

Half Year 2019 results

Thursday 5 September 2019

Gem Diamonds Limited (LSE: GEMD) ("Gem Diamonds", the "Company" or the "Group") announces its Half Year Results for the period ending 30 June 2019 (the "Period").

FINANCIAL RESULTS:

- Revenue US\$91.3 million (US\$167.7 million in H1 2018)
- Underlying EBITDA US\$25.3 million (US\$70.7 million in H1 2018)
- Attributable profit, from continuing operations US\$6.6 million (US\$26.8 million in H1 2018)
- Basic earnings per share 4.8 US cents from continuing operations (19.4 US cents in H1 2018)
- Cash on hand US\$25.8 million
- Available loan facilities of US\$61.5 million
- Ghaghoo care and maintenance costs of US\$2.4 million reported as loss from discontinued operation
- Adopted IFRS 16 - Leases

OPERATIONAL RESULTS:

Letšeng

- Sold a 13.32 carat pink diamond for US\$8.8 million, achieving a record price of US\$656 934 per carat
- Recovered 3 diamonds greater than 100 carats
- Implemented inter-ramp pit slope steepening, resulting in a lower LoM strip ratio
- Average price of US\$1 697 per carat achieved
- Reported one fatality and two lost time injuries

Business Transformation

- US\$42 million has been realised net of implementation costs and fees in the first 18-months of the 4-year Business Transformation programme
- US\$ 100 million in incremental revenue, productivity improvements and cost savings to end 2021 is on track

Technology and Innovation

- Construction of the 'detecting diamonds within kimberlite' pilot plant at Letšeng was completed with commissioning and ramp-up planned for latter part of Q3 2019

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

"Letšeng achieved US\$ 1 697 per carat for the Period with the sale of the 13.32 carat pink diamond achieving a Letšeng record of US\$ 656 934 per carat, reaffirming the unique quality of Letšeng's diamond production. The prices achieved for the Period are 10% up from the prices achieved in the preceding 6-month period, notwithstanding the planned limited contribution from the Satellite pipe ore and current diamond market conditions.

The Group has successfully implemented the business transformation programme, already achieving US\$42 million net of fees, and is on track to deliver the planned US\$100 million in cost savings and efficiencies by 2021."

The Company will host a live audio webcast presentation of the half year results today, 5 September 2019, at 9:30 BST. This can be viewed on the Company's website: 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 is currently in the process of selling its 100% share 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.