

HARMONY GOLD MINING CO LTD

Form 6-K

November 01, 2007

**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**

October 31, 2007

**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

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Harmony Gold Mining Company Limited  
 Registration number 1950/038232/06  
 Incorporated in the Republic of South Africa  
 ISIN: ZAE000015228

Trading Symbols

JSE Limited	HAR
New York Stock Exchange, Inc.	HMY
NASDAQ	HMY
London Stock Exchange plc	HRM
Euronext Paris	HG
Euronext Brussels	HMY
Berlin Stock Exchange	HAM1
Issuer code	HAPS

FINANCIAL REVIEW FOR THE FIRST QUARTER ENDING 30 SEPTEMBER 2007

QUARTERLY HIGHLIGHTS

- \* Cash operating costs down by 12.5%
- \* Underground grades improved by 7.1%
- \* Gold production up by 12.8%
- \* Internal due diligence of assets complete

FINANCIAL SUMMARY FOR THE FIRST QUARTER ENDING 30 SEPTEMBER 2007

All results exclude Discontinued Operations unless indicated otherwise.

		Quarter*	Quarter	Q-on-Q
		June 2007	September 2007	% change
Gold produced	- kg	14 126	15 940	12.8
	- oz	454 159	512 480	12.8
Cash costs	- R/kg	148 993	130 416	12.5
	- \$/oz	654	572	12.5
Cash operating profit	- Rm	34	411	1 108.8
	- US\$m	5	58	1 060.0
Cash earnings	- SA c/s	8	103	1 187.5
	- US c/s	1	15	1 400.0
Basic profit/(loss)	- SA c/s	(34)	(120)	(252.9)
	- US c/s	(5)	(17)	(240.0)
Headline profit/(loss)	- SA c/s	(72)	(21)	70.8
	- US c/s	(10)	(3)	70.0
Fully diluted earnings/(loss)	- SA c/s	(34)	(120)	(252.9)
	- US c/s	(5)	(17)	(240.0)

		Quarter*	Financial year
		September 2006	2007
Gold produced	- kg	16 519	61 879
	- oz	531 095	1 989 445
Cash costs	- R/kg	96 192	110 964
	- \$/oz	419	479

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Cash operating profit	- Rm	791	2 282
	- US\$m	110	319
Cash earnings	- SA c/s	199	574
	- US c/s	28	80
Basic profit/(loss)	- SA c/s	68	238
	- US c/s	9	33
Headline profit/(loss)	- SA c/s	66	129
	- US c/s	9	18
Fully diluted earnings/(loss)	- SA c/s	67	235
	- US c/s	9	33

\* Restated.

TOTAL OPERATIONS QUARTERLY FINANCIAL RESULTS (Rand/metric) (unaudited)

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		For the quarter ended	
		September 2007	30 June 2007
Continuing operations			
Ore milled	- t 000	5 392	4 421
Gold produced	- kg	15	14 126
Gold price received	- R/kg	156	151 383
Cash operating costs		176	
Discontinuing operations		130	148 993
Ore milled	- t 000	416	
Gold produced	- kg	870	887
Gold price received	- R/kg	1 996	2 270
Cash operating costs		153	152 600
		177	
	- R/kg	165	150 342
		442	
		R million	R million
Continuing operations			
Revenue		2 489	2 139
Cash operating costs		(2 078)	(2 105)
Cash operating profit		411	34
Amortisation and depreciation of mining properties, mine development costs and mine plant facilities		(224)	(225)
Corporate expenditure		(72)	(89)
Reversal of provision for rehabilitation costs			20
Operating profit/(loss)		115	(260)
Amortisation and depreciation other than mining properties, mine development costs and mine plant facilities		(12)	(11)
Care and maintenance costs of restructured shafts		(9)	(10)
Share based compensation		(10)	(3)
Exploration expenditure		(44)	(61)
Impairment of assets			123
Loss from associates			(1)
Gain on financial instruments		4	29
(Loss)/profit on sale of property, plant and equipment		(2)	93
Other expenses net		(19)	(49)
Provision for former employees post retirement benefits			13
Mark-to-market of listed investments		34	31
Loss on sale of listed investment		(459)	(37)
Investment income		67	85
Finance cost		(133)	(216)
Loss before taxation		(468)	(274)
Taxation		(10)	138
Net loss from continuing operation		(478)	(136)

Discontinued operations		
Loss from discontinued operations	(92)	(243)
Loss from measurement to fair value less cost to sell	(7)	(274)
	(577)	(653)
Loss per share from continued operations attributable to the equity holders of the Company during the year (cents)		
- Basic loss *	(120)	(34)
- Headline loss *	(21)	(72)
- Fully diluted loss ** ***	(120)	(34)
Loss per share from discontinued operations attributable to the equity holders of the Company during the year (cents)		
- Basic loss *	(24)	(129)
- Headline loss *	(22)	(61)
- Fully diluted loss ** ***	(24)	(129)

Prepared in accordance with International Financial Reporting Standards

\* Calculated on weighted average number of shares in issue at quarter end 30  
September 2007:  
399.5 million (30  
June 2007:  
398.6 million).

\*\* Calculated on weighted average number of diluted shares in issue at quarter end 30  
September 2007:  
402.8 million (30  
June 2007:  
403.1 million).

\*\*\* The effect of the share options is anti-dilutive.

## CONDENSED CONSOLIDATED INCOME STATEMENT (Rand)

	Notes	For the period ended	
		30 September 2007	30 September 2006 (restated)*
		R million	R million
Continuing operations			
Revenue		2 489	2 380
Production cost (exclusive of amortisation and depreciation of mining properties, mine development costs and mine plant facilities)	2	(2 078)	(1 589)
Amortisation and depreciation of mining properties, mine development costs and mine plant facilities		(224)	(233)
Amortisation and depreciation other than mining properties, mine development costs and mine plant facilities		(12)	(17)
Corporate expenditure		(72)	(56)
Exploration expenditure		(44)	(34)
Care and maintenance costs of restructured shafts		(9)	(17)
Share-based compensation		(10)	(11)
Reversal of provision for rehabilitation costs			(2)
(Loss)/profit on sale of property, plant and equipment		(2)	13
Gain on financial instruments	3	4	19
Other (expenses)/income net		(19)	19
Operating profit		23	472
Loss from associates	4		(48)
Loss on sale of listed investment	5	(459)	
Mark-to-market of listed investments		34	24
Investment income		67	37
Finance cost		(133)	(93)
(Loss)/profit before tax		(468)	392
Taxation		(10)	(123)
Net (loss)/profit from continuing operations		(478)	269
Discontinued operations			
(Loss)/profit from discontinued operations	6	(92)	8
Loss from measurement to fair value less cost to sell	6	(7)	
Net (loss)/profit		(577)	277
(Loss)/earnings per share for profit from continued operations attributable to the equity holders of the Company during the year (cents)	7		
- Basic (loss)/earnings		(120)	68
- Fully diluted (loss)/earnings		(120)	67
(Loss)/earnings per share for profit from discontinued operations attributable to the equity holders of the Company during the year (cents)	7		
- Basic (loss)/earnings		(24)	2
- Fully diluted (loss)/earnings		(24)	2

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

\* The comparative figures for 2006 were adjusted to exclude the discontinued operations.

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## CONDENSED CONSOLIDATED BALANCE SHEET (Rand)

	Notes	At 30 September 2007 (Unaudited) R million	At 30 June 2007 (Audited) R million	At 30 September 2006 (Unaudited) R million
<b>ASSETS</b>				
Non-current assets				
Property, plant and equipment		24 899	24 398	23 849
Intangible assets		2 308	2 307	2 270
Restricted cash		5	5	286
Investments in financial assets		1 461	1 387	2 306
Investments in associates	5	7	7	1 860
Deferred income tax		1 914	2 321	1 643
Trade and other receivables		100	95	82
		30 694	30 520	32 296
Current assets				
Inventories		790	742	730
Investments in financial assets			2 484	
Trade and other receivables		778	918	871
Income and mining taxes		26	16	25
Restricted cash			274	
Cash and cash equivalents		1 567	711	582
		3 161	5 145	2 208
Non-current assets classified as held for sale	6	1 279	1 284	
		4 440	6 429	2 208
Total assets		35 134	36 949	34 504
<b>EQUITY AND LIABILITIES</b>				
Share capital and reserves				
Share capital		25 652	25 636	25 521
Other reserves		20	(349)	(88)
Accumulated loss		(2 258)	(1 681)	(1 738)
		23 414	23 606	23 695
Non-current liabilities				
Borrowings	8	3 842	1 743	2 637
Deferred income tax		4 602	5 000	4 092
Derivative financial instruments	9			609
Provisions for other liabilities and charges		1 231	1 216	1 009
		9 675	7 959	8 347
Current liabilities				
Trade and other payables		1 421	1 755	1 448
Borrowings		15	2 855	1 006
Bank overdraft			220	
Shareholders for dividends		7	7	8
		1 443	4 837	2 462
Liabilities directly associated with non-current assets classified as held for sale	6	602	547	
		2 045	5 384	2 462

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Total equity and liabilities	35 134	36 949	34 504
Number of ordinary shares in issue	400 011 182	399 608 384	397 549 945
Net asset value per share (cents)	5 853	5 902	5 960

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

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 30 SEPTEMBER 2007 (Rand)

	Issued share capital	Other reserves R million	Retained earnings R million	Total R million
Balance as 1 July 2007	25 636	(370)	(1 681)	23 585
Issue of share capital	16			16
Currency translation adjustment and other		390		390
Net earnings			(577)	(577)
Balance as at 30 September 2007	25 652	20	(2 258)	23 414
Balance as 1 July 2006	25 489	(271)	(2 015)	23 203
Issue of share capital	32			32
Currency translation adjustment and other		183		183
Net loss			277	277
Balance as at 30 September 2006	25 521	(88)	(1 738)	23 695

SUMMARISED CASH FLOW STATEMENT FOR THE PERIOD ENDING 30 SEPTEMBER 2007  
(Rand)(unaudited)

	Three months ended 30 September 2007 R million	Three months ended 30 September 2006 R million	Three months ended 30 June 2007 R million
Cash flow from operating activities			
Cash generated/(utilised) by operations	54	471	(248)
Interest and dividends received	69	39	87
Interest paid	(59)	(45)	(83)
Income and mining taxes paid	(12)		(11)
Cash generated/(utilised) by operating activities	52	465	(255)
Cash flow from investing activities			
Decrease/(increase) in restricted cash	274	(30)	225
Net proceeds on disposal of listed investments	1 310	30	166
Acquisition of investment in associate			
Net additions to property, plant and equipment	(833)	(562)	(784)
Other investing activities	(51)		(10)
Cash generated/(utilised) by investing activities	700	(562)	(401)
Cash flow from financing activities			

	Three months ended 30 September 2007 R million	Three months ended 30 September 2006 R million	Three months ended 30 June 2007 R million
Long-term loans raised	286		651
Ordinary shares issued - net of expenses	19	32	37
Dividends paid			(7)
Cash generated by financing activities	305	32	681
Foreign currency translation adjustments	20	(4)	(7)
Net increase/(decrease) in cash and equivalents	1 077	(69)	18
Cash and equivalents - beginning of period	494	651	476
Cash and equivalents - end of period	1 571	582	494

RECONCILIATION BETWEEN CASH OPERATING PROFIT AND CASH GENERATED/(UTILISED) BY OPERATIONS FOR THE PERIOD ENDING 30 SEPTEMBER 2007 (Rand)

	Three months ended 30 September 2007 R million	Three months ended 30 September 2006 R million	Three months ended 30 June 2007 R million
Cash operating profit	386	891	39
Other cash items per income statement:			
Other income (Including interest received and profit on sale of mining assets)	41	67	138
Employment termination, restructuring and care and maintenance costs	(12)	(20)	(14)
Corporate, administration and other expenditure	(77)	(59)	(87)
Exploration expenditure	(55)	(41)	(70)
Provision for rehabilitation costs		(2)	(1)
Cash flow statement adjustments:			
Cost of close out of hedges		(55)	(367)
Profit on sale of mining assets	3	(13)	(93)
Interest and dividends received	(69)	(39)	(87)
Other non-cash items	(22)	(34)	(9)
Effect of changes in operating working capital items:			
Receivables	59	(150)	241
Inventories	(54)	(64)	(143)
Accounts payable	276	66	244
Accrued liabilities	(422)	(76)	(39)
Cash generated/(utilised) by operations	54	471	(248)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 SEPTEMBER 2007

1. Basis of accounting

The condensed consolidated interim financial statements for the period ended 30 September 2007 have been prepared using accounting policies that comply with International Financial Reporting Standards (IFRS), which are consistent with the accounting policies used in the audited annual financial statements for the year ended 30 June 2007. These condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting and should be read in conjunction with the financial statement as at and for the year ended 30 June 2007.

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New accounting standards and IFRIC interpretations

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

Title	Effective date
New Statement	
IFRS 8 Operating segments	# Financial year commencing on or after 1 January 2009
Amendments	
IAS 23 (Revised) Borrowings Costs (Revised March 2007)	# Financial year commencing on or after 1 January 2009
New Interpretation	
IFRIC 12 Service Concession Arrangements	# Financial year commencing on or after 1 January 2008

# Not yet assessed

2. Cash operating profit

The format of the income statement is now presented `by nature` as per the requirements of IFRS 5. The major differences is that `cash operating costs` and `cash operating profit` are not reflected on the face of the income statement anymore. `Cash operating costs` are now included under `Production costs`.

If no change was effected, the cash operating profit would have been as following:

30	30
September	September
2007	2006
R million	R million