

Wednesday 5 September 2018

Gem Diamonds Limited (LSE: GEMD) ("Gem Diamonds", the "Company" or the "Group") announces its Half Year Results for the period ending 30 June 2018 (the "Period").

Record recoveries of large, high quality diamonds at Letšeng, combined with the discovery and subsequent sale of the Lesotho Legend have generated a strong financial performance for the first half of 2018.

## FINANCIAL RESULTS:

- Revenue US\$167.7 million (up 81% from US\$92.9 million in H1 2017)
- Underlying EBITDA, before exceptional items US\$68.4 million (US\$13.0 million in H1 2017)
- Attributable profit before exceptional items of US\$24.5 million, after exceptional items of US\$24.2 million (attributable profit before exceptional items of US\$49k, attributable loss after exceptional items of US\$2.9 million in H1 2017)
- Basic earnings per share 17.68 US cents before exceptional items (Basic earnings per share 0.04 US cents before exceptional items in H1 2017)
- Cash on hand US\$70.5 million (US\$47.7 million in 31 December 2017)

## OPERATIONAL RESULTS:

### Letšeng

- Recovery of 910 carat Lesotho Legend, sold for US\$40.0 million
- Recovered a half year record of ten diamonds greater than 100 carats
- Record rough tender revenue of US\$169.2 million (US\$88.8 million in H1 2017)
- Average price of US\$2 742 per carat achieved (up 54% from US\$1 779 per carat in H1 2017)
- 25 diamonds achieved a sales value of greater than US\$1 million each
- Ore tonnes treated of 3.0 million (3.2 million tonnes in H1 2017)
- Carats recovered of 61 596 (50 478 carats in H1 2017)

### Business Transformation

- Solid progress made with US\$47.0 million of the US\$100.0 million 4-year target to 2021 implemented
- US\$10.0 million of the implemented initiatives have been cash flowed to date

### Commenting on the results today, Clifford Elphick, Chief Executive of Gem Diamonds, said:

"We are pleased to report our 2018 half yearly results. Letšeng's improved recoveries combined with the discovery and subsequent sale of the Lesotho Legend has generated a strong set of results. Letšeng produced a record number of diamonds greater than 100 carats for any six-month period in the mine's history reaffirming the exceptional and unique quality of Letšeng. Subsequent to June, two further diamonds larger than 100 carats have been recovered, with the latest in August marking the twelfth such recovery for the year. This now positions 2018 as a record for recoveries of diamonds greater than 100 carats in a single year.

The market for Letšeng's high-quality diamonds has remained robust, with an average price achieved of US\$2 742\* per carat during the Period, up 54% compared to H1 2017 of US\$1 779\*.

It is also pleasing to report on the progress of the Business Transformation. This has already seen initiatives achieved in revenue, productivity improvements and cost savings to the value of US\$47 million of the 2021 US\$100 million target."

The Company will host a live audio webcast presentation of the full year results today, 5 September 2018, at 10:30 BST. This can be viewed on the Company's website: [www.gemdiamonds.com](http://www.gemdiamonds.com)

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.*

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

### FOR FURTHER INFORMATION:

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**ABOUT GEM DIAMONDS:**

Gem Diamonds is a leading global diamond producer of high value diamonds. The Company owns 70% of the Letšeng mine in Lesotho and 100% of the Ghaghoo mine in Botswana. The Letšeng mine is famous for the production of large, top colour, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world.