19 February 2015 **LSE: PDL**

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

Interim results for the six months to 31 December 2014

Petra Diamonds Limited announces its interim results (unaudited) for the six months to 31 December 2014 ("the Period" or "H1 FY 2015" or "H1").

HIGHLIGHTS

Financial

- Revenue up 16% to US$214.8 million (H1 FY 2014: US$184.6 million).
- Adjusted EBITDA[4] up 22% to US$84.9 million (H1 FY 2014: US$69.4 million).
- Adjusted net profit after tax[5] up 37% to US$42.8 million (H1 FY 2014: US$31.3 million).
- Net profit after tax up 38% to US$39.1 million (H1 FY 2014: US$28.4 million).
- Adjusted operating cashflow[6] up 162% to US$50.4 million (H1 FY 2014: US$19.2 million).
- Adjusted EPS[5] up 26% to 6.66 US$ cents (H1 FY 2014: 5.28 US$ cents).
- Basic EPS up 26% to 5.94 US$ cents (H1 FY 2014: 4.70 US$ cents).
- Completed re-financing of US$98 million Black Economic Empowerment ("BEE") loans.
- Net debt down 58% to US$45.8 million (H1 FY 2014: US$108.8 million).

Operations

- Production down 2% to 1,601,069 carats (H1 FY 2014: 1,634,576 carats).
- Costs remain well controlled; the weaker Rand had a positive effect on Petra's operating costs in US Dollar terms.
- Capex of US$125.2 million (H1 FY 2014: US$85.3 million) including capitalised borrowing costs, in accordance with the roll out of the Group's expansion programmes.
- Safety: Group LTIFR of 0.28 (H1 FY 2014: 0.28), demonstrating strong focus on this area.

Outlook

- Full year production guidance increased from ca. 3.2 Mcts to ca. 3.3 Mcts.
- Revenue weighted to H2 due to the seasonal timing of Petra tenders.
- Softer rough diamond market conditions experienced in H1, however the Company's first tender of H2 FY 2015 saw good levels of interest and slightly firmer market conditions.
- Progressive dividend policy adopted; maiden dividend of 2.0p per share to be paid for the full 2015 financial year.

Johan Dippenaar, CEO of Petra, commented:
"Petra has achieved strong first half results, further to the continued delivery of our growth strategy. Our expansion programmes are on track at all operations, and production is expected to grow to ca. 3.3 million carats for FY 2015 and to ca. 5 million carats by FY 2019.

"While the diamond market remains under pressure, there are encouraging signs that we are seeing a stabilisation in market conditions, as evidenced by good demand levels at our first tender in H2 FY 2015. Our continued growth trajectory and robust financial position places Petra in a good position to capitalise on the attractive medium- to long-term fundamentals for our industry."

Analyst presentation and webcast
A presentation for analysts will be held at 9:30am GMT on 19 February 2015 at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. A live webcast of the analyst presentation will be available on Petra's website at www.petradiamonds.com and on the following link: http://www.axisto-live.com/investis/clients/petra-diamonds/presentations/54b39cb2e577b0040b0a7913/interim-results-2015.

A recording of the webcast will be available from 1:00pm GMT on 19 February 2015 on the website and on the same link.

SUMMARY OF RESULTS (unaudited)

	6 months to 31 December 2014 ("H1 FY 2015") US$ million	6 months to 31 December 2013 ("H1 FY 2014") (restated)[1] US$ million	Year ended 30 June 2014 ("FY 2014") US$ million
Revenue	214.8	184.6	471.8
Adjusted mining and processing costs[2]	(122.9)	(109.7)	(277.4)
Other direct income	1.0	2.1	6.7
Profit from mining activity[3]	**92.9**	**77.0**	**201.1**
Exploration expense	(2.4)	(1.4)	(2.8)
Corporate overhead	(5.6)	(6.2)	(10.6)
Adjusted EBITDA[4]	**84.9**	**69.4**	**187.7**
Depreciation	(19.6)	(21.0)	(41.7)
Share-based expense	(2.8)	(2.4)	(4.2)
Net finance expense	(0.2)	(0.9)	(7.1)
Tax expense	(19.5)	(13.8)	(41.0)
Adjusted net profit after tax[5]	**42.8**	**31.3**	**93.7**
Impairment charges	-	-	(13.9)
Net unrealised foreign exchange (losses) / gains	(3.7)	0.9	3.6
Loss on discontinued operations, net of tax[1]	-	(3.8)	(15.9)
Net profit after tax	**39.1**	**28.4**	**67.5**
Earnings per share attributable to equity holders of the Company – US$ cents			
Basic – from continuing and discontinued operations	**5.94**	4.70	9.69
Basic – from continuing operations	**5.94**	5.45	12.80
Adjusted basic from continuing operations[5]	**6.66**	5.28	14.82

	As at 31 December 2014 (US$ million)	As at 31 December 2013 (US$ million)	As at 30 June 2014 (US$ million)
Cash at bank (including restricted amounts)	129.6	28.0	34.0
Diamond debtors	-	0.8	55.4
Diamond inventories	43.6	49.4	27.0
Loans and borrowings (excluding foreign exchange settlement lines)	175.4	136.8	158.9
Net debt	45.8	108.8	124.9
Adjusted operating cashflow[6]	50.4	19.2	181.2

Notes:
The Group uses several non-GAAP measures above and throughout this report, including adjusted mining and processing costs, profit from mining activities, adjusted EBITDA, adjusted net profit after tax, adjusted earnings per share and adjusted operating cashflow. As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Company's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

1. Petra's H1 FY 2014 interim results have been amended to reflect the results of the Sedibeng JV and Star operations within loss on discontinued operations as per the requirements of IFRS 5, and in line with the same treatment applied in the results for the year ended 30 June 2014; (refer to note 8).
2. Adjusted mining and processing costs are mining and processing costs stated before depreciation and share-based expense.
3. Profit from mining activities is revenue less adjusted mining and processing costs plus other direct income.
4. Adjusted EBITDA is stated before share-based expense, impairment charges, net unrealised foreign exchange gains and losses, and loss on discontinued operations.
5. Adjusted net profit after tax and adjusted (basic) earnings per share are stated before impairment charges, net unrealised foreign exchange gains and losses and loss on discontinued operations.
6. Adjusted operating cashflow is operating cashflow adjusted for the cash effect of the movement in diamond debtors between each financial year end, excluding unrealised foreign exchange translation movements.

For further information, please contact:

Petra Diamonds, London	Telephone: +44 20 7494 8203
Cathy Malins	cathy.malins@petradiamonds.com
Cornelia Grant	cornelia.grant@petradiamonds.com
Buchanan	Telephone: +44 20 7466 5000
(PR Adviser)	
Bobby Morse	bobbym@buchanan.uk.com
Anna Michniewicz	annam@buchanan.uk.com
RBC Capital Markets	Telephone: +44 20 7653 4000
(Joint Broker)	
Matthew Coakes	matthew.coakes@rbccm.com
Jonathan Hardy	jonathan.hardy@rbccm.com
Barclays	Telephone: +44 20 7623 2323
(Joint Broker)	
Bertie Whitehead	bertie.whitehead@barclays.com
Marcus Jackson	marcus.jackson@barclays.com

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 five producing mines: four in South Africa (Finsch, Cullinan, Koffiefontein and Kimberley Underground) 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

CEO'S REVIEW

Petra has delivered a solid set of financial results for the Period, with revenue up 16% to US$214.8 million, profit from mining activity up 21% to US$92.9 million, adjusted EBITDA up 22% to US$84.9 million, net profit up 38% to US$39.1 million and adjusted operating cashflow up 162% to US$50.4 million.

Production for the Period decreased 2% to 1.6 million carats, with increased ROM production at Finsch, Koffiefontein, Kimberley Underground and Williamson, offset by reduced ROM production at Cullinan and lower tailings production at Finsch and Koffiefontein. Due to the strong contribution from Finsch, together with other production initiatives coming on line across the operations, Group production guidance was raised on 26 January 2015 by 100,000 carats to ca. 3.3 million carats for the full year.

As previously stated, FY 2015 is a transitionary period that marks the last financial year in which the Company is so reliant on production from the mature mining areas at Finsch and Cullinan. Given the production challenges of operating from these mature mining areas, it was a good achievement to meet overall production of 1.6 million carats for the Period. It is important to note that the Group's expansion programmes are set to start to deliver production from undiluted mining areas from the end of H2 FY 2015; this will build from FY 2016 onwards and is expected to substantially improve production grades which will lead to targeted production of ca. 5 million carats per annum by FY 2019. Our expansion projects remain on track.

Revenue for the period of US$214.8 million was boosted by the sale of two exceptional diamonds from the Cullinan mine: a 232 carat white diamond of excellent colour and clarity which sold for US$15.2 million and a 122 carat blue diamond which was sold into a beneficiation partnership agreement, with Petra receiving US$23.5 million for an 85% share in the stone, and retaining a 15% interest in the polished yield. The blue diamond is currently being cut and polished by our partner and is expected to produce several polished blue stones of significance. Petra will receive its 15% share in the proceeds, after beneficiation and related expenses, and we will update the market when appropriate.

The Group's LTIFR of 0.28 was consistent with that achieved in the comparative period, which remains a good accomplishment in terms of the underground mining industry. However we are always striving to achieve continuous improvement and this most important measure will continue to receive the greatest attention throughout all levels of our Group.

In light of the strong outlook for the Company and Petra's robust financial position, we have announced our intention to pay a maiden full year dividend of 2.0p, which is a major milestone in the development of our company.

DIAMOND MARKET

The rough diamond market exhibited its customary post summer softness during H1 FY 2015. Further pressure on prices was evident due to some short-term indigestion in the pipeline caused by issues relating to liquidity, polished inventory levels and the impact of the strong US Dollar on US Dollar denominated diamond prices. As announced in the Company's Trading Update on 26 January 2015, Petra estimates that diamond prices achieved by the Company on a like for like basis were down on average by 8 to 9% for the Period.

The Company's first tender of H2 FY 2015 has seen good levels of interest and slightly firmer market conditions. If this steady activity continues in the pipeline in the months to come, the Company expects firmer pricing towards the end of H2 FY 2015.

Due to the softness in the diamond market (and additional recovery of smaller diamonds at Finsch), actual prices achieved for certain mines for H1 FY 2015 were lower than Petra's original FY 2015 guidance and, as previously announced, the Company adjusted its diamond pricing guidance for H2 2015 and FY 2015 (set out in the table below).

Mine	Average price (US$/ct)[1] H1 FY 2015	Guidance (US$/ct) H2 FY 2015	Guidance (US$/ct) FY 2015
Finsch	85	93	90
Cullinan	247 (124 excluding exceptional diamonds)	135[2]	130[2]
Koffiefontein	389	620	556
Kimberley Underground	321	320	320
Williamson	352	305	325

Notes:

1. *All sales (both ROM and tailings) including exceptional diamonds were used to calculate the above average values.*
2. *Excludes guidance for exceptional diamonds.*

FINANCIAL RESULTS

Revenue

Revenue for H1 FY 2015 was up 16% to US$214.8 million (H1 FY 2014: US$184.6 million). Results for H1 include sales proceeds for two exceptional diamonds for combined revenue of US$38.7 million (H1 FY 2014: US$8.5 million).

Carats sold were down 1% to 1,401,575 carats (H1 FY 2014: 1,414,818). 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).

Adjusted mining and processing costs

Adjusted mining and processing costs remain well controlled across the Group, rising 12% in US Dollar terms being mainly due to the increase in tonnes treated. For the South African operations, absolute costs increased in Rand terms by approximately 12%, due to higher tonnes treated as well as the expected inflationary cost escalations with regards to labour and electricity. This Rand increase was offset by a circa 9% weakening of the ZAR against the US Dollar during the Period resulting in adjusted mining and processing costs for the South African operations in US Dollar terms increasing by only 2% versus H1 FY 2014.

Higher diamond sales (inventory release) and increased production related costs at Williamson contributed to the overall 12% increase in costs across the Group mining operations. Detail of the breakdown of mining and processing costs for the Period can be found at the following link: http://www.petradiamonds.com/investors/analysts/analyst-guidance.

Profit from mining activities
Profit from mining activities was up 21% to US$92.9 million (H1 FY 2014: US$77.0 million), reflecting higher revenues, offset by the modest rise in costs in US$ terms as noted above, which resulted in an increased profit margin from mining activity of 43.2% (H1 FY 2014: 41.7%).

Exploration
Petra incurred US$2.4 million on exploration expenditure during the Period (H1 FY 2014: US$1.4 million).

Corporate overhead – General and Administration
Corporate overhead of US$5.6 million for the Period (H1 FY 2014: US$6.2 million) remained well controlled and in line with the broader cost control procedures in place across the Group.

Adjusted EBITDA
Adjusted EBITDA, being profit from mining activities less exploration and corporate overhead, increased by 22% to US$84.9 million (H1 FY 2014: US$69.4 million), due to the increased profit from mining activities.

Depreciation
Depreciation of US$19.6 million (H1 FY 2014: US$21.0 million) is in line with guidance.

Net financial expense
Net financial expense of US$0.2 million (H1 FY 2014: US$0.9 million) is mainly comprised of:

- net interest receivable from the BEE partners' loans of US$0.2 million;
- a net foreign exchange gain of US$1.7 million on the settlement of inter-company loans and forward exchange contracts;
- interest received on bank deposits of US$0.4 million; offset by
- a charge for the unwinding of the present value adjustment for Group rehabilitation costs of US$1.2 million; and
- interest on the Group's debt and working capital facilities of US$1.3 million (stated after the capitalisation of interest of US$6.6 million associated with the funding of assets under development).

Net unrealised foreign exchange (losses) / gains
During the Period, the Group recorded net unrealised foreign exchange losses of US$3.7 million (H1 FY 2014: US$0.9 million gain), mainly arising due to unrealised foreign exchange movements on the retranslation of foreign subsidiary intercompany loans to US Dollars.

Tax charge
The tax charge of US$19.5 million (H1 FY 2014: US$13.8 million) arises due to deferred tax (net of charges and credits), reflecting the utilisation of certain capital allowances, predominantly at Finsch and Cullinan, during the Year.

Net profit
A net profit after tax of US$39.1 million was recorded for the Period (H1 FY 2014: US$28.4 million).

Earnings per share
Basic earnings per share of 5.94 US$ cents were recorded (H1 FY 2014: 4.70 US$ cents), in line with management's stated objectives of growing the Group's earnings as the Company delivers on its production growth plans.

Cash, diamond inventories, diamond debtors and net debt
Key financial disclosures are set out in the table below.

	Unit	31 December 2014	31 December 2013	30 June 2014
Period end exchange rate used for conversion		*R11.57/US$1*	*R10.45/US$1*	*R10.63/US$1*
Cash at bank (including restricted amounts)	US$M	129.6	28.0	34.0
Diamond inventories	US$M Carats	43.6 521,987	49.4 566,660	27.0 321,948
Diamond debtors	US$M	0.0	0.8	55.4
Bank loans and borrowings	US$M	175.4	136.8	158.9
BEE loans due to Petra[1]	US$M	29.4	85.3	89.2
Net debt	US$M	45.8	108.8	124.9
Bank facilities undrawn and available[2]	US$M	45.2	62.0	37.5

Note:

1. *Relating to the acquisition and financing of the expansions of the Koffiefontein and Kimberley Underground mines.*
2. *Excluding available foreign exchange settlement lines of US$21.7 million (H1 FY 2014: US$5.5 million).*

Cash
As at 31 December 2014 the Group had cash at bank of US$129.6 million (H1 FY 2014: US$28.0 million) and of these cash balances, US$117.7 million was held as unrestricted cash (H1 FY 2014: US$15.7 million), US$10.3 million was held by Petra's reinsurers as security deposits on the Group's cell captive insurance structure (with regards to the Group's environmental guarantees) (H1 FY 2014: US$10.6 million) and US$1.6 million was held by Petra's bankers as security for other environmental rehabilitation bonds lodged with the Department of Mineral Resources in South Africa (H1 FY 2014: US$1.7 million).

On 25 November 2014 Petra announced that the Company and its BEE partners at the Finsch and Cullinan mines (the "BEE Partners") had entered into agreements with Absa Corporate and Investment Banking ("Absa") and FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("RMB") to directly finance the BEE Partners in respect of the loans due to Petra of R1,078 million (ca. US$98 million) relating to the original acquisition of the BEE Partners' interests in Finsch and Cullinan.

The BEE Partners will repay Absa and RMB from their share of free cashflows from Finsch and Cullinan, meaning that the loans due by the BEE Partners to Petra have been settled some three to four years ahead of the previously planned repayment schedule

The refinancing transaction completed on 5 December 2014 and Petra applied the funds flowing from the refinancing to its Group treasury, further strengthening the Company's balance sheet.

Diamond inventories
As at 31 December 2014, the Group had diamond inventories of US$43.6 million (H1 FY 2014: US$49.4 million).

Loans and Borrowings
Bank loans and borrowings at 31 December 2014 were US$175.4 million (H1 FY 2014: US$136.8 million). Bank debt facilities undrawn and available to the Group at 31 December 2014 were US$45.2 million (H1 FY 2014: US$62.0 million).

As at 31 December 2014, US$12.8 million (H1 FY 2014: US$8.8 million) of foreign exchange (hedging) settlement lines were utilised, resulting in US$21.7 million (H1 FY 2014: US$5.5 million) of foreign exchange settlement lines available to the Group. The foreign exchange settlement lines support the Group's strategic hedging strategy.

Net debt at 31 December 2014 was US$45.8 million (H1 FY 2014: US$108.8 million), demonstrating the Group's robust financial position. The Company's capital expansion programmes remain fully funded from treasury, bank facilities and cashflows.

Other than trade and other payables of US$53.5 million (H1 FY 2014: US$48.0 million), the remaining liabilities on the balance sheet comprise provisions for rehabilitation liabilities, accounting for amounts owing due to the financing of the minorities in Finsch and Cullinan, employee related provisions and deferred tax.

Cashflow
Operating cashflow for the Period was US$104.9 million (H1 FY 2014: US$91.9 million), a healthy increase on the comparative period. Similarly adjusted operating cashflow (adjusted for the cash effect of the movement in diamond debtors between each period end, excluding unrealised foreign exchange translation movements) for the Period was US$50.4 million (H1 FY 2014: US$19.2 million).

Capex
H1 FY 2015 Capex was in line with management's expectations and Capex procurement and spend against the expansion project plans remain on track.

Capex for the Period was US$125.2 million (H1 FY 2014: US$85.3 million), split as to US$93.8 million on expansion Capex (H1 FY 2014: US$69.0 million), US$24.8 million on sustaining Capex (H1 FY 2014: US$11.6 million) and US$6.6 million (H1 FY 2014: US$4.7 million) of capitalised borrowing costs related to Capex funding, which is included in the applicable mine by mine tables in the Operational Review section.

H1 FY 2015 sustaining Capex increased due to one-off investments, most notably the acquisition of a bulk sampling plant at Finsch for US$5.7 million. This plant will assist with the sampling of various sources of ore around the mine, including oversize material of the Pre-79 tailings dumps, which is not suitable for treatment through the existing treatment plant, as well as certain overburden material identified for potential treatment.

Capex (US$M)	**H1 FY 2015**	**H1 FY 2014**	**FY 2014**
Finsch	39.5	24.7	67.8
Cullinan	54.0	37.2	93.1
Koffiefontein	13.5	6.0	30.7
Kimberley Underground	5.9	3.3	10.1
Williamson	5.9	4.8	8.9
Helam	0.4	0.3	1.0
Subtotal – Capex incurred by operations	119.2	76.3	211.6
Petra internal projects division – Capex under construction / invoiced to operations[1]	0.1	8.4	(2.5)
Administration / exploration / Group	5.9	0.6	2.1
Total Group Capex	**125.2**	**85.3**	**211.2**

Notes:
1. *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 invoiced. During the Period, Petra internal projects invoiced US$0.8 million (H1 FY 2014: US$0.9 million) to operations and incurred US$0.9 million (H1 FY 2014: US$9.3 million) on further project spend.*

2. *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.*

OPERATIONAL REVIEW

Combined operations:

	Unit	H1 FY 2015	H1 FY 2014[1]	Variance	FY 2014[1]
Sales					
Diamonds sold	Carats	1,401,575	1,414,818	-1%	3,131,830
Revenue	**US$M**	**214.8**	**184.6**	**+16%**	**471.8**
Production					
ROM diamonds	Carats	1,167,982	1,139,339	+3%	2,173,697
Tailings & other[2] diamonds	Carats	433,087	495,237	-13%	935,988
Total diamonds	**Carats**	**1,601,069**	**1,634,576**	**-2%**	**3,109,685**
Capex					
Expansion	US$M	93.8	69.0	+36%	155.0
Sustaining	US$M	24.8	11.6	+114%	46.5
Borrowing costs capitalised	US$M	6.6	4.7	+40%	9.7
Total	**US$M**	**125.2**	**85.3**	**+47%**	**211.2**

Notes:

1. *H1 FY 2014 and FY 2014 figures exclude the Star and Sedibeng fissure mines, as they were classified as assets held for sale / discontinued operations.*
2. *'Other' includes mining of the Ebenhaezer satellite kimberlite pipe at Koffiefontein and alluvial diamond mining at Williamson.*

Petra has increased FY 2015 production guidance from ca. 3.2 Mcts to ca. 3.3 Mcts and remains on track to reach its longer term target of ca. 5 Mcts by FY 2019.

Finsch – South Africa

	Unit	H1 FY 2015	H1 FY 2014	Variance	FY 2014
Sales					
Revenue	US$M	77.3	83.2	-7%	183.7
Diamonds sold	Carats	906,214	863,319	+5%	1,856,939
Average price per carat	US$	85	96	-11%	99
ROM Production					
Tonnes treated	Tonnes	1,530,455	1,505,356	+2%	2,910,195
Diamonds produced	Carats	651,068	565,334	+15%	1,109,022
Grade[1]	Cpht	42.5	37.6	+13%	38.1
Tailings Production					
Tonnes treated	Tonnes	1,216,244	1,320,796	-8%	2,668,278
Diamonds produced	Carats	362,049	409,097	-12%	776,138
Grade[1]	Cpht	29.8	31.0	-4%	29.1

Total Production					
Tonnes treated	Tonnes	2,746,699	2,826,152	-3%	5,578,473
Diamonds produced	Carats	1,013,117	974,431	+4%	1,885,160
Costs					
On-mine cash cost per total tonne treated	ZAR	160	143	+12%	146
Capex					
Expansion Capex	US$M	28.4	19.9	+43%	50.7
Sustaining Capex	US$M	8.1	2.5	+224%	12.3
Borrowing costs capitalised	US$M	3.0	2.3	+30%	4.8
Total Capex	US$M	39.5	24.7	+60%	67.8

Note:

1. *The Company is not able to precisely measure the ROM / tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades.*

Production:

Finsch performed well during H1 FY 2015, with overall carat production increasing by 4% to 1,013,117 carats (H1 FY 2014: 974,431 carats), driven by increased ROM grades.

Due to the increase in throughput and grades, the Company revised its guidance for H2 2015 to ROM tonnes of 1.5 Mt at a ROM grade of 42.5 cpht and revised its guidance for the tailings grade to ca. 29.0 cpht. This equates to an increase of ca. 200,000 carats for FY 2015 compared to previous guidance.

Sales:

As previously noted, the lower average value per carat achieved at Finsch of US$85 (H1 FY 2014: US$96) is due to the increased recovery of smaller diamonds further to the changes to the plant bottom-cut. The average price guidance for FY 2015 was lowered from US$108 to US$90.

Costs:

The on-mine unit cash cost per total tonne treated of R160 was in line with guidance of R157, and was up 12% from H1 FY 2014 (R143) mainly due to inflationary cost increases (labour and electricity).

Capex:

Capex of US$39.5 million for the Period (H1 FY 2014: US$24.7 million) was in line with guidance and the progression of the expansion project and associated underground development.

Development Programme:

Production is currently entirely from Block 4 on the 630 metre level ("mL"), which is a mature block that has been largely mined out, resulting in the ore being heavily diluted with waste rock. In order to provide earlier access to undiluted ore before the main Block 5 Cave is put in place, Petra will use the sub level cave ("SLC") mining method over four levels in Block 5 from 700 mL to 780 mL. The new Block 5 Cave will then be installed at 900 mL.

The development of the SLC made good progress during the Period, with a total of 2,777 waste development metres delivered (H1 FY 2014: 1,793 metres), 230 raiseboring metres (H1 FY 2014: 66 metres) and kimberlite development delivered 151 metres (H1 FY 2014: nil metres). The first level of the SLC is on track to deliver its first undiluted tonnes in H2 FY 2015.

As the mine's production profile gradually changes from diluted to undiluted ore, the ROM grade is expected to increase to ca. 46 cpht by FY 2016 and to ca. 58 cpht from FY 2017 onwards (up from previous guidance of 56 cpht, more accurately reflecting the impact of the plant changes).

Cullinan – South Africa

	Unit	H1 FY 2015	H1 FY 2014	Variance	FY 2014
Sales					
Revenue	US$M	77.7	61.3	+27%	162.8
Diamonds sold	Carats	314,957	409,117	-23%	881,343
Average price per carat	US$	247[1]	150	+65%	185[2]
ROM Production					
Tonnes treated	Tonnes	1,292,895	1,291,208	0%	2,546,383
Diamonds produced	Carats	333,770	399,819	-17%	706,728
Grade	Cpht	25.8	31.0	-17%	27.8
Tailings Production					
Tonnes treated	Tonnes	1,212,368	1,020,252	+19%	2,149,571
Diamonds produced	Carats	57,628	61,519	-6%	116,891
Grade	Cpht	4.8	6.0	-20%	5.4
Total Production					
Tonnes treated	Tonnes	2,505,263	2,311,460	+8%	4,695,954
Diamonds produced	Carats	391,398	461,338	-15%	823,619
Costs					
On-mine cash cost per total tonne treated	ZAR	152	147	+3%	154
Capex					
Expansion Capex	US$M	47.0	30.1	+56%	73.5
Sustaining Capex	US$M	3.4	4.7	-28%	14.7
Borrowing costs capitalised	US$M	3.6	2.4	+50%	4.9
Total Capex	US$M	54.0	37.2	+45%	93.1

Notes:
1. *Excluding exceptional diamonds, the average value for H1 FY 2015 was US$124 per carat.*
2. *Excluding exceptional diamonds, the average value for FY 2014 was US$146 per carat.*

Production:
Cullinan's diamond production decreased 15% to 391,398 carats (H1 FY 2014: 461,338 carats), due to the ROM grade of 25.8 cpht being lower than guidance of 27.4 cpht for H1. As previously reported, there are no separate waste handling facilities at the mine and therefore all development waste has to be treated through the main plant with the ROM production tonnages, which leads to plant treatment and final recovery overloads. In the short term this remains challenging given that the expansion programme is at an advanced stage, with a high level of development metres being achieved, thereby producing a significant amount of development waste material.

Petra expects ROM grade to gradually increase going forward, due to a declining volume of waste tonnes from development, a gradual increase of the initial undiluted tonnes, and the Company's initiatives to open up access to higher grade mining areas in H2. The ROM grade at Cullinan for H2 is guided at 27.2 cpht (previously 29.4 cpht), and H2 tailings throughput is guided at 1.3 Mt at a grade of ca. 5.0 cpht. Restated ROM and tailings guidance equates to a full year FY 2015 production decrease of ca. 100,000 carats compared to previous guidance.

Sales:
The average value per carat of US$247 was higher than guidance of US$152 further to the sale of two exceptional diamonds during the Period. Excluding exceptional diamonds, the average price was US$124 and therefore guidance for FY 2015 (excluding exceptional diamonds) was reduced to US$130.

Costs:
The on-mine unit cash cost per total tonne treated of R152 increased by 3% from H1 FY 2014 (R147). The cost per tonne was higher than guidance of R138 due to a reduction in planned tailings tonnes treated, being 11% below guidance. As noted in the 26 January 2015 Trading Update, Petra's strategy to mitigate the impact of the ongoing power issues in South Africa has been to reduce tailings production in accordance with Eskom's requests to reduce power usage, thereby ensuring that it can maintain the higher value underground production.

Absolute on mine cash costs of R381 million for the Period remained well controlled and in line with plans and it is only the reduction in tailings tonnages that has led to a higher unit cost.

Capex:
Capex of US$54.0 million (H1 FY 2014: US$37.2 million) was in line with guidance.

Development Programme:
Petra's expansion programme at the mine will establish a new block cave, known as C-Cut Phase 1, on the western side of the orebody in the upper portion of the major C-Cut resource and will take annual production to ca. 2.2 Mcts by FY 2019 (comprising 2.0 Mcts ROM and 0.2 Mcts tailings).

The shaft deepening and underground development at Cullinan continued to progress in line with expectations, with the C-Cut Phase 1 waste development yielding a total of 2,361 metres (H1 FY 2014: 2,710 metres), raiseboring delivering 389 metres (H1 FY 2014: 544 metres) and kimberlite development delivering 967 metres (H1 FY 2014: 2 metres).

Koffiefontein – South Africa

	Unit	H1 FY 2015	H1 FY 2014	Variance	FY 2014
Sales					
Revenue	US$M	7.1	8.1	-12%	26.7
Diamonds sold	Carats	18,215	18,058	+1%	49,250
Average price per carat	US$	389	451	-14%	542
ROM Production					
Tonnes treated	Tonnes	132,202	122,872	+8%	245,833
Diamonds produced	Carats	9,709	9,158	+6%	17,502
Grade	Cpht	7.3	7.5	-3%	7.1
Tailings / Ebenhaezer Production					
Tonnes treated	Tonnes	329,965	279,662	+18%	431,833
Diamonds produced	Carats	9,967	18,843	-47%	32,873
Grade	Cpht	3.0	6.7	-55%	7.6
Total Production					
Tonnes treated	Tonnes	462,167	402,534	+15%	677,666
Diamonds produced	Carats	19,676	28,001	-30%	50,375
Costs					
On-mine cash cost per total tonne treated	ZAR	263	231	+14%	293
Capex					
Expansion Capex	US$M	12.3	5.0	+146%	25.1
Sustaining Capex	US$M	1.2	1.0	+20%	5.6
Total Capex	US$M	13.5	6.0	+125%	30.7

Production:
ROM production at Koffiefontein increased by 6% to 9,709 carats (H1 FY 2014: 9,158 carats) as kimberlite development in the 560 mL SLC yielded the first undiluted ROM tonnes from this new production area. However, overall production decreased by 30% largely due to the scheduled depletion of recovery tailings treated in the comparative period. Full-scale SLC production has commenced and is on track to deliver circa 45,000 carats ROM production in H2.

Sales:
Koffiefontein's average value per carat of US$389 was lower than guidance of US$654 due to the lower contribution of ROM material than planned in H1 (ROM carats are valued at approximately three times as much as the carats from the Ebenhaezar satellite pipe), as well as the softer market. Guidance for FY 2015 was altered to US$556.

Costs:
The on-mine unit cash cost per total tonne treated of R263 increased by 14% from H1 FY 2014 (R231). The cost per tonne increased due the additional costs associated with increased ROM and Ebenhaezer tonnes treated in this Period, compared to the treatment of low-cost recovery tailings in H1 FY 2014. Production throughput levels are expected to significantly increase in H2 in line with accessing the new undiluted ROM mining areas, benefitting the unit cost per tonne.

Absolute on mine cash costs of R122 million for the Period remained well controlled and in line with plans and it is only the shortfall compared to planned tonnages treated for the Period that resulted in a higher unit cost.

Capex:
Capex for the Period of US$13.5 million (H1 FY 2014: US$6.0 million) was primarily focused on underground development.

Development Programme:
Petra's expansion plan at Koffiefontein involves the development of an SLC from 560mL to 600mL, as well as opening up access to new SLC production areas on 520mL, and is expected to increase production from 50,375 ctpa in FY 2014 to ca. 100,000 ctpa by FY 2017 (ROM only).

During the Period, waste development delivered a total of 660 metres (H1 FY 2014: 857 metres) and kimberlite development delivered 890 metres (H1 FY 2014: 169 metres) primarily in the 560mL SLC area.

Kimberley Underground – South Africa

	Unit	H1 FY 2015	H1 FY 2014	Variance	FY 2014
Sales					
Revenue	US$M	18.1	16.1	+12%	38.8
Diamonds sold	Carats	56,470	54,055	+4%	127,729
Average price per carat	US$	321	297	+8%	303
Total Production (all ROM)					
Tonnes treated	Tonnes	578,761	409,651	+41%	908,498
Diamonds produced	Carats	72,012	63,436	+14%	126,917
Grade	Cpht	12.4	15.5	-20%	14.0
Costs					
On-mine cash cost per total tonne treated	ZAR	251	313	-20%	301

Capex					
Expansion Capex	US$M	4.5	2.3	+96%	5.8
Sustaining Capex	US$M	1.4	1.0	+40%	4.3
Total Capex	US$M	5.9	3.3	+79%	10.1

Production:
Kimberley Underground's production increased 14% to 72,012 carats (H1 FY 2014: 63,436 carats) due to an increase in ROM tonnes treated, partially offset by reduced grades following the treatment of lower-grade surface resources to utilise available plant capacity.

Sales:
The average value per carat of US$321 was slightly below guidance of US$329 and guidance for FY 2015 was adjusted to US$320.

Costs:
The on-mine unit cash cost per total tonne treated of R251 decreased by 20% on H1 FY 2014 mainly due to increased throughput.

Capex:
Capex for the Period increased to US$5.9 million (H1 FY 2013: US$3.3 million) mainly as a result of underground development and purchasing of mining equipment.

Development plan:
Petra's mine plan at Kimberley Underground will take steady state production to 170,000 ctpa by FY 2016. During the Period, a total of 377 waste development metres were delivered (H1 FY 2014: 45 metres). Kimberlite development delivered 15 metres (H1 FY 2014: nil metres).

Williamson – Tanzania

	Unit	H1 FY 2015	H1 FY 2014	Variance	FY 2013
Sales					
Revenue	US$M	34.6	12.9	+168%	53.9
Diamonds sold	Carats	98,270	50,778	+94%	178,171
Average price per carat	US$	352	254	+39%	303
ROM Production					
Tonnes treated	Tonnes	2,002,080	1,537,417	+30%	3,405,524
Diamonds produced	Carats	95,506	80,531	+19%	178,379
Grade	Cpht	4.8	5.2	-8%	5.2
Alluvial Production					
Tonnes treated	Tonnes	170,052	211,448	-20%	405,166
Diamonds produced	Carats	3,443	5,778	-40%	10,086
Grade	Cpht	2.0	2.7	-26%	2.5
Total Production					
Tonnes treated	Tonnes	2,172,132	1,748,865	+24%	3,810,690
Diamonds produced	Carats	98,949	86,309	+15%	188,465
Costs					
On-mine cash cost per total tonne treated	US$	12	12	n/a	11
Capex					
Expansion Capex	US$M	1.6	3.3	-52%	2.4
Sustaining Capex	US$M	4.3	1.5	+187%	6.5
Total Capex	US$M	5.9	4.8	+23%	8.9

Production
Williamson's diamond production increased 15% to 98,949 carats (H1 FY 2014: 86,309 carats), with increased plant throughput of 2.0 Mt treated during H1 FY 2015 (H1 FY 2014: 1.5 Mt) offsetting the lower ROM grades achieved (4.8 cpht versus the expected 5.5 cpht (H1 FY 2014: 5.2 cpht)).

Sales
Williamson produces high quality diamonds and the average value of US$352 was significantly higher than management guidance of US$295 further to a coarser diamond size distribution. Guidance was increased for FY 2015 to US$325.

Costs:
The on-mine unit cash cost per total tonne treated of US$12 was maintained compared to H1 FY 2014 and remains in line with guidance. Absolute on mine cash costs increased year on year in line with the increased production.

Overall production costs (cash and non-cash) increased due to a release in diamond inventory and royalties payable in line with the increased sales.

Development Plan:
Petra's expansion plan at Williamson will see tonnage throughput ramp up to ca. 5 Mtpa from FY 2017, which at a grade of ca. 6.0 cpht is expected to deliver 300,000 ctpa. The mine is on track to exceed its production target of 3.7 Mt for FY 2015.

EXPLORATION

Petra's exploration programme in Botswana remains focused at present on the evaluation of the KX36 kimberlite discovery, as well as the search for and the assessment of other kimberlites in its current prospecting licenses.

KX36
Petra completed an initial +800 tonnes large diameter drilling ("LDD") campaign in FY 2013, which rendered a total of ca. 285 carats (including three stones of approximately 5 carats, two of which were of gem quality). This programme was followed-up in FY 2014 by a third phase of narrow diameter drilling ("NDD") to improve delineation of the KX36 pipe and to provide additional geological and geotechnical information.

The Company is now carrying out a second phase of LDD bulk sampling in Q2 FY 2015, in order to obtain circa 720 carats for a more representative diamond parcel of circa 1,000 carats, which will be used for further resource modelling and diamond value determination. A modular 10 tonnes per hour bulk sampling plant is currently being commissioned on site and results from this drilling programme will be available in H1 FY 2016.

There is an ongoing assessment of the indicator mineral plume area in the immediate surrounds of KX36.

Other Exploration Projects
Petra is continuing to investigate prospective targets in the Gope Northeast and the Kokong Field areas of Botswana.

Manica Minerals Co-operation Agreement
The co-operation agreement with Manica Minerals is progressing well and is focused on evaluation of known kimberlites in areas close to the Orapa and Jwaneng mines.

SAFETY
The health and safety of all employees is of the utmost importance to the Company and Petra has a wide range of initiatives, training and awareness programmes in place to foster a zero harm workplace.

The Group's LTIFR for H1 FY 2015 of 0.28 (FY 2014: 0.28) demonstrates management's focus on this important area and is a good achievement in comparison to national and international industry standards, particularly for underground operations.

CORPORATE AND GOVERNANCE

Dividend policy

With the aim of generating long-term sustainable value for shareholders, the Board of Petra considers it appropriate to commence the payment of dividends for FY 2015. Petra intends to pay a progressive dividend as the Company moves through its current phase of significant capital spend and increasing free cashflow. Petra will thus pay a maiden full year dividend of 2.0p for the 2015 financial year.

Petra will continue to adopt a prudent capital management strategy in relation to excess capital generated from operations. The Board will periodically review the wider capital requirements of the business and will return excess capital to shareholders when appropriate.

Board Changes

In November 2014, Petra appointed Ms Octavia Matloa to the Board as an Independent Non-Executive Director. Ms Matloa was also appointed as a member of Petra's Audit Committee and has brought extensive financial and audit experience to the Company, as well as knowledge of the mining sector and the South African business environment.

Helam

As previously announced, a business review of Helam was undertaken during H2 FY 2014 and the Company plans to complete this process shortly.

PRINCIPAL BUSINESS RISKS

The Group is exposed to a number of risks and uncertainties which could have a material impact on its long-term development, and performance and management of these risks is an integral part of the management of the Group.

An overview of the key risks which could affect the Group's operational and financial performance was included in the Company's 2014 Annual Report, which can be accessed at www.petradiamonds.com. These may impact the Group over the medium to long term; however the following key risks have been identified which may impact the Group over the next six months.

Short term demand and prices

The stability of financial markets and the corresponding effect on consumer demand impacts the Group and the diamond industry as a whole. Whilst the medium to long term fundamentals of the diamond market remain intact, with demand forecast to significantly outpace supply, in the short term the prevailing climate of global economic uncertainty may cause some volatility in rough diamond pricing.

Although diamond prices are influenced by numerous factors beyond the Company's control, the Group's management closely monitors developments in the international diamond market (across the pipeline from the rough market to the retail consumer market) to be in a position to react in a timely manner to changes in rough diamond prices and demand.

In order to withstand periods of softer diamond pricing, the Company focuses on:

- stringent cost control at its operations and at a corporate level;
- maintaining a robust balance sheet via prudent capital management and allocation; and
- maximising the value of its production via optimal plant recovery processes.

ROM grade volatility
The management of ROM grades, specifically at Finsch and Cullinan, remains a challenge due to the mature nature and dilution of the current mining areas. As a result, volatility in recovered ROM grades at these two operations can be expected until such time as new mining areas have been accessed and deliver significant contributions of undiluted ore to the production profile.

Petra is highly focused on managing this issue. At Finsch, grade volatility has been alleviated further to the changes to the plant bottom-cut which have seen ROM and tailings grades increase significantly. At Cullinan, the Company has taken a number of steps to mitigate this challenge and does not expect any further reduction in the ROM grade due to a declining volume of waste tonnes from development, a gradual increase of the initial undiluted tonnes, and the Company's initiatives to open up access to higher grade mining areas in H2 FY 2015.

Exchange rates
With Petra's operations mainly in South Africa, but diamond sales based in US Dollars, the volatility and movement in the Rand is a significant factor to the Group. Also, the Group undertakes transactions in a number of different currencies. Fluctuations in these currencies can have a significant impact on the Group's performance.

In order to mitigate currency risk, the Group continually monitors the movement of the Rand against the US Dollar and takes expert advice from its bankers in this regard. It is the Group's policy to hedge a portion of future US Dollar sales revenue when weakness in the Rand deems it appropriate.

Labour unrest in South Africa
The Group's production, and to a lesser extent its project development activities, are dependent on a stable and productive labour workforce. In September 2014, Petra entered into a three-year wage agreement with the National Union of Mineworkers. Whilst labour relations are currently stable, there remains the potential for further unrest in South Africa. Petra therefore remains highly focused on managing labour relations and on maintaining open and effective communication channels with its employees and the appropriate union representatives at its operations.

Power in South Africa
South Africa's power issues have been well publicised. Eskom's approach is to consult with industry before implementing load shedding, with advanced notice giving customers time to react appropriately. Petra responds to such requests by temporarily halting tailings production at the applicable South African mines, so as to minimise disruption of the higher value underground ROM production. This strategy has ensured that there has been no material impact on production. Petra remains highly focused on managing this ongoing issue and, while it is disruptive to operations, it does not represent a material risk at this point in time.

OUTLOOK

The Company is continuing to deliver on its Group targets, with production forecast to grow further to ca. 3.3 million carats in FY 2015 and on to ca. 5 million carats in FY 2019. The continued focus on operational performance, combined with our robust financial position, places the Company in a strong position to capitalise on the positive medium- to long-term outlook for our industry.

Johan Dippenaar
Chief Executive Officer
19 February 2015

Notes:

1. *The following exchange rates have been used for this announcement: average rate for the Period US$1:ZAR10.99; closing rate as at 31 December 2014 US$1:ZAR11.57.*
2. *The following definitions have been used in this announcement:*
    a. *ct: carat*
    b. *cpht: carats per hundred tonnes*
    c. *exceptional diamonds: stones that sell for more than US$5 million each*

    d. *ha: hectares*
    e. *LTIFR: lost time injury frequency rate*
    f. *Mcts: million carats*
    g. *mL: metre level*
    h. *Mt: million tonnes*
    i. *ROM: run-of-mine, i.e. relating to production from the primary orebody*
3. *Diamond inventory carrying values are stated at the lower of cost of production on the weighted average basis or estimated net realisable value.*

PETRA DIAMONDS LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

US$ million	Notes	**(Unaudited) 1 July 2014- 31 December 2014**	(Unaudited) 1 July 2013- 31 December 2013 Restated	(Audited) Year ended 30 June 2014
Revenue		**214.8**	184.6	471.8
Mining and processing costs		**(143.4)**	(131.7)	(320.1)
Other direct income		**1.0**	2.1	6.7
Exploration expenditure		**(2.4)**	(1.4)	(2.9)
Corporate expenditure	5	**(7.5)**	(7.6)	(13.7)
Impairment charge	6	**-**	-	(13.9)
Total costs		**(152.3)**	(138.6)	(343.9)
Financial income	7	**4.0**	6.9	14.5
Financial expense	7	**(7.9)**	(6.9)	(18.0)
Profit before tax		**58.6**	46.0	124.4
Income tax charge		**(19.5)**	(13.8)	(41.0)
Profit for the Period from continuing operations		**39.1**	32.2	83.4
Loss on discontinued operations (net of tax)	8	**-**	(3.8)	(15.9)
Profit for the Period		**39.1**	28.4	67.5
Attributable to:				
Equity holders of the parent company		**30.4**	23.9	49.6
Non-controlling interest		**8.7**	4.5	17.9
		39.1	28.4	67.5
Profit per share attributable to the equity holders of the parent during the Period:				
From continuing operations:				
Basic profit per share – US$ cents	15	**5.94**	5.45	12.80
Diluted profit per share – US$ cents	15	**5.76**	5.30	12.42
From continuing and discontinued operations:				
Basic profit – US$ cents	15	**5.94**	4.70	**9.69**
Diluted profit – US$ cents	15	**5.76**	4.56	**9.40**

The H1 FY 2014 comparative has been restated as the Sedibeng JV and Star operations were reclassified to discontinued operations (refer to note 8) in FY 2014.

PETRA DIAMONDS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

US$ million	**(Unaudited) 1 July 2014- 31 December 2014**	(Unaudited) 1 July 2013- 31 December 2013	(Audited) Year ended 30 June 2014
Profit for the Period	**39.1**	28.4	67.5
Exchange differences on translation of the share-based payment reserve	**(1.7)**	1.2	2.7
Exchange differences on translation of foreign operations[1]	**(40.5)**	(33.4)	(44.3)
Exchange differences on non-controlling interest	**(4.7)**	(1.0)	(1.5)
(Loss) / gain on foreign exchange hedges transferred directly to equity[1]	**(3.9)**	-	3.1
Recycling of foreign currency translation reserve on disposal of operations[2]	**-**	-	8.5
Total comprehensive income and (expense) for the Period	**(11.7)**	(4.8)	36.0
Total comprehensive income and expense attributable to:			
Equity holders of the parent company	**(15.7)**	(8.3)	19.6
Non-controlling interest	**4.0**	3.5	16.4
	(11.7)	(4.8)	36.0

[1] Exchange differences arising on non-controlling interest, translation of foreign operations and (losses) / gains on foreign exchange hedges transferred directly to equity will be reclassified to profit and loss if specific future conditions are met.
[2] During FY 2014 the Company disposed of the Sedibeng JV and Star operations and recognised a foreign exchange translation loss of US$8.5 million.

PETRA DIAMONDS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

(Unaudited) US$ million	Share capital	Share premium account	Foreign currency translation reserve	Share-based payment reserve	Hedging and other reserves	Retained earnings	Attributable to the parent	Non-controlling interest	Total equity
Six month Period ending 31 December 2014:									
At 1 July 2014	86.7	657.8	(178.8)	18.3	2.3	9.8	596.1	35.8	631.9
Profit for the Period	-	-	-	-	-	30.4	30.4	8.7	39.1
Other comprehensive expense	-	-	(40.5)	(1.7)	(3.9)	-	(46.1)	(4.7)	(50.8)
Transfer between reserves for exercise of employee options and warrants	-	-	-	(1.3)	-	1.3	-	-	-
Equity settled share based payments	-	-	-	3.4	-	-	3.4	-	3.4
Allotments during the Period:									
- Share options exercised	0.2	0.3	-	-	-	-	0.5	-	0.5
- Warrants exercised	0.3	3.0	-	-	-	-	3.3	-	3.3
At 31 December 2014	87.2	661.1	(219.3)	18.7	(1.6)	41.5	587.6	39.8	627.4

PETRA DIAMONDS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

(Unaudited) US$ million	Share capital	Share premium account	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Retained losses	Attributable to the parent	Non-controlling interest	Total
Six month Period ending 31 December 2013:									
At 1 July 2013	86.3	654.8	(143.0)	13.9	(0.8)	(40.1)	571.1	16.3	587.4
Profit for the Period	-	-	-	-	-	23.9	23.9	4.5	28.4
Other comprehensive (expense) / income	-	-	(33.4)	1.2	-	-	(32.2)	(1.0)	(33.2)
Transfer between reserves for exercise of employee options and warrants	-	-	-	(0.1)	-	0.1	-	-	-
Equity settled share based payments	-	-	-	2.4	-	-	2.4	-	2.4
Allotments during the Period:									
- Share options exercised	0.1	0.2	-	-	-	-	0.3	-	0.3
- Warrants exercised	0.3	2.8	-	-	-	-	3.1	-	3.1
At 31 December 2013	86.7	657.8	(176.4)	17.4	(0.8)	(16.1)	568.6	19.8	588.4

PETRA DIAMONDS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

(Audited) US$ million	Share capital	Share premium account	Foreign currency translation reserve	Share-based payment reserve	Hedging and other reserves	Retained earnings / (losses)	Attributable to the parent	Non-controlling interest	Total equity
12 month Period ending 30 June 2014:									
At 1 July 2013	86.3	654.8	(143.0)	13.9	(0.8)	(40.1)	571.1	16.3	587.4
Profit for the year	-	-	-	-	-	49.6	49.6	17.9	67.5
Other comprehensive (expense) / income	-	-	(35.8)	2.7	3.1	-	(30.0)	(1.5)	(31.5)
Non-controlling interest disposed	-	-	-	-	-	-	-	3.1	3.1
Transfer between reserves for exercise of options and warrants	-	-	-	(4.2)	-	4.2	-	-	-
Equity share-based payments settled in cash	-	-	-	(0.7)	-	(3.9)	(4.6)	-	(4.6)
Equity settled share-based payments	-	-	-	6.6	-	-	6.6	-	6.6
Allotments during the Period:									
- Share options exercised	0.1	0.2	-	-	-	-	0.3	-	0.3
- Warrants exercised	0.3	2.8	-	-	-	-	3.1	-	3.1
At 30 June 2014	86.7	657.8	(178.8)	18.3	2.3	9.8	596.1	35.8	631.9

PETRA DIAMONDS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

US$ million		**(Unaudited) 31 December 2014**	(Unaudited) 31 December 2013	(Audited) 30 June 2014
ASSETS				
Non-current assets				
Property, plant and equipment	10	**879.1**	758.6	839.1
Available for sale financial assets		**0.1**	0.1	0.1
Deferred tax asset		**1.7**	5.1	3.0
Loans and other receivables	14	**29.4**	85.3	89.2
Total non-current assets		**910.3**	849.1	931.4
Current assets				
Inventories		**61.2**	71.1	46.1
Trade and other receivables		**34.5**	31.5	86.0
Derivative asset		**-**	-	1.4
Cash and cash equivalents (including restricted amounts)		**129.6**	28.0	34.0
Total current assets		**225.3**	130.6	167.5
Total assets		**1 135.6**	979.7	1 098.9
EQUITY AND LIABILITIES				
Equity				
Share capital	9	**87.2**	86.7	86.7
Share premium account	9	**661.1**	657.8	657.8
Foreign currency translation reserve		**(219.3)**	(176.4)	(178.8)
Share-based payment reserve		**18.7**	17.4	18.3
Other reserves		**(1.6)**	(0.8)	2.3
Retained earnings / (losses)		**41.5**	(16.1)	9.8
Attributable to equity holders of the parent company		**587.6**	568.6	596.1
Non-controlling interest		**39.8**	19.8	35.8
Total equity		**627.4**	588.4	631.9
Liabilities				
Non-current liabilities				
Loans and borrowings	11	**121.3**	126.9	125.1
Trade and other payables	14	**94.2**	64.9	64.2
Provisions		**69.8**	66.3	75.4
Deferred tax liabilities		**106.2**	73.1	96.4
Total non-current liabilities		**391.5**	331.2	361.1
Current liabilities				
Loans and borrowings	11	**54.1**	9.9	33.8
Derivative liability		**6.9**	-	-
Trade and other payables		**53.5**	48.0	70.0
Provisions		**2.2**	2.2	2.1
Total current liabilities		**116.7**	60.1	105.9
Total liabilities		**508.2**	391.3	**467.0**
Total equity and liabilities		**1 135.6**	979.7	**1 098.9**

PETRA DIAMONDS LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

US$ million	**(Unaudited) 1 July 2014- 31 December 2014**	(Unaudited) 1 July 2013- 31 December 2013	(Audited) 1 July 2013- 30 June 2014
Profit before taxation for the Period	**58.6**	42.2	108.5
Depreciation of property plant and equipment	**19.6**	21.1	41.7
Loss on disposal of property, plant and equipment	**0.1**	1.5	0.6
Loss on disposal of discontinued operations	**-**	-	10.1
Impairment charges	**-**	-	13.9
Increase in provisions	**0.5**	0.5	0.5
Other finance income	**(7.7)**	(6.0)	(10.9)
Net unrealised foreign exchange loss / (gain)	**3.7**	(0.9)	(3.6)
Other finance expense	**7.9**	7.0	18.0
Share based payment provision	**2.8**	2.4	4.2
Cash-settled share based payments	**-**	-	(4.6)
Operating profit before working capital changes	**85.5**	67.8	178.4
Decrease in trade and other receivables	**50.2**	58.2	2.2
(Decrease) / increase in trade and other payables	**(11.9)**	(12.8)	10.9
(Increase) / decrease in inventories	**(19.4)**	(20.3)	4.8
Cash generated from operations	**104.4**	92.9	196.3
Realised foreign exchange gains on foreign exchange contracts	**1.8**	-	-
Finance expense	**(1.3)**	(1.0)	(0.2)
Net cash generated from operating activities	**104.9**	91.9	196.1
Cashflows from investing activities			
Acquisition of property, plant and equipment	**(126.5)**	(84.7)	(209.1)
Loans advanced to BEE partners	**(5.8)**	-	(0.5)
Repayment from BEE partners	**98.3**	-	-
Finance income	**0.4**	0.1	0.3
Transfer from restricted cash deposits	**(0.8)**	(0.2)	(1.7)
Net cash utilised in investing activities	**(34.4)**	(84.8)	(211.0)

PETRA DIAMONDS LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

US$ million	**(Unaudited) 1 July 2014- 31 December 2014**	(Unaudited) 1 July 2013- 31 December 2013	(Audited) 1 July 2013- 30 June 2014
Cashflows from financing activities			
Proceeds from the issuance of share capital	**3.8**	3.4	3.4
Increase in borrowings	**66.0**	39.4	69.4
Repayment of borrowings	**(40.4)**	(45.0)	(50.8)
Net cash generated from / (utilised in) financing activities	**29.4**	(2.2)	22.0
Net increase in cash and cash equivalents	**99.9**	4.9	7.1
Cash and cash equivalents at beginning of the Period	**20.2**	14.1	14.1
Effect of exchange rate fluctuations on cash held	**(2.4)**	(3.3)	(1.0)
Cash and cash equivalents at end of the Period	**117.7**	15.7	20.2

[1] Cash and cash equivalents in the Consolidated Statement of Financial Position includes restricted cash of US$11.9 million (30 June 2014: US$13.8 million and 31 December 2013: US$12.3 million) and unrestricted cash of US$117.7 million (30 June 2014: US$20.2 million and 31 December 2013: US$15.7 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

1. GENERAL INFORMATION

Petra Diamonds Limited (the "Company"), a limited liability company listed on the Main Market of the London Stock Exchange, is registered in Bermuda with its Group management office domiciled in Jersey. The Condensed Consolidated Interim Financial Statements of the Company for the six month period ended 31 December 2014 comprise the Company and its subsidiaries and associates (together referred to as the "Group").

2. ACCOUNTING POLICIES

The interim results, which are unaudited, have been prepared in accordance with the requirements of International Accounting Standard 34. This condensed interim report does not include all the notes of the type normally included in an annual financial report. This condensed report is to be read in conjunction with the Annual Report for the year ended 30 June 2014, and any public announcements made by the Group during the interim reporting period. The annual financial report for the year ended 30 June 2014 was prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS's") and the accounting policies applied in this condensed interim report are consistent with the polices applied in the annual financial report for the year ended 30 June 2014 unless otherwise noted.

Basis of preparation

After a review of the Group's operations, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2014 do not constitute statutory accounts and have been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ended 30 June 2015, which are not expected to be significantly different to those set out in note 1 to the Group's audited financial statements for the year ended 30 June 2014.

The financial information for the year ended 30 June 2014 has been extracted from the statutory accounts for that period. The auditors' report for the year ended 30 June 2014 was unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report.

The financial information for the six months ended 31 December 2013 has been extracted from the unaudited interim results released to 31 December 2013. The income statement for the six months ended 31 December 2013 has been restated for the disposal of Star and Sedibeng in FY 2014 (see note 8).

Changes in accounting policies:

In the current financial period, the Group has adopted the new standards, amendments to standards and interpretations applicable from 1 July 2014 but none have had a material impact on the Group's reporting. Those that apply to the Group from 1 July 2014 are as follows:

IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014
IAS 27	Amendment - Separate Financial Statements	1 January 2014
IAS 28	Amendment – Investments in Associates and Joint Ventures	1 January 2014
IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36	Recoverable amounts disclosures for non-financial assets	1 January 2014

IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21	Levies	17 June 2014

The Group is currently assessing the impact of these standards on the Financial Statements. Those anticipated to be significant or relevant to the Group are as follows:

IFRS 10 – The Group holds a controlling interest in its mines and consolidates them accordingly. The Group also holds an equity interest in one of its South African BEE partners. IFRS 10 introduces amendments to the definition of control under IFRS. However, there has been no change in accounting treatment for the Group under IFRS 10.

IFRS 12 – The new standard amends disclosures regarding interests in other entities including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures are intended to help users understand the judgements and assumptions made by a reporting entity when deciding how to classify its involvement with another entity; help users understand the interest that non-controlling interests have in consolidated entities; and help users assess the nature of the risks associated with interests in other entities.

Critical assumptions and judgements:

The preparation of the condensed consolidated interim financial statements requires management to make estimates and judgements and form assumptions that affect the reported amounts of the assets and liabilities, reported revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the interim financial statements. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable. The estimates and assumptions that have a significant risk of causing a material adjustment to the financial results of the Group in future reporting periods are discussed below.

Judgements:

Life of mine and ore reserves and resources

There are numerous risks inherent in estimating ore reserves and resources and the associated current life of mine plan. The life of mine plan is the current approved management plan for ore extraction that considers specific resources and associated capital expenditure. The life of mine plan frequently includes less tonnes than the total reserves and resources that are set out in the Group's Reserves and Resources Statement and which management may consider to be economically viable and capable of future extraction.

Management must make a number of assumptions when making estimates of reserves and resources, including assumptions as to exchange rates, rough diamond and other commodity prices, recovery and production rates. Any such estimates and assumptions may change as new information becomes available. Changes in exchange rates, commodity prices, recovery and production rates may change the economic viability of ore reserves and resources and may ultimately result in the restatement of the ore reserves and resources and potential impairment to the carrying value of the mining assets and life of mine.

The current life of mine plan is used to determine the ore tonnes and capital expenditure in the impairment tests. Ore reserves and resources, both those included in the life of mine and certain additional tonnes which form part of reserves and resources considered to be sufficiently certain and economically viable, also impacts the depreciation of mining assets depreciated on a unit of production basis. Ore reserves and resources further impact the estimated date of decommissioning and rehabilitation.

Impairment reviews

While conducting an impairment review of its assets, the Group exercises judgement in making assumptions about future rough diamond prices, exchange rates, volumes of production, ore reserves and resources included in the current life of mine plans, feasibility studies, future development and production costs and macroeconomic factors such as inflation and discount rates. Changes in estimates used can result in significant changes to the Consolidated Income Statement and Statement of Financial Position. The Group prepares value in use impairment models and assesses mining assets for impairment.

Taxation judgement

The Group has received a number of historical tax claims in respect of its Tanzanian mining operation, relating to the period prior to the operations being acquired by the Group, together with additional claims during the Group's ownership. A significant element of the claims is being disputed by the Group. Where a claim is considered probable, the Group has raised a provision.

Judgement is applied in making assumptions about recognition of deferred tax assets. Judgement is required in respect of recognition of such deferred tax assets including the timing and value of estimated future taxable income and available tax losses, as well as the timing of rehabilitation costs and the availability of associated taxable income.

Capitalisation of borrowing costs

The Group capitalises effective interest costs (inclusive of fees) to property, plant and equipment when the loans are considered to have been drawn down for the purpose of funding the Group's capital development programmes.

Assumptions and estimates:

Provision for rehabilitation

Significant estimates and assumptions are made in determining the amount attributable to rehabilitation provisions. These deal with uncertainties such as the legal and regulatory framework, timing and future costs. In determining the amount attributable to rehabilitation provisions, management used a discount rate range of 7.5%–8.0%, estimated rehabilitation timing of 11 to 50 years and an inflation rate range of 5.5%–6.0%. The Group estimates the cost of rehabilitation with reference to approved environmental plans filed with the local authorities. Reductions in estimates are only recognised when such reductions are approved by the local authorities. Increases in estimates are immediately recognised.

Pension scheme

The Company operates a defined benefit scheme and a defined contribution scheme. The pension charge or income for the defined benefit scheme is regularly assessed in accordance with the advice of a qualified actuary using the projected unit credit method. The most recent actuarial valuation was at 30 June 2014. The most important assumptions made in connection with the charge or income are the return on the funds, the average yield of South African Government long dated bonds, salary increases, withdrawal rates, life expectancies and the current South African consumer price index.

Post-retirement medical fund

The Company operates a post-employment health care liability scheme. The benefit liability for the post-employment health care liability scheme is regularly assessed in accordance with the advice of a qualified actuary using the projected unit credit method. The most recent actuarial valuation was at 30 June 2014. The most important assumptions made in connection with the charge or income are the health care cost of inflation, the average yield of South African Government long dated bonds and salary increases, withdrawal rates and life expectancies.

Valuation of share options and share-based incentives

In determining the fair value of share-based payments made during the year to employees and Directors, a number of assumptions have been made by management. Significant judgements include the determination of appropriate inputs to valuation models and assessment of the likelihood of vesting.

Inventory and inventory stockpile

Judgement is applied in making assumptions about the value of inventories and inventory stockpiles, including diamond prices, production grade and expenditure. These judgments determine how the Group values inventory and inventory stockpiles.

Depreciation

Judgement is applied in making assumptions about the depreciation charge for mining assets. The Group depreciates its assets using units of production or straight-line basis depending on its assessment of the most appropriate method for each individual asset. Judgement is applied when using the units of production method in estimating the ore tonnes held in reserves and resources which have sufficient geological and geophysical certainty of being economically viable and are extractable using existing assets. The relevant reserves and resources include those within the current approved life of mine plans and, in respect of certain surface and underground shared infrastructure, certain additional resources which meet these levels of certainty and viability. The Group depreciates its assets according to relevant sections of the orebody over which these will be utilised and a key judgement in determining the future production unit assigned to on-mine shared infrastructure which is utilised over more than one section of the orebody or is used to access ore tonnes outside the current approved LOM plan. Judgement is applied when assessing the estimated useful life of individual assets and residual values. The assumptions are reviewed at least annually by management.

Net investments in foreign operations

Management assess the extent to which intra-group loans to foreign operations that give rise to unrealised foreign exchange gains and losses are considered to be permanent as equity or repayable in the foreseeable future. The foreign exchange on permanent equity loans are recorded in foreign currency translation reserve until such time as the operation is sold, whilst the foreign exchange on loans repayable in the foreseeable future are recorded in the Consolidated Income Statement.

3. DIVIDENDS

No dividends were proposed or paid during the Period.

4. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's operating and geographical segments:
Mining – the extraction and sale of rough diamonds from mining operations in South Africa and Tanzania.
Exploration – exploration activities in Botswana.
Corporate – administrative activities in Jersey.

Segments are based on the Group's management and internal reporting structure. Management reviews the Group's performance by reviewing the results of the mining activities in South Africa and Tanzania, reviewing the results of exploration activities in Botswana and reviewing the corporate administration expenses in Jersey. Each segment derives, or aims to derive, its revenue from diamond mining and diamond sales, except for the corporate and administration cost centre.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Segment results are calculated after charging direct mining costs, depreciation and other income and expenses. Unallocated items comprise mainly interest-earning assets and revenue, interest-bearing borrowings and expenses and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period. Eliminations comprise transactions between Group companies that are cancelled on consolidation. The results are not materially affected by seasonal variations. Revenues are generated from tenders held in South Africa and Antwerp for external customers from various countries, the ultimate customers of which are not known to the Group.

4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities					Tanzania - Mining activities	Botswana	Jersey		
US$ million	Cullinan	Finsch	Koffiefontein	Kimberley Underground	Fissure Mine (Helam)	Williamson	Exploration	Corporate administration	Inter-segment	Consolidated
(6 month period ended 31 December 2014)	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014	1 July 2014 - 31 December 2014
Revenue	77.7	77.3	7.1	18.1	1.2	34.6	-	-	(1.2)	214.8
Segment result[1]	41.2	30.2	(6.0)	3.6	(2.3)	4.3	(2.4)	(7.5)	0.4	61.5
Other direct income	0.1	0.5	0.1	-	(0.2)[3]	0.3	-	-	0.2	1.0
Operating profit / (loss)[2]	41.3	30.7	(5.9)	3.6	(2.5)	4.6	(2.4)	(7.5)	0.6	62.5
Financial income										4.0
Financial expense										(7.9)
Income tax expense										(19.5)
Non-controlling interest										(8.7)
Profit attributable to equity holders of the parent company										30.4
Segment assets	542.4	349.1	149.6	88.3	6.6	140.6	2.0	1 983.5	(2 126.5)	1 135.6
Segment liabilities	286.7	237.5	147.5	108.4	49.2	255.9	38.2	839.9	(1 455.1)	508.2
Capital expenditure	54.0	39.5	13.5	5.9	0.5[3]	5.9	0.8	5.1	-	125.2

[1] Total depreciation of US$19.6 million included in the segmental result, comprises depreciation incurred at Finsch US$6.9 million, Cullinan US$4.7 million, Koffiefontein US$2.1 million, Kimberley Underground US$2.3 million, Williamson US$2.7 million, Fissure Mine US$0.3 million, Exploration US$0.1 million and Corporate administration US$0.5 million.

[2] Operating profit is equivalent to revenue of US$214.8 million less total costs of US$152.3 million as disclosed in the Consolidated Income Statement.

[3] Capital expenditure at the Fissure Mine includes work-in-progress of US$0.4 million (30 June 2014: US$0.3 million and 31 December 2013: US$8.4 million) in respect of the manufacture of plant and equipment for other mines within the Group. Other income in respect of the Fissure Mine includes US$0.8 million (30 June 2014: US$13.5 million and 31 December 2013: US$17.1 million) of revenue and US$1.0 million of costs (30 June 2014: US$14.8 million and 31 December 2013: US$17.2 million) in respect of the projects division at Helam for the manufacture of plant and equipment for other mines within the Group. Segment assets and liabilities include inter-company receivables and payables which are eliminated on consolidation.

4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities					Tanzania - Mining activities	Botswana	Jersey		
US$ million	**Cullinan**	**Finsch**	**Koffiefontein**	**Kimberley Underground**	**Fissure Mine (Helam)**	**Williamson**	**Exploration**	**Corporate administration**	**Inter-segment**	**Consolidated**
(6 month period ended 31 December 2013)	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013 - 31 December 2013	1 July 2013- 31 December 2013
Revenue	61.3	83.2	8.1	16.1	3.0	12.9	-	-	-	184.6
Segment result[1]	22.5	33.2	0.5	2.3	(4.7)	(2.8)	(1.4)	(7.6)	1.9	43.9
Other direct income	0.3	1.1	0.2	0.2	(0.1)[3]	0.3	-	-	0.1	2.1
Operating profit / (loss)[2]	22.8	34.3	0.7	2.5	(4.8)	(2.5)	(1.4)	(7.6)	2.0	46.0
Financial income										6.9
Financial expense										(6.9)
Income tax expense										(13.8)
Loss on discontinued operations (net of tax)										(3.8)
Non-controlling interest										(4.5)
Profit attributable to equity holders of the parent company										23.9
Segment assets	510.3	253.3	92.4	79.5	82.2	127.9	1.0	1 858.3	(2 025.2)	979.7
Segment liabilities	305.2	180.4	89.6	91.0	140.4	250.2	33.2	848.9	(1 547.6)	391.3
Capital expenditure	37.2	24.7	6.0	3.3	8.7[3]	4.8	0.1	0.5	-	85.3

The H1 FY 2014 results have been restated as the Sedibeng JV and Star operations have been reclassified to discontinued operations. Refer to note 8.

[1] Total depreciation of US$21.0 million included in the segmental result, comprises depreciation incurred at Finsch US$8.0 million, Cullinan US$5.7 million, Koffiefontein US$1.1 million, Kimberley Underground US$2.0 million, Williamson US$1.3 million, Fissure Mine US$2.6 million, Exploration US$nil million and Corporate administration US$0.3 million.

[2] Operating profit is equivalent to revenue of US$184.6 million less total costs of US$138.6 million as disclosed in the Consolidated Income Statement.

[3] Capital expenditure at the Fissure Mine includes work-in-progress of US$8.4 million in respect of the manufacture of plant and equipment for other mines within the Group. Other income in respect of the Fissure Mine includes US$17.1 million of revenue and US$17.2 million of costs in respect of the projects division at Helam for the manufacture of plant and equipment for other mines within the Group. Segment assets and liabilities include inter-company receivables and payables which are eliminated on consolidation.

4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities					Tanzania - Mining activities	Botswana	Jersey		
US$ million	Cullinan	Finsch	Koffiefontein	Kimberley Underground	Fissure Mine (Helam)	Williamson	Exploration	Corporate administration	Inter-segment	Consolidated
(full year ended 30 June 2014)	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
Revenue	162.8	183.7	26.7	38.8	5.9	53.9	-	-	-	471.8
Segment result[1]	75.5	82.0	5.2	3.5	(16.3)	1.0	(2.9)	(13.7)	0.8	135.1
Impairment charge	-	-	-	-	(13.9)	-	-	-	-	(13.9)
Other direct income	1.0	1.9	0.5	0.1	3.0	0.2	-	-	-	6.7
Operating profit / (loss)[2]	76.5	83.9	5.7	3.6	(27.2)	1.2	(2.9)	(13.7)	0.8	127.9
Financial income										14.5
Financial expense										(18.0)
Income tax expense										(41.0)
Loss on discontinued operations (net of tax)										(15.9)
Non-controlling interest										(17.9)
Profit attributable to equity holders of the parent company										49.6
Segment assets	581.0	337.2	129.8	78.5	11.3	141.7	1.0	1 944.9	(2 126.5)	1 098.9
Segment liabilities	345.2	235.5	121.7	95.7	56.2	260.5	34.7	912.4	(1 594.9)	467.0
Capital expenditure	93.1	67.8	30.7	10.1	1.0[3]	8.9	0.2	1.9	(2.5)	211.2

[1] Total depreciation of US$41.7 million, comprises depreciation incurred at Finsch US$13.0 million, Cullinan US$7.7 million, Koffiefontein US$2.0 million, Kimberley Underground US$4.3 million, Fissure Mine US$10.8 million, Williamson US$3.3 million, Exploration US$0.1 million and Corporate administration US$0.5 million.

[2] Operating profit is equivalent to revenue of US$471.8 million less total operating costs of US$343.9 million as disclosed in the Consolidated Income Statement.

[3] Capital expenditure at the Fissure Mine includes work in progress of US$0.3 million in respect of the manufacture of plant and equipment for other mines within the Group. Other direct income in respect of the Fissure Mine includes US$13.5 million of revenue and US$14.8 million of costs in respect of the projects division at Helam for the manufacture of plant and equipment for other mines within the Group. Segment assets and liabilities include inter-company receivables and payables which are eliminated on consolidation.

US$ million	**1 July 2014 - 31 December 2014**	1 July 2013 - 31 December 2013	1 July 2013 - 30 June 2014
5. CORPORATE EXPENDITURE			
Auditors' remuneration			
- Audit services[1]	**0.8**	0.7	0.8
- Audit-related services	**-**	-	0.1
- Non-audit services	**-**	-	0.5
Depreciation of property, plant and equipment	**0.5**	0.3	0.5
Operating lease rentals – buildings	**0.4**	0.3	0.8
Other charges	**1.4**	3.0	4.0
Share-based expense - Directors	**1.1**	0.9	**2.1**
Share-based expense – Senior Management	**0.3**	0.2	**0.5**
Other staff costs	**3.0**	2.2	**4.4**
Total staff costs	**4.4**	3.3	**7.0**
	7.5	7.6	13.7

[1] Audit fees for the year ended 31 December 2014 stated above refer to fees for the FY 2014 audit.

6. IMPAIRMENT CHARGE

At 31 December 2014, the Group reviewed all its operational assets for indicators of impairment. The results of the review did not indicate any impairment in the mining operations. Refer to note 2 for the key judgements and sensitivities at Kimberley Underground.

At 30 June 2014, following a business review exercise, the Group recognised an impairment loss relating to operational assets at Helam of US$13.9 million being management's estimate of fair value less costs to sell the Helam assets. Detail of the impairment is shown below.

Impairment (US$ million)	**Asset class**	**Segment**	**Impairment**	**Carrying value post impairment**
Helam	Property, plant & equipment	Fissure Mine	13.9	1.3
	Mineral Properties		4.1	
	Underground development		4.5	
	Buildings		1.2	
	Mining property, plant & equipment		4.1	
Total			13.9	1.3

At 31 December 2013, the results of the impairment testing reviews did not indicate any impairment in the mining operations.

7. FINANCING EXPENSE

US$ million	**1 July 2014 - 31 December 2014**	1 July 2013 - 31 December 2013	1 July 2013 - 30 June 2014
Net unrealised foreign exchange (losses) / gains	**(3.7)**	0.9	3.6
Interest received on BEE loans and other receivables	**5.5**	5.1	10.4
Interest received bank deposits	**0.4**	0.2	0.3
Realised foreign exchange gains	**1.8**	0.7	0.2
Financial income	**4.0**	6.9	14.5
Gross interest on bank loans and overdrafts	**(7.9)**	(5.7)	(11.4)
Interest on bank loans and overdrafts capitalised	**6.6**	4.7	9.7
Net interest expense on bank loans and overdrafts	**(1.3)**	(1.0)	(1.7)
Other debt finance costs, including BEE loan interest and facility fees	**(5.3)**	(3.7)	(9.4)
Unwinding of present value adjustment for rehabilitation costs	**(1.2)**	(1.8)	(3.8)
Realised foreign exchange losses on the settlement of foreign loans and forward exchange contracts	**(0.1)**	(0.4)	(3.1)
Financial expense	**(7.9)**	(6.9)	(18.0)
Net financial expense	**(3.9)**	**-**	(3.5)

8. PRESENTATIONAL CHANGE ON FISSURE MINES

As at H1 FY 2014, the Sedibeng JV and Star mines were classified as continuing operations. During H2 FY 2014, the Group disposed of the Sedibeng JV and Star mines (effective 30 April 2014) and the results of the disposed mines were therefore classified as discontinued operations in the Group's FY 2014 Financial Statements. In line with IFRS 5, the income statement results for the period ending 31 December 2013 previously shown as continuing operations are now separately disclosed as discontinued operations in the comparative Consolidated Income Statement. There is no impact on H1 FY 2015 results. The details of the restated amounts are disclosed below.

US$ million	1 July 2013 - 31 December 2013	1 July 2013 - 30 April 2014
Result of operations previously classified as discontinued:		
Revenue	0.8	0.8
Cost of sales	(4.5)	(6.6)
Gross loss	(3.7)	(5.8)
Finance income	-	-
Finance costs	(0.1)	-
Loss before taxation	(3.8)	(5.8)
Income tax	-	-
Net loss for the Period	(3.8)	(5.8)

Post-tax loss on disposal of discontinued operations	1 July 2013 - 30 April 2014
Consideration received on disposal	2.4
Less: net assets disposed (including U$3.1 million of non-controlling interest accumulated losses)	(4.0)
Less: foreign currency translation reserve recycled on disposal	(8.5)
Loss on disposal of discontinued operations	(10.1)
Less: net loss for the Period	(5.8)
Loss on discontinued operations	(15.9)

9. SHARES AND WARRANTS ISSUED

Allotments during the Period were in respect of the exercise of warrants over 2,100,000 ordinary shares by IFC, the vesting with Directors of 475,415 ordinary shares granted under the 2012 Performance Share Plan ("2012 PSP") and the exercise of share options over 530,002 ordinary shares by employees.

On 26 November 2014, the Executive Directors of the Company were granted a total of 156,233 deferred share awards over ordinary shares in the Company. The awards represent 25% of the total bonus in respect of performance for the financial year ended 30 June 2014. The awards vest on 30 June 2016 and vesting is subject to continued employment. The 30 June 2012 deferred share awards awarded to the Directors on 18 December 2012 were settled during the Period.

On 26 November 2014, the Executive Directors of the Company were granted a total of 793,171 performance based share awards under the 2012 PSP. These awards under the 2012 PSP are subject to performance conditions based on: (i) absolute total shareholder return (25%) (ii) relative total shareholder return against industry peers (25%) and (iii) targets linked to delivery of the expansion programmes at the Company's various operations and operational performance (together 50%). Vesting will be based on performance measured over the period 1 July 2014 to 30 June 2017.

Further details with regards to the Group's share plans are provided in the Company's 2014 Annual Report.

10. PROPERTY, PLANT AND EQUIPMENT

The net movement in property, plant and equipment for the Period is US$40.0 million (30 June 2014: US$103.5 million and 31 December 2013: US$23.0 million). This is primarily as a result of an increase in property, plant and equipment from capital expenditure of US$125.2 million (30 June 2014: US$211.2 million and 31 December 2013: US$85.3 million), which is off-set by the movement in the US$/ZAR foreign exchange rate resulting in a foreign exchange decrease on Rand based assets of US$64.5 million (30 June 2014: US$59.7 million decrease and 31 December 2013: US$39.7 million decrease), depreciation of US$19.6 million (30 June 2014: US$41.7 million and 31 December 2013: US$21.1 million), impairment of US$nil (30 June 2014: US$13.9 million impairment of Helam and 31 December 2013: US$nil), reduction in rehabilitation asset of US$nil (30 June 2014: US$9.9 million increase and 31 December 2013: US$nil) and assets of US$1.1 million (30 June 2014: US$2.3 million (inclusive of assets disposed of in respect of the sale of Sedibeng JV and Star of US$2.2 million) and 31 December 2013: US$1.5 million) disposed of during the Period.

11. LOANS AND BORROWINGS

US$ million	**1 July 2014 - 31 December 2014**	1 July 2013 - 31 December 2013	1 July 2013 - 30 June 2014
Non-current liabilities			

Loans and borrowings – bank facilities	**121.3**	126.9	125.1
Current liabilities			
Loans and borrowings – bank facilities	**54.1**	9.9	33.8
Total loans and borrowings - bank facilities	**175.4**	136.8	158.9

On 24 October 2014, the Group's banking partners Absa Corporate and Investment Banking ("Absa") and FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("RMB"), IFC and Barclays Bank PLC agreed to increase the Group's debt and hedging facilities by:

- an increase in the current ZAR revolving credit facility ("RCF") of ZAR200 million to ZAR500 million;
- an increase in the Group's ZAR working capital facility ("WCF") of ZAR150 million to ZAR500 million;
- an increase in the Group's ZAR pre settlement lines (FX hedging facilities) of ZAR50 million to ZAR400 million; and
- a new London working capital facility of US$5 million with Barclays Bank PLC.

Absa and RMB also reduced the interest rate on the RCF to JIBAR plus 5.0% margin (previously plus 5.5%), on the WCF to SA prime rate less 1% (previously less 0.5%) and on the Group's amortising term facility (there was no change to the size of this facility) to JIBAR plus 3.5% margin (previously plus 4.0%).

The facilities are secured on the Group's interests in Finsch, Cullinan, Koffiefontein, Kimberley Underground and Williamson.

At 31 December 2014, the Group had undrawn bank debt facilities (excluding foreign exchange hedging settlement lines) of US$45.2 million.

12. COMMITMENTS

As at 31 December 2014, the Company has committed to future capital expenditure totalling US$160.9 million (30 June 2014: US$88.9 million and 31 December 2013: US$91.6 million). Finsch and Cullinan account for US$141.9 million of the future capital commitments and Koffiefontein, Kimberley Underground, Williamson and Helam account for the remaining US$19.0 million.

13. RELATED PARTY TRANSACTIONS

Umnotho weSizwe Group (Pty) Ltd ("Umnotho"), one of Petra's BEE partners, holds a 36% interest in the Cullinan mine BEE holding company, Thembinkosi Mining Investments (Pty) Ltd ("Thembinkosi"). The Group has a non-current receivable due from Thembinkosi of US$2.2 million (30 June 2014: US$28.9 million and 31 December 2013: US$27.7 million) and a non-current payable due to Thembinkosi of US$24.6 million (30 June 2014: US$24.2 million and 31 December 2013: US$23.6 million). On 4 December, Thembinkosi repaid to Petra capital and interest of US$27.2 million (refer note 14). The Group has a current receivable due from Thembinkosi of US$0.7 million (30 June 2014: US$nil and 31 December 2013: US$nil) and a current payable due to Thembinkosi of US$0.7 million (30 June 2014: US$nil and 31 December 2013: US$nil). Included in net finance expense (note 7), the Company has finance income from Thembinkosi of US$1.2 million (30 June 2014: US$2.8 million and 31 December 2013: US$1.4 million) and finance expense payable to Thembinkosi of US$1.1 million (30 June 2014: US$2.1 million and 31 December 2013: US$1.0 million). These sums arise due to the funding provided by Thembinkosi to finance its interests in the Cullinan mine. Mr Abery is a director of Umnotho. Mr Pouroulis and Mr Abery are beneficiaries of a trust that is a shareholder in Umnotho.

The Group has a 49.24% interest in Nelesco 651 (Pty) Ltd, which is the holding company of Sedibeng Mining (Pty) Ltd ("Sedibeng"), one of Petra's BEE partners. Sedibeng holds direct interests in the Kimberley Underground and Helam mines, and indirect interests in Cullinan, Finsch and Koffiefontein through its shareholding in Thembinkosi, Senakha Diamonds Investments (Pty) Ltd ("Senakha") and Re Teng Diamonds (Pty) Ltd ("Re Teng Diamonds"). The Group has a non-current receivable due from Sedibeng of US$19.1 million (30 June 2014: US$19.9 million and 31 December 2013: US$19.0 million) and a non-current payable due to Sedibeng of US$2.2 million (30 June 2014: US$2.1 million and 31 December 2013: US$4.8 million). Included in net finance expense (note 7), the Company has finance income due from Sedibeng of US$0.8 million (30 June 2014: US$2.6 million and 31

December 2013: US$1.5 million) and finance expense payable to Sedibeng of US$0.3 million (30 June 2014: US$0.7 million and 31 December 2013: US$0.3 million). These sums arise due to the funding that the Group has provided to Sedibeng to finance its interests in the Koffiefontein (through Re Teng Diamonds) and Kimberley Underground mines.

Senakha, another of Petra's BEE partners, holds a 21% direct interest in the Finsch mine. The Group has a non-current receivable due from Senakha of US$2.2 million (30 June 2014: US$37.9 million and 31 December 2013: US$36.6 million) and a non-current payable due to Senakha of US$38.2 million (30 June 2014: US$37.9 million and 31 December 2013: US$36.6 million). On 4 December Senakha repaid capital and interest of US$38.4 million (refer note 14). The Group has a current receivable due from Thembinkosi of US$0.7 million (30 June 2014: US$nil and 31 December 2013: US$nil) and a current payable due to Thembinkosi of US$0.7 million (30 June 2014: US$nil and 31 December 2013: US$nil). Included in net finance expense (note 7) the Group has finance income from Senakha of US$1.8 million (30 June 2014: US$3.9 million and 31 December 2013: US$1.9 million) and finance expense payable to Senakha of US$2.1 million (30 June 2014: US$3.9 million and 31 December 2013: US$1.9 million). These sums arise due to the funding provided by Senakha to finance its interests in Finsch.

Re Teng Diamonds, another of Petra's BEE partners, holds a 30% direct interest in the Koffiefontein mine. The Group has an interest free receivable due from Re-Teng of US$0.8 million (30 June 2014: US$0.9 million and 31 December 2013: US$0.9 million).

14 Non-current loans and other receivables / trade and other payables

US$ million	**1 July 2014 - 31 December 2014**	1 July 2013 - 31 December 2013	1 July 2013 - 30 June 2014
Non-current assets			
Loans and other receivables	**29.4**	85.3	89.2
Non-current liabilities			
Trade and other payables	**94.2**	64.9	64.2

The non-current loans and receivables and trade and other payables represent those amounts receivable from and payable to the Group's BEE partners (Thembinkosi, Senakha and the Itumeleng Petra Diamonds Employee Trust ("IPDET")) in respect of financing their interests in the Finsch, Cullinan, Koffiefontein and Kimberley Underground mines. In prior periods, the Group was party to a legal agreement with the IPDET Board of Trustees which provided the Group the legal right to offset IPDET loans receivable against IPDET trade and other payables. During the Period, loans and receivables due from IPDET of US$32.7 million were repaid as part of the BEE refinancing (see below) and as a result, non-current trade and other payables which were previously offset within the legal offset agreement are now presented within non-current trade and other payables. The trustees were previously employer representatives. In the current Period, employee trustees were appointed to the IPDET Board of Trustees.

Refinancing of Black Economic Empowerment Partners

On 25 November 2014 the Company and its Black Economic Empowerment partners in the Finsch and Cullinan mines (the "BEE Partners") entered into agreements with Absa and RMB. Under the agreements, Absa and RMB directly financed the BEE Partners in respect of the non-current loans and other receivables due to Petra of R1,078 million (US$98.3 million) relating to the original acquisition of the BEE Partners' interests in Finsch and Cullinan (together "the mines"). Petra has provided surety to Absa and RMB for the loan should the BEE Partners' default on repayment.

On 04 December 2014 the Finsch and Cullinan BEE partners drew down the full funds of R1,078 million (US$98.3 million) and transferred this amount in full to the Petra treasury in settlement of their loans due to Petra.

15. EARNINGS PER SHARE

	Continuing operations 31 December 2014 US$	**Discontinued operations 31 December 2014 US$**	**Total 31 December 2014 US$**	Continuing operations 31 December 2013 US$	Discontinued operations 31 December 2013 US$	Total 31 December 2013 US$	Continuing operations 30 June 2014 US$	Discontinued operations 30 June 2014 US$	Total 30 June 2014 US$
Numerator									
Profit / (loss) for the Period	**30,453,027**	**-**	**30,453,027**	27,807,438	(3,840,825)	23,966,613	65,465,067	(15,892,270)	49,568,797
Denominator									
	Shares	**Shares**	**Shares**	Shares	Shares	Shares	Shares	Shares	Shares
Weighted average number of ordinary shares used in basic EPS									
As at 1 July	**512,110,048**	**-**	**512,110,048**	509,601,048	509,601,048	509,601,048	509,601,048	509,601,048	509,601,048
Effect of shares issued during the Period	**491,323**	**-**	**491,323**	697,612	697,612	697,612	1,598,330	1,598,330	1,598,330
As at 31 December	**512,601,371**	**-**	**512,601,371**	510,298,660	510,298,660	510,298,660	511,199,378	511,199,378	511,199,378
	Shares	**Shares**	**Shares**	Shares	Shares	Shares	Shares	Shares	Shares
Dilutive effect of potential ordinary shares	**16,307,395**	**-**	**16,307,395**	14,733,995	-	14,733,995	15,892,664	-	15,892,664
Weighted average number of ordinary shares in issue used in diluted EPS	**528,908,766**	**-**	**528,908,766**	525,032,655	510,298,660	525,032,655	527,092,042	511,199,378	527,092,042
	US$ cents	**US$ cents**	**US$ cents**	US$ cents	US$ cents	US$ cents	US$ cents	US$ cents	US$ cents
Basic profit / (loss) per share – US$ cents	**5.94**	**-**	**5.94**	5.45	(0.75)	4.70	12.80	(3.10)	9.69
Diluted profit / (loss) per share – US$ cents	**5.76**	**-**	**5.76**	5.30	(0.75)	4.56	12.42	(3.10)	9.40

In the current period, the number of potentially dilutive ordinary shares, in respect of employee share options, Executive Director and Senior Management share award schemes and warrants is 16,307,395 (30 June 2014: 15,892,664 and 31 December 2013: 14,733,995). These potentially dilutive ordinary shares may have a dilutive effect on future earnings per share. There have been no significant post balance sheet changes to the number of options and warrants to impact the dilutive number of ordinary shares.

16. ADJUSTED EARNINGS PER SHARE

In order to show earnings per share from operating activities on a consistent basis, an adjusted earnings per share is presented which excludes certain items as set out below. It is emphasised that the adjusted earnings per share is a non-GAAP measure. The Petra Board considers the adjusted earnings per share to better reflect the underlying performance of the Group. The Company's definition of adjusted earnings per share may not be comparable to other similarly titled measures reported by other companies.

	Continuing operations 31 December 2014 US$	**Discontinued operations 31 December 2014 US$**	**Total 31 December 2014 US$**	Continuing operations 31 December 2013 US$	Discontinued operations 31 December 2013 US$	Total 31 December 2013 US$	Continuing operations 30 June 2014 US$	Discontinued operations 30 June 2014 US$	Total 30 June 2014 US$
Numerator									
Profit / (loss) for the Period	**30,453,027**	**-**	**30,453,027**	27,807,438	(3,840,825)	23,966,613	65,465,067	(15,892,270)	49,568,797
Adjustments:									
Net unrealised foreign exchange loss / (profit) (note 7)	**3,701,488**	**-**	**3,701,488**	(875,787)	-	(875,787)	(3,591,520)	-	(3,591,520)
Impairment charges (note 6)	**-**	**-**		-	-	-	13,933,235	-	13,933,235
Adjusted profit / (loss) for the Period	**34,154,515**	**-**	**34,154,515**	26,931,651	(3,840,825)	23,090,826	75,806,782	(15,892,270)	59,910,512
Denominator									
	Shares	**Shares**	**Shares**	Shares	Shares	Shares	Shares	Shares	Shares
Weighted average number of ordinary shares used in basic EPS									
As at 1 July	**512,110,048**	**-**	**512,110,048**	509,601,048	509,601,048	509,601,048	509,601,048	509,601,048	509,601,048
Effect of shares issued during the Period	**491,323**	**-**	**491,323**	697,612	697,612	697,612	1,598,330	1,598,330	1,598,330
As at 31 December	**512,601,371**	**-**	**512,601,371**	510,298,660	510,298,660	510,298,660	511,199,378	511,199,378	511,199,378
	Shares	**Shares**	**Shares**	Shares	Shares	Shares	Shares	Shares	Shares
Dilutive effect of potential ordinary	**16,307,395**	**-**	**16,307,395**	14,733,995	-	14,733,995	15,892,664	-	15,892,664

shares									
Weighted average number of ordinary shares in issue used in diluted EPS	**528,908,766**	**-**	**528,908,766**	525,032,655	510,298,660	525,032,655	527,092,042	511,199,378	527,092,042
	US$ cents	**US$ cents**	**US$ cents**	US$ cents	US$ cents	US$ cents	US$ cents	US$ cents	US$ cents
Adjusted basic profit / (loss) per share – US$ cents	**6.66**	**-**	**6.66**	5.28	(0.75)	4.52	14.82	(3.10)	11.72
Adjusted diluted profit / (loss) per share – US$ cents	**6.46**	**-**	**6.46**	5.13	(0.75)	4.40	14.38	(3.10)	11.36

The adjusted EPS measures for H1 FY 2014 have been restated to provide a consistent basis of measurement across the periods presented.

17 SUBSEQUENT EVENTS

On 26 January 2015 the Company announced that a progressive dividend policy had been adopted and a maiden dividend of 2.0p per ordinary share will be paid for the 2015 financial year.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

(a) the Condensed Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

(b) the Interim Management Report includes a fair review of the information required by FCA's Disclosure and Transparency Rules (DTR 4.2.7 R and 4.2.8 R).

By order of the Board

Johan Dippenaar	**David Abery**
Chief Executive Officer	Finance Director

INDEPENDENT REVIEW REPORT TO PETRA DIAMONDS LIMITED

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim results for the six months ended 31 December 2014 ("half-yearly financial report") which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, the consolidated statement of cashflows and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO LLP
Chartered Accountants
Location: United Kingdom
Date: 19 February 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).