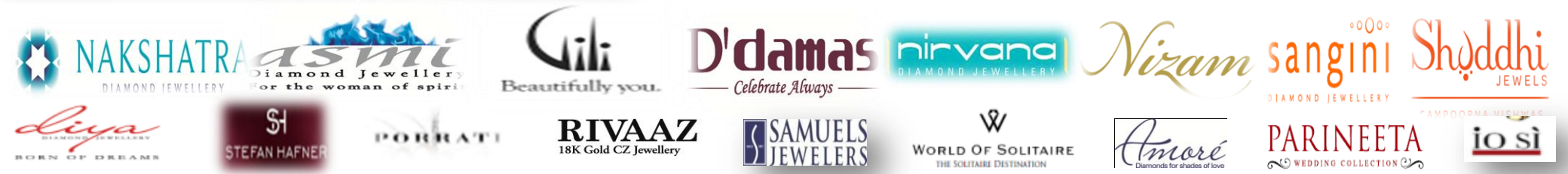




GITANJALI

Corporate Presentation



DIVINE

NAKSHATRA
DIVINE JEWELLERY
Divine Look

asmi
DESIGNED JEWELLERY
FOR THE SPIRIT OF INDIA

Beautifully you

Dazzle the world

D'damas

UNSPOKEN ELEGANCE
EXCLUSIVE PEARL AND DIAMOND JEWELLERY FOR AN EXCLUSIVE YOU

GITANJALI
moira

Vignettes

Jewellery you'll fall in love with.

Exquisite range of uncut diamonds in Jadau and Victorian, Kundan and Rose cut

PLATINUM

WHAT MAKES YOU... YOU!

GITANJALI
TRUE PLATINUM
ETERNAL PURITY

hirvana
PLATINUM JEWELLERY

The world's most beautiful jewelry

GITANJALI
JEWELRY

ENVI
envison.org/emeralds

SI
STEFAN HAFNER

The essence of Italian beauty

Basel - Teleselektal 114

PEREGRINE
Jewels

ICONS
DESIGN

iosi

GITANJALI
LIFESTYLE

SAMUELS
JEWELERS

ROGERS
JEWELERS
EST. 1920

ANDREWS
JEWELERS

SCHUBACH
JEWELERS

GITANJALI

SAMUELS
DIAMONDS

gitanjaligifts.com

Jewelsouk.in
World's largest online jewel market

GitanjaliShop.com

Shuddhi
JEWELS
SAMPOORNA VISHWAS

INTRODUCING GITANJALI



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

2 state of the art cutting and polishing facilities – **197,000 stones** per month

8 modern jewellery manufacturing facilities – **393,500 pieces** per month

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

Retail presence with over **1,100 retail points** across India through Own, Franchisee and Shop in Shop routes

104 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



GITANJALI – THE BELIEF

Brand Values

Heritage



Since 1966

Trusted



Third party Certified products

Premium



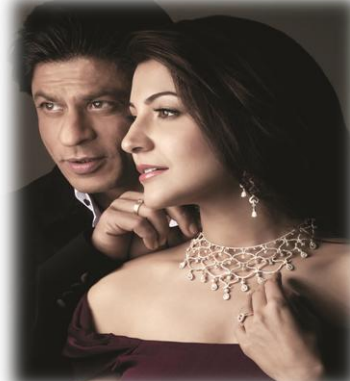
Luxury for the masses

Sophisticated



Superior design and style quotient

Discerning



Strong distinctive Brand Identity

GITANJALI

TRUST FOREVER

Our International Brands extend this philosophy in their respective markets

GITANJALI

STRATEGICALLY PRESENT IN THE TOP 5 GLOBAL DIAMOND JEWELLERY MARKETS

USA:

- **104** 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
- **20% stake** in **Gems TV** (Now merged with IMACBC).
- Distribution to other Retailers



Middle East:

- Key Indian brands available through **4 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**

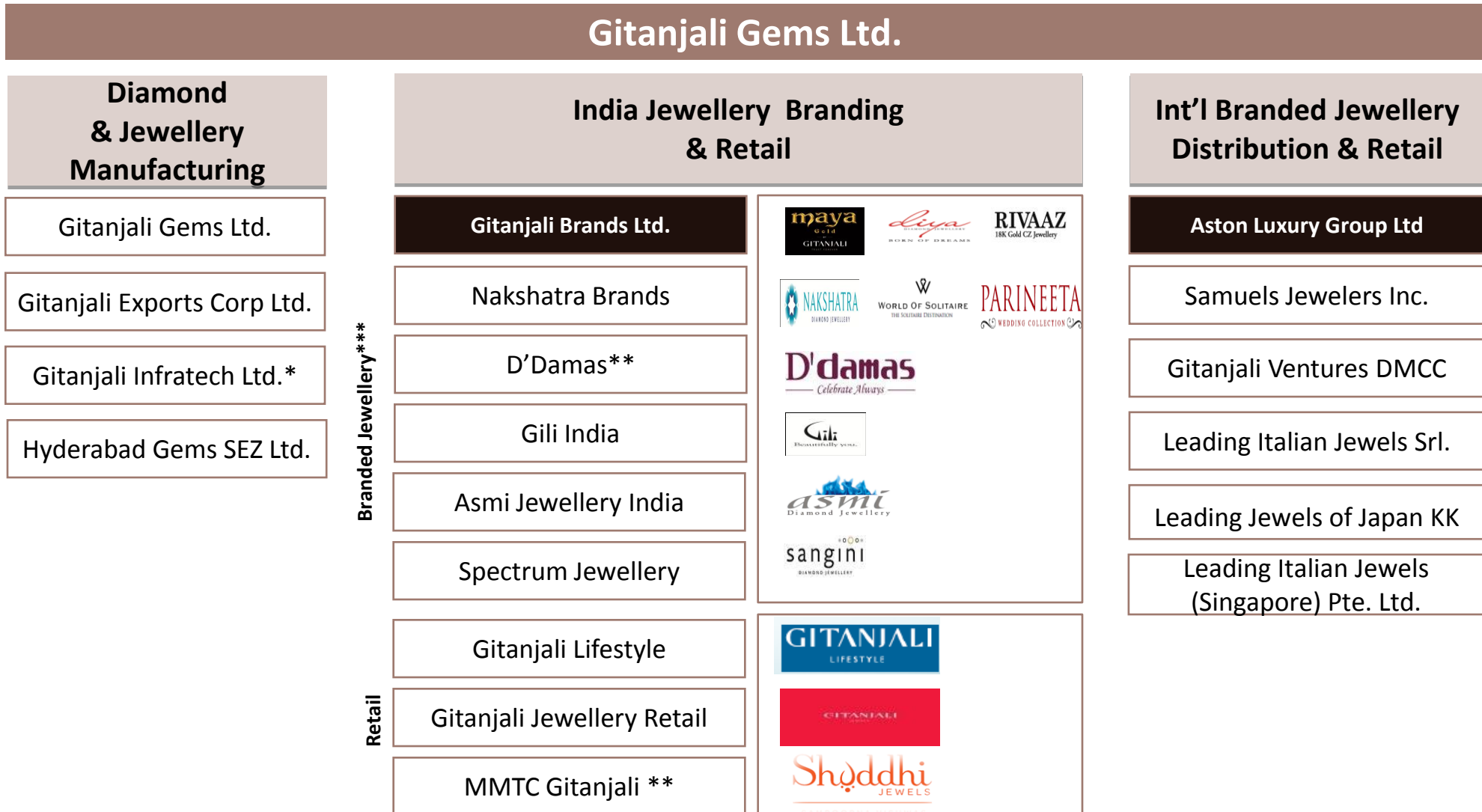


China:

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



GITANJALI TODAY – THREE FOCUSED VERTICALS



*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.

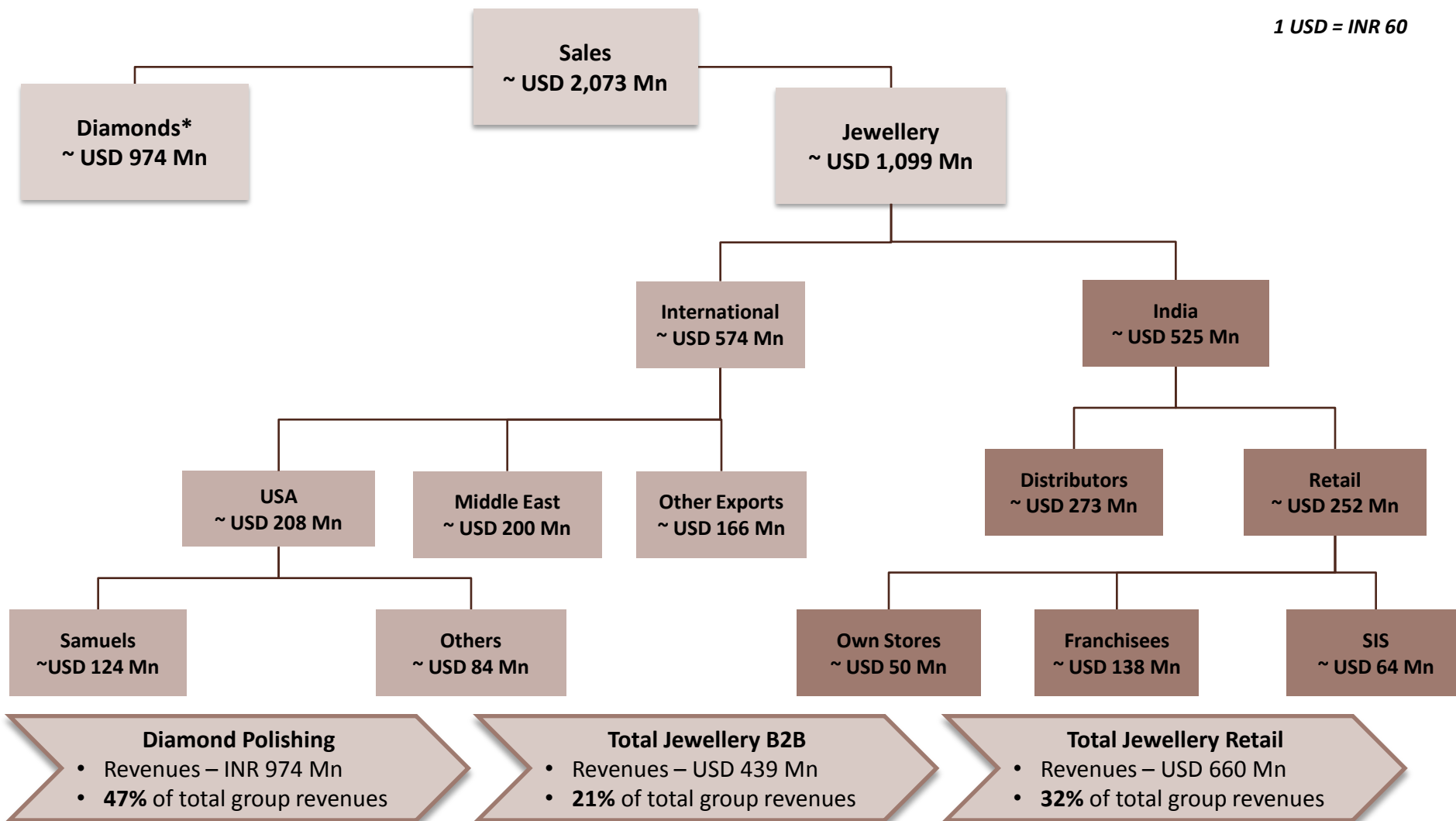
** MMTC Gitanjali is 74% owned by Gitanjali Gems Limited while D'Damas is 51% owned by Gitanjali Brands Limited.

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

GITANJALI TODAY – BUSINESS STRUCTURE (FY14 REVENUE CONTRIBUTION)

Gitanjali Gems Ltd.

1 USD = INR 60



■ 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 and Hyderabad

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)
MIDC, Mumbai	Manufacturing diamond jewellery primarily for Gili	25,000
Marol, Mumbai	Manufacturing diamond jewellery primarily for NBL	15,000
GemPlus , Mumbai	Manufacturing diamond jewellery primarily for GGL	15,000
Hyderabad	Rajiv Gems Park, SEZ at Hyderabad for jewellery manufacturing	60,000
Surat	Manufacturing Diamond jewellery primarily for GGL & GECL	43,500
Jaipur	Manufacturing Kundan, Jadau and Coloured Stones Jewellery	10,000
Pacific (China)	Primarily manufacturing jewellery for International subsidiaries	25,000
Abbeycrest (Thailand)	Primarily manufacturing stamped and cast jewelry using advanced technology	200,000

State-of-the-art jewellery manufacturing facilities with a production capacity of **c. 393,500 pieces** of finished jewellery per month

■ India : Jewellery Branding & Retail

INDIA - JEWELLERY BRANDING & RETAIL

...by Geography	<ul style="list-style-type: none">• Major traction from North and West, gaining PAN India presence
...by Price points	<ul style="list-style-type: none">• Preferred price point of Rs. 30,000 to 60,000 and increasing
...by Retail format	<ul style="list-style-type: none">• Distribution, franchisee, own stores, shop-in-shops, exhibitions, e-commerce
...by Occasion	<ul style="list-style-type: none">• Marriage & evening wear, self consumption as well as gifting
...by Category	<ul style="list-style-type: none">• Rings, earrings & pendants, necklaces for high end brands at select outlets
...by Design	<ul style="list-style-type: none">• Team of skilled designers with advanced technology for better finish
...by Trust	<ul style="list-style-type: none">• Third party certification and hallmarking for each piece

Focused approach to build a brand for the Indian consumers.

OUR BRANDS – STRONG PORTFOLIO OF WELL ESTABLISHED BRANDS



Nakshatra

- USP & Concept : Play of seven stone cluster, with or without color stones.



Gili

- USP & Concept : Low weight Classic & Contemporary designs.



Asmi

- USP & Concept: Play of curves, which symbolizes the fire within, in more modern designs.



D'damas

- USP & Concept : Very western, very bold & fashionable



Parineeta

- USP & Concept : Wedding jewelry.



Sangini

- USP & Concept : Celebrating togetherness. Mainly traditional designs



Diya

- USP & Concept : Traditional designs which are heavier.






Nirvana

- USP & Concept : Consists of pressure & illusion set designs which make the product look bigger.

Viola

- USP & Concept : Fashion forward, experimenting with different jewelry techniques.

KEY 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 designs. Marriage is the primary occasion</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

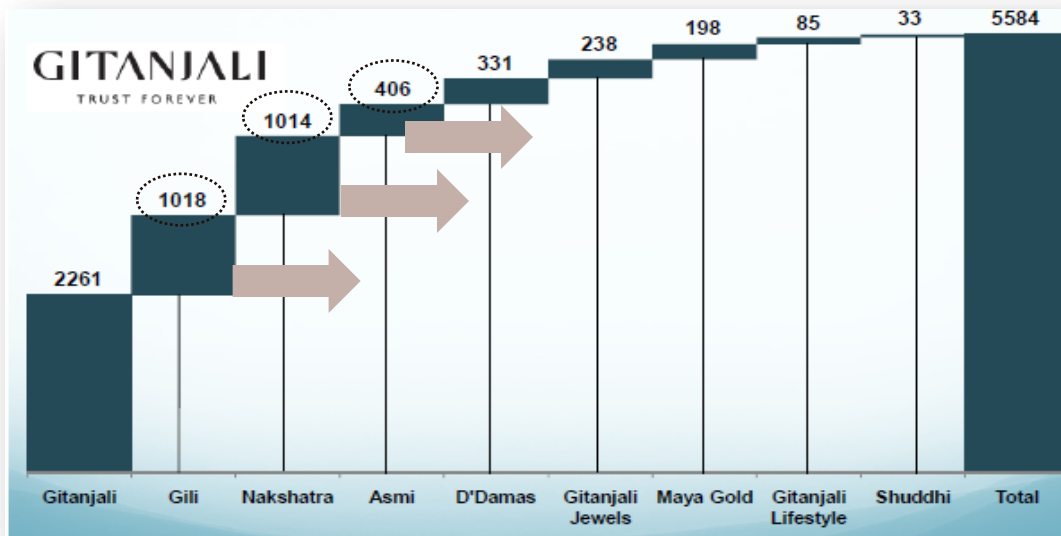
- Gitanjali has been the pioneer in marketing diamond jewellery brands; Gili launched in India in 1994 was the first ever diamond jewellery brand in India.
- Top brand recall value through consistent association with top Indian celebrities
- Judicious additions to brand portfolio to include new categories

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



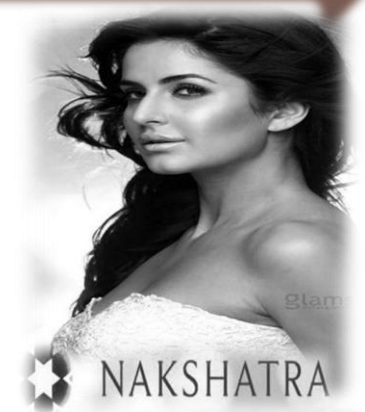
GITANJALI - LEVERAGING ON BRAND CAPITAL

Reputed Brand Valuation Company **Brand Finance UK**, valued **Gitanjali's Indian Brands at INR 5,584 Cr (USD 930 Mn) in 2011**



- Brands which have witnessed big multipliers since 2009 are **Gili & Nakshatra** which have both crossed the Rs. 1000 crore mark and **Asmi** which has almost doubled in its intrinsic potential
- Above results also are an indicator of the group's long standing vision to focus on branded portfolio in a market where store brands was the norm
- Gitanjali is the pioneer in developing a portfolio of super premium and premium brands which is a benchmark for the Indian jewellery and lifestyle business
- Core brands – Gili & Nakshatra – continue to make an impact in the branded jewellery market due to better focus and disciplines on product, experience and retail strategy

Brand Extension – Foray into Apparels & Accessories



GITANJALI

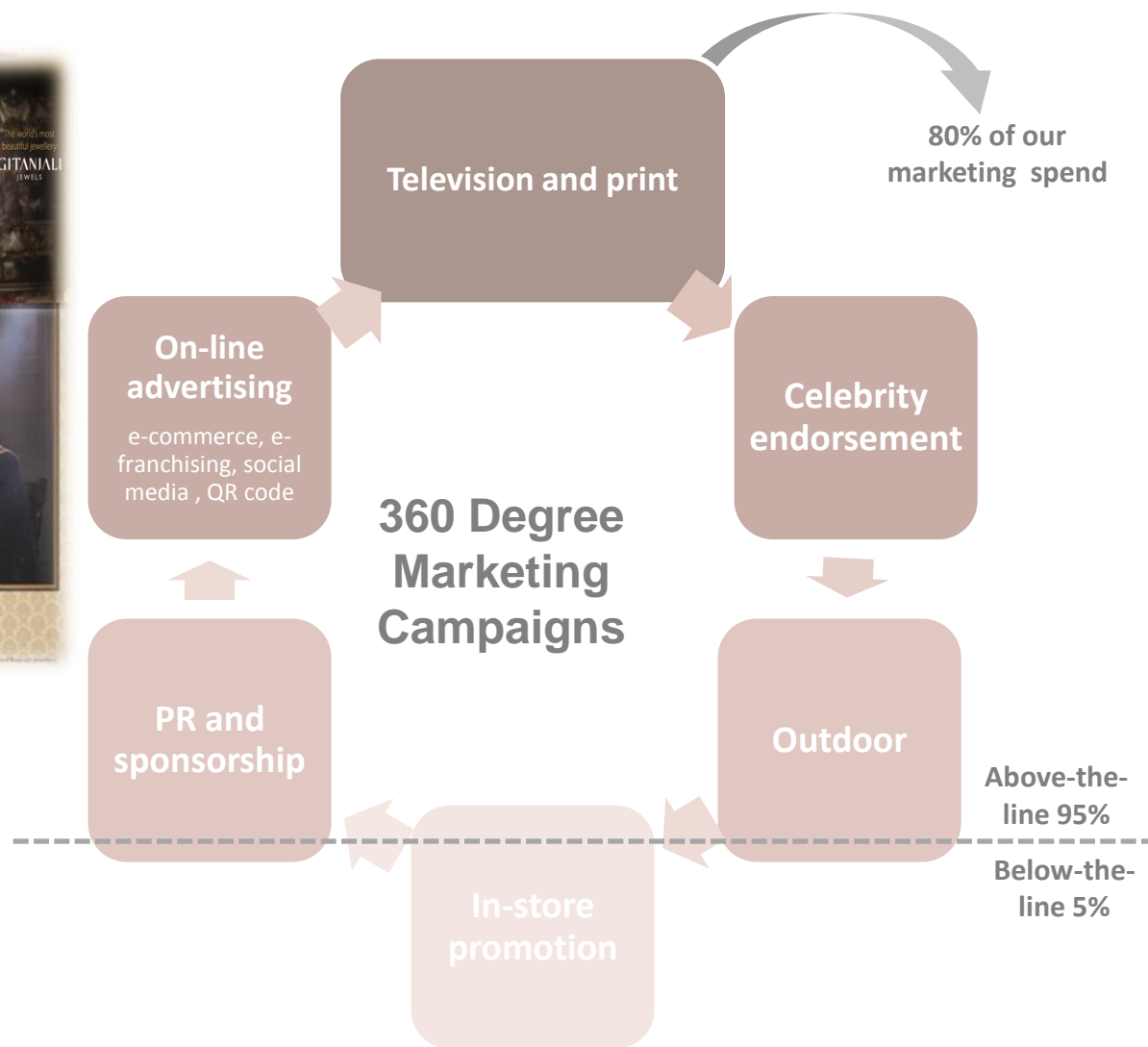
GITANJALI – THE LARGEST INVESTOR IN MEDIA IN THE DIAMOND JEWELLERY SECTOR IN INDIA



Media Coverage

- ✓ One of the largest Investor in Media in the diamond jewellery sector
- ✓ The largest print advertiser across categories

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

EMERGING CONCEPTS – E-COMMERCE

- Gitanjali group has been ever-evolving and inventive and has always adapted to changing trends.
- One such endeavour by the group is to capitalise on the tremendous opportunity offered by the E-Commerce platform.
- Gitanjali is present in the digital space through individual and multi-brand portals (gitanjaligifts.com) as well as through a market place (jewelsouk.com) thereby offering a wide choice, trust, quality and convenience to consumers.
- Gitanjali also has strategic tie-ups with major online retailers to offer jewellery through these portals.
- Jewel Souk – Jewel Souk is India’s largest online jewellery marketplace offering best prices along with a completely hassle-free shopping experience with options of payments through Debit Card, Credit Card and Net Banking processed through secure and trusted payment gateways.
- Gitanjaligifts.com – Gitanjaligifts.com is a multi-brand portal offering a wide array of products from amongst the various brands from the house of Gitanjali.



Jewelsouk

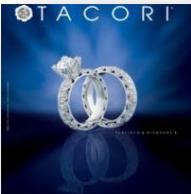
GITANJALI GIFTS

precious jewellery & gifts

GITANJALI

International Retail

INTERNATIONAL RETAIL– USA



- Top 5 specialty jewellery retail chain of USA - Samuels, acquired by the group in 2006
- 104 doors in USA
- **USD 124 Mn** retail sales in FY14
- 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 and through over 50 SIS. 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 FY14 is c. **USD 200 Mn.**
- The Indian Diaspora present in the GCC presents tremendous growth opportunities for the company



GITANJALI

INTERNATIONAL RETAIL– EUROPE AND JAPAN

Italy

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

Gems TV has now been merged with IMACBC to enhance synergies of integration

Gitanjali has a strategic stake of 20% in the entity to cater to its diamond jewellery requirements in Japan

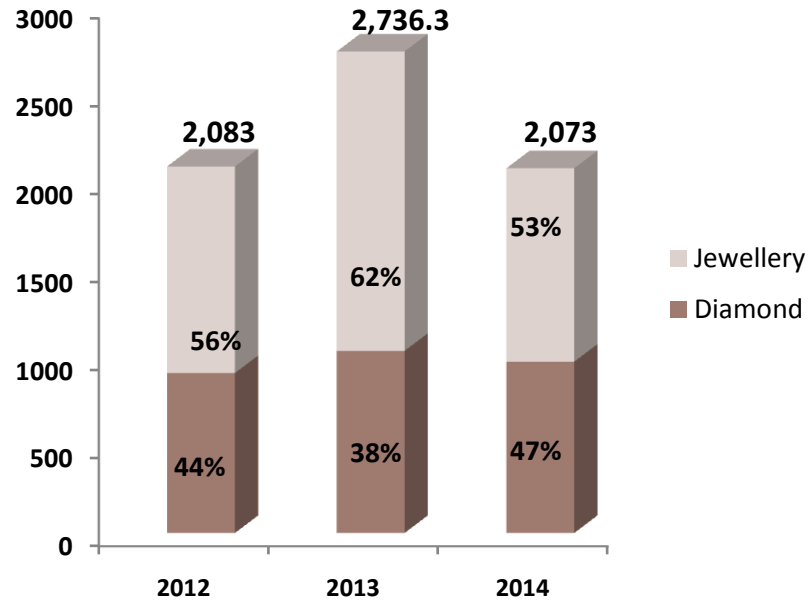


Financial Information

ROBUST FINANCIALS

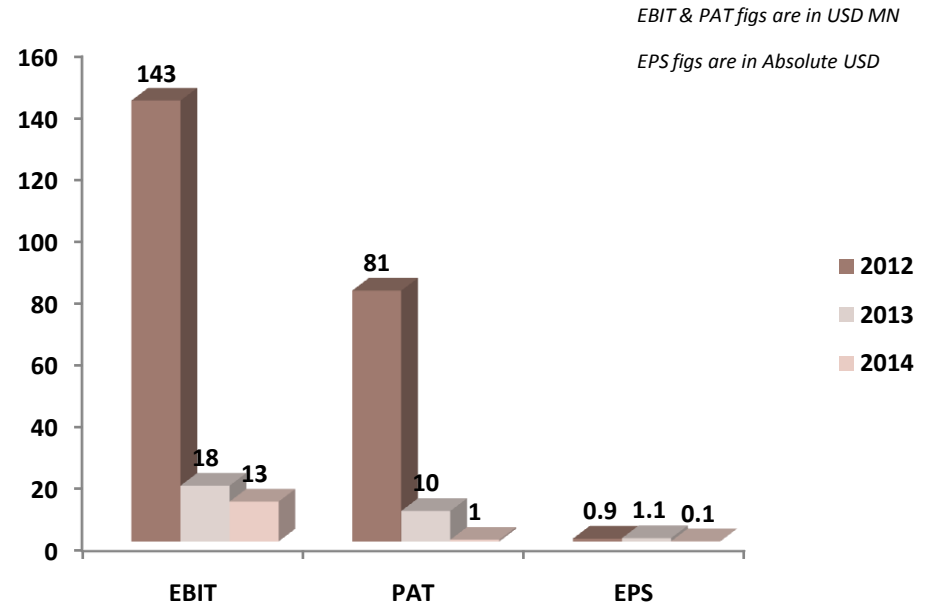
1 USD = INR 60

REVENUE (USD Mn)



- FY14 has seen a revenue has grown (24%) on a Y-O-Y due to the lack of gold jewellery sales on account of RBI regulations.
- The company has rebalanced its portfolio to focus more on diamond and studded jewelry
- The focus during the last year has also been on the company's international business.

Operational Indicators (USD Mn)

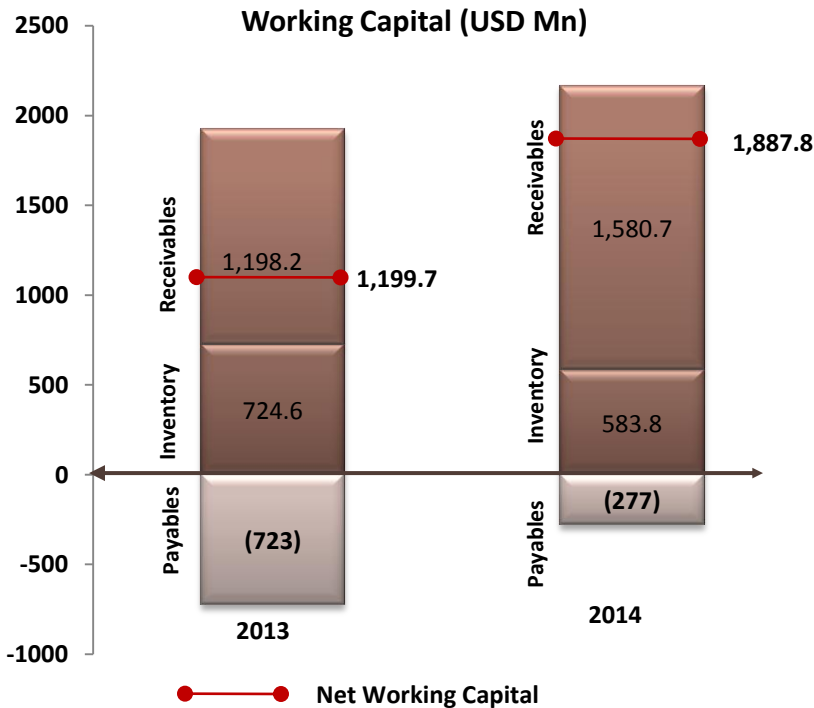
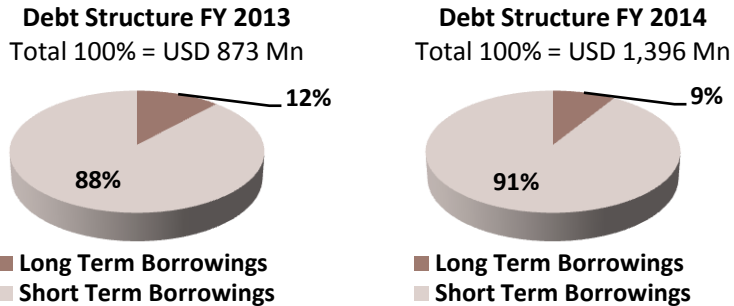


- EBIT was affected due to MTM losses which were incurred for not allowing unfixed gold against SBLC on account of the regulatory changes
- Major impact on PAT due to high finance costs which increased from ~USD 66 Mn in FY13 to ~USD 118 Mn in FY14 .Finance costs have increased largely due to shift from Gold Loan to Cash Credit (CC) which was triggered by changes in RBI policy from July 2013.Cost of Gold loan was around 3% p.a., while CC is at 13-14% interest p.a

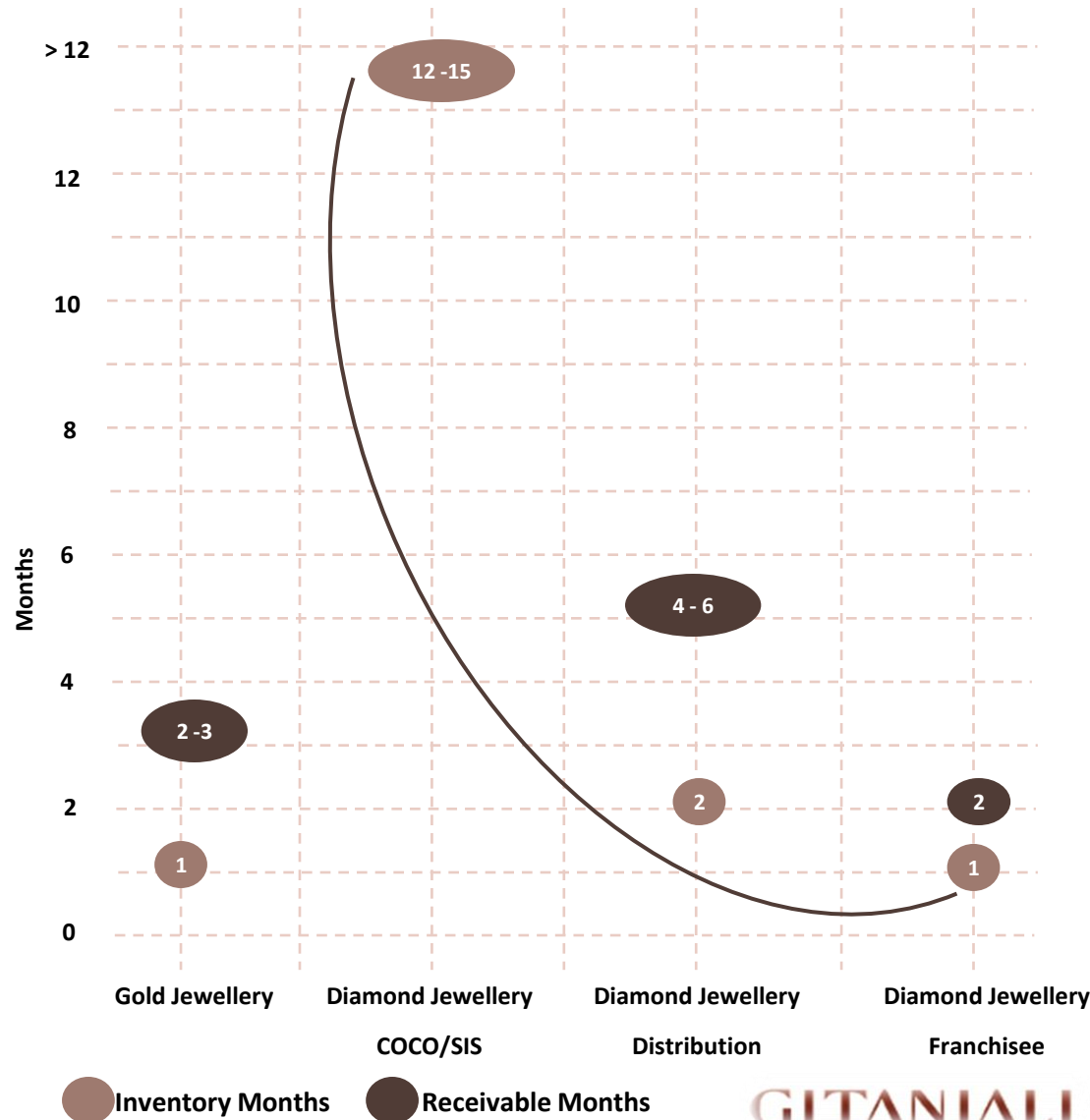
WORKING CAPITAL : AN OVERVIEW

1 USD = INR 60

Working Capital Intensive (USD Mn)



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
- Retail space to scale up to 2 million sq.ft over the next 3 - 5 years
- Growing via innovative channels such as E-commerce

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



GITANJALI & THE ENVIRONMENT : A STRATEGIC FIT

Strengths

- First mover advantage
- Fully integrated supply chain
- 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
- Fluctuating regulatory environment

■ Annexure : Historical Performance

HISTORICAL PERFORMANCE – INCOME STATEMENT (CONSOLIDATED)

1 USD = INR 60

Particulars (USD Mn)	FY 14 (Audited)	FY 13 (Audited)	FY 12 (Audited)
	Total	Total	Total
Sales	2,072.7	2,736.4	2,083.1
Raw material cost	1,745.1	2,352.7	1,778.6
Gross Profit	327.6	383.7	304.4
Manpower costs	45.2	49.8	42.6
Other operating income	--	--	--
Operating expenses	165.0	159.3	127.3
Other Income	17.9	11.8	13.0
EBITDA	135.3	186.4	147.6
EBITDA margin (%)	6.5%	6.8%	7.1%
Depreciation	6.4	6.1	4.9
EBIT	128.9	180.3	142.7
EBIT margin (%)	6.2%	6.6%	6.9%
Finance Costs	122.7	76.9	56.3
Exceptional items	--	0.0	0.9
PBT	6.0	103.5	87.3
Tax	0.1	4.3	5.7
PAT	5.6	98.6	81.2
Basic EPS (Rs.10 FV)	0.1	1.1	0.9
Diluted EPS	0.1	1.1	0.9

HISTORICAL PERFORMANCE – BALANCE SHEET (CONSOLIDATED)

1 USD = INR 60

Particulars (USD Mn)	FY 14 (Audited)	FY 13 (Audited)	FY 12 (Audited)
	Total	Total	Total
<u>Net operating working capital</u>			
Inventories	583.8	724.6	615.6
<i>Inventories / COGS</i>	33%	31%	35%
Inventory days	119	111	126
Receivables	1,580.7	1,198.2	897.5
<i>Receivables / Sales</i>	76%	44%	43%
Days Receivable	274	158	157
Current liabilities	(276.7)	(723.0)	(548.7)
Payables / COGS	16%	33%	31%
Days Payable	(58)	(122)	(112)
<u>Debt Facility</u>			
Long Term Borrowings	123.8	103.6	107.3
Short Term Borrowings	1,272.0	769.6	550.0
Gross debt (A)	1,395.8	873.1	657.3
Cash and cash equivalents (B)	59.2	161.7	108.7
Net debt (A-B)	1,336.6	711.4	548.5
Net worth	657.4	628.1	519.0
Net debt / Equity ratio	2	1.13	1.05

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