



PetraDiamonds

23 January 2014

LSE: PDL

Petra Diamonds Limited
("Petra" or the "Company" or the "Group")

Trading Update for the Six Months ended 31 December 2013

Further Production and Revenue Growth

Petra Diamonds Limited announces the following trading update (unaudited) for the six months ended 31 December 2013 (the "Period", "H1 FY 2014" or "H1"), ahead of the publication of the Company's Interim Results for the Period on 20 February 2014.

HIGHLIGHTS

- Production up 31% to 1,635,716 carats (H1 FY 2013: 1,247,522 carats).
- Petra remains firmly on track to meet full year guidance of ca. 3.0 Mcts.
- Revenue up 19% to US\$185.5 million (H1 FY 2013: US\$156.3 million); strong H2 revenue expected due to the timing of Petra's diamond tenders (carat sales are weighted to H2) and the sale proceeds from the exceptional 29.6 carat blue diamond recovered at the Cullinan mine. The stone has the potential to yield a polished diamond of great value and importance and will be sold during H2 FY 2014.
- The market for rough diamonds has strengthened over recent months; Petra expects this firmer market to continue, with solid results expected from the Group's tenders in H2.
- Costs remain well controlled and in line with guidance; detail will be given in the Interim Results announcement.
- Capital expenditure ("Capex") of US\$85.3 million (H1 FY 2013: US\$92.1 million), in accordance with the roll out of the Group's expansion programmes; full year spend is on track to be in line with FY 2014 guidance.
- Net debt of US\$118.1 million (H1 FY 2013: US\$89.0 million), in line with expectations, and capital expansion plans remain fully funded; debt facilities undrawn and available to the Group at 31 December 2013 of US\$67.5 million (H1 FY 2013: US\$122.3 million).

H1 FY 2014 Sales, Production and Capex – Summary

| | Unit | 6 months to 31 Dec 2013 ("H1 FY 2014") | 6 months to 31 Dec 2012 ("H1 FY 2013") | Variance | 12 months to 30 Jun 2013 ("FY 2013") |
|------------------------------|---------------|--|--|-------------|--|
| Sales | | | | | |
| Revenue | US\$M | 185.5 | 156.3 | +19% | 402.7 |
| Diamonds sold | Carats | 1,417,694 | 1,066,662 | +33% | 2,539,844 |
| Production | | | | | |
| ROM diamonds | Carats | 1,140,479 | 995,521 | +15% | 2,038,115 |
| Tailings & alluvial diamonds | Carats | 495,237 | 252,001 | +97% | 630,190 |
| Total diamonds | Carats | 1,635,716 | 1,247,522 | +31% | 2,668,305 |

| Capex | | | | | |
|-----------------------------|--------------|-------------|-------------|------------|--------------|
| Expansion | US\$m | 69.0 | 61.6 | n/a | 126.3 |
| Sustaining | US\$m | 11.6 | 22.5 | n/a | 52.6 |
| Borrowing costs capitalised | US\$m | 4.7 | 8.0 | n/a | 12.3 |
| Total | US\$m | 85.3 | 92.1 | n/a | 191.2 |

Note:

1. For mine by mine sales, production and Capex data please refer to the appendix to this announcement.

Johan Dippenaar, Chief Executive Officer, commented:

“Petra has delivered a strong first half of the 2014 financial year, with production firmly on track to meet our original full year guidance of 3 million carats. The rough diamond market has also strengthened over recent months and we expect this firmer market to continue into H2, when the larger part of our diamond sales for the year take place.

Increased production and associated cashflows place the Group in a robust position as we continue to deliver on our growth plans to achieve 5 million carats annual production by FY 2019.”

CONFERENCE CALL

Petra’s Chief Executive Officer, Johan Dippenaar, and Finance Director, David Abery, will host a conference call at 9:30am GMT on 23 January 2014 to discuss the Trading Update with investors and analysts. Participants may join the call by dialling one of the following three numbers shortly before the call:

From the UK (toll free): 0808 237 0030
 From South Africa (toll free): 0800 222 290
 From the rest of the world: +44 203 139 4830
 Participant passcode: 23218249#

A replay of the conference call will be available on the following numbers from 12:00pm GMT on 23 January 2014:

From the UK (toll free): 0808 237 0026
 From South Africa and the rest of the world: +44 (0) 20 3426 2807
 Participant passcode: 645001#

COMMENTARY

Production

- H1 production increased 31% to 1,635,716 carats (H1 FY 2013: 1,247,522 carats), primarily due to increased production at Finsch and the continued ramp-up of tailings production at Cullinan.
- This strong H1 FY 2014 production rate was achieved despite the previously announced Q1 labour action and work stoppages. The labour situation at Petra’s South African operations has normalised since the end of the industrial action.
- The Company remains firmly on track to meet FY 2014 production guidance of ca. 3.0 Mcts.

- It should be noted that, due to the mature nature and therefore dilution of the current mining areas, volatility in run-of-mine (“ROM”) grades, specifically at Finsch and Cullinan, will remain a challenge until such time as new mining areas have been accessed to deliver undiluted ore to the production profile from FY 2015 onwards.
- Finsch was the only South African operation unaffected by the previously reported industrial action during August / September 2013. Finsch’s carat production increased by 52% to 974,431 carats (H1 FY 2013: 642,654 carats), mainly due to the plant changes (lowering the cut-off) towards the end of FY 2013. These plant adjustments resulted in increased grades with finer overall diamond size frequency and a subsequent reduction in the average value per carat, though more than offset by the higher recovered grades. Importantly, Finsch overall revenues and the contained revenue per tonne have benefitted (estimated by ca. 10%) as a result of these changes.
- Although reported grades at Finsch for the Period are 37.6 cpht for ROM and 31.0 cpht for tailings respectively, these are theoretical allocations due to the use of a common treatment plant. The Company’s guidance for H2 FY 2014 is ca. 37.0 cpht for ROM and 23 cpht for tailings.
- Cullinan’s diamond production increased 13% year on year, delivering 461,338 carats (H1 FY 2013: 408,764 carats) mainly due to increased tailings production and the successful implementation of initiatives to make up the lost production following the work stoppages in Q1. The slower than anticipated ramp-up of the tailings plant did however result in H1 tailings throughput falling short of management’s expectations, although this was partially offset by the improved grades achieved.
- Koffiefontein’s output was also affected by the reported work stoppages. However, the treatment of recovery tailings both during and since the strike period largely negated the impact of the strikes. Increased tonnages mined resulted in a 48% increase in ROM production to 9,158 carats in H1 (H1 FY 2013: 6,194 carats) while the Ebenhaezer pit, supplemented by recovery tailings, delivered 18,843 carats (H1 FY 2013: 12,335 carats).
- Despite the work stoppages, Kimberley Underground’s production increased 7% on the comparative period to 63,436 carats (H1 FY 2013: 59,304 carats) due to the continued ramp up of the mine. Final plant changes are currently being implemented in order to aim to deliver Kimberley Underground’s guided throughput for the remainder of FY 2014.
- Williamson’s diamond production increased 8% to 86,309 carats (H1 FY 2013: 79,910 carats); H1 results were impacted by the planned downtime to effect certain changes to the treatment plant, but full year production is expected to be in line with guidance.
- Helam’s production decreased 24% to 21,061 carats (H1 FY 2013: 27,831 carats). Output at Helam was impacted more by the industrial action, due to it being a more labour intensive mine.

Diamond Market and Sales

- Although the rough diamond market was weak during Q1 FY 2014, the market firmed up towards the end of the Period.
- Further to solid seasonal sales, indicators of increasing global economic confidence and cautiously optimistic feedback from the Group’s client base, there is a positive basis for restocking within the pipeline. Petra therefore expects these firm market conditions to continue into H2 FY 2014 and anticipates solid results from its H2 tenders. Longer term, a positive outlook for the diamond market is supported by the continued economic recovery in the US and growth in demand from emerging markets.
- Revenue for H1 FY 2014 was up 19% to US\$185.5 million (H1 FY 2013: US\$156.3 million).

- Carats sold were up 33% to 1,417,694 carats (H1 FY 2013: 1,066,662); carat sales were lower than carats produced due to the seasonal timing of Petra's tenders. As usual, Petra held three tenders in H1 (equating to five months production) and will hold four tenders in H2 (equating to seven months production).
- During H1 FY 2014, five stones exceeding US\$1 million each by value were sold yielding a total of US\$15.5 million in sales revenues (H1 FY 2013: five stones exceeding US\$1 million each sold for a total of US\$8.0 million). This included the 126.4 carat stone from Cullinan that was sold for US\$8.5 million in the December tender.
- Prices achieved for H1 FY 2014 were largely in line with Petra's guidance for FY 2014, as demonstrated in the table below. The variations at Finsch are due to the plant cut-off change, with an increase in fine diamonds (but importantly increased revenue per tonne) and at Koffiefontein due to the effect of higher volumes of lower value recovery tailings.

| Mine | Average¹ (US\$/ct) H1 FY 2014 | Management guidance (US\$/ct) FY 2014 |
|-------------------------|---|--|
| Finsch | 96 | 100 ² |
| Cullinan | 150 ³ | 139 |
| Koffiefontein | 451 | 518 |
| Kimberley Underground | 297 | 301 |
| Helam | 155 | 145 |
| Williamson ⁴ | 256 | 254 |

Notes:

1. Unless stated, the average values above include all sales; i.e. ROM, tailings, other (e.g. Ebenhaezer satellite pipe) and special stones.
2. FY 2014 price guidance for Finsch has been adjusted from US\$113/carat to US\$100/carat due to the plant cut-off changes, with revenue per tonne improvements noted in this announcement.
3. Cullinan's H1 average value included the 126.4 carat diamond that sold for US\$8.5 million; excluding this stone, the average value was US\$129/ct.
4. Williamson sales results are ROM only.

Expansion projects and Capex

- The Group's expansion projects at Finsch, Cullinan and Koffiefontein continue to progress well. The development of the declines at Finsch and the shaft deepening and underground development at Cullinan are key deliverables at these major projects and continue to progress in line with expectations. Further detail on expansion project developments will be included in the Interim Results.
- Capex (excluding financing costs, as per guidance) for H1 FY 2014 was US\$80.6 million (H1 FY 2013: US\$84.1 million), split as to US\$69.0 million on expansion Capex (H1 FY 2013: US\$61.6 million) and US\$11.6 million on sustaining Capex (H1 FY 2013: US\$22.5 million).
- H1 Capex was in line with guidance and management's expectations and Capex procurement and spend against the expansion project plans remains on track.
- US\$4.7 million (H1 FY 2013: US\$8.0 million) of capitalised borrowing costs related to Capex funding is included in the applicable mine by mine tables in the appendix to this announcement.

Financial

- Cash at bank⁴ at 31 December 2013 of US\$27.5 million (31 December 2012: US\$38.2 million) and diamond inventories at 31 December 2013 of ca. US\$49.1 million (31 December 2012: ca. US\$45.4 million).
- Loans and borrowings at 31 December 2013: US\$145.6 million (31 December 2012: US\$127.2 million), comprising bank loans and borrowings of US\$136.8 million (31 December 2012: US\$124.2 million) and US\$8.8 million (31 December 2012: US\$3.0 million) utilisation of foreign exchange settlement lines; facilities undrawn and available to the Group at 31 December 2013 of US\$67.5 million (31 December 2012: US\$122.3 million).
- Net debt at 31 December 2013 of US\$118.1 million (31 December 2012: US\$89.0 million) (including foreign exchange settlement lines as noted above); in line with management's plans. The Company's capital expansion programmes remain fully funded from treasury, bank facilities and cashflows. Headroom improved during the course of H1 in line with the stronger production and weaker ZAR; expected H2 production and sale proceeds from the exceptional 29.6 carat blue diamond, announced on 21 January 2014, will further increase this funding headroom.

Health and Safety

- It is with regret that the Company reports an accident which occurred at the Cullinan mine on Friday 17 January 2014 and which led to the passing away of one Petra employee on Sunday 19 January 2014. The deceased was one of three employees working on surface in an electricity substation when an electrical flash occurred on the High Tension Breaker. One of the other employees is still hospitalised, in a critical but stable condition, and the third employee has been discharged. An investigation into this accident is currently underway in conjunction with the Department of Mineral Resources and the relevant trade unions.
- Petra and its management express their sincere condolences to the family and friends of the deceased and injured employees.
- The health and safety of all employees is of the utmost importance to the Company and Petra will relentlessly continue to take whatever action is required in pursuit of a zero harm environment.
- Group lost time injury rate ("LTIFR") for H1 FY 2014 of 0.28 was an improvement on the 0.53 for H1 FY 2013 (the comparative number has been adjusted further to the more labour-intensive Star and Sedibeng mines being placed on care and maintenance in FY 2014). The LTIFR for H1 FY 2013 before adjustment was 0.84.

Notes:

1. The following exchange rates have been used for this announcement: average rate for the Period US\$1:ZAR10.0709 (H1 FY2013: US\$1:ZAR8.4593); closing rate as at 31 December 2013 US\$1: R10.4470 (31 December 2012: US\$1:ZAR8.4512).
2. The following definitions have been used in this announcement:
 - a. ct: carat
 - b. cpht: carats per hundred tonnes
 - c. Mcts: million carats
 - d. ROM: run-of-mine
3. Diamond inventory carrying values are stated at the lower of cost of production on the weighted average basis or estimated net realisable value.
4. Cash at bank comprises unrestricted cash and restricted cash balances of US\$15.2 million and US\$12.3 million (rehabilitation deposits) respectively (H1 FY 2013: US\$23.3 million and US\$14.9 million (rehabilitation deposits)).

~ Ends ~

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and an increasingly important supplier of rough diamonds to the international market. The Company has interests in six producing mines: five in South Africa (Finsch, Cullinan, Koffiefontein, Kimberley Underground and Helam) and one in Tanzania (Williamson). It also maintains an exploration programme in Botswana.

Petra offers an exceptional growth profile, with a core objective to steadily increase annual production to 5 million carats by FY 2019. The Group has a major resource base in excess of 300 million carats.

Petra conducts all operations according to the highest ethical standards and will only operate in countries which are members of the Kimberley Process. Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL' and is a member of the FTSE 250.

For more information, visit the Company's website at www.petradiamonds.com.

APPENDIX – MINE BY MINE PRODUCTION TABLES

Finsch – South Africa

| | Unit | H1 FY 2014 | H1 FY 2013 | Variance | FY 2013 |
|-----------------------------|--------|------------|------------|----------|-----------|
| Sales | | | | | |
| Revenue | US\$M | 83.2 | 65.9 | +26% | 160.6 |
| Diamonds sold | Carats | 863,319 | 540,728 | +60% | 1,336,418 |
| Average price per carat | US\$ | 96 | 122 | -21% | 120 |
| ROM Production | | | | | |
| Tonnes treated | Tonnes | 1,505,356 | 1,387,067 | +9% | 2,609,935 |
| Diamonds produced | Carats | 565,334 | 434,726 | +30% | 890,360 |
| Grade | Cpht | 37.6 | 31.3 | +20% | 34.1 |
| Tailings Production | | | | | |
| Tonnes treated | Tonnes | 1,320,796 | 1,247,190 | +6% | 2,600,611 |
| Diamonds produced | Carats | 409,097 | 207,928 | +97% | 522,106 |
| Grade | Cpht | 31.0 | 16.7 | +86% | 20.1 |
| Total Production | | | | | |
| Tonnes treated | Tonnes | 2,826,152 | 2,634,257 | +7% | 5,210,546 |
| Diamonds produced | Carats | 974,431 | 642,654 | +52% | 1,412,465 |
| Capex | | | | | |
| Expansion Capex | US\$M | 19.9 | 12.5 | n/a | 33.5 |
| Sustaining Capex | US\$M | 2.5 | 6.0 | n/a | 10.6 |
| Borrowing costs capitalised | US\$M | 2.3 | 2.3 | n/a | 4.5 |
| Total Capex | US\$M | 24.7 | 20.8 | n/a | 48.6 |

Cullinan – South Africa

| | Unit | H1 FY 2014 | H1 FY 2013 | Variance | FY 2013 |
|----------------------------|--------|------------|------------|----------|-----------|
| Sales | | | | | |
| Revenue | US\$M | 61.3 | 48.7 | +26% | 133.0 |
| Diamonds sold | Carats | 409,117 | 363,833 | +12% | 816,611 |
| Average price per carat | US\$ | 150 | 134 | +12% | 163 |
| ROM Production | | | | | |
| Tonnes treated | Tonnes | 1,291,208 | 1,282,009 | +1% | 2,595,004 |
| Diamonds produced | Carats | 399,819 | 384,146 | +4% | 795,370 |
| Grade | Cpht | 31.0 | 30.0 | +3% | 30.7 |
| Tailings Production | | | | | |
| Tonnes treated | Tonnes | 1,020,252 | 568,929 | +79% | 1,485,889 |
| Diamonds produced | Carats | 61,519 | 24,618 | +150% | 73,605 |
| Grade | Cpht | 6.0 | 4.3 | +40% | 5.0 |

| | | | | | |
|-----------------------------|--------|-----------|-----------|------|-----------|
| Total Production | | | | | |
| Tonnes treated | Tonnes | 2,311,460 | 1,850,938 | +25% | 4,080,893 |
| Diamonds produced | Carats | 461,338 | 408,764 | +13% | 868,975 |
| Capex | | | | | |
| Expansion Capex | US\$M | 30.1 | 33.6 | n/a | 64.0 |
| Sustaining Capex | US\$M | 4.7 | 5.3 | n/a | 17.2 |
| Borrowing costs capitalised | US\$M | 2.4 | 5.7 | n/a | 7.8 |
| Total Capex | US\$M | 37.2 | 44.6 | n/a | 89.0 |

Koffiefontein – South Africa

| | Unit | H1 FY 2014 | H1 FY 2013 | Variance | FY 2013 |
|---|--------|------------|------------|----------|-----------|
| Sales | | | | | |
| Revenue | US\$M | 8.1 | 7.3 | +11% | 16.6 |
| Diamonds sold | Carats | 18,058 | 16,800 | +7% | 35,168 |
| Average price per carat | US\$ | 451 | 435 | +4% | 471 |
| ROM Production | | | | | |
| Tonnes treated | Tonnes | 122,872 | 89,710 | +37% | 239,161 |
| Diamonds produced | Carats | 9,158 | 6,194 | +48% | 14,365 |
| Grade | Cpht | 7.5 | 6.9 | +9% | 6.0 |
| Tailings / Ebenhaezer Production | | | | | |
| Tonnes treated | Tonnes | 279,662 | 698,800 | -60% | 1,242,360 |
| Diamonds produced | Carats | 18,843 | 12,335 | +53% | 20,444 |
| Grade | Cpht | 6.7 | 1.8 | +272% | 1.6 |
| Total Production | | | | | |
| Tonnes treated | Tonnes | 402,534 | 788,510 | -49% | 1,481,521 |
| Diamonds produced | Carats | 28,001 | 18,529 | +51% | 34,800 |
| Capex | | | | | |
| Expansion Capex | US\$M | 5.0 | 5.3 | n/a | 10.9 |
| Sustaining Capex | US\$M | 1.0 | 4.8 | n/a | 9.5 |
| Total Capex | US\$M | 6.0 | 10.1 | n/a | 20.4 |

Kimberley Underground – South Africa

| | Unit | H1 FY 2014 | H1 FY 2013 | Variance | FY 2013 |
|-----------------------------------|--------|------------|------------|----------|---------|
| Sales | | | | | |
| Revenue | US\$M | 16.1 | 11.9 | +35% | 33.4 |
| Diamonds sold | Carats | 54,055 | 45,776 | +18% | 113,383 |
| Average price per carat | US\$ | 297 | 260 | +14% | 295 |
| Total Production (all ROM) | | | | | |
| Tonnes treated | Tonnes | 409,651 | 424,054 | -3% | 804,725 |
| Diamonds produced | Carats | 63,436 | 59,304 | +7% | 115,400 |
| Grade | Cpht | 15.5 | 14.0 | +11% | 14.3 |

| Capex | | | | | |
|------------------|-------|-----|------|-----|------|
| Expansion Capex | US\$M | 2.3 | 13.7 | n/a | 17.6 |
| Sustaining Capex | US\$M | 1.0 | 2.7 | n/a | 4.0 |
| Total Capex | US\$M | 3.3 | 16.4 | n/a | 21.6 |

Williamson – Tanzania

| | Unit | H1 FY 2014 | H1 FY 2013 | Variance | FY 2013 |
|-----------------------------|--------|------------|------------|----------|-----------|
| Sales | | | | | |
| Revenue | US\$M | 12.9 | 17.9 | -28% | 41.9 |
| Diamonds sold | Carats | 50,778 | 72,172 | -30% | 165,324 |
| Average price per carat | US\$ | 254 | 248 | +2% | 254 |
| ROM Production | | | | | |
| Tonnes treated | Tonnes | 1,537,417 | 1,282,459 | +20% | 2,730,133 |
| Diamonds produced | Carats | 80,531 | 72,790 | +11% | 150,342 |
| Grade | Cpht | 5.2 | 5.7 | -9% | 5.5 |
| Alluvial Production | | | | | |
| Tonnes treated | Tonnes | 211,448 | 182,515 | +16% | 385,186 |
| Diamonds produced | Carats | 5,778 | 7,120 | -19% | 14,035 |
| Grade | Cpht | 2.7 | 3.9 | -31% | 3.6 |
| Total Production | | | | | |
| Tonnes treated | Tonnes | 1,748,865 | 1,464,974 | +19% | 3,115,319 |
| Diamonds produced | Carats | 86,309 | 79,910 | +8% | 164,376 |
| Capex | | | | | |
| Expansion Capex | US\$M | 3.3 | 3.7 | n/a | 8.4 |
| Sustaining Capex | US\$M | 1.5 | 1.0 | n/a | 3.3 |
| Borrowing costs capitalised | US\$M | - | - | n/a | - |
| Total Capex | US\$M | 4.8 | 4.7 | n/a | 11.7 |

Helam – South Africa

| | Unit | H1 FY 2014 | H1 FY 2013 | Variance | FY 2013 |
|-------------------------|--------|------------|------------|----------|---------|
| Sales | | | | | |
| Revenue | US\$M | 3.0 | 2.7 | +11% | 7.3 |
| Diamonds sold | Carats | 19,492 | 20,987 | -7% | 52,350 |
| Average price per carat | US\$ | 155 | 127 | +22% | 140 |
| Total Production | | | | | |
| Tonnes treated | Tonnes | 36,590 | 44,316 | -17% | 77,358 |
| Diamonds produced | Carats | 21,061 | 27,831 | -24% | 52,011 |
| Grade | Cpht | 57.6 | 62.8 | -8% | 67.2 |
| Capex | | | | | |
| Expansion Capex | US\$M | - | - | n/a | - |
| Sustaining Capex | US\$M | 0.3 | 1.7 | n/a | 2.1 |
| Total Capex | US\$M | 0.3 | 1.7 | n/a | 2.1 |

Star and Sedibeng mines (care and maintenance) – South Africa

| | Unit | H1 FY 2014 | H1 FY 2013 | Variance | FY 2013 |
|-------------------------|--------|------------|------------|----------|---------|
| Sales | | | | | |
| Revenue | USM\$ | 0.9 | 2.0 | -55% | 9.8 |
| Diamonds sold | Carats | 2,875 | 6,366 | -55% | 20,591 |
| Average price per carat | US\$ | 309 | 307 | +1% | 475 |
| Total Production | | | | | |
| Tonnes treated | Tonnes | 4,701 | 46,388 | -90% | 83,220 |
| Diamonds produced | Carats | 1,140 | 10,530 | -89% | 20,276 |
| Grade | Cpht | 24.3 | 22.7 | +7% | 24.4 |
| Capex | | | | | |
| Expansion Capex | USM\$ | - | - | n/a | - |
| Sustaining Capex | USM\$ | - | 0.3 | n/a | 0.5 |
| Total Capex | USM\$ | - | 0.3 | n/a | 0.5 |

Capex reconciliation

| Capex | | H1 FY 2014 | H1 FY 2013 | FY 2013 |
|--|-------|-------------|-------------|--------------|
| Finsch | US\$M | 24.7 | 20.8 | 48.6 |
| Cullinan | US\$M | 37.2 | 44.6 | 89.0 |
| Koffiefontein | US\$M | 6.0 | 10.1 | 20.4 |
| Kimberley Underground | US\$M | 3.3 | 16.4 | 21.6 |
| Williamson | US\$M | 4.8 | 4.7 | 11.7 |
| Fissures | US\$M | 0.3 | 2.0 | 2.6 |
| Subtotal – Capex charged to operations | US\$M | 76.3 | 98.5 | 193.9 |
| Petra internal projects division – Capex under construction / invoiced to operations | US\$M | 8.4 | (7.0) | (8.1) |
| Corporate / exploration | US\$M | 0.6 | 0.6 | 5.4 |
| Total Group Capex | US\$M | 85.3 | 92.1 | 191.2 |

Notes:

- Petra operates an internal projects / construction division and although this division's spend is reported in the Group's total Capex, it is policy not to account for it on a specific mine's Capex until the project is completed and delivered. During the Period, Petra internal projects invoiced US\$0.9 million (H1 FY 2013: US\$22.5 million) to operations and incurred US\$9.3 million (H1 FY 2013: US\$15.5 million) on further project spend.
- Capex for the Period includes US\$4.7 million (H1 FY 2013: US\$8.0 million) of capitalised borrowing costs, which are also included in the applicable mine by mine tables above.
- Petra's annual Capex guidance is cash based and excluded capitalised borrowing costs. Given that the majority of Petra's debt funding is in relation to its expansion and development programmes, Petra's guidance is to assume that the majority of interest and financing fees will be capitalised and not expensed through the income statement.