

## RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2012 (Q1 FY2013)

# KEY FEATURES FROM CONTINUING OPERATIONS

- Gold production up 11% to 35 815 oz
- Gold revenue up 34% to R526.8 million
- Operating profit up 51% to R173.7 million

REVIEW OF OPERATIONS		Quarter	Quarter	% change	Quarter	% change
Group		Sep 2012	Jun 2012		Sep 2011	Q1 2013 vs Q1 2012
<b>Gold production</b>						
Continuing operations	oz	35 815	32 216	11	34 562	4
	kg	1 114	1 002	11	1 075	4
Discontinued operations	oz	–	12 023	–	29 000	–
	kg	–	374	–	902	–
Group	oz	35 815	44 239	(19)	63 562	(44)
	kg	1 114	1 376	(19)	1 977	(44)
<b>Gold production sold</b>						
Continuing operations	oz	37 905	29 966	26	36 523	4
	kg	1 179	932	26	1 136	4
Discontinued operations	oz	–	10 737	–	29 000	–
	kg	–	334	–	902	–
Group	oz	37 905	40 703	(7)	65 523	(42)
	kg	1 179	1 266	(7)	2 038	(42)
<b>Cash operating costs</b>						
Continuing operations	US\$ per oz	1 151	1 161	(1)	1 141	1
	ZAR per kg	305 265	302 221	1	260 189	17
Discontinued operations	US\$ per oz	–	1 590	–	1 502	–
	ZAR per kg	–	432 307	–	342 642	–
Group	US\$ per oz	1 151	1 278	(10)	1 305	(12)
	ZAR per kg	305 265	337 579	(10)	297 808	3
<b>Gold price received</b>						
	US\$ per oz	1 685	1 575	7	1 734	(3)
	ZAR per kg	446 783	421 834	6	395 568	13
<b>Capital expenditure</b>						
	US\$ million	9.7	11.7	(17)	9.9	(2)
	ZAR million	79.6	94.6	(16)	77.9	2

### STOCK

#### Issued capital

385 383 767 ordinary no par value shares  
 6 205 559 treasury shares held within the group  
 5 000 000 cumulative preference shares  
 Total ordinary no par value shares issued and  
 committed: 404 486 078

### STOCK TRADED

Average volume for the quarter per day ('000)

% of issued stock traded (annualised)

Price • high

• low

• close

JSE

NYSE\*

381 372

26 25

R5.49 \$0.671

R4.49 \$0.535

R5.40 \$0.635

\* This data represents per share data and not ADS data – one ADS reflects 10 ordinary shares

## FORWARD-LOOKING STATEMENTS

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 2011, which we filed with the United States Securities and Exchange Commission on 28 October 2011 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 statement included in this report have not been reviewed and reported on by DRDGOLD's auditors.

## Dear shareholder

Our Group results for the first quarter of the 2013 financial year are the first to reflect the performance of DRDGOLD as a gold surface retreatment-focused company. Control of Blyvooruitzicht Gold Mining Company Limited (Blyvoor) passed fully to Village Main Reef Limited (Village) during the previous quarter, and therefore these results are not directly comparable with those of the previous quarter.

It is all the more pleasing, therefore, to report that we have made a strong start to the new financial year, recording continued improvement by our consolidated surface retreatment operation, Ergo, in a number of key areas in the quarter under review.

By way of brief introduction to more detailed commentary below on Ergo's operating and financial performance, gold production rose by 11% on the previous quarter, reflecting improvement in both throughput and yield. The volume increase flowed from continued, satisfactory progress in bringing together the various components contained within Ergo's very large geographical footprint.

The increase in gold production, together with a higher average rand gold price received, resulted in a 34% increase in gold revenue to R526.8 million. Although cash operating costs rose by 12% to R340.1 million due mainly to the higher cost of power and the annual wage increase for employees coming into effect, we delivered a 51% improvement in operating profit to R173.7 million. Headline earnings per share decreased by 2 South African (SA) cents to 20 SA cents, the previous quarter's earnings having been boosted by a substantial non-cash, deferred tax credit.

A feature of Ergo's aforementioned consolidation has been the introduction by management of a number of health, safety and environmental initiatives to familiarise members of the integrated workforce with the requirements of their enlarged working environment. We expect the proactive work being done in the area of safety to address some deterioration in key parameters we have noted during the quarter under review.

## Detailed operational review

### CONTINUING OPERATIONS (ERGO)

#### Q1 2013 V Q4 2012

Gold production rose by 11% to 35 815oz, a consequence both of a 1% increase in throughput to 5 598 000t and of an 11% increase in yield to 0.20g/t. While the former reflects continuing stabilisation in the operating performance of the Crown-Ergo pipeline and completion of the closure of the Crown plant, the latter is a consequence of a significant improvement in the yield of material recovered from the Cason Dump.

Cash operating costs were well contained to a 1% increase at R305 265/kg, notwithstanding two months' payment of power utility Eskom's winter tariff – a 60% premium to the normal rate – and implementation of wage increases.

Operating profit increased by 51% to R173.7 million due both to the rise in gold production and a 6% increase in the average rand gold price received to R446 783/kg.

Capital expenditure, 6% higher at R81.4 million, was directed mainly towards the flotation/fine-grind project, which is progressing on schedule and on budget.

#### Q1 2013 V Q1 2012

Gold production was up 4% from 34 562oz as a result of a 7% increase in throughput from 5 231 000t, which was partially offset by a 5% decline in yield from 0.21g/t. Higher throughput reflects the positive impact of the Crown-Ergo pipeline coming on stream.

Cash operating costs rose 17% from R260 189/kg, due mainly to electricity price and wage increases as well as higher throughput.

Operating profit increased by 11% from R156.5 million, a consequence both of higher production and a 13% increase in the average rand gold price received from R395 568/kg.

### EXPLORATION

Exploration activity in Zimbabwe during the quarter remained focused on the John Bull, Leny and Ascot targets at Norton on Zimbabwe's Greenstone Belt, the KT target at Gweru and the Guinea Fowl River alluvial target.

Commissioning of the alluvial gold recovery plant at Guinea Fowl River has started, and we should be able to form a high-level view of the potential of this asset by March 2013.

Over the next few months, we will evaluate the economic viability of a number of surface tailings dumps as a stand-alone circuit.

### LOOKING AHEAD

Our two principal priorities for the foreseeable future remain to bring steady state to our consolidated Ergo circuit, and delivering on the timeline of the fine-grind project. Our uranium feasibility study is continuing, and we await the outcome of testwork being done on our behalf by Mintek.

Alongside all of this, there is also the continued subject matter of our sustainable development focus areas as reported earlier, specifically that of water consumption and human and social development. Both of these will remain at the forefront of our strategic planning and implementation. We invite all to access and read our sustainable development report which we posted on our website.

**Niël Pretorius** – Chief executive officer

25 October 2012

The condensed consolidated financial statements are prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), and South African Statements and Interpretations of Statements of Generally Accepted Accounting Practice (AC 500 Series). The accounting policies adopted are in line with IFRS and are consistent with those applied in the annual financial statements for the year ended 30 June 2012.

CONDENSED	Quarter	Quarter	Quarter
Statement of comprehensive income	Sep 2012 Rm Unaudited	Jun 2012 Rm Unaudited	Sep 2011 Rm Unaudited
Gold and silver revenue	526.8	393.5	449.6
Net operating costs	(353.1)	(278.7)	(293.1)
Cash operating costs	(340.1)	(302.8)	(279.7)
Movement in gold in process	(13.0)	24.1	(13.4)
<b>Operating profit</b>	<b>173.7</b>	<b>114.8</b>	<b>156.5</b>
Depreciation	(34.2)	(29.7)	(27.2)
Movement in provision for environmental rehabilitation	(10.0)	(36.6)	(7.1)
Retrenchment costs	–	–	–
<b>Net operating profit</b>	<b>129.5</b>	<b>48.5</b>	<b>122.2</b>
Impairments	–	(1.1)	–
Environmental rehabilitation costs	(17.2)	(10.0)	(14.5)
Corporate, administration and other expenses	(34.0)	(45.0)	(25.6)
Share-based payments	(0.3)	(0.6)	(0.4)
Net loss on financial liabilities measured at amortised cost	–	–	(0.3)
Profit/(loss) on disposal of assets	2.5	(9.6)	–
Finance income	33.6	7.8	5.4
Finance expenses	(4.0)	0.1	(4.5)
<b>Profit/(loss) before taxation</b>	<b>110.1</b>	<b>(9.9)</b>	<b>82.3</b>
Income tax	9.9	8.6	(5.8)
Deferred tax	(26.7)	77.7	(34.6)
<b>Net profit for the period</b>	<b>93.3</b>	<b>76.4</b>	<b>41.9</b>
<b>Discontinued operations</b>			
(Loss)/profit for the period from discontinued operations	–	(1.5)	41.2
Loss on sale of subsidiary	–	(10.5)	–
<b>Net profit for the period</b>	<b>93.3</b>	<b>64.4</b>	<b>83.1</b>
Attributable to:			
Equity owners of the parent	78.6	58.1	75.4
Non-controlling interest	14.7	6.3	7.7
	<b>93.3</b>	<b>64.4</b>	<b>83.1</b>
<b>Other comprehensive income</b>			
Foreign exchange translation and other	4.9	(2.2)	(2.6)
Net gain/(loss) on disposal of an available-for-sale financial asset	0.3	(6.7)	–
Mark-to-market of available-for-sale investments	(36.3)	19.2	–
<b>Total comprehensive income for the period</b>	<b>62.2</b>	<b>74.7</b>	<b>80.5</b>
Attributable to:			
Equity owners of the parent	47.5	69.4	72.8
Non-controlling interest	14.7	5.3	7.7
	<b>62.2</b>	<b>74.7</b>	<b>80.5</b>

<b>CONDENSED</b>	<b>Quarter</b>	<b>Quarter</b>	<b>Quarter</b>
<b>Statement of comprehensive income</b>	<b>Sep 2012</b>	<b>Jun 2012</b>	<b>Sep 2011</b>
	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>Reconciliation of headline earnings</b>			
Net profit	78.6	58.1	75.4
Adjusted for:			
– Impairments	–	1.1	–
– (Profit)/loss on disposal of assets	(2.5)	9.6	–
– Taxation thereon	0.5	1.7	–
– Loss on sale of subsidiary	–	10.5	–
– Net gain on disposal of an available-for-sale financial asset reclassified from equity	–	(6.7)	–
– Non-controlling interest in headline earnings adjustment	0.6	4.9	–
<b>Headline earnings</b>	<b>77.2</b>	<b>79.2</b>	<b>75.4</b>
Headline earnings per share – cents			
– From continuing operations	20	22	12
– From total operations	20	21	20
Basic earnings per share – cents			
– From continuing operations	21	18	12
– From total operations	21	15	20
Diluted headline earnings per share – cents	20	21	20
Diluted basic earnings per share – cents	21	15	20
<i>Calculated on the weighted average ordinary shares issued of :</i>	<b>379 178 208</b>	<b>382 373 999</b>	<b>384 884 379</b>

<b>CONDENSED</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Statement of financial position</b>	<b>30 Sep 2012</b>	<b>30 Jun 2012</b>	<b>30 Sep 2011</b>
	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Assets</b>			
Non-current assets	1 999.0	2 021.6	1 817.4
Property, plant and equipment	1 692.8	1 641.6	1 599.0
Non-current investments and other assets	125.7	176.1	25.1
Environmental rehabilitation trust funds and investments	174.1	165.6	136.0
Deferred tax asset	6.4	38.3	57.3
Current assets	712.8	470.6	599.8
Inventories	91.8	105.8	115.1
Trade and other receivables	211.1	66.3	190.8
Cash and cash equivalents	409.9	298.5	293.9
<b>Total assets</b>	<b>2 711.8</b>	<b>2 492.2</b>	<b>2 417.2</b>
<b>Equity and liabilities</b>			
Equity	1 657.6	1 633.9	1 271.2
Equity of the owners of the parent	1 416.2	1 497.2	1 291.6
Non-controlling interest	241.4	136.7	(20.4)
Non-current liabilities	753.6	597.3	689.5
Loans and borrowings	166.0	–	40.0
Post-retirement and other employee benefits	6.1	6.0	6.4
Provision for environmental rehabilitation	513.8	504.3	497.8
Deferred tax liability	67.7	87.0	145.3
Current liabilities	300.6	261.0	456.5
Trade and other payables	269.8	230.3	375.8
Loans and borrowings	30.8	30.7	80.7
<b>Total equity and liabilities</b>	<b>2 711.8</b>	<b>2 492.2</b>	<b>2 417.2</b>

<b>CONDENSED</b>	<b>Quarter</b>	<b>Quarter</b>	<b>Quarter</b>
<b>Statement of changes in equity</b>	<b>Sep 2012</b>	<b>Jun 2012</b>	<b>Sep 2011</b>
	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Balance at the beginning of the period	1 633.9	1 482.7	1 219.2
Share capital issued	(0.3)	(0.5)	–
– for costs	(0.3)	(0.5)	–
Increase in share-based payment reserve	0.3	1.4	0.4
Net profit attributable to equity owners of the parent	78.6	58.1	75.4
Net profit attributable to non-controlling interest	14.7	6.3	7.7
Disposal of subsidiary attributable to non-controlling interest	–	97.5	–
Dividends declared	(38.5)	–	(28.9)
Treasury shares acquired	–	(21.9)	–
Fair value adjustment on available-for-sale investments	(36.3)	–	–
Other comprehensive income	5.2	10.3	(2.6)
<b>Balance as at the end of the period</b>	<b>1 657.6</b>	<b>1 633.9</b>	<b>1 271.2</b>

<b>CONDENSED</b>	<b>Quarter</b>	<b>Quarter</b>	<b>Quarter</b>
<b>Statement of cash flows</b>	<b>Sep 2012</b>	<b>Jun 2012</b>	<b>Sep 2011</b>
	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Net cash inflow from operations	32.0	116.2	117.9
Net cash outflow from investing activities	(85.3)	(171.5)	(83.1)
Net cash in/(out)flow from financing activities	164.7	(26.0)	–
– Loans and other	164.7	(4.1)	–
– Treasury shares acquired	–	(21.9)	–
Increase/(decrease) in cash and cash equivalents	111.4	(81.3)	34.8
Opening cash and cash equivalents	298.5	379.8	259.1
Closing cash and cash equivalents	409.9	298.5	293.9
<b>Reconciliation of net cash inflow from operations</b>			
Profit/(loss) before taxation	110.1	(9.9)	82.3
(Loss)/profit before taxation from discontinued operations	–	(1.5)	41.2
	110.1	(11.4)	123.5
Adjusted for:			
Movement in gold in process	13.0	(35.1)	14.9
Depreciation and impairment	34.2	29.1	27.8
Movement in provision for environmental rehabilitation	10.0	36.5	7.3
Share-based payments	0.3	1.4	0.4
Loss on financial liabilities measured at amortised costs	–	–	0.3
(Profit)/loss on disposal of assets	(2.5)	9.6	–
Finance expense and unwinding of provisions	1.1	(0.6)	2.7
Growth in Environmental Trust Funds	(1.5)	(2.8)	(1.7)
Other non-cash items	(1.9)	(5.7)	(1.7)
Taxation refund/(paid)	7.0	(7.1)	–
Working capital changes	(137.8)	102.3	(55.6)
<b>Net cash inflow from operations</b>	<b>32.0</b>	<b>116.2</b>	<b>117.9</b>

<b>CONTINUING OPERATIONS KEY OPERATING AND FINANCIAL RESULTS (Unaudited)</b>		<b>Metric</b>	<b>Imperial</b>
Ore milled (t000)	<b>Sep 2012 Qtr</b>	<b>5 598</b>	<b>6 170</b>
	Jun 2012 Qtr	5 525	6 090
Yield (g/t) (oz/t)	<b>Sep 2012 Qtr</b>	<b>0.20</b>	<b>0.006</b>
	Jun 2012 Qtr	0.18	0.005
Gold produced (kg)/(oz)	<b>Sep 2012 Qtr</b>	<b>1 114</b>	<b>35 815</b>
	Jun 2012 Qtr	1 002	32 216
Cash operating costs (ZAR/kg) (US\$/oz)	<b>Sep 2012 Qtr</b>	<b>305 265</b>	<b>1 151</b>
	Jun 2012 Qtr	302 221	1 161
Cash operating costs (ZAR/t) (US\$/t)	<b>Sep 2012 Qtr</b>	<b>61</b>	<b>7</b>
	Jun 2012 Qtr	55	6
Gold and silver revenue (ZAR million) (US\$ million)	<b>Sep 2012 Qtr</b>	<b>526.8</b>	<b>63.9</b>
	Jun 2012 Qtr	393.5	48.1
Operating profit/(loss) (ZAR million) (US\$ million)	<b>Sep 2012 Qtr</b>	<b>173.7</b>	<b>21.1</b>
	Jun 2012 Qtr	114.8	13.8
Capital expenditure (ZAR million) (US\$ million)	<b>Sep 2012 Qtr</b>	<b>79.6</b>	<b>9.7</b>
	Jun 2012 Qtr	82.5	10.3

<b>CONTINUING OPERATIONS CASH OPERATING COSTS RECONCILIATION</b>		
<b>R million unless otherwise stated</b>		
Total cash costs	<b>Sep 2012 Qtr</b>	<b>406.0</b>
	Jun 2012 Qtr	328.5
Movement in gold in process	<b>Sep 2012 Qtr</b>	<b>(13.0)</b>
	Jun 2012 Qtr	24.1
Less: Assessment rates, rehabilitation and other	<b>Sep 2012 Qtr</b>	<b>33.6</b>
	Jun 2012 Qtr	22.2
Less: Corporate and general administration costs	<b>Sep 2012 Qtr</b>	<b>19.3</b>
	Jun 2012 Qtr	27.6
Cash operating costs	<b>Sep 2012 Qtr</b>	<b>340.1</b>
	Jun 2012 Qtr	302.8
Gold produced (kg)	<b>Sep 2012 Qtr</b>	<b>1 114</b>
	Jun 2012 Qtr	1 002
Total cash operating costs (R/kg)	<b>Sep 2012 Qtr</b>	<b>305 265</b>
	Jun 2012 Qtr	302 221
Total cash operating costs (US\$/oz)	<b>Sep 2012 Qtr</b>	<b>1 151</b>
	Jun 2012 Qtr	1 161



**DIRECTORS (\*British)(\*\*American)**

**Executives:** DJ Pretorius (*Chief executive officer*),

CC Barnes (*Chief financial officer*)

**Independent non-executives:** GC Campbell\* (*Non-executive chairman*),

RP Hume, EA Jeneker, J Turk\*\*

**Company secretary:** TJ Gwebu

**FOR FURTHER INFORMATION, CONTACT NIËL PRETORIUS AT:**

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