

HARMONY GOLD MINING CO LTD

Form 6-K

November 05, 2003





UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO  
RULE 13a-16 OR 15d-16 UNDER THE SECURITIES  
EXCHANGE ACT OF 1934

For the Month of Oct 2002 - Sept 2003

**Harmony Gold Mining Company**

**Limited**

Suite No. 1

Private Bag X1

Melrose Arch, 2076

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F

Form 40-F

(Indicate by check mark whether the registrant by  
furnishing the information contained in this form  
is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the  
Securities Exchange Act of 1934.)

Yes

No





**Shareholder information**

Issued share capital

257 858 784

as at 30 September 2003

**Market capitalisation**

At 30 September 2003 (R million)

25 657

At 30 September 2003 (US\$ million)

3 736

US\$ per production ounce per annum

934

US\$ per reserve ounce

60

US\$ per resource ounce

9

**Share price**

12 month high (October 2002 - September 2003)

\$18.50

12 month high (October 2002 - September 2003)

R181,50

12 month low (October 2002 - September 2003)

\$10.14

12 month low (October 2002 - September 2003)

R71,00

**Free float**

100%

**ADR ratio**

1:1

**JSE Securities Exchange South Africa**

HAR

Range Quarter

R83.70 R117.25

Average volume/Quarter

1 378 924 shares/day

**New York Stock Exchange**

HMY

Range Quarter

US\$10.93 US\$15.95

Average volume/Quarter

1 284 094 shares/day

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This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. All statements other than those of historical facts included in this presentation are forward-looking statements including, 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, 2002, 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.

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 may 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.

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**Proforma combined quarterly financial**

**highlights**

**Sept 2003**

**June 2003**

**% Variance**

Cash earnings per share

- SA cents per share

130

133

(2)

- US cents per share

18

17

1

Basic earnings per share  
excluding mark to market of  
financial instruments and  
impairment charges

- SA cents per share

44

18

144

- US cents per share

6

2

200

Basic earnings per share  
including mark to market of  
financial instruments and  
impairment charges

- SA cents per share

(24)

(135)

82

- US cents per share

(3)

(17)

82

Gold produced

- kg

30 145

29 959

1

- oz

969 179

963 200

1

Cash costs

- R/kg

75 319

73 480

(3)

- \$/oz

316

296

(7)

1

**Key indicators**

**Highlights for the quarter**

**Harmony/ARMgold merger concluded on 22 September 2003**

**Higher US Dollar gold price negates some impact of stronger**

**South African Rand**

**Robustness of asset base delivers solid operational performance  
from all regions**

**Abelle Ltd - feasibility study on Morobe continues and further  
good exploration results from Wafi**

**Crystallized strategic investments in Highland Gold and**

**High River Gold**

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**Chief executive's review**

*"As predicted, the South African Rand continued its strong trend against the US dollar. This company however proved its robustness by returning a solid operational performance as well as effectively dealing with the impact of the annual wage increases through productivity improvements."*

**SAFETY REPORT**

The first quarter of 2003/04 saw the integration of the safety structures of the merged companies. Regrettably, during the past quarter, eight of our employees lost their lives in mining related incidents. We extend our sincere condolences to the family and friends of the deceased. In all the other key safety indications, the company showed improvement. This is evident from the list of safety achievements.

**Fatality free**

**Date**

**Operation**

**shifts**

26/09/03

Free Gold

2 000 000

20/07/03

Kalgold

1 000 000

21/07/03

St Helena

1 000 000

27/08/03

Evander 8 Shaft

1 000 000

14/07/03

Unisel

500 000

23/07/03

Evander 2 Shaft

500 000

14/08/03

Welkom

500 000

10/09/03

Joel

500 000

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**The past quarter in review operational improvements contribute to solid performance**

As predicted the South African Rand continued its strong trend against the US Dollar. This company however proved its robustness by returning a solid operational performance as well as effectively dealing with the impact of the annual wage increases through productivity improvements.

Following the successful completion of the merger between Harmony and ARMgold on 22 September 2003, we are presenting the Q1/F2004 results in a pro-forma combined format to allow for a quarter on quarter comparison.

The merged company reported increased cash operating profits up 1%, up from R330,4 million to R332,9 million. This was achieved through a combination of a 1% increase in production as well as good management of working costs following the granting of annual labour increases, in excess of 10%, in July 2003.

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

**Sept 2003**

**June 2003**

**% Variance**

Production - kg

30 145

29 959

1

Production - oz

969 179

963 200

1

Revenue - R/kg

86 364

84 507

2

Revenue - US\$/oz

362

340

6

Cash cost - R/kg

75 319

73 480

(3)

Cash cost - US\$/oz

316

296

(7)

Exchange rate - R/US\$

7,42

7,73

(4)

**For comparison purposes the contribution from both Harmony and ARMgold measured quarter on quarter are best illustrated as follows:**

**September 2003**

**June 2003**

**Harmony    ARMgold**

**Total**

**Harmony    ARMgold**

**Total**

Production - kg

22 725

7 420

30 145

21 992

7 967

29 959

Production - oz

730 622    238 557    969 179

707 053    256 147    963 200

Cash operating  
profit (R'million)

217,4

115,5

332,9

183,4

147,0

330,4

Whilst Harmony returned vastly improved operational results, ARMgold performed in line with predictions following the expected reduction in output from its Welkom/Orkney Operations.

On an operational level the merger has progressed well with the integration of the various activities of the underlying companies. At the time of the merger it was anticipated that savings of approximately R10,0 million per month would be achieved. I anticipate that it will be achieved within the next three months.

Although we have reached an agreement with the labour unions on the introduction of CONOPS (continuous operations) at our Free Gold operations, these benefits are only expected to contribute to the performance of the company in six to nine months time. Activities related to the introduction of CONOPS are underway at the various Free Gold shafts and are progressing well.

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**Sept 2003**

**June 2003**

**% Variance**

Cash earnings per share

- SA cents per share

130

133

(2)

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1

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(24)

(135)

82

US cents per share

(3)

(17)

82

As a result of the increase in the US Dollar price of gold the negative mark to market value of the hedge book increased by R166 million quarter on quarter. This hedgebook was inherited by Harmony through the acquisition of New Hampton and Hill 50 in Australia.

When measured in cash earnings per share, earnings decreased by 2% from 133 cents per share to 130 cents per share.

## **RESTRUCTURING TO DEAL WITH THE STRONG SA RAND**

Harmony has, over the past seven years, had to deal with the volatile cycles in the US Dollar gold price as well as the SA Rand.

The current low R/kg gold price scenario has again presented the company with the challenge to restructure its operations and as in the past, position itself to deal with its changing environment. The company has demonstrated on

many occasions its ability to deal pro-actively with the adverse situations.

This restructuring exercise will see more focus being placed on the operational and financial performance of the company without neglecting areas of growth and marketing.

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Four new Regional Business Coaches will be appointed to assist Andre Wilkens, Philip Kotze and Peter Steenkamp in managing the larger operational production base, following the merger of the two companies. These Business Coaches will add much needed capacity to allow for the optimal exploration of our orebodies as well as the continued focus on improving our people productivity.

**UPGRADING (NOT HIGH GRADING) OUR RESERVE BASE**

Over the past few years we have completed twenty five acquisitions. As indicated in the past, these assets were typically mature, marginal in nature, and our immediate focus was to restructure the assets for profitability. This strategy has served us well and we have created significant value for all shareholders over the past eight years.

However, included in the portfolio of mature assets, were a range of growth projects, which at the time of acquiring them, had little value as the profitability of the acquired assets did not allow for sufficient funding to develop them. With the change in both the profitability of these operations and the long term US Dollar gold price board approval was given over the past twelve months to develop a number of these growth projects.

Cash available  
for dividends and  
re -investment

in quality  
production

**APPROVED PROJECTS**

Masimong Expansion

Elandsrand New Mine

Phakisa Mine

Tshepong Mine

Doornkop South Reef

Restructure

for

profitability

Acquisition of

marginal

mature

assets

**"Unlocking value**

**for our shareholders"**

**VALUE UPLIFTMENT PROCESS**

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The successful completion of these projects will result in the company's underground recovery grade increasing from the current 5,3 g/t to above 6,1 g/t by 2009. The improved quality will result in a lower cash and total cost profile.

**CAPITAL COST PER PRODUCTION OUNCE**

**Mineable**

**Total**

**reserve**

**cost\*\***

**US\$**

**Project**

**('000/oz)**

**(US\$m)**

**cost/oz**

**g/t**

**oz/annum**

Masimong

2 530

30

12

5.2

315 000

Tshepong

1 300

36

28

7.5

167 000

Phakisa

4 100

73

18

7.4

265 000

Elandsrand

6 300

210

33

8.8

450 000

Doornkop South

3 700

169

46

6.4

330 000

Based on R7.50 to US Dollar

\*\* Includes acquisition, exploration and Capex charges.

Through a process of weighing up the development of organic growth projects to the acquisition of other available assets under the current high US Dollar gold price scenario, the abovementioned list of projects with IRR's in excess of 20% have been approved and are currently being developed.

**DECREASING CASH COST PROFILE @ 7.50 PER US\$**

**US\$ cash cost**

**US\$ total cost**

Current cost/oz

310

335

Project cash cost/oz

Masimong Expansion

239

251

Tshepong Mine

210

238

Phakisa Mine

222

240

Elandsrand New Mine

223

256

Doornkop South Reef

205

251

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Due to the higher recovery grades and the fact that these are long life assets, the working cost structure of these orebodies will be different. Using an exchange rate of R7,50 to the US Dollar, the cash cost structure of the company will be significantly lower than the current approximately US\$310/oz. This will increase the overall profitability from the ounces mined over the next five to ten years.

Our decision to pursue the development of these projects is paying off with the overall performance profile of the company improving as ounces from these projects are reporting to the mill.

### **CLEANING UP OUR PORTFOLIO OF STRATEGIC INVESTMENTS**

The company announced on 13 October 2003 that it had disposed of its 31,7% shareholding in Highland Gold Mining Limited.

This stake which was acquired at a cost of US\$26,6 million was disposed of for an amount of US\$119 million, a return of some 350%. Following the strengthening of the Rand, this investment realised a return of 223% in Rand terms.

As a result of the challenges faced by non-Russian companies in operating in Russia and the improved exploration results from Wafi, a project within Abelle Limited, the company deemed it necessary to look at ways of strengthening its balance sheet to fund its future non-South African growth. Disinvesting from Highland Gold, which had significantly increased in value over the past 12 months, presented the company with such an opportunity.

Following the disposal of our investment in Highland Gold, the strategic relevance of our shareholding in High River Gold decreased. On 17 October 2003, the company announced that it had disposed of its 17 074 861 shares or 16% shareholding in High River Gold for a consideration of US\$22,4 million. We realised a return of 55% on the US\$14,5 million originally invested in November 2002. The strength of the South African Rand again impacted on the profit in Rand terms (R17,7 million).

The profit realised from these transactions totalled approximately R528,2 million or 206 cents per share and will be reflected in the Q2/F2004. Proceeds from this disposal will strengthen our balance sheet significantly and will be utilised in funding our future growth.

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## **STRATEGIC INVESTMENTS**

- **Bendigo (31.8% Harmony)**

The underground development and sampling programme initiated at Bendigo in early 2002 is nearing completion. Good results (over 100m at over 30 g/t) have been obtained from the drive on Gerard's (Lower S3) Reef.

Bendigo's management are due to complete the feasibility study regarding the commercial development of this asset before the end of the year.

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- **Abelle**

Significant progress was made with the various projects in Abelle.

***Morobe (Hidden Valley) feasibility study***

The re-engineering of the Morobe feasibility study, as envisaged during the May bid by Harmony, is nearing completion. In essence we are designing a smaller operation, with lower capital costs but significantly better economics than that proposed by the previous owners.

Initial results indicate:

- (i)  
the orebody is amenable to reinterpretation at a higher cut-off grade into a series of smaller, higher grade, but still robust, lenses,
  - (ii)  
a very detailed mining study envisaging a smaller pit, but also with a much lower "prestrip" is yielding very promising results, and
  - (iii)  
significant capital infrastructure savings appear possible by changing the configuration of the plant layout, infrastructure and including cash flows from the Hamata orebody early into the mining study.
- The preliminary financial studies to date indicate that, (excluding the mining fleet which is estimated to cost A\$52 million and can be financed separately), the capital costs for Phase I of the development of the mine could be trimmed to A\$160 million, including prestrip, (previously A\$260 million), for an operation that would process 3.5 mtpa of ore to produce 290,000 300,000 ounces per annum. This estimate assumes that the equipment fleet is leased.

The total ounces of gold produced in this first phase of operations drops to 2.06 million (plus 29.7 million ounces of silver), previously 2.7 million ounces of gold. This figure excludes inferred resources which exist within the pit shell. Further potential not included in the study is the possibility of mining from underground the depth extensions of the higher grade lenses which the new smaller open pits will not exploit.

Although the results from this study should be available before the end of 2003, activities related to financing the construction of the mine will be concluded early in 2004.

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***Wafi Gold Project***

Further drilling on the Link Zone at Wafi continues to support earlier encouraging results.

Hole WA183 drilled to confirm the new interpretation of the Link Zone structure yielded results including:

70m @ 14,08 g/t from 209m

8m @ 7,79 g/t from 363m

4m @ 6,99 g/t from 431m

Other boreholes near the flanks of the orebody yielded some good results, including:

W 182 28m @ 3,81 g/t from 92m

46m @ 6,04 g/t from 189m

W 184 15m @ 5,21 g/t from 241m

8m @ 4,57 g/t from 337m

Drilling is continuing.

***Golpu Copper Gold Project***

Preliminary studies on this large Cu/Au porphyry deposit are continuing.

There are significant differences in the grade and impurity (mainly arsenic) content of this orebody with depth.

Current work has the character of "scoping studies" to try to define the best combination of mining and metallurgical technologies which would maximise the returns from this orebody. In addition it is important to design and develop strategy which will encompass some of the synergistic combinations with the development of the Wafi gold mineralisation which is only 1.4km away.

***Gidgee Operations***

The Gidgee Operations increased gold production to 17,065 ounces from 11,534 ounces in the June quarter and operating profits increased to A\$2.37m from \$1.91 million. However the remaining high grade underground lenses that have underpinned the production base and profitability in the past five months are being depleted. The continued profitability of these operations remain at risk whilst exploration for more of these high grade lenses continues.

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**QUARTERLY OPERATIONAL REVIEW**

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

**Sept 2003**

**June 2003**

**Variance**

**Operations**

**(R'million)**

**(R'million)**

**(R'million)**

Free Gold (100%)

165

201

(36)

Free State

7

4

3

Evander

39

38

1

Randfontein

40

40

-

Elandskraal

(6)

(33)

27

Welkom/Orkney

33

46

(13)

Kalgold

13

11

2

Australian Operations

42

23

19

Total

333

330

3

**Free Gold Operations**

The Free Gold Operations reported an 18% or R35 million reduction in cash operating profit, down from R200 million to R165 million.

Tonnage from underground increased by 3% from 1 222 000 tonnes to 1 254 000 tonnes. Underground recovery grade at 6,27 g/t was 6% lower than the 6,70 g/t reported previously. Net underground gold recovery was lower at 7 864 kg. Although surface tonnages was 86 000 tonnes less at 1 102 000 tonnes, a higher recovery grade of 0,67 g/t resulted in a net gold recovery of 742 kg.

These operations contained costs well with working costs increasing by only R5,6 million quarter on quarter from R573,9 million to R579,5 million. Due to the lower underground recovery grades underground working costs in R/kg terms increased by 5% from R64 343/kg to R67 492/kg.

In R/tonne terms total working costs increased from R238/tonne to R246/tonne.

Free Gold reported another fatality free quarter. The management teams have accepted the challenge to deliver excellent sustainable production results, but not at the expense of safety.

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Bambanani contributed to the lower overall Free Gold recovery grade, with a 15% decline in recovery grade, down to 6,19 g/t compared to a forecast of 7,29 g/t. Underground tonnage at 397 000 tonnes was 42 000 tonnes higher than planned. Net underground gold recovery was only 173 kg lower at 2 455 kg.

Tshepong continued to deliver good results with cash operating profits of R99,9 million. Gold recovery was 6% or 190 kg lower at 3 105 kg. With cash costs of R54 474/kg, this mine remains one of the most profitable in the South African industry.

Joel continues to improve, reporting a cash operating profit of R7,3 million. With underground tonnage of 135 000 tonnes at a recovery grade of 4,63 g/t, this mine increased gold production to 624 kg, 11% more than the planned 562 kg. Working cost per kilogram at R74 846/kg was 8% lower than planned.

At St Helena the underground recovery grade was higher at 4,89 g/t, but a 24% decrease in underground tonnage resulted in a net gold recovery of 565 kg. This shortfall being aggravated by excessive working costs resulted in a R17,2 million loss at this mine. Although St Helena 2 Shaft is in the process of being closed, the future of the other shafts remain in the balance and efforts are being made to ensure it becomes profitable in the short term. Excess labour at the St Helena shafts has been deployed elsewhere, displacing mining contractors. Additional labour costs are however being incurred in the short term as the remaining labour is expected to be utilised in CONOPS activities at Free Gold.

#### **Free State Operations underground tonnage increases for second quarter in a row**

The Free State Operations reported a marginal increase in cash operating profits, up from R4,0 million to R6,5 million despite significant operational improvements. Underground tonnage was 58 000 tonnes or 5% higher at 1 156 000 tonnes. At a higher recovery grade of 4,20 g/t underground production was 6% higher at 4 850kg. Over the past two quarters underground tonnage at our Free State Operations increased by 13%.

Working cost expenditure of R414,7 million was R37,3 million or 10% higher which included the cost of annual wage increases and costs associated with increased production. Unit costs increased by 4% to R359/tonne.







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The Masimong Expansion Project which includes the mining of the Saaiplaas 3 pillar is progressing well. Total tonnage milled of 363 000 tonnes at a recovery grade of 4,8 g/t resulted in a total gold recovery of 1 743 kg.

**Evander Operations good operational performance**

Cash operating profits at these operations increased by 3% from R38,5 million to R39,5 million.

Higher underground tonnages of 538 000 tonnes compared to 471 000 tonnes reported previously at a lower underground recovery grade of 5,6 g/t, resulted in a net gold recovery being 2% higher at 3 015 kg compared to 2 943 kg for the June 2003 quarter.

The lower recovery can mainly be attributed to Evander 8 Shaft which is experiencing problems with discrepancies between mining grades and recovery grades. Clean mining practices are being followed to eliminate the shortfall.

Total cash working costs were R15,2 million higher at R222,9 million mainly due to the annual wage increases and increased production from underground. Underground unit costs in R/kg terms increased by 5% from R69 873/kg to R73 337/kg.

**Randfontein Operations volumes improving**

The Randfontein Operations reported improved cash operating profits of R40,3 million, a 1% improvement on the previous quarter. This was mainly due to a combination of higher tonnages from underground and improved recovery grades. Underground tonnage increased by 7% or 45 000 tonnes to 694 000 tonnes. Underground recovery grades were higher at 4,89 g/t compared to the 4,66 g/t reported previously. As reported in the previous quarter, our focus at these operations has been to adjust the mining plan to the higher cut-offs being applied.

Surface tonnages treated increased marginally from 535 000 tonnes to 546 000 tonnes. At slightly lower recovery grades gold recovery was lower at 141 kg.

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Total working cost of R264,6 million was R43,3 million higher than the R221,3 million for the June 2003 quarter. Underground working cost per tonne increased by 13% to R367,00 per tonne, and working costs in R/kg terms increased by 7% from R70 037/kg to R75 018/kg.

**Elandskraal Operations Elandsrand returns to profitability**

These operations experienced a R26,1 million improvement at cash operating profit level, from a R32,6 million loss to a loss of R6,5 million by the end of September 2003. Although underground tonnage milled increased by 2% from 480 000 tonnes to 491 000 tonnes, gold recovery continues to be adversely influenced by dilution from waste tonnages unavoidably being tipped into reef ore passes at Elandsrand. At a recovery grade of 5,38 g/t compared to the 4,63 g/t of the June 2003 quarter, gold recovery was 19% higher at 2 641 kg compared to the 2 221 kg reported previously.

Deelkraal continues to suffer from the lack of mining flexibility. These operations reported a loss of R15,8 million as production targets in respect of tonnages and recovery grades were not met. Although four new mining areas are being made available for stoping, the future of these operations is currently under investigation. Negotiations are underway with the unions on the introduction of CONOPS at Deelkraal which in the short term will assist in addressing the loss-making situation at this shaft.

Total working costs were higher, increasing 9% or R20,9 million to R244,1 million from R223,2 million for the previous quarter. These operations reported an increase of 7% in underground R/tonne cost terms, increasing from R443/tonne to R475/tonne. In R/kg terms total cash costs decreased by 8% from R96 237/kg to R88 490/kg.

**Welkom/Orkney Operations performance in line with plan**

These operations reported a 30% or R14,1 million reduction in cash operating profit, down from R46,9 million to R32,8 million.

As predicted underground tonnage decreased by 21 000 tonnes to 560 000 tonnes and at a lower recovery grade of 5,56 g/t, gold recovery was 11% less at 3 117 kgs.

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In line with lower tonnages, cash working costs were R17,6 million lower at R237,9 million. In R/kg terms costs increased by 4% from R73 129/kg to R76 321/kg.

**Kalgold Operations excellent performance**

Tonnage at our Kalgold Operations increased by 52 000 tonnes or 17% quarter on quarter, increasing from 315 000 tonnes to 367 000 tonnes. Before the installation of the third mill approximately six months ago, Kalgold treated 250 000 tonnes for the March 2003 quarter. At an expected higher recovery grade of 2,12 g/t, gold recovery was 41% higher at 779 kg.

Working costs increased in line with the increased throughput, by 46% or R16,9 million to R53,9 million. In R/tonne terms, working costs increased by 26% from R117/tonne to R147/tonne. R/kg costs increased by 4% from R66 711/kg to R69 199/kg.

**Australian Operations significant improvements**

The main features of the company's activities and performance in Australia in the quarter were:

- significant improvements in the performance at our main operations at Mount

Magnet and South Kal Mines. The ventilation issues at Hill 50 still continue to negatively affect both operational performance and financial results,

- the "bedding down" of the major managerial changes that were implemented at the end of the June quarter,
- orderly closure of the Big Bell Operations,
- Northern Territories (50% Harmony) the exploration and evaluation

programmes are producing good results which bode well for the possible restart of this project in the anticipated forthcoming higher gold price regime,  
and

- open pit exploration programmes close to our mine sites continue to produce

results that have added marginally to our resource base. The best exploration results have come from the Mount Marion Operations where both grades and tonnes per vertical metre are improving with depth.

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***Mt Magnet***

Mt Magnet reported an 18% improvement in underground tonnage, and at a slightly lower grade which led to a 13% increase in gold output. Significantly lower operational costs saw the underground mines return to operational profitability. It is anticipated that the remedial work to regain the vent raises at Hill 50 will be completed in late November.

The open pit operations also had a significantly better quarter on both tonnes and grade.

During the quarter, the infrastructural work at the Watertank Hill was completed successfully providing access to the high grade discoveries which were made at this site in mid 2002.

In aggregate, operational profits at Mount Magnet increased from A\$2.19 million in the June quarter to A\$3.49 million for September as gold production increased from 36,967 to 42,070 ounces.

***South Kal***

The character of the South Kal Mines Operations changed significantly during the quarter when the New Celebration plant was transformed to a toll milling operation, whilst the Jubilee plant became the only dedicated treatment plant for Harmony ore.

The underground and open pit operations performed broadly according to plan with gold output dropping from 45,642 ounces to 36,865 ounces. Owing to good cost control, and an improvement in the average gold price received, operational profits at this operation for the quarter increased from A\$1.17 million to A\$1.57 million.

Good exploration results are being achieved from an underground drilling programme aimed to define the shape and grade of the Mt Marion orebody beneath the base of our current proven reserves. Both the grade and the size of the orebody appear to be increasing together with a shallowing of the plunge. The programme is not yet complete and the final information will still need to be subjected to geotechnical and mining studies, but the results to date bode well for extending the life and further improving the profitability of this operation.

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***Big Bell***

The winding down of Big Bell has gone off broadly according to plan and costs were well controlled. In total 10,850 ounces were produced for an operational profit of A\$0,54 million. The programmes of final plant clean up, cataloguing and disposal of surplus equipment and responsible but very cost conscious environmental remediation are progressing according to plan.

***Northern Territory (50% Harmony)0***

The 10,000 tonnes development ore from the 980m and 1000m levels of the Zapopan decline were toll treated at Union Reefs. The gold production results provided the company with an excellent validation of our grade estimation figures (which are very difficult in this nuggetty orebody), good gold recoveries (99%) and A\$400,000 towards our ongoing exploration and evaluation costs.

The combination of these results, the results of underground exploration holes drilled during the programme and further work on previous exploration and evaluation data are resulting in a continually improving economic prognosis for the development of this project under a gold price regime slightly better than the prevailing one.

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**CAPITAL EXPENDITURE**

**Actual**

**Forecast**

**Operational capex**

**September 2003**

**December 2003**

Free State

14

15

Evander

26

27

Randfontein

9

12

Elandskraal

10

8

Kalgold

2

1

Free Gold (100%)

21

16

Australian Operations

49

39

**Sub Total**

131

118

**Project capex**

Doornkop South Reef

21

35

Elandsrand Shaft Deepening

29

24

Tshepong Decline

21

23

Phakisa Shaft

2

21

Nyala Shaft

16

4

**Sub total**

89

92

Free State



14	
15	
Evander	
26	
27	
Randfontein	
30	
47	
Elandskraal	
39	
32	
Kalgold	
2	
1	
Free Gold (100%)	
60	
64	
Australian Operations	
49	
39	
<b>Total capex</b>	
220	
225	





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**Operating and financial results**

(Rand/metric)

**Underground production South Africa**

**Surface production South Africa**

**Kalgold**

**South**

**Free                      Rand-**

**Elands-**

**Free**

**Sub**

**Free**

**Rand-**

**Elands-**

**Free**

**Sub**

**Open-**

**Africa**

**Australia      Harmony**

**State**

**Evander**

**fontein**

**kraal**

**Gold**

**ARMgold**

**Total**

**State**

**Evander**

**fontein**

**kraal**

**Gold**

**Total**

**cast**

**Total**

**Total**

**Total**

Ore milled

**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**  
- t'000  
Jun-03  
1 098  
471  
649  
480  
1 222  
581  
4 501  
215  
54  
535  
299  
1 188  
2 291  
315  
7 107  
1 907  
9 014  
Gold produced  
**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**  
- kg  
Jun-03  
4 570  
2 943  
3 024  
2 221  
8 184  
3 494  
24 436

123							
35							
145							
98							
762							
1 163							
554							
26 153							
3 806							
29 959							
Yield							
<b>Sep-03</b>							
<b>4.20</b>	<b>5.60</b>	<b>4.89</b>	<b>5.38</b>	<b>6.27</b>			
<b>5.56</b>	<b>5.30</b>	<b>0.59</b>	<b>0.66</b>	<b>0.26</b>	<b>0.40</b>	<b>0.67</b>	<b>0.53</b>
<b>2.12</b>	<b>3.69</b>						
<b>2.53</b>	<b>3.51</b>						
-							
g/t							
Jun-03							
4.16	6.25	4.66	4.63	6.70			
6.01	5.43	0.57	0.65	0.27	0.33	0.64	0.51
1.76	3.68						
2.00	3.32						
Cash operating							
<b>Sep-03</b>							
<b>85</b>							
<b>499</b>	<b>73</b>						
<b>337</b>	<b>75</b>						
<b>018</b>	<b>88</b>						
<b>284</b>	<b>67</b>						
<b>492</b>							
<b>76</b>							
<b>321</b>	<b>76</b>						
<b>050</b>	<b>70</b>						
<b>238</b>	<b>58</b>						
<b>903</b>	<b>72</b>						
<b>182</b>	<b>93</b>						
<b>102</b>	<b>65</b>						
<b>736</b>	<b>69</b>						
<b>620</b>							
<b>69</b>							
<b>199</b>	<b>75</b>						
<b>572</b>							
<b>73</b>							
<b>280</b>	<b>75</b>						
<b>319</b>							
costs-							
R/kg							
Jun-03							
82							
587	69						

873 70  
 037 95  
 752 64  
 343  
 73  
 129 73  
 237 76  
 959 59  
 771 65  
 679  
 107  
 224 62  
 094 67  
 847  
 66  
 711 72  
 859  
 77  
 747 73  
 480

Cash operating

**Sep-03**

<b>359</b>	<b>411</b>	<b>367</b>	<b>475</b>	<b>423</b>			
<b>424</b>	<b>403</b>	<b>41</b>	<b>39</b>	<b>19</b>	<b>37</b>	<b>44</b>	<b>37</b>
<b>147</b>	<b>278</b>						
<b>185</b>	<b>264</b>						

costs-

R/ton

Jun-03

344	437	326	443	431			
440	398	44	39	18	35	40	34
117	268						
155	244						

Working revenue

**Sep-03**

<b>419 027</b>	
<b>259 722</b>	
<b>292 601</b>	
<b>227 545</b>	
<b>680 764</b>	
<b>270 724</b>	<b>2 150 384</b>
<b>11 458</b>	
<b>2 713</b>	
<b>12 214</b>	
<b>10 135</b>	
<b>64 242</b>	
<b>100 763</b>	
<b>67 227</b>	<b>2 318 374</b>
<b>285 059</b>	<b>2 603 433</b>

(R'000)

Jun-03

380 584  
 243 341  
 249 194  
 182 144  
 707 766  
 302 445 2 065 474  
 10 254  
 2 905  
 12 118  
 8 409  
 66 296  
 99 982  
 47 685 2 213 141  
 318 605 2 531 746  
 Cash operating  
**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**  
**81 107**  
**53 906 2 026 985**  
**243 511 2 270 496**  
 costs (R'000)  
 Jun-03  
 377 424  
 205 637  
 211 792  
 212 665  
 526 580  
 255 514 1 789 612  
 9 466  
 2 092  
 9 524  
 10 508  
 47 316  
 78 906  
 36 958 1 905 476  
 295 906 2 201 382  
 Cash operating  
**Sep-03**  
**4 359**  
**38 612**  
**38 214**



**(5 613) 150 006**

**32 835**

**258 412**

**2 117**

**887**

**2 037**

**(851)**

**15 466**

**19 656**

**13 321**

**291 389**

**41 548**

**332 937**

profit (R'000)

Jun-03

3 160

37 704

37 402

(30 521)

181 186

46 931

275 862

788

813

2 595

(2 099)

18 980

21 077

10 727

307 666

22 699 330

365

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**Quarterly financial results**

(Rand/metric) (excluding ARMgold)

**Quarter**

**Quarter**

**ended**

ended

**ended**

ended

**30 September**

**30 June**

**2003**

2003

Ore milled t'000

**6 856**

7 228

Gold produced kg

**22 725**

21 992

Gold price received R/kg

**86 258**

83 770

Cash operating costs R/kg

**76 693**

75 433

**R million**

**R million**

**(unaudited)**

**(reviewed)**

Gold sales

**1 960**

1 842

Cash operating costs

**1 743**

1 659

Cash operating profit

**217**

183

Income from associates

**(7)**

33

Amortisation

**(142)**

(140)

Impairment of mining assets

(598)

Mark to market of financial instruments

**(172)**

220

Rehabilitation cost (provision)/reversal

**(10)**

30	
Employment termination costs	
<b>(12)</b>	
(11)	
Other income net	
<b>70</b>	
61	
Interest paid	
<b>(55)</b>	
(86)	
Corporate, marketing and new business expenditure	
<b>(31)</b>	
(38)	
Exploration expenditure	
<b>(14)</b>	
(24)	
Foreign exchange losses	
<b>(31)</b>	
(133)	
Profit before taxation	
<b>(187)</b>	
(503)	
South African normal taxation	
Current tax	
<b>(18)</b>	
(28)	
Deferred tax	
<b>86</b>	
53	
Net earnings	
<b>(119)</b>	
(478)	
Earnings per share cents *	
Basic earnings	
<b>(62)</b>	
(259)	
Basic earnings before impairment	
<b>(62)</b>	
65	
Headline earnings	
<b>(67)</b>	
44	
Fully diluted earnings **	
<b>(63)</b>	
(259)	
Dividends per share cents	
Proposed final	
150	

*Prepared in accordance with International Financial Reporting Standards.*

\*

*Calculated on weighted number of shares in issue at  
quarter end September 2003: 192.3 million*

*(June 2003: 184.3 million)*

*\*\* Calculated on weighted average number of diluted shares in issue  
at quarter end September 2003: 190.9 million*

*(June 2003: 184.3 million)*

**Reconciliation of headline earnings**

Net earnings

**(119)**

(478)

Adjustments:

Profit on sale of assets

**(9)**

(38)

Impairment of mining assets

598

Headline earnings

**(128)**

82

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Harmony review Q1/F2004

**Proforma quarterly financial results**

(Rand/metric) (unaudited)

(including ARMgold)

**Quarter**

**Quarter**

**ended**

**ended**

**30 September**

**30 June**

**2003**

**2003**

Ore milled t'000

**8 594**

9 014

Gold produced kg

**30 145**

29 959

Gold price received R/kg

**86 364**

84 507

Cash operating costs R/kg

**75 319**

73 480

**R million**

**R million**

Gold sales

**2 603**

2 531

Cash operating costs

**2 270**

2 201

Cash operating profit

**333**

330

Income from associates

**(11)**

29

Amortisation

**(166)**

(162)

Impairment of mining assets

(598)

Mark to market of financial instruments

**(172)**

221

Rehabilitation cost (provision)/reversal

**(17)**

28

Employment termination costs

**(20)**

(11)

Other income net

**121**

92

Interest paid

**(83)**

(102)

Corporate, marketing and new business expenditure

**(42)**

(38)

Exploration expenditure

**(14)**

(25)

Foreign exchange losses

**(31)**

(133)

Profit before taxation

**(102)**

(369)

South African normal taxation

Current tax

**(35)**

(28)

Deferred tax

**76**

63

Net earnings

**(61)**

(334)

Earnings per share cents \*

Basic earnings

**(24)**

(135)

Basic earnings before impairment

**(24)**

107

Headline earnings

**(28)**

83

Fully diluted earnings \*\*

**(24)**

(135)

*The proforma quarterly financial results are for information purposes only.*

\*

*Calculated on weighted number of shares in issue at quarter end September 2003: 256.0 million  
(June 2003: 248.0 million)*

*\*\* Calculated on weighted average number of diluted shares in issue at quarter end  
September 2003: 254.6 million (June 2003: 246.6 million)*

**Reconciliation of headline earnings**

Net earnings

**(61)**

(334)

Adjustments:

Profit on sale of assets

**(11)**

(38)

Impairment of mining assets

598

Headline earnings

**(72)**

226

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**Abridged balance sheet**

(Rand)

At\*

At

**30 September 2003**

**30 June 2003**

**R million**

**R million**

**(unaudited)**

**(audited)**

**Employment of capital**

Mining assets after amortisation

**14 729**

9 969

Intangible assets

**2 843**

Investments

**1 260**

868

Investments in associates

**2 896**

1 398

Net current liabilities (excluding cash)

**(1 300)**

(309)

Cash

**2 561**

1 687

**Total assets**

**22 989**

13 613

**Capital employed**

Shareholders' equity

**15 937**

8 628

Loans

**2 881**

2 415

Long-term provisions

**840**

632

Minority interest

**139**

120

Unrealised hedging loss

**450**

284

Deferred tax

**2 742**

1 534

**Total equity and liabilities**

**22 989**

13 613

**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: 257.9 million ordinary shares of 50 cents each. (June 2003: 184.9 million shares)

\*

*The amounts in the balance sheet have changed significantly as a result of the inclusion of ARMgold.*

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**Operating and financial results**

(US\$/imperial)

**Underground production South Africa**

**Surface production South Africa**

**Kalgold**

**South**

**Free Rand-**

**Elands-**

**Free**

**Sub**

**Free**

**Rand-**

**Elands-**

**Free**

**Sub**

**Open-**

**Africa**

**Australia Harmony**

**State**

**Evander**

**fontein**

**kraal**

**Gold**

**ARMgold**

**Total**

**State**

**Evander**

**fontein**

**kraal**

**Gold**

**Total**

**cast**

**Total**

**Total**

**Total**

Ore milled

**Sep-03**

**1,275 593 765 541**

**1,383**

**618**

**5,176 250 52 602 326**

**1,215**

**2,446**

**405**

**8,026 1,451**

**9,477**

**-**

t'000

Jun-03

**1,211 519 716 529**

1,348							
641							
4,963	237	60	590	330			
1,310							
2,526							
347							
7,837	2,103						
9,940							
Gold produced							
<b>Sep-03</b>							
<b>155,930</b>	<b>96,934</b>	<b>109,023</b>	<b>84,910</b>	<b>252,832</b>			
<b>100,213</b>	<b>799,842</b>	<b>4,276</b>					
<b>997</b>	<b>4,533</b>	<b>3,794</b>	<b>23,856</b>	<b>37,455</b>			
<b>25,045</b>	<b>862,343</b>						
<b>106,836</b>	<b>969,179</b>						
-							
oz							
Jun-03							
146,928	94,619	97,223	71,406				
263,121	112,334						
785,632	3,955	1,125	4,662	3,151	24,499	37,391	17,811
840,835	122,365						
963,200							
Yield							
<b>Sep-03</b>							
<b>0.12</b>	<b>0.16</b>	<b>0.14</b>	<b>0.16</b>	<b>0.18</b>			
<b>0.16</b>							
<b>0.15</b>	<b>0.02</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.02</b>	
<b>0.06</b>							
<b>0.11</b>							
<b>0.07</b>							
<b>0.10</b>							
-							
oz/t							
Jun-03							
0.12	0.18	0.14	0.13	0.20			
0.18							
10.16	0.02	0.02	0.01	0.01	0.02	0.01	
0.05							
0.10							
0.06	0.90						
Cash operating							
<b>Sep-03</b>							
<b>359</b>	<b>308</b>	<b>315</b>	<b>370</b>	<b>283</b>			
<b>320</b>	<b>319</b>	<b>295</b>	<b>247</b>	<b>303</b>	<b>390</b>	<b>276</b>	<b>292</b>
<b>290</b>	<b>317</b>						
<b>307</b>	<b>316</b>						
costs							
-							
\$/oz							
Jun-03							

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332	281	282	385	259			
294	295	310	240	264	431	250	273
268	293						
313	296						

Cash operating

**Sep-03**

<b>44</b>	<b>50</b>	<b>45</b>	<b>58</b>	<b>52</b>			
<b>52</b>	<b>49</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>4</b>
<b>18</b>	<b>34</b>						
<b>23</b>	<b>32</b>						

costs-

\$/t

Jun-03

40	51	38	52	51			
52	47	5	5	2	4	5	4
14	31						
18	29						

Working revenue

**Sep-03**

<b>56,500</b>	<b>35,020</b>	<b>39,453</b>	<b>30,681</b>	<b>91,792</b>	<b>36,503</b>		
<b>289,950</b>	<b>1,545</b>	<b>366</b>	<b>1,647</b>	<b>1,367</b>	<b>8,662</b>	<b>13,586</b>	
<b>9,065</b>							
<b>312,60</b>	<b>1 38,436</b>						
<b>351,037</b>							

(\$'000)

Jun-03

49,211	31,465	32,222	23,552	91,517	39,107		
267,074	1,326	376	1,567	1,087	8,572	12,928	
6,166							
286,168	41,197						
327,365							

Cash operating

**Sep-03**

<b>55,912</b>	<b>29,814</b>	<b>34,301</b>	<b>31,438</b>	<b>71,565</b>	<b>32,076</b>		
<b>255,106</b>	<b>1,260</b>	<b>246</b>	<b>1,372</b>	<b>1,481</b>	<b>6,577</b>	<b>10,936</b>	
<b>7,268</b>							
<b>273,311</b>	<b>32,834</b>						
<b>306,145</b>							

costs

(\$'000)

Jun-03

48,803	26,590	27,386	27,498	68,089	33,039		
231,404	1,224	271	1,231	1,359	6,118	10,203	
4,779							
246,386	38,262						
284,648							

Cash operating

**Sep-03**

**588**

**5,206**

5,153	(757)			
20,226	4,427			
34,843	285	120	275	(115)
2,085				
2,650	1,796			
39,290	5,602			
44,892				
profit				
(\$'000)				
Jun-03				
409				
4,875				
4,836				
(3,946)				
23,428	6,068			
35,670	102	105	335	(271)
2,454				
2,725	1,387			
39,782	2,935			
42,718				

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**Quarterly financial results**

(US\$/imperial) (excluding ARMgold)

**Quarter****Quarter****ended ended****30 September****30 June****2003****2003**

Ore milled t'000

**7 559**

7 971

Gold produced oz

**730 622**

707 053

Gold price received \$ / oz

**362**

337

Cash operating costs \$ / oz

**322**

303

**\$million**

\$million

**(unaudited)**

(reviewed)

Gold sales

**264**

239

Cash operating costs

**235**

215

Cash operating profit

**29**

24

Income from associates

**(1)**

4

Amortisation

**(19)**

(18)

Impairment of mining assets

**(77)**

Mark to market of financial instruments

**(23)**

28

Rehabilitation cost (provision)/reversal

**(1)**

4

Employment termination costs

**(2)**



(1)	
Other income net	
<b>9</b>	
8	
Interest paid	
<b>(7)</b>	
(11)	
Corporate, marketing and new business expenditure	
<b>(4)</b>	
(5)	
Exploration expenditure	
<b>(2)</b>	
(3)	
Foreign exchange losses	
<b>(4)</b>	
(18)	
Profit before taxation	
<b>(25)</b>	
(65)	
South African normal taxation	
Current tax	
<b>(2)</b>	
(4)	
Deferred tax	
<b>11</b>	
7	
Net earnings	
<b>(16)</b>	
(62)	
Earnings per share cents *	
Basic earnings	
<b>(8)</b>	
(34)	
Basic earnings before impairment	
<b>(8)</b>	
8	
Headline earnings	
<b>(9)</b>	
6	
Fully diluted earnings **	
<b>(8)</b>	
(34)	
Dividends per share cents	
Proposed final	
19	

*Prepared in accordance with International Financial Reporting Standards.*

*Currency conversion rates average for the quarter: September 2003: US\$1=R7.42*

*(June 2003: US\$1=R7.73)*

*\**

*Calculated on weighted number of shares in issue at quarter end September 2003:*

*192.3 million (June 2003: 184.3 million)*

*\*\* Calculated on weighted average number of diluted shares in issue at quarter end  
September 2003: 190.9 million (June 2003: 184.3 million)*

**Reconciliation of headline earnings:**

Net earnings

(16)

(62)

Adjustments:

Profit on sale of assets

(1)

(5)

Impairment of mining assets

77

Headline earnings

(17)

10

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Harmony review Q1/F2004

**Proforma quarterly financial results**

(US\$/imperial) (unaudited)

(including ARMgold)

**Quarter**

**Quarter**

**ended ended**

**30 September**

**30 June**

**2003**

**2003**

Ore milled t'000

**9 477**

9 940

Gold produced oz

**969 179**

963 200

Gold price received \$ / oz

**362**

340

Cash operating costs \$ / oz

**316**

296

**\$million**

\$million

Gold sales

**351**

327

Cash operating costs

**306**

284

Cash operating profit

**45**

43

Income from associates

**(1)**

4

Amortisation

**(22)**

(21)

Impairment of mining assets

**(77)**

Mark to market of financial instruments

**(23)**

29

Rehabilitation cost (provision)/reversal

**(2)**

4

Employment termination costs

**(3)**

(1)	
Other income net	
<b>15</b>	
10	
Interest paid	
<b>(11)</b>	
(13)	
Corporate, marketing and new business expenditure	
<b>(6)</b>	
(5)	
Exploration expenditure	
<b>(2)</b>	
(3)	
Foreign exchange losses	
<b>(4)</b>	
(17)	
Profit before taxation	
<b>(14)</b>	
(47)	
South African normal taxation	
Current tax	
<b>(5)</b>	
(4)	
Deferred tax	
<b>11</b>	
8	
Net earnings	
<b>(8)</b>	
(43)	
Earnings per share cents *	
Basic earnings	
<b>(3)</b>	
(17)	
Basic earnings before impairment	
<b>(3)</b>	
13	
Headline earnings	
<b>(4)</b>	
12	
Fully diluted earnings **	
<b>(3)</b>	
(17)	

*The proforma quarterly financial results are for information purposes only.*

*Currency conversion rates average for the quarter: September 2003: US\$1=R7.42 (June 2003: US\$1=R7.73)*

*\**

*Calculated on weighted number of shares in issue at quarter end September 2003: 256.0 million (June 2003: 248.0 million)*

*\*\* Calculated on weighted average number of diluted shares in issue at quarter end September 2003:*

*254.6 million (June 2003: 246.6 million)*

**Reconciliation of headline earnings:**

Net earnings

**(8)**

(43)

Adjustments:

Profit on sale of assets

**(1)**

(4)

Impairment of mining assets

77

Headline earnings

**(9)**

30

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**Abridged balance sheet**

(US\$)

At\*

At

**30 September**

**31 June**

**2003**

**2003**

US\$ million

US\$ million

(unaudited)

(audited)

**Employment of capital**

Mining assets after amortisation

**2 116**

1 327

Intangible assets

**408**

Investments

**181**

116

Loans to share trusts

**416**

186

Net current liabilities (excluding cash)

**(186)**

(41)

Cash

**368**

225

**Total assets**

**3 303**

1 813

**Capital employed**

Shareholders' equity

**2 290**

1 149

Loans

**414**

322

Long-term provisions

**120**

84

Minority interest

**20**

16

Unrealised hedging loss

**65**

38

Deferred tax

**394**

204

**Total equity and liabilities**

**3 303**

1 813

**Basis of accounting**

The unaudited results of 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: 257.9 million ordinary shares of 50 cents each. (June 2003: 184.9 million shares)

Balance sheet converted at conversion rate of US\$ 1 = R6.96 (June 2003: R7.51)

\*

*The amounts in the balance sheet have changed significantly as a result of the inclusion of ARMgold.*

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Harmony review Q1/F2004

**Condensed statement of changes in shareholders' equity**

(unaudited)

**At**

**At**

**At**

**At**

**30 Sept.**

**30 Sept.**

**30 Sept.**

**30 Sept.**

**2003**

**2002**

**2003**

**2002**

**R million**

**R million**

**US\$ million**

**US\$ million**

Balance as at the beginning of the financial year

**8 628**

7 963

1 240

758

Currency translation adjustment and other

**(104)**

(10)

(15)

(1)

Issue of share capital

**7 823**

210            1124

20

Net earnings

**(119)**

426            (17)            41

Dividends paid

**(291)**

(741)

(42)

(71)

**Balance as at the end of September**

**15 937**

7 848

2 290

747

Prepared in accordance with International Financial Reporting Standards.

**Abridged cashflow statements**

(unaudited)

**3 Months**

**3 Months**

**3 Months**

**3 Months**

**ended ended**

**ended**

**ended**

**30 Sept.**

**30 Sept.**

**30 Sept.**

**30 Sept.**

**2002 2003**

**2003**

**2002**

**US\$ million**

**US\$ million**

**R million**

**R million**

84

**76**

Cash flow from operating activities

**565**

869

(11)

**68**

Cash utilised in investing activities

**505**

(114)

(55)

**(26)**

Cash utilised in financing activities

**(196)**

(570)

(2)

**(25)**

Translation adjustment

16

**143**

Increase in cash and equivalents

**874**

185

139

**225**

Opening cash and equivalents

**1 687**

1 441

155

**368**

Closing cash and equivalents

**2 561**

1 626

Prepared in accordance with International Financial Reporting Standards.

Operating activities translated at average rates of:

September 2003: US\$1 = R7.42

(September 2002: US\$1 = R10.39)

Closing balances translated at closing rates of :

September 2003: US\$1 = R6.96

(September 2002: US\$1 = R10.51)

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**Maturity schedule of the Harmony Group's commodity contracts by type as at 30 September 2003**

30 June  
 30 June  
 30 June  
 30 June  
 30 June  
 30 June

2004  
 2005  
 2006  
 2007  
 2008  
 2009

Total

Forward sales agreements

Ounces

55,000  
 175,000  
 108,000  
 147,000  
 100,000  
 100,000  
 685,000

A\$/ounce

513  
 513  
 510  
 515  
 518  
 518  
 514

Calls contracts sold

Ounces

5,000  
 130,000  
 40,000

-  
 -  
 -

175,000

A\$/ounce

540  
 512  
 552

-  
 -  
 -

522

Total

60,000  
305,000  
148,000  
147,000  
100,000  
100,000  
860,000

These contracts are classified as speculative and the marked-to-market movement is reflected in the income statement. During the quarter 135,000 ounces of gold contracts were closed out. The mark-to-market of the remaining contracts was a negative R396 million (US\$57 million) as at 30 September 2003. These values were based on a gold price of US\$388 (A\$570) per ounce, exchange rates of US\$/R6.96 and A\$/US\$0.68 and prevailing marketing interest rates at the time. These valuations were provided by independent risk and treasury 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 hedged. The market-to-market value of the transactions was a negative R44 million (US\$6 million) as at 30 September 2003, based on exchange rates of US\$/R6.96 and the prevailing interest rates and volatilities at the time.

#### **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 million) as at 30 September 2003, based on valuations provided by independent treasury and risk management experts.

#### **Z B Swanepoel**

*Chief Executive*

Virginia

24 October 2003

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Harmony review Q1/F2004

**Development results**

(metric)

**Channel**

**Channel**

**Reef**

**Sampled**

**width**

**value**

**Gold**

**meters**

**meters**

**(cm's)**

**(g/t)**

**(cmg/t)**

**Randfontein**

VCR Reef

1 175

903

66

17.15

1 128

UE1A

2 684

2 566

129

8.26

1 064

E8 Reef

412

395

136

6.11

831

Kimberley Reef

710.1

387

161

4.29

689

South Reef

0

0

0

0.00

0

All Reefs

4 981

4 251

119

8.58

1 022

**Free State**

Basal

3 114

2 197

101

10.11

1 021

Leader

1 233

977

177

6.13

1 084

A Reef

665

604

144

4.27

614

Middle

206

250

179

5.91

1 059

B Reef

422

401

66

23.63

1 550

All Reefs

5 640

4 429

125

8.25

1 029

**Evander**

Kimberley Reef

3 042

2 964

69

14.30

987

**Elandskraal**

VCR Reef

703

476

108



10.09

1 094

**Free Gold**

Basal

2 209

1 903

58

24.65

1 430

Beatrix

659

501

117

8.57

1 004

All Reefs

2 868

2 404

70

19.06

1 341

**Orkney**

Vaal Reef

48.0

32.0

100.2

22.73

2 278

VCR Reef

29.2

24.0

224.0

3.03

679

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**Development results**

(imperial)

**Channel**

**Channel**

**Reef**

**Sampled**

**width**

**value**

**Gold**

**feet**

**feet**

**(inches)**

**(oz/t)**

**(in.ozt)**

**Randfontein**

VCR Reef

3,855

2,963

26

0.498

13

UE1A

8,806

8,419

51

0.235

12

E8 Reef

1,352

1,296

54

0.185

10

Kimberley Reef

2,330

1,270

63

0.127

8

South Reef

0

All Reefs

16,342

13,947

47

0.255

12

**Free State**

Basal

10,217

7,208

40

0.293

12

Leader

4,045

3,205

70

0.178

12

A Reef

2,180

1,982

57

0.124

7

Middle

676

820

71

0.171

12

B Reef

1,385

1,316

26

0.685

18

All Reefs

18,504

14,531

49

0.241

12

**Evander**

Kimberley Reef

9,980

9,724

27

0.420

11

**Elandskraal**

VCR Reef

2,307

1,562

43

0.292

13

**Free Gold**

Basal

7,247

6,244

23

0.714

16

Beatrix

2,163

1,644

46

0.251

12

All Reefs

9,410

7,887

28

0.550

15

**Orkney**

Vaal Reef

157

105

39

0.670

26

VCR Reef

96

79

88

0.090

8

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Harmony review Q1/F2004

**Investor relations**

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**Directors**

P T Motsepe (*Chairman*),  
Z B Swanepoel (*Chief Executive*),  
F Abbott, Dr MMMM Bakane-Tuoane,  
F Dippenaar, V N Fakude,  
T S A Grobicki, W M Gule, M W King,  
D S Lushaba, M F Fleming,  
Lord Renwick of Clifton KCMG\*,  
CML Savage, Dr S P Sibisi,  
D V Simelane, Dr R V Simelane,  
M V Sisulu, P Taljaard, A J Wilkens

*\*British*

**Company secretary**

Marian van der Walt  
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**Trading Symbols**

**Ordinary Shares**

JSE Securities Exchange:

HAR

New York Stock Exchange: HMY

London Stock Exchange:

HRM

Euronext Paris:

HG

Euronext Brussels:

HMY

Berlin Stock Exchange:

HAM1

**ISIN**

ZAE000015228

**Registration number**

1950/038232/06

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 5, 2003

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Chief Financial Officer