



PRESS RELEASE

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WFDB warns its membership against fraudulent actions; says it will expel members proven to be involved in fraud.

Antwerp, March 13 2006 — The Executive Committee of the World Federation of Diamond Bourses, headed by WFDB president Shmuel Schnitzer, put out a strong statement, announcing that its affiliated bourses will take severe and definite disciplinary actions against any member who has been proven to be involved in fraudulent activities or in activities that lead to loss of consumer confidence.

The WFDB ExCom released its statement shortly after its meeting in London in late February. In practical terms the statement comes in the wake of the certificates fraud at the New York branch of the Gem Trade Laboratory (GTL) of the Gemological Institute of America (GIA), a case that has reverberated through the diamond business.

The wording of the statement is as follows:

"The World Federation of Diamond Bourses (WFDB), which is the world's largest representative body of the diamond industry, strongly condemns any action taken that lead to fraudulent activities or cause the loss of consumer confidence in polished diamonds.

Furthermore, the WFDB supports any action that eradicate such activities and instructs all bourses affiliated to the WFDB to take disciplinary against any member who has been proven to be involved in such activities.

The WFDB's members encompass all aspects of the diamond and precious stones industry and implement a system of self regulation, and the inauguration of the WFDB Mark at the 32nd World Diamond Congress will lead to greater transparency thereby promoting and encouraging consumer confidence.

The WFDB applauds the actions taken so far by GIA regarding the issues of fraudulent diamond grading reports and it urges all parties involved to bring this matter to a speedy, satisfactory and honorable conclusion.

The WFDB recognizes that GTL-GIA is a leading, reputable diamond grading laboratory and that GIA is a prime educational institution in the diamond trade. WFDB respects GIA's role and offers its support during these trying times."

Commenting on the statement, WFDB president Shmuel Schnitzer said that for all practical purposes, the required disciplinary action in a case of fraud would be expulsion from the member bourse and from the WFDB. "We cannot afford to be less than most stringent here," Schnitzer said. "We must take severe action against transgressors, to protect our collective reputation and the global diamond business' integrity at large."

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