



Durban Roodepoort Deep, Limited

# Results for the quarter ended 31 December 2002

Mark Wellesley-Wood – Chairman & CEO

Kobus Dissel – Group Financial Manager

Deon van der Mescht – General Manager Blyvoor

Anton Lubbe – General Manager Harties

Ian Murray – CFO



## Mission

***DRD is an independent gold producer  
focussing on extending mine lives  
safely and profitably***



## Highlights for the quarter

- 54% jump in earnings per share – 12.3 US cents
- Highest monthly gold production at Blyvoor for 10 years
- US\$66 million raised through convertible bond
- 14% of Emperor acquired
- Project BOOST kicks off



# Operational profiles

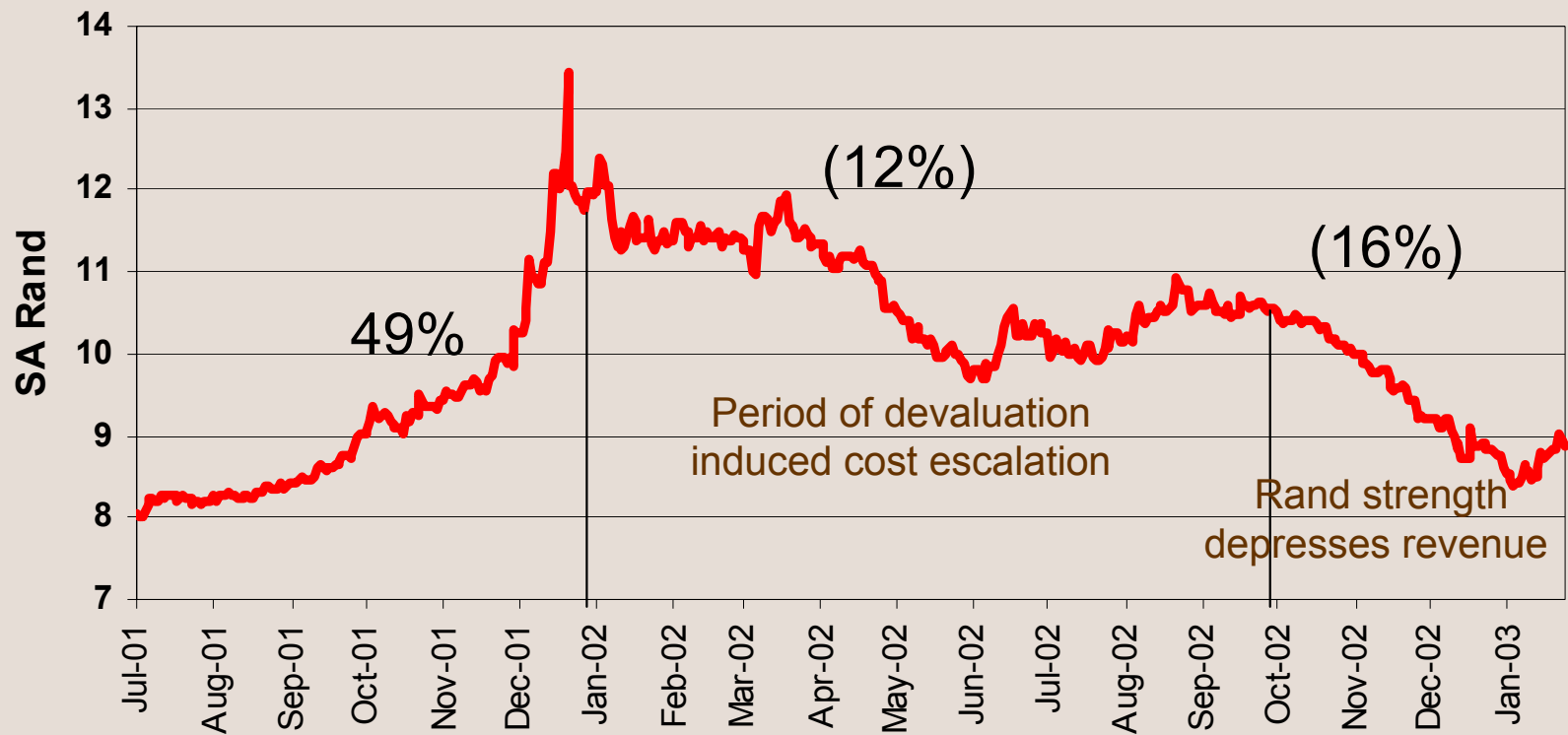
	Costs (US\$/oz)	Production ounces (troy)	Cash operating profit (US\$m)	Comment
<b>Blyvoor</b>	242	63 144	4.8	Production & safety records!
<b>N West*</b>	289	124 583	3.5	Fire & seismicity
<b>Tolukuma</b>	307	15 754	0.8	Development increasing
<b>CGR** (40%)</b>	278	19 574		ERPM turnaround phase

\* North West Operations include Harties and Buffels operations

\*\* CGR includes ERPM and Crown operations

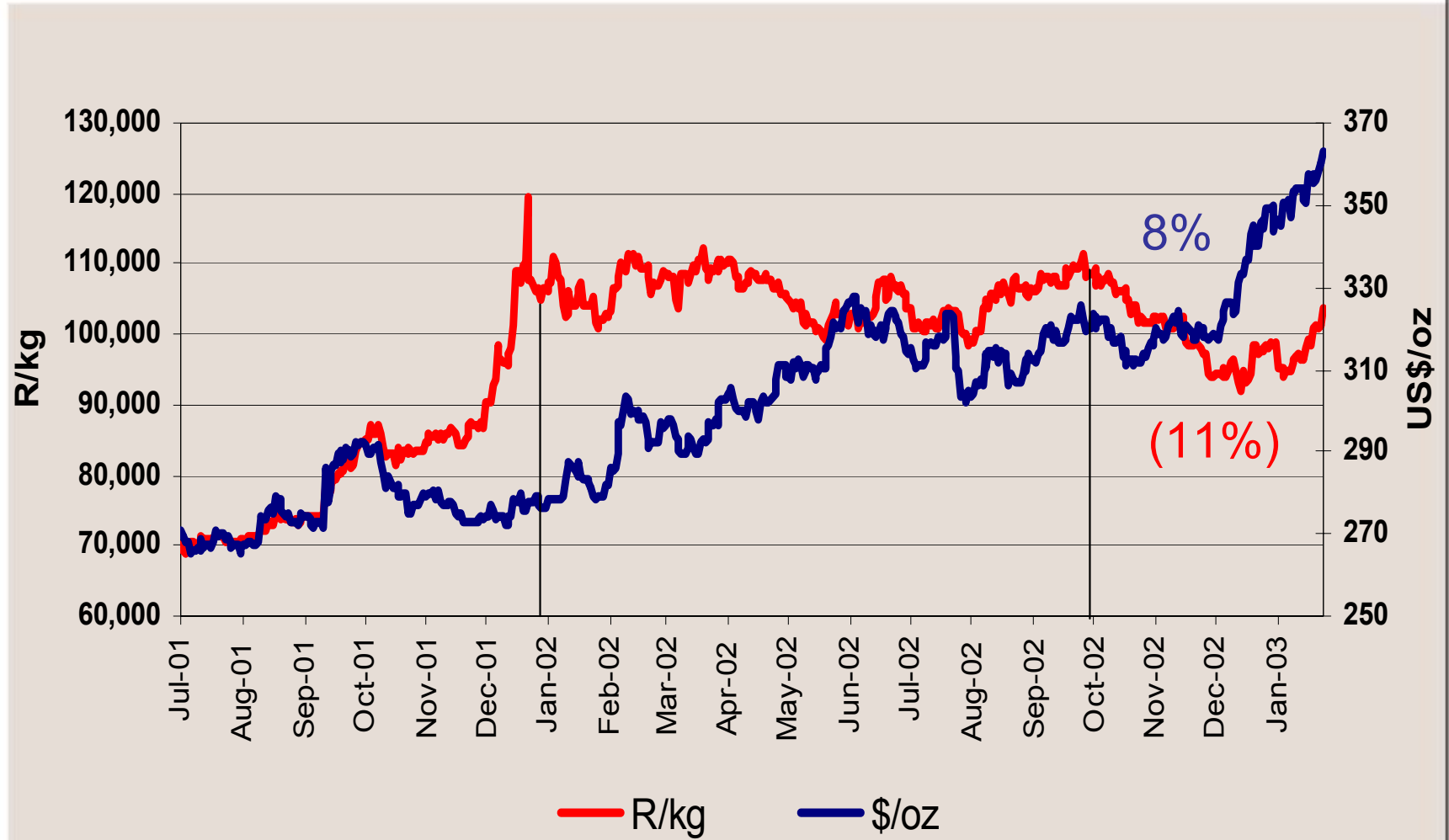


# R/US\$ exchange rate effects



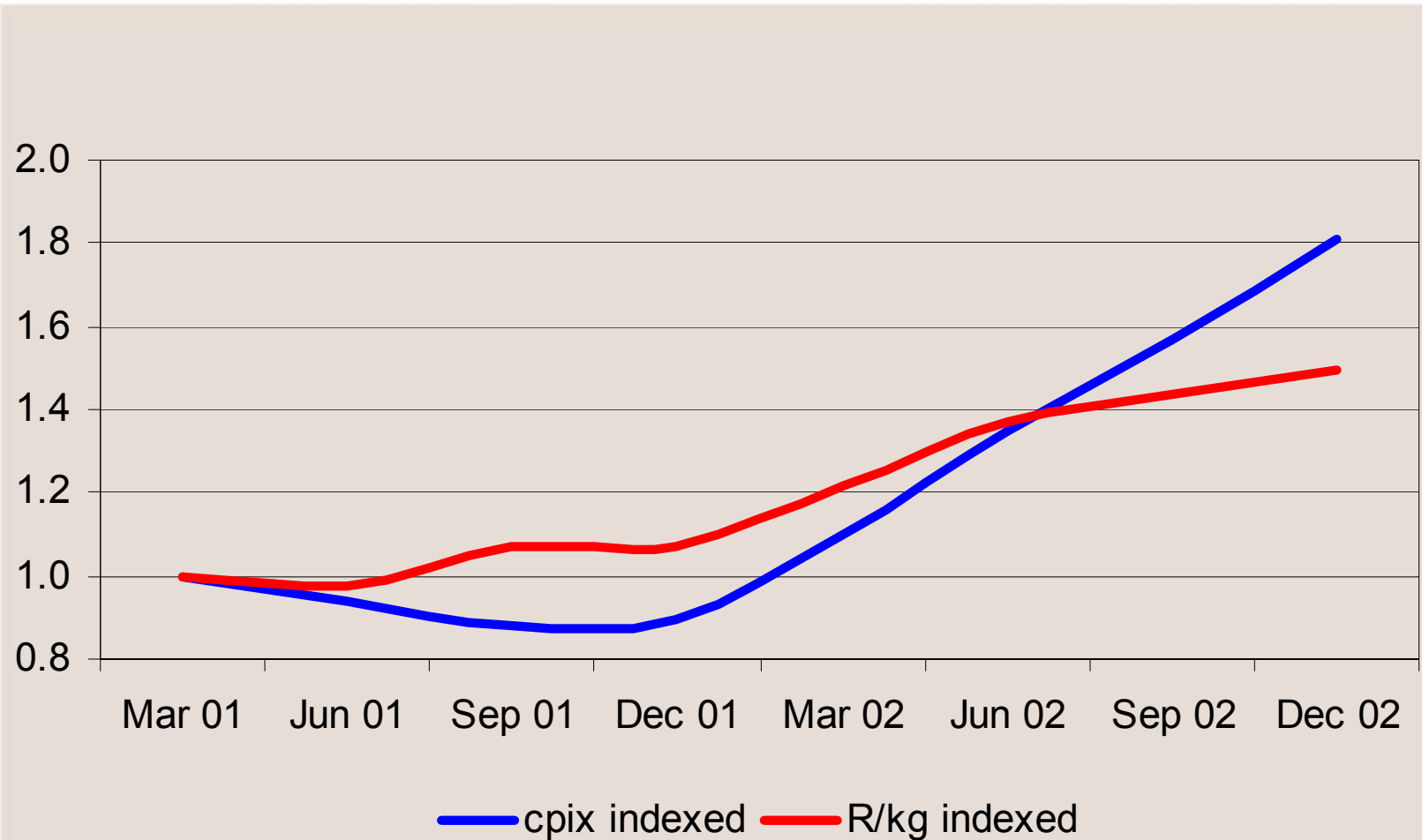


# Gold spot price





# SA inflation rate vs DRD unit costs





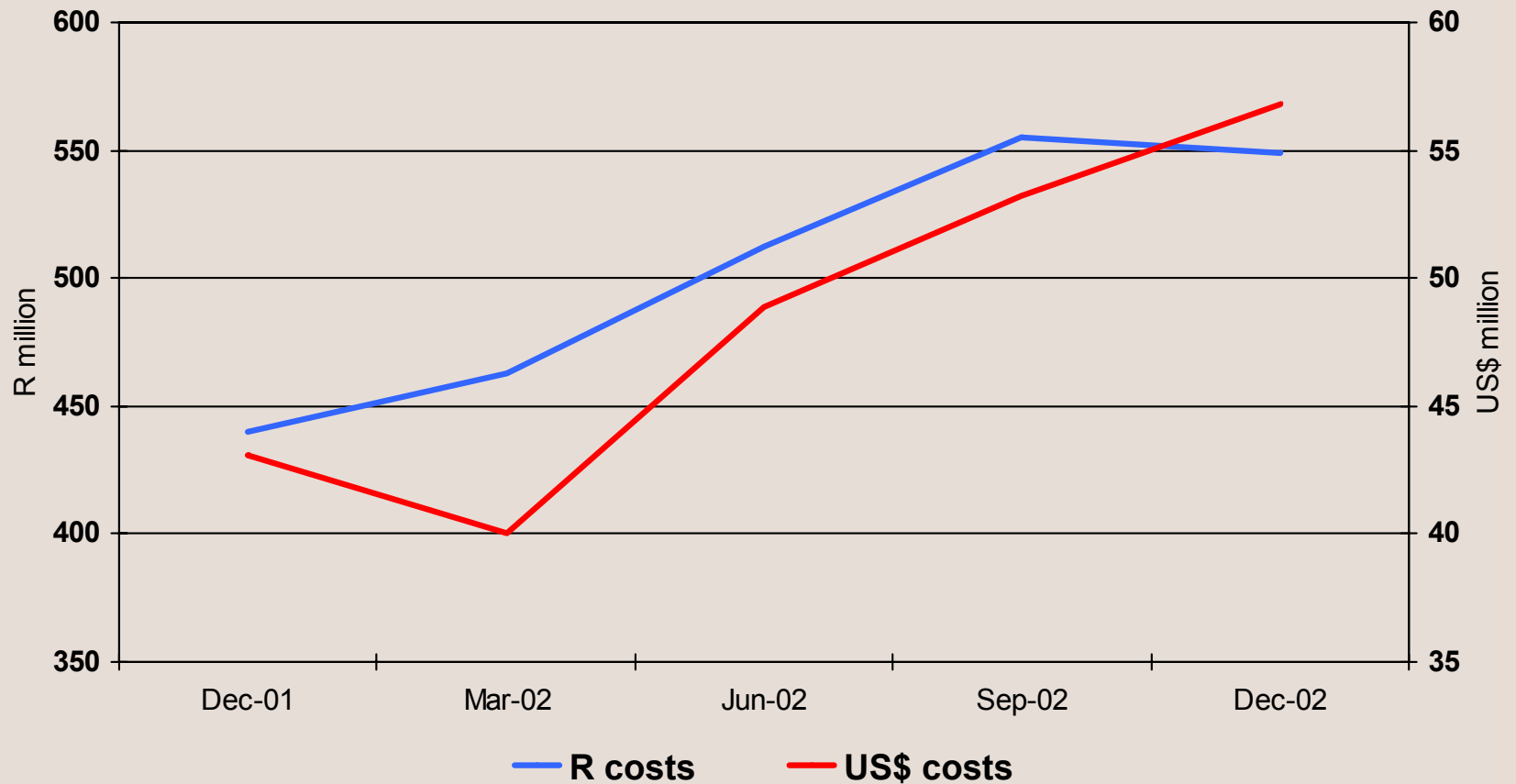
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# Cost analysis - *Kobus Dissel*





# Total cash operating costs

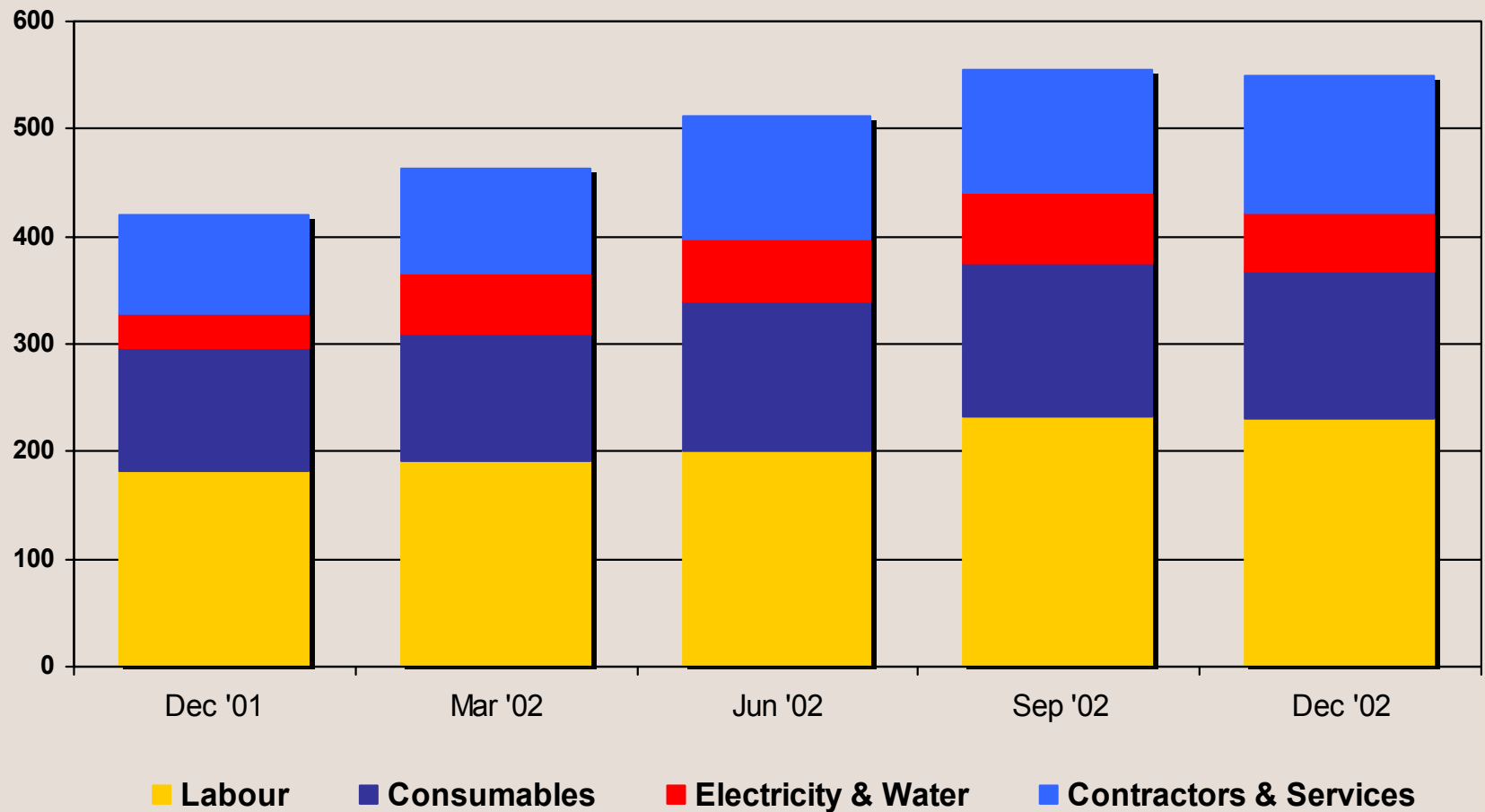


Note : excludes Crown



# Total cash operating costs by item

R million



Note : excludes Crown



## Cost saving projects

- Improving labour efficiency
  - focussed training
  - incentivisation to KPIs
  - displacing contractors with own labour
- Project BOOST
  - investments to lower R/ton
  - reliability of production
  - productivity programmes



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# Blyvoor Expansion Project

## *Deon v/d Mescht*



# Blyvoor Expansion Project

- Longest life in group (25 years)
- Low cost production (\$252/oz)
- Largest ore resource base (256.5m tons @ 3.32g/t)
- Greatest value potential in the group
- Capital spent to date R38m (US\$4m) of which R31m (US\$3m) funded by the IDC



# Safety performance



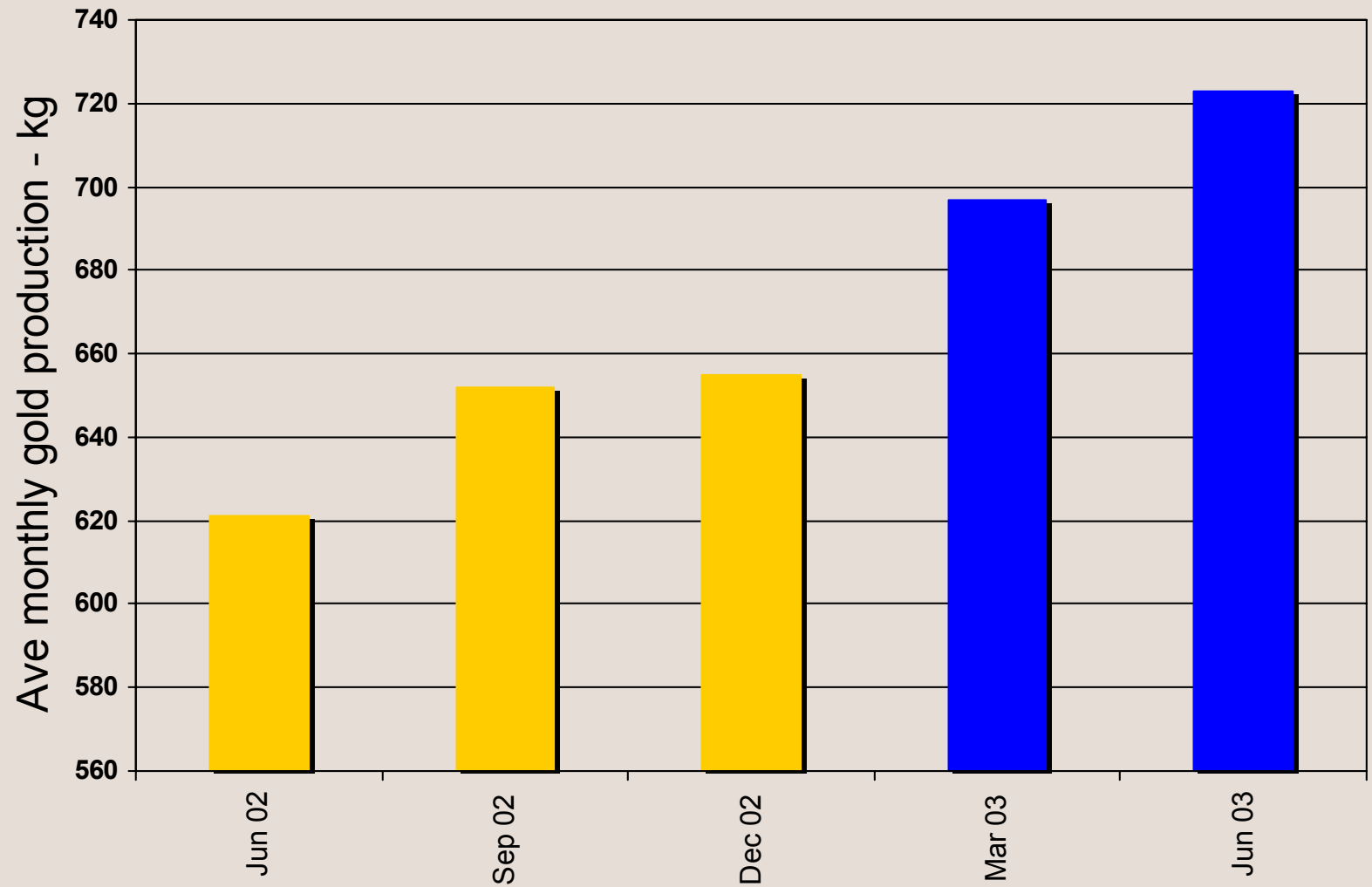
*Winner:*

*ASSOCIATION OF WESTRAND MINES SAFETY TROPHY*

*for 5 years in succession*

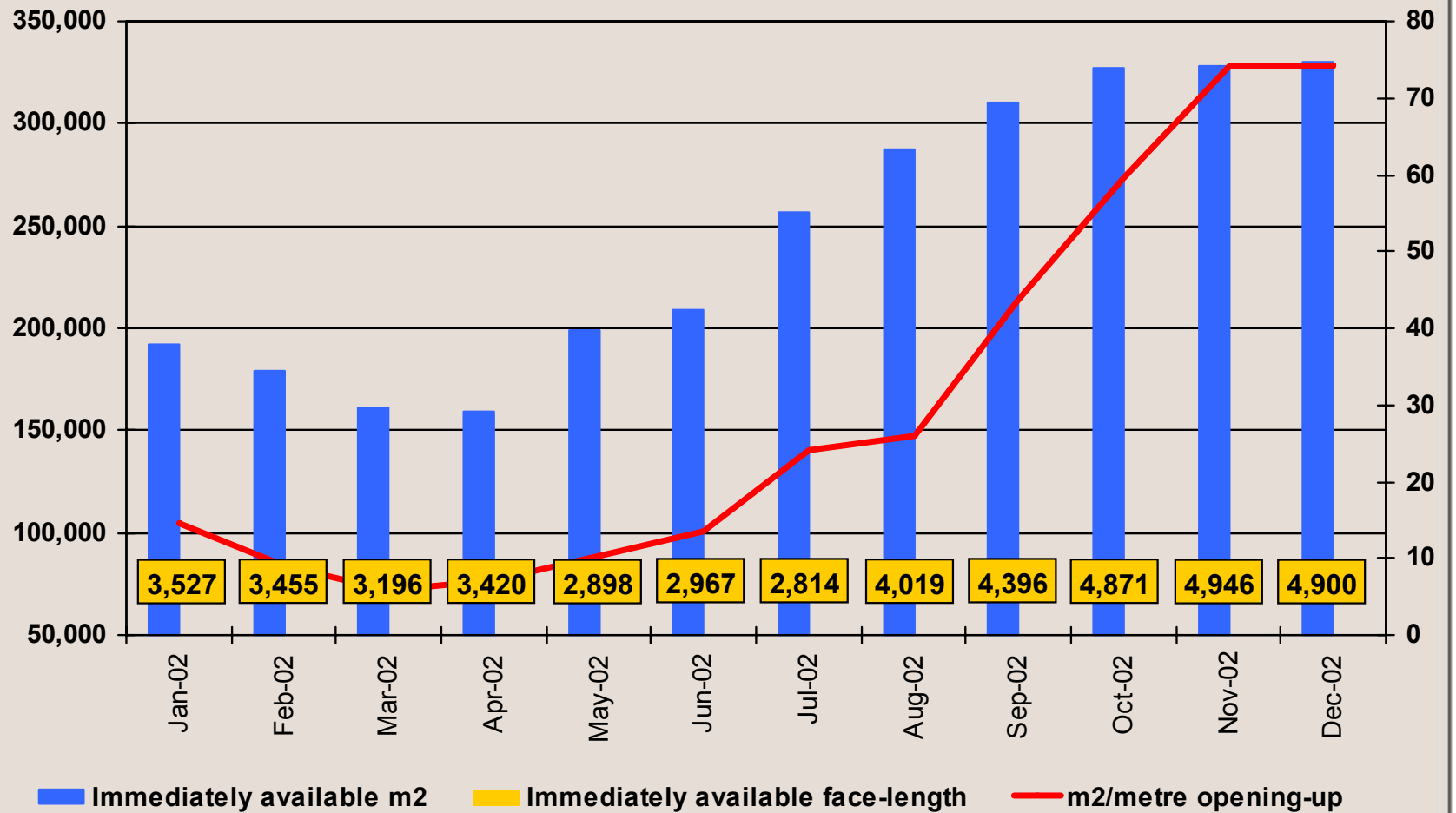


# Production profile





# Immediately available reserves







# Blyvoor Expansion Project

- Successful project implementation
- Project optimisation through innovation
  - slimes dam project started (additional 2 900 oz/month) (US\$7m)
  - new 35 - 33 decline (US\$1m)
  - quality mining in high free gold area
  - fill the mill with better value feed



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# North West Operations Medium Grade - *Anton Lubbe*



## Why the Medium Grade Project?

- Existing Base Plan covers all overheads
  - mine mix above pay-limit (6.25 g/t)
- Medium Grade cut-off only needs to cover direct cost
  - mine to marginal pay-limit (3.98 g/t)
- Started in May 2001 at a capital cost of R17m (US\$2m)

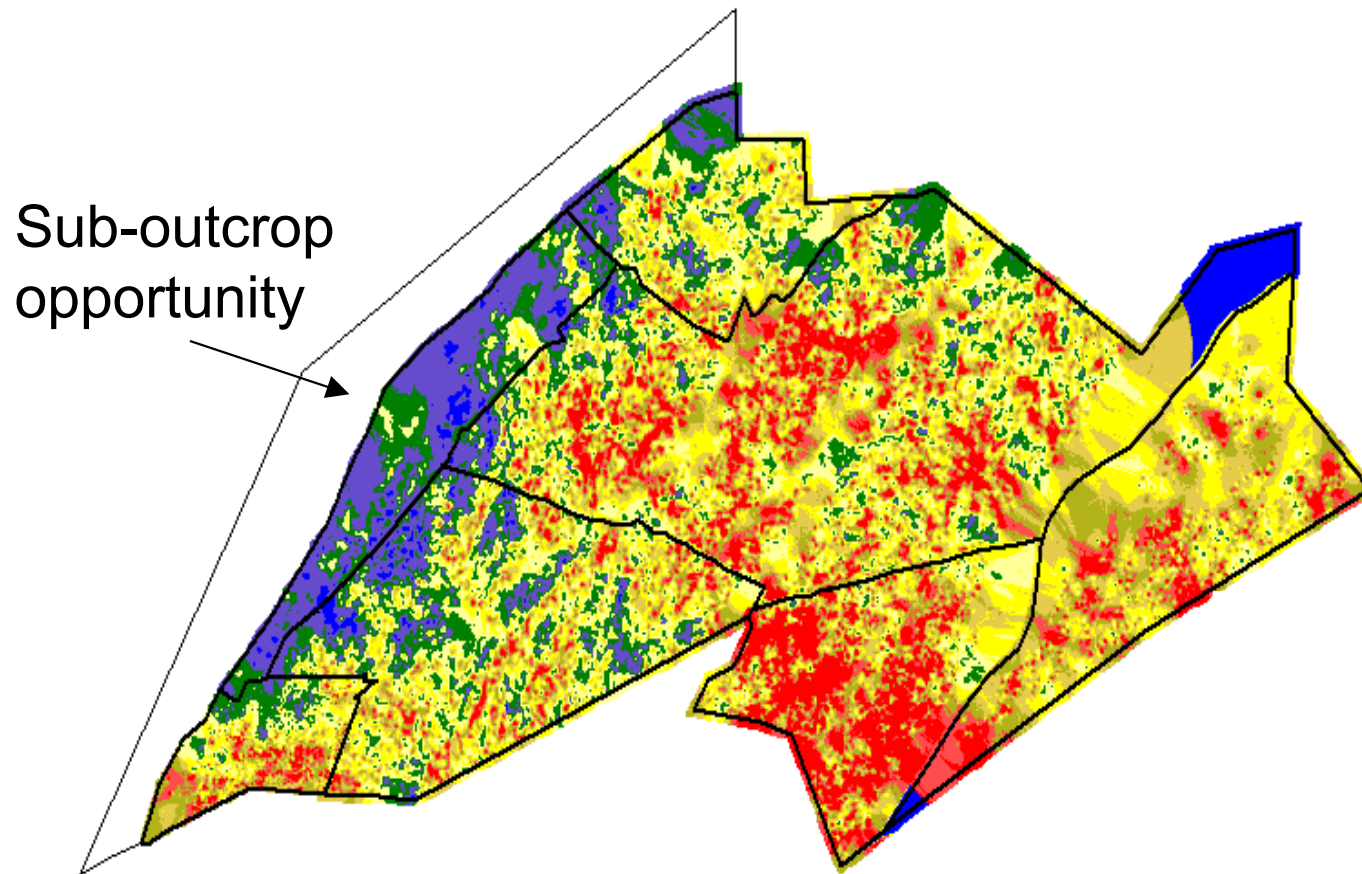


## Marginal reserve increase

Plan	Mt	g/t	years
Base	21.75	11.89	15
Medium Grade	10.66	5.68	10
<b>Total</b>	<b>32.41</b>	<b>9.85</b>	



# Harties Medium Grade (shown in blue)





## Project results

	2001/2002	2002/2003
m <sup>2</sup>	66 536	65 526
Tons milled	253 232	304 677
Gold recovered – kg	1 065	1 044
Grade – g/t	4.21	3.43
R/ton milled	352	318



## Project outcome

- Capex completed next month
- Peak production in March 2004 at 13 800 oz/month  
(27% of total production)
- Enhanced flexibility
- Payback after 6 months
- Exploration potential in sub-outcrop



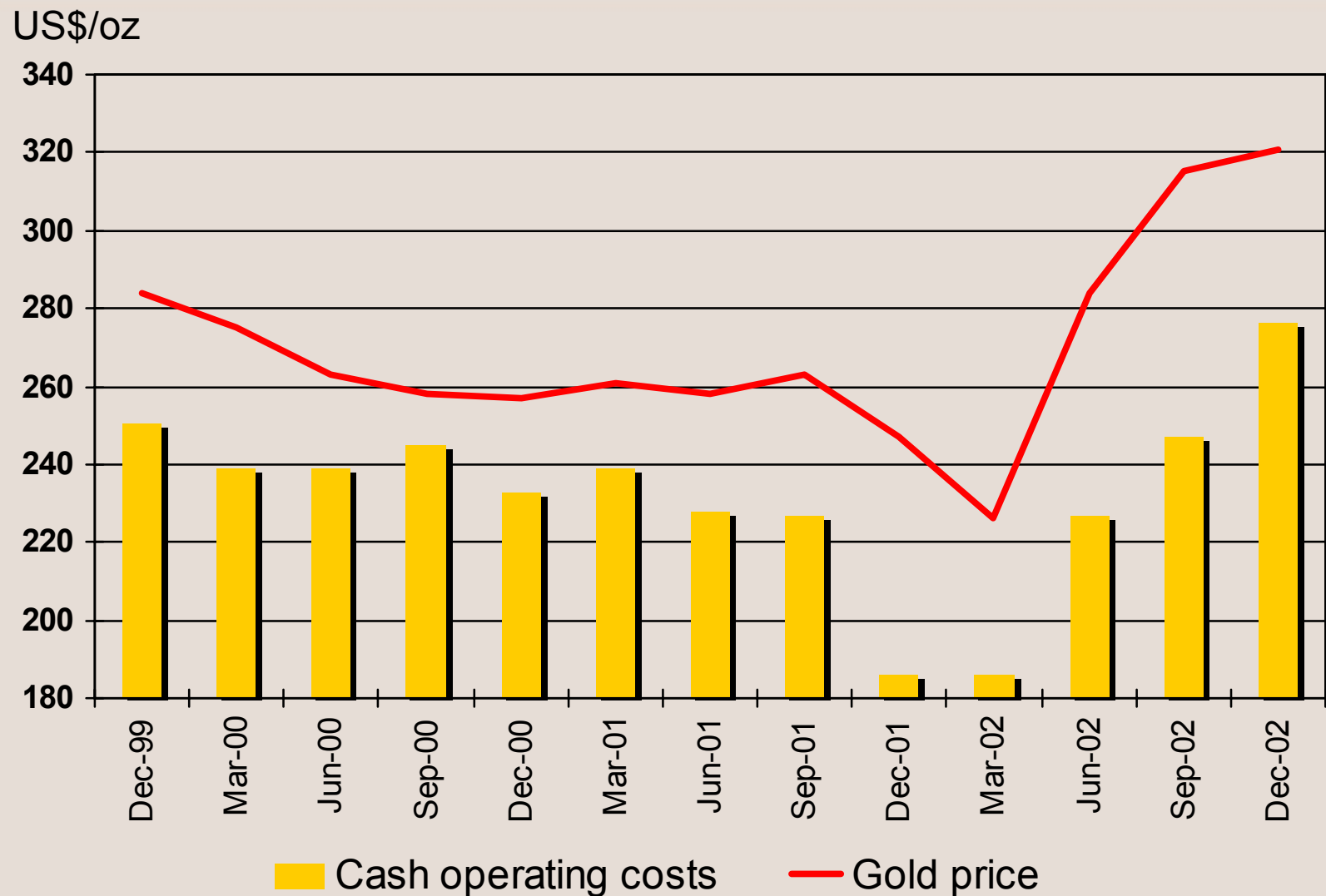
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# Financials - *Ian Murray*





# Margin management





## Convertible Bond issue

- Size : US\$66 million
- Coupon : 6%
- Maturity : 12 November 2006
- Conversion : \$3.75 per share
- Use of proceeds : Fund growth projects



# Differences between US/SA GAAP

- Financial instruments
  - derivative instruments
  - listed investments
- Share option accounting
- Merger accounting
- Provision for rehabilitation costs



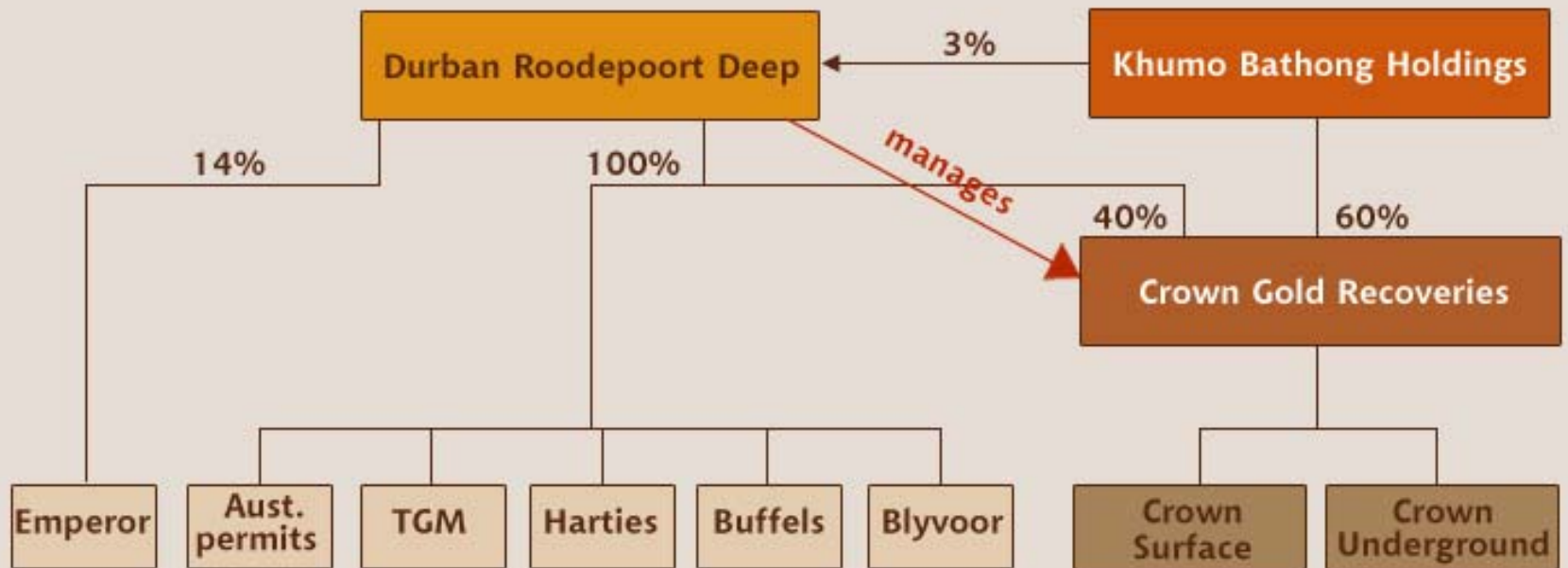
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# Strategy

## *Mark Wellesley-Wood*



# Group structure





## Board & management changes

- Ian Murray - Deputy CEO
- Kobus Dissel - Chief Financial Officer
- Nick Goodwin - Argonaut project manager
- Grant Dempsey - Divisional Director Crown JV
- Richard Johnson - Divisional Director Australasia

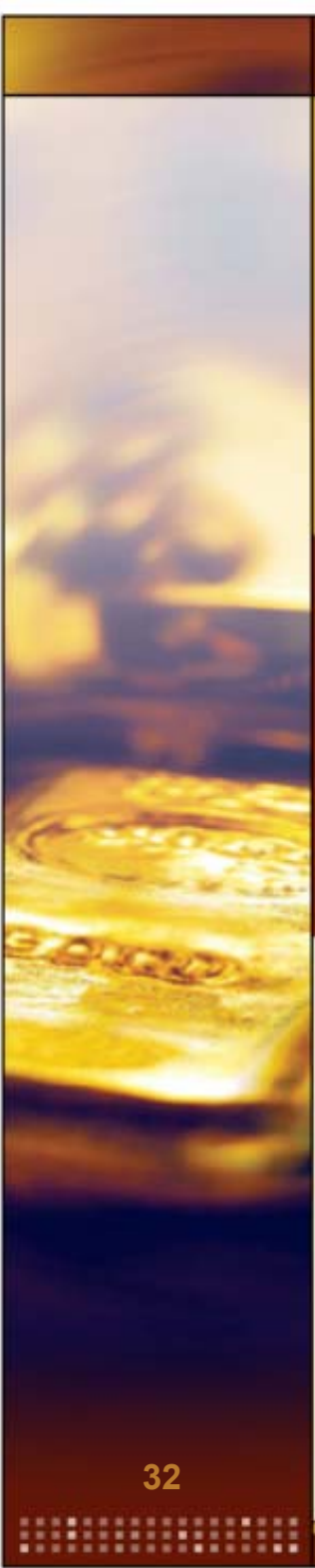


## Board & management changes

- Anton Lubbe - General Manager: Harties
- Chris Vermeulen - General Manager: Buffels
- New appointments
  - Ilja Graulich - GM: Investor Relations
  - Ted Nohajer - Manager Tolukuma
- To be announced
  - new independent non-executive director
  - new deputy chairman



# Our operations





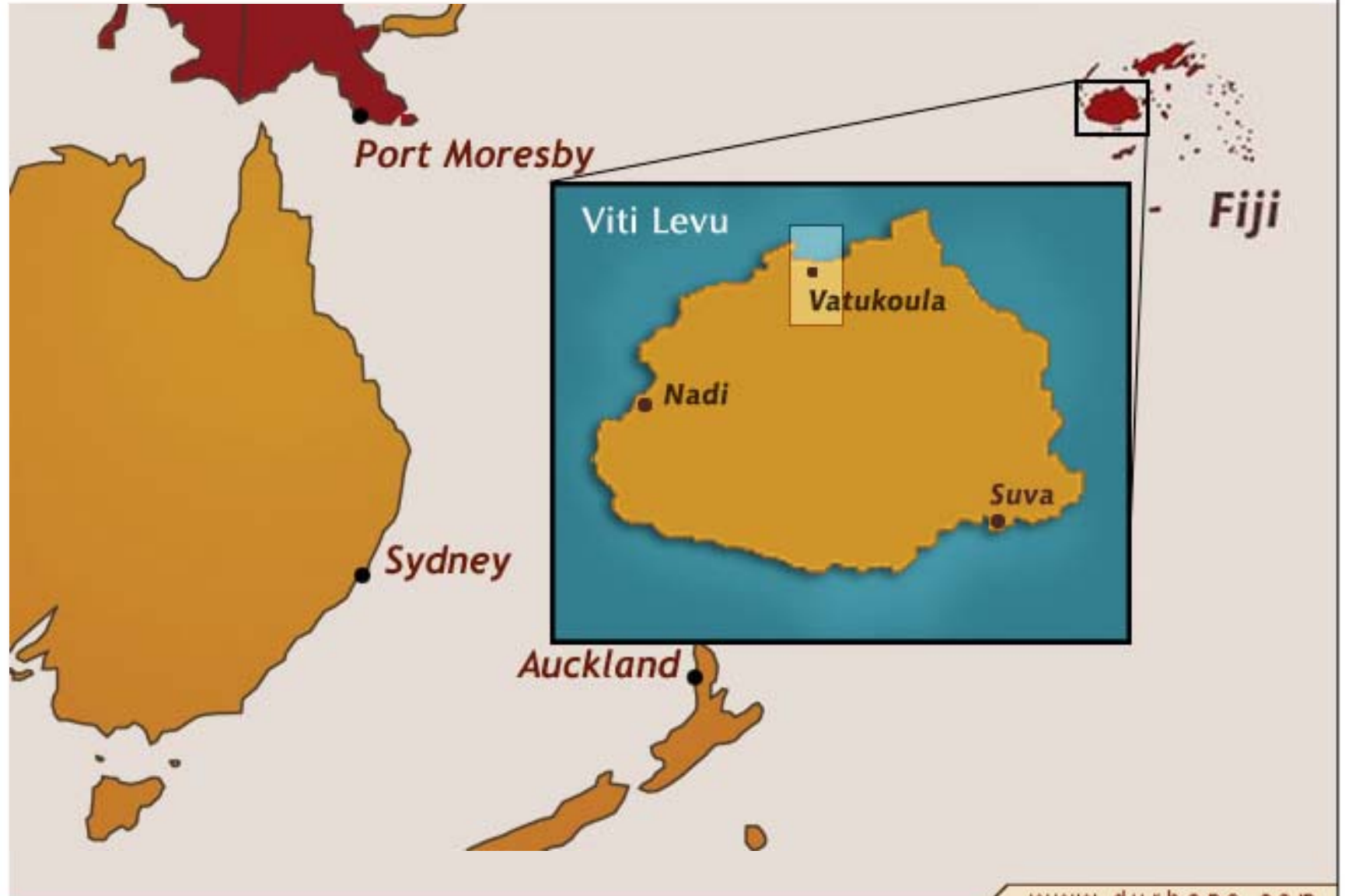


# Our operations





# Our operations





## Australian strategy

- Tolukuma (PNG) is on the 'Rim of Fire'
- 14% stake in Emperor (Vatukoula mine in Fiji)
  - board representation (2 / 8)
- Both orebodies are "collapsed caldera" structures
  - both employ underground vein mining
- Synergies
  - DRD technical expertise
  - shared services e.g. purchasing
- Both mines in expansion programmes
- Creates focus for regional consolidation



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*Proven project skills*