



# RESULTS

FOR THE SIX MONTHS ENDED  
**31 DECEMBER 2018**



Niël Pretorius Chief Executive Officer | Riaan Davel Chief Financial Officer | 13 February 2019

# 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 2018, which we filed with the United States Securities and Exchange Commission on 31 October 2018 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 included in this release have not been reviewed and reported on by DRDGOLD's auditors.

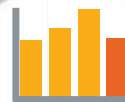
# KEY FEATURES

Far West Gold Recoveries (FWGR) Phase 1 off to **flying start**

3% decline in gold production to 2 280kg

All-in sustaining costs margin of 0.8%

Environmental spend **up 28%**



83% increase in Mineral Reserves from 3.28Moz to 6Moz

Ergo projects **successfully implemented**

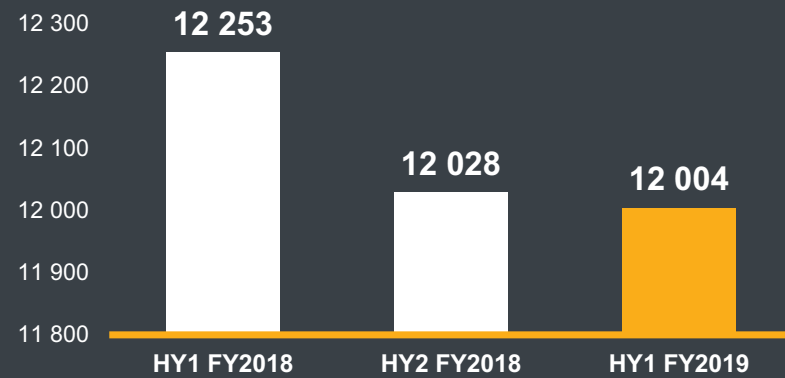
Operating profit down 54% to **R102.2 million**

Investment in growth capital **R306.0 million**

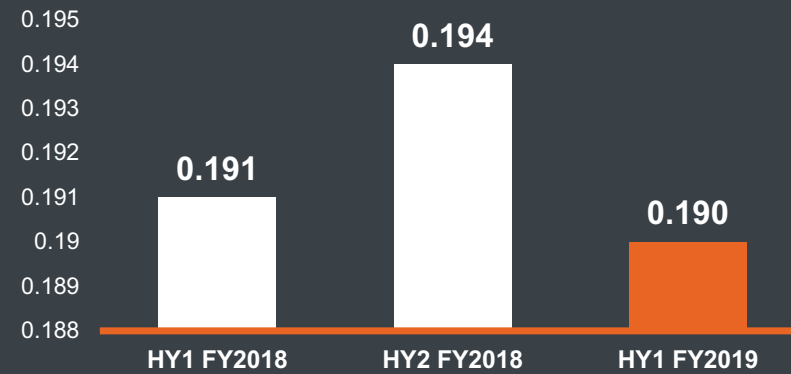
Externally sourced potable water usage **down by 31%**

# OPERATING TRENDS

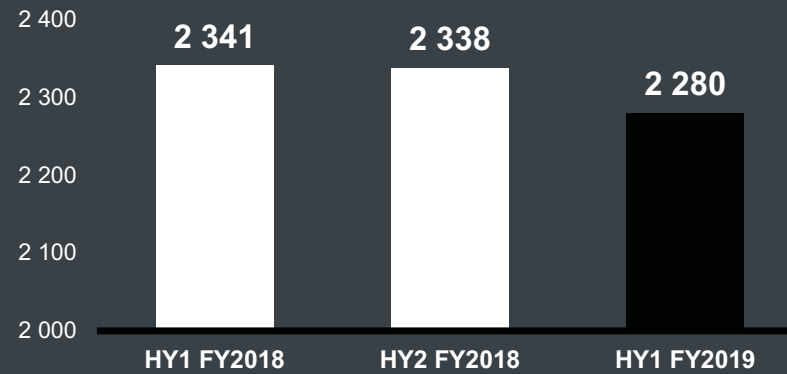
## Volume (000t)



## Yield (g/t)



## Production (kg)

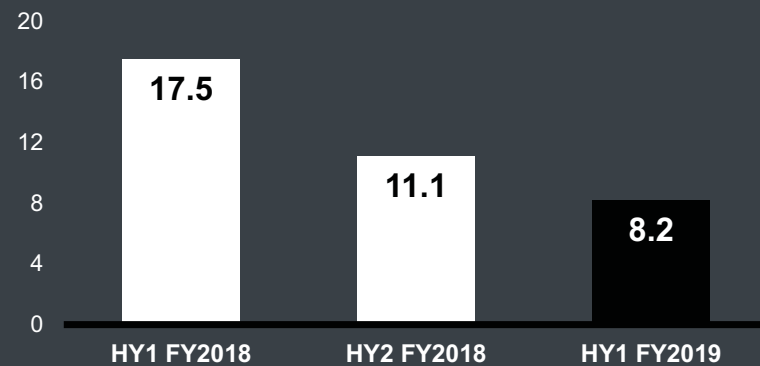




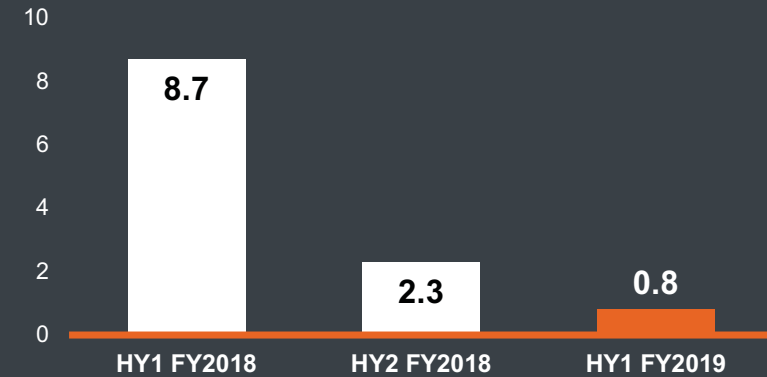
# FINANCIAL REVIEW

# FINANCIAL TRENDS

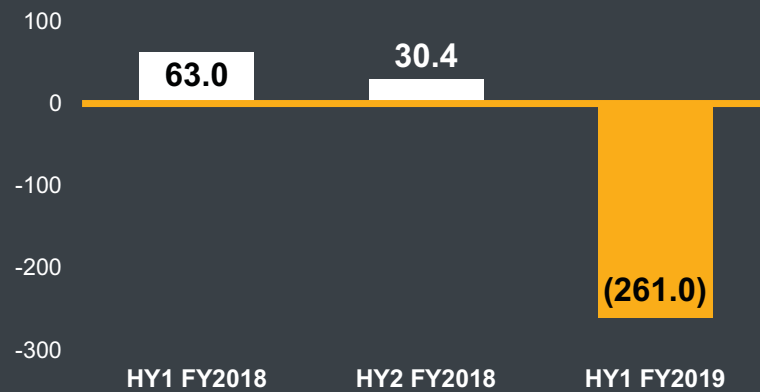
## Operating margin (%)



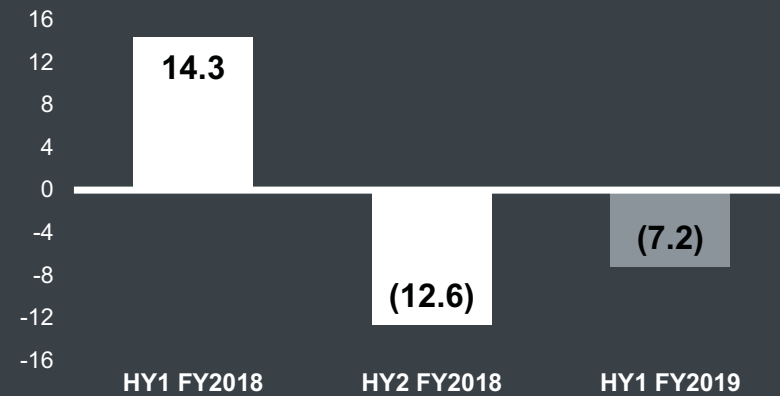
## All-in sustaining costs margin (%)



## Free cash flow (Rm)



## HEPS (cents per share)



# FINANCIAL REVIEW: STATEMENT OF PROFIT OR LOSS

## for the six months ended 31 December 2018

	Six months to 31 Dec 2018 Rm	Six months to 31 Dec 2017 Rm
Revenue	1 252.5	1 254.8
Cost of sales	(1 248.7)	(1 139.6)
<b>Gross profit from operating activities</b>	<b>3.8</b>	115.2
Other income	0.1	0.2
Administration expenses and general costs	(44.3)	(31.9)
<b>Results from operating activities</b>	<b>(40.4)</b>	83.5
Finance income	28.2	18.7
Finance expenses	(37.1)	(25.0)
<b>(Loss)/profit before tax</b>	<b>(49.3)</b>	77.2
Income tax	3.1	(16.6)
<b>(Loss)/profit for the period</b>	<b>(46.2)</b>	60.6



# FINANCIAL REVIEW: STATEMENT OF FINANCIAL POSITION

## as at 31 December 2018

	As at 31 Dec 2018 Rm	As at 31 Dec 2017 Rm
Property, plant and equipment	2 928.6	1 502.0
Investment in rehabilitation obligation funds	622.2	235.6
Financial assets	31.0	11.3
Deferred tax assets	5.7	5.0
Cash and cash equivalents	209.4	294.6
Other current assets	381.5	331.1
<b>Total assets</b>	<b>4 178.4</b>	<b>2 379.6</b>
Equity	2 566.2	1 344.4
Provision for environmental rehabilitation	819.4	546.5
Deferred tax liability	154.4	154.2
Borrowings	173.3	–
Other non-current liabilities	27.2	41.9
Current liabilities	437.9	292.6
<b>Total equity and liabilities</b>	<b>4 178.4</b>	<b>2 379.6</b>
<b>Current ratio</b>	<b>1.3</b>	<b>2.1</b>





# FINANCIAL REVIEW: STATEMENT OF CASH FLOWS

## for the six months ended 31 December 2018

	Six months to 31 Dec 2018 Rm	Six months to 31 Dec 2017 Rm
Net cash (outflow)/inflow from operating activities	(5.2)	155.8
Cash (used in)/generated by operations	(11.6)	147.5
Interest received	9.4	11.3
Interest paid	(1.8)	(1.5)
Income tax paid	(1.2)	(1.5)
Net cash outflow from investing activities	(255.8)	(92.8)
Acquisition of property, plant and equipment	(247.1)	(86.6)
Proceeds on disposal of property, plant and equipment	0.1	1.5
Environmental rehabilitation payments	(8.8)	(7.7)
Net cash inflow/(outflow) from financing activities	168.3	(22.1)
Net borrowings raised	170.4	–
Share issue expenses	(0.3)	–
Repayment of finance lease obligation	(1.8)	(1.3)
Dividends paid on ordinary share capital	–	(20.8)
(Decrease)/increase in cash and cash equivalents	(92.7)	40.9
Opening cash and cash equivalents	302.1	253.7
<b>Closing cash and cash equivalents</b>	<b>209.4</b>	<b>294.6</b>



# SUSTAINABLE DEVELOPMENT

## NATURAL CAPITAL

**R24.9m**      **↑ 28%**  
environmental rehabilitation spend

**Water**  
Potable consumption      **↓ 31%**



# LOOKING AHEAD

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## GROUP REVISED PRODUCTION, COST GUIDANCE

- gold production of between 157 000 and 165 000 ounces
- cash operating cost of ~R500 000/kg

## FAR WEST GOLD RECOVERIES (FWGR)

- contribution benefit expected in H2 2019



# CONTACT DETAILS

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NYSE share code: DRD

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