



Presentation



Niël Pretorius  
Chief Executive Officer  
Precious Metals Summit  
Geneva  
11-14 April 2012

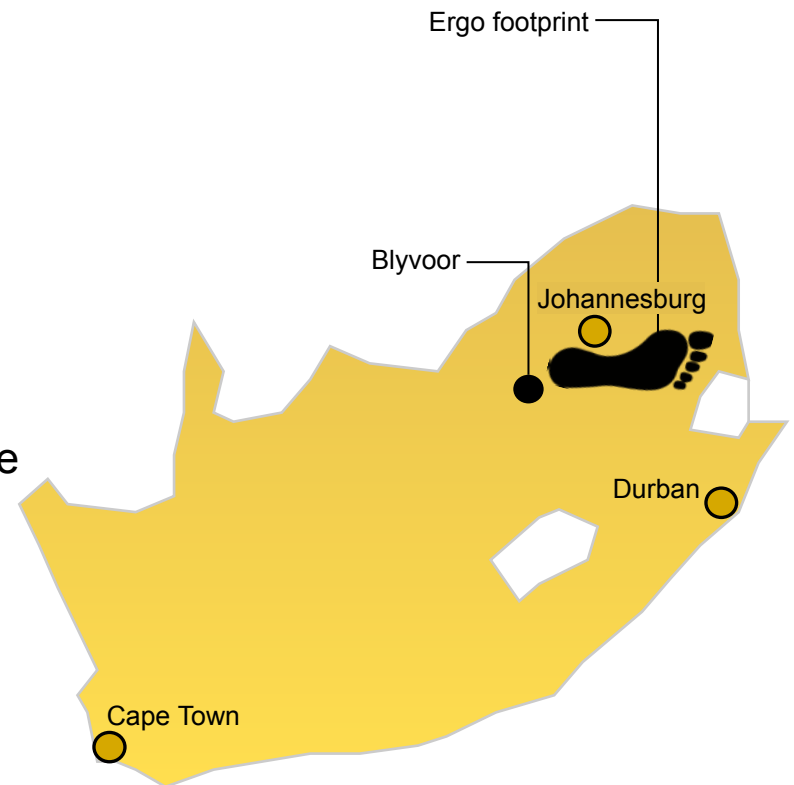
**DRD****GOLD** ▶  
L I M I T E D  
[www.drdgold.co.za](http://www.drdgold.co.za)

## Disclaimer

Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a sustained strengthening of the Rand against the Dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licenses or other governmental approvals, changes in DRDGOLD's competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates and various other factors. These risks include, without limitation, those described in the section entitled "Risk Factors" included in our annual report for the fiscal year ended 30 June 2011, which we filed with the United States Securities and Exchange Commission on 28 October 2011 on Form 20-F. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or to the occurrence of unanticipated events. Any forward-looking statement included in this report have not been reviewed and reported on by DRDGOLD's auditors.

# Profile

- ▶ South African-based
- ▶ Surface tailings retreatment-focused gold producer
  - world's largest
  - lower risk, lower cost, higher margin
  - innovation leadership
- ▶ 11Moz surface tailings resource
- ▶ Compelling Central & East Wits competitive advantage
  - plants
  - pipelines
  - servitudes
  - deposition capacity
  - fast-track, value-add projects
- ▶ JSE, NYSE listings
- ▶ Postscript: exiting deep-level underground mining
  - Blyvoor

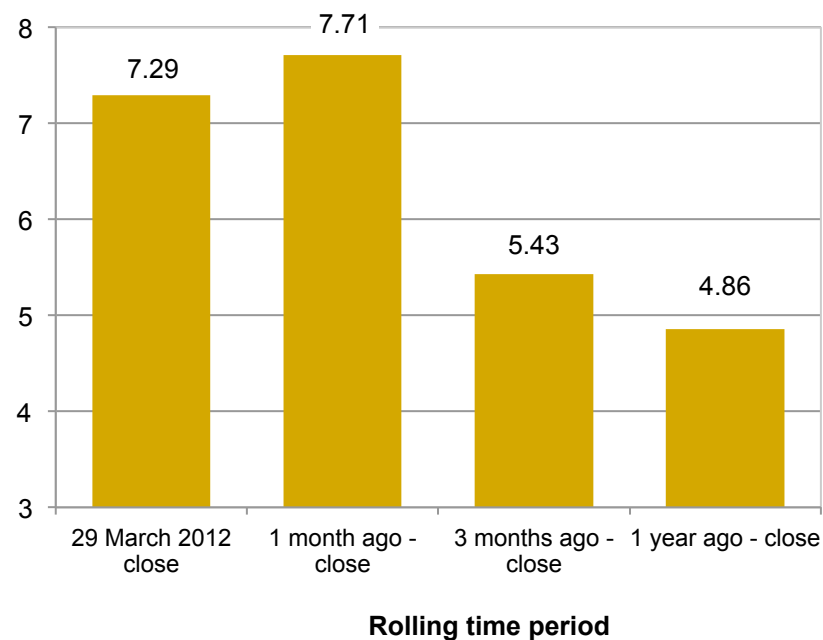




# Snapshot (as at 31 March 2012)

- ▶ Dividend yield: 1.36% \*
- ▶ RoE: 34.50% \*
- ▶ P/E ratio: 11.39\*
- ▶ Market cap: U\$280m (as at 31 March 2012)
- ▶ Shares in issue: 385 383 767 (10 shares/ADR)

Price comparison U\$/ADR



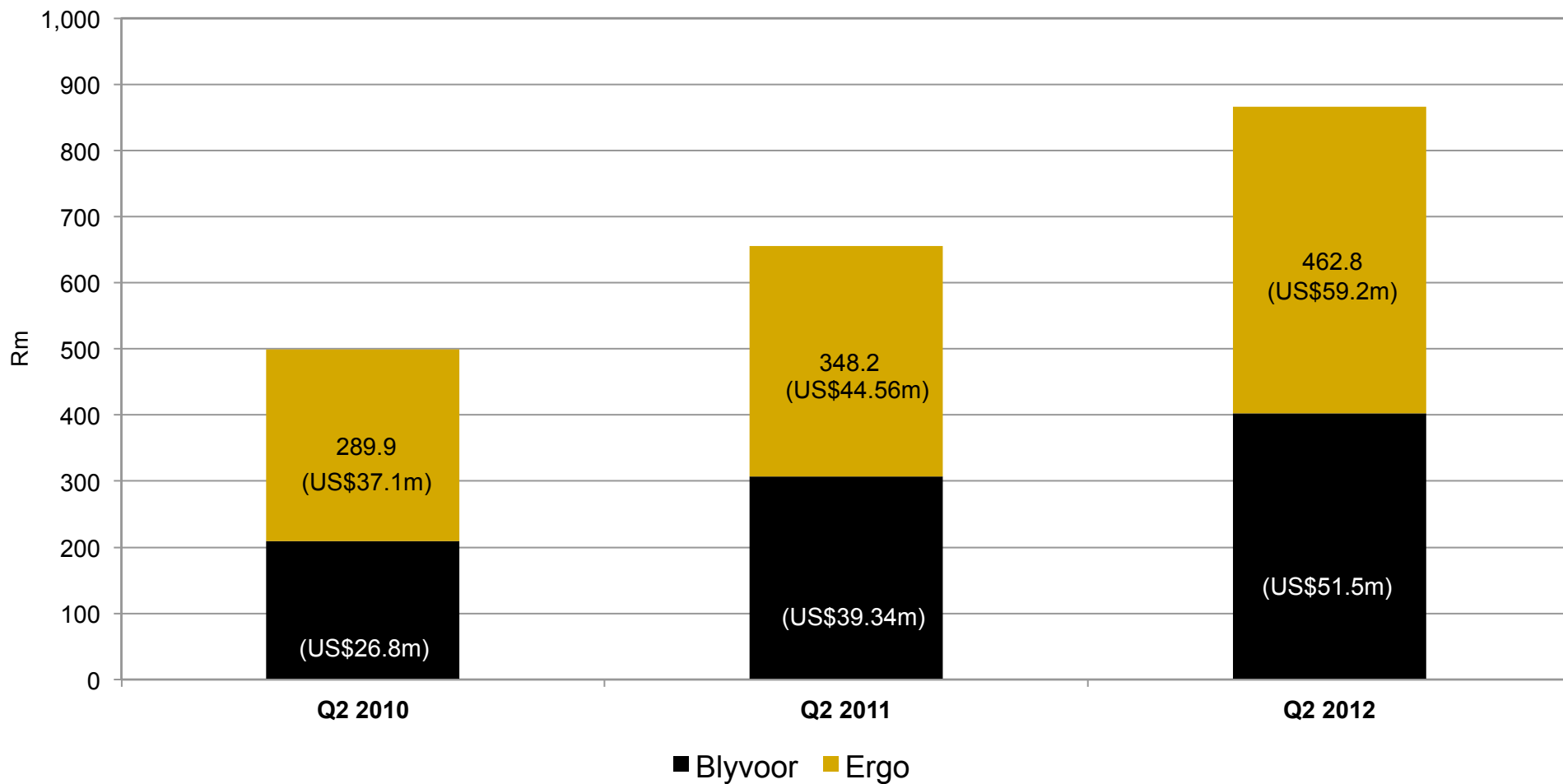
(\*Source: Moneyweb)

# Delivery: operating, financial performance (Q2 2012)

Q2 2011	Q3 2011	FY 2011	Q1 2012	Q2 2012
<ul style="list-style-type: none"> <li>▸ 6% rise in gold production</li> <li>▸ 11% drop in cash costs</li> <li>▸ 118% rise in operating profit</li> <li>▸ R33.6 million swing to headline earnings from R3m loss</li> <li>▸ 214% rise in EBITDA</li> </ul>	<ul style="list-style-type: none"> <li>▸ 8% rise in Ergo production</li> <li>▸ 44% rise in HEPS</li> <li>▸ 53% rise in net cash generated from ops</li> </ul>	<ul style="list-style-type: none"> <li>▸ 50% rise in dividend, to 7.5 SA cents</li> <li>▸ 10% rise in group gold production</li> <li>▸ 37% rise in Ergo gold production</li> <li>▸ 76% rise in operating profit</li> <li>▸ 115% rise in HEPS</li> <li>▸ 504% rise in net cash generated from ops</li> </ul>	<ul style="list-style-type: none"> <li>▸ 1% rise in gold production</li> <li>▸ 82% rise in operating profit</li> <li>▸ 150% rise in HEPS</li> <li>▸ 14% rise in net cash generated from ops</li> </ul>	<ul style="list-style-type: none"> <li>▸ Gold production steady</li> <li>▸ 2% drop in cash costs</li> <li>▸ 99% rise in net profit</li> <li>▸ 66% rise in HEPS</li> <li>▸ 107% rise in net cash from ops</li> </ul>

# Revenue

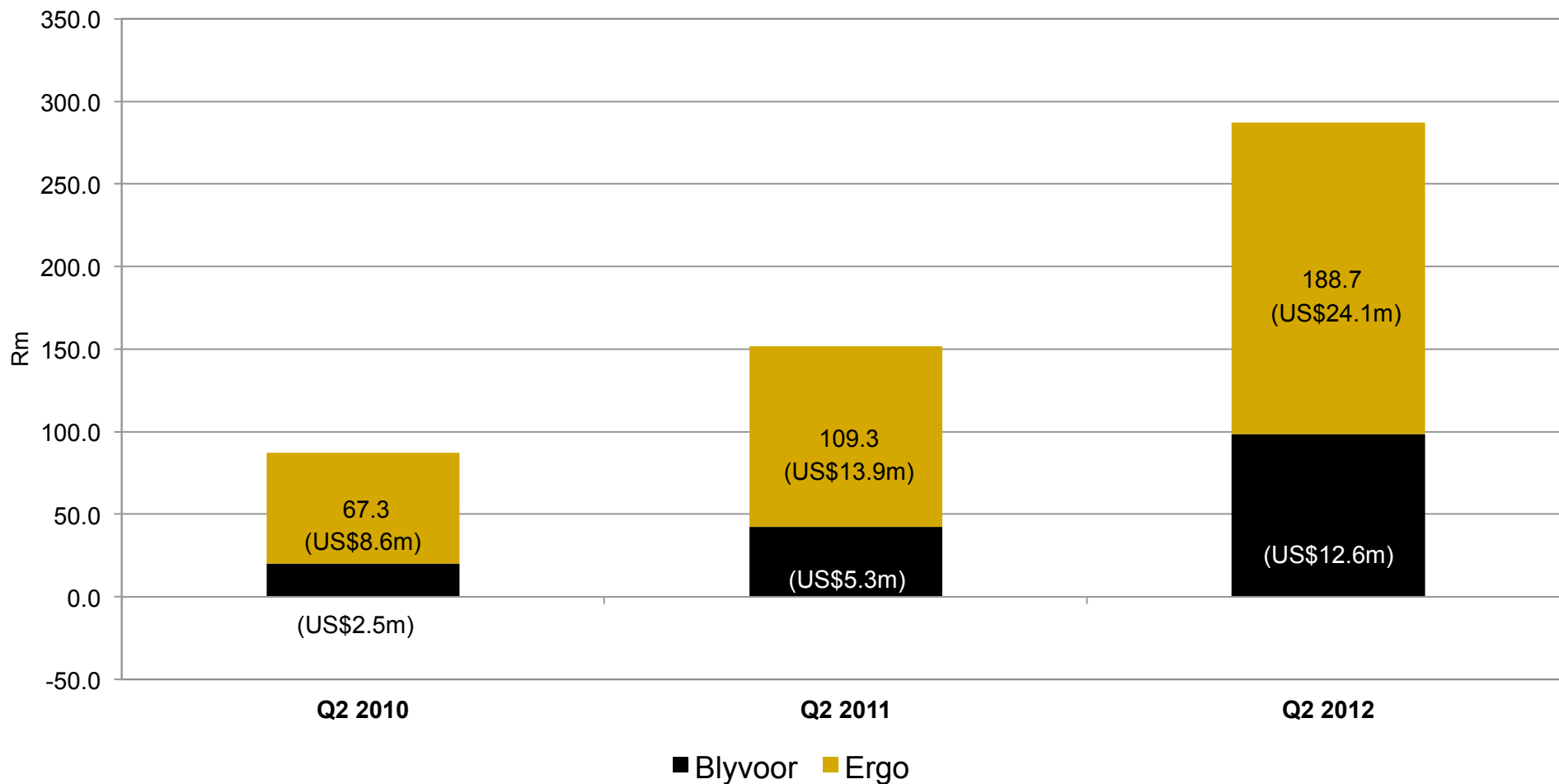
► Revenue up 32% to R865.9 million (US\$110.8 million)\*



\*At an exchange rate of 0.128 US cents per Rand

# Operating profit

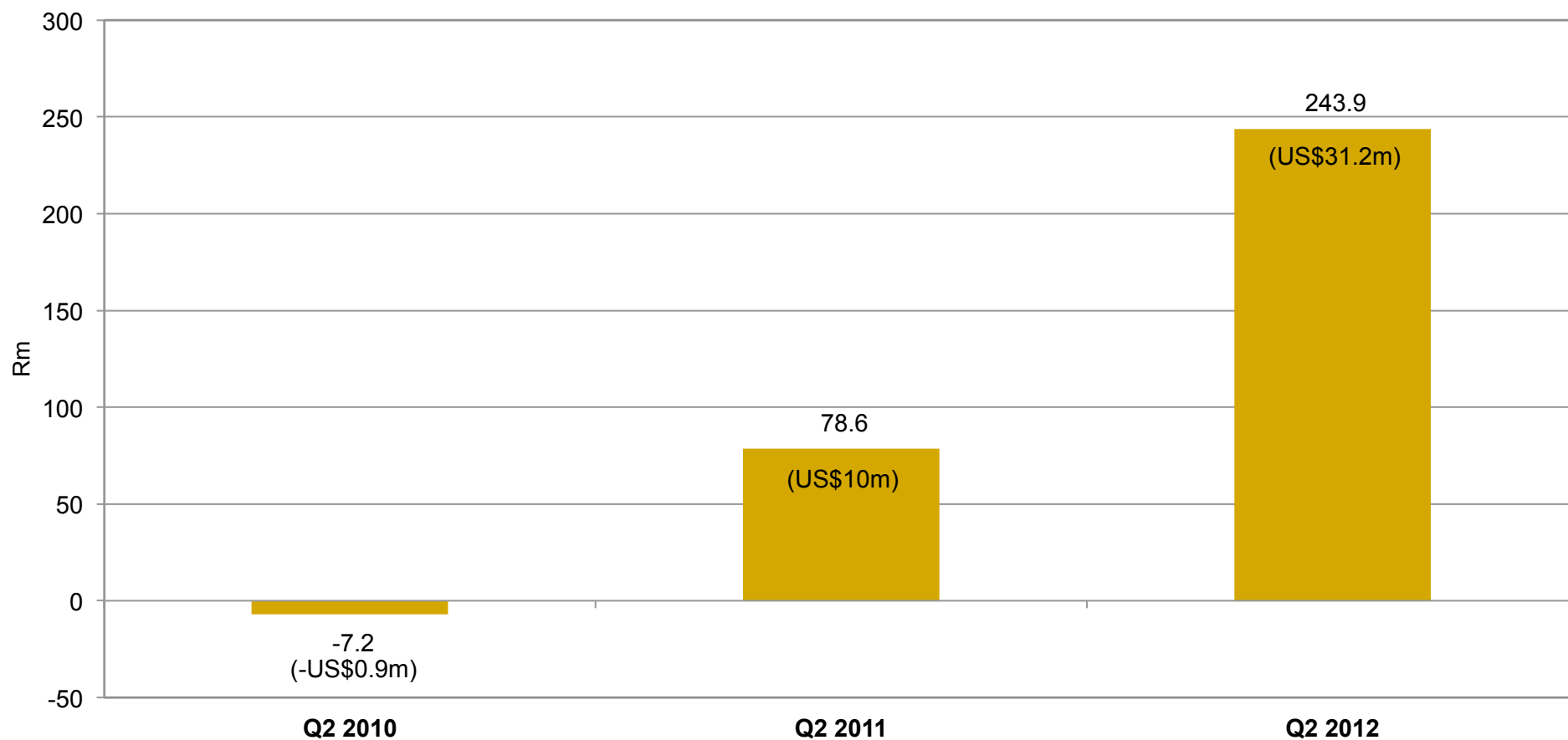
- ▶ Operating profit up to R287.3 million (US\$36.77 million)\*



\*At an exchange rate of 0.128 US cents per Rand

# Net cash from operations

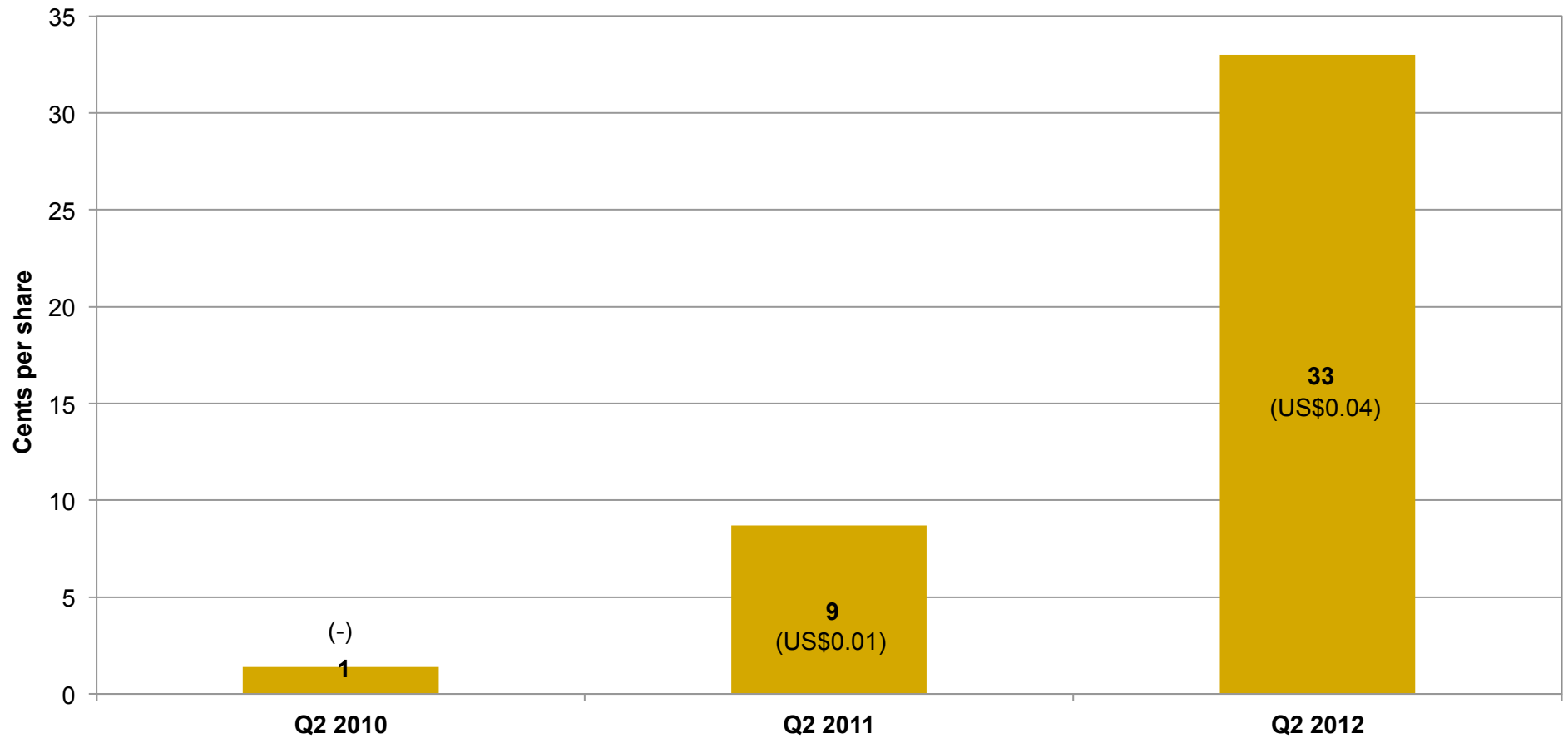
- ▶ Net cash inflow from operations up 210% to R243.9 million (US\$31.2 million)\*



\*At an exchange rate of 0.128 US cents per Rand



- ▶ Headline earnings per share up 65% to 33cps(US\$0.04)\*



\*At an exchange rate of 0.128 US cents per Rand

# Financial review: income statement for the quarter ended 31 December 2011

	Q2 2012	Q2 2011	Comments
	Rm	Rm	
<b>Continuing operations</b>			
Revenue	462.8	348.2	Up 33%, higher gold price offset decrease in gold sold
Net operating costs	(274.1)	(238.8)	Up 15%, 9% increase in ore milled and other cost increases
<b>Operating profit</b>	<b>188.7</b>	109.4	Up 72%
Depreciation	(30.6)	(27.0)	
Movement in provision for environmental rehab	(6.0)	(4.5)	
Net finance income	3.9	1.4	R78 million loan notes repaid in October 2011
Other income and costs	(48.5)	(29.5)	Up 64%, higher corporate and environmental rehab costs
<b>Profit before taxation</b>	<b>107.5</b>	49.8	Up 116%
Taxation	(34.4)	(27.7)	
<b>Profit after taxation</b>	<b>73.1</b>	22.1	Up 231%
<b>Discontinued operations</b>			
Profit from discontinued operations	92.0	19.6	Up 369%, higher gold price
<b>Net profit</b>	<b>165.1</b>	41.7	Up 296%
<b>Headline earnings/(loss) per share (cents)</b>	<b>33</b>	9	Up 267%

# Financial review: balance sheet at 31 December 2011

	31 Dec 2011	30 Sep 2011	Comments
	Rm	Rm	
Property, plant and equipment	1 570.4	1 599.0	
Non-current investments and other assets	10.8	25.1	
Environmental rehabilitation trust funds	103.4	136.0	
Deferred tax asset	46.8	57.3	
Cash and cash equivalents	320.9	293.9	FCF of R154.7 million, R78 million loan notes repaid, dividends paid
Other current assets	181.7	305.9	
Assets classified as held for sale	214.2	-	
<b>Total assets</b>	<b>2 448.2</b>	<b>2 417.2</b>	
Equity	1 439.0	1 271.2	
Long-term liabilities	5.8	46.4	
Provision for environmental rehabilitation	456.2	497.8	
Deferred tax liability	160.5	145.3	
Current liabilities	239.6	456.5	Includes remaining R30 million loan notes due in October 2012
Liabilities classified as held for sale	147.1	-	
<b>Total equity and liabilities</b>	<b>2 448.2</b>	<b>2 417.2</b>	
<b>Current ratio</b>	<b>1.9</b>	<b>1.3</b>	Liquidity improves significantly

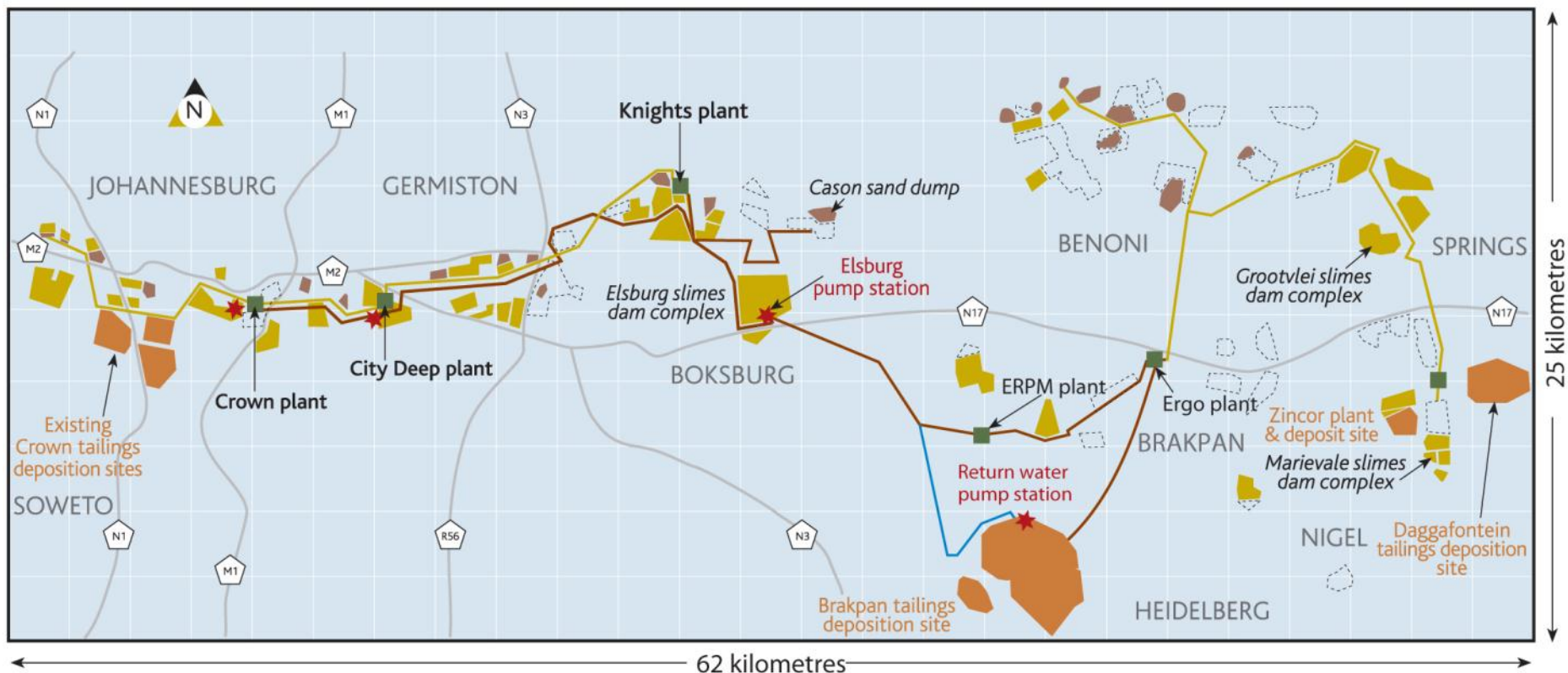
## ≡ Ergo: competitive edge

- ▶ Enormous resource: 11Moz
- ▶ Big plant: 1.8mtpm
- ▶ Big deposition site: 250Mt
- ▶ Pipelines/servitudes



# Ergo here and now: footprint, infrastructure

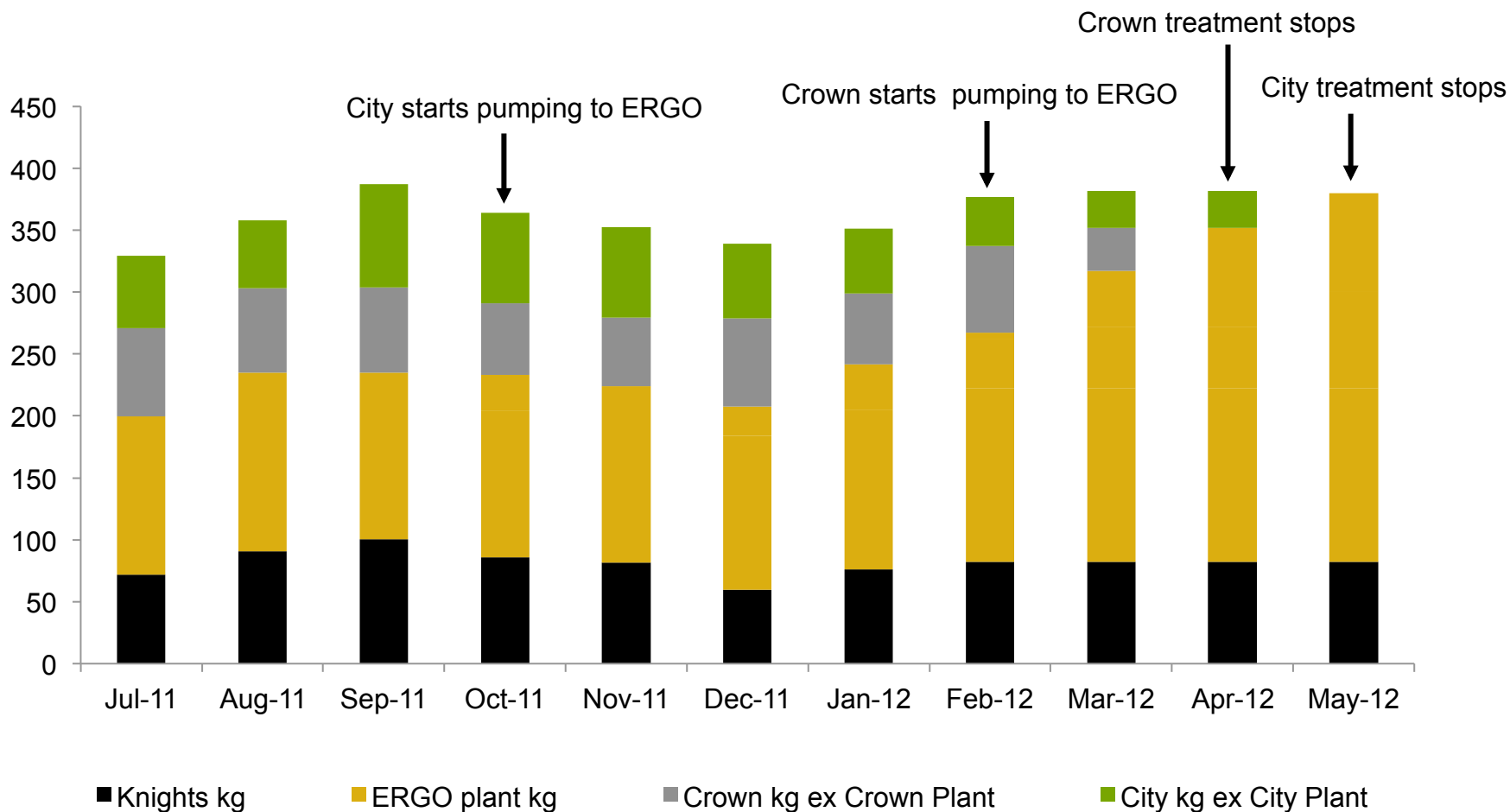
Ergo mining footprint



## Legend

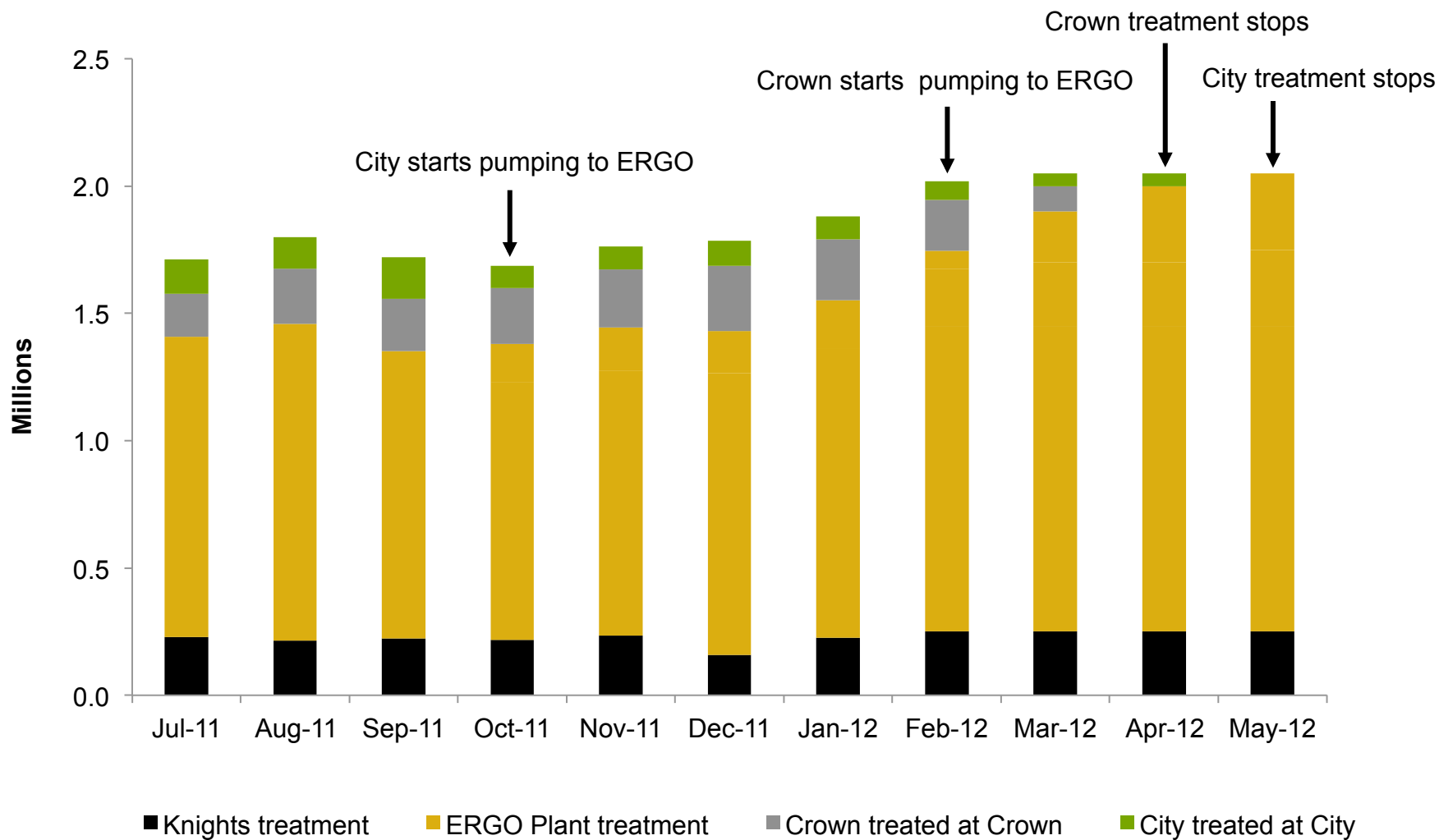
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# ERGO here and now: gold production (kg)



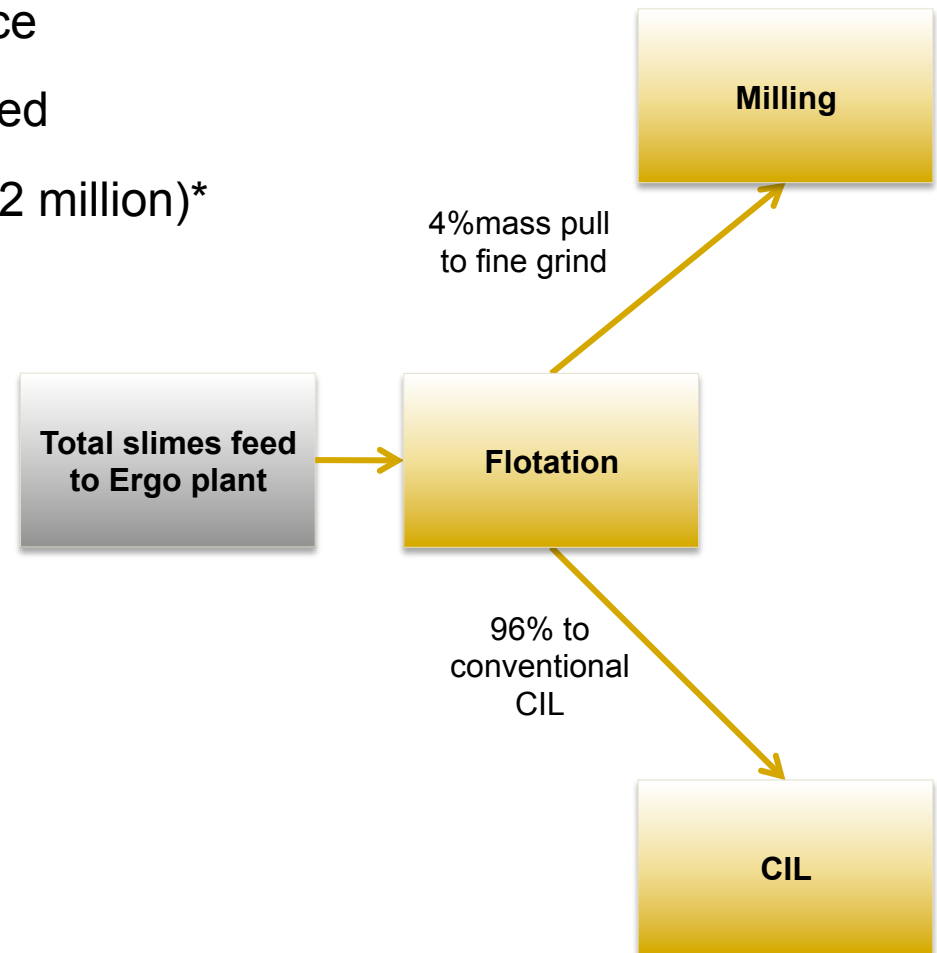


# Ergo here and now: throughput (t)



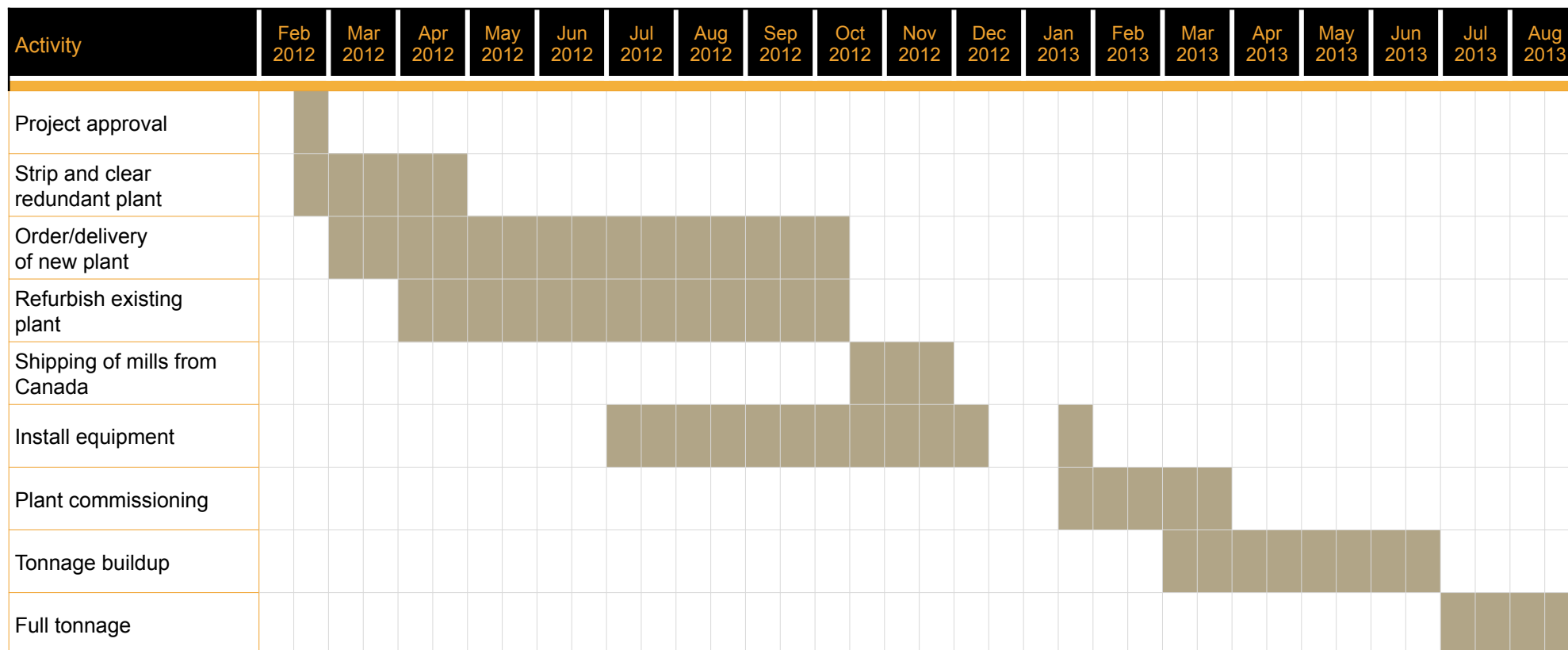
## Fast-track, value-add: flotation/fine grind circuit

- ▶ Objective: optimise 11Moz surface resource
- ▶ 16-20% increase in gold production targeted
- ▶ Capex: approximately R250 million (US\$32 million)\*
- ▶ Total cost increase (real terms): R52/t (from R45/t) over LOM



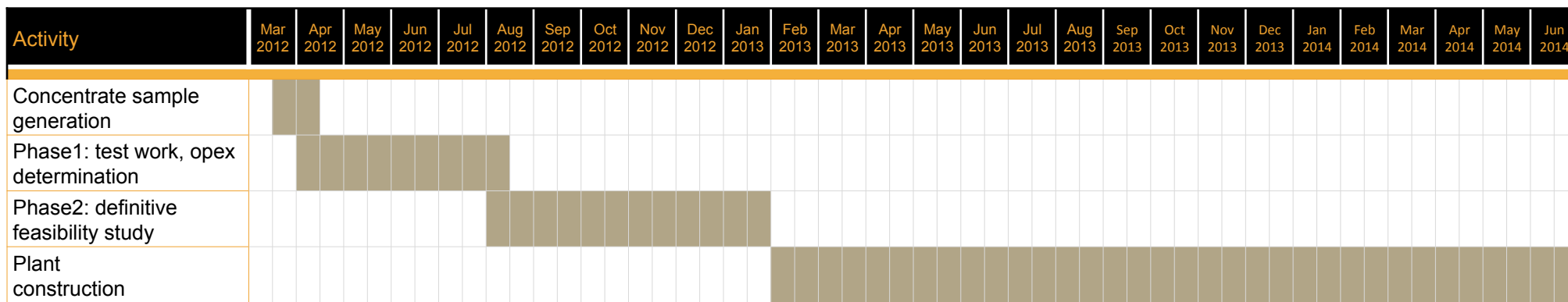
\*At an exchange rate of 0.128 US cents per Rand

# Timeline: flotation/fine grind circuit



## Fast-track, value-add: uranium upside

- ▶ Flotation fine grind process amenable to addition of resin-in-pulp (RIP) technology to extract uranium
- ▶ Definitive study proposal awaited
  - design test work
  - plant capacity, process design
  - capex, opex estimates
- ▶ Estimated capital cost: R150-200 million (US\$20-25.6 million)
- ▶ Potential production: 11.5tpm U<sub>3</sub>O<sub>8</sub>
- ▶ At U\$50/pound this could soften gold production cost by between 5-8%



## Delivery: disciplined growth

- ▶ Fine grind – to optimise 11Moz resource
- ▶ Consolidate Ergo/Crown footprint
  - self-funded; no dilution to shareholders
  - on time
  - on budget
- ▶ East Rand exploration (ERPM Exts 1 & 2): 18Moz (medium-depth)



## Ergo: targets

- ▶ Monthly throughput: ~2.0-2.1mtpm
- ▶ Annual production: ~140 000-150 000oz
- ▶ Cash costs (R/kg): ~R260 000-R270 000
- ▶ Cash costs (\$/oz): ~US\$1 000-US\$1 100
- ▶ Maintenance capex: ~R11 000/kg; US\$42/oz





# Blyvoor countdown

Date	Action	Effect
1 February 2012	Working capital adjustment (cash flow cut-off)	<ul style="list-style-type: none"> <li>• No further funds repaid by Blyvoor to DRDGOLD</li> <li>• No further funding to Blyvoor from DRDGOLD</li> <li>• Blyvoor working capital adjusted to Rnil</li> </ul>
By 30 May 2012	Part A closing (disposal of DRDGOLD loans to Blyvoor and transfer of control) Conditions precedent: <ul style="list-style-type: none"> <li>• competition commission approval</li> <li>• conclusion of Savuka transaction</li> </ul>	<ul style="list-style-type: none"> <li>• Blyvoor consolidated by DRDGOLD until this date</li> <li>• DRDGOLD accounts for Blyvoor disposal on this date</li> <li>• Control transfers to Village Main Reef (VMR) ito IFRS</li> <li>• DRDGOLD receives 85 714 286 VMR shares; 20 000 000 held in Escrow until Park B closing</li> </ul>
By 11 February 2014 By 11 February 2015	Part B closing (disposal of DRDGOLD ordinary shares in Blyvoor) Conditions precedent: <ul style="list-style-type: none"> <li>• Blyvoor mining right converted to New Order by first date</li> <li>• share sale consent by Minister by second date</li> </ul>	<ul style="list-style-type: none"> <li>• 20 000 000 VMR shares held in Escrow released to DRDGOLD</li> </ul>

## Investment case

- ▶ Second-highest dividend yield among SA gold producers
- ▶ Long capital, steady yield
- ▶ COP for year ending June 2011: R477 million (U\$61m)\* – at the time ~38% of market cap
- ▶ December quarter: net cash inflow from operations – R243.9 million (US31.2m)\*
- ▶ Conservative approach to capital management – 5.4 million shares bought back to offset stock-option dilution

\*At an exchange rate of 0.128 US cents per Rand



## ≡ Contact details

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### Shareholder data

(Incorporated in the Republic of South Africa)  
Registration No.1895/000926/06  
JSE share code: DRD  
ISIN: ZAE 000058723  
Issuer code: DUSM  
NYSE trading symbol: DRD