

## Financial results for the six months ended 31 December 2004

### Presentation to Employees-Crown JV

25 February 2005

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

## Key features

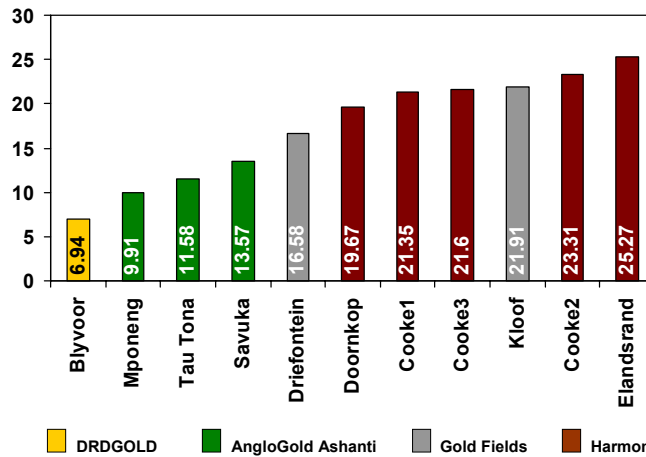
- ▶ Outstanding safety performance
- ▶ Attributable offshore production up to 37% of total
- ▶ Porgera Joint Venture achieves 1 million ounces
- ▶ Emperor stake up to 45.33%; rights issue completed
- ▶ ERPM extends life, receives State assistance
- ▶ North West Operations fully impaired
- ▶ US\$50 million 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
- ▶ Crown Surface: 1 million fatality free shifts Jan 2005
- ▶ Blyvoor: 7th consecutive win in West Rand Mine Managers' Association safety competition
- ▶ NWO: 2nd million fatality-free shift in 2004 financial year
- ▶ Tolukuma: 500 000 fatality-free shift; 852 days fatality-free

## West Rand safety competition rankings

LTIFR  
Per 1 000 000 hours



■ DRDGOLD   
 ■ AngloGold Ashanti   
 ■ Gold Fields   
 ■ Harmony

## Operational overview (6 months)

	Cash Costs (US\$/oz)	Production ounces (troy)	Cash operating profit/(loss) (US\$m)	Comment
<b>Australasia</b>				
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
<b>South Africa</b>				
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)	(679.1)#3	(37.3)

#1: Impairment of NWO

#2: Impairment of CGR loan

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

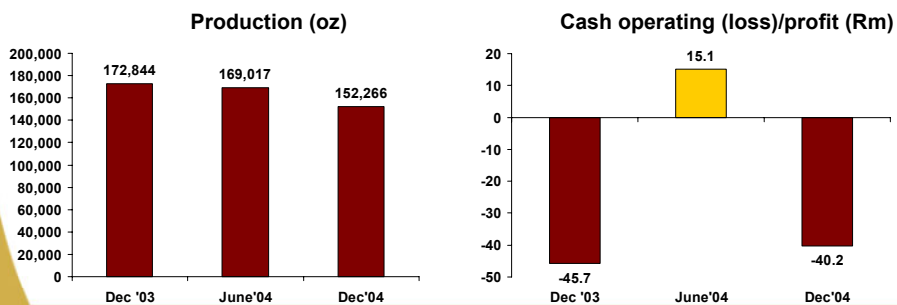
## South African Operations

- ▶ 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

## North West Operations

### Key features:

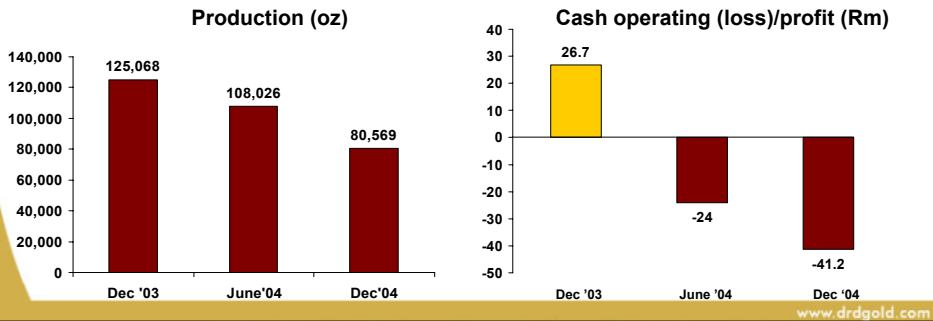
- ▶ Interventions under way
- ▶ Engaging with stakeholders
- ▶ R200m spent over 18 months



## Blyvooruitzicht

### Key features:

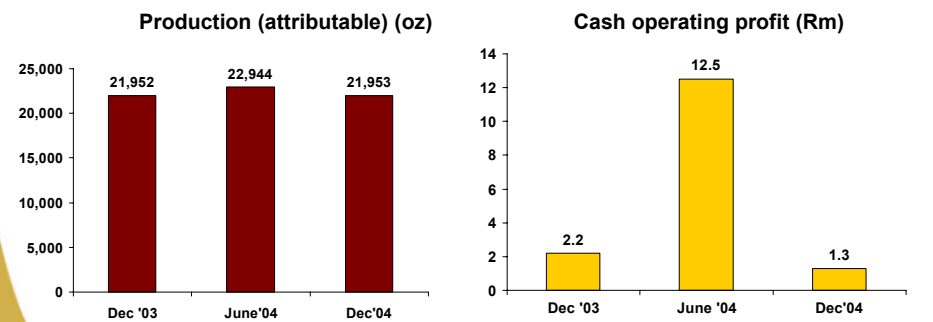
- ▶ More cost-effective ounces from underground; better yield
- ▶ Retreatment project now delivering
- ▶ R 26m spent on retrenchment (1 600 employees)
- ▶ No 4 shaft under review



## ERPM

### Key features:

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

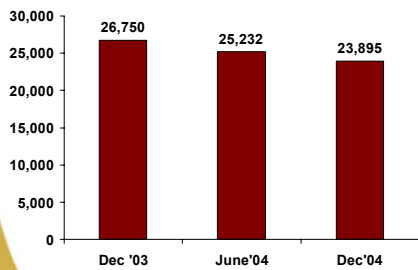


**Crown**

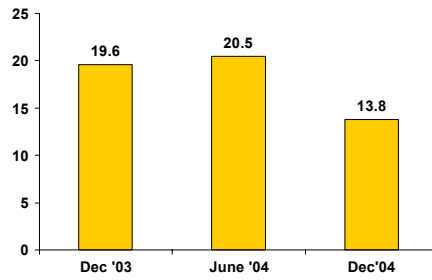
**Key features:**

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

**Production (attributable) (oz)**

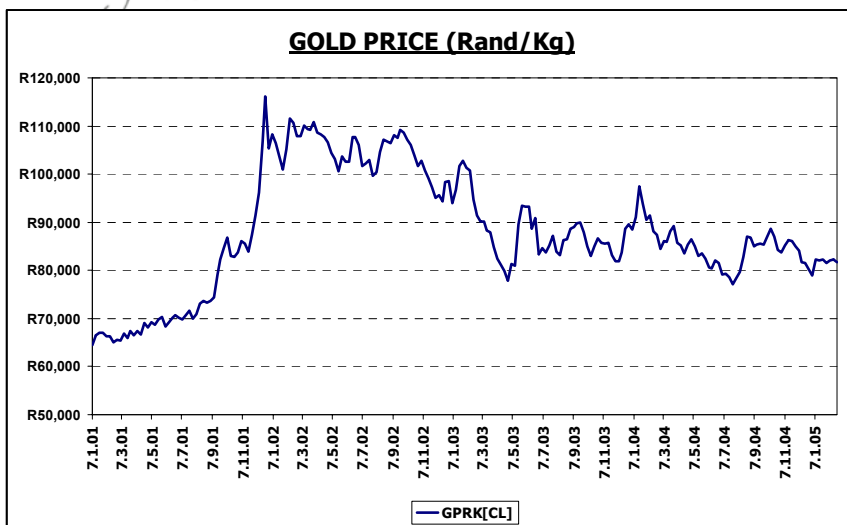


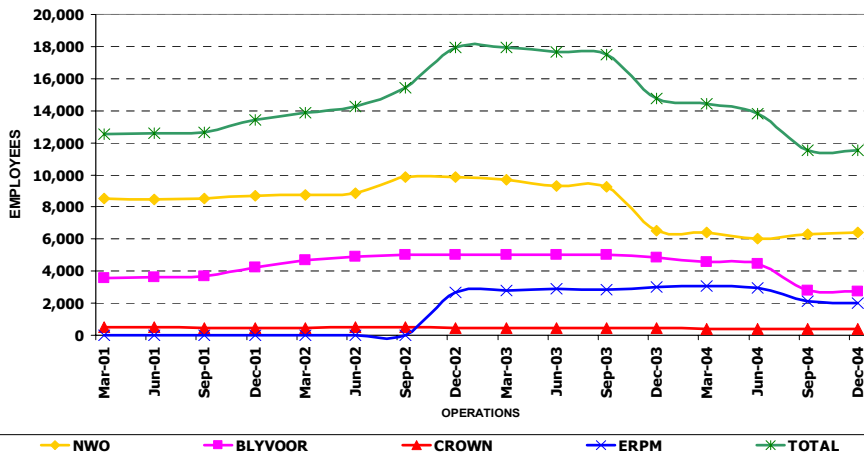
**Cash operating profit (Rm)**



**SOUTH AFRICAN OPERATIONS**

**GOLD PRICE (Rand/Kg)**



**IN SERVICE LABOUR STRENGTHS - SA OPERATIONS - 2001-2004**


- ▶ 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

## CROWN-What Do We Need To Do?

### BUSINESS DEVELOPMENT/IMPROVEMENT

1. EXTEND OPERATIONAL LIFE AND MAXIMISE OUTPUT TO BEYOND 2008
2. ACHIEVE 16M TPA BY 2006
3. CONSOLIDATE ALL SA SURFACE OPS INTO "NEW CROWN"
4. ACQUIRE NEW DEPOSITION SITES
5. ENHANCE MILLING/TREATING ABILITY- NEW TECHNOLOGY
6. REDUCE NON CORE COSTS BY 10% BY END 2005

THERE WILL BE SOME HARD DECISIONS

WE NEED TO RAISE OUR GAME FROM CEO DOWN.

OUR FUTURE IS IN OUR HANDS

## CROWN-How Do We Do It?

1. Form small teams to:
  - prepare a business case in relation to business opportunities
  - complete a business case draft report by 30 May, 2005
2. By 30 May 2005 achieving operational objectives through any combination of:
  - Redressing high cost structures
  - Removing non value adding expenditure
  - Productivity improvements - Cash positive March 2006
  - Establish during this process ongoing:
    - Communication plan
    - Continuous improvement

## ERP-What Do We Need To Do?

1. UNDERSTAND, EVALUATE AND CONTROL THE WATER
2. ENSURE CONTINUED STATE PUMPING SUBSIDY
3. REFURBISH FEV DECLINE CONVEYOR
4. ACCELERATE DEVELOPMENT TO 200M/MONTH
5. ACCELERATE RECLAMATION AT HERCULES AND CENTRAL SHAFTS AND ACHIEVE FINAL CLOSURE OF SHAFTS BY JUNE 2005
6. CONTINUE NON CORE COST REDUCTION PROGRAMME THROUGH 2005
7. REAL ESTATE REALISATION BY DECEMBER 2005

THERE WILL BE SOME HARD DECISIONS

WE NEED TO RAISE OUR GAME FROM CEO DOWN.

OUR FUTURE IS IN OUR HANDS

## ERP-How Do We Do It?

1. Prepare strategic plan for issues 1,2,4,5, by 30 April, 2005
2. By 30 May 2005 achieving operational objectives through any combination of:
  - Redressing high cost structures
  - Removing non value adding expenditure
3. Establish during this process ongoing:
  - Communication plan
  - Continuous improvement

**Thank you**

Any questions?