



PRESS RELEASE

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WFDB President commends role of Gareth Penny at De Beers

Ramat Gan, July 28, 2010 - Avi Paz, president of the World Federation of Diamond Bourses (WFDB) issued a statement in which he commended the central role that outgoing Managing Director Gareth Penny of De Beers had played in the past years in the rough diamond market. "Gareth Penny's contribution to the prosperity of the diamond industry throughout the years was tremendous and his unique skills were particularly evident during the time of the global economic downturn. He offered strong leadership in an industry that was going through a severe structural and economic crisis in the past 18 months," Paz stated.

Paz added that "the fact the global diamond industry is experiencing a recovery in the past few months is very much due to Mr. Penny's leadership and professional contribution. He was quick to respond to the abrupt changes in a responsible and professional manner and assured that De Beers' policies were in sync with the entire diamond industry."

Paz also noted that the DTC's sightholder system had been an important factor in stabilizing the diamond industry. "We are very much against the use of tenders in selling rough diamonds because we believe tenders are bad for the industry and create an imbalanced situation. The fact that De Beers, under the leadership of Mr. Penny, continued to supply rough diamonds using the sightholder system is very important for the stability of the entire industry. I hope and trust that the De Beers sightholder system will be continued successfully under the new management and call upon all the other large diamond producers to follow the steps of De Beers and abandon the tender system."

Avi Paz also lauded Gareth Penny's contribution to the development of the secondary diamond market, where rough supplies were becoming increasingly scarcer. "I hope De Beers will continue to increase the allocation of rough diamond supplies to manufacturers and traders in what we call the secondary market, meaning those companies that are not part of the sightholder or preferred client lists. These small and medium sized companies play an important part in the diamond industry and the supply pipe line of polished goods into the downstream market. Large firms, together with medium-sized and small companies make up the strong fabric of our fascinating industry and the WFDB is committed to protecting that unique industry make-up, also in the future," Paz said.

The WFDB President concluded saying: "I speak on behalf of the entire diamond industry and trade in thanking Gareth for the very significant contribution he has made to the well-being and advancement of our industry, as well as to the prosperity of the manufacturing countries' economies. I wish him well in his future career opportunities."

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