

HARMONY GOLD MINING CO LTD
Form 20-F
October 24, 2011
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As filed with the Securities and Exchange Commission on October 24, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE
SECURITIES EXCHANGE ACT OF 1934
OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2011**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
OR**

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
Date of event requiring this shell company report**

For the transition period from to

Commission file number: 001 31545

HARMONY GOLD MINING COMPANY LIMITED

(Exact name of registrant as specified in its charter)

REPUBLIC OF SOUTH AFRICA

(Jurisdiction of incorporation or organization)

RANDFONTEIN OFFICE PARK, CNR WARD AVENUE AND MAIN REEF ROAD,

RANDFONTEIN, SOUTH AFRICA, 1760

(Address of principal executive offices)

Marian van der Walt, Executive: Corporate and Investor Relations

tel: +27 11 411 2037, marian@harmony.co.za, fax: +27 866 140 999,

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

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Ordinary shares, with nominal value Rand 50 cents per share*

(Title of Class)

American Depositary Shares (as evidenced by American Depositary Receipts),

each representing one ordinary share

(Title of Class)

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

The number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the last full fiscal year covered by this Annual Report was:

430,084,628 ordinary shares, with nominal value of Rand 50 cents per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES NO

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:

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YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued Other

by the International Accounting Standards Board

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

YES NO

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

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USE OF TERMS AND CONVENTIONS IN THIS ANNUAL REPORT

Harmony Gold Mining Company Limited is a corporation organized under the laws of the Republic of South Africa. As used in this Annual Report on Form 20-F, or this annual report, unless the context otherwise requires, the term **Harmony** refers to Harmony Gold Mining Company Limited; the term **South Africa** refers to the Republic of South Africa; the terms **we**, **us** and **our** refer to Harmony and, as applicable, its direct and indirect subsidiaries as a **Group**.

In this annual report, references to **R**, **Rand** and **c**, **cents** are to the South African Rand, the lawful currency of South Africa, **A\$** refers to Australian dollars, **K** or **Kina** refers to Papua New Guinean Kina and references to **\$**, **US\$** and **U.S. dollars** are to United States dollars.

This annual report contains information concerning our gold reserves. While this annual report has been prepared in accordance with the regulations contained in Securities and Exchange Commission Guide 7, it is based on assumptions which may prove to be incorrect. See *Item 3. Key Information Risk Factors Estimations of Harmony's gold reserve figures are based on a number of assumptions, including mining and recovery factors, future cash costs or production and the price of gold. As a result, quantities of gold produced may differ from current estimates.*

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. We have explained some of these terms in the Glossary of Mining Terms included at the end of this annual report. This glossary may assist you in understanding these terms.

PRESENTATION OF FINANCIAL INFORMATION

We are a South African company and the majority of our operations are located in our home country. Accordingly, our books of account are maintained in South African Rand and our annual and interim financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS**). Prior to fiscal year ended June 30, 2008, our annual financial statements (translated into U.S. dollars) were prepared and filed with the U.S. Securities and Exchange Commission (**SEC**) in accordance with generally accepted accounting principles in the United States (**U.S. GAAP**). On December 21, 2007, the SEC adopted rules allowing foreign private issuers that file Annual Reports on Form 20-F to file financial statements with the SEC in accordance with IFRS without reconciliation to U.S. GAAP. As per these rules, we include in this annual report our consolidated financial statements prepared in accordance with IFRS, translated into U.S. dollars. All financial information, except as otherwise noted, is stated in accordance with IFRS.

In this annual report, we also present cash operating costs and cash operating costs per ounce, which are non-GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, cost of sales or any other measure of financial performance presented in accordance with IFRS. The calculation of cash operating costs, and cash operating costs per ounce may vary significantly among gold mining companies and, by themselves, do not necessarily provide a basis for comparison with other gold mining companies. For further information, see *Item 5. Operating and Financial Review and Prospects Costs Reconciliation of Non-GAAP Measures*.

We have included the U.S. dollar equivalent amounts of certain information and transactions in Rand, Kina and A\$. Unless otherwise stated, we have translated (i) balance sheet items at the closing rate as reported by Reuters on the last business day of the period (R6.78 per US\$1.00 as at June 30, 2011 and R7.63 per US\$1.00 as at June 30, 2010), (ii) acquisitions, disposals and specific items included within equity at the rate prevailing at the date the transaction was entered into and (iii) income statement items at the average rate for the year (R6.99 per US\$1.00 as at June 30, 2011, R7.58 per US\$1.00 as at June 30, 2010 and R9.00 per US\$1.00 for fiscal 2009). Capital expenditures for fiscal 2012 have been translated at the rates used for balance sheet items at June 30, 2011. By including these U.S. dollar equivalents in this annual report, we are not representing that the Rand, Kina and A\$ amounts actually represent the U.S. dollar amounts, as the case may be, or that these amounts could be converted at the rates indicated. For further information, see *Item 3. Key Information Exchange Rates*.

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FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. These include all statements other than statements of historical fact, including, without limitation, any statements preceded by, followed by, or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof. In particular, statements, certain statements in *Item 4. Information on the Company*, *Item 5. Operating and Financial Review and Prospects* and *Item 11. Quantitative and Qualitative Disclosures About Market Risk* are forward-looking in nature. Statements in this annual report that are not historical facts are forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act of 1933, as amended.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, wherever they may occur in this annual report and the exhibits to this annual report, are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

overall economic and business conditions in South Africa and elsewhere;

the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;

fluctuations in the market price of gold;

the occurrence of hazards associated with underground and surface gold mining;

the occurrence of labor disruptions;

availability, terms and deployment of capital;

changes in government regulation, particularly mining rights and environmental regulation;

fluctuations in exchange rates;

currency devaluations/appreciations and other macroeconomic monetary policies; and

socio-economic instability in South Africa and other countries in which we operate.

We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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Item 3. KEY INFORMATION

SELECTED FINANCIAL DATA

The selected consolidated financial data below should be read in conjunction with, and are qualified in their entirety by reference to, our consolidated financial statements and the notes thereto and with Item 3. Key Information Risk Factors, Item 5. Operating and Financial Review and Prospects, all included elsewhere in this annual report. Historical results are not necessarily indicative of results to be expected for any future period.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

We are a South African company and the majority of our operations are located in our home country. Accordingly, our books of account are maintained in South African Rand and our annual and interim financial statements are prepared in accordance with IFRS. Prior to fiscal year ended June 30, 2008, our annual financial statements (translated into U.S. dollars) were prepared and filed with the SEC in accordance with U.S. GAAP. On December 21, 2007, the SEC adopted rules allowing foreign private issuers that file Annual Reports on Form 20-F to file financial statements with the SEC in accordance with IFRS without reconciliation to U.S. GAAP. As per these rules, we have included in this annual report our consolidated financial statements prepared in accordance with IFRS, translated into U.S. dollars.

The selected historical consolidated income statement and balance sheet data for the last five fiscal years are, unless otherwise noted, stated in accordance with IFRS, and has been extracted from the more detailed information and financial statements prepared in accordance with IFRS, including our audited consolidated financial statements as of June 30, 2011 and 2010 and for each of the years in the three years ended June 30, 2011 and the related notes, which appear elsewhere in this annual report. The historical consolidated financial data at June 30, 2009, 2008 and 2007, and for each of the years in the two years ended June 30, 2008, has been extracted from our audited consolidated financial statements not included in this annual report as adjusted for discontinued operations and the accounting changes described below.

During fiscal 2008, we early adopted IAS 23 (Revised) Borrowing Costs. In accordance with the Revised Standard's transitional provisions, we designated July 1, 2000 as the effective date and applied the requirements of the Revised Standard to all qualifying projects for which the commencement date of capitalization was on or after that date. The effect of this change on the 2007 year has been included in the selected consolidated information below.

Discontinued operations for the periods below include our Cooke and Orkney operations in South Africa, as well as our South Kalgoorlie and Mount Magnet operations in Australia, up to the date of their disposal. The assets and liabilities of the Cooke operation were first classified as held for sale in fiscal 2008 and the results of this operation presented as discontinued operations until the time of its disposal to Rand Uranium (Proprietary) Limited (**Rand Uranium**) in November 2008. The assets and liabilities of the Orkney and Australia's South Kalgoorlie operations were first classified as held for sale in fiscal 2007, and the results of these operations reflected as discontinued operations in anticipation of their disposal in fiscal 2008. In fiscal 2010, Australia's Mount Magnet operations were classified as held for sale and the results of the Mount Magnet operation presented as discontinued operations when an agreement for its disposal to Ramelius Resources Limited (**Ramelius**) was concluded. The reclassifications in respect of discontinued operations were done in terms of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. See note 16 of the consolidated financial statements and *Item 4. Information on the Company Business Mount Magnet Operations*, *Item 4. Information on the Company Business Cooke Operations*.

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	Fiscal year ended June 30,				
	2011	2010	2009	2008	2007
	(\$ in millions, except per share amounts and cash operating costs per ounce)				
Income Statement Data					
Revenue	1,781	1,489	1,277	1,269	1,116
Operating profit	4	22	236	73	154
(Loss)/profit from associates	(7)	7	1	(11)	(3)
Profit from continuing operations before taxation	14	24	238	(39)	156
Taxation	69	(44)	(22)	(65)	(39)
Profit/(loss) from continuing operations	83	(20)	216	(104)	117
Profit/(loss) from discontinued operations	3	(4)	95	74	(66)
Net profit/(loss)	86	(24)	311	(30)	51
Basic earnings/(loss) per share from continuing operations (\$)	0.19	(0.05)	0.52	(0.26)	0.29
Diluted earnings/(loss) per share from continuing operations (\$)	0.19	(0.05)	0.51	(0.26)	0.29
Basic earnings/(loss) per share (\$)	0.20	(0.06)	0.75	(0.08)	0.12
Diluted earnings/(loss) per share (\$)	0.20	(0.06)	0.74	(0.08)	0.12
Weighted average number of shares used in the computation of basic earnings/(loss) per share	429,310,123	426,381,581	414,120,732	400,750,167	397,910,797
Weighted average number of shares used in the computation of diluted earnings/(loss) per share	430,420,068	427,846,547	415,962,899	402,894,248	402,382,011
Dividends per share (\$) ⁽¹⁾	0.07	0.06			
Dividends per share (R) ⁽¹⁾	0.50	0.50			
Other Financial Data					
Cash operating cost per ounce of gold from continuing operations (\$/oz) ⁽²⁾	1,009	801	583	600	484
Total cash operating cost per ounce of gold (\$/oz) ⁽²⁾	1,009	801	586	602	489
Balance Sheet Data					
<i>Assets</i>					
Property, plant and equipment	4,607	3,874	3,614	3,531	3,484
Assets of disposal groups classified as held for sale	40	32		197	182
Total assets	5,880	5,141	4,925	4,710	5,160
Net assets	4,450	3,828	3,824	3,172	3,366
<i>Equity and liabilities</i>					
Share capital	4,033	4,027	4,004	3,787	3,752
Total equity	4,450	3,828	3,824	3,172	3,366
Borrowings (current and non-current)	230	156	47	525	653
Liabilities of disposal groups held for sale	2	18		64	77
Other liabilities	1,198	1,139	1,054	949	1,064
Total equity and liabilities	5,880	5,141	4,925	4,710	5,160

⁽¹⁾ Dividends per share relates to the dividends recorded and paid during the fiscal year.

⁽²⁾ Cash operating costs is a non-GAAP measure. We calculate cash operating costs per ounce by dividing total cash operating costs by gold produced which therefore excludes the effect of the movement in the gold inventory from the cash operating cost amount. Cash operating costs, include mine production costs, transport and refinery costs, applicable general and administrative costs, ongoing environmental rehabilitation costs as well as transfers to and from deferred stripping and costs associated with royalties. Ongoing employee termination costs are included; however, employee termination costs associated with major restructuring and shaft closures are excluded. Cash operating costs have been calculated on a consistent basis for all periods presented. Changes in cash operating costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the U.S. dollar. Because cash operating costs is a non-GAAP measure, it should therefore not be considered by investors in isolation or as an alternative to production costs, cost of sales, or any other measure of financial performance calculated in accordance with IFRS. The calculation of cash operating

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costs and cash operating cost per ounce may vary from company to company and may not be comparable to other similarly titled measures of other companies. However, we believe that cash operating costs per ounce is a useful indicator to investors and management of a mining company's performance as it provides (1) an indication of the cash generating capacities of the mining operations, (2) the trends in cash operating costs as the company's operations mature, (3) a measure of a company's performance, by comparison of cash operating costs per ounce to the spot price of gold and (4) an internal benchmark of performance to allow for comparison against other companies. For further information, see *Item 5. Operating and Financial Review and Prospects - Costs - Reconciliation of non-GAAP measures* .

EXCHANGE RATES

Unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the last business day of the period (R6.78 per US\$1.00 as at June 30, 2011), except for acquisitions, disposals and specific items included within equity that are converted at the exchange rate prevailing on the date the transaction was entered into, and income statement

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item amounts that are translated from Rand to U.S. dollars at the average exchange rate for the period (R6.99 per US\$1.00 for fiscal 2011). During the year, the Rand/dollar closing exchange rate ranged between R6.57 and R7.75 per US\$1.00.

As of October 17, 2011, the exchange rate per US\$1.00 was R7.99. ⁽¹⁾

The following table sets forth, for the past five fiscal years, the average and period end rates for Rand expressed in Rand per US\$1.00. For periods prior to December 31, 2008, the following tables express the exchange rates in terms of the noon buying rate in New York City for cable transfers in Rand as certified for customs purposes by the Federal Reserve Bank of New York. As of December 31, 2008, the Federal Reserve Bank ceased publication of the noon buying rate and, as such, the exchange rates for fiscal 2009, 2010 and 2011 are sourced from Reuters, being the closing rate at period end.

Fiscal Year Ended

June 30,	Average⁽¹⁾	Period End
2007	7.20 ⁽²⁾	7.04
2008	7.26 ⁽²⁾	7.80
2009	9.00 ⁽³⁾	7.72
2010	7.58 ⁽³⁾	7.63
2011	6.99 ⁽³⁾	6.78

Month of**High**