

GITANJALI

GGL/S&L/2011/316

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To

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex
Bandra (E)
Mumbai – 400051

Dear Sir

Sub : Press Release

Ref : Scrip Symbol : GITANJALI

Please find enclosed herewith press release issued by the Company titled "Gitanjali Gems completes Brands Valuation for key Indian Brands in its portfolio".

Hope you find this in order.

Thanking You,

Yours faithfully,

For Gitanjali Gems Limited


(Vijay Agarwal)

VP – Secretarial & Legal

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Gitanjali Gems completes Brand Valuation for key Indian Brands in its portfolio

Nine major Indian brands are valued at Rs. 5,584 crores

Mumbai, September 08, 2011: Gitanjali Gems Limited, the world's largest integrated jewellery player, today announced the results of the brand valuation exercise undertaken for nine of its leading Indian brands. Nine of the group's leading Indian brands have collectively been pegged at a value of Rs 5,584 crores (as per the break up given below) in the valuation study carried out by leading global brand valuation company, M/s. Brand Finance Plc (London).

The values have been arrived at by using the universally accepted Discounted Cash Flow (DCF) method. It contains the future unlocking potential of these brands by the premium they generate.

With the vision to become world's largest branded player in the luxury segment, Gitanjali has positioned itself with a well-balanced arsenal of Indian and Global brands.

Group Strengths:

- With a sizeable bouquet of brands in India and overseas, today the group owns the largest number of well established jewellery brands under one roof in the world
- Gitanjali also is the largest jewellery house in terms of number of sales point globally with over 3600 points in India and overseas
- With over 8000 pieces of capacity per day spread across 12 jewellery manufacturing factories, the group also is positioned as largest precious jewellery manufacturer in the globe
- Today the group also features amongst the fastest growing jewellery conglomerates – with the primary driver being incremental demand for branded jewellery from India and Asia Arabia



Gitanjali has conducted this exercise as a part the initiative it started with KPMG to restructure its business based on three focussed verticals. i.e.

1. The Diamond and Jewellery Manufacturing Vertical
2. The Domestic Branded Jewellery Vertical
3. The International Branded Jewellery Vertical

The brand valuation exercise has been conducted for the second vertical of domestic branded jewellery business, the vertical under which all the domestic valued brands with the likes of Gili, Nakshatra, Asmi, D'Damas, Maya and Shuddhi are housed.

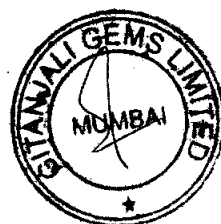
Besides the well established brands, the group has recently launched new brands like GDivas, Maya Diamonds, Shuddhi Diamonds and others. The current focus of expansion is on fulfilling the niche consumer demands and penetrating in Tier II and Tier III towns where consumers are realising the value of branded products and awakening to the brand experience.

Elaborating on the valuation, Mr. Mehul Choksi, CMD-Gitanjali Group, said, "Our diamonds represent a dream, and that's how we aim to sell them. We understand the aspirations and needs of our consumers and have developed different brands to satisfy each of those dreams, and continue to develop new brands to fill the gaps which we identify." He further added that "Our bouquet of brands has immense value and an enormous potential, and we are working towards developing them to unlock this value for the benefit of all our stakeholders".

The details of the valuation of each of the nine brands are as follows:

Brands	Value
Gitanjali	Rs. 2,261 crore
Gili	Rs. 1,018 crore
Nakshatra	Rs. 1,014 crore
Asmi	Rs. 406 crore
D'Damas	Rs. 331 crore
Gitanjali Jewels	Rs. 238 crore
Maya Gold	Rs. 198 crore
Gitanjali Lifestyle	Rs. 85 crore
Shuddhi	Rs. 33 crore
Total	Rs. 5,584 crore

The valuation of the four brands – Gili, Nakshatra, Asmi and D'Damas, which was conducted by Brand Finance PLC (London) at the end of 2009, was pegged at Rs. 1,502 crores. The combined valuation has been almost doubled for these four



brands in last two years primarily due to strategic implementation of innovation in product mix, penetration in new geographies and shifting the sales channel. The group is looking to further unlock potential of these brands multiple times in next 2 to 3 years.

The international brands of the group have not been valued. The bouquet of brands owned by the group in Italy includes – Stefan Hafner, iO Si, Porrati, Novelle Bague and Valente. Gitanjali group also owns 5th largest speciality retail chain in the USA under the brands of Samuels and Rogers. Besides popular product brands in USA includes Love Universe, Passion Stone, Canada, Affiance, Lune Dargent and REV.V. The International brands are yet to be valued.

About Gitanjali Gems Ltd.:

Gitanjali Group is a corporate with interests in diamond jewellery, retail and lifestyle businesses. In core diamond jewellery segment, the group has strategically integrated across the value chain. It has a strong presence at every level of the business, right from sourcing diamonds to retailing its products through a vast network of over 3,600 points of sale of self owned, franchised and retailed stores. The Group also has a successful track record in internationally recognised branding and marketing campaigns as well as retail outlets that cater to the end consumer.

The Group is the pioneer of branded jewellery in India and has several well established brands in it's arsenal to tap the continuously growing branded jewellery market in India and the rest of the world. The list includes well-known and well established brands such as 'Nakshatra', 'Gili', 'Asmi', 'D'Damas' and others.

For More Information Please Contact:

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