



About LJ International (NASDAQ: JADE)

LJ International (LJI) is a leading colored gemstone and diamond jeweler with retail and wholesale businesses. It engages in the design, manufacturing, branding, marketing and distribution of a full range of jewelry. It has built its global business on a vertically integrated mine-to-market strategy. Through its China-based ENZO retail chain stores, LJI is now a major presence in China's fast-growing retail jewelry market and one of the top 5 most desired foreign jewelry brands [CBN Weekly 2011] with a retail network of 202 stores at the end of 2011. As a wholesaler, it sells jewelry at different price points through five major platforms throughout the world: fine jewelers, department stores, national jewelry chains, TV and online shopping and discount chain stores. In the US and Europe, its clients include leaders in each category such as Zales, Sterling Jewelers, QVC and Helzberg Diamonds.

Facts about LJ International

Business	Retail	Wholesale
History	Since 2004	Since 1987
Position	ENZO is one of the top 5 most desired foreign jewelry brands in China	Leading and recognized gemstone jeweler and wholesaler worldwide
Customers /Target customer group	Middle class in high income cities in China	Leaders in 5 channels: • fine jewelers; • national jewelry chains; • department stores; • TV and online shopping; • discount chain stores

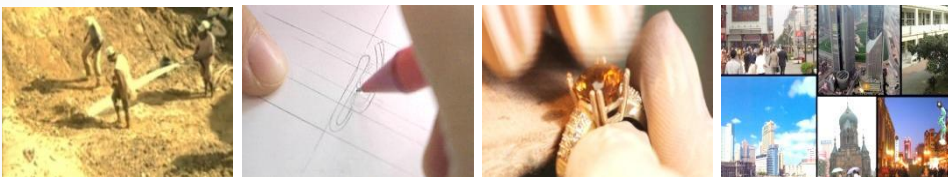
Investment Highlights

- Growing global jewelry market driven by rapidly growing China market
- Trend setting leading jeweler with unique position in gemstone market
- Top jewelry brand in China ready to further expand its market share
- Distinctive client portfolio allows continued expansion of wholesale business
- Diversified mining sources ensures quality and margin
- Seasoned management team with proven execution capabilities

Stock Facts

Listed on NASDAQ since	1998
Stock code	NASDAQ:JADE
Shares outstanding	30.58 million
Market capitalization	US\$70.95million [as of Mar 30 2012]
Ownership	
- Management	~15%
- Public float	~85%
Fiscal year end	December 31, 2011
Auditor	Deloitte Touche Tohatsu CPA Limited

Business Model -- vertically integrated mine-to-market jeweler



Direct source from mines to ensure best quality

In house dedicated design team

Skilled gemstone and diamond setters

Global client portfolio; nationwide retail network in China

Value Proposition

Focused Strategy

- Colored gemstone market is fragmented without a dominant player. LJI, with its long established position, is emerging as a leading player
- Among Top 5 most desired foreign jewelry brands in China where market concentration is low; well positioned to take a larger share
- Focused expansion and marketing strategy for retail business to optimize expansion efficiency
- Dedication ensures excellence in product delivery on retail and wholesale platforms

Leadership

- The rapidly growing jewelry market in China is expected to deliver sustained higher growth than other retail segments
- Global gems and jewelry industry offers resilient and steady long term growth throughout different economic cycles

Growth

Best Breed clientele

- Proven capabilities in establishing ENZO brand in China market within a short timeframe
- Consistent delivery of strong performance for ENZO, LJI's retail business
- Diversified clientele in 5 major platforms ensures LJI can leverage on the growth opportunities of different channels
- Long-established relationship with an extensive portfolio of top tier clients in all major markets

Performance

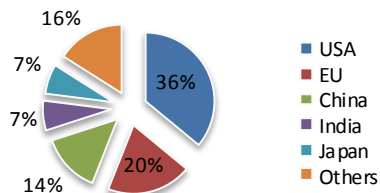


Addressable Markets

Global

- Since 2003, the global gems and jewelry industry has grown at a CAGR of 8.3%, with an estimated market size of >US\$185 billion in 2010**
- The US is the world's largest jewelry market, with total jewelry retail sales reaching US\$72 billion in 2010. The market has grown at a CAGR of 5.9% over the last 25 years**
- China, India, Middle East and Eastern Europe are the emerging markets
- The industry is predicted to grow at 4.6% every year and would reach US\$225 billion by 2015**
- Jewelry market is resilient. In 2008, global and the US jewelry market still recorded growth, despite the challenging economic environment

Breakdown of the global jewelry market by distribution



Source: CICC Research

** A&M Mindpower Solutions 2010

Driving Forces

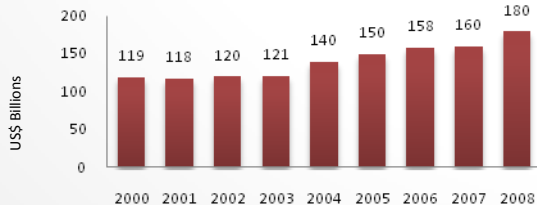
Increasing urban population with contribution of working women

Growing demand for men's jewelry especially in EU

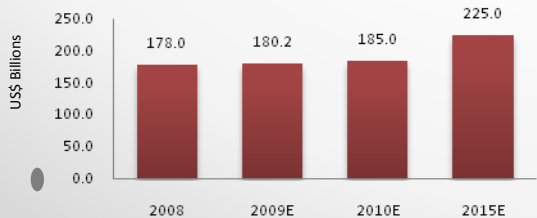
Jewelry as a symbol of changing lifestyle among working women

Rising disposable income and consumer spending

Global Jewelry Sales (2000-2008)



Global Jewelry Sales Forecast (2008-2009, 2010 & 2015)

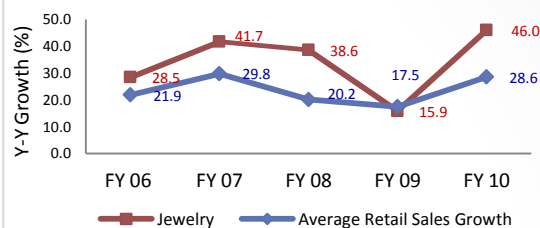


Source: A&M Mindpower Solutions

China

- Since 2000, total jewelry retail sales volume grew at a CAGR of 31%*
- China's jewelry industry now ranks second in the world as a single country with a size of RMB220 billion [about US\$34.9 billion], next only to the US*
- Jewelry category has been seeing faster growth than other retail/consumption categories

China Retail Sales Growth 2006 - 2010



Source: National Bureau of Statistics

- It is expected to grow at a CAGR of 15% for next five years, with a market size of RMB400 billion [about US\$63.5 billion]*
- Industry concentration is low, suggesting opportunities to grow share in the market

*: CICC Report July 11, 2011

Driving Forces

Higher income and robust economic growth

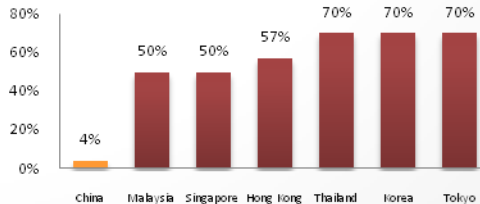
Explosion of middle class as a higher potential consumer group

Per capita jewelry ownership under penetrated

Rising trend for wedding jewelry: a wedding boom is emerging in 10 years

Growing preference for gem-set jewelry

Female jewelry ownership is low in China



Source: CICC Research

Wedding market is a strong driver of the jewelry market



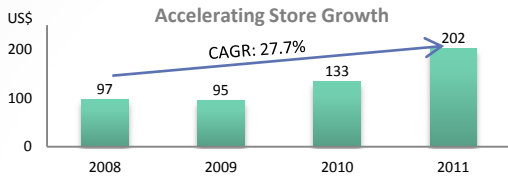
Source: China Statistical Yearbook, 2010, CICC Research



Growth Strategies

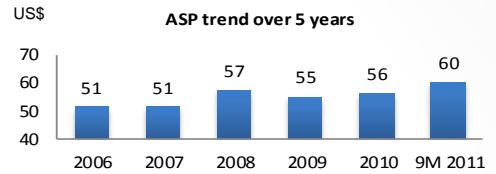
Retail

- Extend national footprint with focus on
 - Deepening penetration in tier 1 and 2 cities to strengthen market leadership
 - Focus on cities with existing coverage to gain operating leverage
- Focused marketing strategy to target growing middle class in China and to strengthen market value and equity to enhance margins
- Leverage on multi-brand strategy and diversified collections to meet demand for different price points and preferences in various age groups



Wholesale

- Deepen penetration in existing extensive client portfolio
 - Additional product offerings
 - Riding on the opportunities when customers reduce vendors with which LJ International remains a core partner
- Broaden client base and distribution channels in addition to the existing 5 major platforms to capture growth potentials in new markets
- Adopt flexible deployment of material to meet market trend and maintain ASP and margins

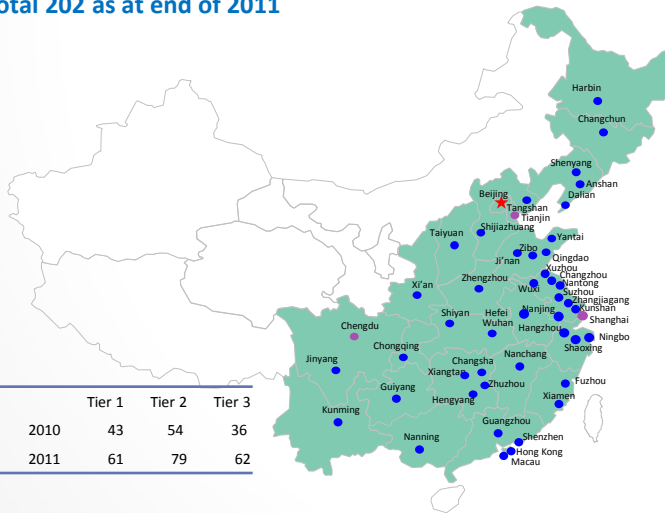


Mine-to-Market Business Model

- With the strong recognition of ENZO brand and the rapid growth in the retail market in China, it is necessary to take steps to strengthen the steady and reliable supply of quality raw materials. Besides the existing channels, acquisition of some new supply sources; inter alia, gemstone mines, gemstone suppliers or distributors would be considered.

Expanding footprint of retail network

Total 202 as at end of 2011



Distinctive and diversified client portfolio



ENZO's stores and branding initiatives



K11 Mall, Hong Kong



CIXI Store, Zhejiang Province



Targeted marketing initiatives, Dalian, Liaoning Province



Jewelry Showcase



Seasoned Management Team – Stable team with proven track record to deliver consistent performance

Yu Chuan YIH
Chairman and Chief Executive Officer

- Founder of the Company
- More than 20 years of experience in gemstone jewelry industry
- Primarily responsible for the overall strategic development of the company

Ringo Ng – Chief Financial Officer

- CFO since 1997 and Director since 2001
- CPA, Australia

Peter Au – Senior Vice President

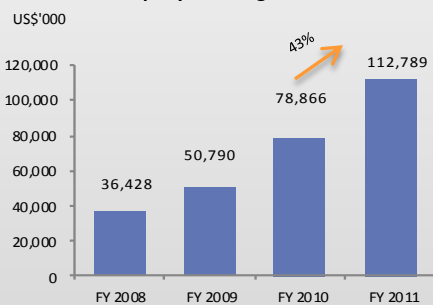
- Joined the Company in 2008, primarily responsible for retail business development
- Extensive experience in strategy formulation, business and financial management

Ka Man Au – Chief Operating Officer

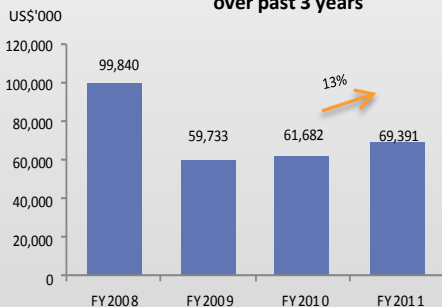
- Joined the Company in 1987 and has taken the role of COO since 2002
- Responsible for wholesale business in addition to administrative and operational roles

Key Financials

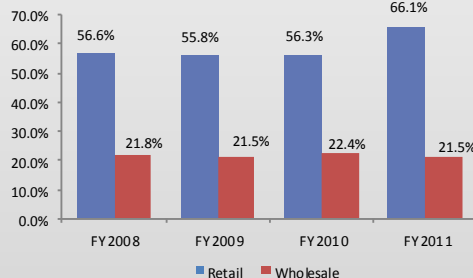
Rapidly Growing Retail Revenue



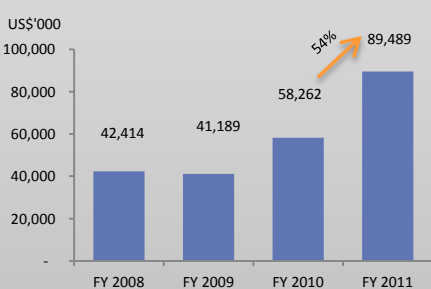
Steady Growth in Wholesale Revenue over past 3 years



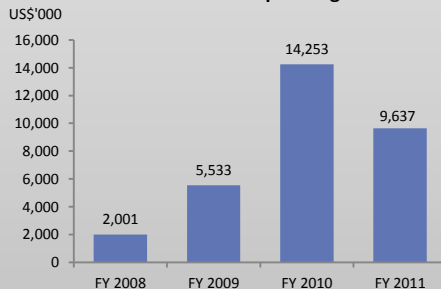
Steady Growth in Gross Margins



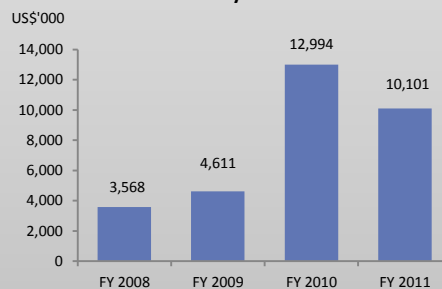
Rising Gross Profit



Stable Operating Profit



Steady Net Income



Investor Relations:

LJ International Inc. Ringo Ng – CFO, Email: ir@ljintl.com ; Fleishman-Hillard, Inc. Tel: 852-2530 0228

This presentation contains forward-looking statements, including anticipated performance, general business outlook and projected results of operations. These statements are made under the "safe harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended. LJ International Inc. ("LJI") has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. LJI may also make written or oral forward-looking statements in its reports filed or furnished with the SEC, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including those about beliefs and expectations, are forward-looking statements and are subject to change, and such change may be material and may have a material adverse effect on LJI's financial condition and results of operations for one or more periods. Forward-looking statements involve inherent risks and uncertainties. All forward-looking statements are subject to various risks and uncertainties including but not limited to regulatory developments, deteriorating economic conditions and unavailability of real estate financing, which could cause actual results to differ materially from expectations. The factors that could affect LJI's future financial results are discussed more fully in LJI's filings with the SEC. Unless otherwise specified, all information provided in this presentation is as of September 30, 2011, and LJI does not undertake any obligation to update any such information, except as required under applicable law.