

LETTER FROM CEO AND CEO DESIGNATE



John Sayers



Niël Pretorius

DEAR STAKEHOLDER

We take great pleasure in presenting our first Sustainable Development Report which looks at the effects – economic, social and environmental – that our business has on our investors, employees, the communities that surround our operations and other stakeholders. The document has two overriding purposes: one is to give as complete an account as possible of what the company is doing in the broad area of sustainable development; the other is to establish a performance framework, showing where we have done well and where we need to improve. When we produce our next report, our stakeholders and members of the public will be able to measure our progress.

We have tried to report in accordance with the guidelines of the Global Reporting Initiative (GRI), the most widely used standard for corporate triple bottom line reporting. A worldwide, multi-stakeholder network, GRI has the vision that reporting on economic, environmental and social performance by all organisations will become as routine as financial reporting, and that it will be done in a manner that makes comparisons possible. The guidelines are provided to organisations for use as the basis for disclosure, facilitating transparency and accountability. We have declared a C level of reporting for FY08.

There were some important achievements during the year, including, we are pleased to say, a general improvement in safety. The third and fourth quarters were fatality-free. But there is no room for complacency, however, as in terms of a key safety indicator – lost-time injuries – there was a deterioration at two of our three operations.

Following a company-wide audit which revealed the crucial role that worker behaviour plays in causing accidents, we are engaged in a major behaviour-based safety initiative. A pilot project is scheduled for implementation at Blyvoor in the second quarter of FY09 with a roll-out across the company after that. A number of other safety programmes are also under way, details of which can be found in the section on Social Performance in this report.

With respect to HIV/Aids, DRDGOLD places great importance on prevention with regular awareness campaigns being run. Employees are encouraged to go for voluntary counselling and

testing (VCT). A positive development is that the number of those going for VCT and attending wellness clinics is on the increase.

Mention should be made of the excellent work being done by the Blyvoor lifestyle team. Every quarter this group carries out an education drive, both on the mine and in the surrounding communities, not only to raise awareness about HIV/Aids and the dangers of abusing drugs and alcohol, but to emphasise the value of a healthy lifestyle, including the need to take exercise and the importance of good nutrition.

On the environmental front, water management is a key issue for DRDGOLD. In particular, answers need to be found to de-watering and acid mine drainage. This is a concern that we share with several other mining companies active on the Witwatersrand. Together with those players we participate in the Western Basin Environmental Corporation and the Central Basin Environmental Corporation. We are hopeful that this consultative approach will find long-term, self-sustaining solutions. The objective is to find ways of using the most contaminated water for industrial purposes and to ensure that the country's potable water resources are not polluted.

With respect to employees, we have put considerable effort into training and developing our employees during the year under review. It is our policy to promote employees to management positions rather than appointing people from outside the company. In line with this, we have established talent pools to identify historically disadvantaged South Africans with potential.

We have regular contact with community representatives and local authorities to make sure that the economic development programmes that we support make a real and lasting difference to the lives of as many people as possible.

We welcome feedback on this report.

John Sayers
Chief Executive Officer

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Chief Executive Officer Designate

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