



# RESULTS

FOR THE SIX MONTHS ENDED  
31 DECEMBER 2017

**Niël Pretorius**  
Chief Executive Officer

**Riaan Davel**  
Chief Financial Officer





#### 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 2017, which we filed with the United States Securities and Exchange Commission on 31 October 2017 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 and financial information included in this presentation have not been reviewed and reported on by DRDGOLD's auditors.



Subsequent event:  
**Ekurhuleni** interdict  
dismissed



Operating profit  
**up 27%**  
to R219.9 million



All-in sustaining costs  
**7% lower**



Headline earnings  
**14.3cps**

# KEY FEATURES

six months to  
31 December 2017  
**v**  
six months to  
31 December 2016



Free cash inflow  
**R63.0 million**



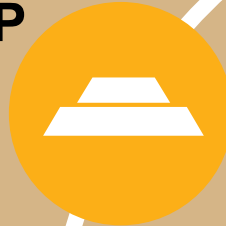
Gold production **increased**  
**by 11%**



Interim dividend  
declared  
**5cps**



Externally sourced  
potable water  
**decreased by**  
**51%**



Acquisition of **WRTRP**  
subject to conditions  
precedent



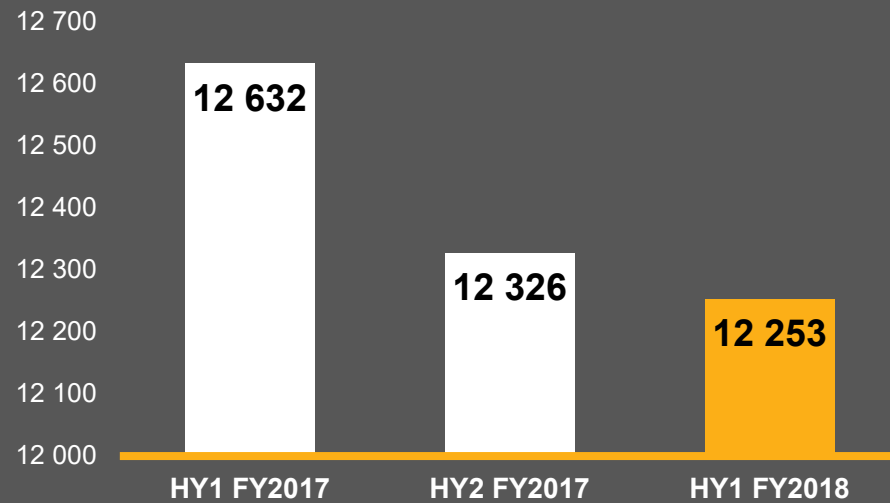
# OPERATING REVIEW



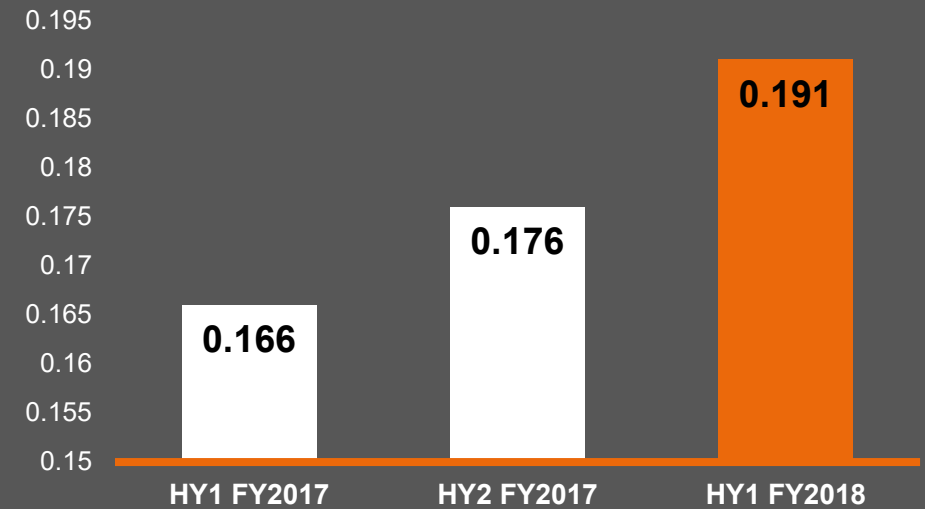


# OPERATING TRENDS

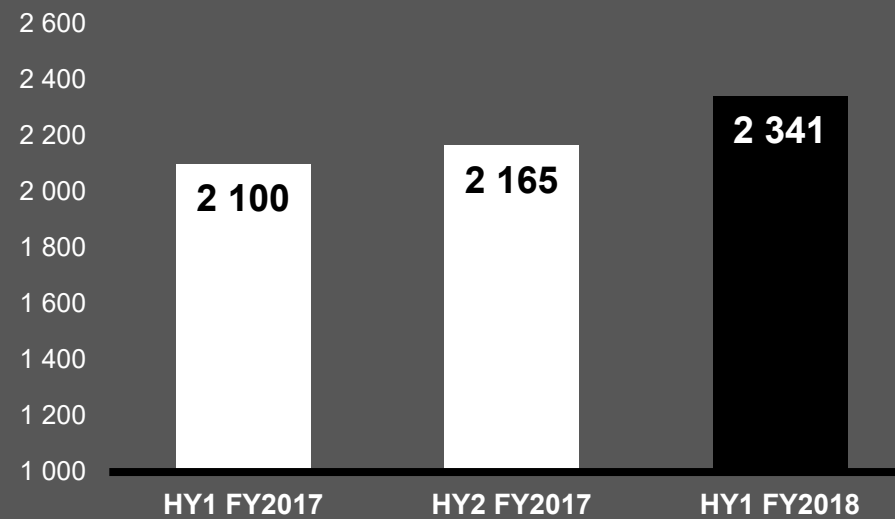
### Volume (000t)



### Yield (g/t)



### Production (kg)



# SUSTAINABLE DEVELOPMENT



**R19.4m**  
**ENVIRONMENTAL**  
**SPEND**



**DUST**  
five exceedances



**Water**  
**51%** potable  
water  
reduction





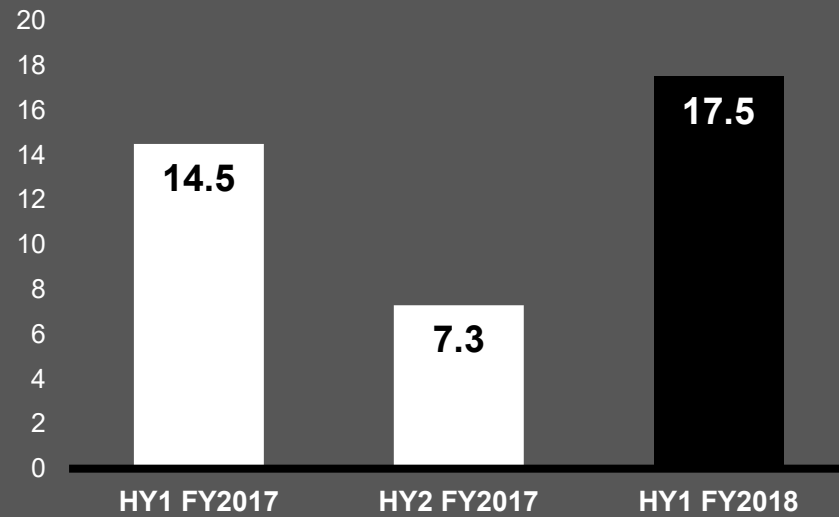
# FINANCIAL REVIEW

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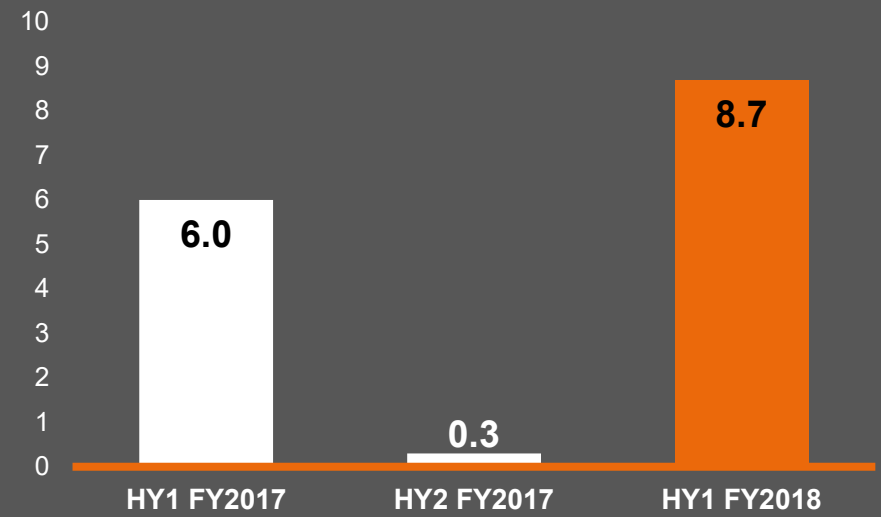


# FINANCIAL TRENDS

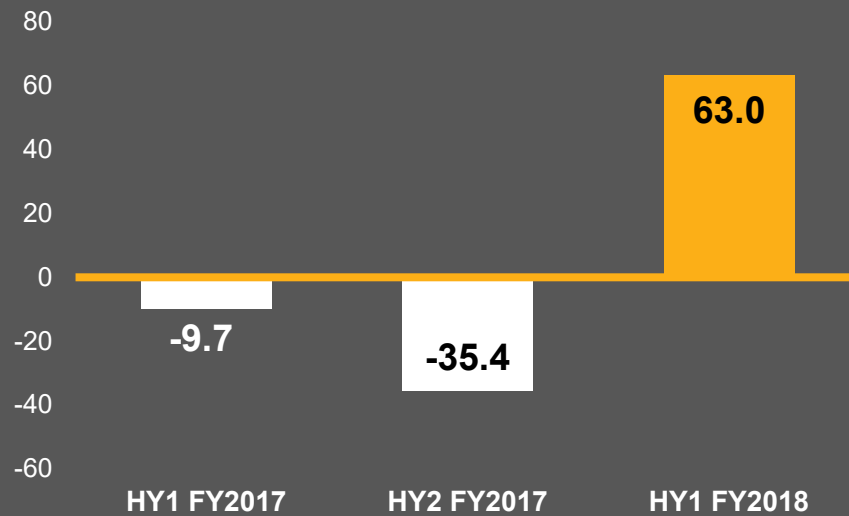
### Operating margin (%)



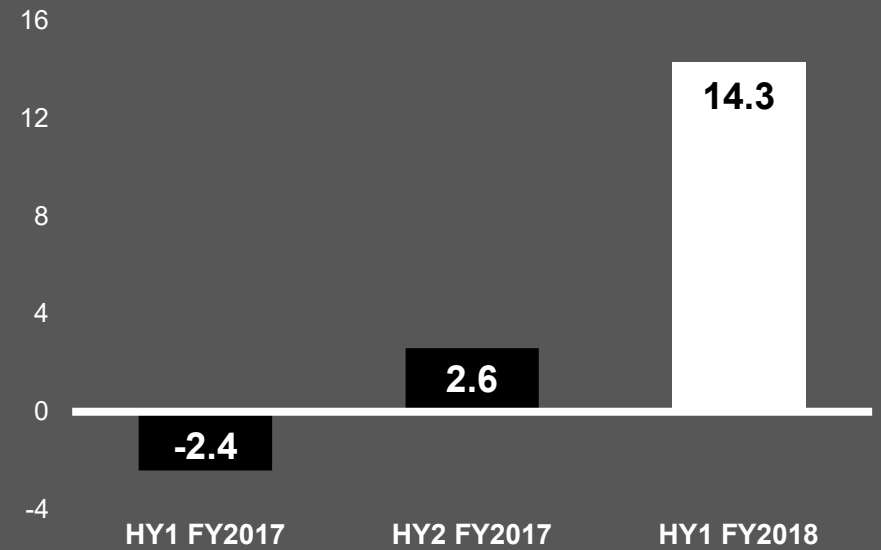
### All-in sustaining costs margin (%)



### Free cash flow (Rm)



### HEPS (cents per share)





# FINANCIAL REVIEW

## STATEMENT OF PROFIT OR LOSS

for the six months to 31 December 2017

	Six months to 31 Dec 2017 Rm (unaudited)	Six months to 31 Dec 2016 Rm (unaudited)
Revenue	1 254.8	1 188.8
Cost of sales	(1 139.6)	(1 153.9)
<b>Gross profit from operating activities</b>	<b>115.2</b>	<b>34.9</b>
Other income	0.2	12.9
Administration expenses and general costs	(31.9)	(45.5)
<b>Results from operating activities</b>	<b>83.5</b>	<b>2.3</b>
Finance income	18.7	19.9
Finance expenses	(25.0)	(22.5)
<b>Profit/(loss) before tax</b>	<b>77.2</b>	<b>(0.3)</b>
Income tax	(16.6)	3.0
<b>Profit for the period</b>	<b>60.6</b>	<b>2.7</b>

# FINANCIAL REVIEW

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	As at 31 Dec 2017 Rm (unaudited)	As at 30 Jun 2017 Rm (audited)
Property, plant and equipment	1 502.0	1 497.6
Non-current investments and other assets	246.9	236.5
Deferred tax asset	5.0	5.0
Cash and cash equivalents	294.6	253.7
Other current assets	331.1	294.6
<b>Total assets</b>	<b>2 379.6</b>	2 287.4
Equity	1 344.4	1 302.4
Provision for environmental rehabilitation	546.5	531.8
Deferred tax liability	154.2	140.5
Other non-current liabilities	41.9	55.8
Current liabilities	292.6	256.9
<b>Total equity and liabilities</b>	<b>2 379.6</b>	2 287.4
<b>Current ratio</b>	<b>2.1</b>	2.1



# FINANCIAL REVIEW

## STATEMENT OF CASH FLOWS

for the six months to 31 December 2017

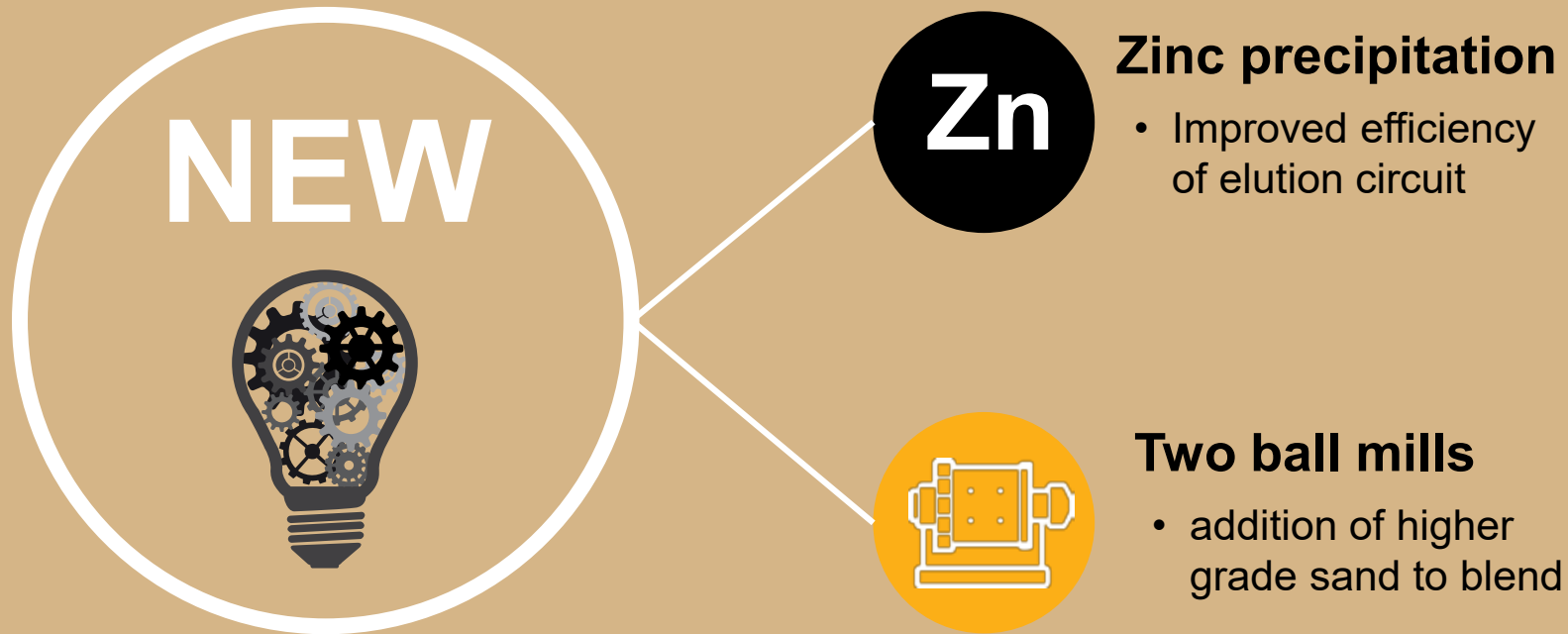
	Six months to 31 Dec 2017 Rm (unaudited)	Six months to 31 Dec 2016 Rm (unaudited)
Net cash inflow from operations	155.8	39.2
Cash flows generated by operations	147.5	17.7
Interest received	11.3	12.3
Interest paid	(1.5)	(1.8)
Tax (paid)/refunded	(1.5)	11.0
Net cash outflow from investing activities	(92.8)	(48.9)
Acquisition of property, plant and equipment	(86.6)	(61.6)
Proceeds on disposal of property, plant and equipment	1.5	17.9
Environmental rehabilitation payments	(7.7)	(10.2)
Other	–	5.0
Net cash outflow from financing activities	(22.1)	(51.8)
Repayment of finance lease obligation	(1.3)	(1.2)
Dividends paid on ordinary share capital	(20.8)	(50.6)
Increase/(decrease) in cash and cash equivalents	40.9	(61.5)
Opening cash and cash equivalents	253.7	351.8
<b>Closing cash and cash equivalents</b>	<b>294.6</b>	<b>290.3</b>



# LOOKING AHEAD







### **Sibanye-Stillwater transaction:**

- circular soon
- follow-up information sessions

# WRTRP TRANSACTION





# UPDATE: PROPOSED WRTRP TRANSACTION

**Shareholder**  
circular for release  
shortly

- Value-accretive:**
- doubling of reserves
  - higher average grade resource

- Attractive project
- Well within our capacity to execute
- Capable of delivering short- and long-term value

- Mindful of**
- execution risk
  - dilution

**Phased approach**

**Dilution**  
offset/avoid with  
early-stage earnings



# UPDATE: PROPOSED WRTRP TRANSACTION, CONT'D

## PHASE 1



### RECLAMATION

Driefontein 5 dump



### PROCESSING

Upgraded  
Driefontein 2 and 3 plants  
(400 000 to 600 000tpm)



### DEPOSITION

Driefontein 4 tailings dam

Early-stage production +  
design/planning

Commissioning within  
12 months of acquisition

Cash-generative

Modest upfront capex:  
R288 million

R1.3 billion NPV

Test work to refine:

- Phase 2 DFS process/engineering design
- Optimal mix for blending

24 months post commissioning: bulk sampling  
to evaluate remaining resource



# UPDATE: PROPOSED WRTRP TRANSACTION, CONT'D

## PHASE 2



### RECLAMATION

Driefontein 3  
Libanon  
Kloof 1

**151Mt**

Venterspost North  
Venterspost South

**67.2Mt**



### PROCESSING

New, high-volume  
Central Processing Plant  
**>1Mtpm**



### DEPOSITION

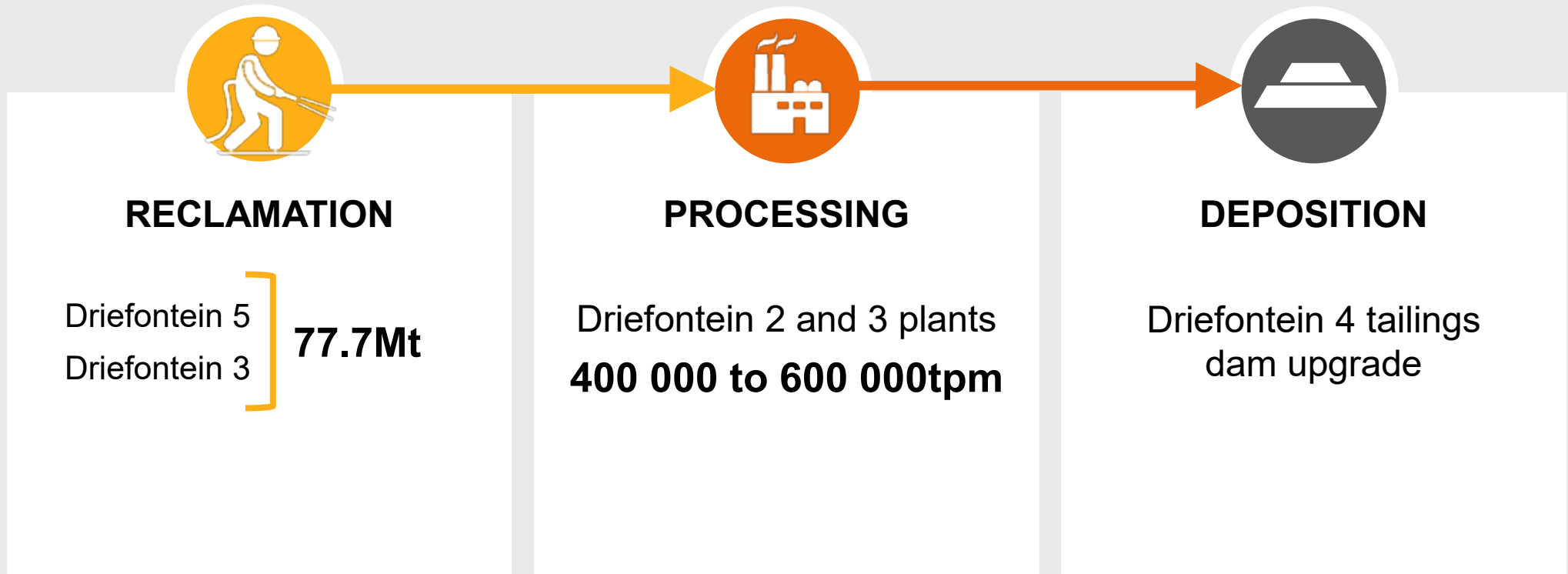
New Regional Tailings  
Storage Facility

**R2.1 billion NPV**

**Compelling advantage:**  
future regional consolidation potential

# UPDATE: PROPOSED WRTRP TRANSACTION, CONT'D

## ALTERNATIVE OPTION – PHASE 1 EXTENDED



**R2.7 billion NPV**

**Compelling advantage:  
execution options**



# 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

NYSE share code: DRD