



Trans Hex Group

AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2005

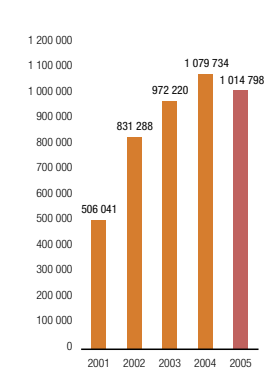
ABRIDGED AUDITED CONSOLIDATED INCOME STATEMENT

	% change	2005 R'000	2004 R'000
Sales revenue	(6,0)	1 014 798	1 079 734
Cost of sales	15,7	784 262	677 586
Depreciation of mining assets		135 592	112 284
Royalties: Namaqualand Diamond			
Fund Trust		26 034	30 866
Other costs		622 636	534 436
Mining income	(42,7)	230 536	402 148
Net financial income/(expenditure) (Note 1)		6 882	(50 729)
Exploration costs	35,4	(67 306)	(49 719)
Share of results of associated companies		(5)	(5)
Profit before taxation	(43,6)	170 107	301 695
Taxation		78 595	110 407
Attributable income	(52,2)	91 512	191 288
Earnings per share (cents)			
- Basic	(53,2)	103,1	220,5
- Diluted	(50,3)	96,1	193,4
- Headline	(56,7)	96,2	222,0
Dividend per share (cents)			
- Interim		20,0	20,0
- Final		20,0	53,0
	(45,2)	40,0	73,0
Total number of shares in issue ('000)		89 095	88 425
Weighted average issued shares ('000)		88 767	86 750

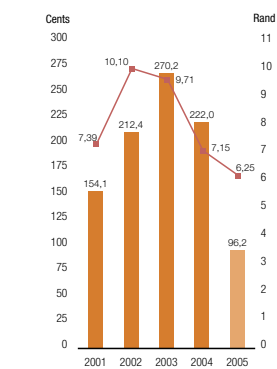
ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2005 R'000	2004 R'000
Balance at 1 April	1 077 673	961 770
Net profit attributable to ordinary shareholders	91 512	191 288
Dividends paid	(64 676)	(58 710)
Translation differences on foreign subsidiaries	(6 963)	(41 745)
Fair value adjustment on available-for-sale financial assets	(1 506)	4 314
Issue of share capital	4 993	20 756
Balance at end of year	1 101 033	1 077 673

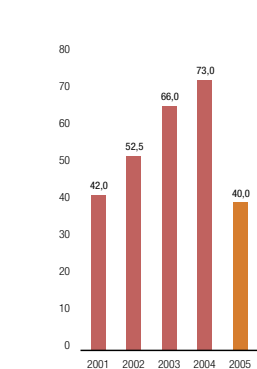
Sales revenue (R'000)



Headline earnings per share



Total dividend per share (cents)



FINANCIAL SUMMARY

Diamond sales were 3% lower in rand terms at R1 015 million (2004: R1 042 million) and 13% higher in dollar terms at US\$162,2 million (2004: US\$144,1 million). Attributable income is down 52% to R92 million (2004: R191 million) resulting in a 57% decrease in headline earnings per share to 96,2 cents (2004: 222,0 cents). Diamond prices remained strong through the period. However, the strengthening of the rand had a significant negative impact on earnings. In constant exchange rate terms headline earnings per share would have been 184,5 cents. Increased exploration activities, especially in Angola, contributed to the increased exploration cost of R67,3 million (2004: R49,7 million). Cash flow available from operating activities was R308 million (2004: R426 million).

OPERATIONS

Land

South Africa

Carat production totalled 137 100 carats, marginally lower than the 140 300 carats produced during the previous year, due primarily to reduced production at both Saxendrift and Reuning.

At **Baken** carat production was 87 400 carats (2004: 88 100 carats) with an average stone size of 1,21 carats per stone (2004: 1,29 carats per stone). The average grade realised exceeded expectations. The successful re-commissioning of the Old Final Recovery plant has eliminated the concentrate treatment constraint in the Lower Orange River operations.

A Maximised Shift System (MSS) was implemented in November 2004, which has improved throughput at Baken by 25%. Unit costs since implementation have decreased by 10%. The Baken life-of-mine utilising the MSS is anticipated to be at least eight years.

The **Richtersveld** operation achieved 22 800 carats (2004: 30 000 carats). The processing of the Nxodap terrace through the Suidhek plant was discontinued. However, selected deposits in the Reuning central area are being treated through this plant. The Jakkalsberg plant was mothballed at the end of October 2004 due to the depletion of stockpiled material, uneconomic grades and the sustained strong rand.

The **Saxendrift** operations achieved 22 300 carats (2004: 22 200 carats). In accordance with the operational plan and due to diminishing grades and depleted ore reserves, the Terrace A and Brakfontein plants were mothballed as at 31 March 2005. The dense medium separation plant has commenced treating recovery plant tailings, *in situ* remnants and pan tailings dump material. Opportunities for empowerment joint ventures are being investigated to mine some of the indicated reserves on a revenue split basis.

Angola

Luarca produced 96 000 carats (2004: 95 000 carats) during the year. Some 98 000 carats were sold during the year under review at a price in excess of US\$300 per carat providing an important dollar revenue base for the group. The Luarca Association aims to improve monthly carat production to 14 000 by March 2006 by spending US\$6 million from Association internal reserves. Equipment orders have been placed and the production ramp-up is planned to commence in December 2005.

The **Fucauma** plant is in the process of being commissioned. Pilot production during the year under review produced 17 700 carats, which were sold at prices in excess of US\$200 per carat.

Marine

Total production from marine operations was 69 900 carats (2004: 37 900 carats). The marine mining vessels were utilised for contract mining for the entire 2005 financial year, whereas in

ABRIDGED AUDITED CONSOLIDATED BALANCE SHEET

	2005 R'000	2004 R'000
Assets		
Property, plant and equipment	934 186	765 825
Goodwill	37 096	37 096
Investments and loans	250 325	164 420
Deferred taxation	14 351	18 655
Current assets	365 002	521 064
Inventory	168 508	107 628
Accounts receivable	88 620	55 797
Cash and cash equivalents	107 874	357 639
	1 600 960	1 507 060
Equity and liabilities		
Total shareholders' interests	1 101 033	1 077 673
Long-term liabilities	35 055	49 487
Deferred taxation	197 142	146 859
Provisions	27 003	32 283
Current liabilities	240 727	200 758
Short-term borrowings	14 432	12 696
Other	226 295	188 062
	1 600 960	1 507 060
Net asset value per share (cents)	1 236	1 219

ABRIDGED AUDITED CONSOLIDATED CASH FLOW STATEMENT

	2005 R'000	2004 R'000
Cash available from operating activities	308 261	426 312
Movements in working capital	(53 230)	(30 250)
Taxation paid	(131 959)	(109 653)
Dividend paid	(64 676)	(58 710)
Cash retained from operations	58 396	227 699
Cash employed	(308 161)	(208 893)
Fixed assets - Replacement	(15 714)	(6 339)
- Additional	(119 100)	(70 889)
Subsidiaries acquired	(79 323)	-
Loan to Angolan joint ventures	(63 771)	(103 038)
Investment in Tirisano Mine	(21 010)	-
Long-term liabilities	(12 696)	(11 169)
Acquisition of profit-sharing rights	-	(35 256)
Investments, loans and issue of capital	3 453	17 798
Net increase in cash and cash equivalents	(249 765)	18 806

NOTES

1. Net financial income/(expenditure)

	2005 R'000	2004 R'000
Net financial income/(expenses) consist mainly of the following principal categories:		
Interest received	7 545	7 129
Interest paid	(11 916)	(19 460)
Net foreign exchange profit/(loss)	7 317	(41 063)
Rehabilitation provision - unwinding of discount	3 936	2 665
	6 882	(50 729)

2. Reconciliation of headline earnings

	2005 R'000	2004 R'000
Attributable income	91 512	191 288
(Negative)/amortisation of goodwill	(4 621)	2 135
Profit on sale of assets	(1 485)	(872)
Headline earnings	85 406	192 551

3. Capital commitments (including amounts authorised, but not yet contracted)

	2005 R'000	2004 R'000
These commitments of the group will be financed from its own resources or borrowed funds.	54 373	120 826

4. Segment information

Primary segments	RSA Land R'000	Angola R'000	Marine R'000	Unallocated R'000	Total R'000
2005					
Revenue	816 033	74 770	123 995	-	1 014 798
Operating income	362 939	2 782	(2 415)	2 822	366 128
Depreciation	92 899	24 469	15 402	2 822	135 592
Mining income	270 040	(21 687)	(17 817)	-	230 536
Net financial income	-	-	-	6 882	6 882
Exploration costs	(11 747)	(52 152)	(3 407)	-	(67 306)
Share of associates' results	(5)	-	-	-	(5)
Profit before taxation	258 288	(73 839)	(21 224)	6 882	170 107
Assets	831 282	474 349	167 734	127 595	1 600 960
Cash and cash equivalents	-	-	-	107 874	107 874
Liabilities	280 118	107 799	10 226	101 784	499 927
Capital expenditure	34 396	100 212	579	4 819	140 006
2004					
Revenue	903 188	63 732	112 814	-	1 079 734
Operating income	497 203	(8 181)	22 497	2 913	514 432
Depreciation	81 463	13 875	14 033	2 913	112 284
Mining income	415 740	(22 056)	8 464	-	402 148
Net financial expense	-	-	-	(50 729)	(50 729)
Exploration costs	(36 848)	(5 288)	(7 583)	-	(49 719)
Share of associates' results	(5)	-	-	-	(5)
Profit before taxation	378 887	(27 344)	881	(50 729)	301 695
Assets	1 086 043	247 153	156 914	16 950	1 507 060
Cash and cash equivalents	-	-	-	357 639	357 639
Liabilities	343 015	15 007	4 295	67 070	429 387
Capital expenditure	50 547	24 557	4 602	2 738	82 444

5. The accounting policies are consistent with those applied in the previous year in accordance with International Financial Reporting Standards. These abridged financial statements comply with IAS 34.

6. Report of independent auditor. The results have been audited by PricewaterhouseCoopers Inc. (Stellenbosch). A copy of their unqualified report is available for inspection at the company's registered office.

Diamond prices achieved through Trans Hex's South African marketing system are expected to remain firm or may even improve slightly.

DIVIDEND DECLARATION

The directors of Trans Hex have resolved to declare a final dividend number 49 of 20 cents per share.

Last day of trade (cum dividend)	Friday, 1 July 2005
First date of trading (ex dividend)	Monday, 4 July 2005
Record date	Friday, 8 July 2005
Payment date	Monday, 11 July 2005

Share certificates may not be dematerialised or rematerialised between Monday, 4 July 2005, and Friday, 8 July 2005, both days inclusive.

CHANGE IN DIRECTORSHIP

Mr Llewellyn Delpport was appointed managing director of the company on 1 July 2004. Messrs C Johnson and P Pienaar were appointed as alternate directors for Messrs Sexwale and Willcox.

Mr Altie Krige, executive director land operations has applied for early retirement due to medical reasons. He resigned from the board on 16 May 2005. The board wishes to thank Altie for his loyal and dedicated service during his 23 years of employment with the group.

SHAREHOLDERS' DIARY

The annual report will be mailed before 30 June 2005 and the annual general meeting is scheduled for 5 August 2005.

By order of the board

TMG Sexwale
Chairman

L Delpport
Managing director

Parow
30 May 2005

REGISTERED OFFICE

Trans Hex Group Limited
405 Voortrekker Road, Parow 7500, PO Box 723, Parow 7499
JSE share code: TSX NSX share code: THX
ISIN: ZAE00018552
Registration number: 1963/007579/06
Incorporated in the Republic of South Africa

TRANSFER SECRETARIES

South Africa: Computershare Investor Services 2004 (Pty) Ltd,
PO Box 61051, Marshalltown 2107
Namibia: Transfer Secretaries (Pty) Ltd, PO Box 2401, Windhoek

DIRECTORATE

TMG Sexwale (Chairman),
BR van Rooyen (Deputy chairman),
L Delpport (Managing director),
WE Böhmann, E de la H Hertzog,
DM Hoogenhout, CG Johnson (Alternate),
MS Louber, A Martin,
PC Pienaar (Alternate), MJ Willcox,
GJ Zacharias (Company secretary)

www.transhex.co.za