

Financial results for the six months ended 31 December 2004

Presentation to Employees-North West Operations

25 February 2005

Paseka Ncholo, Chairman
Mark Wellesley-Wood, Chief Executive Officer

Key features

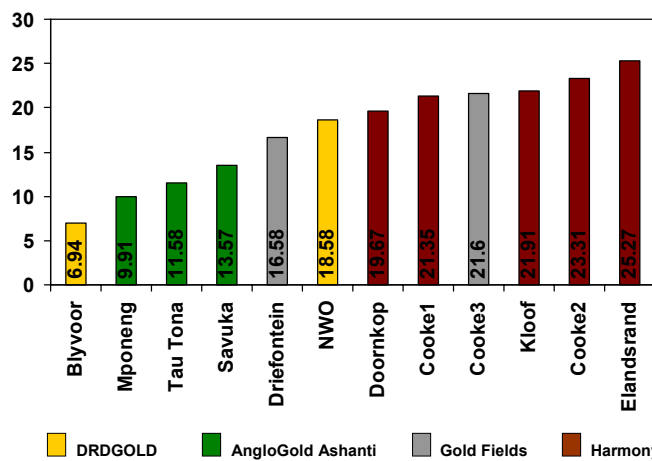
- ▶ Outstanding safety performance
- ▶ Attributable offshore production up to 37% of total
- ▶ Porgera Joint Venture achieves 1 million ounces
- ▶ Emperor stake up to 45.33%; rights issue completed
- ▶ ERPM extends life, receives State assistance
- ▶ North West Operations fully impaired
- ▶ US\$50 million Investec facility
- ▶ Overall Group financial performance
 - 6 mths to 31 Dec 04----**R370M**
 - 6 mths to 30 Jun 04----**R679M**

Safety Performance

- ▶ DRDGOLD: Lowest fatality rate amongst SA gold producers in 2004
- ▶ NWO: 2nd million fatality-free shift in 2004 financial year
- ▶ Blyvoor: 7th consecutive win in West Rand Mine Managers' Association safety competition
- ▶ Tolukuma: 500 000 fatality-free shift; 852 days fatality-free
- ▶ Crown: Surface 1 million fatality free shifts Jan 2005

West Rand safety competition rankings

LTIFR
Per 1 000 000 hours



Operational overview (6 months)

	Cash Costs (US\$/oz)	Production ounces (troy)	Cash operating profit/(loss) (US\$m)	Comment
Australasia				
Porgera JV (20%)	166	102 579	26.3	One million ounces achieved
Tolukuma	312	38 667	4.1	Exploration, exploration
Emperor(45.33%) #	376	23 892	-	High oil price impacts
South Africa				
Blyvoor	498	80 569	(6.6)	Restructured
NWO*	459	152 266	(6.5)	Under review
Crown (40%) #	379	23 895	-	Steady state performance
ERPM (40%) #	412	21 953	-	Pumping subsidy

* NWO include Harties and Buffels operations

Equity accounted

Income statement comparison

	6 months 31 Dec 2004 <i>Reviewed</i> Rm	6 months 30 June 2004 <i>Reviewed</i> Rm	6 months 31 Dec 2003 <i>Reviewed</i> Rm
Gold price received (R/kg)	83 941	87 240	86 298
Ounces	443 821	469 223	435 800
Cash operating profit	107.2	192.1	73.7
Net operating (loss)/profit	(20.6)	107.8	(26.3)
Exceptional items	(211.0)#1	(109.0)#2	0.7
Headline loss	(370.1) / (279.2)	(679.1)#3 / (39.4)	(37.3) / (60.0)

#1: Impairment of NWO

#2: Impairment of CGR loan

#3: Deferred tax charge (R512.3m)

/ : NWO

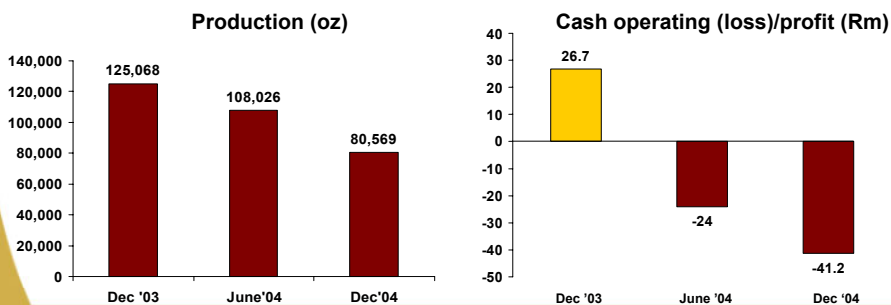
South African operations

- ▶ Finding right mix between surface and underground
- ▶ Surface operations:
 - Blyvoor and Cason retreatment projects both successfully commissioned
 - 53 000 ounces at average cost of R 70 700/kg
- ▶ Improving efficiencies: g/TEC, yields
- ▶ Underground operations at NWO under review
 - Need to redress high cost structures (labour: 58% of total)
 - NWO fully impaired: R 214m

Blyvooruitzicht

Key features:

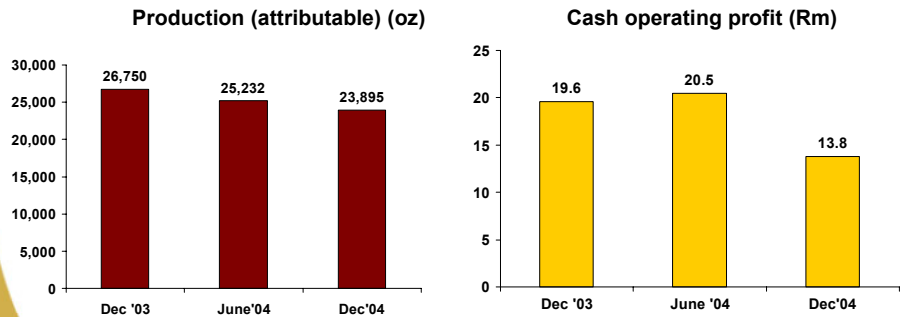
- ▶ More cost-effective ounces from underground; better yield
- ▶ Retreatment project now delivering
- ▶ R 26m spent on retrenchment (1 600 employees)
- ▶ No 4 shaft under review



Crown

Key features:

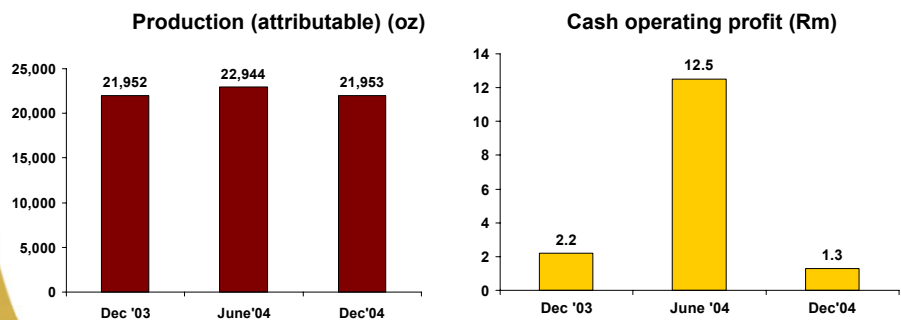
- ▶ Consistent cash generator
- ▶ 'Lone player' status presents opportunities



ERPM

Key features:

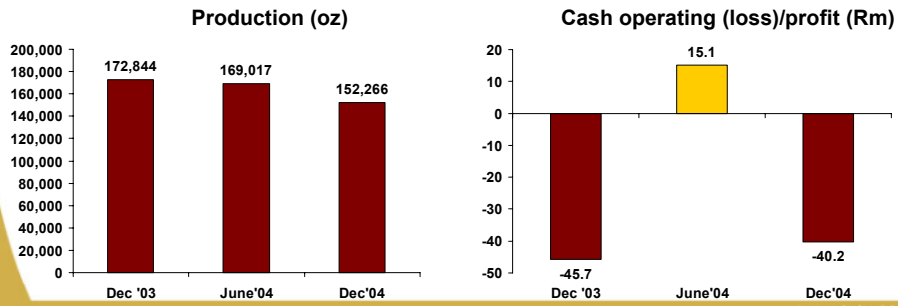
- ▶ State pumping subsidy renewal submitted
- ▶ Cason retreatment project now delivering
- ▶ Two-week strike in November



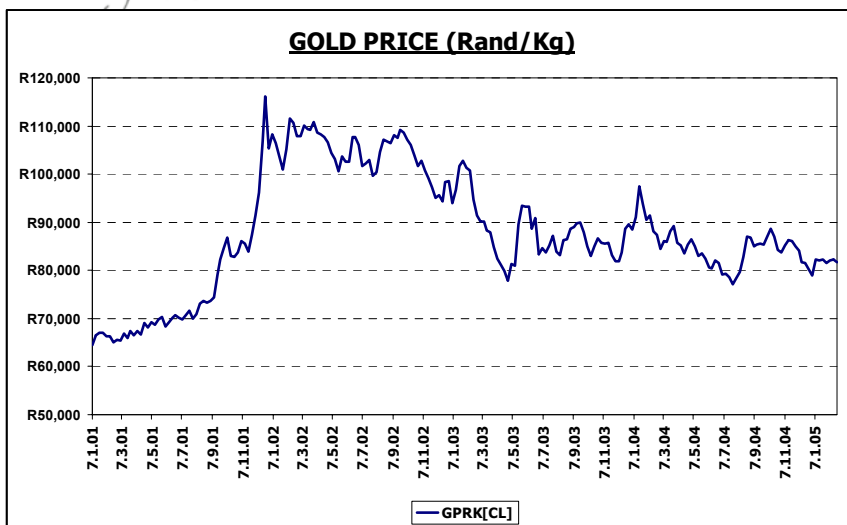
North West Operations

Key features:

- ▶ Interventions under way
- ▶ Engaging with stakeholders
- ▶ R200m spent over 18 months

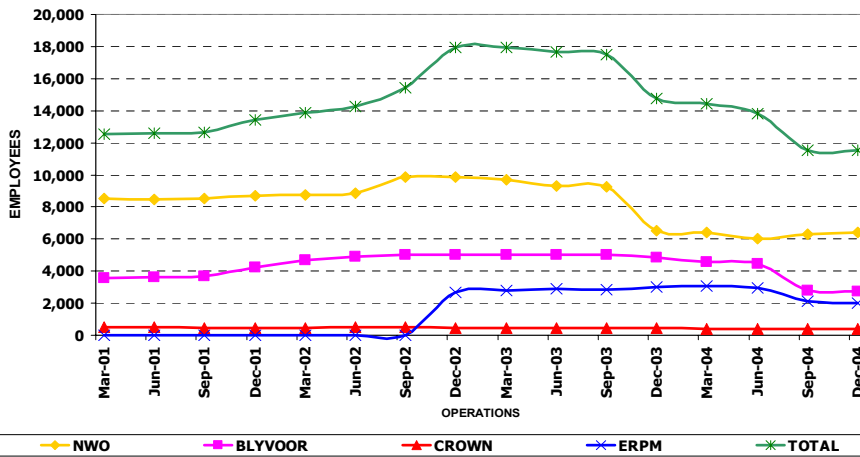


SOUTH AFRICAN OPERATIONS



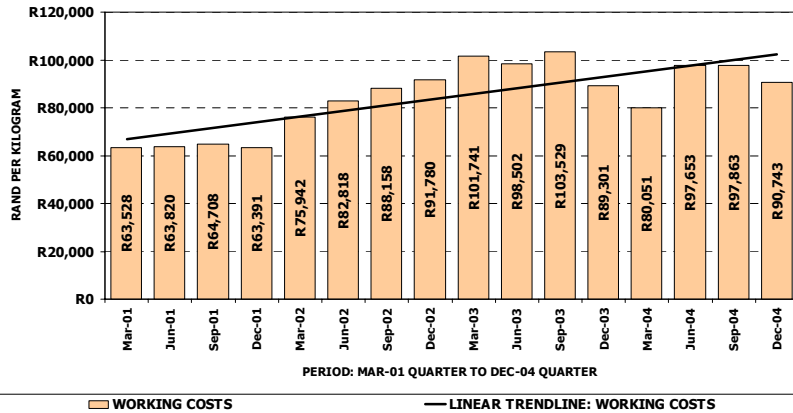
SOUTH AFRICAN OPERATIONS

IN SERVICE LABOUR STRENGTHS - SA OPERATIONS - 2001-2004

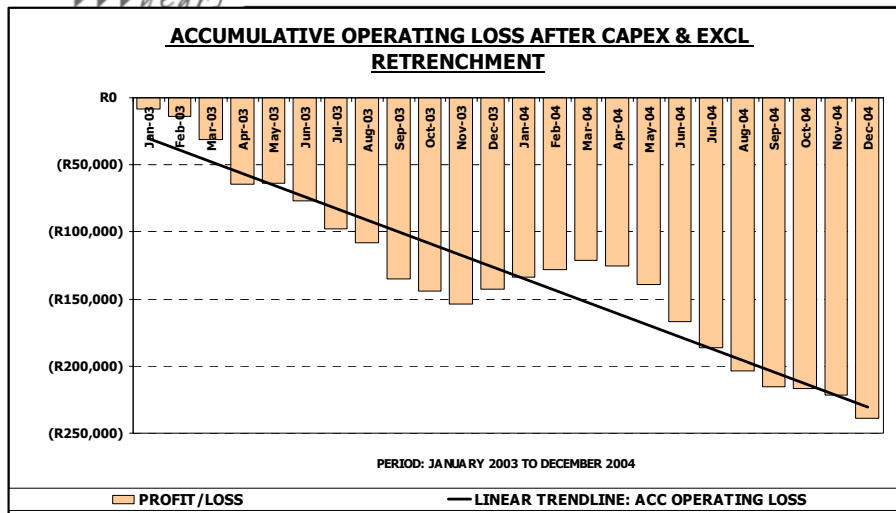


NWO Working Costs

TOTAL WORKING COSTS (R/kg)



		QTR Dec-04	QTR Sep-04	QTR Jun-04	QTR Mar-04
Operating Profit/(Loss) before Capex (excluding Retrenchment)	R'000	(18,119)	(31,352)	(35,208)	24,754
Capex	R'000	7,881	13,095	11,090	2,764
Operating Profit/(Loss) after Capex (excluding Retrenchment)	R'000	(26,000)	(44,447)	(46,297)	21,990
Profit/(Loss) per Employee:					
Total incl contractors		(3,747)	(5,844)	(5,478)	2,968
Total excl contractors		(4,570)	(7,045)	(6,640)	3,689



Strategy

- ▶ Two different business strategies
- ▶ SA:
 - adjust to Rand environment
 - urgent need to change NWO
 - reduce overheads
 - corporate office – relocation/sale
 - direct resources at operational sites
 - 20-30% cost reduction within 2 months
 - continuous improvement focus
 - communication plan throughout
- ▶ Offshore:
 - top 20 primary producer
 - \$60m annualised EBITDA
 - unlock further value in portfolio

What Do We Need To Do?

1. STOP THE FINANCIAL BLEEDING IN NWO!!
2. REDUCE THE CURRENT R71Mpm WORKING COST TO R40Mpm
3. INCREASE PRODUCTIVITY G/TEC BY 35%

THERE WILL BE SOME HARD DECISIONS

WE NEED TO RAISE OUR GAME FROM CEO DOWN.

OUR FUTURE IS IN OUR HANDS

How Do We Do It?

By 30 May 2005 achieving operational objectives through combination of:

1. Redressing high cost structures
2. Removing non value adding expenditure
3. Productivity improvements:
 - Advance per blast /Frequency
 - Stope width control
 - Gold losses and MCF

Form small teams to explore all options:

- Teams to complete evaluation within 2 weeks
- Establish during this process ongoing:
 - Communication plan
 - Continuous improvement

Thank you

WE CAN DO IT!

Any questions?