HARMONY GOLD MINING CO LTD
Form 6-K
November 10, 2008

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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
November 5, 2008
Harmony Gold Mining Company Limited

Randfontein Office Park
CNR Ward Avenue and Main Reef Road
Randfontein, 1760
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 þ 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 þ

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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, 2008

Harmony Gold Mining Company Limited

By: /s/ Graham Briggs
Name: Graham Briggs
Title: Chief Executive Officer

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HARMONY GOLD MINING COMPANY LIMITED
Incorporated in the Republic of South Africa
Registration Number 1950/038232/06
(Harmony or Company)
JSE Share code: HAR
NYSE Share code: HMY
ISIN Code: ZAE 000015228

Results for the first quarter ended 30 September 2008

The quarter at a glance:

- Total gold production up by 6% and grade increased by 4%
- Good signs of operational improvement
- Management restructuring and refocusing
- Good progress with projects, particularly at Morobe JV
- Rand/gold price marginally down, but likely to remain robust in medium to long term
- Debt levels reduced, despite significant capex
- Seven fatalities during quarter
- Cash operating costs (R/kg) up by 9%, as input costs (electricity and labour) increase
- Cash operating profit down by 19%

Financial summary
for the first quarter ended 30 September 2008
(All results exclude Discontinued Operations, unless otherwise stated)

		Quarter September 2008	Quarter June 2008
Gold produced	- kg	12 342	11 694
	- oz	396 803	375 970
Cash costs	- R/kg	151 827	138 940
	- $/oz	607	556
Cash operating profit	- Rm	808	995
	- US$m	104	128
Basic profit/(loss)	- SAc/s	118	(60)
	- USc/s	15	(8)
Headline profit/(loss)	- SAc/s	8	38
	- USc/s	1	5

		Q-on-Q variance	Quarter September 2007
Gold produced	- kg	6%	13 699
	- oz	6%	440 432

Cash costs	- R/kg	(9%)	134 549
	- $/oz	(9%)	590
Cash operating profit	- Rm	(19%)	297
	- US$m	(19%)	41
Basic profit/(loss)	- SAc/s	297%	(133)

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		Q-on-Q variance	Quarter September 2007
	- USc/s	288%	(19)
Headline profit/(loss)	- SAc/s	(79%)	(35)
	- USc/s	(80%)	(5)

Harmony s Annual Report, Notice of Meeting, Sustainable Development Report and its Annual Report filed on a Form 20F with the United States Securities and Exchange Commission for the year ended 30 June 2008 are available on our website at www.harmony.co.za.

Chief executive officer s review

Overview

We made pleasing progress during the quarter under review towards fulfilment of our vision to create a sustainable company that generates earnings to fund dividends and growth.

Increased volumes, improved average grade and consequent higher gold production demonstrate clearly that the measures we have applied in implementing our `back-to-basics philosophy during our stabilisation phase of our strategy, have delivered the stability we need to implement the next phase of our strategy, being organic growth.

There is a very notable turn for the better in the morale of the greater Harmony team. Our people are getting excited about the business again and their particular roles in it, which is evidenced by our productivity figures.

Safety improvement remains a critical priority requiring immediate and decisive action. Despite our best efforts to ensure a safer workplace, seven work-related fatalities occurred during the quarter, compared with four in the previous quarter.

Safety

We are deeply saddened by the deaths of seven of our colleagues and I extend my heartfelt condolences to their families, friends and workmates.

Those who died were: Elandsrand employees Diago Vasco Bila, a winch driver, and Mpeo Moeti and Magatsela Mangaliso, both rock drill operators; Tshepong employees Nokanyo Gcasamba, a locomotive operator, and Zinikele Yam, a utility vehicle driver; Target employee Mokutu Amos Qondile, a load-haul-dumper operator and Unisel employee Kali Makase, a rock drill operator.

Although our Lost Time Injury Frequency Rate (LTIFR) for the quarter improved against that for the 2008 financial year, our Reportable Injury Frequency Rate (RIFR) and Fatality Injury Frequency Rate (FIFR) for the quarter both deteriorated.

Gold market

There was only a 3% drop in our average gold price received of R217 295/kg ($869/oz), compared with R224 036/kg ($897/oz) in June 2008, despite the turmoil in global financial markets during the quarter. Notwithstanding evidence to suggest that gold still fulfils its historic role as the investment of last resort for many nervous investors in these circumstances, it seems reasonable to assume that gold price volatility will continue until the

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financial storm starts to abate.

We remain bullish about the fundamentals for the metal in the medium and longer term. However, with economic deposits in mining locations harder to come by and exploration and development budgets under extreme pressure, supplies of new gold into the market are likely to continue to shrink.

Operating performance

Overall we have seen some good improvements. Total gold production for the quarter from continuing operations increased by 6% to 12 342 kg, reflecting a 1% increase in volumes to 4.6 million tonnes and a 4% improvement in the average recovered grade to 2.68 g/t.

Total underground gold production was 8% higher at 11 191 kg due to a 2% increase in tonnes milled from underground to 2.3 million tonnes and a 5% improvement in the average underground recovered grade to 4.79 g/t.

Tonnes milled for our surface operations remained fairly constant at 2.2 million tonnes for the quarter. The average grade was 12% lower from 0.58 g/t in June 2008 to 0.51 g/t, resulting in an 11% decline in surface gold production to 1 151 kg. The decrease in grade was mainly due to a reduction in the kilograms recovered from plant clean-ups.

Productivity has improved, but we need to remain focused on attaining ore reserve management excellence and quality mining throughout our operations to ensure that we meet our productivity targets.

It is no coincidence that operation-by-operation comparisons show that our best safety performers, notably Masimong, Bambanani and the Virginia operations, are emerging also as our best producers and that our worst safety performers, being Elandsrand and Target are under-performing in terms of production.

The lesson is obvious and we have not been slow to act. Elandsrand is now in intensive care . Chief Operating Officer, Alwyn Pretorius, has been re-assigned to lead Elandsrand s management in a safety and production turnaround strategy and until this assignment is completed, Bob Atkinson, Executive: Projects, will act as Chief Operating Officer of the remaining operations in the North Region. At Target, new management has been appointed from within and outside the Company to ensure that we turn the value of the orebody to account.

Financial performance

An increase in operating costs as well as a decrease in the gold price received for the quarter under review, resulted in a decrease in cash operating profit of R187.1 million when compared with the June 2008 quarter. Operating costs increased by R249.2 million, 15% higher when compared with the June 2008 quarter, mainly due to higher power costs (specifically Eskom s 20% general tariff increase effective from the beginning of July and higher winter tariffs), annual wage increases effective from July 2008 and stores price hikes of 16%. Quarter on quarter our power bill rose by 43% and our labour bill by 13% (which is inclusive of the holiday leave allowance). Power as a percentage of our total costs increased from 10% to 13%.

Capital expenditure for the quarter decreased by 25% from R1.3 billion in the

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June 2008 quarter to R993 million in the September 2008 quarter. The decrease was as a result of Newcrest Mining Limited funding the remaining capex requirements of the Hidden Valley project as prescribed by Stage 2 of the joint venture, as from August 2008 when the joint venture came into effect.

Cash costs and capital expenditure were both influenced by our decision to lift the ceiling on abnormal expenditure items from R50 000 to R250 000 and to allocate these to operating costs going forward, rather than to capital expenditure as in the past. This is another step, amongst many, we have taken in our drive to decentralise decision-making downward to general manager level.

Power

During the quarter, we engaged very constructively with Eskom and have secured the baseline power allocations for all of our current operations and undertakings to supply the additional power required for our Elandsrand, Phakisa and Doornkop projects. This will accommodate the build-up requirements on these operations as the projects come on line and are commissioned. We remain committed to partaking in as much power-saving efforts that are required.

Transactions

Cooke Assets

We announced on 19 December 2007 that our wholly-owned subsidiary, Randfontein Estates Limited (Randfontein), had entered into agreements with Pamodzi Resources Fund 1, LL.P (PRF), in terms of which certain uranium and gold assets of Randfontein (Cooke Assets) would be sold into Rand Uranium (Proprietary) Limited (Rand Uranium), for a purchase consideration of US$420 million.

The delay in meeting the conditions precedent, Harmony benefiting from the cash flow during this period, the turmoil in the global financial markets and other market-related adjustments resulted in a renegotiation of the purchase consideration. A revised purchase consideration of US$348 million for the Cooke Assets has been agreed. Harmony will receive a total purchase consideration of US$209 million for 60% of the issued share capital of Rand Uranium.

The majority of the conditions precedent, including the approvals from the Minister of Minerals and Energy and the issuance of a certificate of registration by the National Nuclear Regulator, have been fulfilled. It is anticipated that the remaining conditions precedent will be fulfilled on or before 20 November 2008 and the transaction will become effective on 21 November 2008.

In exchange for 60% of the issued share capital of Rand Uranium, Harmony will receive US$40 million on the effective date of the transaction, a further US$157 million, plus interest thereon at 5% per annum, on 22 April 2009 and the balance of the purchase consideration of approximately US$12 million as soon as the second stage of the transaction (which relates to its Old Randfontein assets), is finalised. This is anticipated to be on or shortly after 22 April 2009. PRF s investors, affiliates of First Reserve and AMCI Capital, have provided Harmony with a guarantee in respect of the payment of the above amounts. In addition, PRF will pledge its shares in Rand Uranium to Harmony as security for PRF s obligation to pay the purchase consideration to Harmony.

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Since entering into the agreements with PRF, Rand Uranium has been formed as a stand-alone company, information on the building of a potential uranium plant has been compiled and consultants have been involved with feasibility, metallurgical and environmental studies in respect of the extraction of uranium. Management capacity under the leadership of John Munro has been built up. Harmony will supply certain corporate services for a limited period and an agreement has been entered into for milling of the underground ore.

We believe that the dual commodity (gold and uranium) mix should combine to make the Cooke Assets a viable, low-cost operation and look forward to a mutually beneficial partnership with PRF in developing the significant uranium resource base as a platform for future growth opportunities within the West Rand.

Mt Magnet

We have resumed our efforts to sell our Mount Magnet operation in Australia, following our termination of the sales agreement with Monarch Gold in August 2008. The operation is on care and maintenance, which we estimate will cost us some A$5 million per year.

Exploration

Exploration in Papua New Guinea, under the auspices of our Morobe Joint Venture with Newcrest Mining Limited, focused primarily on the Wafi-Golpu Nambonga North brownfields prospect and the Morobe Consolidated Tenements Upper Bulolo brownfields prospect during the quarter. In respect of the former, work is on schedule to achieve a mineral resource estimate by the end of calendar 2008. At the latter, a significant and exciting new development, trenching is in progress and diamond drilling is scheduled to begin in December 2008.

Social and Labour Plans

We continue to make substantive progress in the implementation of our Social and Labour Plans. While this is essential to ensure retention of our licence to operate, it is also an enormously satisfying fulfilment of our commitment to be relevant to communities in which we do business.

During the quarter, we have contributed, with various other interested and affected parties, towards three major land development projects. These are: the Secunda West project, which will comprise 12 313 residential units covering all income levels, schools, community facilities, shops, sports amenities and green spaces; the Middelvlei/Droogeheuwel (Mohlakeng Ext 11) project, which will include all housing options, schools, social amenities and provisions for business development and the Phakisa Estate near Welkom, which envisages the establishment of a township comprising 6 500 residential units.

Looking ahead

While we remain mindful of the need to continue to apply the core principles of our back to basics philosophy initiated in August 2007 most diligently in those of our operations that have been slower to turn around than we would have hoped I believe we are well embarked on the organic growth phase of our three-phase growth plan to June 2012.

We now have sufficient latitude to focus more closely on delivery of our

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various organic growth projects in South Africa and of the Hidden Valley project in Papua New Guinea, also to clear our debt burden and strengthen our balance sheet, positioning to look towards the third organic-acquisition phase of our strategy from June 2009.

Note of thanks

I wish to thank each Harmony employee for her/his contribution in building a sustainable company.

Chief Executive Officer Graham Briggs

FINANCIAL REVIEW FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008 (RAND)

CONDENSED CONSOLIDATED INCOME STATEMENT (Unaudited) (Rand)

	Notes	Quarter ended(1) September 2008 R million
Continuing operations		
Revenue		2 682
Cost of sales	2	(2 225)
Production cost		(1 874)
Amortisation and depreciation		(308)
Impairment of assets		
Employment termination and restructuring costs		(12)
Other items		(31)
Gross profit		457
Corporate, administration and other expenditure		(97)
Exploration expenditure		(39)
Other income/(expenses) net	3	505
Operating profit/(loss)		826
Profit/(loss) from associates		1
Profit on sale of investment in associate		1
Impairment of investment in associate	6	(112)
Loss on sale of investment in joint venture		
Mark-to-market of listed investments		
Loss on sale of listed investments		
Impairment of investments		
Investment income		77
Finance cost		(85)
Profit/(loss) before taxation		708
Taxation		(234)
Net profit/(loss) from continuing operations		474
Discontinued operations	4	
(Loss)/profit from discontinued operations		(72)
Net profit/(loss)		402
Earnings/(loss) per ordinary share (cents)	5	
Earnings/(loss) from continuing operations		118
(Loss)/earnings from discontinued operations		(18)
Total earnings/(loss) per ordinary share (cents)		100
Diluted earnings/(loss) per ordinary share (cents)	5	
Earnings/(loss) from continuing operations		117
(Loss)/earnings from discontinued operations		(18)

Total diluted earnings/(loss) per ordinary share (cents)	99

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	Quarter ended(1)	
	June 2008 R million	September 2007 R million
Continuing operations		
Revenue	2 620	2 140
Cost of sales	(2 284)	(2 063)
Production cost	(1 625)	(1 843)
Amortisation and depreciation	(222)	(201)
Impairment of assets	(316)	
Employment termination and restructuring costs	(50)	
Other items	(71)	(19)
Gross profit	336	77
Corporate, administration and other expenditure	(49)	(72)
Exploration expenditure	(62)	(44)
Other income/(expenses) net	(9)	(15)
Operating profit/(loss)	216	(54)
Profit/(loss) from associates	(68)	
Profit on sale of investment in associate		
Impairment of investment in associate	(95)	
Loss on sale of investment in joint venture	(2)	
Mark-to-market of listed investments		33
Loss on sale of listed investments		(459)
Impairment of investments	(1)	
Investment income	86	67
Finance cost	(131)	(121)
Profit/(loss) before taxation	5	(534)
Taxation	(246)	2
Net profit/(loss) from continuing operations	(241)	(532)
Discontinued operations		
(Loss)/profit from discontinued operations	170	(34)
Net profit/(loss)	(71)	(566)
Earnings/(loss) per ordinary share (cents)		
Earnings/(loss) from continuing operations	(60)	(133)
(Loss)/earnings from discontinued operations	42	(9)
Total earnings/(loss) per ordinary share (cents)	(18)	(142)
Diluted earnings/(loss) per ordinary share (cents)		
Earnings/(loss) from continuing operations	(60)	(133)
(Loss)/earnings from discontinued operations	42	(9)
Total diluted earnings/(loss) per ordinary share (cents)	(18)	(142)

(1) There are no year ended figures, this

being the first
quarter of the
financial year.

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

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (Unaudited) (Rand)

		Quarter ended	
	September 2008 R million	June 2008 R million	September 2007 R million
Net profit/(loss) for the period	402	(71)	(566)
Attributable to:			
Owners of the parent	402	(71)	(566)
Non-controlling interest			
Other comprehensive income/(loss) for the period, net of income tax	88	(73)	360
Foreign exchange translation profit and loss	119	(86)	27
Mark-to-market of available-for-sale investments	(31)	13	333
Total comprehensive income/(loss) for the period	490	(144)	(206)
Attributable to:			
Owners of the parent	490	(144)	(206)
Non-controlling interest			

CONDENSED CONSOLIDATED BALANCE SHEET (Rand)

	Notes	At September 2008 (Unaudited) R million	At June 2008 (Audited) R million
ASSETS			
Non-current assets			
Property, plant and equipment		27 020	27 556
Intangible assets		2 213	2 209
Restricted cash		181	78
Restricted investments		1 512	1 465
Investments in financial assets		48	67
Investment in associate	6	34	145
Trade and other receivables		127	137
		31 135	31 657
Current assets			
Inventories		752	693
Trade and other receivables		875	875
Income and mining taxes		54	82
Cash and cash equivalents	8	1 186	413
		2 867	2 063
Non-current assets classified as held for sale	4	1 408	1 537
		4 275	3 600
Total assets		35 410	35 257
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		25 904	25 895
Other reserves		777	676

Accumulated loss		(1 430)	(1 832)
		25 251	24 739
Non-current liabilities			
Borrowings	7	176	242
Deferred income tax		3 008	2 990
Provisions for other liabilities and charges		1 297	1 273

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	Notes	At September 2008 (Unaudited) R million	At June 2008 (Audited) R million
Current liabilities		4 481	4 505
Trade and other payables		1 528	1 372
Provisions and accrued liabilities		295	287
Borrowings	7	3 363	3 857
		5 186	5 516
Liabilities directly associated with non-current assets classified as held for sale	4	492	497
		5 678	6 013
Total equity and liabilities		35 410	35 257
Number of ordinary shares in issue		403 424 148	403 253 756
Net asset value per share (cents)		6 259	6 135

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (Unaudited) (Rand)

	Issued share capital R million	Other reserves R million
Balance 30 June 2008	25 895	676
Issue of share capital	9	
Deferred share-based payments		13
Comprehensive income for the period		88
Balance at 30 September 2008	25 904	777
Balance 30 June 2007	25 636	(349)
Issue of share capital	16	
Deferred share-based payments		9
Comprehensive income/(loss) for the period		360
Balance at 30 September 2007	25 652	20

	Accumulated loss R million	Total R million
Balance 30 June 2008	(1 832)	24 739
Issue of share capital		9
Deferred share-based payments		13
Comprehensive income for the period	402	490
Balance at 30 September 2008	(1 430)	25 251
Balance 30 June 2007	(1 581)	23 706
Issue of share capital		16
Deferred share-based payments		9

Comprehensive income/(loss) for the period	(566)	(206)
Balance at 30 September 2007	(2 147)	23 525

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Unaudited) (Rand)

	Note	Quarter ended September 2008 R million
Cash flow from operating activities		
Cash generated by operations		670
Interest and dividends received		82
Interest paid		(112)
Income and mining taxes paid		(1)
Cash generated by operating activities		639
Cash flow from investing activities		
(Increase)/decrease in restricted cash		(103)
Net proceeds on disposal of listed investments		
Net additions to property, plant and equipment		798
Other investing activities		10
Cash generated/(utilised) by investing activities		705
Cash flow from financing activities		
Long-term loans raised		
Long-term loans repaid		(588)
Ordinary shares issued net of expenses		8
Dividends paid		
Cash (utilised)/generated by financing activities		(580)
Foreign currency translation adjustments		7
Net increase in cash and equivalents		770
Cash and equivalents beginning of period		415
Cash and equivalents end of period	8	1 186

	Quarter ended June 2008 R million	September 2007 R million
Cash flow from operating activities		
Cash generated by operations	1 506	54
Interest and dividends received	97	69
Interest paid	(117)	(59)
Income and mining taxes paid	(67)	(12)
Cash generated by operating activities	1 419	52
Cash flow from investing activities		
(Increase)/decrease in restricted cash	2	274
Net proceeds on disposal of listed investments		1 310
Net additions to property, plant and equipment	(1 267)	(833)
Other investing activities	(190)	(51)
Cash generated/(utilised) by investing activities	(1 455)	700
Cash flow from financing activities		

Long-term loans raised	136	2 088
Long-term loans repaid	(12)	(1 802)
Ordinary shares issued net of expenses	23	19
Dividends paid	(6)	
Cash (utilised)/generated by financing activities	141	305
Foreign currency translation adjustments	(38)	20
Net increase in cash and equivalents	67	1 077
Cash and equivalents beginning of period	348	494
Cash and equivalents end of period	415	1 571

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2008

1. Accounting policies

(a) Basis of accounting

The condensed consolidated interim financial statements for the period ended 30 September 2008 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 2008. These condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with the financial statements for the year ended 30 June 2008.

2. Cost of sales

		Quarter ended	
	September 2008 (Unaudited) R million	June 2008 (Unaudited) R million	September 2007 (Unaudited) R million
Production costs	1 874	1 625	1 843
Amortisation and depreciation	308	222	201
Impairment of assets		316	
Provision for rehabilitation costs	6	12	
Care and maintenance cost of restructured shafts	12	29	9
Employment termination and restructuring costs	12	50	
Share-based compensation			