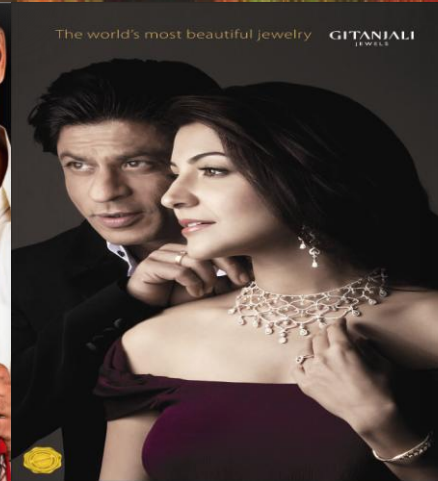


GITANJALI

Corporate Presentation





INTRODUCING GITANJALI



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

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

7 modern jewellery manufacturing facilities – **285,000 pieces** per month

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

Retail presence with over **1,300 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

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 **1,300 are B2C**

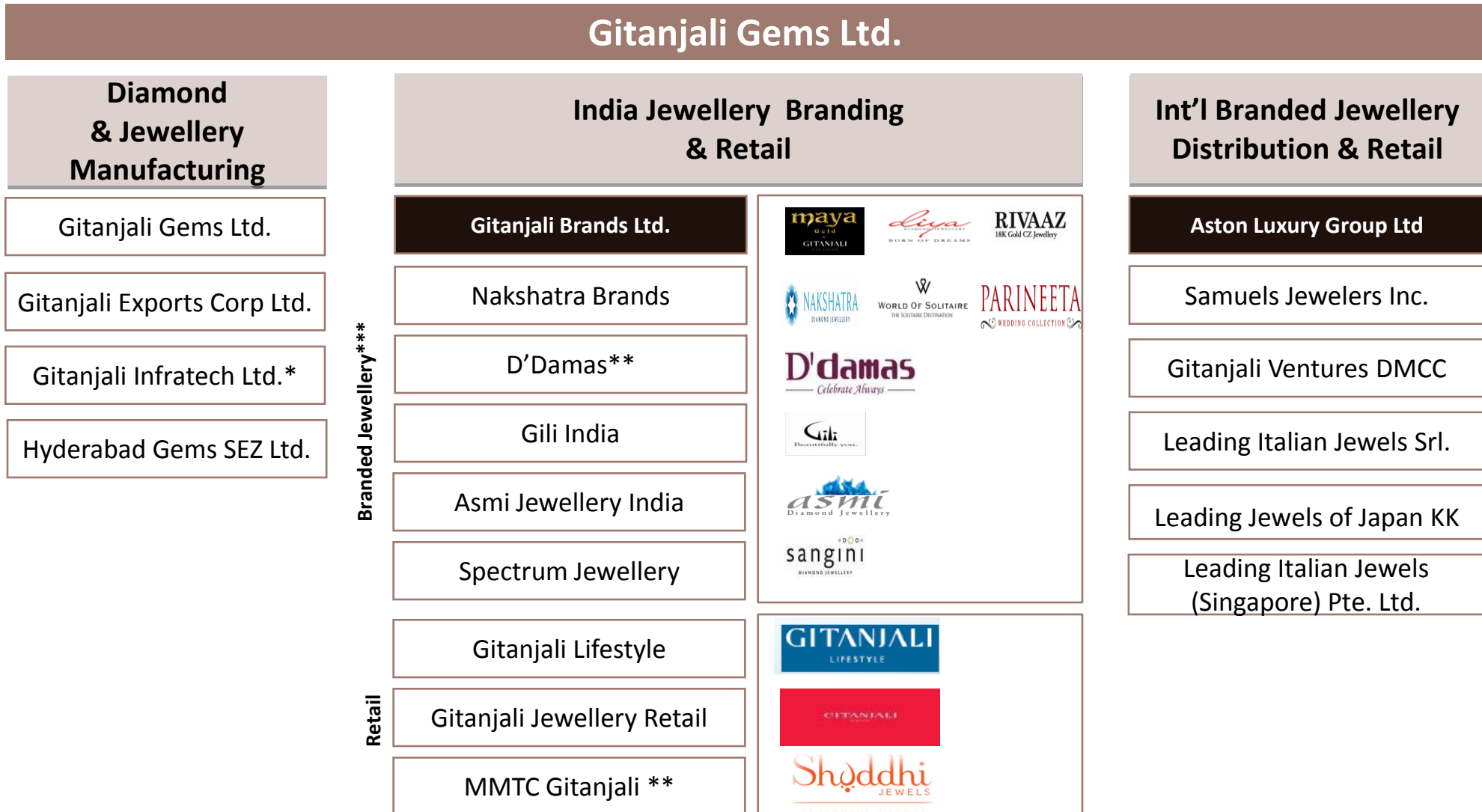


China:

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



GITANJALI TODAY – THREE FOCUSED VERTICALS

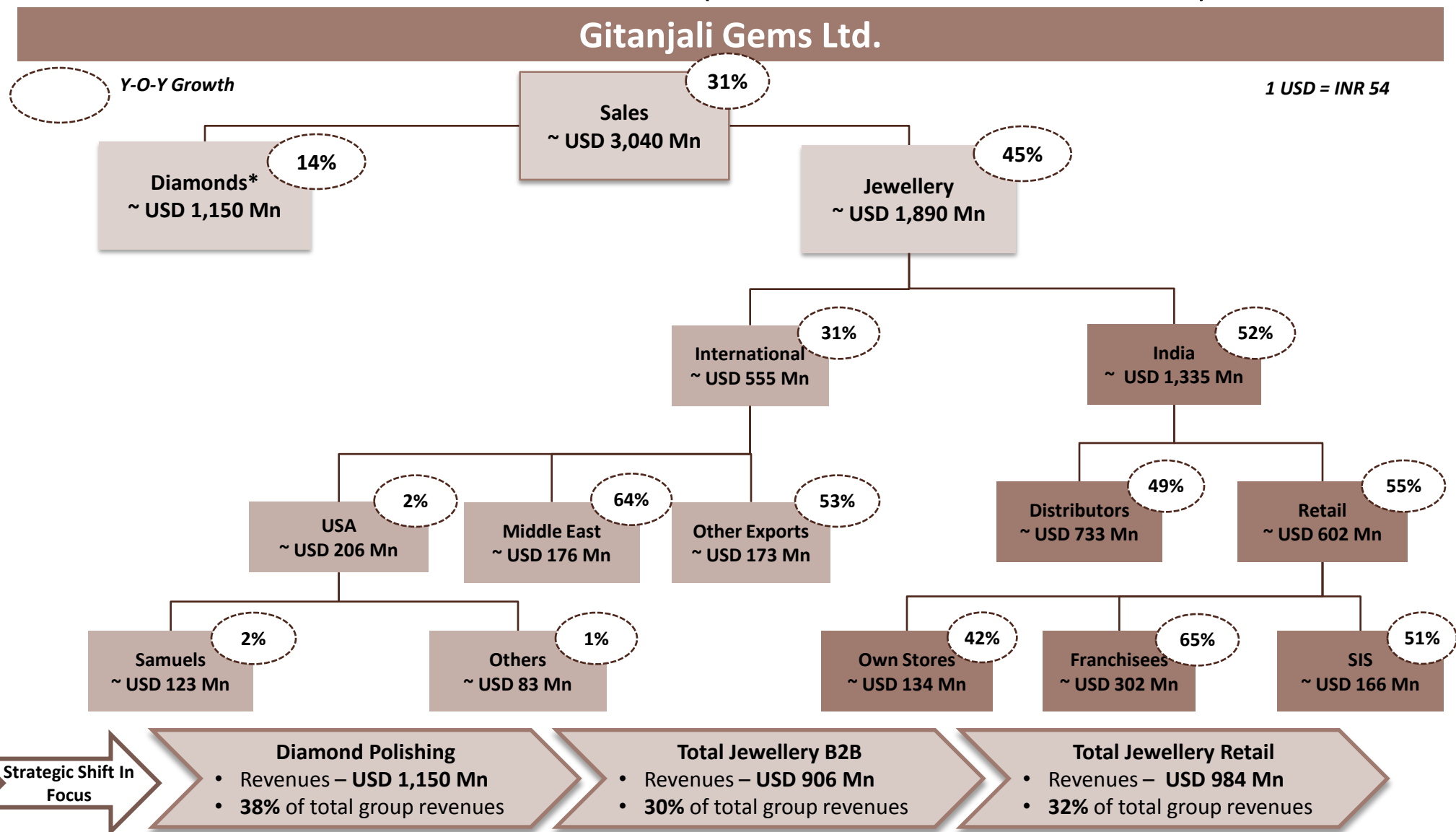


*The company's Infratech business is only to unlock value of its surplus land in Borivali by developing a residential complex. This is essentially to monetize the company's surplus land bank.

** 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 (FY13 REVENUE CONTRIBUTION)

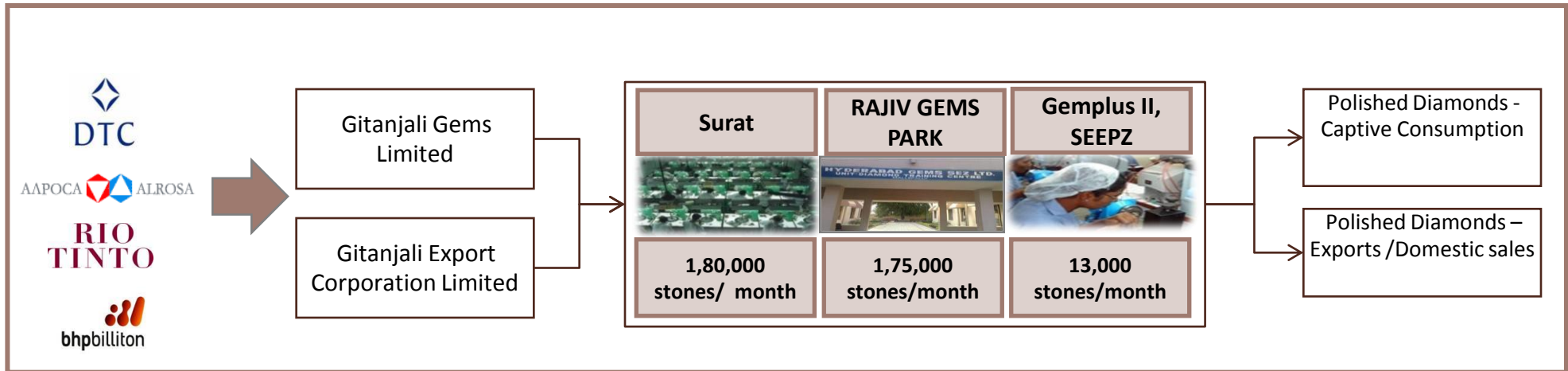


5 |

- Diamond Revenues have been netted off
- The reported financials are in INR and hence the YOY growth rates are in INR as well.
- For ease of comparison, the exchange rate for all the years under consideration has been taken as 1 USD = Rs. 54

■ 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)
MIDC	Manufacturing diamond jewellery primarily for Gili	25,000
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
Jaipur	Manufacturing Kundan, Jadau and Coloured Stones Jewellery	15,000
Pacific (China)	Primarily manufacturing jewellery for International subsidiaries	25,000
Abbeycrest (Thailand)	Primarily manufacturing stamped and cast jewelry using advanced technology	100,000

State-of-the-art jewellery manufacturing facilities with a production capacity of **c. 285,000 pieces** of finished jewellery per month

■ India : Jewellery Branding & Retail

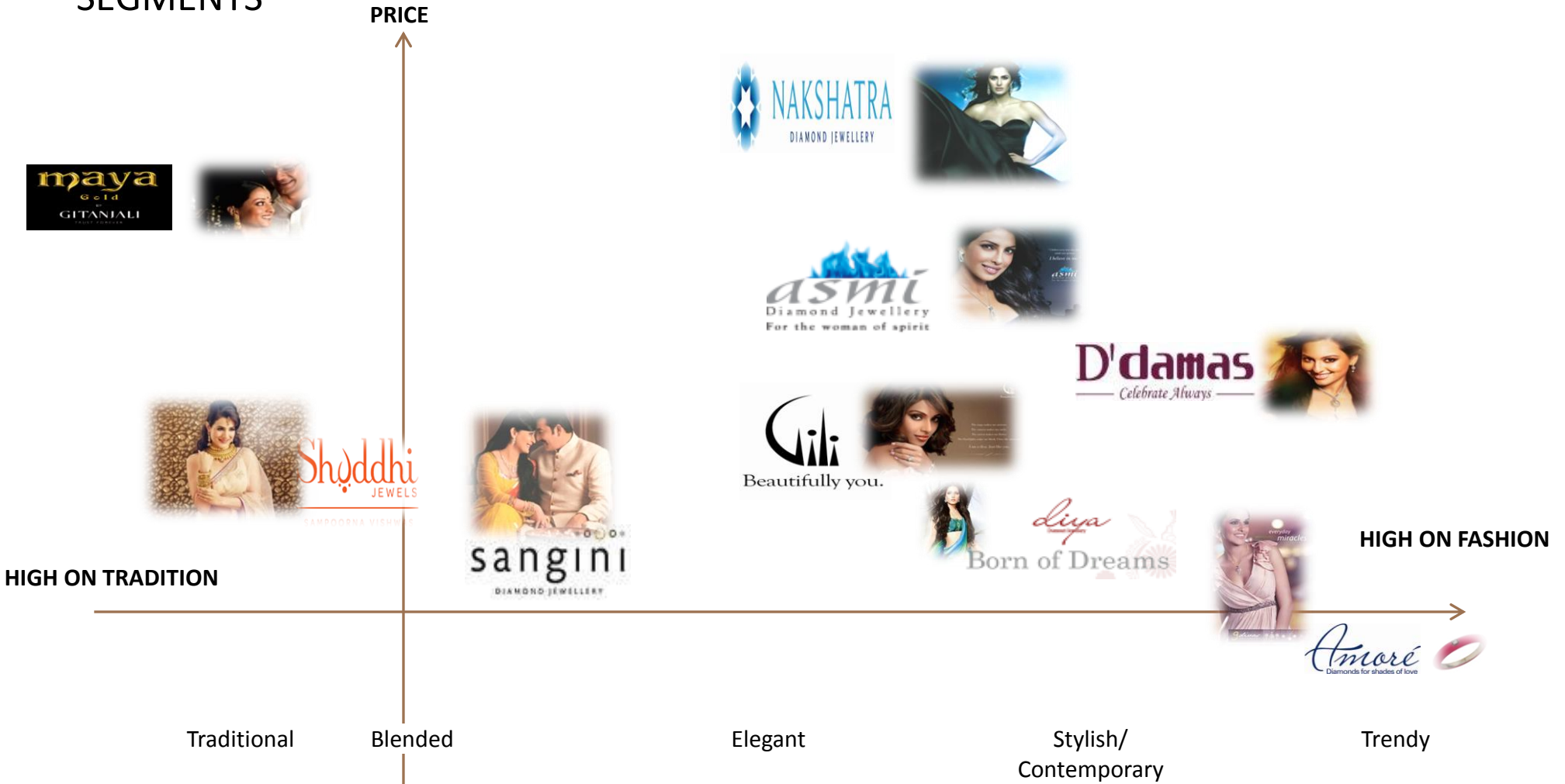
OUR BRANDS – STRONG PORTFOLIO OF WELL ESTABLISHED BRANDS

	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
- Judicious additions to brand portfolio to include new categories

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



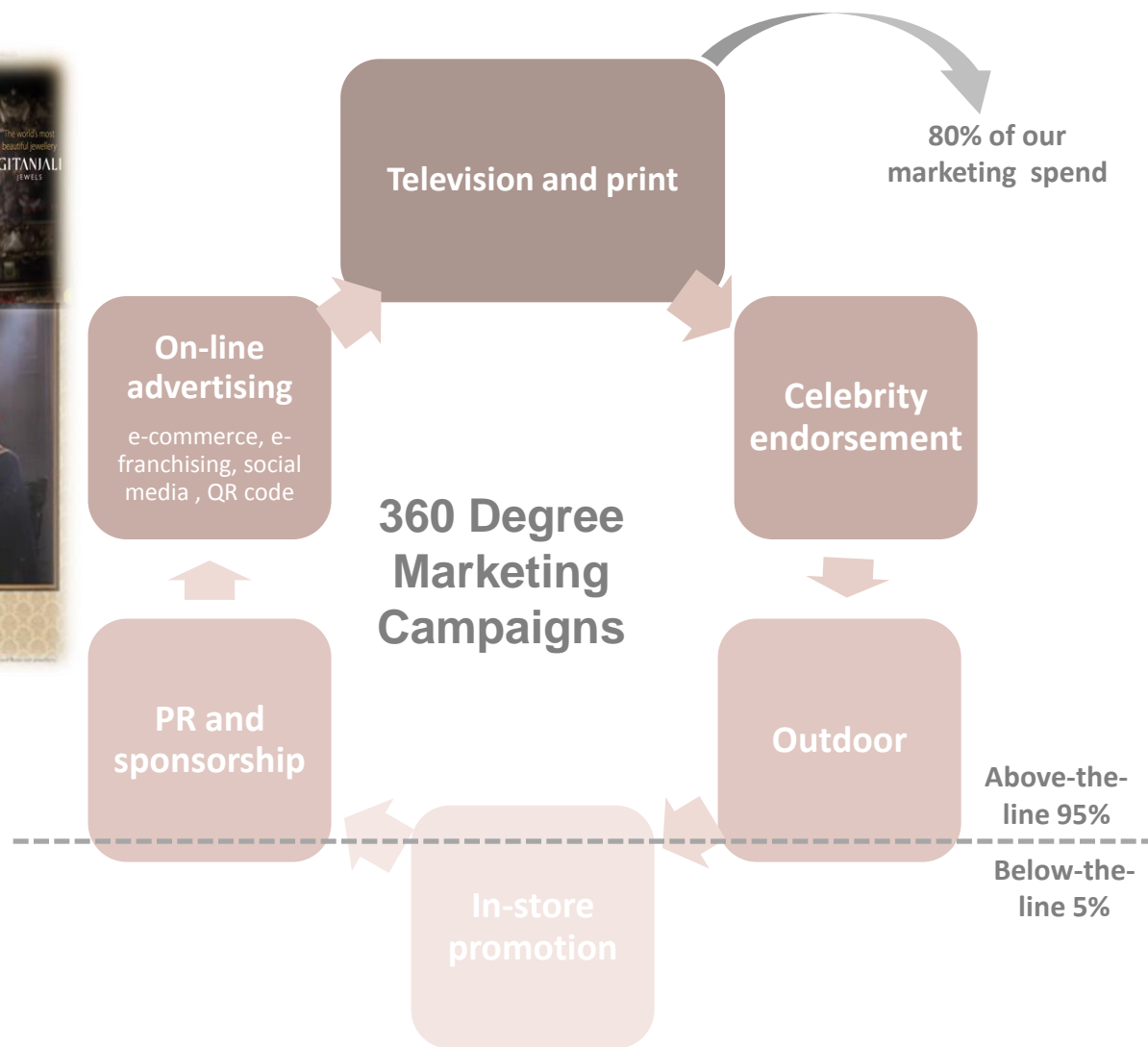
GITANJALI – THE LARGEST INVESTOR IN MEDIA IN THE DIAMOND JEWELLERY SECTOR IN INDIA



Media Coverage

- ✓ 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

LAUNCH OF INNOVATIVE CONCEPTS



Gitanjali launches Jewel Souk

- 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 Vending Machine at Mumbai

- Launch of a unique and innovative Gold and Diamond vending 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

- 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

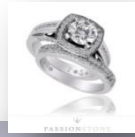


International Retail

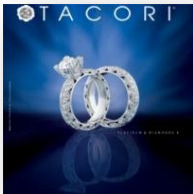
INTERNATIONAL RETAIL– USA



CANADIA
Diamonds



PASSIONSTONE



- Top 5 specialty jewellery retail chain of USA - Samuels, acquired by the group in 2006
- 104 doors in USA
- **USD 123 Mn** retail sales in FY13
- 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 FY13 is c. **USD 176 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



GITANJALI

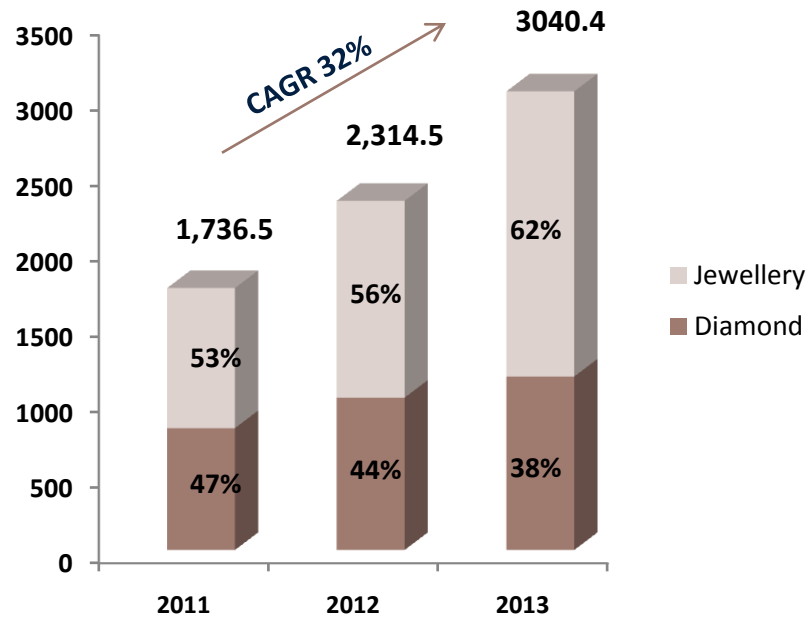


Financial Information

ROBUST FINANCIALS

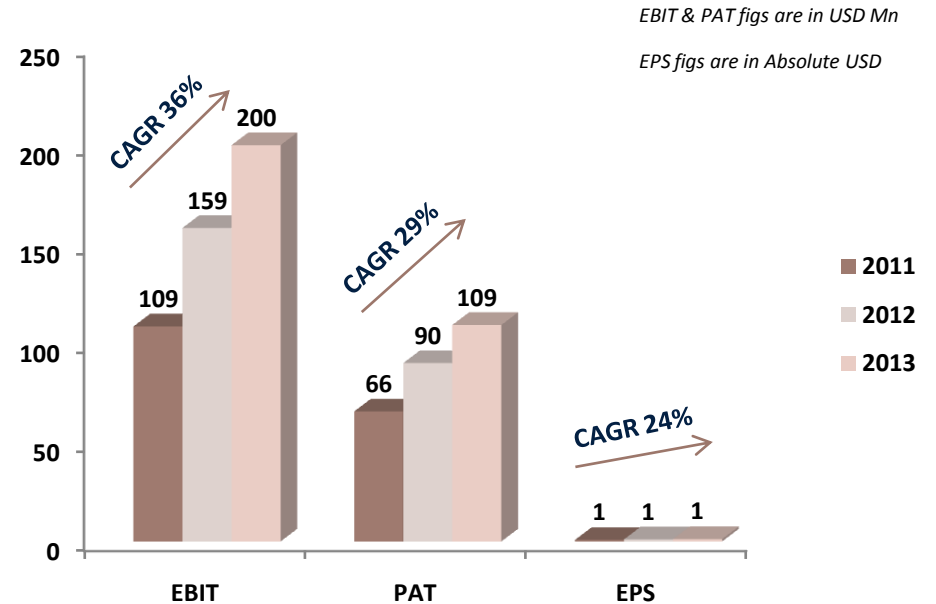
1 USD = INR 54

REVENUE (USD Mn)



- Revenue growth at ~ 32% CAGR in the last 3 years
- FY13 has seen a revenue growth of ~ 31% 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
 - Introduction of additional categories such as coloured stones, polki, kundan, jadau.
 - Focus on India as a key growth destination with incremental sales from new franchisee, shop-in-shop and own stores

Operational Indicators (USD Mn)



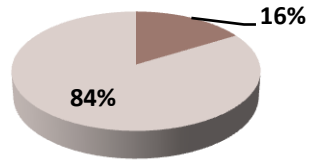
- EBIT growth at ~ 24% CAGR in the last 3 years
- FY13 has seen an EBIT growth of ~ 26% and a PAT growth of ~ 21% over the last fiscal
- FY13 has seen an EPS Y-O-Y growth of ~ 16%
- The Consistent growth in bottom line is primarily attributed to
 - Change in the segment mix, in favor of jewellery
 - Aggressive downstream expansion focused on branded jewellery retail

WORKING CAPITAL : AN OVERVIEW

1 USD = INR 54

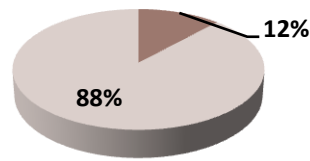
Working Capital Intensive (USD Mn)

Debt Structure FY 2012
Total 100 % = USD 730 Mn

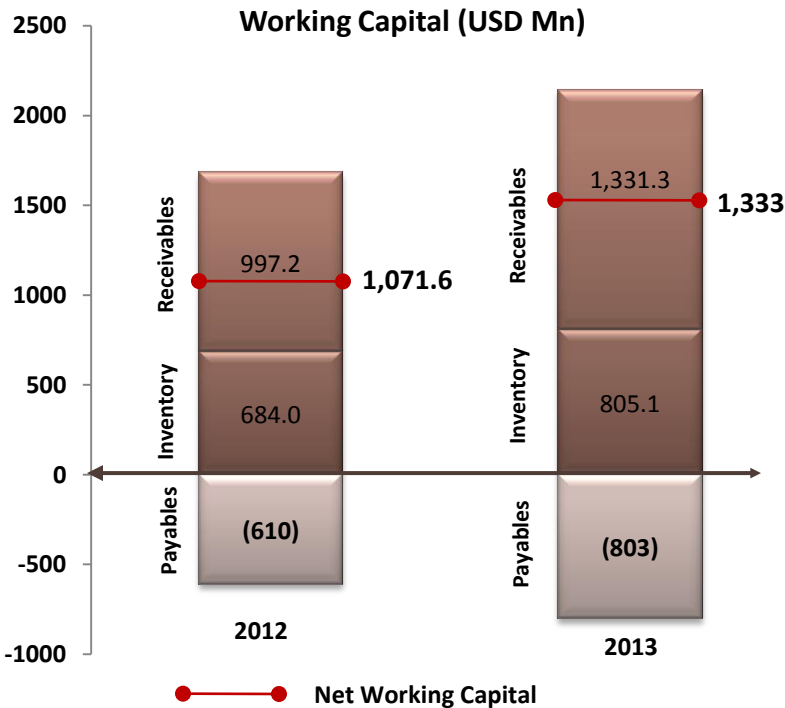


■ Long Term Borrowings
■ Short Term Borrowings

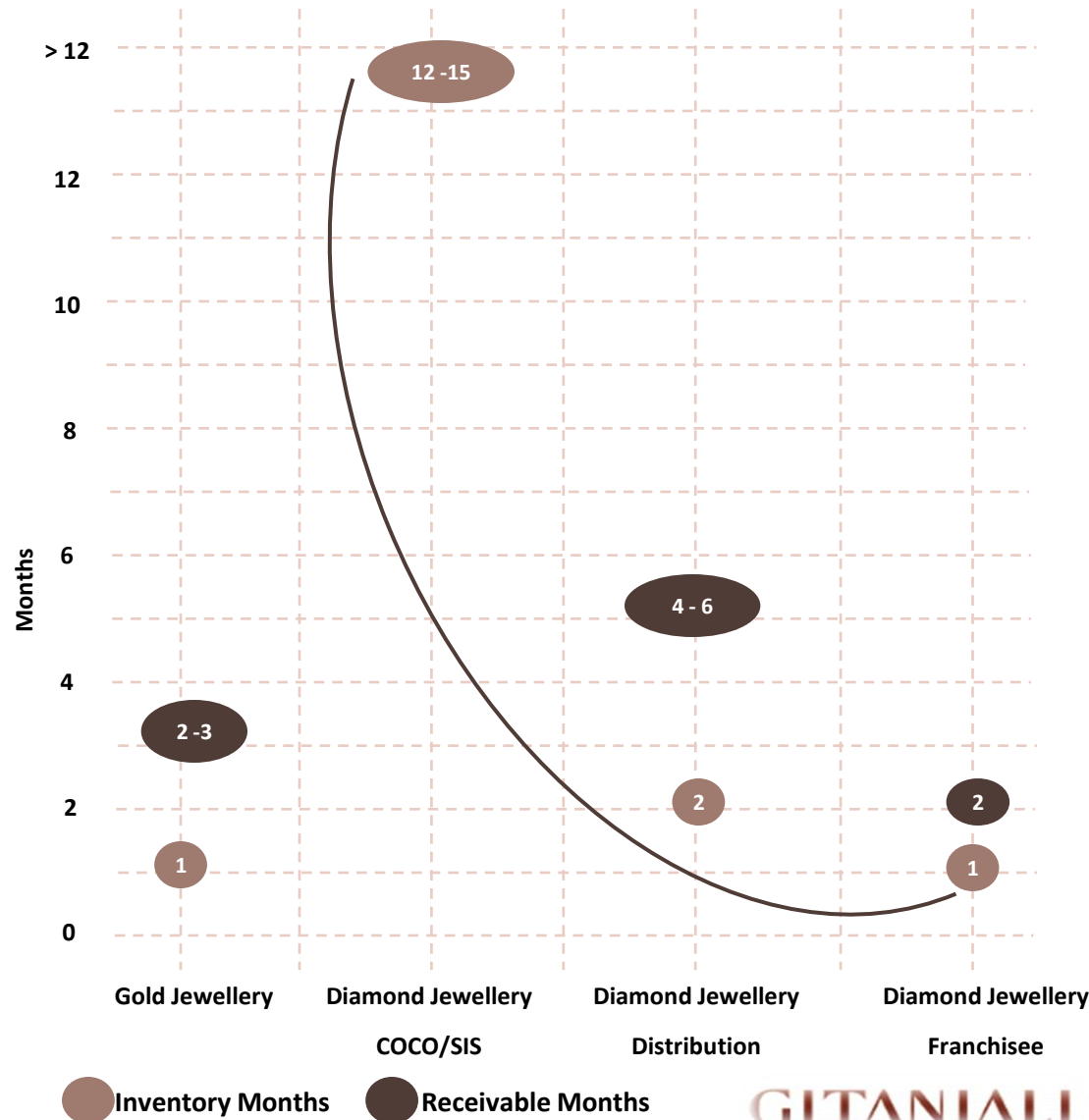
Debt Structure FY 2013
Total 100% = USD 970 Mn



■ Long Term Borrowings
■ Short Term Borrowings



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

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



Branding in Emerging Markets

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

Challenges

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

■ Annexure : Historical Performance

HISTORICAL PERFORMANCE – INCOME STATEMENT (CONSOLIDATED)

1 USD = INR 54

Particulars (USD Mn)	Y-o-Y Growth (%)	FY 13 (Audited)	FY 12 (Audited)	FY 11 (Audited)
	Total	Total	Total	Total
Sales	31%	3,040.5	2,314.5	1,736.5
Raw material cost		2,614.1	1,976.3	1,480.1
Gross Profit		426.5	338.2	256.4
Manpower costs		55.3	47.3	40.1
Other operating income		--	--	--
Operating expenses		177.0	141.4	116.3
Other Income		13.1	14.5	19.2
EBITDA		207.1	164.0	119.1
EBITDA margin (%)		6.8%	7.1%	6.9%
Depreciation		6.8	5.5	10.4
EBIT	26%	200.4	158.6	108.7
EBIT margin (%)		6.6%	6.9%	6.3%
Finance Costs		85.4	62.5	41.1
Exceptional items		0.0	0.9	3.4
PBT		115.0	96.9	71.0
Tax		4.7	6.3	4.9
PAT	21%	109.6	90.2	65.7
Basic EPS (\$ 0.2 FV)	16%	1.2	1.0	0.4
Diluted EPS		1.2	1.0	0.4

HISTORICAL PERFORMANCE – BALANCE SHEET (CONSOLIDATED)

1 USD = INR 54

Particulars (USD Mn)	FY 13 (Audited)	FY 12 (Audited)	FY 11 (Audited)
	Total	Total	Total
<u>Net operating working capital</u>			
Inventories	805.1	684.0	537.3
<i>Inventories / COGS</i>	31%	35%	36%
Inventory days	111	126	132
Receivables	1,331.3	997.2	744.4
<i>Receivables / Sales</i>	44%	43%	43%
Days Receivable	158	157	156
Current liabilities	(803.4)	(609.6)	(407.4)
Payables / COGS	33%	31%	28%
Days Payable	(122)	(112)	(100)
<u>Debt Facility</u>			
Long Term Borrowings	115.1	119.2	27.0
Short Term Borrowings	855.1	611.1	537.3
Gross debt (A)	970.1	730.3	564.3
Cash and cash equivalents (B)	179.7	120.8	81.4
Net debt (A-B)	790.5	609.5	483.0
Net worth	697.9	576.6	468.5
Net debt / Equity ratio	1.13	1.05	1.03

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