

Diamond Circle Capital announces launch of first
ever London-listed diamond fund IPO

London/Lausanne, 18 June, 2007 - Diamond Circle Capital plc ('the Company'), a newly incorporated closed-ended investment company registered and incorporated in the Isle of Man, formed to invest in large high-quality polished physical diamonds, today announces the launch of its initial public offering ('IPO') and its intention to seek a listing on the London Stock Exchange's main market for listed securities.

The Company's investment objective is to produce long-term appreciation of its portfolio of diamonds. To achieve this, the Company intends to create a portfolio of polished diamonds focused on the high quality segment of the diamond market with a minimum investment of around US\$1 million per individual stone. It is anticipated that the portfolio will comprise white diamonds as well as rare coloured diamonds. The Company is intended to offer investors a relatively cost-efficient, listed instrument for exposure to the diamond market.

The key highlights are:

- The IPO is targeted to raise approximately US\$400 million through an offering of Ordinary Shares to investors in the United Kingdom and elsewhere. The minimum offer size is US\$150 million.
- The Company will be managed by Diapason Commodities Management, S.A., (the 'Investment Manager' or 'Diapason') which will be responsible for the day-to-day management of the Company's diamond portfolio and other assets. Diapason Commodities Management is one of the largest commodity investment managers in the world and, as of 30 March 2007, managed and/or oversaw approximately US\$6 billion of funds and investment vehicles in various commodities programmes.
- Operating with the investment policies of the Company, Diapason intends to build a portfolio of large high-quality white and coloured polished diamonds, diversified by carat weight, colour, clarity and cut, with a minimum investment of around US\$1 million per individual stone.
- The Investment Manager has assembled a team of highly experienced diamond industry specialists in connection with the Company comprising three diamond traders (employed by the Investment Manager), a Board of Experts and Independent Valuers.
- Structure, cash and liquidity management of the Company are intended to be in compliance with Shariah principles.
- It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on or around 8.00 am (London time), on 10 July 2007.
- UBS Limited will act as Global Coordinator, Sponsor and Bookrunner for the IPO

The Investment Manager believes the Company represents an attractive investment opportunity because:

- Catalysts for growth in investment demand for large high-quality diamonds are in place, underpinned by the rising number of high net-worth individuals, especially in the Middle East, Southeast Asia and the Russian Federation.*
- There are structural supply constraints in the diamond mining industry with limited production momentum, signified by a steadily declining mineral reserve base compounded by limited exploration success and relatively high barriers to entry.
- Inventories of rough diamonds are at historically low levels with a significant stockpile having been reduced to working capital levels over the past decade.

Stephan Wrobel, a Founding Partner of Diapason Commodities Management, S.A. commented,

'We are delighted to be the first pure-play listed diamond investment fund offering, providing investors unique access to the high-quality diamond market. The fundamentals of the diamond market provide a very positive backdrop, with a marked increase in demand coming from new markets, supply constraints in the diamond mining industry and inventories of diamonds at historically low levels. Diamond Circle Capital Plc will offer investors a relatively cost-efficient, listed instrument, providing exposure to the polished diamond market, where there has traditionally been limited access to investment opportunities.'

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Notes to Editors

The Diamond market*

- The value of the worldwide diamond jewellery retail market was estimated at US\$61 billion in 2005, up from US\$50 billion in 2002. It is expected to grow by 3% annually to reach US\$90 billion in 2015
- One of the major drivers of diamond demand is the increased spending power of the new middle class in the major emerging markets of China, Russia, India, Asia and Latin America
- In recent years, the diamond industry has experienced a declining reserve base and increased production costs due to lower grades and cost inflation
- Global diamond mining cost inflation is partly driven by deeper mining and off-shore mining operations, but also general shortage of mining materials and skilled labour around the world
- Supply constraints along with an expected growth in demand results in forecasted demand outstripping supply by up to US\$7 billion by 2012 especially with larger high-quality diamonds expected to become increasingly rare.

* Sourced from Tacy Limited Report on the Diamond Market

Use of Proceeds

The Company intends to use at least 90% of the net proceeds of the Offer to acquire a portfolio of diamonds meeting the Company's investment objective in accordance with the Company's investment policies and strategy. The remaining percentage of the net proceeds of the offer is intended to be invested in Sharia-compliant products and used for working capital purposes.

Net Asset Value announcements

The Company's Net Asset Value and the Net Asset Value per Share, based on independent valuations, will be published on the Company's website and through RNS (London Stock Exchange approved regulatory news service) on a monthly basis, once listed. The Company also intends to publish a monthly update on the Company's diamond portfolio.

Important Information

The contents of this announcement, which have been prepared by and are the sole responsibility of Diamond Circle Capital plc, have been approved by UBS Limited solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000.

UBS Limited is acting for the Company and no one else in connection with the proposed Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the proposed IPO or any other matter referred to herein.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

This announcement does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any investments nor shall it (or the fact of its distribution) form the basis of, or be relied on in connection with, any contract therefor.

The contents of this announcement include statements that are, or may be deemed to be 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should'. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. The Company's actual results and performance may differ materially from the impression created by the forward-looking statements. The Company undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Prospectus Rules and the Listing Rules).

Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering investing in such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the IPO. The value of shares can go down as well as up. Potential investors should consult a professional advisor as to the suitability of the IPO for the person concerned.

The Offering will only be made available (i) in the UK and elsewhere outside the US, to institutional investors and certain other investors in reliance on Regulation S, and (ii) in the US to qualified institutional buyers (in reliance upon Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act).

The information contained herein is not for publication, distribution in or into, directly or indirectly, the United States of America. These materials do not contain or constitute an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration under that Act or an available exemption from it. The Company does not intend to register the securities or conduct a public offering in the United States.

In connection with the Offering, UBS Limited (or any of its agents or other persons acting for it) may (but will be under no obligation to), to the extent permitted by law, over-allot or effect other transactions to support the market price of the Company's ordinary shares or any rights with respect to, or

interests in, the ordinary shares, in each case at a level higher than that which might otherwise prevail in the open market. Such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. There can be no assurance that such stabilising transactions will occur and, if commenced, they may be discontinued at any time and may only be taken during the period commencing on admission of the ordinary shares up to and including the date which is 30 days thereafter. In no event will measures be taken to stabilise the market price of the ordinary shares above the offer price. Save as required by law or regulation, neither UBS Limited nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the IPO.

In connection with the IPO, UBS Limited may, for stabilisation purposes, over-allot ordinary shares up to a maximum of 15% of the total number of ordinary shares comprised in the IPO (before exercise of the over-allotment option) and UBS Limited proposes to enter into over-allotment arrangements with the Company pursuant to which UBS Limited may subscribe for, or procure subscribers for, ordinary shares at the offer price representing 15% of the number of ordinary shares comprised in the IPO (before exercise of the over-allotment option), to allow it to cover short positions arising from such over-allotments and stabilising transactions. The over-allotment option will be exercisable in whole or in part, on notice by UBS Limited, at any time during the period commencing on admission of the ordinary shares up to and including the date which is 30 days thereafter. The over-allotment shares made available pursuant to the over-allotment arrangements will be sold at the offer price, and will rank pari passu with, the ordinary shares sold in the IPO, including for all dividends and other distributions declared, made or paid on the ordinary shares after admission and will form a single class for all purposes with the ordinary shares.