

HARMONY

Review for the quarter and financial year ended 30 June 2001

# **pushing for the exceptional total cost obsession continuous improvement**

This review includes certain information that is based on management's reasonable expectations and assumptions. These "forward-looking statements" include, but are not limited to, statements regarding estimates, intentions and beliefs, as well as anticipated future production, mine life, market conditions and costs. While management has prepared this information using the best of their experience and judgment, and in all good faith, there are risks and uncertainties involved which could cause results to differ from projections.

Cautionary Note to US Investors – The United States Securities and Exchange Commission (the "SEC") permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this quarterly review, such as "resources", that the SEC guidelines strictly prohibit us from including in our filings with the SEC.



**Our 2001 Annual Report  
will be available from  
1 October 2001 and can be  
viewed on our website at  
<http://www.harmony.co.za>**

**To receive a hard copy,  
please call  
Corné Bobbert on  
+27 11 412-1450  
or send an e-mail to  
[cbobbert@harmony.co.za](mailto:cbobbert@harmony.co.za)**

# financial

- annual production growth of 32%
- successful capital raising and bond issue
- final dividend declaration of 70 cents – 120 cents for 2000/01 financial year
- successful turnaround at Elandsdraal as implementation of "Harmony Way" continues
- demarcation of high grade resource at Stella PGM project

	30 June 2001	31 March 2001
<b>Cash operating profit</b>		
– Rand	191 million	141 million
– US\$	24 million	18 million
<b>Earnings</b>		
– Rand	40 million	71 million
– US\$	5 million	9 million
<b>Earnings per share</b>		
– SA cents per share	37	68
– US cents per share	5	9

	30 June 2001	31 March 2001
<b>Gold produced</b>		
– kg	18 380	15 345
– oz	590 927	493 351
<b>Cash costs</b>		
– R/kg	59 350	58 927
– \$/oz	230	234

# key indicators

**"Following the successful restructuring of our balance sheet over the past few months, your company is now well positioned as one of the leading gold producers in the world. In our current environment of industry consolidation and a gold price that remains under pressure, the company identified the need to aggressively continue with its growth strategy. This will be achieved through focus on increasing profit margins of existing operations and identifying further South African turnaround opportunities"**

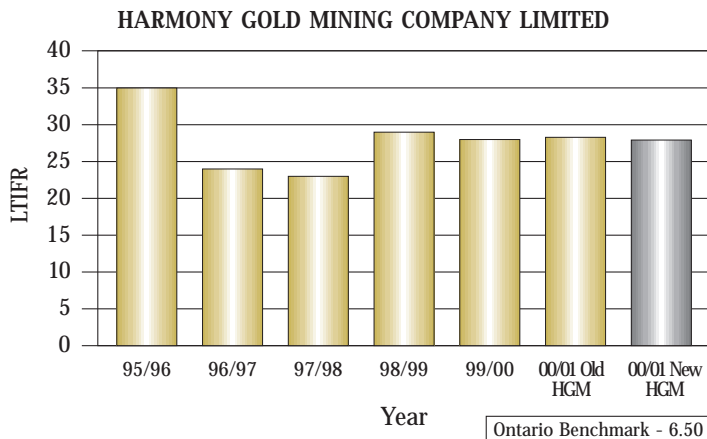
# Chief executive's review

## Safety Report

It is with regret that I have to report the loss of life, as a result of mine accidents, of eight employees during the fourth quarter. Five of these employees were from our newly acquired Elandskraal operations. (A total of 26 employees were fatally injured during the course of the year, 24 underground and 2 on surface.) I wish to extend my sincere condolences to the family, friends and colleagues of these employees.

I would like to extend my thanks and congratulations to the management and employees of Evander 8 Shaft who attained a million fatality free shifts on 30 May 2001. They have been awarded the Mine Health and Safety Council's prestigious 'Millionaires Trophy' in recognition of their efforts.

Our key safety indicator LTIFR (lost time injury frequency rate) shows a marginal improvement despite a period of rapid growth through acquisition.



- All safety indicators are expressed in number of incidents per 1, 000, 000 man-hours of exposure.
- Old HGM excludes Elandsrand and Deelkraal.

We remain resolute in our efforts to eradicate risk from our operations and would like to compliment our employees on their efforts in this regard. The creation of a healthy and safe working environment remains our highest priority.

## HIV/AIDS update

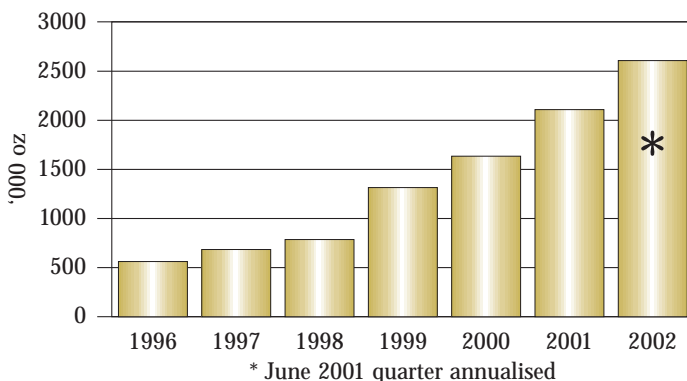
The wellbeing and good health of an ageing workforce remains a focus area for the coming year. Harmony concurs with the Gold Fields Limited current cost estimate of \$4 per ounce of gold produced as a current cost for HIV/Aids prevention and treatment. This is lower than previous estimates of a \$10 per ounce cost as predicted which would have materialised had the pandemic been left unchecked.

In order to augment the impact of the company's intervention programmes a full time medical practitioner has been appointed to enhance our post infection programme and assist the peer educators in our prevention and awareness campaign. The belief is held that the company's wellness programme will assist in improving the quality of life of our employees and prolong their productive life, thus securing income for them and retaining skills for the company.

# Strategic Overview

The company has experienced probably its most exciting year since its independence from Randgold in 1997. During the 2000/2001 financial year the company has delivered growth in terms of reserves, production and cash operating profits.

**GROWTH IN PRODUCTION**



Harmony has grown in most of its performance areas as the year on year analysis of the last three years indicates.

## OUR GROWTH STORY OVER THE LAST THREE YEARS

	June 1999	June 2000	June 2001
Gold produced			
- Kg	39 997	50 572	66 563
- Oz	1 285 931	1 625 925	2 140 040
Cash operating profit			
- SA Rand	390 million	461 million	659 million
- US\$	64 million	73 million	87 million
Cash operating costs			
- R/Kg	46 759	50 121	57 215
- US\$/oz	240	246	234

Our strategy enabled the company to increase its production from 1 625 925 ounces in the 1999/2000 financial year, to 2 140 040 ounces, an increase of 32% for the past financial year.

Cash operating profits increased by 43% from R461 million to R659 million over the same period. Our strategy of acquiring loss-making, high cost operations with turnaround potential, has however impacted on our working cost R/kg which has increased from R50 121 /kg to R57 215 /kg. Our relentless focus on working cost control at all our operations will impact favourably on these costs over the next twelve months as the "Harmony Way" is implemented at these new acquisitions.

Lower than expected recovery grades from our Free State operations accounted for 6% of the increase in working costs per kg. The overall quality of our assets, following these acquisitions, has however significantly improved, which will impact favourably on the overall recovery grade of the company's operations.

Measured in US\$/oz terms the benefits of having a natural currency hedge is evident. The adverse impact of having to incorporate these higher cost operations, has been reduced by the depreciation of our currency as working costs measured in US\$/oz decreased from US\$246/oz to US\$234/oz for the financial year. The average gold price received decreased from US\$290/oz to US\$274/oz over the same period, a decrease of 6%.

The interest charges associated with the debt, used to finance our acquisitions, which amounted to R94,2 million, and taxation of R66,3 million resulted in earnings, before impairment being marginally lower at R326 million compared to the R364 million for the previous year.

Your company is now well positioned as one of the leading gold producers in the world. In our current environment of industry consolidation and a gold price which remains under pressure, the company identified the need to aggressively continue with its growth strategy. This will be achieved through focus on increasing profit margins of existing operations and identifying further South African turnaround opportunities.

Despite accounting for impairment, the strong cash generating potential of the company has enabled the Board to recommend that a final dividend of 70 cents be paid. The total dividends declared for the financial year ended 30 June 2001 totalled 120 cents.

Following the acquisition of Elandsdraal and New Hampton in the first few months of this calendar year, the company announced its intention to restructure its balance sheet to enable it to continue with its growth strategy. This was achieved in four phases namely the:

- (i) consolidation of the company's debt following the acquisitions of Randfontein, Elandsdraal and New Hampton through an international syndicated loan facility of R2,0 billion,
- (ii) a cash injection following our empowerment transaction with the IDC, the total transaction value being R400,0 million,
- (iii) the issue of a domestic bond of R1,2 billion to retire the local debt taken on during the first phase, and



- (iv) the successful completion of a specific issue of shares and warrants for cash which resulted in an additional R1,2 billion being available to retire the mainly international debt taken on during the initial phase. A total of 27,1 million ordinary shares at a price of R43,00 per share and 9 million warrants were issued. The warrants are listed on the JSE Securities Exchange South Africa under the symbol "HARW" and on the NASDAQ under the symbol "HGMCW". As at 30 June 2001 the company had 144,6 million ordinary shares outstanding.

In line with our policy of not producing gold at a total cost above the spot price, thereby destroying value for our shareholders and the industry at large, we completed a review of all the company's operations in early 2001.

Our decision to put Bissett on a care and maintenance programme, close Randfontein No. 4 Shaft and Evander No. 9 Shaft, has resulted in the company having to impair its asset base by an amount of R200 million. The company has, despite the low gold price over the past few years, been prudent in the valuation of its assets and ore reserves. Closures of shafts however necessitate impairment adjustments.

The impact of these closures, whilst being tough decisions to implement from a social and employment perspective, will reflect in the expected improved overall performance of the company in the following financial year.

FINANCIAL YEAR ENDING	June 1999	June 2000	June 2001
Impairment	112	–	200

It is our belief that in the short term the South African gold mining industry, and more specifically the Free State goldfields, has reached the stage whereby orebody consolidation remains the only alternative to create increased operational margins and shareholder value for all stakeholders. During the past twelve months we have experienced decreased margins at our Free State operations mainly due to the average grade being lower than the previous reporting period, which has impacted adversely on the company's overall Rand/kg and profitability results. A similar trend is being experienced by the other stakeholders in the region and the restructuring for increased efficiency could make this region financially attractive again.

In the longer term we will remain competitive through the further upgrading of our production base as well as continuously focussing on cost reductions and improved productivity at all our operations.

## PLATINUM EXPLORATION ACTIVITIES

Evaluation work on the Stella PGM project continued during the quarter under review. An additional 33 boreholes (2 850m) were drilled, orebody models reviewed, resource calculations revised and preliminary scoping studies were undertaken on project economics.

As at 30 June 2001 the following in situ inferred mineral resource is estimated from borehole intersections:

	<b>Tonnage 000's</b>	<b>Grade g/t Pt + Pd + Au</b>	<b>Kgs</b>	<b>Ounces</b>
<b>Total</b>	66 500	1,6	106 400	3 420 000

The project work completed this quarter has resulted in a 25% increase in tonnage and a 7% increase in grade which resulted in the resource increasing by 31% from 2,6 million ounces to 3,4 million ounces. Included in this resource are 1,3 million ounces at 2,25 g/t.

A total of 35 parties have expressed an interest in reviewing the Stella project. Various technical presentations and site visits have subsequently taken place.

To further improve our confidence in the project, the company intends spending an additional R3 million on pre-feasibility testwork involving drilling to confirm the geometry of the priority reef zones and to obtain representative samples for further metallurgical testwork. This process is expected to be completed in three months.

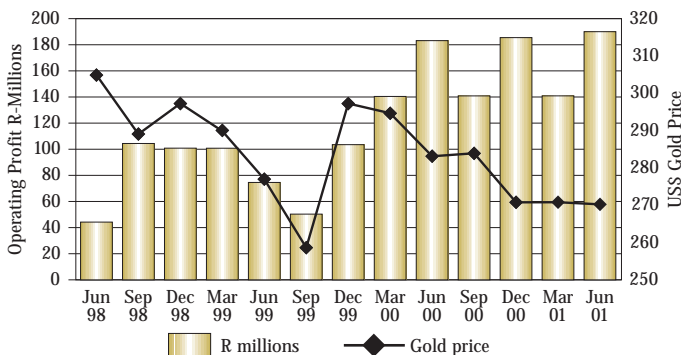
## Quarterly operational review

The company reported an increase of 35% in cash operating profit to R190,5 million. This was R49,4 million more than the R141,1 million reported for the previous quarter.

Net profits were however less at R40,1 million compared to the R70,6 million previously reported. This decrease can mainly be attributed to:

- (i) interest payments of R53,2 million which were incurred as a result of the debt facilities utilised with the acquisition of Elandskraal and New Hampton,
- (ii) increased depreciation and amortisation charges following the incorporation of these acquisitions, and
- (iii) higher taxation with Evander being in a full tax paying position.

### CASH OPERATING PROFIT VS US\$ GOLD PRICE



As quarter on quarter analysis of the various operations shows the impact from the incorporation of the Elandskraal and New Hampton operations.

### TOTAL WORKING PROFIT(LOSS) (R'million)

Operations	March 2001	June 2001	Variance
Free State	17,2	4,6	(12,6)
Evander	78,2	64,8	(13,4)
Randfontein	55,4	58,9	3,5
Elandskraal	—	59,2	59,2
Kalgold	(3,4)	1,0	4,4
Bissett	(6,3)	(1,8)	4,5
New Hampton	—	3,8	3,8
<b>TOTAL</b>	<b>141,1</b>	<b>190,5</b>	<b>49,4</b>

The operations in general reported good performances compared to the March 2001 quarter, with excellent performances by Evander and Elandskraal. Kalgold returned to profitability mainly due to an improvement in grade. Bissett made a smaller loss as underground ore available from previous development and mining activities were processed as part of the winding down operations.

Although we have over the past four quarters referred to the variability of the various orebodies, especially at the Free State operations, the company continues to deliver average cash operating profits of approximately R165 million per quarter. This is significantly higher than the approximately R115 million on average per quarter achieved during the previous financial year. This has been despite the impact of having to restructure the newly acquired high cost operations and incorporating these cost structures into the Harmony structures.

Our focus in the next quarter will be directed at the critical evaluation of our Free State operations. As indicated previously, these operations are in a phase whereby profit margins have shrunk due to variability of the recovered grade. This has in return impacted adversely on the recovery grade of this region, which at 4,0 g/t is 15% lower than the 4,7 g/t reported for the previous financial year.

In line with our policy of not mining gold at a total cost higher than the spot price, production units that have come to the end of their economical life will be closed. Limited life shafts will be structured for profitability during their winding down phase.

## Free State operations

The need for the restructuring of the Free State operations has become more evident although it continues to make small profits. Cash operating profit decreased from R17,2 million to R4,6 million. Underground tonnage decreased by 156 000 tonnes or 12% from 1 322 000 tonnes to 1 166 000 tonnes. At a lower grade of 3,95 g/t compared to the 4,12 g/t for the March 2001 quarter, these operations reported a 16% decrease in gold recovered, down from 5 447 kgs to 4 604 kgs in the last 2001 quarter.

The lower recovery grade impacted on the cost indicators for the operations with increases being reported in US\$/oz and R/tonne measures.

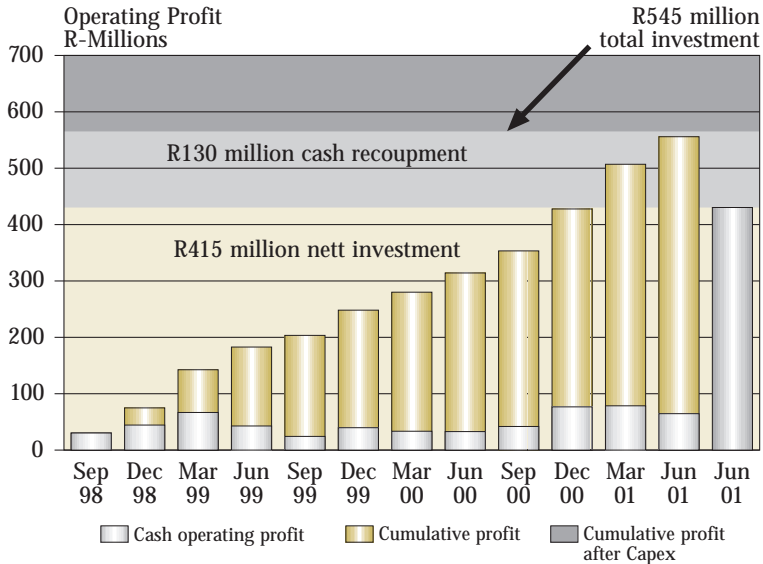
As discussed previously, the Free State operations which have always been an important contributor to cash operating profits, are being reviewed and structured for optimal profitability. The results and action steps from this evaluation process will be presented to shareholders at the September 2001 quarterlies.

## Evander operations

The Evander operations again returned an excellent performance, mainly due to the overall recovery grade increasing from 6,22 g/t to 6,47 g/t an increase of 4,0%. This increase occurred in the No. 8 Shaft decline area. Tonnages were 67 000 tonnes or 11% lower at 532 000 tonnes compared to the 599 000 tonnes for the previous quarter. This decrease in tonnage was mainly the result of under performance at No. 2 and No. 7 Shafts and closure of No. 9 Shaft.

The lower tonnages impacted on the per tonne costs reported by the operation. When measured on US\$/oz terms costs increased from US\$188/oz in the March 2001 quarter to US\$194/oz for the current quarter. The Evander operations, despite being loss making at the time of acquisition some 12 quarters ago, now operate at a cash operating profit margin of 27%.

## RECOUPMENT OF EVANDER INVESTMENT



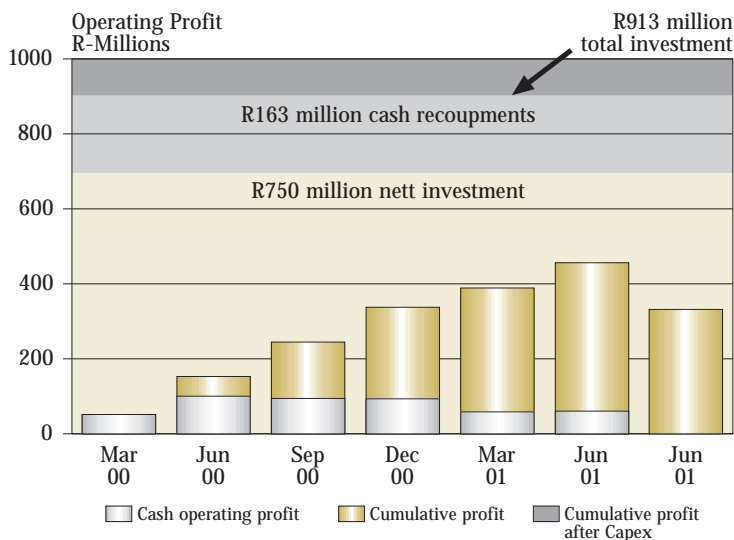
When the acquisition of Evander is evaluated in terms of value creation and increasing profit margins, the graph clearly illustrates that even after capital expenditure to maintain the development of the declines and infrastructure of the operation, the transaction has delivered real value to our shareholders.

## Randfontein operations

Although being adversely affected by the restructuring of the operations following the closure of No. 4 Shaft and the scheduled closure of the Lindum surface operations, the Randfontein operations returned a R3,5 million or 6,3% improvement in cash operating profit. Cash operating profits increased from R55,4 million to R58,9 million over the reporting period.

In line with expectations underground tonnages decreased by 258 000 tonnes from 996 000 tonnes to 738 000 tonnes over this period. At a recovery grade of 4,93 g/t compared to 4,99 g/t for the March 2001 quarter, gold recovered was down at 3 641 kgs. The closure of the loss making operations had a favourable impact on rand/tonne units costs with a 7,7% decrease from R284 per tonne to R262 per tonne. In US\$/oz terms the decrease was higher at 9,3%, down from US\$227/oz to US\$206/oz.

## RECOUPMENT OF RANDFONTEIN INVESTMENT



Our focus is increasing operating margins and creating value opportunities through the acquisition of turnaround assets, like Randfontein which continues to deliver results similar to that of Evander. The company is well on track to recover its investment which was made early in January 2000.

## Elandsdraal operations

The improved performance of the Elandsdraal operations have been included in the company's results for the first time. These operations returned cash operating profits of R59,2 million. The operations milled 578 000 underground tonnes at an average grade of 6,40 g/t.

At the time of acquiring these operations we reported that it was our plan to reduce the rand/tonne costs by an initial R60,00 per tonne in the short to medium term. The implementation of the "Harmony Way" continues to impact on these operations with costs decreasing from approximately R450 per tonne to R350 per tonne for the June 2001 quarter. Our focus will be to continue critically evaluating the cost structures at Elandsdraal as this will favourably impact on our ability to decrease cut-offs, which would result in increased tonnage from underground.

On US\$/oz terms, the Elandsdraal operations compare favourably with our other high profit margin operations with cash working costs of US\$209/oz. As reported previously, we believe that the Elandsdraal acquisition will contribute significantly to the company's overall performance and deliver shareholder value in terms of earnings per share.

Our primary objective for the next 12 months remains to keep Elandsdraal self funding after capex.

## Kalgold operations

Kalgold returned to profitability this quarter. The operations reported a profit of R1,0 million compared to the loss of R3,4 million for the March 2001 quarter. The main contributing factor being the 33% increase in recovery grade, up from 1,28 g/t to 1,70 g/t.

Tonnage increased in line with expectations with 21 000 tonnes or 9,8% from 215 000 tonnes to 236 000 tonnes. At the higher recovery grades, gold production increased by 125 kg or 45% from 276 kgs to 401 kgs.

This improvement in performance at Kalgold is expected to continue for the foreseeable future.

## New Hampton, Australia

The company's offer to minority shareholders was finally closed on July 12 at which point 96,2% of ordinary shareholders and over 95% of option holders had accepted our bid. In terms of the Australian Stock Exchange, the company is now proceeding with the compulsory acquisition of the remaining ordinary shares and options. The Melbourne office has been closed with all functions being performed by the Perth office.

New Hampton can be described as having five different measurable components; mills at Big Bell (capacity of 220 000 tpm) and Jubilee (capacity of 90 000 tpm) respectively, open pit mining operations at both the operations and underground mining at Big Bell.

Both Big Bell and Jubilee have introduced new mining plans which allow mining from current reserves up to the 2002/03 financial year. Overall the focus is on finding replacement ore reserves through an aggressive exploration programme to convert current resources.

The combined operations produced a total of 1 731 kg (55 653 oz) at an average cost of A\$514 per ounce (US\$264 per ounce). After hedging adjustments, the company returned an operating profit of A\$920 000.

The company has reduced the aggressive hedge book by 170 000 oz to 807 000 ounces with an average strike price of A\$491/oz (approximately US\$252/oz). Our strategy is to manage these positions and restructure them when opportunities arise.

Over the following twelve months our focus will be on:

- (i) re-establishing the development and mining of the lower levels of the Big Bell underground mine which was severely affected by a seismic event in late 2000,
- (ii) fully developing the Trojan open pit at Jubilee and acquiring more reserves for this operation,
- (iii) improving efficiencies and costs at both mills,
- (iv) acquiring more reserves and resources for the company, and
- (v) settling down and Harmonising the operations.

## Capital expenditure

Operations	June Quarter Actuals	September Quarter Forecast
Free State	19	10
Evander	16	15
Randfontein	10	8
Bissett	2	–
Kalgold	–	–
Elandskraal	25	35
New Hampton	2	5
<b>Total</b>	<b>74</b>	<b>73</b>



# Notice of final dividend

A dividend No. 73 of 70 cents per ordinary share, being the final dividend for the financial year ending 30 June 2001, has been declared payable on 20 August 2001 to those shareholders registered in the books of the company at the close of business on 17 August 2001.

The dividend is declared in the currency of the Republic of South Africa. Dividend cheques will be posted from the office of the transfer secretaries in South Africa or the registrars in the United Kingdom on or about 20 August 2001.

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 10 August 2001.

This announcement will be mailed to all registered shareholders on or about 3 August 2001.

Last date to trade ordinary shares cum dividend	10 August 2001
Ordinary shares trade ex dividend	13 August 2001
Record date	17 August 2001
Payment date	20 August 2001

By order of the Board

**FW Baker**  
*Company Secretary*

Virginia  
1 August 2001

## Termination of listing of options to subscribe for one ordinary share in the share capital of Harmony

On 9 July 2001, an announcement was made to holders of options to subscribe for one ordinary share of R0,50 in the share capital of Harmony, at a subscription price of R60,00 per ordinary share. Holders were advised on the salient dates for the suspension and termination of the listing of the options on the JSE Securities Exchange South Africa.

Dates were as follows:

Last date to trade options on the JSE	24 July
Suspension of trading of options on the JSE (at the commencement of business)	25 July
Termination of listing of options on the JSE (at the commencement of business)	1 August

# results

(rand/metric)

		Free State Total	Evander U/g	Evander Surface	Bissett Total	Kalgold Opencast	Rand- fontein U/g	Rand- fontein Surface	Elands- kraal U/g	Elands- kraal Surface	New Hamp- ton	Total
Ore milled	Jun-01	1 166	532	35	81	236	738	308	578	128	1 088	4 890
- t'000	Mar-01	1 322	599	52	64	215	996	575	–	–	–	3 823
Gold Produced	Jun-01	4 604	3 440	39	401	401	3 641	301	3 698	124	1 731	18 380
- kg	Mar-01	5 447	3 723	59	295	276	4 970	575	–	–	–	15 345
Yield - g/tonne	Jun-01	3.95	6.47	1.11	4.95	1.70	4.93	0.98	6.40	0.97	1.59	3.76
	Mar-01	4.12	6.22	1.13	4.61	1.28	4.99	1.00	–	–	–	4.01
Cash Operating	Jun-01	68 995	50 168	51 795	77 446	67 374	53 122	75 532	54 673	32 556	68 264	59 350
Costs - R/kg	Mar-01	64 822	47 228	51 644	96 495	80 460	56 977	66 807	–	–	–	58 927
Cash Operating	Jun-01	272	324	58	383	114	262	74	350	32	109	223
Costs - R/tonne	Mar-01	267	294	59	445	103	284	67	–	–	–	237
Working	Jun-01	322 205	236 763	2 663	29 236	28 025	254 465	20 649	256 820	8 613	121 921	1 281 360
Revenue (R'000)	Mar-01	370 295	253 080	3 971	22 212	18 770	337 979	39 059	–	–	–	1 045 366
Cash Operating	Jun-01	317 652	172 578	2 020	31 056	27 017	193 419	22 735	202 180	4 037	118 165	1 090 859
Costs (R'000)	Mar-01	353 086	175 830	3 047	28 466	22 207	283 178	38 414	–	–	–	904 228
Cash Operating	Jun-01	4 553	64 185	643	(1 820)	1 008	61 046	(2 086)	54 640	4 576	3 756	190 501
Profit (R'000)	Mar-01	17 209	77 250	924	(6 254)	(3 437)	54 801	645	–	–	–	141 138

# Financial results

## total operations (rand/metric) (unaudited)

Quarter ended 31 March 2001	Quarter ended 30 June 2001		Year ended 30 June 2001	Year ended 30 June 2000
3 823	4 890	Ore milled – t'000	17 074	11 881
15 345	18 380	Gold produced – kg	66 563	50 572
68 124	69 715	Gold price received – R / kg	67 115	59 235
58 927	59 350	Cash operating costs – R / kg	57 215	50 121
R'000	R'000		R'000	R'000
1 045 366	1 281 360	Gold sales	4 467 386	2 995 639
904 228	1 090 859	Cash operating costs	3 808 406	2 534 738
141 138	190 501	Cash operating profit	658 980	460 901
(47 197)	(70 940)	Amortisation	(237 036)	(136 196)
(4 155)	(1 915)	(Loss)/gain on financial instruments	58 142	54 348
(449)	(3 885)	Employment termination costs	(12 881)	(1 406)
22 498	35 623	Other income – net	139 208	120 880
(13 096)	(53 209)	Interest paid	(94 170)	(20 316)
(8 953)	(14 362)	Corporate expenditure	(35 691)	(12 387)
(8 831)	(9 047)	Exploration and new business	(34 721)	(15 876)
80 955	72 766	Profit before taxation	441 831	449 948
(10 908)	(24 366)	South African normal taxation		
549	(8 292)	– Current tax	(66 269)	(22 068)
		– Deferred tax	(49 518)	(63 900)
70 596	40 108	Earnings after tax	326 044	363 980
–	–	#Impairment of fixed assets	(200 369)	–
70 596	40 108	Net earnings	125 675	363 980
		*Earnings per share – cents		
68	37	– Earnings	317	435
–	–	– Net earnings after impairment	122	435
–	70	Dividends per share – (cents)	120	120

# The impairment charge relates to the write down of our Bissett Operations which have been put on care and maintenance and the closure of Cooke 4 Shaft on the Randfontein Operations, as well as the write down of certain Free State Operation's shafts.

\* Calculated on weighted average number of shares in issue during the quarter:  
107.8 million (March 2001: 104.3 million)

Calculated on weighted average number of shares in issue during the year:  
102,9 million (June 2000: 83,4 million)

# Abridged balance sheet *(rand) (unaudited)*

	*At 30 June 2001 R'000	At 31 March 2001 R'000
<b>Employment of Capital</b>		
Mining assets after amortisation	5 423 640	3 909 732
Investments	533 440	468 178
Loans to share trusts	30 729	12 556
Net current (liabilities)/assets (excluding cash)	(145 728)	45 327
Short-term investments		
– Western Areas	–	74 457
Cash	1 158 531	340 526
	<b>7 000 612</b>	<b>4 850 776</b>
<b>Capital Employed</b>		
Shareholders' equity	4 587 828	3 266 670
Loans	1 200 000	610 621
Long-term provisions	435 271	374 448
Unrealised hedging loss	396 969	238 300
Deferred tax	380 544	360 737
	<b>7 000 612</b>	<b>4 850 776</b>

Issued share capital: 144.6 million ordinary shares of 50 cents each.

(March 2001: 104.3 million)

\*The incorporation of the New Hampton and Elandsdraal Operations caused significant variances to comparative balances

# Operating and financial results

(US\$/imperial)

		Free State Total	Evander U/g	Evander Surface	Bissett Total	Kalgold Opencast	Rand- fontein U/g	Rand- fontein Surface	Elands- kraal U/g	Elands- kraal Surface	New Hamp- ton	Total
Ore milled – t'000	<b>Jun-01</b>	<b>1 286</b>	<b>587</b>	<b>39</b>	<b>89</b>	<b>260</b>	<b>814</b>	<b>340</b>	<b>637</b>	<b>141</b>	<b>1 200</b>	<b>5 393</b>
	Mar-01	1 458	661	57	71	237	1 098	634	–	–	–	4 216
Gold Produced – oz	<b>Jun-01</b>	<b>148 021</b>	<b>110 598</b>	<b>1 254</b>	<b>12 892</b>	<b>12 892</b>	<b>117 060</b>	<b>9 677</b>	<b>118 893</b>	<b>3 987</b>	<b>55 653</b>	<b>590 927</b>
	Mar-01	175 124	119 697	1 897	9 484	8 874	159 788	18 487	–	–	–	493 351
Yield – oz/ton	<b>Jun-01</b>	<b>0.115</b>	<b>0.188</b>	<b>0.032</b>	<b>0.145</b>	<b>0.050</b>	<b>0.144</b>	<b>0.028</b>	<b>0.187</b>	<b>0.028</b>	<b>0.046</b>	<b>0.110</b>
	Mar-01	0.120	0.181	0.033	0.134	0.037	0.146	0.029	–	–	–	0.117
Cash Operating Costs – \$/oz	<b>Jun-01</b>	<b>267</b>	<b>194</b>	<b>201</b>	<b>300</b>	<b>261</b>	<b>206</b>	<b>293</b>	<b>212</b>	<b>126</b>	<b>264</b>	<b>230</b>
	Mar-01	258	188	206	384	320	227	266	–	–	–	234
Cash Operating Costs – \$/ton	<b>Jun-01</b>	<b>31</b>	<b>37</b>	<b>6</b>	<b>43</b>	<b>13</b>	<b>30</b>	<b>8</b>	<b>40</b>	<b>4</b>	<b>12</b>	<b>25</b>
	Mar-01	31	34	7	51	12	33	8	–	–	–	27
Working Revenue (\$'000)	<b>Jun-01</b>	<b>40 125</b>	<b>29 485</b>	<b>332</b>	<b>3 641</b>	<b>3 490</b>	<b>31 689</b>	<b>2 571</b>	<b>31 983</b>	<b>1 073</b>	<b>15 183</b>	<b>159 572</b>
	Mar-01	47 352	32 363	508	2 840	2 400	43 220	4 995	–	–	–	133 678
Cash Operating Costs (\$'000)	<b>Jun-01</b>	<b>39 558</b>	<b>21 492</b>	<b>252</b>	<b>3 867</b>	<b>3 365</b>	<b>24 087</b>	<b>2 831</b>	<b>25 178</b>	<b>503</b>	<b>14 715</b>	<b>135 848</b>
	Mar-01	45 152	22 485	390	3 640	2 840	36 212	4 912	–	–	–	115 631
Cash Operating Profit (\$'000)	<b>Jun-01</b>	<b>567</b>	<b>7 993</b>	<b>80</b>	<b>(226)</b>	<b>125</b>	<b>7 602</b>	<b>(260)</b>	<b>6 805</b>	<b>570</b>	<b>468</b>	<b>23 724</b>
	Mar-01	2 200	9 878	118	(800)	(440)	7 008	83	–	–	–	18 047

# Financial results

## total operations (US\$/imperial) (unaudited)

Quarter ended 31 March 2001	Quarter ended 30 June 2001		Year ended 30 June 2001	Year ended 30 June 2000
4 216	5 393	Ore milled – t'000	18 828	13 096
493 351	590 927	Gold produced – oz	2 140 040	1 625 925
271	270	Gold price received – \$ / oz	274	290
234	230	Cash operating costs – \$ / oz	234	246
\$'000	\$'000		\$'000	\$'000
133 678	159 572	Gold sales	587 042	471 754
115 631	135 848	Cash operating costs	500 448	399 171
18 047	23 724	Cash operating profit	86 594	72 583
(6 035)	(8 834)	Amortisation	(31 148)	(21 448)
(531)	(238)	(Loss)/gain on financial instruments	7 640	8 559
(57)	(484)	Employment termination costs	(1 693)	(221)
2 877	4 436	Other income – net	18 293	19 036
(1 674)	(6 626)	Interest paid	(12 375)	(3 199)
(1 145)	(1 789)	Corporate expenditure	(4 690)	(1 951)
(1 130)	(1 127)	Exploration and new business	(4 563)	(2 500)
10 352	9 062	Profit before taxation	58 058	70 859
(1 395)	(3 034)	South African normal taxation		
70	(1 033)	– Current tax	(8 708)	(3 475)
		– Deferred tax	(6 507)	(10 063)
9 027	4 995	Earnings after tax	42 843	57 321
–	–	#Impairment of fixed assets	(26 330)	–
9 027	4 995	Net earnings	16 513	57 321
9	5	*Earnings per share – cents		
–	–	– Earnings	42	69
–	9	– Net earnings after impairment	16	69
		Dividends per share – (cents)	16	19

Prepared in accordance with International Accounting Standards

Currency conversion rates: US\$1 = R8.03 (March 2001: R7.82)

Currency conversion rates for the year: US\$1 = R7.61 (June 2000: R6.35)

#The impairment charge relates to the write down of our Bissett Operations which have been put on care and maintenance and the closure of Cooke 4 Shaft on the Randfontein Operations, as well as the write down of certain Free State Operation's shafts.

\* Calculated on weighted average number of shares in issue during the quarter: 107.8 million (March 2001: 104.3 million)

Calculated on weighted average number of shares in issue during the year: 102.9 million (June 2000: 83.4 million)

# Abridged balance sheet

(US\$) (unaudited)

	*At 30 June 2001 US\$'000	At 31 March 2001 US\$'000
<b>Employment of Capital</b>		
Mining assets after amortisation	675 422	499 966
Investments	66 431	59 869
Loans to share trusts	3 827	1 606
Net current (liabilities)/assets (excluding cash)	(18 147)	5 796
Short-term investments		
– Western Areas	–	9 521
Cash	144 275	43 545
	<b>871 808</b>	<b>620 303</b>
<b>Capital Employed</b>		
Shareholders' equity	571 336	417 732
Loans	149 440	78 085
Long-term provisions	54 206	47 883
Unrealised hedging loss	49 436	30 473
Deferred tax	47 390	46 130
	<b>871 808</b>	<b>620 303</b>

Issued share capital: 144.6 million ordinary shares of 50 cents each.

(March 2001: 104.3 million)

Currency conversion rates: US\$1 = R8.03 (March 2001: R7.82)

\*The incorporation of the New Hampton and Elandsdraal Operations caused significant variances to comparative balances

# Condensed statement of changes in shareholders' equity

(unaudited)

	At 30 June 2001 R'000	At 30 June 2000 R'000	At 30 June 2001 US\$'000	At 30 June 2000 US\$'000
Balance as at the beginning of the financial year	2 874 718	1 723 429	357 997	257 998
Currency translation adjustment and other	7 408	(19 915)	923	(2 981)
Issue of share capital	1 732 652	916 404	215 772	137 186
Net earnings	125 675	363 980	15 651	54 488
Dividends paid	(152 625)	(109 180)	(19 007)	(16 344)
<b>Balance as at the end of June</b>	<b>4 587 828</b>	<b>2 874 718</b>	<b>571 336</b>	<b>430 347</b>

Currency conversion rates used:

US\$1 = R8.03 (June 2000: R6.68)



# Development

## results – (Metric)

	Reef Meters	Sampled Meters	Channel Width (Cm's)	Channel Value (g/t)	Gold (Cmg/t)
<b>RANDFONTEIN</b>					
VCR REEF	428	330	148	10.36	1 533
UE 1A	2 164	1 944	103	10.28	1 059
E8 REEF	10	10	79	8.9	703
KIMBERLEY REEF	238	211	247	3.98	984
ALL REEFS	2 840	2 495	121	9.21	1 114
<b>FREE STATE</b>					
BASAL	1 859	1 422	87	9.85	857
LEADER	1 096	858	140	6.31	884
A REEF	579	438	102	6.20	632
MIDDLE	218	148	103	10.87	1 120
B REEF	148	49	124	19.73	2 446
ALL REEFS	3 900	2 915	106	8.22	871
<b>EVANDER</b>					
KIMBERLEY REEF	3 176	3 066	75	10.85	814
<b>ELANDSKRAAL</b>					
VCR REEF	657	720	75	13.37	1 003

# Development results — (imperial)

	Reef Feet	Sampled Feet	Channel Width (inches)	Channel Value (oz/t)	Gold (in.ozt)
<b>RANDFONTEIN</b>					
VCR REEF	1 403	1 083	58	0.303	18
UE1A	7 099	6 378	41	0.297	12
E8 REEF	33	33	31	0.260	8
KIMBERLEY REEF	782	692	97	0.116	11
ALL REEFS	9 317	8 186	48	0.266	13
<b>FREE STATE</b>					
BASAL	6 100	4 665	34	0.289	10
LEADER	3 594	2 815	55	0.185	10
A REEF	1 898	1 437	40	0.182	7
MIDDLE	716	486	41	0.314	13
B REEF	487	161	49	0.573	28
ALL REEFS	12 795	9 564	42	0.238	10
<b>EVANDER</b>					
KIMBERLEY REEF	10 420	10 059	30	0.312	9
<b>ELANDSKRAAL</b>					
VCR REEF	2 156	2 362	30	0.384	12

This report was approved by the board of directors and is signed on its behalf by:



**Z B Swanepoel**  
Chief executive

20 July 2001



**F Abbott**  
Financial director

# Investors' information

## Business address

Harmony Gold Mining Company Limited  
Randfontein Office Park  
C/o Main Reef Road and Ward Avenue  
Randfontein, PO Box 2, Randfontein, 1760  
Telephone: +27 (11) 412-1450  
Telefax: +27 (11) 692-3879  
E-mail: corporate@harmony.co.za

## Investor relations

For further information contact:  
Corné Bobbert  
Telephone: +27 (11) 412-1450  
Telefax: +27 (11) 692-3879  
E-mail: cbobbert@harmony.co.za

## Share transfer secretaries

Ultra Registrars (Pty) Ltd  
Contact: Polly Pollard  
Telephone: +27 (11) 370 5775  
Telefax: +27 (11) 370 5780  
E-mail: ultra@registrars.co.za  
11 Diagonal Street  
Johannesburg 2001  
(PO Box 4844, Johannesburg, 2000)

## United States Depository

American Depository Receipts,  
The Bank of New York  
Contact: Melissa Atheneos  
Telephone: +1 (21) 815 5133  
Telefax: +1 (212) 571 3050  
E-mail: matheneos@bankofny.com  
Shareholder Relations Department  
101 Barclay Street, New York, NY10286  
United States of America

## United Kingdom Registrars

Capita IRG Plc  
Contact(s): Melvyn Leigh/Therese Hodgkin  
Telephone: +44 (208) 639 1001  
Telefax: +44 (208) 478 2876  
E-mail: mleigh@capita-irg.com/thodgin@capita-irg.com  
Balfour House 390-398  
High Road, Ilford  
Essex IG1 1NQ, United Kingdom

## North American investor and shareholder enquiries

Roth Investor Relations Inc.  
Contact: Michelle B. Roth (President)  
Telephone: +1 (732) 792-2200  
Telefax: +1 (732) 792-2211  
E-mail: michelleroth@rothir.com  
215 Gordons Corner Road, Suite 2A, Manalapan  
New Jersey 07726  
United States of America

## Directors

A R Fleming\*† (Chairman),  
Z B Swanepoel (Chief executive), F Abbott,  
F Dippenaar, Dr. A M Edwards\*, T S A Grobicki,  
M F Pleming\*, Lord Renwick of Clifton KCMG\*†,  
Dr. G S Sibiya\*,  
*\*Non executive directors †British*

Enquiries concerning this report can be directed to:  
Theresa Lee  
PO Box 2 Randfontein, 1760  
Telephone: +27 (11) 411-2227  
Facsimile: +27 (11) 692-3879  
E-mail: tlee@harmony.co.za

## Trading Symbols

### Ordinary Shares

JSE Securities Exchange	:	HAR
Nasdaq	:	HGMCY
London Stock Exchange	:	HRM
Euronext Paris	:	HG
Euronext Brussels	:	HMY

### Warrants

JSE Stock Exchange	:	HARW
Nasdaq	:	HGMCW