

TRANS HEX GROUP LIMITED
Incorporated in the Republic of South Africa
Registration number (1963/007579/06)
Share code: TSX
ISIN: ZAE000018552
("Trans Hex" or the "Company" or the "Group")

TRADING STATEMENT

Trans Hex is currently finalising its results for the 12 months ended 31 March 2014 ("the **Period**"), which should be released on SENS on or about 2 June 2014.

The Group expects to report:

- net profit for the Period of R22,7 million compared to net profit of R85,4 million for the 12 months ended 31 March 2013 ("**Corresponding Period**");
- loss after tax from continuing operations of R5,1 million, against profit of R65,0 million in the Corresponding Period;
- earnings per share of 20,7 cents (2013: 79,7 cents);
- headline earnings per share of 9,8 cents (2013: 69,9 cents); and
- net asset value per share of 521,0 cents (2013: 505,0 cents).

COMMENTS

The following salient points will be fully reported upon when the Group releases its results:

- South African production amounted to 52,081 carats (2013: 67,115 carats) due to a 14,9% decrease in volume treated as a result of the termination of joint-venture contractors and a 21-day strike over pay increases by members of the National Union of Mineworkers. A 12% drop in grade as a result of grade underperformance during the first six months of the year, also impacted on production.
- Sales revenue decreased by 7,4% in Rand terms from R751,3 million in the Corresponding Period to R695,7 million as a result of a 15,7% decrease in carats sold and a 7,2% decrease in average prices. The average price decrease was due to fewer special stones being recovered during the first six months of the year. Revenue was however positively affected by a 14,4% weakening in the Rand.
- South African operations generated a loss before tax of R8,9 million for the Period compared to profit of R88,2 million in the Corresponding Period.
- The cost of goods sold increased to R653,7 million (2013: R605,2 million) mainly due to stock movement of R32,7 million and a 2,5% increase in operating costs.
- Production at Somilwana in Angola amounted to 72,041 carats during the Period (2013: 41,313 carats).
- Somilwana sales totalled US\$32,4 million (2013: US\$14,9 million).
- Somilwana's operating margin was 32% (2013: -20%) and the mine generated net profit of US\$10,5 million (2013: loss of US\$3,0 million).
- Net cash generated during the Period was R14,2 million (2013: R36,0 million), resulting in the Group's net cash position at the end of the Period being R397,6 million (2013: R383,4 million).

The financial information on which this trading statement is based has not been reviewed and reported on by the Company's auditors.

Cape Town
26 May 2014

Sponsor
One Capital