
LETTER TO SHAREHOLDERS

Dear shareholder

Overall performance

In the first six months of the financial year - a period during which the gold price traded between US\$ 265 to US\$ 293 per ounce - DRD has produced creditable improvements in performance, compared with the same period last year. Gold production for the quarter at 269 069 ounces (8 369 kilograms) was 3% higher than the first quarter. Cash operating costs were well contained, decreasing in unit cost terms to US\$ 186 per ounce or R 60 617 per kilogram.

A 2% improvement in the dollar price of gold, with a 22% decline in the rand against the dollar, resulted in profit before taxation increasing by 100% to US\$ 7.8 million (152% : R 83.6 million) and headline earnings by 118% to US\$ 5.9 million (170% : R 62.4 million). The company continued with its hedge restructuring programme as promised and eliminated the balance of its "long gold" positions.

Operational performance

Blyvooruitzicht had another good quarter with production of 64 847 ounces (2 017 kilograms), similar to the previous quarter's level. Cash unit costs improved by 17% to US\$ 172 per ounce (R 55 881 per kilogram). The expansion programme is on target.

Gold output at the **North West Operations** increased by 2%, mainly as a result of increased tonnage. Cash unit costs were US\$ 189 per ounce (R 61 362 per kilogram), 19% lower than the first quarter. The drilling programme on the Gold Estate area will be completed by the end of January 2002.

Tolukuma was unable to sustain the previous quarter's performance. Production was down 7%, mainly as a result of lower yield from underground due to increased underground development. Cash costs were slightly up at US\$ 192 per ounce (R 63 016 per kilogram).

Production levels at the **Crown Operations** were better in the second quarter. Gold production was 13% higher, with improvements in both tonnage and grade. Cash unit costs were 23% lower at US\$ 198 per ounce (R 64 307 per kilogram).

Financial

The quarter saw a significant increase in net cash operating profit both in dollar and rand terms to US\$ 12.7 million (R 135.4 million) from US\$ 6.5 million (R 55.1 million) for the previous quarter. The continued improved operating performance as well as the repayment of the Western Areas advance and disposal of the associated share parcel, has resulted in a much stronger balance sheet. The interest-bearing debt:equity ratio decreased from 50% to 15% and the current ratio improved from 95% to 113%.

Hedge restructuring remains the company's most important objective and it is envisaged that Durban Roodepoort Deep, Limited will be an unhedged gold producer by June 2002.

Outlook

In view of the higher Rand gold price and the company's improved cash flow, a number of projects designed to increase gold production from 'old areas' are now under way. The consequent reduction in pay limits should increase reserves, and therefore mine lives, significantly. More information about these projects appears on page four.

MARK WELLESLEY-WOOD

Chairman and Chief Executive Officer

24 January 2002

KEY OPERATING RESULTS

OPERATION	Quarter Dec 2001	Quarter Sep 2001	6 mths to Dec 2001	Quarter Dec 2001	Quarter Sep 2001	6 mths to Dec 2001	Quarter Dec 2001	Quarter Sep 2001	6 mths to Dec 2001
Imperial	Ore milled (underground) - t'000			Yield (underground) - ounces/ton			Gold produced (underground) - troy ounces		
Blyvooruitzicht	201	203	404	0.258	0.245	0.251	51 827	49 770	101 597
North West	640	625	1 265	0.181	0.185	0.183	115 614	115 421	231 035
Crown	-	-	-	-	-	-	-	-	-
Tolukuma	28	22	50	0.433	0.449	0.440	12 121	9 870	21 991
	869	850	1 719	0.207	0.206	0.206	179 562	175 061	354 623
Imperial	Ore milled (surface) - t'000			Yield (surface) - ounces/ton			Gold produced (surface) - troy ounces		
Blyvooruitzicht	509	513	1 022	0.026	0.028	0.027	13 020	14 114	27 134
North West	1 581	1 555	3 136	0.018	0.016	0.017	27 875	25 206	53 081
Crown	4 098	3 937	8 035	0.010	0.010	0.010	42 278	37 552	79 830
Tolukuma	24	22	46	0.264	0.455	0.355	6 334	9 999	16 333
	6 212	6 027	12 239	0.014	0.014	0.014	89 507	86 871	176 378
USD/Imperial	Cash cost (underground) - US\$/ounce			Cash cost (surface) - US\$/ounce			Total cash cost - US\$/ounce		
Blyvooruitzicht	173	213	193	166	180	173	172	206	189
North West	202	248	225	135	164	149	189	233	211
Crown	-	-	-	198	258	226	198	258	226
Tolukuma	213	248	229	153	131	139	192	189	191
	194	238	216	170	203	187	186	227	206
USD/Imperial	Cash cost (underground) - US\$/ton			Cash cost (surface) - US\$/ton			Total cash cost - US\$/ton		
Blyvooruitzicht	45	52	48	4	5	5	16	18	17
North West	36	46	41	2	3	3	12	15	14
Crown	-	-	-	2	2	2	2	2	2
Tolukuma	92	111	101	40	59	49	68	85	76
	40	49	45	2	3	3	7	9	8
Metric	Ore milled (underground) - t'000			Yield (underground) - g/tonne			Gold produced (underground) - kg		
Blyvooruitzicht	183	184	367	8.81	8.41	8.61	1 612	1 548	3 160
North West	581	568	1 149	6.19	6.32	6.25	3 596	3 590	7 186
Crown	-	-	-	-	-	-	-	-	-
Tolukuma	25	19	44	15.08	16.16	15.55	377	307	684
	789	771	1 560	7.08	7.06	7.07	5 585	5 445	11 030
Metric	Ore milled (surface) - t'000			Yield (surface) - g/tonne			Gold produced (surface) - kg		
Blyvooruitzicht	462	466	928	0.88	0.94	0.91	405	439	844
North West	1 434	1 411	2 845	0.60	0.56	0.58	867	784	1 651
Crown	3 718	3 572	7 290	0.35	0.33	0.34	1 315	1 168	2 483
Tolukuma	21	19	40	9.38	16.37	12.70	197	311	508
	5 635	5 468	11 103	0.49	0.49	0.49	2 784	2 702	5 486
Rand/Metric	Cash cost (underground) - R/kg			Cash cost (surface) - R/kg			Total cash cost - R/kg		
Blyvooruitzicht	56 348	57 358	56 843	54 020	48 296	51 043	55 881	55 356	55 620
North West	65 620	66 788	66 203	43 701	44 202	43 939	61 362	62 740	62 044
Crown	-	-	-	64 307	69 607	66 800	64 307	69 607	66 800
Tolukuma	70 416	66 847	68 814	48 853	35 215	40 504	63 016	50 929	56 749
	63 267	64 111	63 684	55 300	54 815	55 061	60 617	61 027	60 819
Rand/Metric	Cash cost (underground) - R/tonne			Cash cost (surface) - R/tonne			Total cash cost - R/tonne		
Blyvooruitzicht	496	483	489	47	46	46	175	169	172
North West	406	422	414	26	25	26	136	139	137
Crown	-	-	-	23	23	23	23	23	23
Tolukuma	1 062	1 080	1 070	458	576	514	786	828	805
	448	453	450	27	27	27	79	80	79

Incorporating the results of all Durban Roodepoort Deep subsidiaries, including Blyvooruitzicht Gold Mining Company Limited, Buffelsfontein Gold Mines Limited, West Witwatersrand Gold Holdings Limited, Crown Consolidated Gold Recoveries Limited, Hartebeestfontein Gold Mine a division of Buffelsfontein Gold Mines Limited, DRD Australasia and Dome Resources NL

GROUP INCOME STATEMENTS

FINANCIAL RESULTS (Unaudited)	(US\$ Million)	(US\$ Million)	(US\$ Million)	(R Million)	(R Million)	(R Million)
	Quarter Dec 2001	Quarter Sep 2001	6 months to Dec 2001	Quarter Dec 2001	Quarter Sep 2001	6 months to Dec 2001
Gold revenue	66.4	68.9	135.3	677.4	578.5	1 255.9
Cash operating costs	50.2	59.3	109.5	507.3	497.2	1 004.5
Cash operating profit	16.2	9.6	25.8	170.1	81.3	251.4
Other expenses - net	1.3	1.1	2.4	13.2	9.2	22.4
Business development	0.1	0.1	0.2	1.3	0.9	2.2
Care and maintenance costs	0.2	0.4	0.6	1.6	3.6	5.2
Cash profit from operations	14.6	8.0	22.6	154.0	67.6	221.6
Retrenchment costs	0.1	0.3	0.4	0.9	2.3	3.2
Hedge restructuring costs	2.1	0.1	2.2	22.7	1.0	23.7
Interest expense	1.2	1.1	2.3	12.1	9.2	21.3
Profit on sale of investments	(1.5)	-	(1.5)	(17.1)	-	(17.1)
Net cash operating profit	12.7	6.5	19.2	135.4	55.1	190.5
Non-cash items	4.9	2.6	7.5	51.8	21.9	73.7
Rehabilitation	0.3	0.3	0.6	2.7	2.8	5.5
Depreciation	2.8	3.4	6.2	29.1	28.1	57.2
Work in progress	0.5	(0.3)	0.2	5.1	(2.1)	3.0
Loss/(gain) on financial instruments	1.3	(0.8)	0.5	14.9	(6.9)	8.0
Profit before taxation	7.8	3.9	11.7	83.6	33.2	116.8
Taxation	-	-	-	-	0.1	0.1
Deferred taxation	1.9	1.2	3.1	21.2	10.0	31.2
Profit after taxation	5.9	2.7	8.6	62.4	23.1	85.5
Exceptional items	0.6 *	-	0.6	6.0 *	-	6.0
Net profit	5.3	2.7	8.0	56.4	23.1	79.5
Headline earnings per share - cents	3	2	5	39	15	54
Basic earnings per share - cents	3	2	5	36	15	51
Calculated on the weighted average ordinary shares issued of :	157 674 125	154 809 059	157 270 279	157 674 125	154 809 059	157 270 279
Capital expenditure - net outflow	1.6	1.4	3.0	16.1	12.0	28.1
Net cash generated	11.1	5.1	16.2	119.3	43.1	162.4

COMMENTS

<u>Income Statements</u>	
* Exceptional items represent the write down of assets at the closed Durban Deep mine.	
<u>Balance Sheets</u>	
1. 4 476 557 Ordinary shares issued during the quarter for share options exercised.	
2. The Western Areas Limited advance of R 149.4 million was settled. Durban Roodepoort Deep, Limited has exercised its put option in respect of the associated share parcel which was offset against the amount due to Western Areas. Durban Roodepoort Deep, Limited has therefore discharged all of its obligations and realised a profit of US\$ 1.5 million (R 17.1 million) on the transaction.	
<u>Other</u>	
1. Capital expenditure for the next quarter ending March 2002 are estimated at US\$ 1.2 million (R 14.4 million).	

CURRENCY CONVERSION

Balance Sheet:	31-Dec-01	US\$ 1 =	R 12.1100
Income Statement:	Oct-01	US\$ 1 =	R 9.2577
	Nov-01	US\$ 1 =	R 9.7063
	Dec-01	US\$ 1 =	R 11.6223

GROUP BALANCE SHEETS

ABRIDGED (Unaudited)	(US\$ Million)		(R Million)	
	Quarter Dec 2001	Quarter Sep 2001	Quarter Dec 2001	Quarter Sep 2001
ASSETS				
Non-current assets	78.0	106.5	944.4	960.9
Mining assets - net	66.7	91.7	807.8	826.8
Investments	1.7	2.3	20.8	21.0
Environmental Trust funds	9.6	12.5	115.8	113.1
Current assets	29.0	44.8	351.8	403.3
Inventories	7.1	8.7	85.9	78.0
Trade and other receivables	11.6	21.1	140.7	190.5
Cash and equivalents	10.3	15.0	125.2	134.8
Total assets	107.0	151.3	1 296.2	1 364.2
EQUITY AND LIABILITIES				
Shareholders' equity	44.8	51.5	543.1	464.5
Non-current liabilities	36.6	52.8	442.6	476.4
Borrowings	3.5	5.4	42.7	49.1
Rehabilitation	15.9	21.0	192.0	189.3
Deferred taxation	3.8	2.7	45.9	24.6
Provisions	13.4	23.7	162.0	213.4
Current liabilities	25.6	47.0	310.5	423.3
Trade and other payables	22.4	26.5	272.5	239.1
Current portion of borrowings	3.1	20.4	37.3	183.6
Taxation	0.1	0.1	0.7	0.6
Total equity and liabilities	107.0	151.3	1 296.2	1 364.2

CHANGES IN SHAREHOLDER'S INTEREST

	(US\$ Million)	(R Million)
	Quarter	Quarter
	Dec 2001	Dec 2001
Shareholder's interest at the beginning of the period	51.5	464.5
Share capital issued	2.6	32.0
- for acquisitions	-	-
- for cash	-	-
- for share options exercised	2.6	32.0
Movement in retained income	(9.3)	46.6
- profit attributable to shareholders	5.9	62.4
- currency translation adjustment	(14.6)	(9.8)
- exceptional items	(0.6)	(6.0)
Shareholder's interest at the end of the period	44.8	543.1

GROUP CASH FLOW STATEMENTS

	(US\$ Million)	(R Million)
	Quarter	Quarter
	Dec 2001	Dec 2001
ABRIDGED (Unaudited)		
Cash flow from operating activities	1.5	18.1
Profit on ordinary activities	10.2	123.9
Environmental Fund funding	-	(0.4)
Investment income	0.3	4.2
Interest paid	(1.0)	(12.4)
Decrease in working capital	(8.0)	(97.2)
Cash flow from investing activities	8.4	101.0
Purchase of mining assets	(1.6)	(19.8)
Proceeds from sale of mining assets	0.3	3.7
Proceeds from the sale of investments	9.7	117.1
Cash flow from financing activities	(11.2)	(135.2)
Proceeds from issue of share capital	2.6	32.0
Repayment of borrowings	(13.8)	(167.2)
Translation adjustments	(3.4)	6.5
Decrease in cash and equivalents	(4.7)	(9.6)
Opening cash and equivalents	15.0	134.8
Closing cash and equivalents	10.3	125.2

STOCK DATA**ISSUED CAPITAL**

160 093 307 ordinary no par value shares
5 000 000 cumulative preference shares
8 937 607 'B' options

Average volume for the quarter per day (000)
% of issued stock traded (annualised)
Price - High
- Low
- Close

	JSE	NASDAQ
Average volume for the quarter per day (000)	150	638
% of issued stock traded (annualised)	28%	125%
Price - High	R 18.00	US\$ 1.45
- Low	R 9.40	US\$ 1.03
- Close	R 16.90	US\$ 1.38

NOTES**GROWTH PROJECTS**

With the increased rand gold price, significant growth opportunities are available to Durban Roodepoort Deep, Limited which we are evaluating and exploiting.

The Blyvooruitzicht Expansion Programme is on track, increasing production monthly, to an additional 5 000 ounces (156 kilograms) a month by 2004, an improvement of 23%.

At the North West Operations, exploration of reefs outcropping on surface is continuing with initial results indicating a possible open-pittable resource in addition to the Black Reef currently being mined.

Expansion at Tolukuma, taking production from the current 70 000 ounces a year to 115 000 ounces next year, is on track. The Kunda vein suggests potential for a small monthly tonnage of open-pittable ore. Further shallow drilling is planned. It is expected that the life will be enhanced with the exploration currently undertaken.

The Milihamba project, which contains the Kunda vein, will be accessed from underground and development on the twin haulage has started. A total of 93 trenches have been excavated, mapped and sampled to date on the Saki project.

ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies are, in all material respects, consistent with the annual financial statements for the year ended 30 June 2001.

ADDRESS DETAILS**REGISTERED OFFICE :**

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Maraisburg 1700, South Africa

SHARE TRANSFER SECRETARIES :

Ultra Registrars (Pty) Ltd,
PO Box 4844,
Johannesburg 2000, South Africa

UNITED KINGDOM REGISTRARS :

St. James' Corporate Services Ltd,
6 St. James' Place,
London SW 1A 1NP

DEPOSITORY BANK :

American Depository Receipts,
The Bank of New York,
Shareholders Relations Department,
101 Barclay Street, New York, NY 10296

SHARE OPTION SCHEME

The following summary provides information in respect of the Durban Roodepoort Deep (1996) Share Option Scheme as at 31 December 2001:

Number of options granted:	10 150 397
Number of options currently exercisable:	4 148 293

Directors : MM Wellesley-Wood (Chairman and Chief Executive Officer)* ; RAR Keble (Deputy Chairman) ; IL Murray (Chief Financial Officer) ;
F Weideman ; G Fischer ; N Goodwin ; G Njenje ; RP Hume ; DC Baker* ; FH Coetzee (*British)
MA Eloff (Group Company Secretary)

INVESTOR RELATIONS

For further information, contact Maryna Eloff at :

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