



Rapaport Statement Regarding Diamond Specifications and the Rapaport Price List

Rapaport Diamond Specifications

Effective July 7, 2015, The Rapaport Group has fully implemented the latest Rapaport Diamond Specifications (RapSpec) across all Rapaport and RapNet products and services. The Rapaport Price List, Rapaport price indices and RapNet TradeScreen are all based on Rapaport Diamond Specification A3 or better (A1, A2, A3).

Full details of the Rapaport specifications are available online at www.diamonds.net/rapspec.

Rapaport Price List – Benchmark Prices

The Rapaport Price List provides benchmark prices based on the opinion of the Rapaport price analysis team, headed by Martin Rapaport. Such opinion incorporates analysis of data related to market prices and trends; geographic, product and company market reports; communications with firms and individuals active in the diamond and jewelry trade and additional factors.

While the Rapaport Price List is based on asking prices, we are now focusing additional attention on bid price levels to enable better price reporting. We are particularly interested in tracking and communicating bid price levels (i.e. the price at which firms are willing to commit to buy diamonds on a COD basis) for Rapaport Specification A3 or better diamonds. Diamond traders are urged and encouraged to communicate their firm bids to Rapaport via prices@diamonds.net. The identity of bidders will not be disclosed and the Rapaport price analysis team will consider such bid price levels when making decisions regarding changes to the Rapaport Price List.

Martin Rapaport Comment about Current Market Conditions

“Diamond prices have declined in 2015 and many categories are now trading at discounts greater than 35 percent below the Rapaport Price List.

“The diamond trade must prioritize the purchase of polished diamonds over rough diamonds. It makes no sense to buy rough that is more expensive than existing polished. Buying polished instead of rough supports polished prices while reducing the amount of new polished entering the market. It dries out the market, creating shortages that support polished prices.

“Stability and renewed trade confidence will come about once bid price levels are established and communicated. Rapaport will be communicating firm bid price levels and considering them when establishing price levels on the Rapaport Price List.

At this time, given current market conditions and adjustments to the Rapaport Price List, we are particularly interested in firm COD bids for RapSpec A3 or better diamonds that are at or better

than 35 percent below the Rapaport Price List. Buyers willing to buy at these price levels are encouraged to contact us at prices@diamonds.net."