

Media release

EMBARGOED: 20:00 Botswana time, 18:00 UK time 14:00 New York Time

Largest, Most Sophisticated Diamond Sorting Facility in the World Begins Operations in Botswana

Botswana and De Beers turn natural resources into shared national wealth

Gaborone, Botswana (March 18, 2008) – The largest and most advanced diamond sorting facility in the world was officially opened today by His Excellency the President of Botswana Festus G Mogae, and Nicky Oppenheimer, Chairman of De Beers Group. Already the world's largest producer of diamonds by value, the opening of the new technology driven facility establishes Botswana as the world leader in the sorting and valuation of rough diamonds. The development and construction of the building was funded by De Beers, and will serve as the home of the Diamond Trading Company Botswana (DTC Botswana), a unique 50:50 joint venture between the Government of the Republic of Botswana and De Beers.

Beneficiation, a strategy shared by the Government of Botswana and De Beers, ensures that a portion of Botswana's most important natural resource stays in the country longer, so that value can be added through local companies and local expertise. This strategy of turning natural resources into shared national wealth is anticipated to stimulate the development of a new industry in Botswana and create approximately 3,000 new jobs in the country. The jobs, primarily in diamond cutting, polishing, sales and marketing, will account for a 30% increase in diamond industry jobs in Botswana and a 10% increase in the country's total number of manufacturing jobs. In addition, job creation in secondary business sectors such as banking, security and Information Technology will support Botswana's economic vision to generate jobs and drive maximum value from the country's diamond resources.

DTC Botswana will sort and value all rough diamonds produced by Debswana (a 50/50 joint venture between the Government of Botswana and De Beers to mine the country's diamonds) and, for the first time in Botswana, perform local sales and marketing activities for rough diamonds. Through its Diamond Academy in Botswana, the DTC is ensuring the skills transfer, training and development of local employees. DTC Botswana will be the primary vehicle for creating a sustainable and profitable downstream industry in Botswana that will:

- Provide maximum long term value from diamonds to the country through world class sorting, valuing, selling and marketing practices in Botswana
- Develop new employment opportunities in Botswana
- Ensure that new skills and capabilities are created amongst Botswana's citizens
- Be a catalyst for other businesses to invest in Botswana

In addition, the vast majority of De Beers' global production will be aggregated in Botswana by DTC International by 2009.

Speaking at the Ceremony, President Festus Mogae said "For the citizens of Botswana, the Diamond Trading Company Botswana will bring with it increased employment and training opportunities. It will further provide Government with another significant revenue stream, to finance further development. It will also raise our nation's global profile by becoming a benchmark brand of local excellence."

Nicky Oppenheimer, speaking about the creation of DTC Botswana, noted that the opening of the building was a true celebration, and an important milestone in the enduring partnership between De Beers and the people of Botswana.

"The unique contribution that diamonds have made in countries like Botswana gives us cause to reflect on what lessons might be drawn from this success, and whether these might be deployed effectively elsewhere on the continent. We have, for example, learned the value of building local capacity through employing local people and ensuring local management of our operations; of supporting local businesses through preferential procurement and the provision of support through enterprise funds; of engaged support for initiatives that promote good governance and transparency and we have learned the value of industry leadership in driving an ethical business that underwrites consumer confidence in diamonds. Above all we have learned that building strong mutually beneficial partnerships wherever we work creates a shared responsibility for success," he said.

Botswana produces 22% of world output of gem diamonds by value. Revenue from diamonds represents 33% of the country's GDP. The wealth generated from diamond revenues has been used to build and develop healthcare, education and transport. In the four decades since diamonds were discovered in 1966, Botswana has transformed itself from among the poorest countries in Africa to one of the most democratic and wealthiest on the continent, with one of the world's highest economic growth rates (4.7% annually in 2006-07). This dramatic and rapid development of Botswana's upstream and now downstream industry, and the prudent mix of stability, good governance and effective management of its diamond resource, provides a much wider commentary on what business' role should be in African development. Botswana is a prime example of how a country's natural resources can be turned into shared national wealth in the African context.

About De Beers:

De Beers, established in 1888, is the world's leading diamond company with unrivalled expertise in the exploration, mining and marketing of diamonds. De Beers and its joint venture partners operate in 25 countries across five continents employing more than 22,000 people, 17,000 of whom are based in southern Africa. From its mining operations across Botswana, Namibia, South Africa, Tanzania and Canada, De Beers produces and markets approximately 40 percent of the world's supply of rough diamonds. As part of the company's operating philosophy, the people of De Beers are committed to *Living up to Diamonds* by making a lasting contribution to the communities in which they live and work. De Beers encourages sustainable working to ensure long-term positive development for Africa, and returns approximately US\$4.9 billion to the continent every year. For further information about De Beers visit www.debeersgroup.com

Notes To Editor:

Footage and images available from <ftp://ftp.wtms.com>

Login: debeers

Password: diamond

Contacts:

De Beers Botswana
Kirsty Lane
Tel: +267 7132 8882.

Kirsty.lane@debeersgroup.com

De Beers London
Lynette Gould
Tel : +44 (0) 7740 393260

Lynette.gould@dtc.com

De Beers Johannesburg
Tom Tweedy
Tel: +27 (0) 83 308 0083

tom.tweedy@debeersgroup.com