

**Gitanjali Group Acquires India's No.1 Diamond Jewellery Brand – Nakshatra  
... Will now control 100% stake in the Company**

- ✳ *Gitanjali buys De Beers Groups Flagship brand in India*
- ✳ *Investment by Gitanjali exceeds Rs. 1 billion which includes Nakshatra brand nurturing, brand purchase and 100 % stake in Brightest Circle Jewellery Private Ltd. (BCJPL)*
- ✳ *The Company would invest another Rs. 1 billion over the next 2 years*
- ✳ *Strengthens its position as pioneers of branded diamond jewellery in India owning the largest & top most brands*
- ✳ *DTC's most premium brand 'Nakshatra' is sold to over 480 jewellers in India and also worldwide in United Kingdom, Singapore, Angola, GCC Countries & Lahore*
- ✳ *Nakshatra will now be available in over 200 different retail formats, which includes stand-alone stores, shop- in shops, airports, etc.*
- ✳ *Gitanjali to expand and manage Nakshatra sales through various avenues and maintain the leading position in the branded jewellery segment*

**Mumbai, January 08, 2008:** Gitanjali Gems Ltd. (Gitanjali), a corporate with interests in diamond and jewellery, retail, infrastructure and lifestyle businesses, today announced the complete acquisition of Nakshatra Diamonds (One of DTC's premium brands). Nakshatra was a brand owned by DTC with manufacturing, distribution and marketing rights held by BCJPL (a joint venture between Gitanjali and two other companies). This acquisition gives Gitanjali sole rights over one of the world's superior diamond jewellery brands and also 100 % stake in BCJPL.

The Company now plans to extensively broaden the Nakshatra brand portfolio hitherto restricted only as a diamond jewellery brand. The group will soon introduce other lifestyle accessories like designer bags, watches, belts etc to complement the contemporary global citizen. Gitanjali aims to position Nakshatra as a Jewellery and Lifestyle brand worldwide which is expected to yield sales worth Rs. 10 billion over the next 5 years for the Company. With Aishwarya Rai as its brand ambassador, the brand has good aspirational value attached to it. Gitanjali aims to blend this popularity to take Nakshatra to the next level.

This powerful acquisition will drive much more value to key stakeholders including end customers, and partners of Gitanjali Group. This all adds up to advantages including better deals for consumers and access to the world's most coveted brand.

**Speaking on the momentous occasion, Mr. Mehul Choksi, Chairman Gitanjali Group said,** *"We are aggressively pursuing opportunities that will synergize with the Company's philosophy to add incremental value at every level of the supply chain, thus ensuring greater shareholder value and boost to the bottom line. Also this acquisition brings unparalleled depth and breadth of lifestyle and product offerings to existing and prospective customers of Gitanjali."*

Gitanjali has a reputation of bringing world-class brands in the country. It may be recalled that the Company has introduced renowned brands such as **'Asmi', 'D'Damas', 'Gili', 'Gianti'** and several others to establish itself as the pioneers in innovation and technology.

*"Nakshatra has been a key component in the rapid growth of the Indian diamond market since its launch in 2000. We are happy to see the successful conclusion of the transfer of the brand to Gitanjali Ventures, an important partner in its success to date," commented David Rudlin, Director of International Markets, De Beers Group Marketing.*

The acquisition is a significant step towards moving up the industry value chain and will offer a range of synergies to Gitanjali's existing operations. As one of the brands under the Gitanjali fold, it can leverage the group's well-earned reputation for ethics and values in a business where such attributes are critical to win the trust of consumers.

With 170% growth in value since its inception, Nakshatra has retained its position as the most preferred brand in the Diamond Jewellery Segment. Nakshatra has witnessed over 11 times growth in terms of volume in the last three years, an achievement no other diamond jewellery brand can boast of. Such is the strength of Nakshatra that 70% of retail outlets stocking the brand credit it for playing a key role in boosting overall diamond jewellery sales and increasing consumer footfalls. The Halo of Nakshatra on floral sales is 1:4 i.e. for every one Nakshatra sold the retailer is able to sell 4 more pieces of floral jewellery.

**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.

**About Nakshatra**

Launched in 2000, Nakshatra reached an iconic stage in just three years. The Nakshatra Collection has unique floral designs with multiple diamonds encircling a single large diamond to signify the constellation effect with special packaging and its own guarantee certificate promising the purity and sparkle of Diamond. Its available in three collections Nakshatra collection, Eternity Collection & Solitaire Collection. The brand is available in 18 Kt BIS Hallmarked Gold.

Nakshatra has emerged, as one of India's leading brand in the Diamond Jewellery Segment. The continued success of Nakshatra is a result of its constant metamorphosis. In its first year, Nakshatra was awarded the Effie (Silver) in 2001 and in the following year the Effie (Bronze). The Effie is the most significant award in advertising that recognizes effectiveness and honors tangible results. In 2003, the Nakshatra Utsav was awarded the Best Trade Promotions award at the McDowell's Signature All India Promo Awards. In 2007 Nakshatra was awarded the Retail Jeweller Award for the best TV campaign of the year. The in-house designing team at Nakshatra is extremely innovative and comes up with fresh ideas and concepts which have received recognition at the JCK- New Delhi Gold Souk design award 2006, the IIGJ Awards 2007 and the Tahitian Pearl Awards 2005 and 2007.

Nakshatra is synonymous with trust and purity in a category that is fraught with questionable practices. It epitomizes the expression of love and affection in women's life. Nakshatra has established itself as an ethical player in the market as it comes with its certificates of authenticity and assuring transparency. Nakshatra brand values include beauty, radiance, class, elegance and quality. Amongst the symbolic values are femininity, celestial splendor and mystery. The Nakshatra Collection has unique Floral designs with multiple diamonds encircling a single large diamond to signify the constellation effect.

**For further information contact:**

Anuj Rakyam  
Gitanjali Gems Ltd.  
Tel: +91 22 4010 2120  
Fax: +91 22 4010 2003  
Email: anuj@gitanjaligroup.com

Anoop Poojari / Aly Rashid  
Citigate Dewe Rogerson  
Tel: +91 22 4007 5006  
Fax: +91 22 2284 4561  
Email: anoop@cdr-india.com

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to numerous risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause the actual results to differ materially from those contemplated by the relevant forward-looking statements. Gitanjali Gems Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.