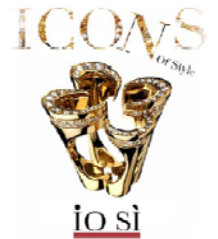


January, 2012

GITANJALI
TRUST FOREVER

Investor Presentation



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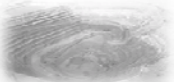
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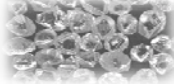
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One of India's Largest Integrated Jewellery Manufacturing and Retail Enterprise

Rough Procurement



Rough Distribution



Diamond Polishing



Diamond Wholesaling



Jewellery Manufacturing



Jewellery Wholesale



Jewellery Branding



Jewellery Retailing



- Established in **1966**, graduated from diamond cutting and polishing to one of the worlds largest Integrated Jewellery Company
- **DTC Sight holder** through a promoter company, enjoys competitive edge in rough diamond supply
- **4 of top 5 brands in India owned by the Group**
- **3** state of the art in-house cutting and polishing facilities with a capacity of about **400,000 stones per month**
- **7** modern jewellery manufacturing units with production capacity of **8,000 pieces per day**
- Largest distribution network with over **3,500 points of sales** through FMCG type distribution
- Strong retail presence with **1,040** retail points in India through own, franchise and shop-in-shop route
- **111** retail points in USA and a retail store in Dubai to maintain brand experience for consumers

Gitanjali Gems – Key Business Verticals

Group businesses – Three focused verticals

Gitanjali Gems Ltd.

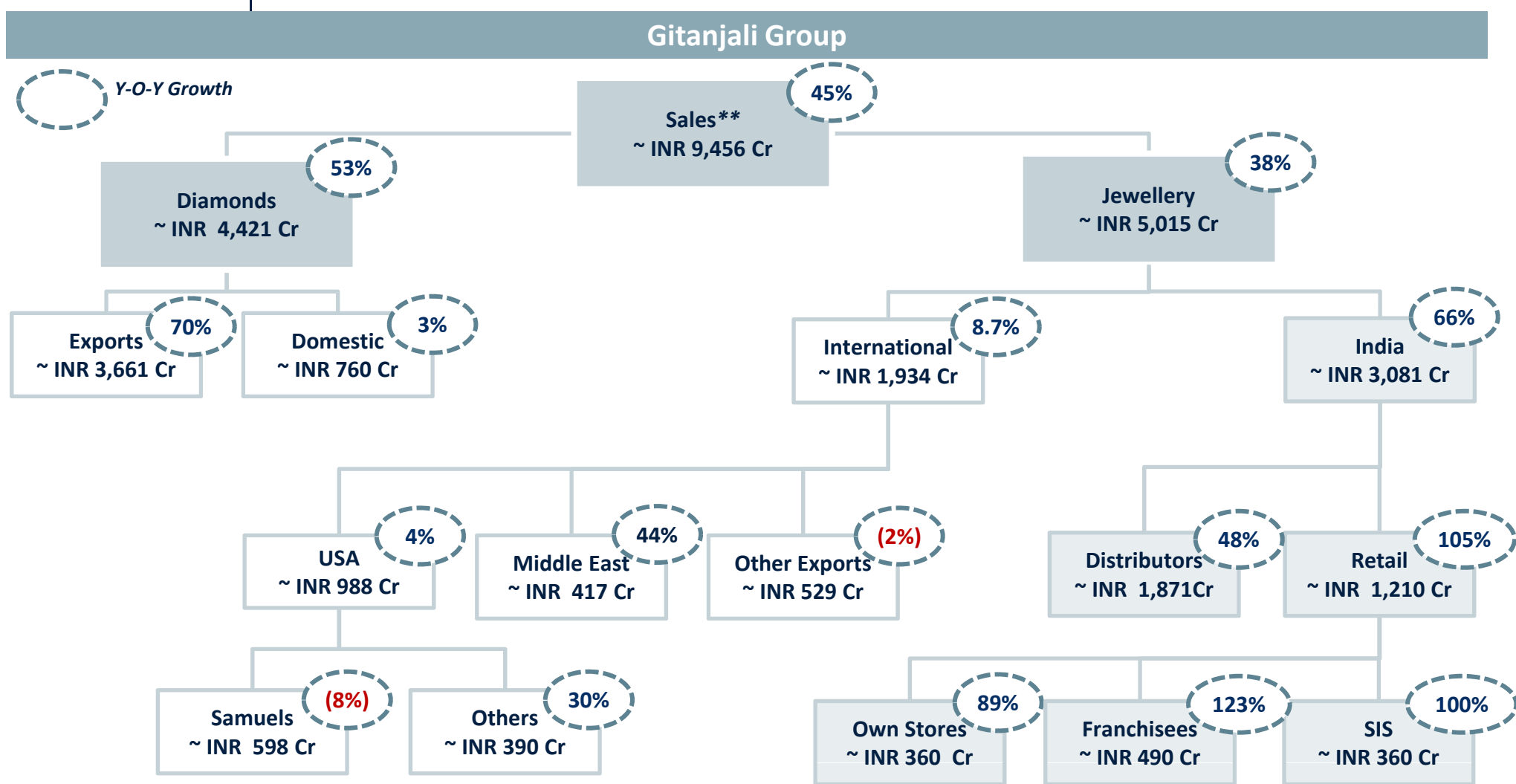


*The company's Infratech business is only to unlock value of its surplus land in Borivali by developing a residential complex. This is essentially to monetize the company's surplus land bank.

** MMTC Gitanjali is 74% owned by Gitanjali Gems while D'Damas is 51% owned by Gitanjali Brands Limited.

***All entities engaged in branded jewellery are 100% subsidiaries of Gitanjali Brands Limited. All other entities are 100% owned by Gitanjali Gems

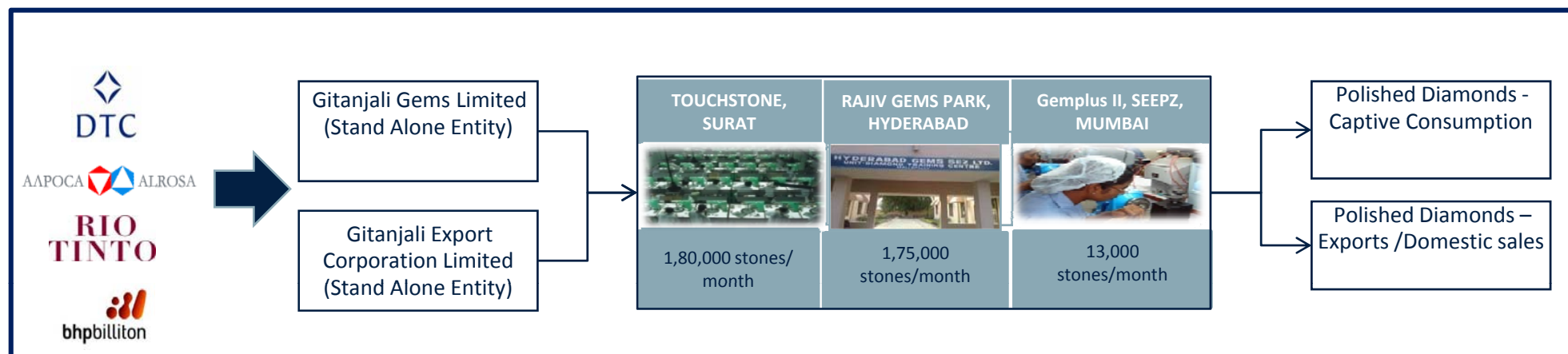
Gitanjali Gems – Business Structure (FY11 Revenue Contribution)



** Total Revenues of INR 9456 Cr, include "Other" Sales of ~ INR 20 Cr, which have not been shown separately in this presentation. As this slide represents only the primary business segments of the company viz,- "Diamonds" and "Jewellery"

Diamond & Jewellery Manufacturing

Diamond & Jewellery Manufacturing



Competitive Sourcing of Rough

- Gitanjali Gems Limited (GGL) and Gitanjali Exports Corporation Limited (GECL) are 2 standalone entities primarily engaged in the traditional diamond trading business of the group. GECL is engaged in the traditional business whereas GGL is also engaged in Jewellery Manufacturing for the international division
- Both the entities enjoy competitive sourcing of rough diamonds from DTC, ALROSA, RIO TINTO and BHP.

Diamond Polishing at 3 state of the art facilities across 3 locations in India

- Gitanjali has 3 state of the art manufacturing facilities dedicated to diamond polishing.
- These are strategically located at Surat, Hyderabad and SEEPZ (Mumbai).
- The Hyderabad SEZ is spread across **171 acres** in the vicinity of Hyderabad international airport and is divided into Processing Zone (85 acres – for manufacturing diamonds and jewellery) and Non Processing Zone (85 acres).
- Rental Facilities of ~400,000 sq. ft. To be rented out by FY 2013

Polished diamonds supplied for captive consumption as well as exports

- Polished diamonds are supplied to group entities for local consumption
- Polished diamonds are also exported to Antwerp, USA, etc

■ Domestic Branded Jewellery (Manufacturing,
Distribution & Retail)

Domestic Branded Jewellery : Portfolio of Established and well recognized Brands

Brands with distinct identity and design concepts

	<i>Brand Characteristics</i>	<i>Brand identity</i>	<i>Design concept</i>	
	 Stylish, Contemporary, Extrovert, Enthusiastic, Self-made	Embrace the Gili way of easy elegance "Beautifully you"	Easy to wear, highly contemporary and trendy designs	
	 Mesmerizing, Epitome of Beauty and Luck, Elegant and Timeless	Stunning, beautiful, sparkling diamond jewellery positioned as a woman's ultimate accessory "The enchanting enigma"	Design concept inspired by the popular Indian floral cluster	
	 Free, Spirited, Goal oriented, Successful, Independent	Diamond jewellery with a delicate & feminine look that is distinctly evocative of strength and grace "For the woman of spirit"	Design concept revolves around curvilinear forms that symbolize the inner fire of women	
	 Classic, traditional, festive, occasional gift giving	Aimed at the wedding market and similar festivities and traditional occasions "Moments like these speak gold"	Traditional classic designs to cater to major gold jewellery buying occasions	
	 Celebration of every occasion, stylish, chic, aesthetic	Jewellery for every occasion, mood, need, user profile "Celebrate Always"	International quality combined with Indian aesthetics. For all occasions, moods, user profiles	

Brand building strategy

- To create strong aspiration value amongst purchasers through celebrity association
- To create a "top of mind" brand recall
 - Annual advertisement blasts with over 250k TV and 4.5k radio commercials and 13k press inserts
 - Advertising spend of over Rs 3.5 bn in last 3 years to build and promote brands

Domestic Branded Jewellery : Raw Material Sourcing

Mitigation of gold price fluctuations

Gold jewellery

- Gold purchased on loan from bullion lending banks / nominated agencies against margin deposits
 - Price remains open for a period of up to 6 months
- Company manufactures jewellery and sells it to distributors / retailers / franchisees
- As soon as jewellery is sold / invoice is raised, price for that quantity is fixed with the bullion lending banks / nominated agencies
- Gold jewellery enjoys an inventory turnover of c.4x-5x and price risk gets completely mitigated

Gold component in diamond studded jewellery

- Gold for diamond jewellery is purchased upfront from the market at prevailing prices
 - Typically, gold constitutes 30%- 35% of total diamond studded jewellery
- For fixing MRP of the product, mark-up is applied on the prevailing rate of gold
- Due to slow inventory turnover for diamond jewellery at retail level, when actual sale is effected, prevailing rate of gold may be different than what is reflected in the MRP
- To mitigate this risk, MRP is revised on quarterly basis or on periodic basis, depending upon gold and diamond price volatility

Domestic Branded Jewellery : Integrated Design and Manufacturing Capabilities

Overview of manufacturing units

Manufacturing units overview

Mfg Units	Brief Description	Capacity (Pcs / day)
DJ		
MIDC	▪ Manufacturing diamond jewellery primarily for Gili	1050
Marol	▪ Manufacturing diamond jewellery primarily for BCJL and other subsidiaries	1500
GemPlus I	▪ Manufacturing diamond jewellery primarily for GGL	1000
Hyderabad	▪ Rajiv Gems Park, SEZ at Hyderabad for jewellery manufacturing	2500
Surat	▪ Manufacturing Diamond jewellery primarily for GGL & GECL	1400
GJ		
Coimbatore	▪ Group company - Shubalavanyaa doing contract manufacturing of gold jewellery	250
Kolkata	▪ Presently a division of GGL, Manufacturing Gold jewellery	300
Third Party		
	▪ Gold and diamond jewellery sourcing	



Going forward,
jewellery for exports
will be manufactured
by EOU / SEZ units

State-of-the-art jewellery manufacturing facilities with a production capacity of c.8,000 pieces of finished jewellery per day

Domestic Branded Jewellery : Retail

Business Model has various Formats

Overview

Business spread will be across MFO, MBO and EBO formats

Multi Format Outlet

Location : Malls or High Street format
Size: 5000 – 20,000 Sq ft



Multi Brand Outlet

Location : Luxury Boutiques in Malls or High Streets
Size: 1500-5000 sq ft

Exclusive Brand Outlet

Location : Malls with high footfalls
Size: < 1500 sq ft


WORLD OF SOLITAIRE
THE SOLITAIRE DESTINATION




GIANTTI
Luxury Ensemble

NAKSHATRA
DIAMOND JEWELLERY




Gili
Beautifully you.


D'damas
Celebrate Always


asmi
Diamond Jewellery


Shoddhi
Jewels
— A MMTC-GITANJALI JV —
SAMPURAN VISHWAS

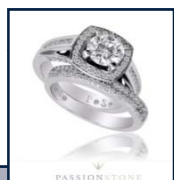


International Retail

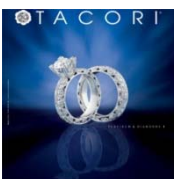
International Retail

Samuels Jewelers Inc.

Samuels Jewelers Inc.



PASSIONSTONE



111 stores across 5 retail brands

- Samuels is the 5th largest fine Jewellery retail chain in USA . It has access to the retail market through stores located in high end locales
- Gitanjali Group acquired Samuels in December 2006.
- Gitanjali group has direct access to the US retail market through 111 doors under Samuels
- FY11 saw revenues worth USD 120 Mn from Samuels Jewelers Inc

Products offered

- Leading national bridal brands - Tacori, Scott Kay
- Proprietary bridal brands - PassionStone, Calista, Natasha K, etc.
- Proprietary fashion brands - Calypso, Jennifer Morgan
- Essentials - Solitaires, PPF, Encore (3-stone+), Journey

Target audience (Varies depending on location)

- Broad base with focus on mid to upper-mid segment
 - Average annual HHI between \$45K to \$120K
- Diamond products** represent 90% of our sales
Average price point : \$600

International Retail

Gitanjali Ventures DMCC (GVDMCC)

Wholesale

- GVDMCC is an initiative undertaken to capitalize on the opportunities envisioned in the Middle- east market
- GVDMCC is primarily into distribution of Jewellery to well established local players such as Alukkas, Al Haseena, etc

Retail

- The group has a retail presence in Dubai via one store which was recently opened in July 2010 to cater primarily to the Indian population

Growth Potential

- The revenue clocked in from the Mid – East business in FY11 is c. INR 417 Cr
- The Indian Diaspora present in the GCC presents tremendous growth opportunities for the company



Working capital

Working Capital

Working capital overview

Peculiar to industry characteristics, Gitanjali's operations are working capital intensive

An integrated model requires higher inventory (raw material / WIP for manufacturing and finished goods for distribution)

Branded DJ has characteristics of slow turns. Hence debtor days are longer

Gold Jewellery

- Gold jewellery enjoys high inventory turnover (c.4x – 6x) at retail level leading to a short cash conversion cycle

Inventory and debtors for gold Jewellery

- Raw material and WIP inventory at c.½ month
- Finished goods inventory at c.½ month
- High inventory turns leading to faster recovery from debtors
 - Credit period extended to B2B channel at 2- 3 months
 - Low risk of defaults as most purchasers established in their respective markets

Diamond Jewellery

- Diamond jewellery has lower inventory turnover (c.0.8x – 1.2x) at retail level leading to a longer cash conversion cycle

Inventory and debtors for diamond Jewellery

- Raw material and WIP inventory at c.1 month
- Finished goods inventory
 - B2B channels : c. 1-2 months
 - B2C channels : c.8-10 months
- Longer debtor recovery cycle of c.3-4 months
 - Debtors secured through PDCs
 - Credit extended only with prior approval of management

Channel wise analysis – Diamond Jewellery

COCO / SIS

- Slow inventory turns leading to high inventory
 - 0.8x to 1.0x at COCO stores
 - 0.6x to 0.8x at SIS
- Significant expansion over last 2 years also lead to significant inventory build-up
- Company periodically reviews merchandising and price points to improve inventory turns at CoCo / SIS stores
- No debtors in front-end stores

Distributors

- Inventory at supply chain and warehouse levels at c.2 months to cater to a wide network of distributors
- Slow inventory turns at retail level increase the recovery cycle for distributors and consequently for the company
 - Debtors at c.4-6 months

Franchisee

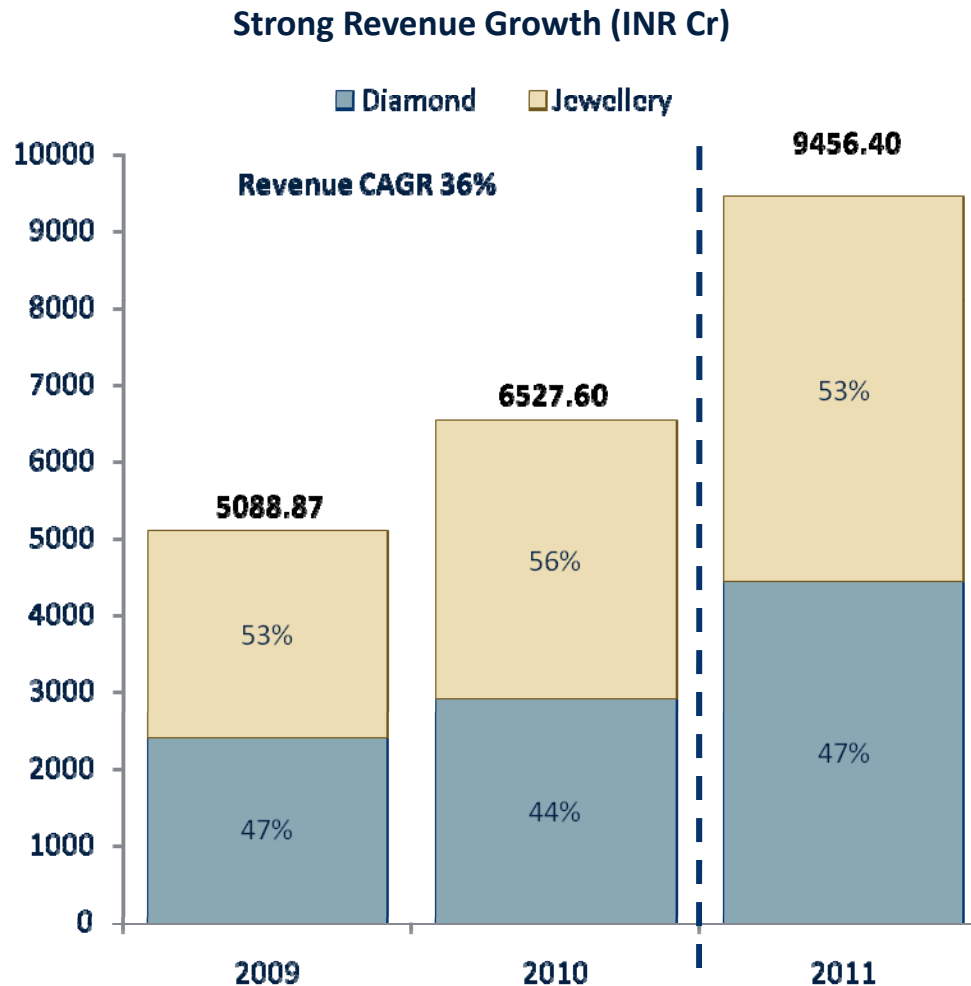
- Has fastest cash conversion cycle
- Inventory at c.1 month
- Debtors at c.2 months
 - 50% of primary sales recovered immediately
 - Balance covered through PDCs



Financial information

Financial Information

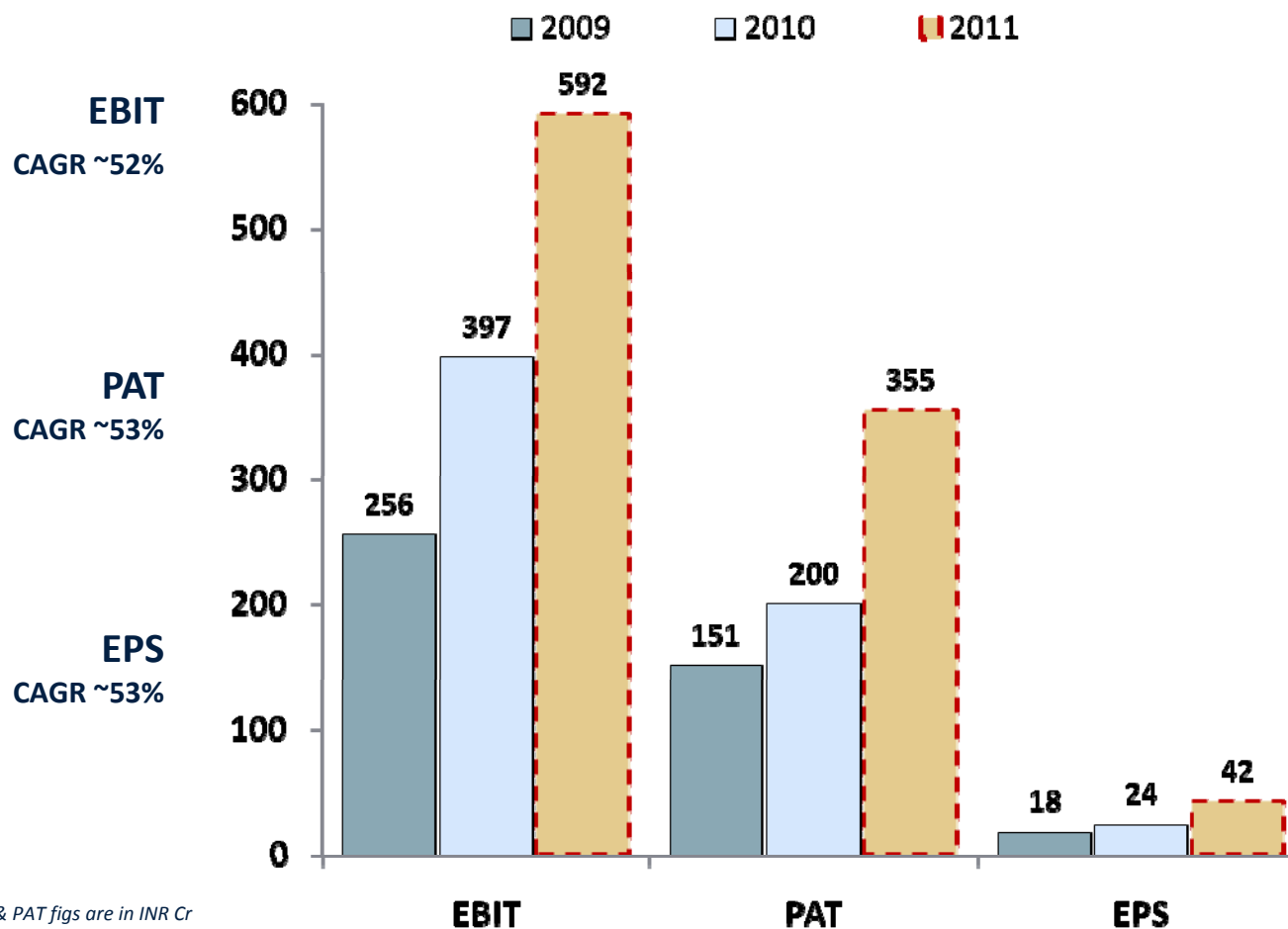
Revenues



- Revenue growth at ~ 36% CAGR in the last 3 years
- FY11 has seen a revenue growth of ~ 45% over the last fiscal
- This growth can be primarily attributed to –
 - Shifts in consumer trends
 - Inflationary trends in raw material prices, especially prices of diamonds
 - Focus on India as a key growth destination with incremental sales from new franchisee, shop-in-shop and own stores

Financial Information : FY11

Operational Indicators



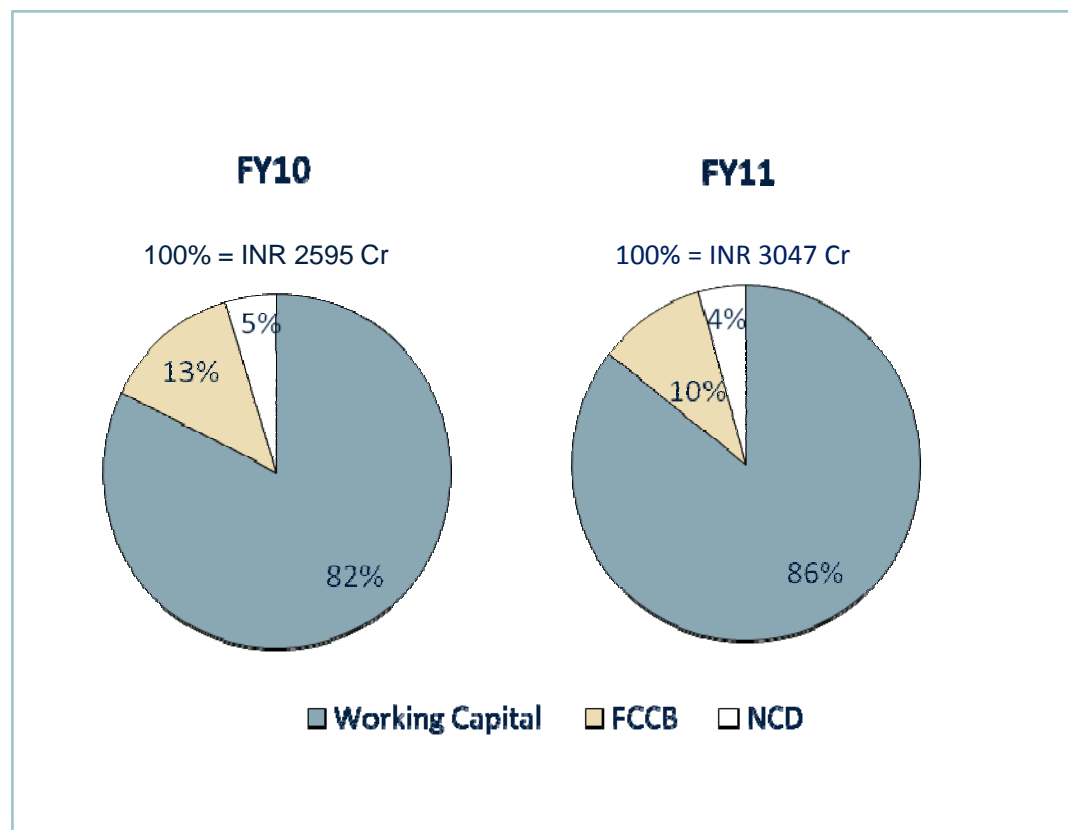
EBIT & PAT figs are in INR Cr

EPS figs are in Absolute INR

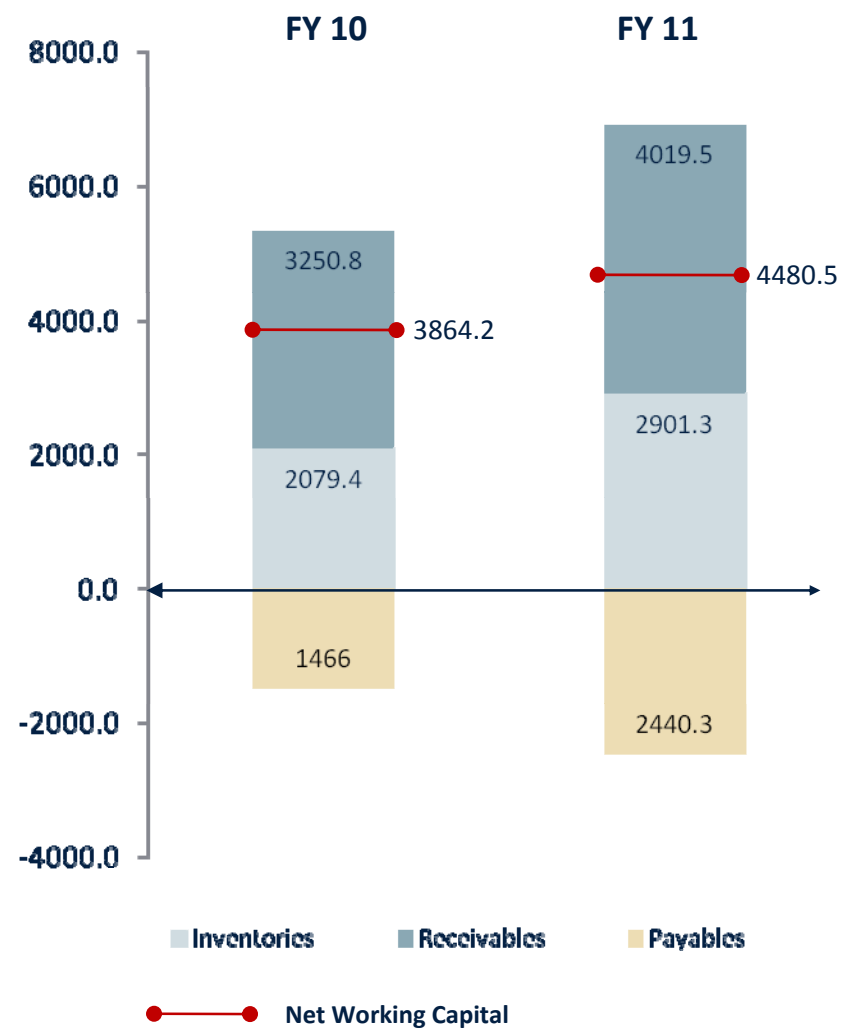
- EBIT growth at ~ 52% CAGR in the last 3 years
- FY11 has seen an EBIT growth of ~ 44.5% and a PAT growth of ~ 78% over the last fiscal
- FY11 has seen an EPS Y-O-Y growth of ~ 76%
- The Consistent growth in bottom line is primarily attributed to
 - Change in the segment mix, in favor of jewellery
 - Aggressive downstream expansion focused on branded jewellery retail

Financial Information : FY11

Debt Structure



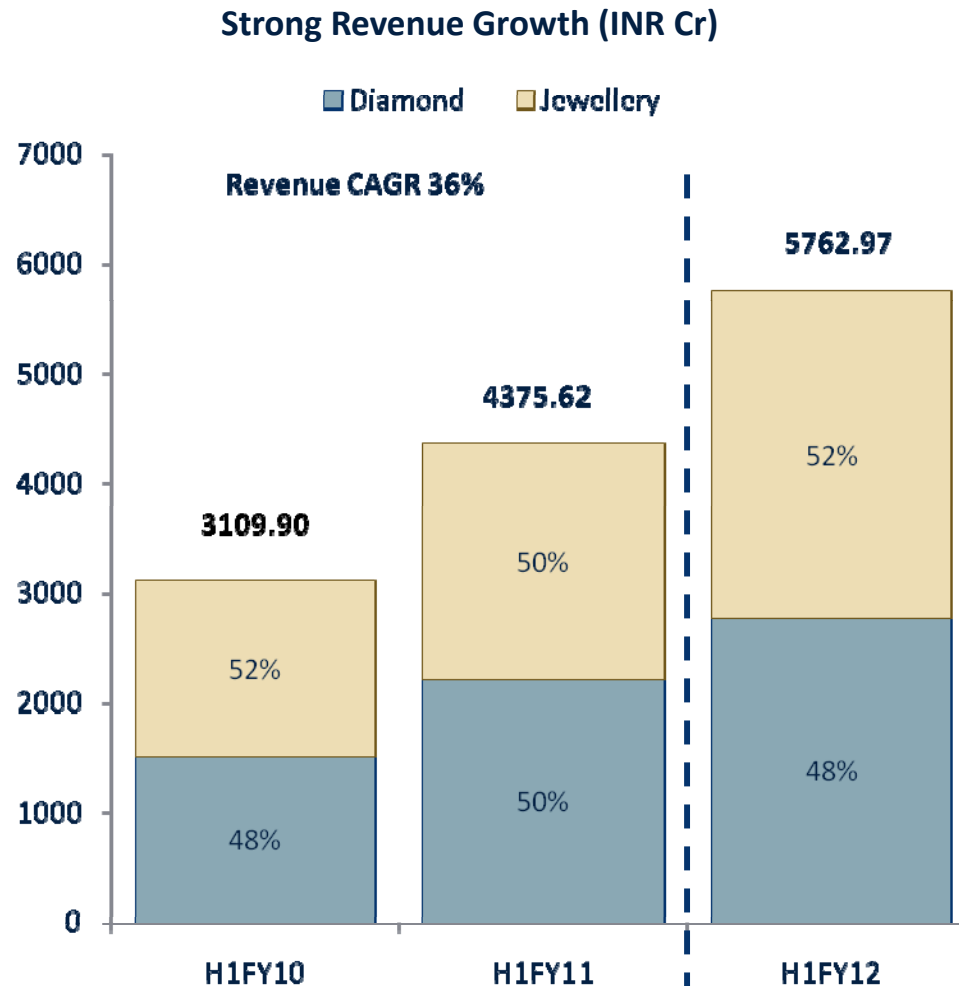
Working Capital (Rs. Cr.)



Investor Update –H1 FY12

Financial Information – H1 FY12

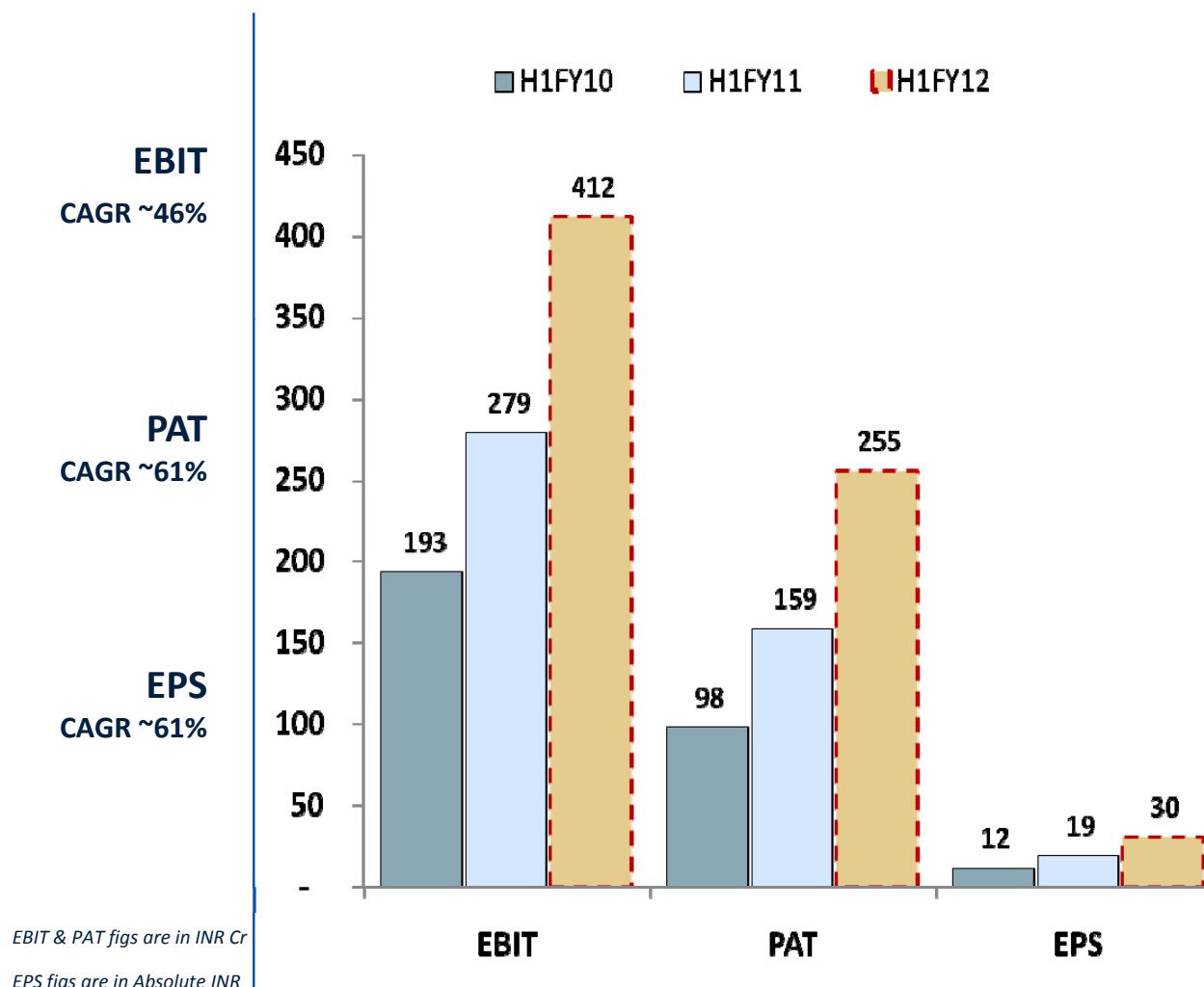
Revenues



- Revenue growth at ~ 36% CAGR in the last 3 years
- H1FY12 has seen a revenue growth of ~ 32% on a Y-O-Y basis
- India as a geography – Tier II & III towns and jewellery as a category have been the major drivers for the top line growth in the 2nd quarter of FY12.
- Within the jewellery segment, rapid gold jewellery sales have attributed to the growth in top line in the first half of FY12

Financial Information : H1 FY12

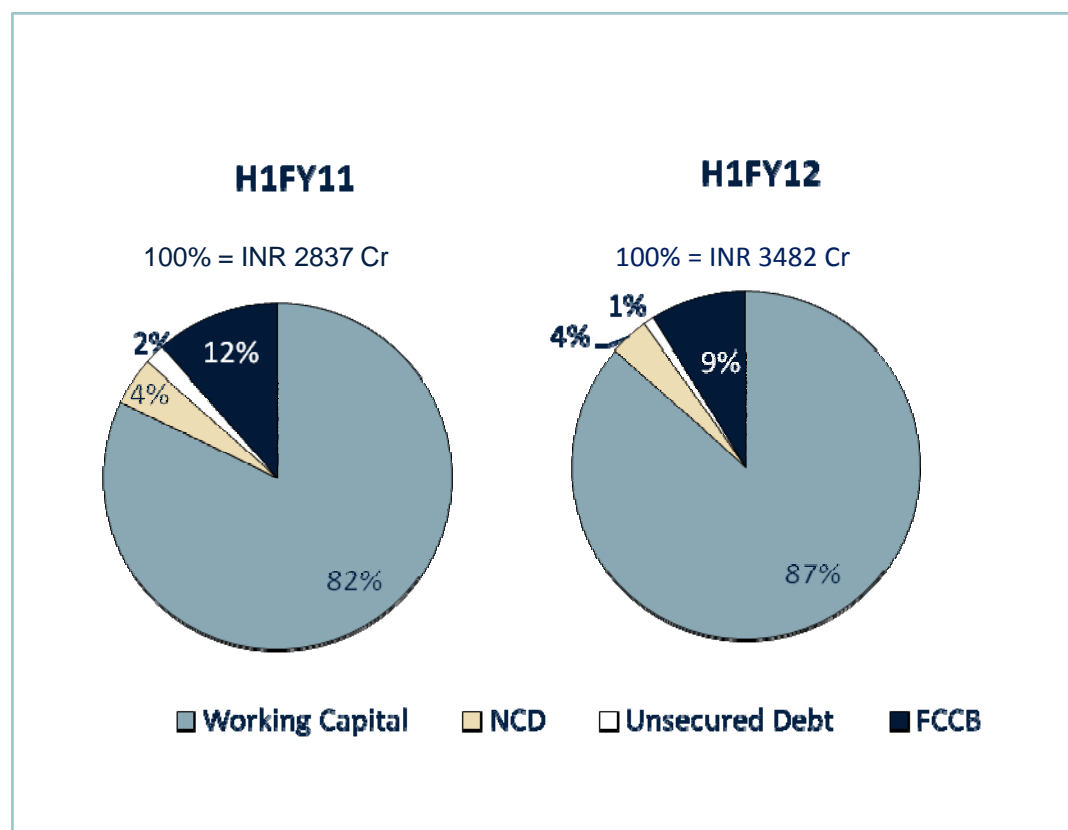
Operational Indicators



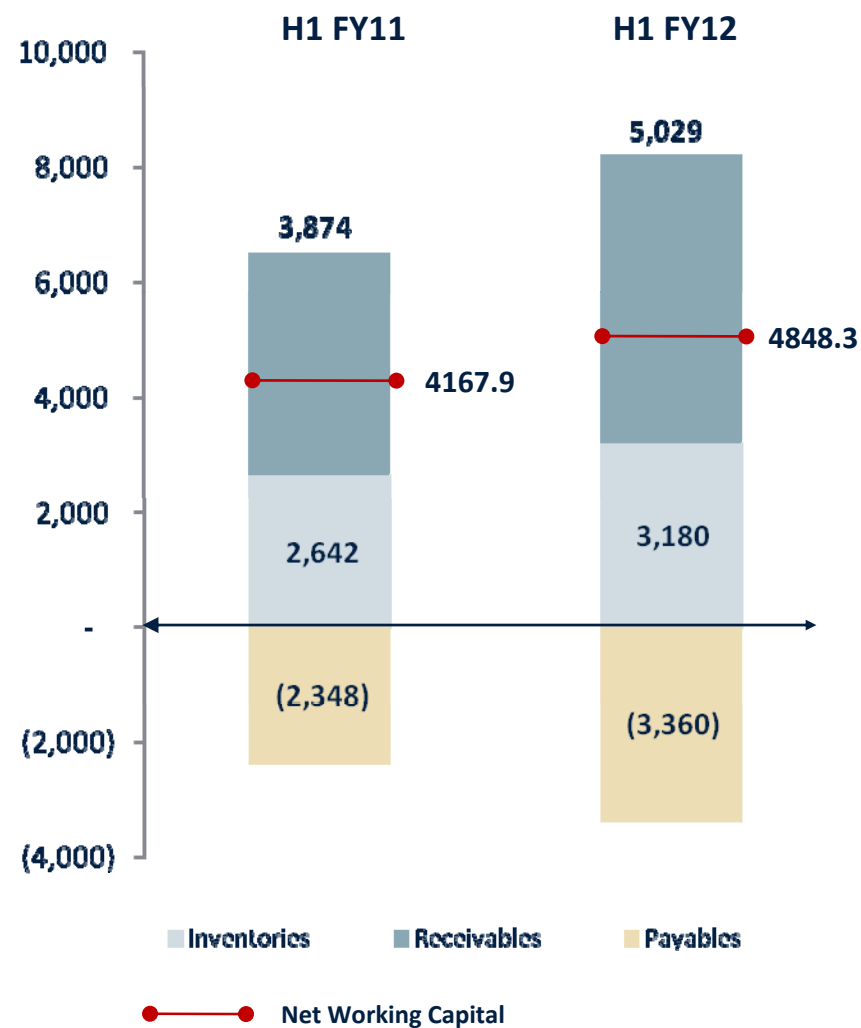
- EBIT growth at ~ 46% CAGR in the last 3 years
- H1FY12 has seen an EBIT growth of ~ 48% and a PAT growth of ~ 61% over the comparable quarter in the last fiscal
- H1FY12 has seen an EPS Y-O-Y growth of ~ 59%
- Significant expansion in profits on account of focused shift to jewellery as a category, with the segment growing almost 38% on a Y-o-Y
- Continued focus on streamlining operations and expense control in certain categories have also contributed to the bottom line growth

Financial Information : H1 FY12

Debt Structure



Working Capital (Rs. Cr.)





Management and Organisation

Key Management

Gitanjali has a highly experienced management team with the right blend of entrepreneurship that has helped nurture this business to present levels

Experienced management team with right blend of entrepreneurship



Mr. Mehul Choksi - CMD, Gitanjali Group

- Promoter of the Group.
- Gitanjali brand was established in 1986
- Pioneered the concept of branded jewellery in India
- Received many awards and recognition for his entrepreneurship and innovation.
- Nominated for "E&Y Entrepreneur of the Year" awards (2008)

Management team with an average experience of over 15 years, committed to execute the group's vision



Mr. Nishit Mehta - Group President
Experience : 15 yrs.

- Joined the Group in 2005
- Possesses experience in managing international business in corporate houses
- Has been instrumental in establishing the International business of the Group



Mr. Nehal Modi – CEO, Gitanjali USA Inc. & Samuels Jewelers Inc.
Experience : 11 yrs.

- Joined the Group in 2005
- Leads the group's USA operations and continuously identifies further downstream opportunities that align with Gitanjali's vertically integrated business model
- Has been primarily responsible for turning around the business from loss making to profit making



Mr. Amrish Masalia – Brand Head, BCJL
Experience : 21 yrs.

- Joined the group in 1999
- Pioneer in setting up FMCG distribution model in jewellery industry
- Previously worked with Suashish Diamonds



Mr. RK Menon – Brand Head, D'damas
Experience : 16 yrs.

- Joined the group in 2006
- Brings core expertise of B2B distribution model
- Previously worked with Philips, Kodak India



Mr. V.L. Ganesh – President Finance
Experience : 30 yrs.

- Joined the Group in 2011
- Previously worked with Hotel Leelaventure Ltd and Rolta India Ltd as Director Finance and at Kores India Ltd and Metal Box where he has played varied responsible roles
- Holds an ICWA and CS degrees



Mr. Abhishek Gupta – Head Strategy & Investor Relations
Experience : 10 yrs.

- Joined the Group in 2008
- Assists senior management in Investor relations and M&As
- Previously worked with JPMorgan Chase and CapGemini
- MBA in finance



Mr. Pankaj Shah – Brand Head, Asmi & Spectrum
Experience : 20 yrs.

- Joined the group in 2006
- Has significant expertise in diamond assortment and grading business
- Previously worked with Reckon Exports



Mr. Santosh Srivastava – Brand Head, GJRPL
Experience : 16 yrs.

- Joined the Group in 2006
- Brings with him core expertise of Franchising , Brand Launch and Management, Modern Channels, etc.
- He is an engineer and MBA by qualification



Mr. Sunil Varma – Group CFO
Experience : 18 yrs.

- Joined the Group in 2009
- Previously worked with Gemsiam Manufacturing in Thailand handling the entire finance and operations functions
- Holds CA, CPA, CFA and MBA degrees



Mr. Vikram Singh – Head Manufacturing
Experience : 12yrs.

- Joined the Group in 1999
- Started his career with Gili and is now responsible for managing jewellery manufacturing units of the group
- Holds a Master Diploma in Jewellery Designing



Mr. Rahul Vira – Brand Head, Gili
Experience : 15yrs.

- Joined the Group in 2005
- Has significant experience in retail management, business development for modern retail,
- Previously worked with Bennett & Coleman, Shoppers Stop



Mr. Kaushik Shah – CFO
Experience : 18 yrs.

- Joined the Group in 2007
- Previously worked in advisory and consulting roles in Taxation and Auditing for large corporate houses
- CA by qualification



Mr. Niyat Parekh – Brand Head, Diya & Rivaaz
Experience : 9 yrs.

- Joined the Group in 2005
- He is responsible for the brand's image, experience, and promise.
- Holds a Bachelors in Business Administration(Marketing) from the University of London

Independent team for managing marketing, sales & finance functions for each brand

Annexure – 1 – Historical Performance

Annexure I – Historical Performance

Income Statement (Consolidated)

Particulars (INR Cr.)	H1FY12 (Unaudited)	H1FY11 (Unaudited)	H1 Y-O-Y Growth (%)	FY 11 (Audited)	FY 10 (Audited)	FY 09 (Audited)
	Total	Total		Total	Total	Total
Sales	5762.97	4375.62	32%	9,456.40	6,527.6	5,088.9
Raw material cost	4940.38	3772.81		8,199.35	5,525.3	4,238.3
Gross Profit	822.59	602.81		1,257.05	1,002.3	850.6
Manpower costs	123.48	121.57		216.62	209.1	216.6
Other operating income	7.42	3.43		15.99	2.6	2.24
Operating expenses	279.95	168.46		426.12	354.1	346.4
EBITDA	426.58	316.20	34.91%	648.4	441.7	289.9
EBITDA margin (%)	7.40%	7.23%		6.9%	6.8%	5.7%
Depreciation	14.83	37.12		56.37	44.5	33.6
EBIT	411.74	279.08	47.5%	592	397.17	256.3
EBIT margin (%)	7.14%	6.38%		6.3%	6.1%	5.0%
Interest	127.48	98.59		208.72	172.4	97.8
Exceptional items	--	--		18.07	--	--
PBT	284.26	180.49		383.28	224.7	158.5
Tax	26.48	19.94		26.72	23.19	3.18
PAT	255.48	158.74	60.9%	354.8	200.2	150.6
Basic EPS (Rs.10 FV)	30.03	18.84	59.4%	41.8	23.7	17.7
Diluted EPS	26.20	16.10		35.9	20.4	15.3

Annexure I – Historical Performance

Balance Sheet(Consolidated)

Particulars (INR Cr.)	H1FY12 (Unaudited)	FY 11 (Audited)	FY 10 (Audited)	FY 09 (Audited)
	Total	Total	Total	Total
<u>Net operating working capital</u>				
Inventories	3179.53	2,901.28	2,079.4	1,975.8
<i>Inventories / COGS</i>	29.6%	35.4%	37.6%	46.6%
Inventory days	100	127	135	168
Receivables	5029.12	4019.52	3,250.8	2,759.6
<i>Receivables / Sales</i>	40.2%	42.5%	49.8%	54.2%
Days Receivable	159	153	179	195
Current liabilities	(3360.31)	(2,440)	(1,466)	(1,671.9)
Payables / COGS	(31.3%)	(30%)	(26.5%)	(39.4%)
Days Payable	124	(108)	(97)	(144)
<u>Debt Facility</u>				
Working capital loans	3013.02	2,604.27	2,088.4	1,659.2
NCD	125	125	125	--
FCCB	309.47	316.33	331.6	374.7
Other loans	34.97	1.74	50.2	12.8
Gross debt (A)	3482.46	3,047.34	2,595.3	2,046.6
Cash and cash equivalents (B)	590.87	439.32	238.6	297.2
Net debt (A-B)	2891.59	2,608.02	2,356.7	1,749.4
Net worth	2844.38	2,529.65	2,196.5	2,077.5
Net debt / Equity ratio	1.02	1.03	1.07	0.84

Note: Working Capital particulars for H1FY12 have been arrived at based on annualized sales expected to be ~ Rs. 12, 500 Cr. in FY12



Thank You!!

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