent rain made production difficult by hampering access to the reclamation site and thus the delivery of sand. The quarter saw the acceleration of waste depletion and thus the decrease in recovery grade.

EXPLORATION

Wafi/Golpu

Project overview

The Wafi Golpu pre-feasibility study was reviewed by a Harmony project team and subjected to a Competent Person's Review (CPR) by RSG Global (Australia) during the quarter.

The CPR recommended that further exploration and drilling is warranted on the identified exploration targets. A detailed feasibility study on the Golpu Copper Project is also justified as is further mining studies at Wafi.

Exploration results and programme

The exploration potential at Wafi is considered to be very high, with gold resource definition at the Western Zone likely in the short term. The Western Zone ore displays similar mineralogical properties to the Link Zone and definition of a resource in the area will directly improve the overall economics of the project. The current Wafi/Golpu exploration programme and some of the recent drill hole intercepts also has the potential to significantly change the economics of both the copper and gold prospects.

Wafi "Near Mine" (Brownfields)

Drilling continued at the Western Zone with the aim of proving up additional high-grade underground resources for the Wafi Au feasibility. Significant intercepts returned from WR261 included:

- WR261: 23m @ 7.0 g/t Au from 187m
21m @ 3.9 g/t Au from 229m
13m @ 8.4 g/t Au from 286m
13m @ 8.5 g/t Au from 343m

Excellent first pass drill results and rock chip samples from Biamena Prospect.

- Results for the two initial holes drilled at Biamena prospect were received during the quarter and included:
- BMA002: 24m @ 3.41 g/t Au from 177m
Including: 11m @ 5.38 g/t Au from 181m

The initial intercept in BMA002 is particularly significant as no previous drilling exists in the area and mineralisation encountered is completely open.

- Reconnaissance geological mapping on gridlines cut for the induced polarisation geophysical survey have outlined several new zones of mineralisation south of the main prospect area. Rock chip sampling obtained high grade gold, silver and base metal assays up to 88g/t Au, 400g/t Ag, 5.8% Cu and 2.3% Pb. The results more than double the footprint of the anomalous area at Biamena, and highlight the prospectivity of the area for porphyry copper-gold and related epithermal Au mineralisation.

Nambonga North

Based 2 km northwest of Golpu, Nambonga North prospect has significant porphyry Cu/Au potential (similar to Golpu) and together with the polymetallic massive sulphide lode developed off the western margin of the intrusive could have a major positive impact on the economics of Wafi-Golpu project.

Results received for the mineralised porphyry stock during the quarter included:

- WR262: 178m @ 1.2 g/t Au, 0.3 % Cu from 232m
- WR264: 213m @ 1.1 g/t Au, 0.3% Cu from 300m

In addition, the down dip extension of the high-grade polymetallic Au-Zn-Ag-Pb sulphide lode adjacent to the porphyry mineralisation was also intersected:

- WR264: 6m @ 3.6 g/t Au, 5.3 % Zn, 27 g/t Ag and 1.1 % Pb from 286m

Four rigs are now drilling at the prospect in order to accelerate the work programme. Additional drilling capacity is currently being sourced.



FINANCIAL REVIEW FOR THE SECOND QUARTER ENDED
31 DECEMBER 2007

OPERATING RESULTS – CONTINUING OPERATIONS (Rand/Metric)

			Underground production – South Africa							
			Tshepong	Phakisa	Doorn- kop	Elands- rand	Target	Masimong	Evander Operations	Bambanani
Ore milled	– t'000	Dec-07	388	6	122	94	160	203	362	299
		Sep-07	386	–	126	289	150	241	372	238
Gold Produced	– kg	Dec-07	2 202	18	392	576	725	905	2 176	1 595
		Sep-07	2 345	–	454	1 753	688	1 096	2 244	1 275
Yield	– g/tonne	Dec-07	5.68	3.00	3.21	6.13	4.53	4.46	6.01	5.33
		Sep-07	6.08	–	3.60	6.07	4.59	4.55	6.03	5.36
Cash Operating Costs	– R/kg	Dec-07	107 616	200 722	144 360	231 705	109 394	180 355	116 291	141 056
		Sep-07	104 334	–	139 205	137 315	131 888	173 958	110 860	158 769
Cash Operating Costs	– R/tonne	Dec-07	611	602	464	1 420	496	804	699	752
		Sep-07	634	–	502	833	605	791	669	851
Working Revenue	(R'000)	Dec-07	371 921	2 981	67 889	98 321	122 333	154 848	363 129	269 653
		Sep-07	366 461	–	70 601	273 085	106 477	171 164	350 933	202 629
Cash Operating Costs	(R'000)	Dec-07	236 971	3 613	56 589	133 462	79 311	163 221	253 049	224 985
		Sep-07	244 664	–	63 199	240 713	90 739	190 658	248 769	202 430
Cash Operating Profit	(R'000)	Dec-07	134 950	(632)	11 300	(35 141)	43 022	(8 373)	110 080	44 668
		Sep-07	121 797	–	7 402	32 372	15 738	(19 494)	102 164	199
Capital Expenditure	(R'000)	Dec-07	50 009	60 520	93 926	56 350	49 671	32 466	63 306	38 450
		Sep-07	51 777	62 276	71 296	83 697	33 983	30 167	70 148	25 078

Evander Operations – Evander 5, Evander 7 and Evander 8

Virgina Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

			Kalgold Surface	Project Phoenix	Other Surface	Total SA Surface	South African Total	Australia	PNG	Total Inter- national	Harmony Total
Joel	Virgina Operations	Total SA Under- ground									
99	564	2 297	421	1 623	104	2 148	4 445	-	-	-	4 445
81	574	2 457	336	1 577	134	2 047	4 504	-	-	-	4 504
455	2 131	11 175	858	268	102	1 228	12 403	-	-	-	12 403
419	2 188	12 462	663	297	101	1 061	13 523	-	-	-	13 523
4.60	3.78	4.87	2.04	0.17	0.98	0.57	2.79	-	-	-	2.79
5.17	3.81	5.07	1.97	0.19	0.75	0.52	3.00	-	-	-	3.00
154 963	153 154	138 531	82 341	88 873	97 559	85 031	133 234	-	-	-	133 234
163 928	156 390	135 776	109 582	73 327	109 010	99 379	132 920	-	-	-	132 920
712	579	674	168	15	96	49	372	-	-	-	372
848	596	689	216	14	82	52	399	-	-	-	399
77 485	364 957	1 893 517	145 511	45 675	17 628	208 814	2 102 331	-	-	-	2 102 331
64 888	341 129	1 947 367	103 184	46 024	15 548	164 756	2 112 123	-	-	-	2 112 123
70 508	326 372	1 548 081	70 649	23 818	9 951	104 418	1 652 499	-	-	-	1 652 499
68 686	342 181	1 692 039	72 653	21 778	11 010	105 441	1 797 480	-	-	-	1 797 480
6 977	38 585	345 436	74 862	21 857	7 677	104 396	449 832	-	-	-	449 832
(3 798)	(1 052)	255 328	30 531	24 246	4 538	59 315	314 643	-	-	-	314 643
10 305	38 949	493 952	2 030	2 375	34 746	39 151	533 103	-	274 832	274 832	807 935
11 394	42 977	482 793	2 031	650	28 415	31 096	513 889	-	160 704	160 704	674 593

OPERATING RESULTS INCLUDING DISCONTINUED OPERATIONS (Rand/Metric)

			Underground production – South Africa									
			Tshepong	Phakisa	Doorn- kop	Elands- rand	Target	Masimong	Evander Operations	Rand- fontein Operations	Bamba- nani	Joel
Ore milled	– t'000	Dec-07	388	6	122	94	160	203	362	308	299	99
		Sep-07	386	–	126	289	150	241	372	321	238	81
Gold Produced	– kg	Dec-07	2 202	18	392	576	725	905	2 176	1 610	1 595	455
		Sep-07	2 345	–	454	1 753	688	1 096	2 244	1 968	1 275	419
Yield	– g/tonne	Dec-07	5.68	3.00	3.21	6.13	4.53	4.46	6.01	5.23	5.33	4.60
		Sep-07	6.08	–	3.60	6.07	4.59	4.55	6.03	6.13	5.36	5.17
Cash Operating Costs – R/kg		Dec-07	107 616	200 722	144 360	231 705	109 394	180 355	116 291	121 625	141 056	154 963
		Sep-07	104 334	–	139 205	137 315	131 888	173 958	110 860	108 816	158 769	163 928
Cash Operating Costs – R/tonne		Dec-07	611	602	464	1 420	496	804	699	636	752	712
		Sep-07	634	–	502	833	605	791	669	667	851	848
Working Revenue (R'000)		Dec-07	371 921	2 981	67 889	98 321	122 333	154 848	363 129	279 270	269 653	77 485
		Sep-07	366 461	–	70 601	273 085	106 477	171 164	350 933	307 438	202 629	64 888
Cash Operating Costs (R'000)		Dec-07	236 971	3 613	56 589	133 462	79 311	163 221	253 049	195 816	224 985	70 508
		Sep-07	244 664	–	63 199	240 713	90 739	190 658	248 769	214 150	202 430	68 686
Cash Operating Profit (R'000)		Dec-07	134 950	(632)	11 300	(35 141)	43 022	(8 373)	110 080	83 454	44 668	6 977
		Sep-07	121 797	–	7 402	32 372	15 738	(19 494)	102 164	93 288	199	(3 798)
Capital Expenditure (R'000)		Dec-07	50 009	60 520	93 926	56 350	49 671	32 466	63 306	35 187	38 450	10 305
		Sep-07	51 777	62 276	71 296	83 697	33 983	30 167	70 148	42 556	25 078	11 394

Evander Operations – Evander 5, Evander 7 and Evander 8

Randfontein Operations – Cooke 1, Cooke 2 and Cooke 3

Virgina Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

				Kalgold Surface	Project Phoenix	Cooke plant Operations	Other Surface	Total SA Surface	South Africa Total	Australia	PNG	Total Inter- national	Harmony Total
Virgina Opera- tions	St Helena	ARMgold	Total SA Under- ground										
564	25	212	2 842	421	1 623	659	104	2 807	5 649	603	–	603	6 252
574	53	198	3 029	336	1 577	513	134	2 560	5 589	672	–	672	6 261
2 131	84	741	13 610	858	268	308	102	1 536	15 146	1 946	–	1 946	17 092
2 188	176	736	15 342	663	297	272	101	1 333	16 675	1 260	–	1 260	17 935
3.78	3.36	3.50	4.79	2.04	0.17	0.47	0.98	0.55	2.68	3.23	–	3.23	2.73
3.81	3.32	3.72	5.07	1.97	0.19	0.53	0.75	0.52	2.98	1.88	–	1.88	2.86
153 154	420 821	182 009	140 640	82 341	88 873	113 390	97 559	90 717	135 578	98 719	–	98 719	131 381
156 390	259 523	197 072	136 678	109 582	73 327	80 272	109 010	95 480	133 384	146 588	–	146 588	134 312
579	1 414	636	674	168	15	53	96	50	364	319	–	319	359
596	862	733	692	216	14	43	82	50	398	275	–	275	385
364 957	13 881	128 053	2 314 721	145 511	45 675	52 652	17 628	261 466	2 576 187	324 424	–	324 424	2 900 611
341 129	27 481	114 303	2 396 589	103 184	46 024	42 402	15 548	207 158	2 603 747	191 438	–	191 438	2 795 185
326 372	35 349	134 869	1 914 115	70 649	23 818	34 924	9 951	139 342	2 053 457	192 107	–	192 107	2 245 564
342 181	45 676	145 045	2 096 910	72 653	21 778	21 834	11 010	127 275	2 224 185	184 701	–	184 701	2 408 886
38 585	(21 468)	(6 816)	400 606	74 862	21 857	17 728	7 677	122 124	522 730	132 317	–	132 317	655 047
(1 052)	(18 195)	(30 742)	299 679	30 531	24 246	20 568	4 538	79 883	379 562	6 737	–	6 737	386 299
38 949	834	977	530 950	2 030	2 375	573	34 746	39 724	570 674	28 095	274 832	302 927	873 601
42 977	3 335	25 380	554 064	2 031	650	20	28 415	31 116	585 180	91 516	160 704	252 220	837 400

CONDENSED CONSOLIDATED INCOME STATEMENT (Rand)

		For the quarter ended			For the six months ended	
		December	September	December	December	December
		2007	2007	2006	2007	2006
		(Unaudited)	(Unaudited)	(Unaudited)		
Notes		(restated)*	(restated)*	(restated)*		(restated)*
		R million	R million	R million	R million	R million
Continuing operations						
Revenue		2 102	2 112	1 952	4 214	4 003
Production cost		(1 652)	(1 798)	(1 384)	(3 450)	(2 736)
Amortisation and depreciation		(228)	(201)	(130)	(429)	(351)
Corporate expenditure		(68)	(72)	(60)	(140)	(116)
Exploration expenditure		(42)	(44)	(51)	(86)	(85)
Care and maintenance costs of restructured shafts		(10)	(9)	(16)	(19)	(32)
Employment termination and restructuring costs	2	(75)	–	–	(75)	–
Share-based compensation		(9)	(10)	(12)	(19)	(23)
(Loss)/gain on financial instruments		(14)	4	17	(10)	36
Provision for doubtful debt	3	(75)	–	–	(75)	–
Other (expenses)/income – net		(6)	(19)	41	(25)	71
Operating (loss)/profit		(77)	(37)	357	(114)	767
Profit/(loss) from associates		–	–	30	–	(18)
Mark-to-market of listed investments		–	33	27	33	51
Loss on sale of listed investments	4	–	(459)	–	(459)	–
Profit on sale of investment in associate	4	–	–	236	–	236
Investment income		74	67	42	141	78
Finance cost**		(138)	(121)	(97)	(259)	(184)
(Loss)/profit before taxation		(141)	(517)	595	(658)	930
Taxation		(54)	2	(134)	(52)	(262)
Net (loss)/profit from continuing operations		(195)	(515)	461	(710)	668
Discontinued operations	5					
Profit/(loss) from discontinued operations		226	(44)	10	182	85
Loss on the sale of the South Kal operations		(51)	–	–	(51)	–
Profit/(loss) from measurement to fair value less cost to sell		66	(7)	–	59	–
Net profit/(loss)		46	(566)	471	(520)	753
(Loss)/earnings per share from continuing operations attributable to the equity holders of the company during the year (cents)						
	6					
– Basic (loss)/earnings		(49)	(129)	116	(178)	168
– Headline (loss)/earnings		(43)	(30)	43	(73)	92
– Fully diluted (loss)/earnings		(48)	(128)	114	(176)	166
Earnings/(loss) per share from discontinuing operations attributable to the equity holders of the company during the year (cents)						
	6					
– Basic earnings/(loss)		60	(13)	3	47	21
– Headline earnings/(loss)		57	(11)	2	46	21
– Fully diluted earnings/(loss)		59	(13)	2	46	21

* The comparative figures were adjusted to exclude further discontinued operations. See Note 3.

** The comparative figures were adjusted to exclude interest capitalised. See Note 1b.

CONDENSED CONSOLIDATED BALANCE SHEET (Rand)

	Notes	At December 2007 <i>R million</i>	At September 2007 <i>(Unaudited)</i> <i>R million</i>	At June 2007 <i>(Audited)</i> <i>R million</i>
ASSETS				
Non-current assets				
Property, plant and equipment		25 133	25 015	24 506
Intangible assets		2 307	2 308	2 307
Restricted cash		81	5	5
Investments in financial assets	7	1 402	1 461	1 387
Investments in associates		7	7	7
Deferred income tax		2 462	2 396	2 321
Trade and other receivables		39	100	95
		31 431	31 292	30 628
Current assets				
Inventories		709	790	742
Investments in financial assets	7	–	–	2 484
Trade and other receivables		851	778	918
Income and mining taxes		41	26	16
Restricted cash		–	–	274
Cash and cash equivalents		425	1 567	711
		2 026	3 161	5 145
Non-current assets classified as held for sale	5	2 001	1 383	1 284
		4 027	4 544	6 429
Total assets		35 458	35 836	37 057
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital		25 677	25 652	25 636
Other reserves		84	20	(349)
Accumulated loss		(2 124)	(2 175)	(1 604)
		23 637	23 497	23 683
Non-current liabilities				
Borrowings	8	1 878	3 842	1 743
Deferred income tax		5 191	5 119	5 031
Provisions for other liabilities and charges		1 082	1 231	1 216
		8 151	10 192	7 990
Current liabilities				
Trade and other payables		981	1 421	1 755
Borrowings	8	1 995	15	2 855
Bank overdraft		–	–	220
Shareholders for dividends		7	7	7
		2 983	1 443	4 837
Liabilities directly associated with non-current assets classified as held for sale	5	687	704	547
		3 670	2 147	5 384
Total equity and liabilities		35 458	35 836	37 057
Number of ordinary shares in issue		400 196 978	400 011 182	399 608 384
Net asset value per share (cents)		5 906	5 874	5 927

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Rand)

	Issued share capital <i>R million</i>	Other reserves <i>R million</i>	Accumulated loss <i>R million</i>	Total <i>R million</i>
Balance – 30 June 2007 (as previously reported)	25 636	(349)	(1 681)	23 606
Change in accounting policy for the capitalisation of interest on assets under construction	–	–	77	77
Balance – 30 June 2007 (restated)	25 636	(349)	(1 604)	23 683
Issue of share capital	41	–	–	41
Currency translation adjustment and other	–	433	–	433
Net loss	–	–	(520)	(520)
Balance as at 31 December 2007	25 677	84	(2 124)	23 637
Balance – 30 June 2006 (as previously reported)	25 489	(271)	(2 015)	23 203
Change in accounting policy for the capitalisation of interest on assets under construction	–	–	48	48
Balance – 30 June 2006 (restated)	25 489	(271)	(1 967)	23 251
Issue of share capital	99	–	–	99
Currency translation adjustment and other	–	85	–	85
Net profit	–	–	753	753
Balance as at 31 December 2006	25 588	(186)	(1 214)	24 188

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Rand)

		Three months ended		Six months ended	
		December	September	December	December
		2007	2007	2007	2006
Notes		(Unaudited)	(Unaudited)		
		R million	R million	R million	R million
Cash flow from operating activities					
Cash (utilised)/generated by operations		(376)	54	(322)	958
Interest and dividends received		76	69	145	81
Interest paid		(118)	(59)	(177)	(95)
Income and mining taxes paid		(9)	(12)	(21)	(6)
Cash (utilised)/generated by operating activities		(427)	52	(375)	938
Cash flow from investing activities					
(Increase)/decrease in restricted cash		(71)	274	203	–
Net proceeds on disposal of listed investments	4	–	1 310	1 310	30
Net additions to property, plant and equipment		(734)	(833)	(1 567)	(1 058)
Other investing activities		65	(51)	14	(14)
Cash (utilised)/generated by investing activities		(740)	700	(40)	(1 042)
Cash flow from financing activities					
Long-term loans raised	8	10	2 088	2 098	–
Long-term loans repaid	8	–	(1 802)	(1 802)	(1)
Ordinary shares issued – net of expenses		5	19	24	98
Cash generated by financing activities		15	305	320	97
Foreign currency translation adjustments		16	20	36	5
Net (decrease)/increase in cash and equivalents		(1 136)	1 077	(59)	(2)
Cash and equivalents – beginning of period		1 571	494	494	906
Cash and equivalents – end of period	9	435	1 571	435	904

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2007

1. Accounting policies

(a) Basis of accounting

The condensed consolidated interim financial statements for the period ended 31 December 2007 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 2007, except for accounting policy changes made after the date of the annual financial statements. 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 2007.

New accounting standards and IFRIC interpretations

Certain new accounting standards and IFRIC interpretations have been published that are mandatory for accounting periods beginning on or after 1 January 2008. These new standards and interpretations have not been early adopted by the Group and a reliable estimate of the impact of the adoption thereof for the Group cannot yet be determined for all of them, as management are still in the process of determining the impact thereof on future financial statements.

At the date of finalising of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

Title	Effective date
<i>New Statement</i>	
• IFRS 8 – Operating Segments	^ Financial year commencing on or after 1 January 2009
<i>Amendments</i>	
• IAS 1 (Revised) – Presentation of Financial Statements	^ Financial year commencing on or after 1 January 2009
• IAS 27 (Revised) – Consolidated and Separate Financial Statements	# Financial year commencing on or after 1 July 2009
• IFRS 3 (Revised) – Business Combination	# Financial year commencing on or after 1 July 2009
<i>New Interpretation</i>	
• IFRIC 12 – Service Concession Arrangements	* Financial year commencing on or after 1 January 2008
• IFRIC 13 – Customer Loyalty Programmes	* Financial year commencing on or after 1 July 2008
• IFRIC 14 – IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions	# Financial year commencing on or after 1 January 2008
^ Affects disclosure	
* Will not impact materially	
# Not yet assessed	

(b) Implementation of accounting policy

IAS 23 (Revised) – Borrowing Costs: The company early adopted IAS 23 (Revised) – Borrowing Costs, retrospectively as of 1 July 2000, which requires that management capitalise borrowing costs directly attributable to the acquisition and construction of qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use.

The impact of this adjustment was as follows:

	Quarter ended			Six months ended	
	December	September	December	December	December
	2007	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)		
	R million	R million	R million	R million	R million
Effect on net loss:					
Decrease in interest expense	21	8	6	29	12
Income tax	(6)	(2)	(2)	(8)	(3)
Decrease in net loss	15	6	4	21	9
Effect on opening accumulated loss:					
Decrease in interest expense	116	108	74	108	68
Income tax	(33)	(31)	(22)	(31)	(20)
Decrease in accumulated loss	83	77	52	77	48

The borrowing costs are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are dealt with in the income statement in the period in which they are incurred.

2. Employment termination and restructuring costs

During the December 2007 quarter, a voluntary retrenchment process was commenced due to the decision to decentralise services.

3. Provision for doubtful debts

The full amount outstanding on the sale of the Deelkraal surface asset was provided for as there is uncertainty whether the consideration will be received. This does not take into account any amounts that may be recovered if the assets are salvaged.

4. Loss on sale of listed investments

Harmony accounted for its 29.2% stake in Western Areas Limited through its subsidiary, ARMgold/Harmony Joint Investment Company Pty Ltd, on the equity basis of accounting until 1 December 2006. On this date Harmony accepted Gold Fields Limited's (GFI) offer of 35 GFI shares for every 100 Western Area Limited shares held. The remaining investment in these GFI shares were sold during the September 2007 quarter for a loss of R459 million.

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

The assets and liabilities related to Mt Magnet and South Kal (operations in Australia), ARMgold Welkom and Orkney operations (operations in the Free State and Northwest areas), and Kudu and Sable (operations in the Free State area), have been presented as held for sale on 30 June 2007.

On 6 December 2007, the sale relating to the South Kal operation (operation in Australia) was concluded at a loss, net of tax, of R51 million and the assets were derecognised.

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.

Underground operations at St Helena shaft were ceased during November 2007 and was classified as a discontinued operation.

The comparative results have been restated due to these reclassifications.

6. (Loss)/earnings per share

(Loss)/earnings per share is calculated on the weighted average number of shares in issue for the quarter ended 31 December 2007: 399.8 million (30 September 2007: 399.5 million, 31 December 2006: 397.7 million) and the six months ended 31 December 2007: 399.7 million (31 December 2006: 397.7 million).

The fully diluted (loss)/earnings per share is calculated on weighted average number of diluted shares in issue for the quarter ended 31 December 2007: 402.1 million (30 September 2007: 402.8 million, 31 December 2006: 403.7 million) and the six months ended 31 December 2007: 402.4 million (31 December 2006: 403.7 million). The effect of the share options is anti-dilutive.

	Quarter ended			Six months ended	
	December	September	December	December	December
	2007	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)		
Total earnings/(loss) per share (cents):					
Basic earnings/(loss)	11	(142)	119	(131)	189
Headline earnings/(loss)	14	(41)	45	(27)	113
Fully diluted earnings/(loss)	11	(141)	116	(130)	187
	<i>R million</i>	<i>R million</i>	<i>R million</i>	<i>R million</i>	<i>R million</i>
Reconciliation of headline earnings/(loss):					
Continued operations					
Net (loss)/profit	(195)	(515)	461	(710)	668
Adjusted for, net of tax:					
Profit on sale of property, plant and equipment	(29)	(2)	(71)	(27)	(84)
Loss on sale of listed investment (Gold Fields)	–	392	–	392	–
Profit on sale of associate (Western Areas)	–	–	(220)	–	(220)
Provision for doubtful debt	53	–	–	53	–
Headline (loss)/profit	(171)	(125)	170	(292)	364
Discontinued operations					
Net profit/(loss)	241	(51)	10	190	85
Adjusted for:					
(Profit)/loss on sale of property, plant and equipment	51	–	(2)	51	(2)
Loss on sale of listed investment (GBS investment)	–	–	–	–	1
Impairment of assets	(66)	7	–	(59)	–
Headline profit/(loss)	226	(44)	8	182	84
Total headline profit/(loss)	55	(169)	178	(110)	448

7. Investment in financial assets

	December	September	June
	2007	2007	2007
		(Unaudited)	(Audited)
	<i>R million</i>	<i>R million</i>	<i>R million</i>
Current			
Investment in African Rainbow Minerals Limited (see Note 8)	–	–	1 051
Investment in GoldFields Limited (see Note 4)	–	–	1 433
	–	–	2 484
Non-current			
Environmental Trust Funds	1 233	1 368	1 332
Other	169	93	55
	1 402	1 461	3 871

8. Borrowings

	December 2007 <i>R million</i>	September 2007 (Unaudited) <i>R million</i>	June 2007 (Audited) <i>R million</i>
Unsecured long-term borrowings			
Convertible unsecured fixed rate bonds	1 583	1 562	1 541
Africa Vanguard Resources (Proprietary) Limited	32	32	32
	1 615	1 594	1 573
Less: Short-term portion	–	–	–
Total unsecured long-term borrowings	1 615	1 594	1 573
Secured long-term borrowings			
Westpac Bank Limited ⁽¹⁾	100	88	2
Africa Vanguard Resources (Doornkop) (Pty) Limited (Nedbank Limited)	181	175	170
ARM Empowerment Trust 1 (Nedbank Limited) ⁽²⁾	–	–	450
ARM Empowerment Trust 2 (Nedbank Limited) ⁽²⁾	–	–	601
Rand Merchant Bank	–	–	1 802
Nedbank Limited	2 000	2 000	–
Less: Transaction costs	(23)	–	–
	2 258	2 263	3 025
Less: Short-term portion	(1 995)	(15)	(2 855)
Total unsecured long-term borrowings	263	2 248	170
Total long-term borrowings	1 878	3 842	1 743

⁽¹⁾ The lease was entered into for the purchase of mining fleet to be used on the Hidden Valley project.

The future minimum lease payments are as follows:

	December 2007 <i>R million</i>	September 2007 (Unaudited) <i>R million</i>	June 2007 (Audited) <i>R million</i>
Due within one year	26	21	–
Due between one and five years	97	83	–
	123	104	–

⁽²⁾ The guarantees relating to the Nedbank loans were cancelled on 28 September 2007 and consequently Harmony has no further obligations to Nedbank. The ARM investment and associated Nedbank loans were derecognised from this date.

9. Cash and cash equivalents

Comprises:

	December 2007 <i>R million</i>	September 2007 (Unaudited) <i>R million</i>	December 2006 <i>R million</i>
Continuing operations	425	1 567	904
Discontinued operations	10	4	–
Total cash and cash equivalents	435	1 571	904

10. Commitments and contingencies

	December 2007 <i>R million</i>	September 2007 <i>(Unaudited)</i> <i>R million</i>	June 2007 <i>(Audited)</i> <i>R million</i>
Capital expenditure commitments			
Contracts for capital expenditure	819	462	352
Authorised by the directors but not contracted for	1 987	1 870	1 881
	2 806	2 332	2 233
This expenditure will be financed from existing resources and where appropriate, borrowings.			
Contingent liabilities			
Guarantees and suretyships	18	18	18
Environmental guarantees	152	129	129
	170	147	147

11. Subsequent events

On 24 January 2008, ESKOM advised Harmony that it would be interrupting the power supply to the Company's South African operations. As the safety of the miners could not be guaranteed, mining was halted for four days, after which shafts operated at between 60% – 80%. A meeting between ESKOM and its industrial consumers was held on 29 January 2008, whereby ESKOM committed to supplying 90% of the Company's electricity demand prior to the shut down. This came into effect on 1 February 2008. Management is restructuring operating processes in order to gain the most effective and efficient use of the electricity allotted. At this stage, the effect of the interruption as well as the decreased power supply has not been quantified but will impact on the gold production.

12. Segment report

The primary reporting format of the Company is by business segment. As there is only one business segment, being mining, extraction and production of gold, the relevant disclosures have been given in the condensed consolidated financial statements.

13. Review report

The condensed consolidated financial statements for the six months ended 31 December 2007 on pages 24 to 33 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.

DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2007 (Rand/Metric)

	Revenue R million	Cash operating cost R million	Cash operating profit/(loss) R million	Capital expenditure R million	Kilograms gold	Tonnes milled T'000	Grade	Operating cost R/kg
South Africa								
Tshepong	738	482	256	102	4 547	774	5.87	105 924
Phakisa	3	4	(1)	123	18	6	3.00	200 722
Doornkop	138	120	18	165	846	248	3.41	141 593
Elandsrand	371	374	(3)	140	2 329	383	6.08	160 659
Target	229	170	59	84	1 413	310	4.56	120 347
Masimong	326	354	(28)	63	2 001	444	4.51	176 851
Evander Operations								
Evander 5	166	134	32	21	1 025	171	5.99	130 566
Evander 7	209	148	61	63	1 296	204	6.35	114 509
Evander 8	339	220	119	49	2 099	359	5.85	104 614
Evander 9	–	–	–	–	–	–	–	–
Total Evander Operations	714	502	212	133	4 420	734	6.02	113 533
Bambanani	472	427	45	64	2 870	537	5.34	148 925
Joel	142	139	3	22	874	180	4.86	159 261
Virginia Operations								
Harmony 2	143	134	9	17	875	249	3.51	153 454
Merriespruit 1	116	119	(3)	16	706	193	3.64	168 706
Merriespruit 3	117	118	(1)	16	715	215	3.33	164 669
Unisel	196	163	33	20	1 197	266	4.50	136 133
Brand 3	135	126	9	12	826	215	3.84	152 663
Brand 5	–	8	(8)	–	–	–	–	–
Total Virginia Operations	707	668	39	81	4 319	1 138	4.00	163 664
Kalgold	249	143	106	4	1 521	757	2.01	94 216
Project Phoenix	92	46	46	3	565	3 200	0.18	80 701
Other entities	33	21	12	63	203	238	0.86	101 724
Total South Africa	4 214	3 450	764	1 047	25 926	8 949	2.90	133 053
Australia								
PNG	–	–	–	436	–	–	–	–
Total Australia	–	–	–	436	–	–	–	–
Total Harmony – Continuing Operations	4 214	3 450	764	1 483	25 926	8 949	2.90	133 053

	Revenue R million	Cash operating cost R million	Cash operating profit/(loss) R million	Capital expenditure R million	Kilograms gold	Tonnes milled T'000	Grade	Operating cost R/kg
Discontinued Operations								
South Africa								
Orkney 2	112	110	2	6	681	126	5.45	161 722
Orkney 4	89	110	(21)	9	542	163	3.33	202 648
Orkney 7	42	60	(18)	11	254	121	2.10	236 012
ARM surface	–	–	–	–	–	–	–	–
Kudu/Sable	–	–	–	–	–	–	–	–
St Helena	41	81	(40)	4	260	78	3.33	311 635
Cooke 1	158	123	35	8	967	161	6.00	127 562
Cooke 2	181	110	71	17	1 101	184	5.98	100 070
Cooke 3	247	177	70	53	1 510	284	5.32	116 930
Cooke Plant Operations	95	57	38	1	580	1 172	0.49	97 859
Total South Africa	965	828	137	109	5 895	2 289	2.55	132 579
Australia								
Mt Magent	379	272	107	28	2 342	842	2.78	116 318
South Kal	137	105	32	91	864	433	2.00	120 812
Total Australia	516	377	139	119	3 206	1 275	2.51	117 532
Total Harmony – Discontinued Operations	1 481	1 205	276	228	9 101	3 564	2.54	132 394
Total Harmony	5 695	4 655	1 040	1 711	35 027	12 513	2.80	132 882

DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2006 (Rand/Metric)

	Revenue R million	Cash operating cost R million	Cash operating profit/(loss) R million	Capital expenditure R million	Kilograms gold	Tonnes milled T'000	Grade	Operating cost R/kg
South Africa								
Tshepong	774	408	366	94	5 390	880	6.13	75 682
Phakisa	–	–	–	115	–	–	–	–
Doornkop	140	107	33	118	975	267	3.65	110 117
Elandsrand	447	358	89	120	3 096	530	5.84	115 630
Target	304	117	187	42	2 110	399	5.29	55 333
Masimong	340	250	90	53	2 356	487	4.84	106 119
Evander Operations								
Evander 5	121	109	12	21	832	187	4.45	131 209
Evander 7	123	114	9	41	851	196	4.35	133 697
Evander 8	268	168	100	39	1 845	394	4.68	90 800
Evander 9	–	–	–	–	–	–	–	–
Total Evander Operations	512	391	121	101	3 528	777	4.54	110 678
Bambanani	496	402	94	60	3 458	700	4.94	116 307
Joel	214	124	90	16	1 489	280	5.32	83 486
Virginia Operations								
Harmony 2	90	100	(10)	14	622	215	2.89	161 327
Merriespruit 1	107	83	24	11	743	219	3.40	111 793
Merriespruit 3	98	81	17	10	680	205	3.31	119 648
Unisel	179	108	71	17	1 240	283	4.38	87 428
Brand 3	101	85	16	4	702	211	3.32	120 975
Brand 5	1	6	(5)	–	10	4	2.60	549 731
Total Virginia Operations	576	463	113	56	3 997	1 137	3.51	115 993
Kalgold	136	91	45	2	945	944	1.00	96 352
Project Phoenix	44	23	21	–	310	799	0.39	72 205
Other entities	20	2	18	39	98	152	0.65	17 054
Total South Africa	4 003	2 736	1 267	816	27 752	7 352	3.78	98 578
Australia								
PNG	–	–	–	132	–	–	–	–
Total Australia	–	–	–	132	–	–	–	–
Total Harmony – Continuing Operations	4 003	2 736	1 267	948	27 752	7 352	3.78	98 578

	Revenue R million	Cash operating cost R million	Cash operating profit/(loss) R million	Capital expenditure R million	Kilograms gold	Tonnes milled T'000	Grade	Operating cost R/kg
Discontinued Operations								
South Africa								
Orkney 2	120	96	24	16	843	151	5.58	114 277
Orkney 3	–	–	–	–	–	–	–	–
Orkney 4	130	102	28	19	907	208	4.36	112 677
Orkney 7	47	39	8	22	330	105	3.14	117 356
ARM surface	–	–	–	–	3	–	–	–
Kudu/Sable	–	–	–	–	–	–	–	–
St Helena	41	64	(23)	4	284	97	2.92	224 888
Cooke 1	166	124	42	8	1 156	201	5.76	106 954
Cooke 2	153	98	55	12	1 066	182	5.86	92 253
Cooke 3	250	173	77	39	1 737	300	5.79	99 385
Cooke Plant Operations	26	12	14	–	181	118	1.54	66 089
Total South Africa	933	708	225	120	6 507	1 362	4.78	108 757
Australia								
Mt Magent	360	255	105	33	2 534	898	2.82	100 813
South Kal	199	150	49	48	1 403	678	2.07	106 948
Total Australia	559	405	154	81	3 937	1 576	2.50	103 000
Total Harmony – Discontinued Operations	1 492	1 113	379	201	10 444	2 938	3.56	106 594
Total Harmony	5 495	3 849	1 646	1 149	38 196	10 290	3.71	100 770

OPERATING RESULTS – CONTINUING OPERATIONS (US\$/Imperial)

			Underground production – South Africa							
			Tshepong	Phakisa	Doorn- kop	Elands- rand	Target	Masimong	Evander Operations	Bambanani
Ore milled	– t'000	Dec-07	428	7	135	104	176	224	399	330
		Sep-07	426	–	139	319	165	266	410	262
Gold Produced	– oz	Dec-07	70 796	579	12 603	18 519	23 309	29 096	69 960	51 280
		Sep-07	75 393	–	14 596	56 360	22 120	35 237	72 146	40 992
Yield	– oz/t	Dec-07	0.17	0.08	0.09	0.18	0.13	0.13	0.18	0.16
		Sep-07	0.18	–	0.11	0.18	0.13	0.13	0.18	0.16
Cash Operating Costs	– \$/oz	Dec-07	495	922	664	1 065	503	829	535	649
		Sep-07	457	–	609	602	578	762	486	696
Cash Operating Costs	– \$/t	Dec-07	82	76	62	190	67	108	94	101
		Sep-07	81	–	64	106	77	101	85	109
Working Revenue	(\$'000)	Dec-07	54 976	441	10 035	14 533	18 083	22 889	53 676	39 859
		Sep-07	51 631	–	9 947	38 475	15 002	24 115	49 443	28 549
Cash Operating Costs	(\$'000)	Dec-07	35 028	534	8 365	19 728	11 723	24 127	37 405	33 256
		Sep-07	34 471	–	8 904	33 914	12 784	26 862	35 049	28 521
Cash Operating Profit	(\$'000)	Dec-07	19 948	(93)	1 670	(5 195)	6 360	(1 238)	16 271	6 603
		Sep-07	17 160	–	1 043	4 561	2 218	(2 747)	14 394	28
Capital Expenditure	(\$'000)	Dec-07	7 392	8 946	13 884	8 329	7 342	4 799	9 358	5 683
		Sep-07	7 295	8 774	10 045	11 792	4 788	4 250	9 883	3 533

Evander Operations – Evander 5, Evander 7 and Evander 8

Virgina Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

			Kalgold Surface	Project Phoenix	Other Surface	Total SA Surface	South African Total	Australia	PNG	Total Inter- national	Harmony Total
Joel	Virgina Operations	Total SA Under- ground									
109	622	2 534	464	1 790	115	2 369	4 903	-	-	-	4 903
89	633	2 709	371	1 739	148	2 258	4 967	-	-	-	4 967
14 629	68 513	359 284	27 585	8 616	3 279	39 480	398 764	-	-	-	398 764
13 471	70 346	400 661	21 316	9 549	3 247	34 112	434 773	-	-	-	434 773
0.13	0.11	0.14	0.06	0.01	0.03	0.02	0.08	-	-	-	0.08
0.15	0.11	0.15	0.06	0.01	0.02	0.02	0.09	-	-	-	0.09
712	704	637	379	409	449	391	613	-	-	-	613
718	685	595	480	321	478	435	582	-	-	-	582
96	78	90	23	2	13	7	50	-	-	-	50
109	76	88	28	2	10	7	51	-	-	-	51
11 453	53 946	279 891	21 509	6 751	2 606	30 866	310 757	-	-	-	310 757
9 142	48 062	274 366	14 538	6 484	2 191	23 213	297 579	-	-	-	297 579
10 422	48 243	228 831	10 443	3 521	1 471	15 435	244 266	-	-	-	244 266
9 677	48 210	238 392	10 236	3 068	1 551	14 855	253 247	-	-	-	253 247
1 031	5 703	51 060	11 066	3 230	1 135	15 431	66 491	-	-	-	66 491
(535)	(148)	35 974	4 302	3 416	640	8 358	44 332	-	-	-	44 332
1 523	5 757	73 013	300	351	5 136	5 787	78 800	-	40 624	40 624	119 424
1 605	6 055	68 020	286	92	4 003	4 381	72 401	-	22 642	22 642	95 043

OPERATING RESULTS INCLUDING DISCONTINUED OPERATIONS (US\$/Imperial)

			Underground production – South Africa									
			Tshepong	Phakisa	Doorn- kop	Elands- rand	Target	Masimong	Evander Operations	Rand- fontein Operations	Bamba- nani	Joel
Ore milled – t'000	Dec-07		428	7	135	104	176	224	399	340	330	109
	Sep-07		426	–	139	319	165	266	410	354	262	89
Gold Produced – oz	Dec-07		70 796	579	12 603	18 519	23 309	29 096	69 960	51 762	51 280	14 629
	Sep-07		75 393	–	14 596	56 360	22 120	35 237	72 146	63 272	40 992	13 471
Yield – oz/t	Dec-07		0.17	0.08	0.09	0.18	0.13	0.13	0.18	0.15	0.16	0.13
	Sep-07		0.18	–	0.11	0.18	0.13	0.13	0.18	0.18	0.16	0.15
Cash Operating Costs – \$/oz	Dec-07		495	922	664	1 065	503	829	535	559	649	712
	Sep-07		457	–	610	602	578	762	486	477	696	718
Cash Operating Costs – \$/t	Dec-07		82	76	62	190	67	108	94	85	101	96
	Sep-07		81	–	64	106	77	101	85	85	109	109
Working Revenue (\$'000)	Dec-07		54 976	441	10 035	14 533	18 083	22 889	53 676	41 280	39 859	11 453
	Sep-07		51 631	–	9 947	38 475	15 002	24 115	49 443	43 315	28 549	9 142
Cash Operating Costs (\$'000)	Dec-07		35 028	534	8 365	19 728	11 723	24 127	37 405	28 945	33 256	10 422
	Sep-07		34 471	–	8 904	33 914	12 784	26 862	35 049	30 172	28 521	9 677
Cash Operating Profit (\$'000)	Dec-07		19 948	(93)	1 670	(5 195)	6 360	(1 238)	16 271	12 335	6 603	1 031
	Sep-07		17 160	–	1 043	4 561	2 218	(2 747)	14 394	13 143	28	(535)
Capital Expenditure (\$'000)	Dec-07		7 392	8 946	13 884	8 329	7 342	4 799	9 358	5 201	5 683	1 523
	Sep-07		7 295	8 774	10 045	11 792	4 788	4 250	9 883	5 996	3 533	1 605

Evander Operations – Evander 5, Evander 7 and Evander 8

Randfontein Operations – Cooke 1, Cooke 2 and Cooke 3

Virgina Operations – Harmony 2, Merriespruit 1 and 3, Unisel and Brand

				Kalgold Surface	Project Phoenix	Cooke plant Operations	Other Surface	Total SA Surface	South Africa Total	Australia	PNG	Total Inter- national	Harmony Total
Virgina Opera- tions	St Helena	ARMgold	Total SA Under- ground										
622	28	233	3 135	464	1 790	726	115	3 095	6 230	665	-	665	6 895
633	58	218	3 339	371	1 739	566	148	2 824	6 163	741	-	741	6 904
68 513	2 701	23 824	437 571	27 585	8 616	9 902	3 279	49 382	486 953	62 565	-	62 565	549 518
70 346	5 659	23 663	493 255	21 316	9 549	8 745	3 247	42 857	536 112	40 510	-	40 510	576 622
0.11	0.10	0.10	0.14	0.06	0.01	0.01	0.03	0.02	0.08	0.09	-	0.09	0.08
0.11	0.10	0.11	0.15	0.06	0.01	0.02	0.02	0.02	0.09	0.05	-	0.05	0.08
704	1 934	837	647	379	409	521	449	417	623	454	-	454	604
685	1 137	864	599	480	321	352	478	418	585	642	-	642	589
78	187	86	90	23	2	7	13	7	49	43	-	43	48
76	111	94	88	28	2	5	10	6	51	35	-	35	49
53 946	2 052	18 928	342 151	21 509	6 751	7 783	2 606	38 649	380 800	47 955	-	47 955	428 755
48 062	3 872	16 104	337 657	14 538	6 484	5 974	2 191	29 187	366 844	26 972	-	26 972	393 816
48 243	5 225	19 936	282 937	10 443	3 521	5 162	1 471	20 597	303 534	28 396	-	28 396	331 930
48 210	6 435	20 435	295 434	10 236	3 068	3 076	1 551	17 931	313 365	26 023	-	26 023	339 388
5 703	(3 173)	(1 008)	59 214	11 066	3 230	2 621	1 135	18 052	77 266	19 559	-	19 559	96 825
(148)	(2 563)	(4 331)	42 223	4 302	3 416	2 898	640	11 256	53 479	949	-	949	54 428
5 757	123	144	78 481	300	351	85	5 136	5 872	84 353	4 153	40 624	44 777	129 130
6 055	470	3 576	78 062	286	92	3	4 003	4 384	82 446	12 894	22 642	35 536	117 982

CONDENSED CONSOLIDATED INCOME STATEMENT (Unaudited) (US\$)

	For the quarter ended			For the six months ended	
	December 2007	September 2007 (restated)*	December 2006 (restated)*	December 2007	December 2006 (restated)*
	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
Continuing operations					
Revenue	311	298	267	609	554
Production cost	(244)	(253)	(189)	(498)	(378)
Amortisation and depreciation	(34)	(28)	(18)	(62)	(49)
Corporate expenditure	(10)	(10)	(8)	(20)	(16)
Exploration expenditure	(6)	(6)	(7)	(12)	(12)
Care and maintenance costs of restructured shafts	(1)	(1)	(2)	(3)	(4)
Employment termination and restructuring costs	(11)	–	–	(11)	–
Share based compensation	(1)	(1)	(2)	(3)	(3)
(Loss)/gain on financial instruments	(2)	1	2	(1)	5
Provision for doubtful debt	(11)	–	–	(11)	–
Other (expenses)/income – net	(1)	(2)	6	(3)	10
Operating (loss)/profit	(10)	(2)	49	(15)	107
Profit/(loss) from associates	–	–	4	–	(2)
Mark-to-market of listed investments	–	5	4	5	7
Loss on sale of listed investments	–	(65)	–	(66)	–
Profit on sale of investment in associate	–	–	32	–	33
Investment income	11	9	6	20	11
Finance cost**	(20)	(17)	(13)	(37)	(25)
(Loss)/profit before taxation	(19)	(70)	82	(93)	131
Taxation	(8)	–	(18)	(8)	(36)
Net (loss)/profit from continuing operations	(27)	(70)	64	(101)	95
Discontinued operations					
Profit/(loss) from discontinued operations	33	(6)	1	26	12
Loss on the sale of the South Kal operations	(8)	–	–	(7)	–
Profit/(loss) from measurement to fair value less cost to sell	10	(1)	–	8	–
Net profit/(loss)	8	(77)	65	(74)	107
(Loss)/earnings per share from continuing operations attributable to the equity holders of the company during the year (cents)					
– Basic (loss)/earnings	(7)	(18)	16	(26)	23
– Headline (loss)/earnings	(6)	(4)	6	(11)	13
– Fully diluted (loss)/earnings	(7)	(18)	16	(25)	23
Earnings/(loss) per share from discontinuing operations attributable to the equity holders of the company during the year (cents)					
– Basic earnings/(loss)	9	(2)	–	7	3
– Headline earnings/(loss)	8	(2)	–	7	3
– Fully diluted earnings/(loss)	9	(2)	–	7	3

The currency conversion rates average for the quarters ended: December 2007: US\$1 = R6.77 (September 2007: US\$1 = R7.10, December 2006: US\$1 = R7.32)

The currency conversion rates average for the six months ended: December 2007: US\$1 = R6.92 (December 2006: US\$1 = R7.23)

* The comparative figures were adjusted to exclude further discontinued operations.

** The comparative figures were adjusted to exclude interest capitalised.

CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited) (US\$)

	At December 2007 US\$ million	At September 2007 US\$ million	At June 2007 US\$ million
ASSETS			
Non-current assets			
Property, plant and equipment	3 664	3 636	3 481
Intangible assets	336	335	328
Restricted cash	12	1	1
Investments in financial assets	204	212	197
Investments in associates	1	1	1
Deferred income tax	359	348	330
Trade and other receivables	6	15	13
	4 582	4 548	4 351
Current assets			
Inventories	103	115	105
Investments in financial assets	–	–	353
Trade and other receivables	124	113	130
Income and mining taxes	6	4	2
Restricted cash	–	–	39
Cash and cash equivalents	62	228	101
	295	460	730
Non-current assets classified as held for sale	292	201	182
	587	661	912
Total assets	5 169	5 209	5 263
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	3 743	3 728	3 641
Other reserves	12	3	(50)
Accumulated loss	(310)	(316)	(228)
	3 445	3 415	3 363
Non-current liabilities			
Borrowings	274	558	248
Deferred income tax	757	744	715
Provisions for other liabilities and charges	158	179	173
	1 189	1 481	1 136
Current liabilities			
Trade and other payables	143	208	248
Borrowings	291	2	406
Bank overdraft	–	–	31
Shareholders for dividends	1	1	1
	435	211	686
Liabilities directly associated with non-current assets classified as held for sale	100	102	78
	535	313	764
Total equity and liabilities	5 169	5 209	5 263
Number of ordinary shares in issue	400 196 978	400 011 182	399 608 384
Net asset value per share (cents)	861	854	842

Balance sheet converted at conversion rate of US\$1 = R6.86 (September 2007: US\$1 = R6.88) (June 2006: US\$1 = R7.04)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (US\$)

	Issued share capital <i>US\$ million</i>	Other reserves <i>US\$ million</i>	Accumulated loss <i>US\$ million</i>	Total <i>US\$ million</i>
Balance – 30 June 2007 (as previously reported)	3 737	(51)	(245)	3 441
Change in accounting policy for the capitalisation of interest on assets under construction	–	–	11	11
Balance – 30 June 2007 (restated)	3 737	(51)	(234)	3 452
Issue of share capital	6	–	–	6
Currency translation adjustment and other	–	63	–	63
Net loss	–	–	(76)	(76)
Balance as at 31 December 2007	3 743	12	(310)	3 445
Balance – 30 June 2006 (as previously reported)	3 621	(38)	(286)	3 297
Change in accounting policy for the capitalisation of interest on assets under construction	–	–	7	7
Balance – 30 June 2006 (restated)	3 621	(38)	(279)	3 304
Issue of share capital	14	–	–	14
Currency translation adjustment and other	–	12	–	12
Net profit	–	–	107	107
Balance as at 31 December 2006	3 635	(26)	(172)	3 437

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Unaudited) (US\$)

	Three months ended		Six months ended	
	December	September	December	December
	2007	2007	2007	2006
	US\$ million	US\$ million	US\$ million	US\$ million
Cash flow from operating activities				
Cash (utilised)/generated by operations	(56)	8	(48)	132
Interest and dividends received	11	10	21	11
Interest paid	(17)	(8)	(26)	(13)
Income and mining taxes paid	(1)	(2)	(3)	(1)
Cash (utilised)/generated by operating activities	(63)	8	(56)	129
Cash flow from investing activities				
(Increase)/decrease in restricted cash	(10)	39	30	–
Net proceeds on disposal of listed investments	–	183	183	4
Net additions to property, plant and equipment	(109)	(117)	(232)	(146)
Other investing activities	10	(7)	2	(2)
Cash (utilised)/generated by investing activities	(109)	98	(17)	(144)
Cash flow from financing activities				
Long-term loans raised	1	303	304	–
Long-term loans repaid	–	254	254	–
Ordinary shares issued – net of expenses	1	3	4	14
Cash generated by financing activities	2	52	54	14
Foreign currency translation adjustments	5	–	12	2
Net (decrease)/increase in cash and equivalents	(165)	158	(7)	1
Cash and equivalents – beginning of period	228	70	70	127
Cash and equivalents – end of period	63	228	63	128

Operating activities translated at average rates of: Three months ended December 2007: US\$1 = R6.77 (September US\$1 = R7.10)

Six months ended December 2007: US\$1 = R6.77 (December 2006: US\$ = R7.23)

Closing balance translated at closing rates of: December 2007: US\$1 = R6.86 (September 2007: US\$1 = R6.88, December 2006: US\$1 = R7.04)

DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2007 (US\$/Imperial)

	Revenue	Cash operating cost	Cash operating profit/(loss)	Capital expenditure	Gold Produced	Tonnes milled	Grade	Operating cost
South Africa	US\$ million	US\$ million	US\$ million	US\$ million	Ounces	(Imperial)	(Imperial)	\$/ounce
Tshepong	108	69	39	15	146 189	854	0.171	476
Phakisa	–	1	(1)	18	579	7	0.087	902
Doornkop	20	17	3	24	27 199	274	0.099	636
Elandsrand	53	54	(1)	20	74 879	423	0.177	722
Target	33	25	8	12	45 429	341	0.133	541
Masimong	47	51	(4)	9	64 333	490	0.131	794
Evander Operations								
Evander 5	24	19	5	3	32 955	188	0.175	586
Evander 7	30	21	9	9	41 667	225	0.185	514
Evander 8	49	32	17	7	67 484	396	0.170	470
Evander 9	–	–	–	–	–	–	–	–
Total Evander Operations	103	72	31	19	142 106	809	0.176	510
Bambanani	68	62	6	9	92 272	592	0.156	669
Joel	21	20	1	3	28 100	198	0.142	715
Virginia Operations								
Harmony 2	21	19	2	3	28 132	275	0.102	689
Merriespruit 1	17	17	–	2	22 699	213	0.106	758
Merriespruit 3	17	17	–	2	22 988	237	0.097	740
Unisel	28	24	4	3	38 484	293	0.131	611
Brand 3	19	18	1	2	26 556	237	0.112	686
Brand 5	–	1	(1)	–	–	–	–	–
Total Virginia Operations	102	96	6	12	138 859	1 255	0.111	695
Kalgold	36	21	15	1	48 901	835	0.059	423
Project Phoenix	13	7	6	–	18 165	3 529	0.005	362
Other entities	5	3	2	9	6 526	263	0.025	457
Total South Africa	609	498	111	151	833 537	9 870	0.084	597
Australia								
PNG	–	–	–	63	–	–	–	–
Total Australia	–	–	–	63	–	–	–	–
Total Harmony – Continuing Operations								
	609	498	111	214	833 537	9 870	0.084	597

	Revenue US\$ million	Cash operating cost US\$ million	Cash operating profit/(loss) US\$ million	Capital expenditure US\$ million	Gold Produced Ounces	Tonnes milled (Imperial)	Grade (Imperial)	Operating cost \$/ounce
Discontinued Operations								
South Africa								
Orkney 2	16	16	–	1	21 895	138	0.159	726
Orkney 4	13	16	(3)	1	17 426	180	0.097	910
Orkney 7	6	9	(3)	2	8 166	133	0.061	1 060
ARM surface	–	–	–	–	–	–	–	–
Kudu/Sable	–	–	–	–	–	–	–	–
St Helena	6	12	(6)	1	8 359	86	0.097	1 400
Cooke 1	22	18	4	1	31 090	178	0.175	573
Cooke 2	26	16	10	3	35 398	203	0.174	449
Cooke 3	36	25	11	7	48 547	313	0.155	525
Cooke Plant Operations	14	8	6	–	18 647	1 292	0.014	440
Total South Africa	139	120	19	16	189 528	2 523	0.075	631
Australia								
Mt Magent	55	39	16	4	75 233	930	0.081	522
South Kal	20	15	5	13	27 842	476	0.058	543
Total Australia	75	54	21	17	103 075	1 406	0.073	528
Total Harmony – Discontinued Operations	214	174	40	33	292 603	3 929	0.074	594
Total Harmony	823	672	151	247	1 126 140	13 799	0.082	597

DETAILED OPERATING INFORMATION YEAR TO DATE 31 DECEMBER 2006 (US\$/Imperial)

	Revenue	Cash operating cost	Cash operating profit/(loss)	Capital expenditure	Gold Produced	Tonnes milled	Grade	Operating cost
South Africa	US\$ million	US\$ million	US\$ million	US\$ million	Ounces	(Imperial)	(Imperial)	\$/ounce
Tshepong	107	55	52	13	173 294	970	0.179	326
Phakisa	-	-	-	15	-	-	-	-
Doornkop	19	15	4	16	31 331	294	0.107	474
Elandsrand	62	50	12	16	99 538	585	0.170	497
Target	42	16	26	6	67 821	440	0.154	238
Masimong	47	35	12	7	75 762	537	0.141	456
Evander Operations								
Evander 5	17	15	2	3	26 761	206	0.130	564
Evander 7	17	16	1	6	27 361	216	0.127	575
Evander 8	37	23	14	5	59 324	435	0.136	391
Evander 9	-	-	-	-	-	-	-	-
Total Evander Operations	71	54	17	14	113 446	857	0.132	476
Bambanani	69	56	13	8	111 173	772	0.144	500
Joel	30	17	13	2	47 870	309	0.155	359
Virginia Operations								
Harmony 2	12	14	(2)	2	19 983	237	0.084	694
Merriespruit 1	15	11	4	1	23 891	241	0.099	481
Merriespruit 3	14	11	3	1	21 876	226	0.097	515
Unisel	25	15	10	2	39 860	312	0.128	376
Brand 3	14	12	2	1	22 562	233	0.097	520
Brand 5	-	1	(1)	-	324	4	0.076	2 364
Total Virginia Operations	80	64	16	7	128 496	1 253	0.102	499
Kalgold	19	13	6	-	30 389	1 041	0.029	414
Project Phoenix	6	3	3	-	9 965	881	0.011	311
Other entities	2	-	2	6	3 142	166	0.019	73
Total South Africa	554	378	176	110	892 227	8 105	0.110	424
Australia								
PNG	-	-	-	18	-	-	-	-
Total Australia	-	-	-	18	-	-	-	-
Total Harmony - Continuing Operations								
	554	378	176	128	892 227	8 105	0.110	424

	Revenue US\$ million	Cash operating cost US\$ million	Cash operating profit/(loss) US\$ million	Capital expenditure US\$ million	Gold Produced Ounces	Tonnes milled (Imperial)	Grade (Imperial)	Operating cost \$/ounce
Discontinued Operations								
South Africa								
Orkney 2	16	13	3	2	27 104	167	0.163	492
Orkney 3	–	–	–	–	–	–	–	–
Orkney 4	18	14	4	3	29 155	229	0.127	485
Orkney 7	7	5	2	3	10 623	116	0.091	505
ARM surface	–	–	–	–	99	–	–	–
Kudu/Sable	–	–	–	–	–	–	–	–
St Helena	6	9	(3)	–	9 126	107	0.085	967
Cooke 1	23	17	6	1	37 177	221	0.168	460
Cooke 2	21	14	7	2	34 282	201	0.171	397
Cooke 3	34	24	10	5	55 846	331	0.169	427
Cooke Plant Operations	4	2	2	–	5 819	130	0.045	284
Total South Africa	129	98	31	16	209 231	1 502	0.139	468
Australia								
Mt Magent	49	35	14	5	81 466	991	0.082	434
South Kal	28	21	7	7	45 111	747	0.060	460
Total Australia	77	56	21	12	126 577	1 738	0.073	443
Total Harmony – Discontinued Operations	206	154	52	28	335 808	3 240	0.104	458
Total Harmony	760	532	228	156	1 228 035	11 345	0.108	433

DEVELOPMENT RESULTS (Metric)

Quarter ending December 2007

	Reef	Sampled	Channel*	Channel*	Channel*
	Metres	Metres	Width (Cm's)	Value (g/t)	Gold (Cmg/t)
Randfontein					
VCR Reef	904	741	33	18.36	608
UE1A	653	823	162	4.27	691
E8 Reef	70	39	99	7.85	777
Kimberley Reef	216	141	270	4.18	1,128
E9GB Reef	323	183	110	4.37	479
All Reefs	2,165	1,927	114	5.90	673
Free State					
Basal	1,499	1,135	76	12.22	924
Leader	1,249	1,006	167	6.16	1,030
A Reef	712	644	126	5.15	652
Middle	63	28	139	7.07	983
B Reef	180	280	295	2.98	880
All Reefs	3,702	3,093	136	6.58	899
Evander					
Kimberley Reef	1,556	1,413	75	15.67	1,174
Elandsdraal					
VCR Reef	79	92	169	5.96	1,010
Orkney					
Vaal Reef	-	-	-	-	-
VCR	-	-	-	-	-
All Reefs	-	-	-	-	-
Target					
Elsburg	464	507	292	5.55	1,619
Freegold JV					
Basal	1,529	1,424	37	42.35	1,587
Beatrix	213	243	100	8.90	892
Leader	-	-	-	-	-
B Reef	103	76	72	9.36	676
All Reefs	1,845	1,743	48	30.39	1,450

DEVELOPMENT RESULTS (Imperial)

Quarter ending December 2007

	Reef	Sampled	Channel*	Channel*	Channel*
	Feet	Feet	Width (inches)	Value (oz/t)	Gold (in.ozt)
Randfontein					
VCR Reef	2,964	2,431	13	0.54	7
UE1A	2,142	2,700	64	0.13	8
E8 Reef	230	128	39	0.23	9
Kimberley Reef	709	463	106	0.12	13
E9GB Reef	1,058	600	43	0.12	5
All Reefs	7,103	6,322	45	0.18	8
Free State					
Basal	4,917	3,724	30	0.35	11
Leader	4,096	3,301	66	0.18	12
A Reef	2,336	2,113	50	0.15	7
Middle	207	92	55	0.21	11
B Reef	590	919	116	0.09	10
All Reefs	12,147	10,148	54	0.19	10
Evander					
Kimberley Reef	5,105	4,636	29	0.46	13
Elandsdraal					
VCR Reef	259	302	67	0.17	12
Orkney					
Vaal Reef	-	-	-	-	-
VCR	-	-	-	-	-
All Reefs	-	-	-	-	-
Target					
Elsburg	1,523	1,663	115	0.16	19
Freegold JV					
Basal	5,016	4,672	15	1.21	18
Beatrix	700	797	39	0.26	10
Leader	-	-	-	-	-
B Reef	337	249	28	0.28	8
All Reefs	6,053	5,719	19	0.88	17

*The totals for these columns are the weighted average figure and not the sum thereof.

Mineral Resources and Ore Reserves

No material changes were made to Harmony's Mineral Resources and Ore Reserves for the quarter ended December 2007. Taking into account the last six months' depletion of reserves, the Harmony Mineral Resources and Ore Reserves as stated in the Harmony 2007 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
Issuer code	HAPS

Registration number 1950/038232/06

Incorporated in the Republic of South Africa

ISIN: ZAE000015228

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