



# RESULTS FOR THE QUARTER AND YEAR ENDED 30 JUNE 2014

Niël Pretorius, CEO

Anthon Meyer, Acting CFO

Johannesburg

2 September 2014

# 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 2013, which we filed with the United States Securities and Exchange Commission on 25 October 2013 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 statements included in this report have not been reviewed and reported on by DRDGOLD's auditors.

## Key features

- Q4 2014 v Q3 2014
  - gold production up 13% to 34 143oz
  - cash operating costs down 5% to US\$1 120/oz
- FY2014 v FY2013
  - gold production down 9% to 132 909oz
  - cash operating costs up 2% to US\$1 118/oz
- Dividend: 2 SA cps
  - 7th consecutive annual dividend

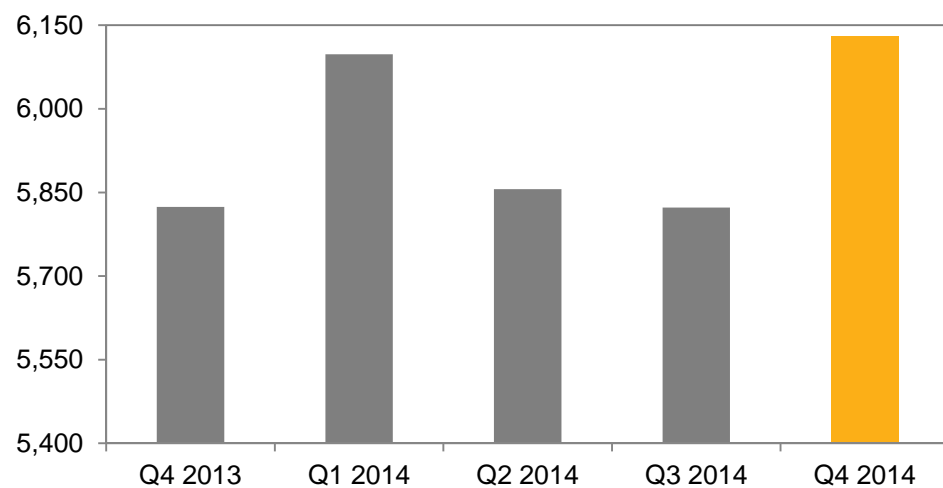


# OPERATING TRENDS

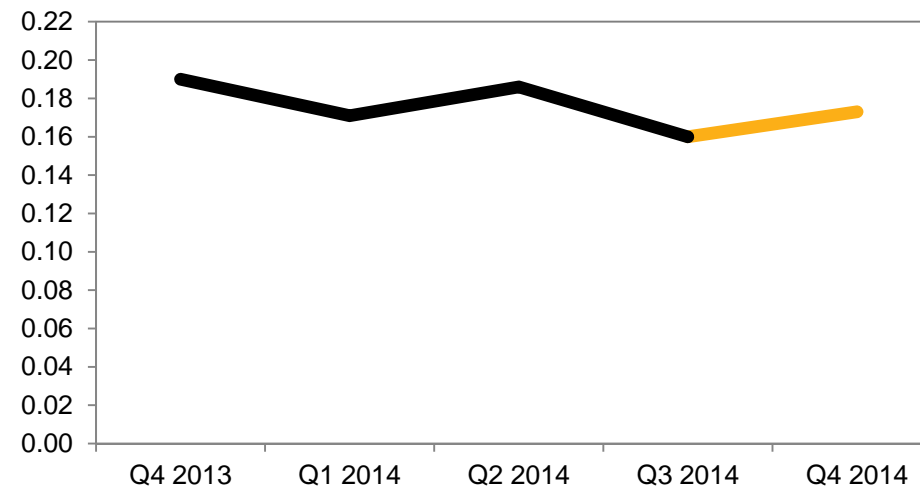


# Operating trends

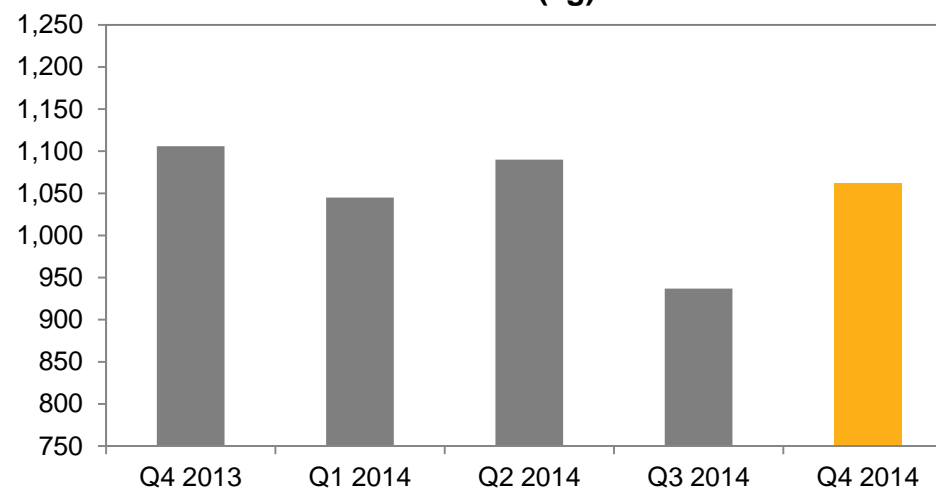
### Volume (000t)



### Yield (g/t)



### Production (kg)

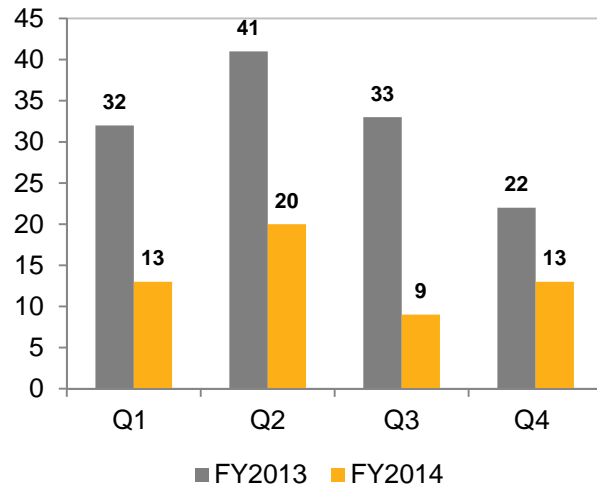


# FINANCIAL INDICATORS

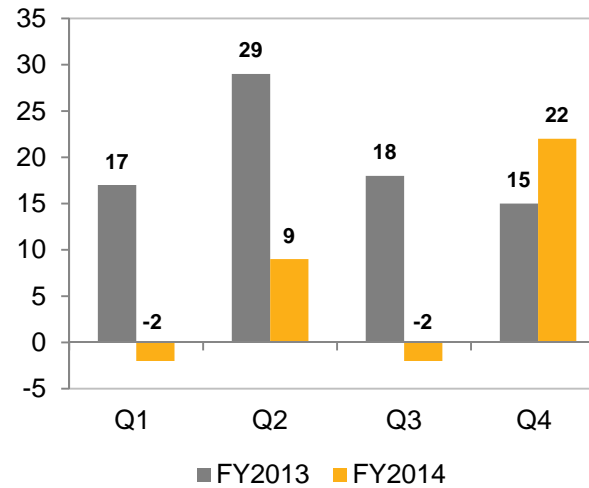


# Trends

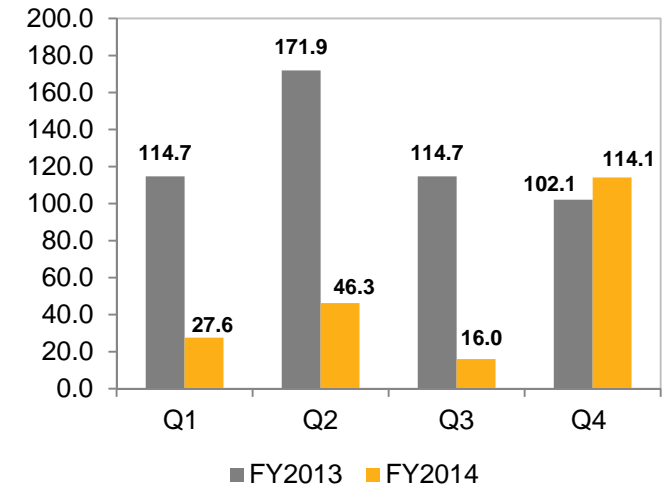
**Cash operating margin (%)**



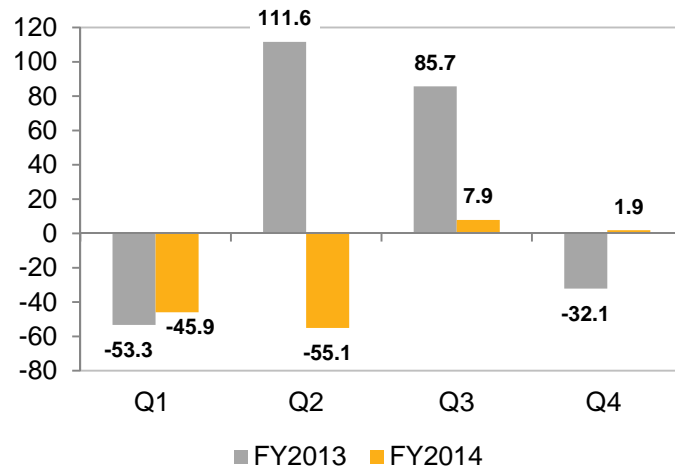
**All-in-sustaining margin (%)**



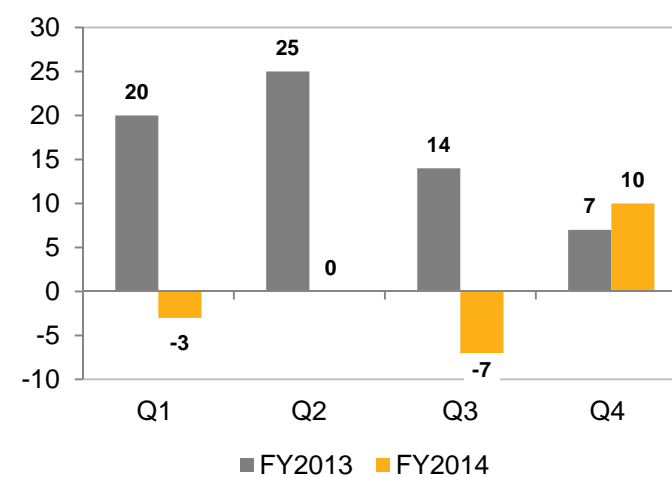
**EBITDA (Rm)**



**Free cash flow (Rm)**



**HEPS (cents)**



# Financial review: income statement for the quarter ended 30 June 2014 (Q4 FY14)



	Q4 2014	Q3 2014	Q4 2013
	Rm	Rm	Rm
Revenue	447.4	427.4	438.1
Net operating costs	(394.8)	(376.1)	(341.9)
<b>Operating profit</b>	<b>52.6</b>	51.3	96.2
Depreciation	(38.9)	(47.9)	(41.0)
Movement in provision for environmental rehab	94.7	(2.6)	30.0
Environmental rehab costs	(0.7)	(7.8)	(4.2)
Other income and costs	(84.1)	(24.9)	(257.9)
Net finance (expense)/income	(4.3)	(8.6)	(23.9)
<b>Profit/(loss) before tax</b>	<b>19.3</b>	(40.5)	(200.8)
Taxation	(11.4)	4.5	0.2
<b>Net profit/(loss) after tax</b>	<b>7.9</b>	(36.0)	(200.6)
<b>HEPS (cents)</b>	<b>10.0</b>	(7.0)	7.0
<b>EBITDA</b>	<b>114.1</b>	16.0	102.1



# Financial review: income statement for the year ended 30 June 2014 (FY14)





	FY2014	FY2013
	Rm	Rm
Revenue	1 809.4	2 076.5
Net operating costs	(1 549.4)	(1 397.2)
<b>Operating profit</b>	<b>260.0</b>	679.3
Depreciation	(160.0)	(143.8)
Movement in provision for environmental rehab	86.6	(15.3)
Environmental rehab costs	(30.0)	(45.4)
Other income and costs	(169.5)	(340.3)
Net finance (expense)/income	(24.3)	24.0
<b>(Loss)/profit before tax</b>	<b>(37.2)</b>	158.5
Taxation	(17.5)	(60.9)
<b>Net (loss)/profit after tax</b>	<b>(54.7)</b>	97.6
<b>HEPS (cents)</b>	-	66.0
<b>EBITDA</b>	<b>204.0</b>	516.3




# Financial review: balance sheet at 30 June 2014 (Q4 FY14)





	Q4 2014	Q3 2014	Q4 2013
	Rm	Rm	Rm
Property, plant and equipment	1 755.5	1 778.6	1 756.3
Investment in equity accounted investment	-	0.3	0.3
Non-current investments and other assets	36.9	129.0	130.2
Environmental rehabilitation trust funds and guarantees	176.5	187.3	175.0
Deferred tax asset	1.4	1.5	2.9
Cash and cash equivalents	208.9	206.7	376.7
Other current assets	261.5	254.2	227.6
<b>Total assets</b>	<b>2 440.7</b>	<b>2 557.6</b>	<b>2 669.0</b>
Equity	1 481.2	1 528.7	1 643.7
Long-term liabilities	84.8	85.4	152.0
Provision for environmental rehabilitation	451.2	551.5	524.3
Deferred tax liability	116.0	105.4	106.4
Current liabilities	307.5	286.6	242.6
<b>Total equity and liabilities</b>	<b>2 440.7</b>	<b>2 557.6</b>	<b>2 669.0</b>
<b>Current ratio</b>	<b>1.5</b>	<b>1.6</b>	<b>2.5</b>

# High Grade Section: status update

What worked from the outset		
1	The float circuit	
2	The mills	

What we have fixed		
1	Water balance	
2	Carbon efficiencies	
3	Thickeners	

What we do not know yet		
1	The full extent of the impact of float reagents on recoveries	
2	The extent to which the High Grade Section impacts on overall recovery	

# Action measures

1	Low Grade (CIL) Section restored to steady state	Done
2	New, higher grade materials sourced to supplement yield	Done
3	Water management and carbon efficiencies addressed through engineering and infrastructure upgrades, management procedures/protocols	Done
4	Electricity supply risk addressed through engineering upgrades	Done
5	High Grade Section to be tested in isolated circuit until proven	In progress



# Social capital value add: FY2014



- Employees: Best Life/ICAS counselling/information service
  - all employees briefed on benefits
  - includes advice on health, lifestyle and financial literacy
  - long-term planning for financial stability (at EBDA)
    - pilot project, 79 employees, successful
    - all employees to receive this training within three-year period
  
- EBDA: Maths and Science Centre of Excellence
  - 531 students enrolled
  - 2013 matric average pass rate increased 58% to 85% on 2012
  - accountancy classes now offered to selected grades
  
- EBDA: community members enrolled
  - 292 in total, 63 courses completed
  - three year N-course: 191 people

## Environmental capital value add : FY2014

- Dust: targeting reduced fall-out
  - exceedances reduced 57%
  - from 4.1% to 1.8%
  - targeting reductions of 10% a year
    - incidents <600mg/d (residential limit)
  
- Water: targeting reduced use of potable water
  - R22 million agreement with local municipality
    - construction of plant to treat sewage water
  - TCTA agreement: 30MI a day treated AMD
  
- Land rehabilitated
  - 215ha cleared for development

# Looking ahead

- High Grade Section test work, now underway, to continue until late 2014/early 2015
- Objective:
  - achieve 100% throughput at both Low and High Grade Sections
  - optimise recoveries at both Low and High Grade Sections
- Extend reach of Ergo through collaboration and acquisition





### **Registered office**

1st Floor, Quadrum 1  
Quadrum Office Park  
50 Constantia Boulevard  
Constantia Kloof Ext 28  
Roodepoort  
South Africa

PO Box 390  
Maraisburg 1700  
South Africa

### **Contact details**

Tel: +27 (0) 11 470 2600  
Fax: +27 (0) 11 470 2618  
Email: [niel.pretorius@za.drdgold.com](mailto:niel.pretorius@za.drdgold.com)  
[james@rair.co.za](mailto:james@rair.co.za)  
Website: [www.drdgold.com](http://www.drdgold.com)

### **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