



Review for the quarter ended 31 December 2003





Shareholder information

Issued share capital as at 31 December 2003 258 350 934

Market capitalisation

At 31 December 2003 R28 031 million

At 31 December 2003 US\$4 193 million

US\$ per production ounce per annum – 4,0 million oz US\$1 023

US\$ per reserve ounce – 61,9 million oz US\$68

US\$ per resource ounce – 410,2 million oz US\$10

Share price

12 month high (Jan 2003 – Dec 2003) R156,20

12 month low (Jan 2003 – Dec 2003) R71,00

12 month high (Jan 2003 – Dec 2003) US\$18.47

12 month low (Jan 2003 – Dec 2003) US\$10.14

Free float 100%

ADR ratio 1:1

JSE Securities Exchange South Africa HAR

Range for the quarter R92,20 – R109,50

Average volume for the quarter 1 032 995 shares per day

New York Stock Exchange HMY

Range for the quarter US\$13.10 – US\$16.59

Average volume for the quarter 1 547 287 shares per day



Private Securities Litigation Reform Act Safe Harbor Statement

This presentation contains “forward-looking statements” within the meaning of Section 27 A of the Securities Act of 1933, as amended, and 21 E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbor created by such sections. Such forward-looking statements include, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales, (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves; and (viii) statements regarding modifications to the Company’s hedge position. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s Annual Report on Form 20-F for the year ended June 30, 2003, which is on file with the Securities and Exchange Commission, as well as the Company’s other SEC filings. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Key indicators

Highlights for the quarter

- solid operational performance with excellent cost control
- CONOPS implemented at Free Gold and Deelkraal. Negotiations underway for remainder of operations
- good cash earnings allow for an interim dividend of 40 cents per share
- ARMI converts its Harmony equity
- acquisition of 42,2% of Avgold from Avmin. Offer to minorities to follow
- growth projects on schedule and within budget
- Abelle Limited – feasibility study on Morobe completed and further good exploration results from Wafi

Quarterly financial highlights

	31 December 2003	30 September 2003
Cash operating profit		
– Rand	271 million	333 million
– US\$	40 million	45 million
Cash earnings		
– SA cents per share	105	130
– US cents per share	15	18
Basic earnings		
– SA cents per share	92	(24)
– US cents per share	14	(3)
Headline earnings		
– SA cents per share	(66)	(28)
– US cents per share	(10)	(4)
Fully diluted earnings		
– SA cents per share	92	(24)
– US cents per share	14	(3)
Gold produced		
– Kg	29 294	30 145
– Oz	941 826	969 179
Cash costs		
– R/Kg	75 888	75 319
– \$/Oz	350	316

Chief Executive’s review

“Subsequent to quarter end the South African Rand has weakened to levels above R7,00 to the US Dollar following a correction in the US Dollar. The South African Rand could stabilise at these levels. If we receive an average gold price of R90 000/kg (+6%) for the coming quarter, our cash operating profits could increase by as much as 52%.”

SAFETY REPORT

We regret to report that during the last quarter 12 of our employees lost their lives in our operations. The company extends sincere condolences to the families, friends and relatives of the deceased.

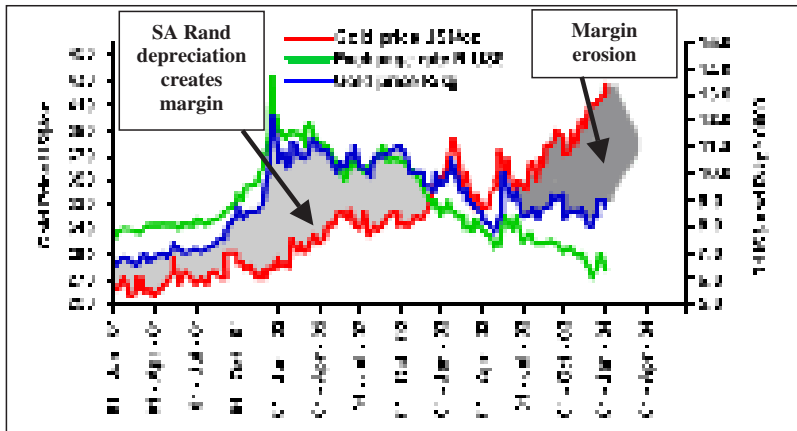
The quarter’s safety performance indicates an improvement with regards to key safety indicators except for the Fatality Frequency Rate. A number of shafts achieved good safety milestones.

Date	Shaft	Fatality free shifts
6 October 2003	Matjhabeng	1 000 000
8 October 2003	Tshepong	500 000
22 November 2003	Harmony 2	1 000 000

A team of internal safety auditors were trained to perform a safety system audit on all Harmony shafts during the coming quarter. The audit will assist in focusing our shafts to ensure that there is complete legal compliance.

Are the South African producers missing the Gold Bull Run?

With the US Dollar gold price firmly above the US\$400/oz level, the strengthening of the South African Rand has resulted in South African producers not yet benefiting from the current bull run.

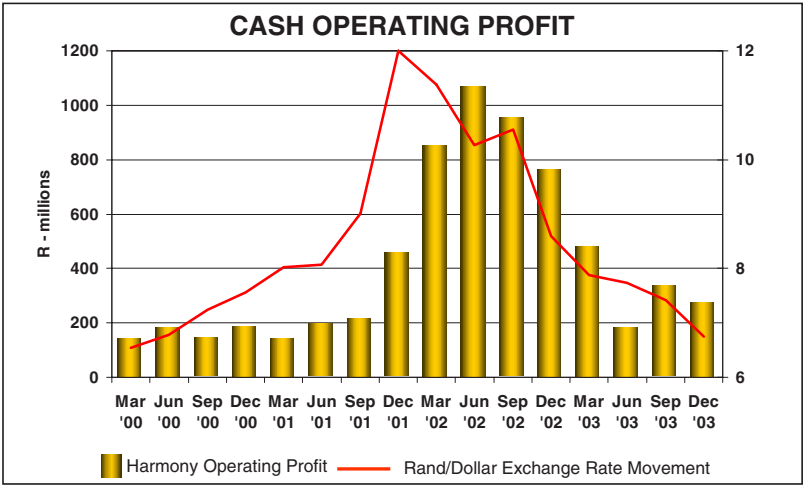


This has also impacted on the stock price performance of South African gold producers, who have seen their stock prices underperform relative to their North American peer group. There could still be an ideal opportunity for all stakeholders to participate in the benefits of a higher US Dollar gold price environment if the South African Rand were to weaken to more realistic levels. This will impact on the local industries' ability to fund its future growth through the re-investment of net cash flows. The capital cost to develop deep level mines in South Africa remains high.

Subsequent to quarter end the South African Rand has weakened to levels above R7,00 to the US Dollar following a correction in the US Dollar. The South African Rand could stabilise at these levels. If we receive an average gold price of R90 000/kg (+6%) for the coming quarter, our cash operating profits could increase by as much as 52%.

The past quarter in review – solid operational performance for second quarter in a row

Although the South African Rand continued its strong trend against the US Dollar reaching a high of R6,09 to the US Dollar during December 2003, Harmony again proved its operational resilience by returning a solid performance for a second quarter in a row. The South African Rand has during the past quarter reached levels last seen pre-March 2000, nearly four years ago.



*Following the completion of the merger between Harmony and ARMgold on 22 September 2003, the September quarter results are presented in a pro forma combined format to allow for a quarter on quarter comparison.

The company reported decreased cash operating profits down by 19% from R332,9 million to R271,0 million.

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

	December 2003	September 2003	% Variance
Production – kg	29 294	30 145	(3)
Production – oz	941 820	969 179	(3)
Revenue – R/kg	85 139	86 364	(1)
Cash cost – R/kg	75 888	75 319	(1)
Revenue – US\$/oz	393	362	9
Cash cost – US\$/oz	350	316	(11)
Exchange rate – R/US\$	6,75	7,42	(9)

The impact of the strong Rand is evident and despite a 9% increase in the US Dollar gold price, we received a R/kg gold price which, measured quarter on quarter, was another 1% lower at R85 139/kg. Cash working costs were well controlled, decreasing by 2% or R47,4 million. In R/kg terms, cash working costs increased marginally from R75 319 to R75 888/kg. Underground cash costs in R/tonne terms increased by 3% from R403/tonne to R414/tonne partly as a result of the 5% reduction in tonnage treated. In US Dollar terms our cash operating profit margin decreased slightly from US\$46/oz (13%) to US\$43/oz (10%).

Although we have reached an agreement with the labour unions on the introduction of CONOPS (continuous operations) at our Free Gold and Deelkraal operations, these benefits are only expected to start contributing to the operational performance of the company in three to six months' time. Activities related to the introduction of CONOPS are underway at the various Free Gold shafts and are progressing well. We are in the process of planning the introduction of CONOPS at the remaining Harmony operations. The business case for this approach is compelling and will bring us in line with international best practice in optimising capital efficiency. Costs have however already been incurred, increased labour charges and underground development to establish additional working places, and are reflected in the reported working costs. All stakeholders stand to benefit significantly from the successful introduction of CONOPS.

A quarter on quarter cash operating profit variance analysis

Cash operating profit – September 2003		R332,9 million
– volume decrease (tonnes)	(5%)	(R124,5 million)
– working cost decrease (%)	2%	R47,4 million
– recovery grade increase (g/t)	2%	R50,9 million
– Rand gold price reduction (R/kg)	(1%)	(R35,7 million)
– net variance		(R61,9 million)
Cash operating profit – December 2003		R271,0 million

Earnings per share	Quarter ended December 2003	Quarter ended September 2003
Cash earnings	105	130
Basic earnings	92	(24)
Headline earnings	(66)	(28)
Fully Diluted earnings	92	(24)

The company continues to generate good cash earnings, returning 105 cents per share for the December 2003 quarter. This was 19% less than the 130 cents per share reported previously.

Reconciliation between basic and headline earnings

Earnings in cents per share	Quarter ended December 2003	Quarter ended September 2003
Basic earnings	92	(24)
Less profit on sale of mining assets	1	4
Less profit on disposal of Russian investments net of tax	173	–
Add amortisation on ARMgold goodwill	16	–
	(66)	(28)

Using a weighted average share capital of 230 324 449 shares, fully diluted earnings per share for the first half of the financial year totals 76 cents per share. Due to the company's consistent ability to generate good cash earnings, the Harmony Board feels that declaring a 40 cent dividend rewards our shareholders appropriately.

December quarter results at different gold prices

During the past month the industry has seen extreme volatility in the R/US\$ exchange rate. The R/kg price of gold has varied between R81 000/kg and R97 000/kg. Being unhedged, the impact of the change in the gold price flows through to the cash operating profit line immediately. Using the December 2003 quarterly production and cash cost profiles, the effect of a change in R/kg gold price received, indicates the significant leverage of Harmony to currency fluctuations.

Gold price (R/kg)	Cash operating profit (R'million)	% Gold price variance	% Profit variance
85 139	271,0	Actual results for December 2003 quarter	
90 000	413,4	6%	52%
95 000	560,0	12%	107%
100 000	706,4	18%	161%
105 000	852,8	24%	215%

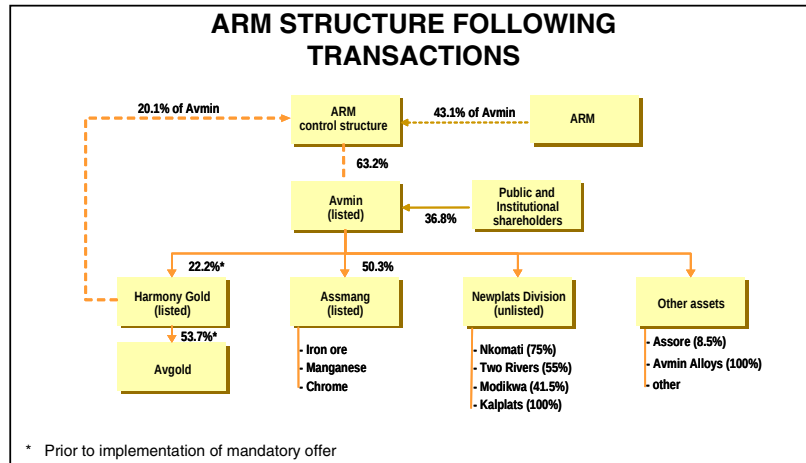
ARMI (AFRICAN RAINBOW MINERALS INVESTMENTS) CONVERTS ITS HARMONY EQUITY

On 7 November 2003, the Boards of Avmin, Harmony and ARMI announced that they had reached agreement in principle regarding a range of indivisible transactions. On the implementation thereof, South Africa's largest Black controlled mineral resources company under the leadership of the current Harmony Chairman, Patrice Motsepe, will have been created.

The transactions are best illustrated as follows:

- **Step 1** – Harmony acquires Avmin's shareholding (42%) in Avgold (see next section for detail)
- **Step 2** – Avmin acquires ARMI's shareholding (14%) in Harmony and its effective interest of 41,5% in the Modikwa Platinum Joint Venture
- **Step 3** – Avmin acquires Kalplats from Harmony for R100 million (2 million Avmin shares)
- **Step 4** – Conclusion of a voting pool agreement between Harmony and ARMI with respect to their shareholding in Avmin. Harmony already owns 34,5% or 38 789 761 shares in Avmin.

The structure post the transaction:



The parties agreed that Avmin will change its name to African Rainbow Minerals (ARM) on completion of the transaction.

The rationale for the transaction being:

- to establish ARM as a fully empowered mineral resource company that could become a partner-of-choice for new South African mining ventures,
- to build a strong financial base for ARM to support new mining investments, and
- to increase ARM's stake in Harmony from 14% to above 20%.

The relevance to Harmony is that ARM will, without placing Harmony's Black Economic Empowerment credentials at risk, be well positioned to participate in further growth opportunities that the African mining sector offers. Harmony could stand to benefit.

The range of transactions are expected to be completed by mid-April 2004.

OUR GROWTH STORY CONTINUES – UPGRADING THE QUALITY OF OUR PRODUCTION BASE

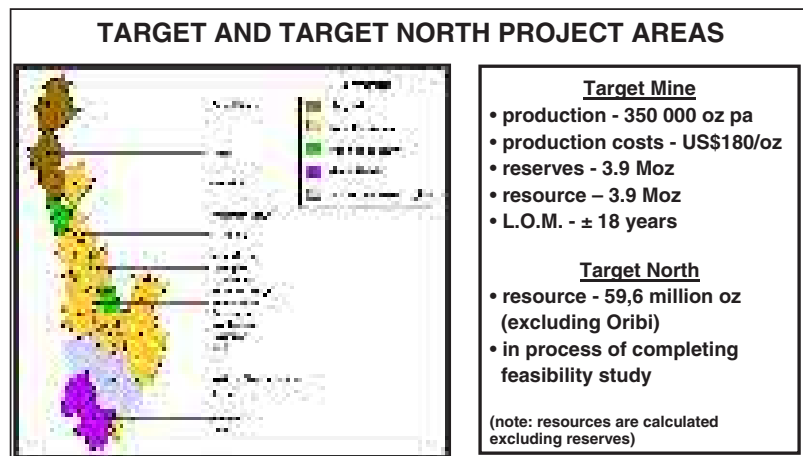
Harmony to acquire Avgold

On 13 November 2003 the company announced that it had reached an in principle agreement regarding the acquisition of Avmin's 42,2% interest (286 305 263 shares) in Avgold Limited (Avgold) at R10,11 per share. The purchase price of R2 894 million will be settled by the issue of 28 630 526 new Harmony shares.

This follows an announcement on 15 July 2003 that we had acquired 11,5% or 77 540 830 shares in Avgold at a consideration of R7,91 per Avgold share, which was discharged by the issue of 6 960 964 new Harmony shares.

If the acquisition of the Avgold shares becomes unconditional, the company will own approximately 54% of Avgold, and a mandatory offer of 1 Harmony share per 10 Avgold shares will be made to Avgold minorities. On an assumption of a 100% acceptance of the offer a total of 60 259 832 new Harmony shares will be issued. At a Harmony share price of R114,40 per share, (as at 19 January 2004) the company will have a market capitalisation of R36,5 billion, making it one of the ten largest companies listed on the JSE Securities Exchange, South Africa.

Avgold owns the Target Mine in the Free State. The mine is expected to produce in excess of 300 000 ounces per annum at a cash cost of US\$230,00 per ounce, even at the current strong South African Rand levels. The operation has a life of mine of 18 years. Avgold also owns the prospective Target North Project area which has a resource of 59,6 million ounces.



Harmony already has a significant presence in the Free State with annual production in excess of 55 tonnes or 1,8 million ounces. With the inclusion of the Target Mine, production from this region is expected to increase and a range of synergistic benefits will be realised.

Important dates scheduled for the completion of the acquisition:

- Wednesday, 11 February – Avgold board approve scheme and independent Avgold committee provides opinion and recommendation
- Tuesday, 17 February 2004 – publication of full terms of the Scheme of Arrangement
- Wednesday, 24 March 2004 – Avgold Scheme meeting to be held
- Tuesday, 6 April 2004 – court hearing to sanction Scheme
- Monday, 19 April 2004 – new Harmony shares listed

Disposal of Kalgold to Alease

On 7 November 2003 we announced that we agreed to sell our Kalgold Operations to The Afrikaner Lease Limited (Alease) for a consideration of R275 million.

In terms of the agreement, Alease will pay Harmony an amount of R137,5 million in cash, with the remaining R137,5 million being funded with the issue of ordinary shares at a price of R5,35. This was based on the seven day volume weighted average Alease share price at that time. A total of 25 700 935 shares will be issued to Harmony.

The remaining conditions precedent to the transaction being:

- A lease making the cash payment by 28 February 2004, and
- the consent of the Minister of Minerals and Energy.

Approval in terms of the Competitions Act was granted on 19 December 2003.

We continue to manage the operations until all the conditions precedent have been met.

STRATEGIC INVESTMENTS

The rationalisation of our strategic investment portfolio continued during the quarter and decisions on both Bendigo and Gidgee were taken. We will continue to focus on identifying projects and exploration opportunities which in the longer term could deliver value to our shareholders.

• **Bendigo (31,6% Harmony)**

Harmony owned an option which expired on 31 December 2003, to subscribe for 360 million new shares in Bendigo Mining NL ("BMNL") at a price of A\$0,30 cents per share.

Based on the Bendigo share price of A\$0,19 cents per share at that date, the company informed the Board of Bendigo that it would not be exercising the option.

Bendigo owns all of the rights to a very large gold endowment (in excess of 12,5 million ounces) at the town of Bendigo in Victoria, Australia. Bendigo has for the past 2 years been conducting an intensive underground exploration programme and feasibility study. The results of this study are expected in the first quarter of 2004. Harmony, which owns 31,6% of the company retains an exposure to this prospective resource and will continue to work with the Board of Bendigo and its advisors to determine the optimal method to develop and fund the project.

• **Abelle Limited (83% Harmony)**

Hidden Valley Project (Morobe) Feasibility Study

Preliminary results of the feasibility study conducted by Abelle were announced at the end of December 2003. The studies have confirmed earlier projections that the optimal development route would encompass a project that will produce 290 000 – 300 000 oz of gold and 4,5 million ounces of silver per annum (total gold equivalent of 360 000 oz/annum) from an initial open pit reserve of 2,04 million ounces of gold and 27,5 million ounces of silver. In addition to this reserve, the project area contains significant inferred resources already identified but which have not been included in the mining schedules. These include open pit extensions and lower grade ores from the current pits, several nearby ore bodies which have open pit potential and numerous high-grade targets which will be mineable by open pit methods.

An agreement has been reached with Misima Mines Limited on the purchase for A\$8,5 million of the gold and silver plant which currently treats 6,5 million tonnes per annum of softer ores. This acquisition of a large high quality plant which is already situated in PNG provides significant advantages in both timing and capital costs during the construction phase of the project.

Harmony is currently reviewing the technical and financial parameters of the study.

Wafi Gold Project

Drilling at the Link Zone of the Wafi gold project continued during the quarter. The results have confirmed and extended the mineralisation previously discovered, with the most significant results including:

Hole No.	Intersection length	Grade	Depth below collar
WR 186	43 m @	3,05 g/t	from 192 m
	17 m @	4,58 g/t	from 358 m
	16 m @	6,17 g/t	from 446 m
WR 188	55 m @	10,58 g/t	from 373 m
WR 189	58 m @	6,45 g/t	from 295 m
	17 m @	5,36 g/t	from 525 m

Preliminary reviews of the metallurgical and processing characteristics of these ores have been initiated.

A significantly more intensive drilling programme aimed at defining the extent and scale of the discoveries made to date and the better definition of resource tonnage and grade, will be undertaken during 2004.

Golpu Copper Gold Project

A pre-feasibility "scoping" study to define better the economic potential of the Golpu Copper Gold porphyry (current resource 74,6 m tonnes @ 1,66% copper and 0,84 g/t gold at 1,55% "copper equivalent" cut off) is in progress. It is estimated that the orebody contains 1,24 m tonnes of copper metal and 2 m oz of gold. This orebody is only 1,4 km from the Wafi gold deposit and there are likely to be significant synergies in the ultimate development of these projects.

Gidgee Operations

This operation was sold during the quarter for an effective consideration of A\$6,5 million.

QUARTERLY OPERATIONAL REVIEW

A quarter on quarter pro-forma combined operating profit analysis of the various operations is as follows:

Operations	December 2003 (R'million)	September 2003 (R'million)	Variance (R'million)
Free Gold	149	165	(16)
Free State	25	7	18
Evander	22	39	(17)
Randfontein	28	40	(12)
Elandskraal	(29)	(6)	(23)
Welkom/Orkney	26	33	(7)
Kalgold	9	13	(4)
Australian Operations	41	42	(1)
Total	271	333	(62)

Free Gold Operations – CONOPS commences

The Free Gold Operations reported a 10% or R16 million reduction in cash operating profit, down from R165 million to R149 million.

Tonnage from underground increased marginally from 1 254 000 tonnes to 1 259 000 tonnes. Underground grade recovered from 6,27 g/t to 6,64 g/t. Net underground gold recovery was 6% higher at 8 364 kg.

Surface tonnages were 233 000 tonnes less at 869 000 tonnes, and at a lower recovery grade of 0,64 g/t resulted in a net gold recovery of 558 kg.

Preparation for CONOPS resulted in working costs at these operations increasing by 8% or R41,4 million quarter on quarter from R530,8 million to R572,2 million. Agreements on CONOPS (continuous operations) were concluded on all the shafts. The shaft teams have been occupied with related activities, i.e. recruitment, training and implementation of shaft schedules to allow for the changes envisaged. We anticipate that CONOPS will be completed over a 9 to 12 month period. Due to the higher underground recovery grades, underground working costs in R/kg terms increased by only 1% from R67 492/kg to R68 416/kg.

Bambanani returned an overall operational improvement with increased tonnages and recovery grade. Working costs were well controlled, increasing marginally from R448/tonne to R451/tonne. Underground tonnage at 403 000 tonnes was 6 000 tonnes higher than the previous quarter. As a result of mainly a 10% increase in grade, underground gold recovery was 11% or 278 kg higher at 2 734 kg.

Tshepong continued to deliver good results with cash operating profits decreasing from R109,7 million to R107,2 million. Gold recovery was up 5% or 162 kg higher at 3 266 kg. Cash costs increased from R51 302/kg to R51 883/kg. In R/tonne terms, costs increased by 4% to R429/tonne, mainly due to preparation for CONOPS.

Tshepong Sub 66 Decline Project – on schedule and within budget

The Tshepong Sub 66 Decline Project is progressing well with all major designs completed and major equipment procured. No major issues that would have an impact on the project cost or schedule, have arisen or are foreseen at this stage.

Final estimated cost of R280,5 million is slightly more than the approved capital of R280,2 million with progressive expenditure as at 31 December 2003 being R78,5 million. Project completion remains July 2006 and after 8 months the project is on schedule. A total of 1 738 metres of development has been completed. 3 958 development metres remain.

The monorail and monetrain has been partly installed and will be commissioned in February 2004 for beneficial use during the sinking phase of the project. The conveyor is expected to be commissioned during April 2004.

Joel continues to steadily improve, reporting a cash operating profit of R0,7 million. This shaft reported a further 5% increase in underground tonnage to 142 000 tonnes, the highest tonnage achieved since the acquisition of this shaft some two years ago. The erratic nature of the Joel orebody was however evident as the recovery grade dropped from 4,62 g/t to 4,13 g/t.

Phakisa Shaft – first blast on 11 September 2003

The project, with a life of mine of 20 years commenced on 11 September 2003.

The shaft has been sunk to 2,6 metres below 77 level station elevation or 2 376 metres below surface. A total of 156 metres still needs to be sunk and 3 stations will have to be developed. Station development on 77 level is underway and will be completed in the next quarter. Raise borer sites will be established on 66 level as well as 75 level to drill a ventilation hole which is necessary for cooling the shaft and the 3 stations that are to be developed.

The capital estimate remains unchanged at R549 million. The mine design caters for 95 200 tons milled per month at a recovered grade of 7,6 grams per tonne and is planned to produce 280 000 ounces per annum. It is envisaged that 2 400 employment opportunities will be created.

CONOPS was implemented on St Helena Mine on 10 November 2003. The benefits from the implementation of this initiative are only expected to have a favourable impact in three to six months time. The main focus of this shaft is to ensure that short term profitability is established. No. 2 Shaft was finally closed and good improvements were made with underground volumes at the operations being monitored. Cash working costs decreased by R17 million quarter on quarter.

Free State Operations – excellent operational performance

The Free State Operations reported a significant increase in cash operating profits, up from R6,5 million to R24,8 million. Underground tonnage was 11 000 tonnes or 1% lower at 1 145 000 tonnes. At a higher recovery grade of 4,43 g/t underground production was 5% higher at 5 078kg. These operations are now delivering the results from significant operational improvements made over the past three quarters.

Working cost expenditure of R414,2 million was well contained and was R0,5 million less than the previous quarter. Unit costs increased by 1% to R362/tonne.

Discussions on implementing CONOPS on the Free State Operations got underway in mid-January 2004.

Masimong Expansion Project – tonnage and grade improvements

The Masimong Expansion Project which includes the mining of the Saaiplaas 3 pillar is progressing well. Total tonnage milled increased to 370 000 tonnes and at a recovery grade of 5,8 g/t (an improvement of 22%) resulted in a total gold recovery of 2 146 kg, up from 1 743 kg during the September 2003 quarter. Working costs at these project operations increased by 6%, mainly due to increased development and tonnages.

Evander Operations – operational turnaround on track

Cash operating profits at these operations decreased by 44% from R39,5 million to R22,1 million.

Lower underground tonnages of 483 000 tonnes compared to 538 000 tonnes reported previously at a higher underground recovery grade of 5,7 g/t, resulted in net gold recovery being 8% lower at 2 768 kg compared to 3 015 kg for the September 2003 quarter.

The main contributor to the lower recovery was Evander 7 Shaft which saw fewer m² mined from higher grade panels. Recovery grades at Evander 8 Shaft were in line with expectations.

Although total cash working costs were 2% or R5,0 million lower at R217,9 million, due to the lower tonnage, underground unit costs in R/kg terms increased by 9% from R411/tonne to R448/tonne.

Randfontein Operations – increased underground tonnages make up for lower recovery grades

The Randfontein Operations reported lower cash operating profits of R28,3 million, a 30% decrease on the previous quarter. Although tonnages from underground increased by 3% or 22 000 tonnes to 716 000 tonnes, underground recovery grades were lower at 4,53 g/t compared to the 4,89 g/t reported previously. Over the past two quarters, underground tonnages have increased by some 10%, in part making up for lower recovery grades due to lack of higher grade working areas.

Surface tonnages treated decreased marginally from 546 000 tonnes to 530 000 tonnes. At a similar recovery grade gold recovery was 137 kg.

Good cost management resulted in total working costs of R259,9 million which was R4,7 million lower than the R264,6 million for the September 2003 quarter. Although underground working cost per tonne decreased by 5% to R349,00 per tonne, working costs in R/kg terms increased by 3% from R75 018/kg to R77 007/kg due to the lower underground recovery grades.

The main contributor to the underperformance of these operations was Cooke 3 Shaft. This shaft has been experiencing lower volumes and recovery grades following management's decision to increase the cut-offs due to the lower R/kg gold price recovered. The benefits of this decision became evident during December with the shaft reporting an upward trend in recovery grade.

Doornkop South Reef Project

The project continues at its planned pace with the focus on obtaining increased hoisting capacity from the Sub Shaft and the completion of all preliminary work required to start the sinking of Main Shaft. The upgraded hoisting infrastructure in the Sub Shaft has been partially commissioned. All men and materials utilised in this portion of the project are transported through this facility. The rock hoisting infrastructure is scheduled for re-commissioning in February 2004 with a potential to hoist 1 500 tonnes per day, up from the original 500 tonnes per day previously.

Work in Main shaft has been focussed on creating infrastructure to split the upper Kimberley production area from the sinking shaft below 132 Level. A sinking bank is being installed on 132 Level with the sinking stage following some 120 metres below so that shaft bottom activities can commence.

Mine design and scheduling continues to receive high priority with the focus being on optimising the build up of tonnage to 135 000 tonnes per month after the main shaft is commissioned in mid 2006. The priority development ends on the upper levels have been identified.

Elandskraal Operations – Deelkraal adversely impacts on results

Elandskraal reported a loss of R29,1 million at cash operating profit level, compared to the loss of R6,5 million as at the end of September 2003. These operations were adversely affected by the effects of an underground fire at Elandsrand which resulted in the loss of three working shifts. Although underground tonnage milled increased by 3% from 491 000 tonnes to 506 000 tonnes, gold recovery continued to be adversely influenced by dilution from waste tonnages unavoidably being tipped into reef ore passes at Elandsrand. This impacted on both recovery grade and working costs. At a recovery grade of 5,00 g/t compared to the 5,38 g/t of the September 2003 quarter, gold recovery was 4% or 114 kg lower at 2 527 kg compared to the 2 641 kg reported previously. Elandsrand reported an underground recovery grade of 5,4 g/tonne.

Total working costs were higher, increasing 2% or R4,2 million to R248,3 million from R244,1 million for the previous quarter. Due to increased tonnages from underground, these operations reported a marginal increase in underground R/tonne cost terms, increasing from R475/tonne to R477/tonne. Due to lower recovery grades, in R/kg terms total cash costs increased by 9% from R88 490/kg to R96 471/kg.

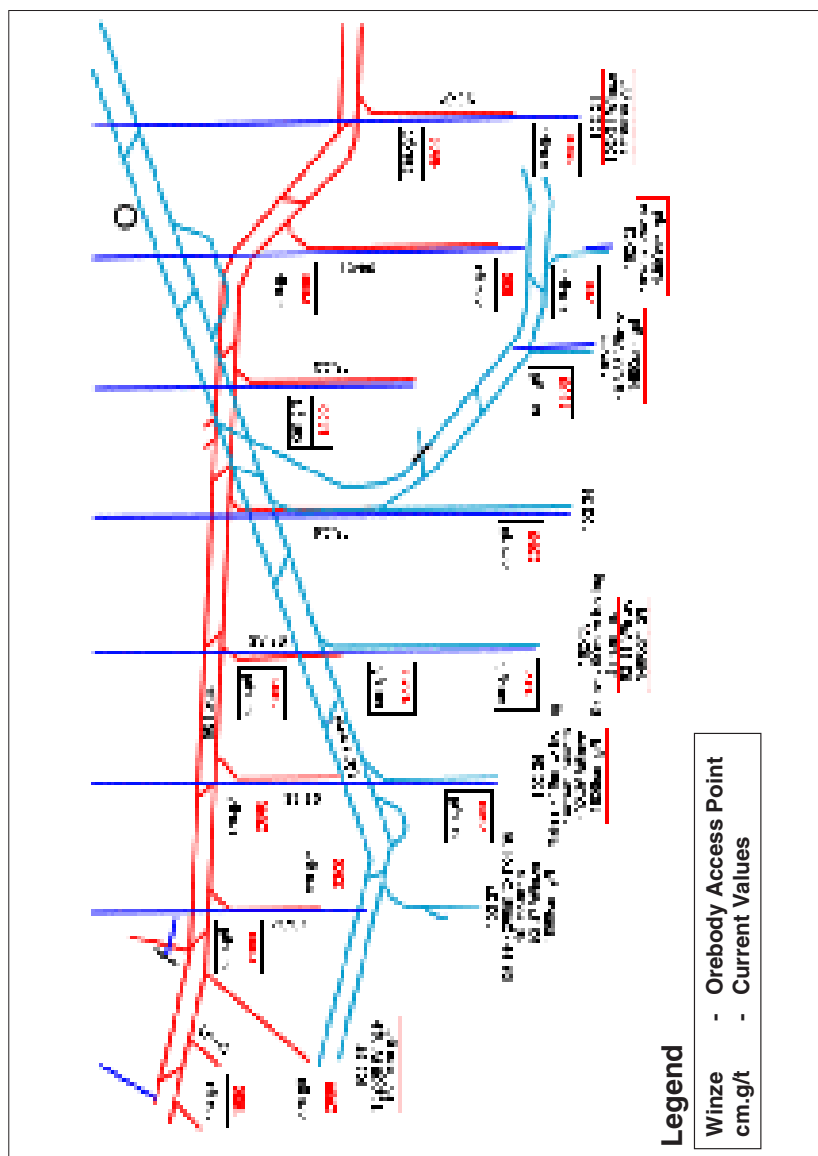
Deelkraal, which contributed R17,0 million to the losses incurred by Elandskraal, reached agreement with the unions on CONOPS on 19 December 2003. This was however not in time to address the production problems experienced at the operation. Current activities are aimed at addressing the lack of mining flexibility which resulted in production targets not being met. Underground reef and waste systems have also been split, thereby eliminating grade dilution due to excess waste tonnages. Similar tonnage of 139 000 tonnes at a recovery grade of 4,0 g/t were reported. Underground R/kg costs were excessively high at R115 000/kg.

The risks at these operations remain high and if profitability is not established in the short term, permanent closure will be considered.

Elandsrand New Mine Project

Work on the key infrastructure in the new section of the mine is progressing well.

Ledging is underway in the 102/34 stope and values sampled currently average 2 500 cmg/t. An additional 3 raiseline holings are expected to be completed in the next six months. Development values are higher than planned, at an average of 2 000 cmg/tonne.



The lining of the 109/113 reef transfer has been completed and lining of the 113/115 silo will commence on completion of slipping. The construction and commissioning of the 113 reef transfer belt is planned for the coming quarter. This will allow for trial hoisting from 115 Level. Loading facilities and the conveyor belt to feed the second rock winder on 115 Level are being put in place.

Access development on 105 Level has reached the East-West break away and the first crosscut will intersect reef in May 2004. Extensive drilling will be done from the crosscut to firm up on structural geology of the area. 109 Level, which has been standing for close on a year as result of the intersection of high-pressure gas pockets in the Cobra Dyke, will be restarted during January 2004. The same phenomenon has been encountered 20 metres into the Cobra Dyke on 113 Level. Initially this will negatively impact the rate of advance as additional cover holes are being drilled as a precautionary measure. The advance per blast will be restricted to 1,5 metres on both 109 and 113 Levels until the ends clear the Cobra Dyke, which is 200 metres wide.

Welkom/Orkney Operations – good performance continues

These operations reported a 20% or R6,4 million reduction in cash operating profit, down from R32,8 million to R26,4 million.

As planned underground tonnage decreased by 22 000 tonnes to 538 000 tonnes and at a higher recovery grade of 5,60g/t, net gold recovery was 3% or 105 kg less at 3 012 kg.

In line with the lower tonnages, cash working costs were R8,8 million lower at R229,1 million. In R/kg terms costs decreased from R76 321/kg to R76 076/kg.

Kalgold Operations – steady performance

Cash operating profits were lower at R8,9 million, down from the R13,3 million for the September 2003 quarter.

Tonnage at our Kalgold Operations decreased by 40 000 tonnes or 11% quarter on quarter, decreasing from 367 000 tonnes to 327 000 tonnes. At a lower recovery grade of 1,97 g/t compared to the 2,12 g/t for the previous quarter, net gold recovery was lower at 643 kg.

Working costs decreased by 16% or R8,5 million to R45,4 million. In R/tonne terms, working costs decreased by 5% from R147/tonne to R139/tonne whilst R/kg costs increased marginally from R69 199/kg to R70 628/kg.

Australian Operations – optimising production profile delivers further improved results

Our focus on optimising cash operating profits at the expense of volumes at our Australian operations is paying dividends with a good all round performance. The operations delivered a profit similar to that achieved in the September quarter from a smaller volume of higher quality ounces.

The main features of the quarter were:

Mt Magnet

The open pit tonnages increased due to the commencement of mining of the upper portions of the St George and Watertank Hill deposits following the successful moving of the town's water infrastructure facilities.

The underground operations at Hill 50 continued to be seriously constrained till late December 2003 when the work on the new ventilation raises was completed and the restrictions to the air flow in the deeper parts of the mine were eliminated.

As the further deepening of the Star underground decline does not provide a satisfactory return on a total cost basis at current gold prices, operations at Star were restricted to stoping and to development on levels which already have decline access. Mining tonnages at Star are expected to decrease by mid-year and will be replaced by the underground exploitation of the high grade ores which exist beneath the St George open pit by the end of 2004.

Gold production relative to the previous quarter dropped from 42 070 ounces to 40 663 ounces.

South Kal Mines

Total gold production dropped from 36 865 ounces to 29 122 ounces as a result of total dedication of the New Celebration Mill to toll milling activities. Only the Jubilee mill treated Harmony ore during the quarter.

Underground operations had another slightly improved quarter, whilst open pit profits increased substantially despite lower tonnage as ore was sourced from a different combination of pits.

Good progress was made in the exploration of the new large underground orebody discovered in mid 2003 adjacent to the underground mining infrastructure at Mt Marion.

Northern Territory Joint Venture (50%)

The exploration and evaluation programme in the Northern Territory continued throughout the quarter.

The enhancement of both the grade and tonnage of the Zapopan orebody and a new design for its underground development indicate the potential for a mine with attractive economic fundamentals. Exploration and evaluation of the new surface orebodies continues to improve the inventory of open pit material that would be mined and processed simultaneously with the Zapopan ore.

These exploration/evaluation programs and studies are due to be completed during the second quarter of 2004.

CAPITAL EXPENDITURE

Operational capex	Actual December 2003	Forecast March 2004
Free State	12	10
Evander	23	27
Randfontein	15	12
Elandskraal	4	5
Kalgold	–	–
Free Gold	17	16
Welkom/Orkney	2	–
Australian Operations	46	40
Sub total	119	110
Project capex	Actual December 2003	Forecast March 2004
Doornkop South Reef	21	24
Elandsrand Shaft Deepening	25	22
Tshepong Decline	27	30
Phakisa Shaft	24	26
Nyala Shaft	7	4
Sub total	104	106
Total capex		
Free State	12	10
Evander	23	27
Randfontein	36	36
Elandskraal	29	27
Kalgold	–	–
Free Gold	75	76
Welkom/Orkney	2	–
Australian Operations	46	40
Total	223	216

NOTICE OF INTERIM DIVIDEND

A dividend No. 78 of 40 cents per ordinary share being the interim dividend for the six month period ending 31 December 2003, has been declared payable on 8 March 2004 to those shareholders registered as such in the books of the company at the close of business on 5 March 2004.

The dividend is declared in the currency of the Republic of South Africa.

Any change in address or dividend instruction to apply to this dividend must be received by the company's transfer secretaries or registrar not later than 27 February 2004.

No dematerialisation or rematerialisation of share certificates may occur between 1 March 2004 and 5 March 2004, both days inclusive, nor may any transfers between registers take place during this period.

This announcement will be mailed to all registered holders on or about 2 February 2004.

Last day to trade ordinary shares cum dividend	27 February 2004
Ordinary shares trade ex dividend from	1 March 2004
Record date	5 March 2004
Payment date	8 March 2004

By order of the Board.

MP van der Walt
Company Secretary

Randfontein
26 January 2004

Operating and financial results (Rand/metric)

		Underground production – South Africa							Surface production – South Africa							Open-cast Kalgold	South Africa Total	Aus- tralia Total	Harmony Total
		Free State	Evander	Rand- fontein	Elands- kraal	Free Gold	Free Orkney/ Welkom	Sub total	Free State	Evander	Rand- fontein	Elands- kraal	Free Gold	Sub total					
Ore milled – t'000	Dec-03	1 145	483	716	506	1 259	538	4 647	422	45	530	114	869	1 980	327	6 954	1 229	8 183	
	Sep-03	1 156	538	694	491	1 254	560	4 693	227	47	546	296	1 102	2 218	367	7 278	1 316	8 594	
Gold produced – kg	Dec-03	5 078	2 768	3 244	2 527	8 364	3 012	24 993	200	30	137	47	558	972	643	26 608	2 687	29 294	
	Sep-03	4 850	3 015	3 391	2 641	7 864	3 117	24 878	133	31	141	118	742	1 165	779	26 822	3 323	30 145	
Yield – g/t	Dec-03	4,43	5,73	4,53	4,99	6,64	5,60	5,38	0,47	0,67	0,26	0,41	0,64	0,49	1,97	3,83	2,19	3,58	
	Sep-03	4,20	5,60	4,89	5,38	6,27	5,57	5,30	0,59	0,66	0,26	0,40	0,67	0,53	2,12	3,69	2,53	3,51	
Cash operating Costs – R/kg	Dec-03	81 566	78 154	77 007	95 485	68 416	76 076	76 941	67 064	52 067	74 241	149 489	63 614	69 620	70 628	76 521	69 618	75 888	
	Sep-03	85 499	73 337	75 018	88 284	67 492	76 320	76 050	70 238	58 933	72 184	93 102	65 736	69 620	69 199	75 572	73 280	75 319	
Cash operating Costs – R/ton	Dec-03	362	448	349	477	455	426	414	32	35	19	62	41	34	139	293	152	272	
	Sep-03	359	411	367	475	423	425	403	41	39	19	37	44	37	147	279	185	264	
Working revenue (R'000)	Dec-03	435 492	237 494	276 427	215 283	708 578	255 506	2 128 780	16 907	2 498	11 804	3 964	47 403	82 576	54 303	2 265 660	228 414	2 494 074	
	Sep-03	419 027	259 722	292 601	227 545	680 764	270 724	2 150 384	11 458	2 713	12 214	10 135	64 242	100 763	67 227	2 318 374	285 059	2 603 433	
Cash operating Costs (R'000)	Dec-03	414 190	216 330	249 812	241 290	572 230	229 141	1 922 992	13 413	1 562	10 171	7 026	35 471	67 643	45 414	2 036 049	187 034	2 223 083	
	Sep-03	414 668	221 110	254 388	233 158	530 758	237 890	1 891 971	9 342	1 826	10 178	10 986	48 776	81 108	53 906	2 026 985	243 511	2 270 496	
Cash operating Profit (R'000)	Dec-03	21 302	21 164	26 616	(26 007)	136 349	26 365	205 788	3 495	936	1 633	(3 062)	11 932	14 934	8 890	229 611	41 379	270 991	
	Sep-03	4 359	38 612	38 214	(5 613)	150 006	32 835	258 413	2 117	887	2 036	(851)	15 466	19 655	13 321	291 389	41 548	332 937	

Total Operations – quarterly financial results (Rand/metric) (unaudited)

	Quarter ended 31 December 2003 (including ARMgold)	Quarter ended 30 September 2003 (excluding ARMgold)
Ore milled – t'000	8 183	6 854
Gold produced – kg	29 294	22 725
Gold price received – R/kg	85 139	86 258
Cash operating costs – R/kg	75 888	76 693
	R million	R million
Gold sales	2 494	1 960
Cash operating costs	2 223	1 743
Cash operating profit	271	217
Income from associates	(34)	(7)
Amortisation	(246)	(142)
Profit on sale of Highland & High River	522	–
Mark to market of financial instruments	11	(172)
Rehabilitation cost provision	(18)	(10)
Employment termination costs	(20)	(12)
Other income – net	65	70
Minority Interest	(6)	–
Interest paid	(107)	(55)
Corporate, marketing and new business expenditure	(43)	(31)
Exploration expenditure	(35)	(14)
Foreign exchange losses	(50)	(31)
Profit before taxation	310	(187)
South African normal taxation		
– Current tax	(84)	(18)
– Deferred tax	10	86
Net earnings	236	(119)
Earnings per share – cents*		
– Basic earnings	92	(62)
– Headline earnings	(66)	(67)
– Fully diluted earnings**	92	(62)
Dividends per share – cents	–	–
– Proposed interim	40	–

Prepared in accordance with International Financial Reporting Standards

* Calculated on weighted number of shares in issue at quarter end
December 2003: 257,9 million (September 2003: 192,3 million)

** Calculated on weighted average number of diluted shares in
issue at quarter end December 2003: 256,5 million
(September 2003: 190,9 million)

Reconciliation of headline earnings:

Net earnings	236	(119)
Adjustments:		
– Profit on sale of assets	(3)	(9)
– Profit on sale of Highland & High River – net of tax	(444)	–
– Amortisation on goodwill	41	–
Headline earnings	(170)	(128)

Total Operations – pro forma quarterly financial results

(Rand/metric) (unaudited)

	Quarter ended 31 December 2003 (including ARMgold)	Quarter ended 30 September 2003 (including ARMgold)
Ore milled – t'000	8 183	8 594
Gold produced – kg	29 294	30 145
Gold price received – R/kg	85 139	86 364
Cash operating costs – R/kg	75 888	75 319
	R million	R million
Gold sales	2 494	2 603
Cash operating costs	2 223	2 270
Cash operating profit	271	333
Income from associates	(34)	(11)
Amortisation	(246)	(166)
Profit on sale of Highland & High River	522	–
Mark to market of financial instruments	11	(172)
Rehabilitation cost provision	(18)	(17)
Employment termination costs	(20)	(20)
Other income – net	65	121
Minority Interest	(6)	–
Interest paid	(107)	(83)
Corporate, marketing and new business expenditure	(43)	(42)
Exploration expenditure	(35)	(14)
Foreign exchange losses	(50)	(31)
Profit before taxation	310	(102)
South African normal taxation		
– Current tax	(84)	(35)
– Deferred tax	10	76
Net earnings	236	(61)
Earnings per share – cents*		
– Basic earnings	92	(24)
– Headline earnings	(66)	(28)
– Fully diluted earnings**	92	(24)
Dividends per share – cents		
– Proposed interim	40	–
<i>The pro forma quarterly financial results are for information purposes only.</i>		
<i>* Calculated on weighted number of shares in issue at quarter end December 2003: 257,9 million (September 2003: 256,0 million)</i>		
<i>** Calculated on weighted average number of diluted shares in issue at quarter end December 2003: 256,5 million (September 2003: 254,6 million)</i>		
Reconciliation of headline earnings:		
Net earnings	236	(61)
Adjustments:		
– Profit on sale of assets	(3)	(11)
– Profit on sale of Highland & High River – net of tax	(444)	–
– Amortisation on goodwill	41	–
Headline earnings	(170)	(72)

Abridged balance sheet (Rand) (unaudited)

	At 31 December 2003 R million	At 30 September 2003 R million
Employment of capital		
Mining assets after amortisation	14 911	14 729
Intangible assets	2 803	2 843
Investments	1 098	1 260
Investments in associates	2 564	2 896
Net current liabilities (excluding cash)	(924)	(1 300)
Cash	2 888	2 561
Total assets	23 340	22 989
Capital employed		
Shareholders' equity	16 251	15 937
Loans	2 863	2 881
Long-term provisions	860	840
Minority Interest	155	139
Unrealised hedging loss	432	450
Deferred tax	2 779	2 742
Total equity and liabilities	23 340	22 989

Basis of accounting

The unaudited results for the quarter have been prepared on the International Financial Reporting Standards (IFRS) basis. These consolidated quarterly statements are prepared in accordance with IFRS 34, Interim Financial Reporting. The accounting policies are consistent with those applied in the previous financial year.

Issued share capital: 258,4 million ordinary shares of 50 cents each (September 2003: 257,9 million shares)

Operating and financial results (US\$/imperial)

	Underground production – South Africa							Surface production – South Africa							Open- cast Kalgold	South Africa Total	Aus- tralia Total	Harmony Total
	Free State	Evander	Rand- fontein	Elands- kraal	Free Gold	Orkney/ Welkom	Sub total	Free State	Evander	Rand- fontein	Elands- kraal	Free Gold	Sub total					
Ore milled – t'000	Dec-03	1,263	533	790	558	593	5,124	465	50	584	126	958	2,183	361	7,668	1,355	9,024	
	Sep-03	1,275	593	765	541	618	5,175	250	52	602	326	1,215	2,446	405	8,026	1,451	9,477	
Gold produced – oz	Dec-03	163,261	88,993	104,297	81,245	268,908	803,540	6,430	965	4,405	1,511	17,927	31,238	20,673	855,450	86,376	941,826	
	Sep-03	155,930	96,934	109,023	84,910	252,832	799,843	4,276	997	4,533	3,794	23,856	37,455	25,045	862,343	106,836	969,180	
Yield – oz/t	Dec-03	0.13	0.17	0.13	0.15	0.19	156.81	0.01	0.02	0.01	0.01	0.02	14.31	0.06	111.56	0.06	104.37	
	Sep-03	0.12	0.16	0.14	0.16	0.18	154.56	0.02	0.02	0.01	0.01	0.02	15.31	0.06	107.45	0.07	102.27	
Cash operating	Dec-03	376	360	355	440	315	355	309	240	342	689	293	321	326	353	321	350	
Costs – \$/oz	Sep-03	359	308	315	370	283	319	295	247	303	390	276	292	290	317	307	316	
Cash operating	Dec-03	49	60	47	64	61	57	56	4	5	3	8	5	5	19	39	20	37
Costs – \$/t	Sep-03	44	50	45	58	52	49	5	5	2	5	5	4	18	34	23	32	
Working revenue	Dec-03	64,555	35,205	40,976	31,912	105,035	378,75	2,506	370	1,750	588	7,027	12,241	8,050	335,847	33,859	369,706	
Costs (\$'000)	Sep-03	56,500	35,020	39,453	30,681	91,792	36,503	1,545	366	1,647	1,367	8,662	13,586	9,065	312,601	38,436	351,037	
Cash operating	Dec-03	61,397	32,067	37,031	35,767	84,824	33,966	1,988	232	1,508	1,041	5,258	10,027	6,732	301,811	27,725	329,536	
Costs (\$'000)	Sep-03	55,912	29,814	34,301	31,438	71,565	32,076	1,260	246	1,372	1,481	6,577	10,936	7,268	273,311	32,834	306,145	
Cash operating	Dec-03	3,158	3,137	3,945	(3,855)	20,211	3,908	518	139	242	(454)	1,769	2,214	1,318	34,036	6,134	40,170	
Profit (\$'000)	Sep-03	588	5,206	5,153	(757)	20,226	4,427	285	120	275	(115)	2,085	2,650	1,796	39,290	5,602	44,892	

Total Operations – quarterly financial results (US\$/imperial) (unaudited)

	Quarter ended 31 December 2003 (including ARMgold)	Quarter ended 30 September 2003 (excluding ARMgold)
Ore milled – t'000	9,023	7,559
Gold produced – oz	941,814	730,622
Gold price received – \$/oz	393	362
Cash operating costs – \$/oz	350	322
	\$million	\$million
Gold sales	370	264
Cash operating costs	330	235
Cash operating profit	40	29
Income from associates	(5)	(1)
Amortisation	(37)	(19)
Profit on sale of Highland & High River	77	–
Mark to market of financial instruments	2	(23)
Rehabilitation cost provision	(3)	(1)
Employment termination costs	(3)	(2)
Other income – net	10	9
Minority Interest	(1)	–
Interest paid	(16)	(7)
Corporate, marketing and new business expenditure	(6)	(4)
Exploration expenditure	(5)	(2)
Foreign exchange losses	(7)	(4)
Profit before taxation	46	(25)
South African normal taxation		
– Current tax	(12)	(2)
– Deferred tax	1	11
Net earnings	35	(16)
Earnings per share – cents*		
– Basic earnings	14	(8)
– Headline earnings	(10)	(9)
– Fully diluted earnings**	14	(8)
Dividends per share – cents		
– Proposed interim	6	–
<i>Prepared in accordance with International Financial Reporting Standards</i>		
<i>Currency conversion rates average for the quarter:</i>		
<i>December 2003: US\$1=R6,75 (September 2003: US\$1=R7,42)</i>		
<i>*Calculated on weighted number of shares in issue at quarter end</i>		
<i>December 2003: 257,9 million (September 2003: 192,3 million)</i>		
<i>**Calculated on weighted average number of diluted shares in</i>		
<i>issue at quarter end December 2003: 256,5 million</i>		
<i>(September 2003: 190,9 million)</i>		
Reconciliation of headline earnings:		
Net earnings	35	(16)
Adjustments:		
– Profit on sale of assets	(1)	(1)
– Profit on sale of Highland & High River – net of tax	(66)	–
– Amortisation on goodwill	7	–
Headline earnings	(25)	(17)

Total operations – pro forma quarterly financial results

(US\$/imperial) (unaudited)

	Quarter ended 31 December 2003 (including ARMgold)	Quarter ended 30 September 2003 (including ARMgold)
Ore milled – t'000	9,024	9,477
Gold produced – oz	941,826	969,179
Gold price received – \$/oz	393	362
Cash operating costs – \$/oz	350	316
	\$million	\$million
Gold sales	370	351
Cash operating costs	330	306
Cash operating profit	40	45
Income from associates	(5)	(1)
Amortisation	(37)	(22)
Profit on sale of Highland & High River	77	–
Mark to market of financial instruments	2	(23)
Rehabilitation cost provision	(3)	(2)
Employment termination costs	(3)	(3)
Other income – net	10	15
Minority Interest	(1)	–
Interest paid	(16)	(11)
Corporate, marketing and new business expenditure	(6)	(6)
Exploration expenditure	(5)	(2)
Foreign exchange losses	(7)	(4)
Profit before taxation	46	(14)
South African normal taxation		
– Current tax	(12)	(5)
– Deferred tax	1	11
Net earnings	35	(8)
Earnings per share – cents *		
– Basic earnings	14	(3)
– Headline earnings	(10)	(4)
– Fully diluted earnings **	14	(3)
Dividends per share – cents		
– Proposed interim	6	–
<i>The pro forma quarterly financial results are for information purposes only.</i>		
<i>Currency conversion rates average for the quarter:</i>		
<i>December 2003: US\$1=R6,75 (September 2003: US\$1=R7,42)</i>		
<i>* Calculated on weighted number of shares in issue at quarter end</i>		
<i>December 2003: 257,9 million (September 2003: 256,0 million)</i>		
<i>** Calculated on weighted average number of diluted shares in</i>		
<i>issue at quarter end December 2003: 256,5 million</i>		
<i>(September 2003: 254,6 million)</i>		
Reconciliation of headline earnings:		
Net earnings	35	(8)
Adjustments:		
– Profit on sale of assets	(1)	(1)
– Profit on sale of Highland & High River –net of tax	(66)	–
– Amortisation on goodwill	7	–
Headline earnings	(25)	(9)

Abridged balance sheet (US\$) (unaudited)

	At 31 December 2003 R million	At 30 September 2003 R million
Employment of capital		
Mining assets after amortisation	2 226	2 116
Intangible assets	418	408
Investments	164	181
Investments in associates	383	416
Net current (liabilities) excluding cash	(138)	(186)
Cash	431	368
Total assets	3 484	3 303
Capital employed		
Shareholders' equity	2 426	2 290
Loans	427	414
Long-term provisions	129	120
Minority Interest	23	20
Unrealised hedging loss	64	65
Deferred tax	415	394
Total equity and liabilities	3 484	3 303

Basis of accounting

The unaudited results for the quarter have been prepared on the International Financial Reporting Standards (IFRS) basis. These consolidated quarterly statements are prepared in accordance with IFRS 34, Interim Financial Reporting. The accounting policies are consistent with those applied in the previous financial year.

Issued share capital: 258,4 million ordinary shares of 50 cents each. (September 2003: 257,9 million shares)

Balance sheet converted at conversion rate of US\$1 = R6,70 (September 2003: R6,96)

Condensed statement of changes in shareholders' equity (unaudited)

	At 31 December 2003 R million	At 31 December 2002 R million	At 31 December 2003 US\$ million	At 31 December 2002 US\$ million
Balance as at the beginning of the financial year	8 628	7 963	1 288	931
Currency translation adjustment and other	–	(455)	1	(52)
Issue of share capital	7 798	213	1 164	25
Net earnings	117	883	17	103
Dividends paid	(292)	(741)	(44)	(87)
Balance as at the end of December	16 251	7 863	2 426	920

Prepared in accordance with International Financial Reporting Standards.

Abridged cashflow statements (unaudited)

6 months ended 31 Dec. 2002 US\$'000	6 months ended 31 Dec. 2003 US\$'000		6 months ended 31 Dec. 2003 R'000	6 months ended 31 Dec. 2002 R'000
125	19	Cash flow from operating activities	133	1 251
(62)	191	Cash utilised in investing activities	1 350	(618)
(64)	(40)	Cash utilised in financing activities	(282)	(635)
30	36	Translation adjustment	–	–
29	206	Increase/(decrease) in cash and equivalents	1 201	(2)
139	225	Opening cash and equivalents	1 687	1 441
168	431	Closing cash and equivalents	2 888	1 439

Prepared in accordance with International Financial Reporting Standards.

Operating activities translated at average rates of: December 2003: US\$1 = R7,08
(December 2002: US\$1 = R10,00)

Closing balance translated at closing rates of: December 2003: US\$1 = R6,70
(December 2002: US\$1 = R8,55)

Maturity schedule of the Harmony Group's commodity contracts by type as at 31 December 2003

	30 June 2005	30 June 2006	30 June 2007	30 June 2008	30 June 2009	Total
Forward Sales Agreements						
Ounces	175,000	108,000	147,000	100,000	100,000	630,000
A\$/ounce	513	510	515	518	518	514.27
Calls Contracts Sold						
Ounces	127,100	40,000	–	–	–	167,100
A\$/ounce	513	552	–	–	–	522
	302,100	148,000	147,000	100,000	100,000	797,100

These contracts are classified as speculative and the marked-to-market movement is reflected in the income statement.

During the quarter 62,900 ounces of the hedge books were closed out at a cost of R5 million (US\$1 million). The mark-to-market of the remaining contracts was a negative R380 million (US\$57 million) as at 31 December 2003. These values were based on a gold price of US\$ 414 (A\$ 552) per ounce, exchange rates of US\$/R6.70 and A\$/US\$ 0.75 and prevailing market interest rates at the time. These valuations were provided by independent risk and treasury management experts.

Gold Lease Rates:

Harmony holds certain gold lease rate swaps which were acquired through its acquisitions of New Hampton and Hill 50. These instruments are all treated as speculative. The mark-to-market of the above contracts was a negative R10 million (US\$1.5 million) as at 31 December 2003, based on valuations provided by independent treasury and risk management experts.

Interest Rate Swaps:

The Group has interest rate swap agreements to convert R600 million of its R1, 2 billion fixed rate bond to variable rate debt. The interest rate swap runs over the term of the bond, interest is received at a fixed rate of 13% and the company pays floating rate based on JIBAR plus a spread ranging from 1.8% to 2.2%.

These transactions which mature in June 2006 are designated as fair value hedges. The marked-to-market value of the transactions was a negative R42 million (US\$6 million) as at 31 December 2003, based on the prevailing interest rates and volatilities at the time.

Development results (metric)

Quarter ending December 2003

	Reef metres	Sampled metres	Channel width (cm's)	Channel value (g/t)	Gold (cmg/t)
Randfontein					
VCR Reef	1 222,8	963	64	22,02	1 412
UE1A	2 725	2 524	139	9,01	1 250
E8 Reef	317,2	3 15,6	150	4,09	614
Kimberley Reef	702,4	523,8	127	9,63	1 226
South Reef	0	0	0	0,00	0
All Reefs	4 967	4 326	122	10,17	1 237
Free State					
Basal	2 844	2 268	92	11,66	1 075
Leader	796	710	235	6,29	1 480
A Reef	664	642	131	4,63	606
Middle	151	118	135	6,25	843
B Reef	654	634	94	20,83	1 960
All Reefs	5 109	4 372	123	9,74	1 194
Evander					
Kimberley Reef	2 242	2 145	64	15,14	969
Elandskraal					
VCR Reef	674	700	77	14,78	1 143
Orkney/Welkom					
Vaal Reef	30	21	140	36,00	5 040
VCR	73	60	238	2,82	671
All reefs	103	81	213	8,48	1 804
Free Gold					
Basal	2 328	2 017	78	16,93	1 314
Beatrix	699	618	77	9,32	713
Leader	42	36	125	5,00	625
All reefs	3 068	2 671	78	14,95	1 166

Development results (imperial)

Quarter ending December 2003

	Reef feet	Sampled feet	Channel width (inches)	Channel value (oz/t)	Gold (in.ozt)
Randfontein					
VCR Reef	4 012	3 159	25	0,65	16
UE1A	8 940	8 279	55	0,25	14
E8 Reef	1 041	1 035	59	0,12	7
Kimberley Reef	2 304	1 719	50	0,28	14
South Reef	0	0	0	0,00	0
All Reefs	16 297	14 193	48	0,29	14
Free State					
Basal	9 331	7 441	36	0,34	12
Leader	2 611	2 329	93	0,18	17
A Reef	2 177	2 106	52	0,13	7
Middle	495	387	53	0,18	10
B Reef	2 147	2 080	37	0,61	23
All Reefs	16 761	14 344	48	0,29	14
Evander					
Kimberley Reef	7 356	7 037	25	0,45	11
Elandsdraal					
VCR Reef	2 210	2297	30	0,44	13
Orkney/Welkom					
Vaal Reef	97	69	55	1,05	58
VCR	241	197	94	0,08	8
All Reefs	338	266	84	0,25	21
Free Gold					
Basal	7 637	6 617	31	0,49	15
Beatrix	2 292	2 028	30	0,27	8
Leader	137	118	49	0,15	7
All reefs	10 066	8 763	31	0,43	13

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New York Stock Exchange	HMY
London Stock Exchange	HRM
Euronext Paris	HG
Euronext Brussels	HMY
Berlin Stock Exchange	HAM1

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