



## **PRESS RELEASE**

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### **IDMA applauds leadership succession at De Beers**

*New York, July 23, 2010* – "De Beers CEO Gareth Penny could not have created a more spectacular exit for himself: stepping down after reporting the highest H1 profits (EBITDA \$762 million) in the history of De Beers (in relation to sales volume), and the highest return on assets ever achieved," said Moti Ganz, President of the International Diamond Manufacturers Association (IDMA), commenting on the announcement that after 5-years serving at the helm of the world's largest diamond mining and marketing conglomerate, Penny has decided that "a new captain should lead the next chapter in the company's diamond journey."

The 48-year old Penny has decided to pursue new career opportunities. IDMA fully agrees with De Beers Chairman Nicky Oppenheimer's observation that "Gareth Penny has been a passionate and effective leader through some of the most difficult challenges the company has faced in its long history."

The fates of the world's diamond manufacturers -- who are manufacturing the raw materials produced by the producers -- and the mining companies are closely intertwined. They have a joint interest in preserving market stability and pipeline confidence. "Penny stood at the helm of De Beers during the greatest financial and diamond demand crisis since World War II. He acted decisively and didn't hesitate to reduce production by 50%, reduced costs by 45%, and demonstrated utmost commercial restraints, not resorting to distress selling to reduce debts," IDMA Secretary-General Ronnie VanderLinden stated.

"The diamond company's 84% increase in rough sales during the first half of this year, reaching \$2.65 billion reflects the surge in manufacturing demand among our members," Ganz added, noting that Penny has fine-tuned sales to the needs of the manufacturing community. He cautions that many manufacturers are creating polished needed for restocking among jewelers and retailers and that the consumer demand recovery is still fragile, and mostly in China and India.

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De Beers has now launched a search for Penny's succession. In order to assure stability, continuity and reassure the markets, The company will be managed in the interim by a triumvirate of joint-CEO's consisting of Penny, CFO Stuart Brown and Chief Commercial Officer Bruce Cleaver. "Though the search will be conducted from candidates within and outside De Beers, appointments from within have so far served the company well and have always provided continuity, stability and leadership," the IDMA president noted.

Gareth Penny's outstanding performance has proven that point. His 22-years with De Beers included stints, among other tasks, as a manufacturer in Botswana and sales manager of the Diamond Trading Company. "IDMA salutes Mr. Penny and we shall always be grateful for his leadership during the recent crisis. He led the recovery of his company, but, by doing so and actively communicating with the world-wide manufacturers, he also spearheaded the diamond industry's fast recovery," VanderLinden concluded.

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#### **About IDMA**

IDMA was founded and convened for the first time in 1946, in Antwerp. It is committed to fostering and promoting the highest ideals of honesty and best practice principles throughout the global diamond industry, as well as full compliance with all relevant national and international laws. The organization has developed and adopted a Code of Conduct, which is binding on all 15 member associations. IDMA also works to encourage fair and honorable practices and decent working conditions for industry employees; and to preserve, protect and promote consumer trust and confidence in diamonds. It encourages and supports social responsibility by the industry in respect to all citizens of the world.

The Association has played an active role in establishing the Kimberley Process Certification Scheme and is a co-founder of the World Diamond Council.