



PRESS RELEASE

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CONTACT

Ya'akov Almor

Tel: +972-52-352-2685

E-mail: almor@mdirect-business.com

CONCLUDING STATEMENT TO 33RD WORLD DIAMOND CONGRESS AVI PAZ, WFDB PRESIDENT

SHANGHAI, CHINA: MAY 15, 2008 – *The following is the statement delivered by Avi Paz, president of the World Federation of Diamond Bourses, at the press conference which concluded the 33rd World Diamond Congress in Shanghai.*

After three days of formal sessions, we concluded today the 33rd World Diamond Congress in Shanghai. As traditionally is the case, the congress has served as the formal gathering place for the general assemblies of the World Federation of Diamond Bourses and the International Diamond Manufacturers Association.

This was the first time that a World Diamond Congress has taken place in China, and the very fact that the country is playing host to what for many years has been the most important event on the calendar of the international diamond community underscores not only the very rapid development of the Chinese industry and trade, but also the growing importance of China as a diamond centre and market. The WFDB expresses its sincere gratitude to the conference organizers, the Chinese government, the Shanghai Diamond Exchange and the CCJP Diamond Manufacturers Association, and their respective presidents, Lin Qiang and Sandro Sze.

It is the stated objective of the WFDB to encourage the establishment of diamond exchanges in all developing markets, and this congress is remarkable inasmuch as we accepted as full members three new bourses in countries that previously did not house diamond exchanges. These are the Diamond Dealers Club of Australia, the Istanbul Gold and Diamond Exchange and the Panama Diamond Exchange. Their addition brings our membership up to a record 29 diamond exchanges in 20 countries. Each one of the new bourses should provide a tremendous boost to the diamond trade, because in each and every case they provide our business with expanded reach in markets with great potential.

Another achievement of the 33rd World Diamond Congress was the acceptance by the executive committees of both the WFDB and IDMA of a revised set of IDC Rules for Grading Diamonds, which was prepared by the International Diamond Council (IDC), which is a joint committee of IDMA and the WFDB concerned with diamond grading standards and nomenclature. The new set of rules, which is the results of many hundreds of hours of dedicated effort by the members of the

WORLD FEDERATION OF DIAMOND BOURSES

Pelikaanstraat 62, B-2018 Antwerp, Belgium. Phone: +32 (0) 3 234 91 21, Fax: +32 (0)3 226 40 73

E-mail: info@worldfed.com, Internet: www.worldfed.com, www.wfdbmark.com

council, includes a range of amendments and adjustments to IDC's respected rule book, which were instituted to meet changes that have taken place over the years brought about by new technologies and changing market conditions.

Of particular significance was the decision by IDC to broaden the range of descriptors that can be used for gem-quality diamonds that have been created in laboratory or factory, and to date have been referred to as "synthetic." According to the new IDC rules, such diamonds can be described as: "synthetic," "laboratory-grown," "laboratory-created," or "man-made," and the descriptor must always be followed by the word "diamond" or "diamonds." Under no circumstances can the term "cultured" be used to describe gem-quality synthetic diamonds. As I told the members of the WFDB and IDMA during a joint session at the congress, I do not have a problem with synthetic diamond, in the same way that I do not have a problem with fake leather. But just the consumer buying a sofa needs to be made aware that its covering is not actually leather, the consumer also must be informed that a diamond is synthetic and not natural. Any terminology that serves to confuse or deceive the consumer about the real identity of the diamonds should be outlawed.

Also of great significance was that, following the approval of the IDC Rules for Grading Diamonds, a joint statement was issued by the WFDB, IDMA and CIBJO presidents, in which CIBJO noted that it recognises and respects the revised IDC Rules. This is a particularly significant development because it underscores the close cooperation that takes place on an ongoing basis between the major representative organisations in the diamond and jewellery industries. The ability of these bodies to speak with a single voice on issues that concern our constituents is a major asset and one that we should continue to nurture.

The Shanghai congress provided us with the opportunity to update the membership about the WFDB Mark programme, which over the past five months has seen a significant increase in the number of individual bourse members applying for personalized WFDB Marks. Two months ago we launched the WFDB Mark Associate Member Programme, which enables associations and commercial bodies involved with the diamond industry to participate. At the congress we honoured seven early adopters, including the first Associate Member, the Antwerp World Diamond Centre, and six trade media companies, all of whom will be assisting us in promoting the programme. The WFDB Mark stands as a cornerstone of the WFDB's current operational strategy, in which we are deliberately raising the federation's public profile and developing services that provide a direct benefit to WFDB bourse members.

The ongoing dialogue between the WFDB and the major rough diamond producers has continued, with the presence in Shanghai of senior executives from several of the leading diamond producers, including DTC, BHP Billiton Diamonds, Rio Tinto Diamond and Alrosa. We were particularly honoured to have Sergey Vibornov, the president of Alrosa, as our keynote speaker on the opening day of the congress. The WFDB considers the continuing liaison with the producers of rough diamonds to be of critical importance to our industry, because all activity along the diamond pipeline ultimately impacts upon all the various stakeholders.

Not only is it our obligation to maintain a dialogue with the companies producing rough diamonds, but we also are committed to developing our relationship with the governments and business sectors in the producing countries, with the aim being that the diamond industry in these nations contribute positively to their citizens' economic and social development. We recognize the importance of establishing grass roots diamond industries in the countries that produce rough diamonds, and we are examining ways in which not only can we act to assist in the sustainable

development of these industries, but also ways in which the producing countries will become active in the WFDB itself.

We recognise the growing recognition in the greater business community that it must demonstrate its commitment to Corporate Social Responsibility. In this respect, the WFDB and the diamond industry has a firm track record, particularly through its involvement in the establishment and operation of the World Diamond Council and the campaign against conflict diamonds. But this is only part of the equation, as is our insistence that our members comply with anti-money laundering legislation, like the Patriot Act in the United States. I would not that at the very basis of our WFDB Mark programme if the World Federation Code of Ethics, or WFCOP, which codifies the strict ethical business code that is demanded by our constitution and bylaws.

At the 33rd World Diamond Congress I was honoured to be elected as President of the WFDB, and it is my privilege to following in the footsteps of so worthy a group of predecessors, the most recent being Ernie Blom, who I am pleased will continue to serve alongside as me as Vice President. We also recognised Ernie as a Lifetime Honorary President of the WFDB, and in that respect he joins two other former presidents of our organisation, Eli Izhakoff and Shmuel Schnitzer. The other office holders who were elected were Michael Vaughan as Secretary General, Dieter Hahn as Treasurer General, and Freddy Hager as Deputy Treasurer General. The other members of the incoming Board of Directors are Anoop Mehta, David Marcus, Jacob Banda, Julien Drijbooms, Sergey Oulin, and Mr. Lin Qiang as a co-opted member.

The World Federation of Diamond Bourses is essentially a family of diamond traders, who need to communicate, liaise and plan common strategies on an ongoing basis, and not only on those occasion when we meet at World Diamond Congresses and Presidents Meetings. It will be one of the primary missions of my presidencies to enhance our level of communication and cooperation, because when we act together our ability to affect events is greatly enhanced.

The next Presidents Meeting will take place in Antwerp, Belgium, in 2009, and the 34th World Diamond Congress will be held in Moscow, Russia in 2010.

I thank you.

Thursday, May 15, 2008

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