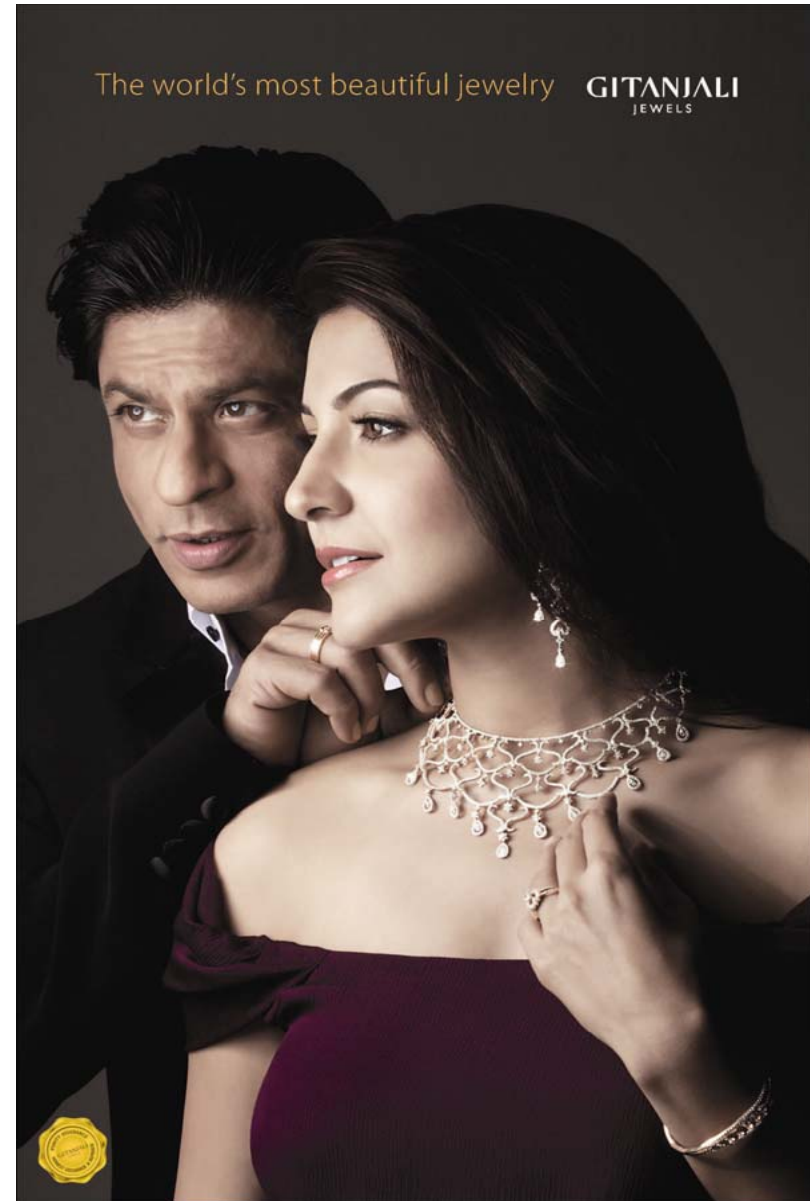


GITANJALI



The world's most beautiful jewelry **GITANJALI**
JEWELS



Investor Presentation

DISCLAIMER

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Gitanjali Gems Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the gems and jewellery industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions.

INTRODUCING GITANJALI



Established in 1966, Gitanjali Gems is today one of the largest integrated branded jewellery players with **over 4000 Points of Sale**

DTC Sight holder since 1968, the group enjoys competitive advantage for rough sourcing

3 state of the art cutting and polishing facilities – **400,000 stones** per month

8 modern jewellery manufacturing facilities – **220,000 pieces** per month

4 of the top 5 brands in India owned by the Group

Retail presence with over **1100 retail points** across India through Own, Franchisee and Shop in Shop routes

110 retail stores in USA and **4 retail stores in Dubai** to maintain brand experience for consumers

10 global offices with leading market: India – 6 regional offices

STRATEGICALLY PRESENT IN THE TOP 5 GLOBAL DIAMOND JEWELLERY MARKETS

USA:

- 110 stores of Samuels in the South West
- Key product brands - Passion Stone, Encore and Canadia supplied to over 500 retailers

Europe:

- 4 Key Italian brands – Stefan Hafner, IoSi, Nouvelle Bague, Porrati
- Alfred Terry in UK – distributing to over 2000 retailers

Japan:

- Supply to 110 stores of Verite
- 30% stake in Gems TV
- Distribution to other Retailers

Middle East:

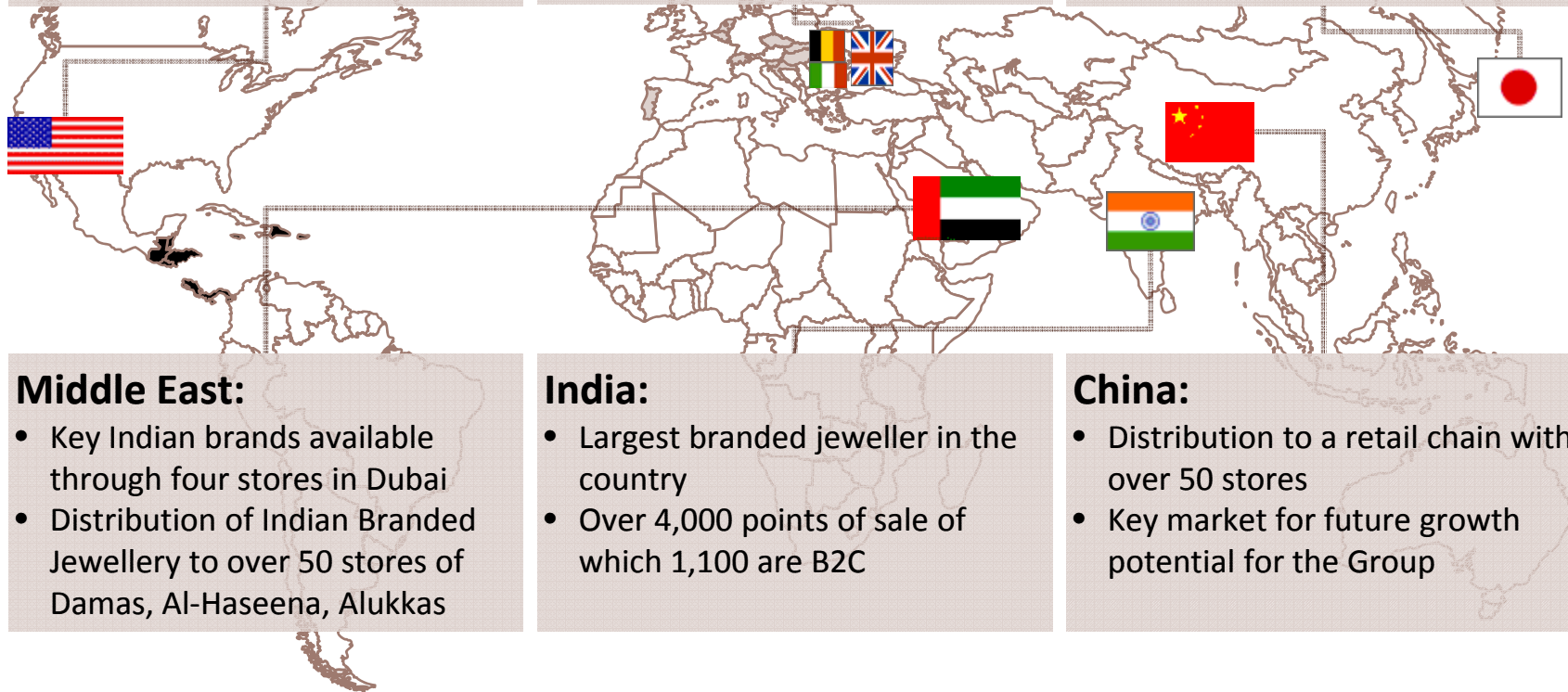
- Key Indian brands available through four stores in Dubai
- Distribution of Indian Branded Jewellery to over 50 stores of Damas, Al-Haseena, Alukkas

India:

- Largest branded jeweller in the country
- Over 4,000 points of sale of which 1,100 are B2C

China:

- Distribution to a retail chain with over 50 stores
- Key market for future growth potential for the Group



GITANJALI TODAY – THREE FOCUSED VERTICALS



Branded Jewellery***

Retail



*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.

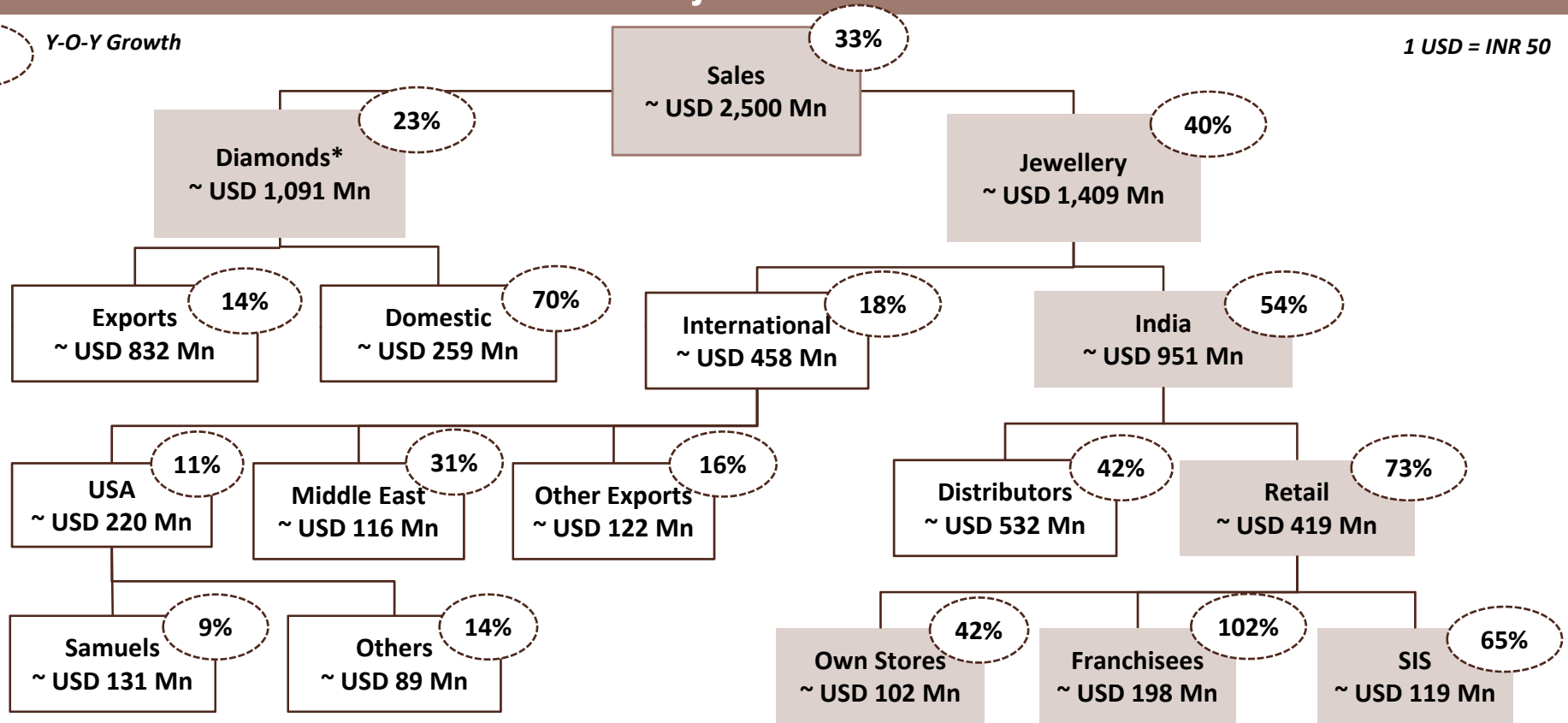
***All entities engaged in branded jewellery are 100% subsidiaries of Gitanjali Brands Limited. All other entities are 100% owned by Gitanjali Gems

GITANJALI TODAY – BUSINESS STRUCTURE (FY12 REVENUE CONTRIBUTION)

Gitanjali Gems Ltd.

Y-O-Y Growth

1 USD = INR 50



Strategic Shift In Focus

Diamond Polishing

- Revenues – USD 1,091 Mn
- 44% of total group revenues

Total Jewellery B2B

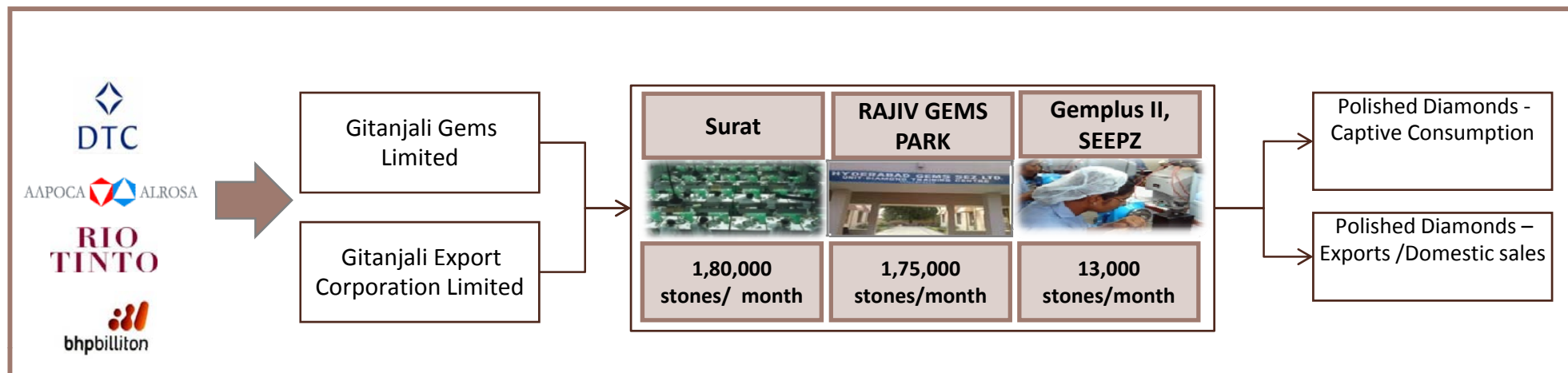
- Revenues – USD 654 Mn
- 26% of total group revenues

Total Jewellery Retail

- Revenues – USD 755 Mn
- 30% of total group revenues

■ Manufacturing Capabilities

MANUFACTURING STRENGTH- DIAMOND CUTTING & POLISHING



Competitive Sourcing of Rough

- Gitanjali Gems and Gitanjali Exports are primarily engaged in the traditional diamond trading business of the group
- Both the entities enjoy competitive sourcing of rough diamonds from DTC, ALROSA, RIO TINTO and BHP

Diamond Cutting and Polishing

- Gitanjali polishes diamonds at 3 state of the art dedicated facilities
- These are strategically located at Surat, Hyderabad and SEEPZ (Mumbai).

Polished sales to captive and 3rd parties

- Polished diamonds are supplied to group entities for captive consumption as well to other local players.
- Polished diamonds are also exported to Antwerp, USA, Hong Kong, Middle East etc

MANUFACTURING STRENGTH- JEWELLERY MANUFACTURING

| Facility | Brief Description | Capacity (Pieces/Month) |
|--------------------------|---|-------------------------|
| Diamond Jewellery | | |
| MIDC | Manufacturing diamond jewellery primarily for Gili | 25,000 |
| Marol | Manufacturing diamond jewellery primarily for BCJL and other subsidiaries | 35,000 |
| GemPlus I | Manufacturing diamond jewellery primarily for GGL | 25,000 |
| Hyderabad | Rajiv Gems Park, SEZ at Hyderabad for jewellery manufacturing | 60,000 |
| Surat | Manufacturing Diamond jewellery primarily for GGL & GECL | 35,000 |
| Pacific (China) | Primarily manufacturing jewellery for International subsidiaries | 25,000 |
| Gold Jewellery | | |
| Coimbatore | Group company : Shubalavanyaa - contract manufacturing of gold jewellery | 6,000 |
| Kolkata | Presently a division of GGL, Manufacturing Gold jewellery | 7,500 |



State-of-the-art jewellery manufacturing facilities producing c.220,000 pieces of finished jewellery per month

■ India : Jewellery Branding & Retail

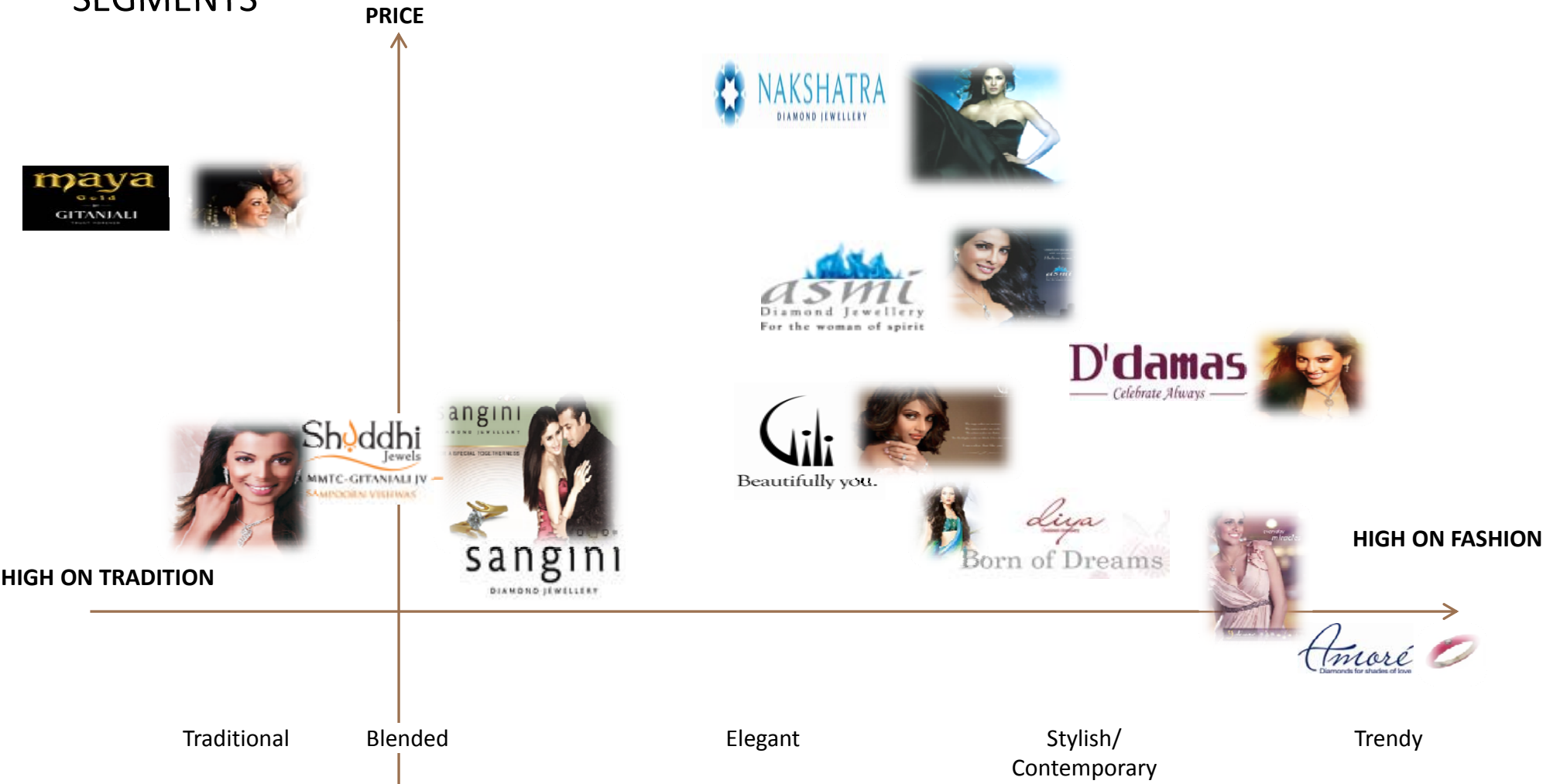
OUR BRANDS – STRONG PORTFOLIO OF WELL ESTABLISHED BRANDS

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

Brand Building Strategy

- Gitanjali has been the pioneer in marketing diamond jewellery brands; Gili launched in India in 1994 was the first ever diamond jewellery brand in India.
- Top brand recall value through consistent association with top Indian celebrities
- ~ **2 million pieces sold** annually over the last 3 years (of which 60 to 70% were repeat purchases)

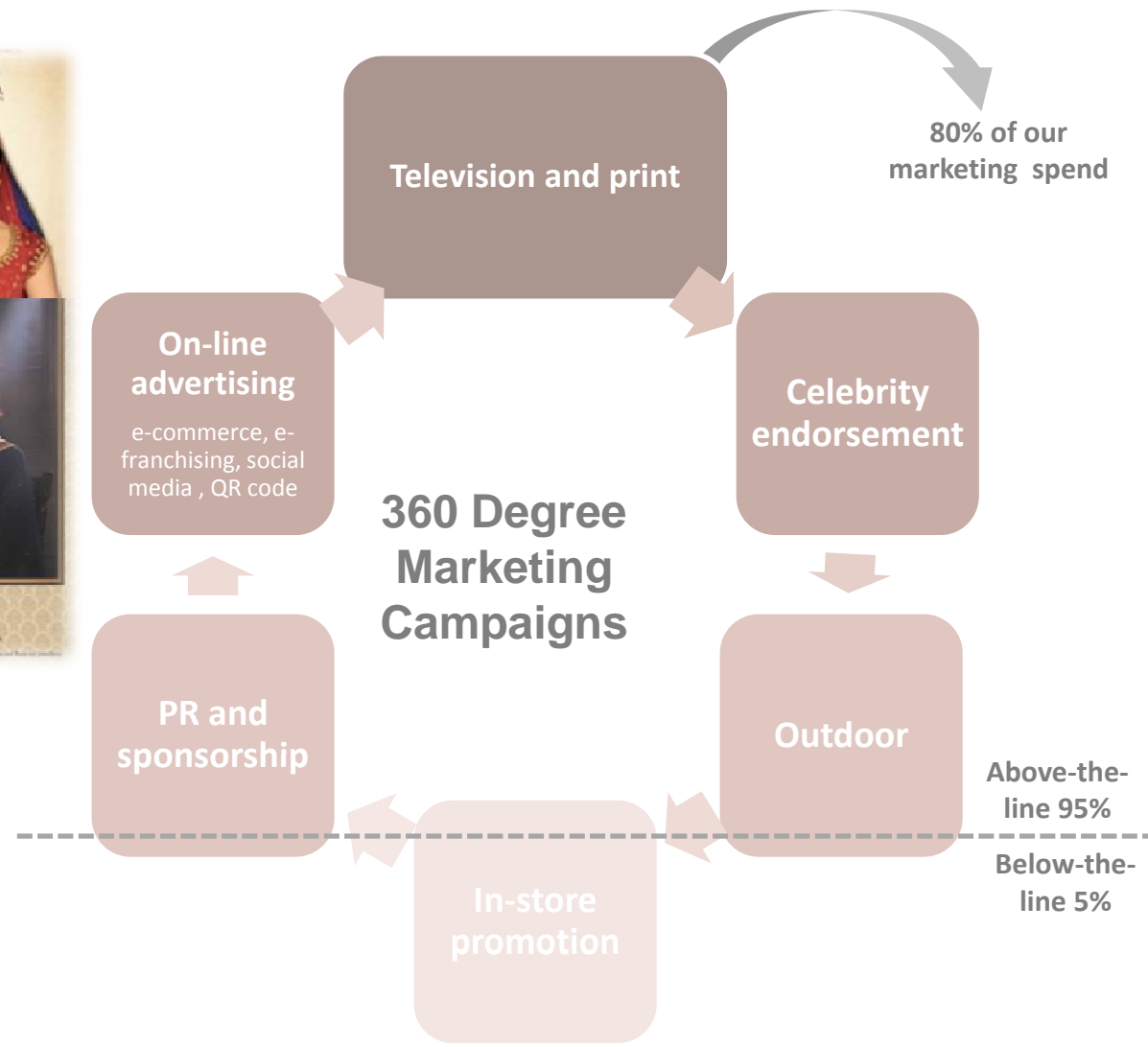
OUR BRANDS – EXTENSIVE BOUQUET OF BRANDS ACROSS PRICE POINTS AND SEGMENTS



GITANJALI – THE LARGEST INVESTOR IN MEDIA IN THE DIAMOND JEWELLERY SECTOR IN INDIA



- **Media Coverage**
 - ✓ **100,000 TV commercials** of 10 sec. (on average)
 - ✓ **4500 radio spots**
 - ✓ **3500 print ads** with a total of 1.75 mn cm²
- The company spent over USD 100 Mn in the past 5 years to create consumer desire for diamond jewellery.



DOMESTIC BRANDED JEWELLERY– STRONG RETAIL FOOTPRINT IN INDIA



- Gitanjali has been the catalyst in the retail transformation of the Indian jewellery market
- Diverse Retail formats : Multi-format outlets, Multi-Brand Outlets, Exclusive Brand Outlets ranging from 500 – 20,000 sq. ft
- Multiple channels : Shop-In-Shops, Owned Stores and Franchisees
- Multiple Retail formats and channels to ensure effective penetration and wide spread reach

LAUNCH OF INNOVATIVE CONCEPTS



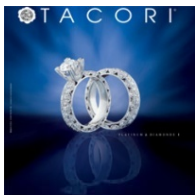
| | |
|--|--|
| Gitanjali launches Jewel Souk | <ul style="list-style-type: none">Multi-brand, multi-category lifestyle store chain that brings together all major jewellery brands under one roof |
| Gitanjali Launches India's first Gold and Diamond ATM at Mumbai | <ul style="list-style-type: none">Launch of a unique and innovative Gold and Diamond ATM machine, which is a one stop shop for buying medallions, coins, jewellery etc.High on convenience, this new retailing format will be ideally suited for last minute purchases on auspicious occasions and for gifting, |
| E-Commerce Platforms | <ul style="list-style-type: none">Gitanjali has introduced innovative channels such as E-Commerce to also include E-Franchising to sell jewellery.These new channels shall enhance reach at a faster pace |

International Retail

INTERNATIONAL RETAIL– USA



- Top 5 specialty jewellery retail chain of USA - Samuels, acquired by the group in 2006
- 110 doors in USA
- USD 130 Mn retail sales in 2012
- Profitable since financial year 2012 (at retail level) due to the thorough restructuring process
- Supply chain integration: 90% supplied in-house



INTERNATIONAL RETAIL– UAE

Distribution

- Gitanjali Ventures DMCC (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 four stores. Of which the first one was opened in July 2010 to cater primarily to the Indian population

Growth Potential

- The revenue clocked in from the Mid – East business in FY12 is c. USD 116 Mn
- The Indian Diaspora present in the GCC presents tremendous growth opportunities for the company



INTERNATIONAL RETAIL– EUROPE AND JAPAN

Italy

Acquired the assets of DIT Group S.p.A, Italy in May 2011.

It owns reputed brands like “STEFAN HAFNER”, “IO Si”, “ROBERTA PORRATI” and “La NOUVELLE BAGUE”



UK

Acquired Alfred Terry in December 2011. Alfred Terry has been producing innovative and individual diamond jewellery for over 100 years.

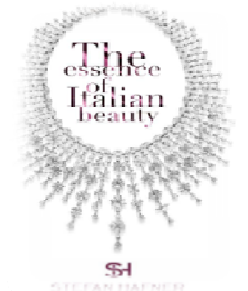
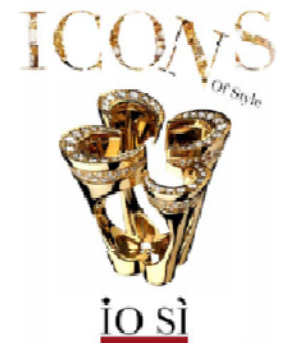
The company has a wide distribution to Chain Stores and an independent presence in UK. It distributes to nearly 2000 Jewellery shops in UK and Europe



Japan

Gems TV in Japan offers online shopping platform for TV Channels in Japan

Gitanjali has taken strategic stake of 30% in the entity to supply all of its diamond jewellery requirements in Japan



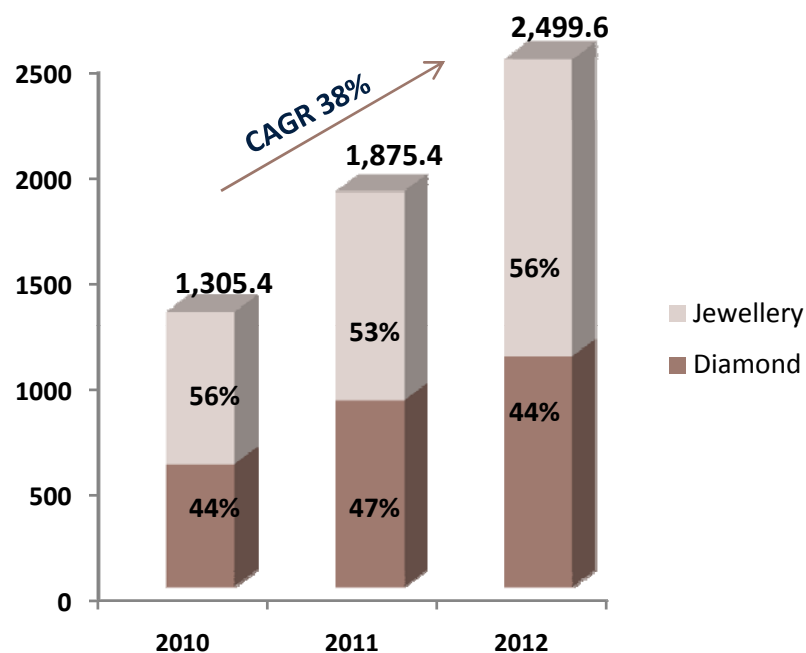
GITANJALI

Financial Information

ROBUST FINANCIALS

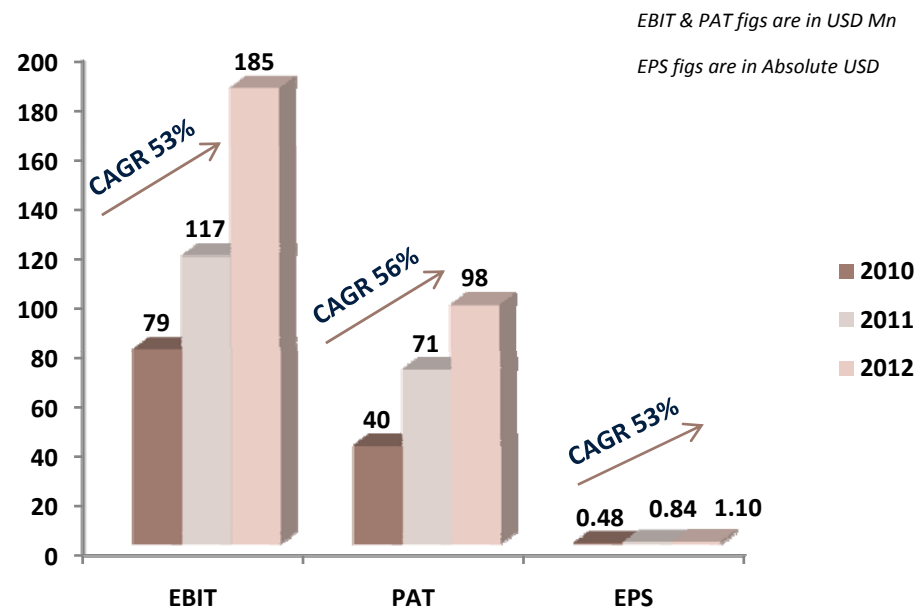
1 USD = INR 50

REVENUE (USD Mn)



- Revenue growth at ~ 38% CAGR in the last 3 years
- FY12 has seen a revenue growth of ~ 33% over the last fiscal
- This growth can be primarily attributed to –
 - Shifts in consumer trends
 - Introducing gold jewellery collections to complement the existing diamond jewellery
 - Focus on India as a key growth destination with incremental sales from new franchisee, shop-in-shop and own stores

Operational Indicators (USD Mn)



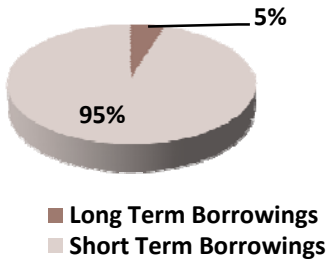
- EBIT growth at ~ 53% CAGR in the last 3 years
- FY12 has seen an EBIT growth of ~ 56% and a PAT growth of ~ 37% over the last fiscal
- FY12 has seen an EPS Y-O-Y growth of ~ 33%
- The Consistent growth in bottom line is primarily attributed to
 - Change in the segment mix, in favor of jewellery
 - Aggressive downstream expansion focused on branded jewellery retail

WORKING CAPITAL : AN OVERVIEW

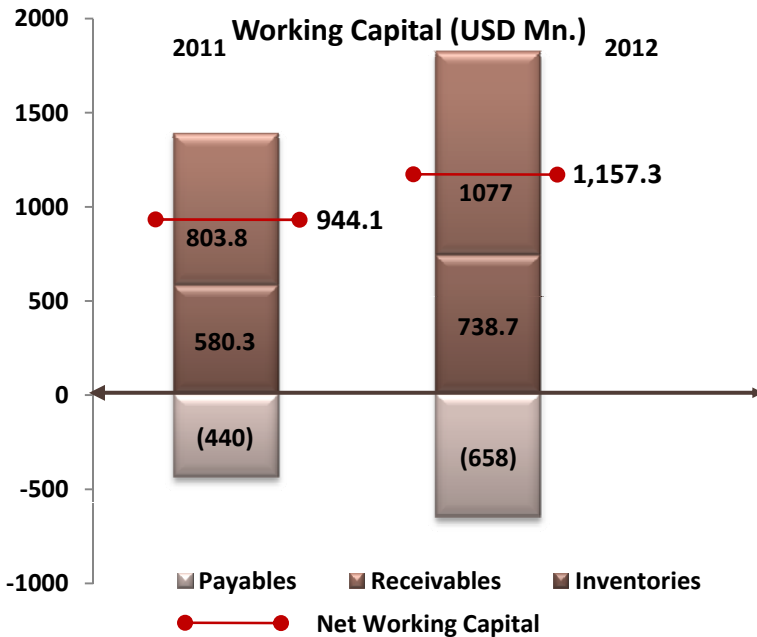
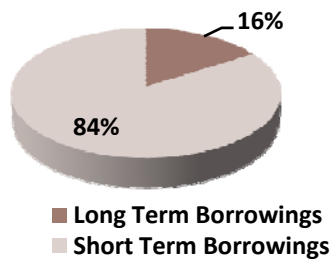
1 USD = INR 50

Working Capital Intensive (USD Mn)

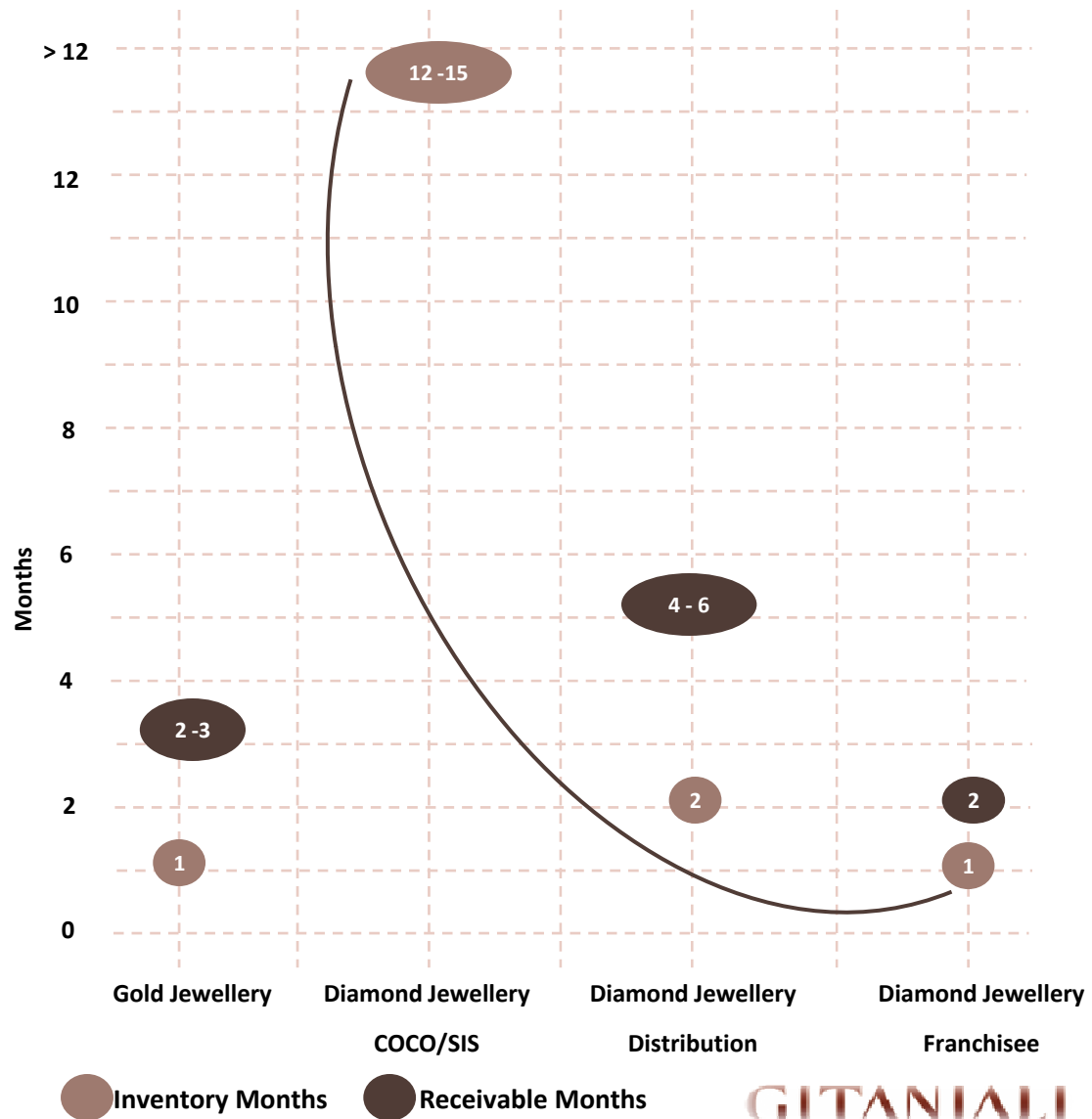
Debt Structure FY 2011



Debt Structure FY 2012



Working Capital Characteristics



■ The Way Forward..

EMERGING BUSINESS STRATEGY

Vision

To become the world's largest player in the branded luxury space

1

Strategic Shift from Diamonds to Jewellery

- Continuous shift from “diamonds” to “Jewellery”
- Reduction in working capital
- Increase in margins

2

Emerging Retail Concept

- Extension of retail and marketing expertise to leverage successful Indian and international brands to complement its product categories with other lifestyle products
- Existing 1.7 million sq ft retail space to scale up to 2 million sq.ft over the next 2 years

3

Focus on Growth via the Franchising Route

- Asset Light Model
- Better store economics compared to own stores
- Extend reach in Tier 2 and Tier 3 towns in India

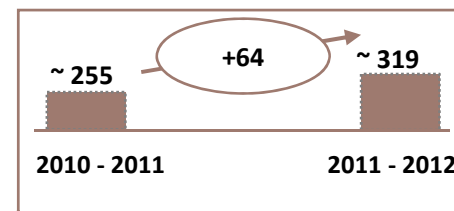
4

Opportunity of mid-sized organized retail

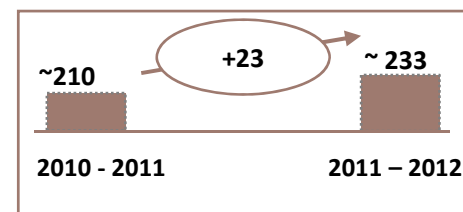
- Opportunity in mid-sized segments with premium branded categories
- Tier 2 and tier 3 cities with significant demographics and higher discretionary income
- Organized retail as a whole expected to grow at 25-30% in next 5 years. Large branded players are likely to dominate all categories and formats

STRONG RETAIL EXPANSION PLANS IN INDIA

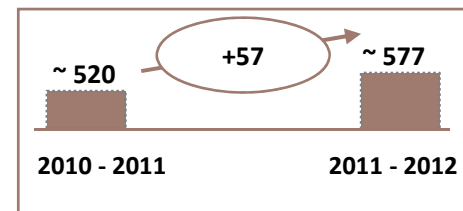
Number of Franchisees



Number of Own Stores



Number of SIS



Number of Retailers



GITANJALI & THE ENVIRONMENT : A STRATEGIC FIT

Strengths

- First mover advantage
- Fully integrated supply chain
- DTC Sight holder status providing consistent source of diamond supply
- Market access and brand support
- Unique design skills and Technology
- Vast distribution and retail network

Opportunities

- Expansion into emerging markets
- Increased focus on branded jewellery in India
- Increased focus on non-metro market
- Expansion through revenue sharing and franchisee models
- Foray into other luxury categories



Branding in Emerging Markets


Challenges

- Large presence of an unorganized sector
- Emergence of low cost and regional brands
- Increasing gold and diamond prices

MANAGEMENT

Mr. Mehul Choksi (CMD)

- Pioneered the concept of branded jewellery in India
- Recipient of the APEA's "Outstanding Entrepreneurship" Award and Planman's "Corporate Leader of the Year" Award in 2011



International Business

Mr. Nishit Mehta – Group President



Experience : 16 yrs.

Finance

Mr. Sunil Varma – Whole-time Director



Experience : 19 yrs.

Mr. Kapil Khandelwal – CFO



Experience : 15 yrs.

Mr. V.L. Ganesh – President Finance



Experience : 31yrs.

An inspirational leader and a committed and dynamic management team

SBU Heads

Samuels

Mr. Nehal Modi – CEO, Gitanjali USA Inc. & Samuels Jewelers Inc



Experience : 12 yrs.

GBL , MGPL & D'Damas

Mr. RK Menon – Head, GBL, MGPL & D'Damas



Experience : 17 yrs.

Gili & GLL

Mr. Rahul Vira – Head, Gili & GLL



Experience : 16 yrs.

BCJL

Mr. Amrish Masalia – Head, BCJL



Experience : 22 yrs.

Asmi & Spectrum

Mr. Pankaj Shah – Head, Asmi & Spectrum



Experience : 21 yrs.

GJRPL

Mr. Santosh Srivastava – Head, GJRPL



Experience : 17 yrs.

Functional Heads

Strategy & Planning

Mr. Abhishek Gupta – Head Strategy & Investor Relations



Experience : 11 yrs.

Manufacturing

Mr. Vikram Singh – Head Manufacturing



Experience : 13 yrs.

Marketing

Ms. Shardah Uniyal – VP Marketing



Experience : 16yrs.

Human Resources

Mr. Mahendra Bhandare – Group VP H.R



Experience : 21 yrs.

GITANJALI

■ Annexure : Historical Performance

HISTORICAL PERFORMANCE – INCOME STATEMENT (CONSOLIDATED)

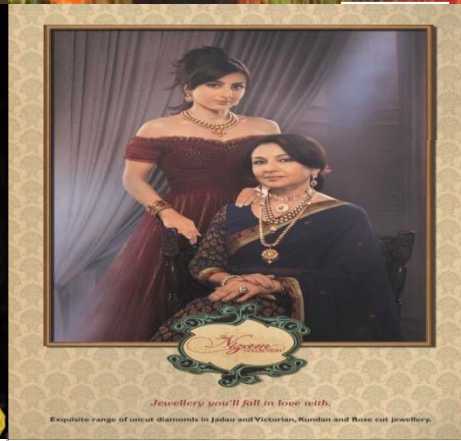
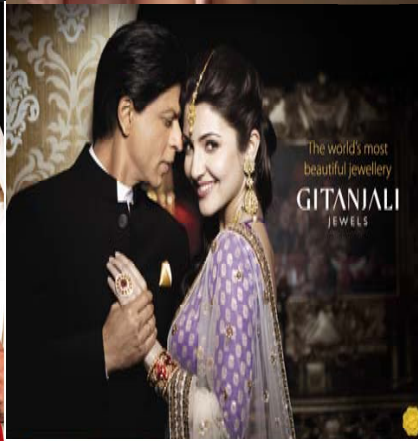
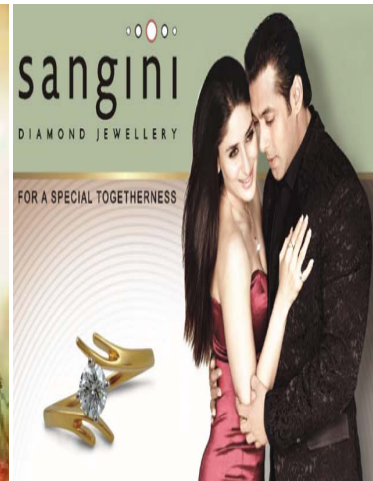
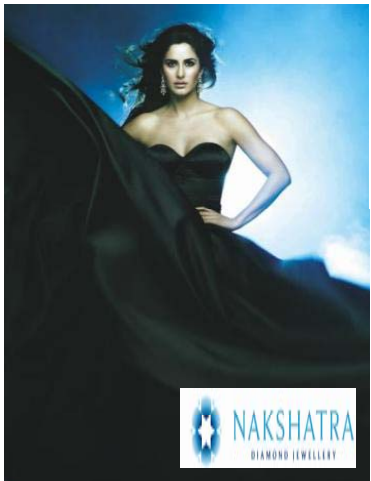
1 USD = INR 50

| Particulars (USD Mn.) | FY 12 (Audited) | FY 11 (Audited) | FY 10 (Audited) |
|-----------------------------|-----------------|-----------------|-----------------|
| | Total | Total | Total |
| Sales | 2497.854 | 1875.458 | 1305.52 |
| Raw material cost | 2134.362 | 1598.552 | 1105.06 |
| Gross Profit | 363.492 | 276.9 | 200.46 |
| Manpower costs | 41.97 | 43.324 | 41.82 |
| Other operating income | - | - | 0.52 |
| Operating expenses | 161.806 | 125.644 | 70.82 |
| Other Income | 29.62 | 20.734 | - |
| EBITDA | 189.336 | 128.66 | 88.34 |
| EBITDA margin (%) | 7.60% | 6.90% | 6.80% |
| Depreciation | 5.894 | 11.274 | 8.9 |
| EBIT | 185.24 | 117.396 | 79.434 |
| EBIT margin (%) | 7.40% | 6.30% | 6.10% |
| Finance Costs | 81.544 | 44.354 | 34.48 |
| Exceptional items | 1.01 | 3.614 | -- |
| PBT | 104.708 | 76.656 | 44.94 |
| Tax | 6.808 | 5.344 | 4.638 |
| PAT | 97.44 | 70.96 | 40.04 |
| Basic EPS (Rs.10 FV) | 1.11 | 0.84 | 0.47 |
| Diluted EPS | 1.11 | 0.72 | 0.41 |

HISTORICAL PERFORMANCE – BALANCE SHEET (CONSOLIDATED)

1 USD = INR 50

| Particulars (USD Mn.) | FY 12 (Audited) | FY 11 (Audited) | FY 10 (Audited) |
|---|------------------|-----------------|-----------------|
| | Total | Total | Total |
| <u>Net operating working capital</u> | | | |
| Inventories | 738.744 | 580.256 | 415.88 |
| <i>Inventories / COGS</i> | 34.60% | 35.40% | 37.60% |
| Inventory days | 126 | 127 | 135 |
| Receivables | 1,076.988 | 803.904 | 650.16 |
| <i>Receivables / Sales</i> | 43.10% | 42.80% | 49.80% |
| Days Receivable | 157 | 156 | 179 |
| Current liabilities | -658.4 | -440 | -293.2 |
| <i>Payables / COGS</i> | -30.80% | -27.50% | -26.50% |
| Days Payable | -112 | -100 | -97 |
| <u>Debt Facility</u> | | | |
| Long Term Borrowings | 128.698 | 29.192 | 91.32 |
| Short Term Borrowings | 660.008 | 580.276 | 427.72 |
| Gross debt (A) | 788.706 | 609.468 | 519.04 |
| Cash and cash equivalents (B) | 130.49 | 87.864 | 47.72 |
| Net debt (A-B) | 658.216 | 521.604 | 471.34 |
| Net worth | 622.738 | 505.93 | 439.3 |
| Net debt / Equity ratio | 1.05 | 1.03 | 1.07 |



SAMUELS DIAMONDS

SAMUELS JEWELERS

ROGERS JEWELERS EST. 1920

ANDREWS JEWELERS

SCHUBACH JEWELERS

THANK YOU

Corporate Office:

3,B Wing, 3rd Floor, Laxmi Towers.

Bandra Kurla Complex.

Mumbai 400 051.

India

Investor contact:

investor.relations@gitanjaligroup.com