

14 March, 2018

**GEM DIAMONDS LIMITED**  
("Gem Diamonds" or "the Company")

**Full Year Results and Annual Report 2017**

Gem Diamonds Limited (LSE: GEMD) ("Gem Diamonds", the "Company" or the "Group") announces its Full Year Results for the year ending 31 December 2017 (the "Period").

**FINANCIAL RESULTS:**

- Revenue of US\$214.3 million (US\$189.8 million in 2016)
- Underlying EBITDA pre-exceptional items of US\$48.6 million (US\$62.8 million in 2016)
- Profit for the year (pre-exceptional items) US\$20.8 million (US\$32.4 million in 2016)
- Attributable profit (pre-exceptional items) US\$9.1 million (US\$17.7 million in 2016)
- Earnings per share (pre-exceptional items) 6.6 US cents (12.8 US cents in 2016)
- After the exceptional items of US\$3.6 million, attributable profit was US\$5.5 million and earnings per share was 4.0 US cents
- Cash on hand of US\$47.7 million as at 31 December 2017 (US\$35.2 million attributable to Gem Diamonds)

**OPERATIONAL RESULTS:**

**Letšeng**

- Carats recovered of 111 811 (108 206 in 2016)
- Waste tonnes mined of 29.7 million tonnes (29.8 million tonnes in 2016)
- Ore treated of 6.4 million tonnes (6.6 million in 2016)
- Average value of US\$1 930 per carat achieved (US\$1 695 in 2016)
- Seven diamonds larger than 100 carats each recovered (Five in 2016)
- 7.87 carat pink diamond achieved US\$ 202 222 per carat, making it the second highest price per carat achieved by a Letšeng rough diamond
- 58.38 carat white diamond achieved US\$ 61 905 per carat, making it the highest price per carat achieved for a Letšeng rough white diamond for 2017

**Ghaghoo**

- Achieved full care and maintenance in March 2017
- Process to dispose of asset commenced

**Dividend**

The Board has resolved not to propose the payment of a dividend in respect of the 2017 financial year

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

*“The second half of 2017 saw the Company begin to benefit from the operational improvements implemented during the year, with a significant improvement in the recovery of the large diamonds from Letšeng. The market for the mine’s large, high quality white rough diamonds remained strong over the course of 2017, a trend which has continued into early 2018.*

*We are pleased to have recently announced that The Lesotho Legend sold for the remarkable sum of US\$40 million. This is believed to be the fifth largest gem quality diamond ever recovered and is testament to the world class calibre of the Letšeng mine.*

*The focus on enhancing the efficiency of our operations identified a potential of US\$20.0 million of annualised and once-off efficiency and cost reduction initiatives at the end of last year. A target has now been set of obtaining US\$100.0 million of cash savings by the end of 2021, with an ongoing target of US\$30.0 million per year thereafter.*

*With the benefits of the efficiency programme bearing fruit, a positive market outlook, and an investment case underpinned by the proven quality of the Letšeng mine, we look to the future with confidence.”*

The Company will host a live audio webcast presentation of the full year results today, 14 March 2018, at 09:30 GMT. This can be viewed on the Company’s website: [www.gemdiamonds.com](http://www.gemdiamonds.com)

**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.