



Media release

NAMDEB'S RESPONSE TO THE WORLD FINANCIAL CRISIS

WINDHOEK, NAMIBIA: 13 NOVEMBER 2008 - The current world financial crisis is affecting most businesses in some way. The diamond industry is no exception to this current down-turn. Namdeb will be impacted in the short term and our environment will continue to be challenging and unpredictable.

As a major contributor to the Namibian fiscus, Namdeb is fortunate to have two strong shareholders, the Government of Namibia and De Beers, both of whom are committed to the long-term success and sustainability of our business.

- We are already facing some serious challenges, as no company with an international business market such as Namdeb, is immune.
 - Banks have gone out of business, stock markets have crashed
 - Commodity prices have fallen sharply – and the share prices of major mining companies have seen rapid decline as a result
 - The major consumer markets are now in recession, and this is likely to be deep and long

- The diamond business will be impacted in the short term and our environment will continue to be challenging and unpredictable.
 - Consumers will probably reduce discretionary expenditure, impacting jewellery sales
 - Retailers will probably reduce inventory levels
 - High debt levels in the cutting centres will affect our clients' cash flow situation

We need to recognize that the world has changed around us and take action now to ensure we have a future.

In this regard, as a responsible company, Namdeb is assessing many options and scenarios in an effort to best respond to this financial crisis.

Namdeb's actions will be taken in consideration of ensuring that the consequences of our decisions will have minimal negative impact on our employees, communities and the country at large.

All staff members of Namdeb have been informed of this situation, as well as the measures being contemplated to mitigate the impact. We will continue to communicate through the appropriate Namdeb structures as this situation unfolds.

For more information on Namdeb visit: www.namdeb.com

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