



NAMDEB
ON DIAMONDS WE BUILD

namdeb news

"Empowerment through Effective Communication"

Issue 3: October 2010

Our Vision

"Namdeb...
creating an
exciting and
dynamic
diamond
future

Our Mission

"We produce
diamonds
profitably,
sustainably
and
responsibly"

Our Values

EXcellence
Care
Integrity
TEamwork
Diversity

=EXCITED

Entrenching Namdeb's Thumbprint



Namdeb...2050 and beyond

Editorial

Let us invite all of you to a fresh and exciting Namdeb News. In this edition we are dedicating the publication to Namdeb's

Identity. How many of us are familiar with what we stand for as a business? Who are we? What are we about and where are going to? It is only when all of us can answer these questions that we can achieve our 2050 and beyond vision!

Our Geologists and Mining Engineers commonly refer to the business FOOTPRINT, while our Security colleagues use evidence from FINGERPRINTS. As part of this edition, the Communications team would now like to introduce you to the Namdeb THUMBPRINT. Many of you might have seen the wording in the GM's Desk column. With your input these words and phrases have now become what we stand for.

....So next time someone asks you about the Namdeb ID...you know what to tell them!



The Namdeb ID



Namdeb is a Place where.....People are empowered; Respect replaces status; Job content replaces Job Title; There are no Holy Cows; There is growth; We treat challenges as opportunities...

Namdeb People.... Treat each other with respect; Do what they say they will; Take responsibility for their own safety; Take responsibility for their own actions; Embrace diversity; Work without bureaucracy; Challenge the status quo; Think out of the box; Know what they want; Make decisions; Try new things; Learn continuously; Are not afraid to fail; Thrive on change; Are fearless, passionate and energetic; Are resilient – bounce back; Care, support and encourage each other;

Namdeb People.... Are tough; Are proud; Are humble; Are enthusiastic; Have fun; Deliver extraordinary results – consistently- against all odds; Believe nothing is impossible, Believe every employee can make a difference, Believe in themselves; Talk straight; Pay attention to detail; Are hands on; Make it happen; Keep it simple; Cut the frills; Can do; Ask why not?; **Namdeb People Say: "I am Namdeb!"**

Namdeb Recognises...Contributions – not positions; Performance; Initiative; Innovation; Excellence; Professionalism; Talent; Commitment; Honesty; Can-do-attitude....

I AM NAMDEB.... YOU ARE NAMDEB...WE ARE NAMDEB

ON DIAMONDS WE BUILD...UNITED WE SHINE...

**Have you visited our newly launched fresh and exciting website?
Visit www.namdeb.com and experience the excitement!**

Our Vision: "Namdeb...creating an exciting and dynamic diamond future"

Our Business

QUARTER 3 SAFETY AND PRODUCTION REPORT

	3 PLANT	RTR	DABERAS	POCKETS	B&M
SAFETY: LTI'S	0	0	0	0	0
STRIPPING	4,046,696		832,840	1,086,049	-
TONS TREATED	1,509,333	22,764	935,663	215,978	-
CARATS	29,932	9,505	28,167	83,959	1,843



DIAMOND THEFT HURTS US ALL – DON'T DO IT!!

By Peter Shout

Recent sentences handed down by the Regional Court in Keetmanshoop have reaffirmed once again how seriously the legislature and judiciary are viewing diamond theft in Namibia. Diamonds are the very life-blood of our company and Nation, generating revenues that are critical, not only to the growth and survival of Namdeb, but also to the fiscus. With 70% of Namdeb's pre-tax annual revenue accruing to the Government, diamond theft impacts on each and every citizen of Namibia as it deprives Government of funding that is critically needed for schools, hospitals, roads and numerous social programmes provided by the State. In these recent cases, the court expressed the view that diamond theft amounts to "economic sabotage". That's how serious it is.



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Our Values: Excellence, Care, Integrity, Teamwork, Diversity = **EXCITED**

Diamond Theft Hurts Us All - Don't Do It!

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Since 1988 Namdeb has invested over N\$350 million in technologies to protect its product from theft. Even the Courts have commented that it is a distressing situation where a company has to spend these sorts of sums of money to protect its product from its own employees.

The "good news" is that the vast majority of our employees are honest, decent and hardworking people who share our collective disgust that diamond theft continues to occur at Namdeb. Proof of this is the fact that the tireless and committed members of the Security department have recovered more than N\$3 million worth of stolen diamonds this year already. Their success, of course, is not without the contribution of many employees who do not stand by when diamond theft activities come to their attention. These men and women bring these illicit activities to the immediate attention of the Security department or Nampol and are applauded for taking responsibility and acting in this regard.

Namdeb offers various incentives to encourage its employees to act positively against diamond theft. This includes a generous reward scheme where employees are paid 33 1/3% of the value of any stolen diamonds that are recovered through information they have provided. The company paid out more than N\$650 093 in rewards during 2009. More than N\$500 000 has been paid out so far in 2010. Unfortunately, there are those who "look the other way", not being prepared to do what is right. For this disease of cor-

ruption to be eradicated, we need everyone to play their part. Namdeb's past, present and future is built solely on diamonds. There is no other product that we produce, manufacture or sell. Diamonds are our corporate "oxygen", the "blood" in our diamond pipeline. If our company cannot breathe or suffers uncontrollable bleeding, it will die. And our jobs, security, pensions, benefits and careers will go with it.



When you look back on your life in 30...40...50 years time, would you prefer to say that you helped destroy Namdeb or that you helped build it into the great company that it was, and is? **I Am Namdeb. You Are Namdeb. We Are All Namdeb.** Act accordingly!

A Financial Perspective of our business

By Pat Durant

What a different year we have had compared to 2009 when the world markets failed. Our reaction to the crisis caused us to downsize the operation and to preserve cash through amongst other ideas the Production Interruption. 2010 has seen an upturn in prices and an increased demand for diamonds.

However, the world economic recovery is slowing and showing signs of further decline as governments are unable to stimulate their economies further through the lowering of interest rates as these are at an all time low. Inflation which is good for growth, provided it is contained has almost disappeared.

In Southern Africa we have seen double digit wage and salary increases but the effect of these still have to ripple through the economies of the South and personal debt remains at an all time high. The economies of both our trading partners and ourselves cannot look forward to a revival through consumer

expenditure in the near future. Government expenditure on capital projects is also running out of steam an example of this was the construction of the Soccer World Cup stadiums.

The US Dollar/Rand/Namibian Dollar exchange is a major concern and inhibitor to our profitability while it continues to linger around the USD1/R7.00 mark.

The reason for the Rand's/Namibian Dollar strength versus the USD and Sterling is the overseas investments in local equities and bonds as our markets are fairly stable and are producing returns superior to what economies in the developed world are achieving.

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Our Vision: "Namdeb...creating an exciting and dynamic diamond future"

A Financial Perspective of our business

From page 4

In the United Kingdom their focus is on expenditure reduction and cost effectiveness. In Europe several countries such as Greece, Spain, Portugal to name but a few are on the verge of bankruptcy and have to make drastic cuts in expenditure and across the board tax increases to restore their economies.

This means that people in these economies will have lower disposal incomes which has to be bad for our business.

The USA's economy has been under pressure for some time and recovery there has been slow. The only countries whose economies continue to grow albeit at a slower rate are China and India. The Middle East is stagnant and with reduced demand for oil, revenues for these countries will continue to be under pressure.

This implies that despite the Indian summer we are experiencing in 2010 in terms of demand that the prognosis for this continuing has to be unlikely. It is because of these external factors and our shrinking land based ore body that we embarked on several initiatives such as Continuous Improvement, Project 2050 and other plans to become increasingly more cost effective. Foremost amongst these at this point in time is the Services Transformation Project which is aimed at reducing our overhead costs by a significant amount. Initiatives to reduce costs and increase revenues such as the hospital, school projects and housing are part and parcel of this ongoing process.

The reason for improving cost effectiveness is to generate profits to be able to fund our projects and/or prove to potential investors that we are capable of repaying and servicing borrowings to fund the future. At the same time we have to reduce operating costs such that we can profitably mine the increasingly marginal on land ore bodies.

The following diagram clearly shows the past and future anticipated cost per ton trends.

From the Project 2050 video it is clear that the immediate future lies in the Sendelingsdrif and E Bay projects and the Southern Coastal accretion. The longer term future lies in the shallow water and inshore ore bodies and we are investing in these projects in 2011 and beyond to sustain Namdeb into the future.



Due to the size of the investment needed post 2012 we require our shareholders to provide funds over and above whatever profits we generate for these projects to become a reality. They are unlikely to guarantee such funds if our financial performance in the next few years is of such a nature i.e. we do not meet agreed targets and/or produce an appropriate return on investment, this will have the effect of reducing their confidence in Namdeb and will give them cause to refrain from putting money on the table to fund future profit generating projects.

It has therefore been of paramount importance and continues to be so, to continue becoming more cost effective. To achieve this we have to fundamentally change the way we do things at Namdeb. We are going to be on this journey of change until all the diamonds have been extracted. My advice to you is get involved, get committed and get passionate about change and take ownership of the future.

I believe that the plan put together by the GMT and supported by the Board is sound but relies on your participation for it to succeed. You should feel free to ask the right questions from the GMT to ensure your understanding of the process and plans and thereby reinforce your commitment to the changes being wrought, to ensure a sustainable future.

Inshore's Probe Drill Platform soon to venture into the surf zone

By Andre Oelofsen

The construction of the Probe Drill Platform (PDP) and Aerial Ropeway System (ARS) in Mining Area 1 is expected to be completed by December 2010. Since the beginning of the year, the old Seawalker has been extensively refurbished and strengthened to withstand the rigours of the surf zone on the West Coast.

A 5-inch diameter probe drill has been customised to be fitted on the platform and the drilling operations will start towards the end of the year along the beaches in the northern part of Mining Area 1. The northern area in Southern Coastal Mines remains the focus of the Inshore Project mostly because the sand cover is thinner there than on the southern beaches towards the mouth of the Orange River. The data obtained from the drilling will be used to build a geological model which will help geologists to develop the sampling programme and eventually the Inshore Resource – the first portion of which will be delivered in 2013.

According to the design specification the PDP can withstand 144km/h winds with a maximum wave height of 5.7m in “*survival mode*” (jacked-up to maximum height with all eight legs firmly grounded). In comparison, the winds we experienced in Oranjemund on the 5th of August 2010 reached speeds of up to 78km/h – the PDP has been strengthened to withstand nearly double that force. At a dead sprint, the platform will reach speeds of 15 metres per hour, but will be able to carry its 165 ton bulk up to 350 m into the sea to depths of approximately 5.3 m (up to 7m in favourable weather conditions).

Personnel will be transferred between the beach and platform with the Aerial Ropeway System (ARS). The 350 metres journey over the waves will take 3 minutes. All of the Inshore personnel will have completed the Offshore Survival Course at the Cape Peninsula University of Technology (Department of Maritime Studies) before they venture into the waves.

The Platform will be manned for 24 hours when at sea and it is estimated that that it will complete a drill line within a week which will be followed by a 2-3 day maintenance and refuelling period on the beach. During the day shift, when drilling will take place, the PDP will be manned 4 persons with 1 person manning the ARS on the beach.



THE AERIAL ROPEWAY SYSTEM DURING COMMISSIONING IN CAPE TOWN IN AUGUST 2010.



AERIAL ROPEWAY SYSTEM PERSONNEL TRANSFER BETWEEN TOWERS DURING COMMISSIONING.

DRAWING OF PROBE DRILL PLATFORM AT SEA WITH THE AERIAL ROPEWAY SYSTEM ON THE BEACH.



Namdeb Services Transformation Project

The Namdeb Services Transformation (NST) project , led by Rachel Kalipi, with the support of an external partnering company, Aquismart will be facilitating the process of finding ways and means of improving the performance of the company. Meet the faces behind the project:



Tell



Namdeb People..... *“Make It Happen”*

By Riaan Burger



THE ENGINEERING PROJECTS TEAM MAKING IT HAPPEN

In our continued quest of realizing our objective of extending the life of Northern Coastal Mine by re-opening the Elizabeth Bay Mine, a three day strategic workshop was recently held to initiate work on the main treatment plant. In preparation for this workshop, Project Services was tasked to draft a scope of works for the repair work required at E-Bay Plant. To improve on the confidence of the repair cost, the team spent four days on site identifying maintenance work, modifications and upgrade details that would be required and to provide a class 1 estimate and detailed project execution plan.

The work was split into 2 phases with the DMS repairs being part of phase I. The major tasks involve stripping out of equipment, sandblasting of structures, manufacturing of piping and reinstallation of one DMS stream. This work is on schedule, with work to be completed by December 2010.

Work is also being done to ensure that the plant provides for a clean and safe working environment when the project is

completed and handed over.

Work on phase II is set to continue in January 2011 with final project completion in quarter four of the same year.

The Project Services team also constructed a mobile Dry In-Field Screening (DIFS) plant at Daberas (*see photo below*) to do test screening for the Orange River Life-of-Mine Extension project. The same plant will also be used for testwork at Bogenfels and Elizabeth Bay.

Working on more than one site requires meticulous planning of resources to minimize delays and ensure optimum utilisation. It also requires employees who understand the importance of the work and the role that he/she plays in the success thereof. This team truly lives our values and deliver extraordinary results – they **“make it happen”** for our future.



A MOBILE DRY IN-FIELD SCREENING (DIFS) PLANT AT DABERAS

Namdeb Peopleare Innovative

By Callum Pitout

Innovation in the Supply Chain Team has recently been enhanced through the introduction of a new Ideas Board. The Supply Chain Team has launched a method for listing their own ideas in an effective way that is easy to manage.

How Does It Work?

Anybody in the team that has an idea on how to improve on the areas below is encouraged to put their own ideas on the board :

- The Workplace
- Environment
- Safety
- Productivity
- Layout / Ergonomics
- System, and
- General

Once a week the team gets together in the Omugongo Area to review the ideas. The team discusses each idea, and if the team thinks it is a good idea, then they agree to implement it. One person from the team is then nominated to action the idea. The person responsible agrees on a date for the implementation to be complete.

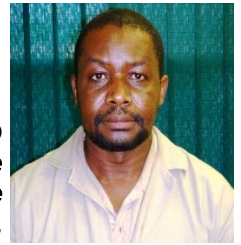
Every week the team follows up on the progress of the imple-

mentation.

An important aspect to track the ideas is to take before and after photographs. These are displayed in the Team Omugongo.

Simon Sees his ideas come to "light"

In the true sense of living the Namdeb ID of *Namdeb is a placewhere people are empowered and Namdeb peopletake responsibility*, Simon Katjimune, a storeman in town responsible for storing and distributing PPE to all at Namdeb, has seen his ideas coming to "light". Simon realised that the lighting condition in the PPE store was not the best. Simon put this in as a suggestion for additional lights to be installed. The team agreed on the suggestion and Simon was empowered through the team to take the action and install new lights.



Simon commented "This is my area, and I can make the change now to improve my productivity and safety".

Every month the best idea is selected by the team. The person who put forward the best idea is nominated to be selected to attend The Night of the Stars recognition function at the end of the quarter. This is to recognise the important contribution of new ideas in the workplace.

Namdeb People....make it happen

By Wolfi Teichert

Project Services was called out to Bogenfels to assist in finding a solution of separating the DMS Tailings from mixing into the slimes line as they were going to treat high concentrate areas. As Bogenfels tried to separate this unsuccessfully, the Projects Services team investigated different options to find a short term solution whereby a temporary change could be found, but also keeping the process flow in place.

Project Services looked at swinging the DMS conveyor around to use it as a tailings conveyor and create a stockpile area. This could be done in a short span of time and would not have an impact on the process flow of the plant. As there was a limited area to create a stockpile we designed a rock box area where the DMS tailings could be contained and managed.

Some milestones of the projects included:

Implementing and approving Project Execution Plan which took 1 day, Site Establishment took the team 2 days, Building of the Rock Box took 5 days and Rotating of DMS Conveyor took 2 days.

The projects team started mobilizing their workforce from different sites and also found scrap material and equipment from different areas to execute this project keeping to the deadlines as agreed with the Plant Manager. After the Projects Execution Plan (PEP) was approved all foremen discussed and agreed on the plan and already had their teams on site to start implementing the project and successfully kept to the timelines even going the extra mile to help each other in the different disciplines

PROJECTS SERVICES TEAM THAT WAS INVOLVED WITH WORK AT BOGENFELS



Our Vision: "Namdeb...creating an exciting and dynamic diamond future"

Namdeb PeopleTake responsibility for their own actions

By Pete Shout

Sakkie Pompies, an Upper-C band member of the Security department was driving between Oranjemund and Bogenfels when he was stopped by a Safety Officer (Op-'n-Wakker Jacobs) for exceeding the speed limit. Although he knew the Safety Officer as a former colleague in the Security department, as well as the fact that he was of a higher grading than the Safety Officer, Sakkie did not make any attempt to influence him into not giving him the traffic violation ticket he deserved. Sakkie was later disciplined and received a Severe Warning.

Shortly afterwards, Koos Pompies (no relation to Sakkie as far as they both know!), a member of the General Manager's Team, was caught on the same road by the same Safety official also for speeding. Once again, Koos did not try to use his status to influence the Safety official, accepted the traffic violation ticket, attended a disciplinary hearing and received a Severe Warning.

In both these instances the employees accepted their responsibilities, acknowledging that they were in the wrong and displayed great maturity in how they conducted themselves.

"I am Namdeb; You are Namdeb; We are Namdeb"

By Libertha Kapere

Shortly after articles on the future of Namdeb were published in the national media, one morning an employee at Namdeb Head Office approached one of the leaders with a very solemn look on her face. She said that she has seen the articles in the papers about Namdeb needing money to extend the Life of Mine (LOM).

She said that she wants to help the Company extend its LOM and she offered N\$1000-00 from her salary every month to assist the Company, she added by suggesting that she would also have a braai every month-end to raise the funds and give the proceeds to the Company. At first the leader couldn't help but laugh, but the more she thought about it the more it made her realize, there are actually employees out there who care deeply for this Company. This could sound simple but it goes a long way in illustrating the philosophy of the Namdeb ID...Namdeb.....?

"I am Namdeb; You are Namdeb; We are Namdeb"

Namdeb Peoplebelieve nothing is impossible

By Remi Leemans

Some time ago one of our engineering leaders in Southern Coastal Mines, visited Uubvlei workshops with the aim of engaging his team on the "burning platform" (challenges facing the business) and explaining the importance of working together to get our unit costs down. During the discussion the manager encouraged all attendants irrespective of their positions to give suggestions and ideas. During the interactive session a Boilermaker Assistant from W74, made a suggestion that there were too many foremen and he believed that work could still be effectively done with only one foreman. After further discussions and investigations with all stakeholders, it was decided that one foreman position should be surrendered and the footprint reduced. This suggestion in the end, was a cost saving suggestion and contributed positively towards bottom line of the business. This is typical Namdeb ID story which encompasses the following aspects of our Namdeb ID: Namdeb is a **place where..... people are empowered**" and **Namdeb Peoplebelieve nothing is impossible**, **Namdeb peopleAsk why not? And Namdeb Recognises.....contribution and not position** – this is a suggestion which came from a frontline team member and besides his position, his suggestion was considered and it made a huge difference.

2050 and Beyond

How entrenched is the understanding of our business's long term future plan (2050 and beyond) amongst employees? Namdeb News interviewed some of the employees and this is what they had to say.

The question: What is your understanding of Project 2050, and what do you think should be done to achieve its objectives?



Rodney Feris:

After 100 years, we are all aware that our diamond resources are scarce, 2050 is the project that would like to extend the life of Namdeb. The project 2050 consist of different innovated new projects that will allow us to mine diamonds profitably my understanding is that the new group structure will also give Namdeb the freedom in order to explore these new ventures with all the above said, Namdeb still has to do allot in order to make the above



Julien:

2050 refers to the extension of Life of Mine. It refers to the potential resource still available and at the same time it is a marketing tool to attract potential investors. One way in which these objectives could be achieved is by ensuring that all stakeholders are adequately and timeously informed on progress.



Marvin Angula:

I understand that 2050 is to prolong the life of the mine. I think the best way to achieve this is by successfully implementing our projects and at the same time cutting unnecessary costs."



Leonie:

I understand 2050 as methods to prolong the life span of Namdeb mining on land to the year 2050. I think maybe extra fund-raising activities like fun days or dance events can also be organized to get a small cash flow to help achieve these objects. And as Namdeb is doing now...saving costs is also one way of achieving this.



Teofelus:

Eventhough I do not have a deeper understanding of the project, what I know I just heard from my colleagues. 2050 and beyond means the future of the mine. We can achieve this by changing our attitudes and our production systems. We also need to come up with new technologies of mining.



Jenny and Don:

2050 and beyond is the survival of our business to the year 2050 and beyond. To achieve this we need to work cost-effectively and efficiently. We all need to adopt positive attitudes, work as a team and go the extra mile.



Ismael:

Eventhough I feel the intention of Project 2050 was not properly explained, what I know is that the vision looks at the future of the company but I still don't understand how we will get there.



Hugh Reece:

Eventhough I do not have an in-depth understanding of it yet, 2050 and beyond is the sustainability of the company. We can achieve the objectives of 2050 if we plan properly, work together as a team and take responsibilities and not to make excuses.

Our Vision: "Namdeb...creating an exciting and dynamic diamond future"

2050 an





Stakeholder Engagement

Senior Leadership Workshop

In our quest of strengthening alignment amongst our senior leadership, a two day leadership workshop was held for senior leadership of the company and the union on 13 and 14 October 2010 in Oranjemund at the Rugby Club.

The workshop which was facilitated by Phillip Dickenson from Franklin Covey Institute aimed at providing senior leadership teams with additional tools to accelerate understanding and decision making and thereby supporting efforts towards business sustainability.



Meet the newly-lected local MUN Branch Executive Committee



PATRICK MARKUS:
CHAIRMAN



SHAVUKA MBIDI:
VICE CHAIRMAN:



HILENI DIABUNA:
SECRETARY



NICOL DU PLESSIS:
VICE SECRETARY



E SHANGOMBE:
TREASURER



A NAILENGE:
VICE TREASURER



G IIKELA:
SECRETARY FOR
INFORMATION AND
PUBLICITY



G KROHNE:
VICE SECRETARY FOR
INFORMATION AND
PUBLICITY

Beyond Namdeb borders... MUN National Leadership



THE NEW NATIONAL MINeworkers UNION OF NAMIBIA (MUN)
PRESIDENT, JOHN NDEUTEPO (MIDDLE) FLANKED BY ELIPHAS IITA (LEFT), RE-ELECTED NATIONAL SECRETARY AND GT MAX (RIGHT) WHO WILL BE DEPUTIZING HIM.

Have you visited the Namdeb intranet? Do you have any ideas and suggestions? Please contact Francis Milomo on 239220 or e-mail francis.milomo@namdeb.com

Events and Visits

During the course of the third quarter, we hosted various stakeholders to our operations



NDTC Sightholders Visit

A DELEGATION OF NAMIBIA DIAMOND TRADING COMPANY (NDTC) SIGHTHOLDERS VISITED OUR OPERATIONS ON THE 27TH AND 28TH OF SEPTEMBER 2010 AS PART OF FAMILIARISATION. THE DELEGATION WHICH WAS LED BY NDTC CHIEF EXECUTIVE OFFICER, MR SHIHALENI NDJABA, VISITED SOUTHERN COASTAL MINE . THE GROUP ALSO VISITED ONE OF THE DE BEERS MARINE NAMIBIA VESSEL.

DEBSWANA VISIT

A DELEGATION FROM DEBSWANA, ONE OF OUR SISTER COMPANIES IN THE DE BEERS GROUP FAMILY OF COMPANIES VISITED NAMDEB DURING THE WEEKEND OF 30 JULY AND 1 AUGUST 2010 IN ORANJEMUND. THE DELEGATION COMPRISED OF THE TEAM THAT LEADING THE OPERATIONS REVIEW PROJECT AT DEBSWANA. THE VISIT WAS MAINLY AIMED AT BENCHMARKING AND LEARNING FROM NAMDEB POST RESTRUCTIONG AND RIGHT-SIZING.



Almod Diamond visit

ON THURSDAY, 14 OCTOBER, WE HOSTED A DELEGATION FROM ALMOD DIAMONDS TO OUR OPERATIONS IN ORDERFOR THEM TO GAIN AN INDEPTH UNDERSTANDING OF THE MINING PROCESS. THE GROUP VISITED SOUTHERN COASTAL MINES.

Namdeb News is compiled by the Communications Section. Send your comments and feedback to:

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