

## **Gitanjali Group acquires Trinity Watch Company and Hoop Silver Jewellery**

### **Incorporates fully owned subsidiary Mohar Jewels to offer innovative Jewellery Vault to small jewelers across the country**

**Mumbai, 12 March 2008:** Gitanjali Gems Ltd. (Gitanjali), India's largest integrated diamond and jewellery manufacturer and retailer, announced the acquisition of Trinity Watch Company Pvt Ltd (Trinity) and Hoop Silver Jewellery (Hoop) for an amount of Rs. 200 million through its fully owned subsidiary Gitanjali Lifestyle Limited (Gitanjali Lifestyle). Investment amount includes brand purchase, brand nurturing and retail expansion in a period of 2 years. This acquisition helps Gitanjali strengthen its position in the silver jewellery market. It also aims at consolidating its position as a premium Jewellery & lifestyle player with plans to open more stores across the country going forward.

Gitanjali by way of incorporation of its wholly owned subsidiary Mohar Jewels has forayed into the business of providing gold loans and safe deposits vaults to entities and individuals. Total investment forecasted by the Company for this subsidiary may go up to Rs. 1,000 million in one year. Mohar jewels, is a first of its kind enterprise that will help jewellers in the unorganized market to increase their production capacity by way of extending gold against security. It also offers them vaults that will help them reach larger audiences. Expected inventory over a period of 1 year could exceed 500 kgs. of gold and exceed over a few thousand carats of diamonds. Through Gitanjali's large distribution network, Mohar Jewels will lend support to retailers operating in the unorganized jewellery sector by granting permission to display products in its own stores.

Trinity is engaged in the business of selling watches under its registered premium brand 'Iris'. Other notable brands that Trinity deals with include Saint Hanore, Umbro & Everlast. Trinity also distributes various international watch brands under license from various principals. Trinity, now under the umbrella of Gitanjali Lifestyle will be available through 100 locations as against 20 locations before the acquisition and is, expected to earn revenues in excess of around Rs. 100 million in a period of 2 years.

Hoop is a brand offering jewellery that is used as a daily fashion accessory. It symbolizes truly international trends in completely unique styles. It has designs in silver, titanium, steel, wood, leather, diamonds and other precious gemstones. Each piece of jewellery is designed with an eye for perfection. Hoop currently has 10 stores and has a price range between Rs. 2,000 and Rs. 15,000. After the acquisition, Gitanjali is expecting a turnover of Rs. 150 million over a period of two years and aims to extend the distribution network to over 100 stores.

This powerful acquisition will drive a plethora of value to key stakeholders including end customers, and partners of Gitanjali. This development adds up to advantages including better value for consumers and access to an arsenal of world class brands.

#### **About Gitanjali Lifestyle Limited:**

Gitanjali Lifestyle Limited (Gitanjali Lifestyle) is the luxury retail arm of Gitanjali, a 3,500 crore Company with over 40 yrs of experience in the branded jewellery segment. Incorporated in 2007 this new venture aspires to tap the unexplored luxury & premium retail segment of and increasingly consumer driven contemporary Indian society. The group has envisioned instituting in "Retail of Luxury & Lifestyle Products" with the intention of opening stores in premium market places.

Gitanjali Lifestyle has taken an evaluated decision to venture into the business of "Retailing Branded – Lifestyle products" with an initial investment of Rs. 1,500 million. Gitanjali Lifestyle brings in a plethora of brands that are synonymous with luxury & style. Their idea is to project their stores as a prime destination for individuals who have a high fashion quotient, covering all aspects of lifestyle retailing, combining Jewellery, Watches, Silverware, Perfumes & Cosmetics, Leather & Accessories

The Company operates through 3 service verticals, Retail, Media & Distribution with over 2000 existing points of sales.

The Company intends to open 200 lifestyle stores in Metros & Mini-Metros across industries i.e. lifestyle, fashion, jewellery, food & beverage and health & beauty. The stores will be in three formats ranging from 5,000 square feet to 15,000 square feet and through malls in upward of 80,000 square feet; a combination of Company owned & Franchise stores. Apart from launching international brands, we would also launch malls catering to the high-end consumer and the aspirational segment.

Gitanjali Lifestyle aspires to be a global leader in luxury retail, distribution & services, known for its high quality products along with its ability to set new trends, in order to create the maximum possible value for its consumers.

#### **About Hoop:**

Hoop is a jewellery chain that is dedicated to providing designer jewellery for the youth of today. Hoop jewellery is a daily fashion accessory. The brand will increase the consumer's propensity to consume Fashion with the target group being urban, educated (SEC A, AB & B+). Hoop main target audience is men and women between the age group of 21- 30 years. The brand is also focusing on the development of the rudimentary men's market.

The Product line encompasses jewellery that is high on design, contemporary and internationally styled. The products are available in options of silver, titanium, tungsten, steel, rubber and leather with diamonds and other coloured precious and semi-precious stones. In an attempt to create a

recognizable shift from traditional jewellery designs the product range also consists of jewellery categories such as nose rings, navel rings, waistbands and anklets.

#### **About Trinity Watch Company:**

Trinity the latest entrant at the Gitanjali Lifestyle Stables is engaged in the business of selling watches under its registered premium brand 'Iris'. Trinity also distributes various international watch brands under license from various principals. Brands under Trinity umbrella include:

##### **Iris**

A collection of diamond-studded watches, for ladies and gents, IRIS brand of premium watches under the Trinity celebrates 'Togetherness'.

##### **Saint Honore**

Named for the famous quarter of Paris that is synonymous worldwide to elegance, luxury and prestige, Saint Honore continues to assert its influence in the world of fashion and jewellery. Saint Honore watches are luxurious yet affordable, and some models have won awards for their original beauty

##### **Umbro**

Boasting a stylish, futuristic design, Umbro LCD Watches have large digital displays that show you the time, day and date. Umbros' are water-resistant to a depth of 5 meters and they come with a 12-month guarantee.

##### **Everlast**

Each EVERLAST watch has been carefully crafted with the brand's ethos in mind. Strong shapes, bold colours, and quality workmanship signify the strength and confidence of the customers and the brand itself. The EVERLAST watch is the perfect balance of form and function.

#### **About Gitanjali Gems Limited:**

Gitanjali Gems Ltd. is a corporate with interests in diamond and jewellery, retail, infrastructure and lifestyle businesses. In the diamond and jewellery segment, the Company has a significant presence across the entire jewellery value chain: From sourcing raw materials to selling branded jewellery, every avenue in the industry is covered by the Company's integrated system.

Gitanjali is one of the first companies in India to introduce branded jewellery and has a dominant presence in retail jewellery. The Company has strong brands such as 'D'Damas', 'Asmi', 'Sangini', 'Nakshatra', 'Gili', etc and sells its products in India through its vast network of 1,250 outlets including outlets in host stores. The Company has more than 120,000 sq. ft of retail space and is planning to increase it up to 650,000 sq. ft within the next two years. Additionally, the Company operates 143 retail jewellery stores located across the United States through the acquisitions of Samuels Jewelers and Roger Jewelers.

The Company has diversified into the infrastructure space and is developing Special Economic Zones (SEZs) primarily for the gems and jewellery industry. The proposed sites for the SEZs are in Hyderabad, Panvel, Nagpur, Nasik, Nanded, Aurangabad and Kolkata. Further, Gitanjali has

recently forayed into the Luxury retail business by launching its 'Luxury Connexions (Lx)' outlets housing global brands and world-class fashion stores.

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