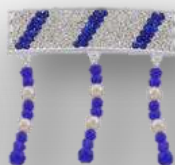


Vaibhav Global Limited

Global Retailer of Fashion and Lifestyle Accessories
on Home TV and e-Commerce Platforms

Investor and Analyst Meet
June 2014



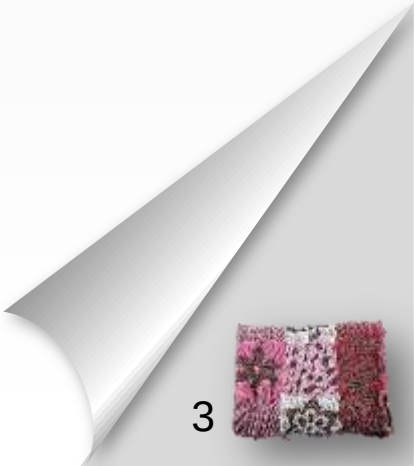
Safe Harbor

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Vaibhav Global Limited 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.



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Key Snapshot – Operational

9.4 mn

Products Sold Annually
On TV and Web

95 mn

TV Homes
Directly Accessed (FTE)

65,000

Unique SKU's

394,000

Unique Customers

3,100

Employees

7

Global Locations

B2C Success in Developed Markets



Key Snapshot – Financial

\$215mn

Revenues

\$25mn

PAT

\$27mn

Free Cash Flow

65%

ROE

60%

ROCE

0.2:1

Net Debt - Equity

32% CAGR

Last 4 years
Revenue Growth

Highly Profitable Electronic & Web model



VGL Overview

Vertically-integrated electronic retailer

- End-to-end B2C business model in the electronic retail industry
- Proprietary TV homeshopping and e-commerce platforms

Liquidation Channel and The Jewellery Channel are strong brands

- 95 million (FTE) households on TV shopping in the US, UK and Canada
- Positive customer engagement metrics – customer base, retention rate, repeat purchases

Robust customer engagement

- Sizeable B2C franchise in developed markets
- Growing recognition of deep value enables scaling to adjacent categories

Hybrid supply chain infrastructure

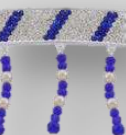
- Outsourcing from China, Thailand, Indonesia and India, manufacturing operations in Jaipur, India
- Aggressive trend spotting

Solid infrastructure backbone

- Investments in customer interface, production, warehousing facilities, supply chain and CRM
- Low opex model is scalable with limited capex requirement

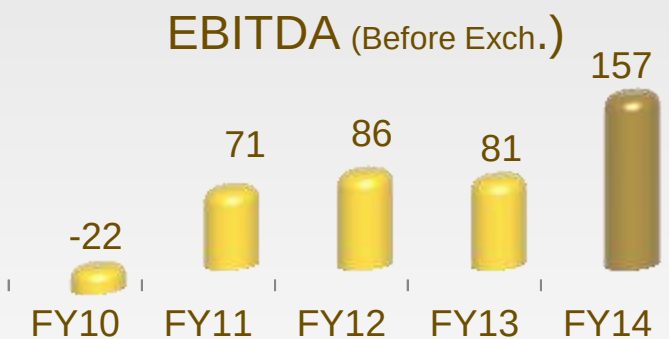
Strong management team

- Professional, experienced management team having in-depth knowledge and industry experience
- Talent pool across marketing, merchandising, operations, technical and strategy functions

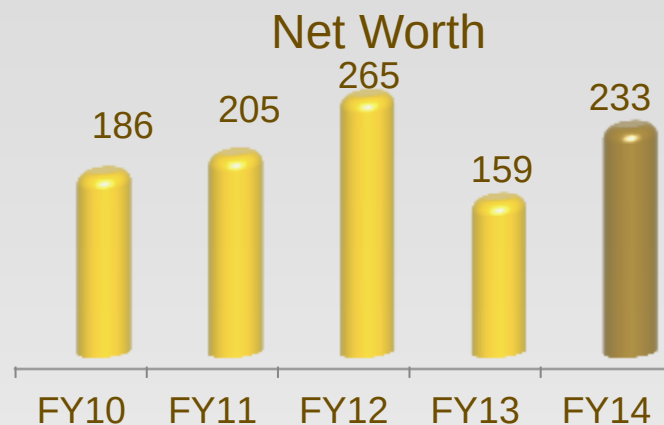
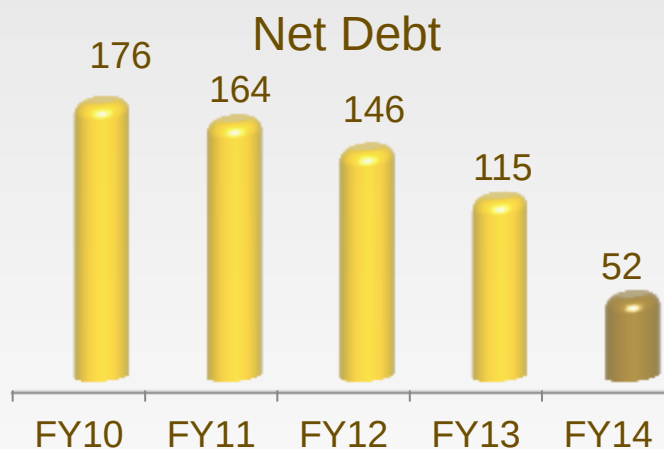


Key Performance Indicators

P&L (Rs. crore)



Balance Sheet/Cash Flows (Rs. crore)



Ratios

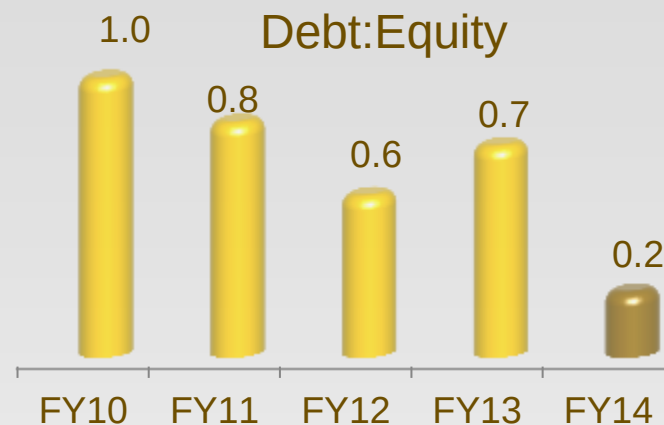
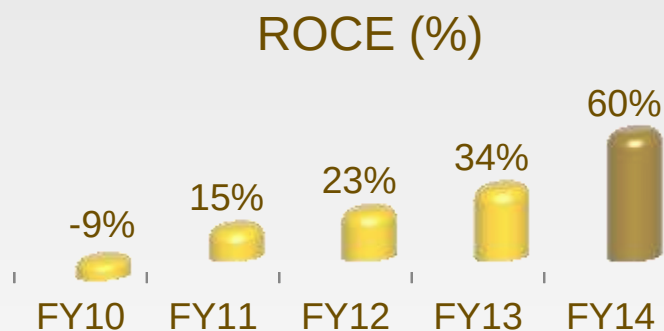
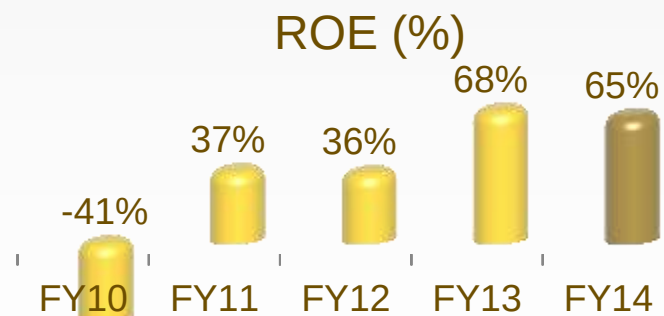
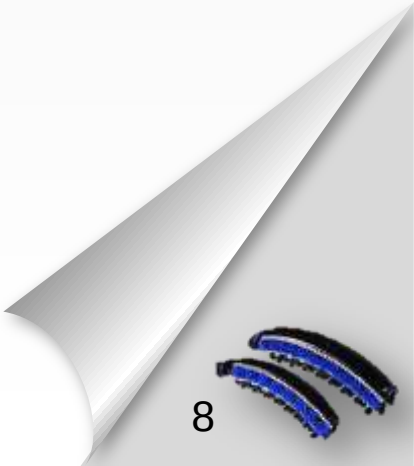


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Product Profile

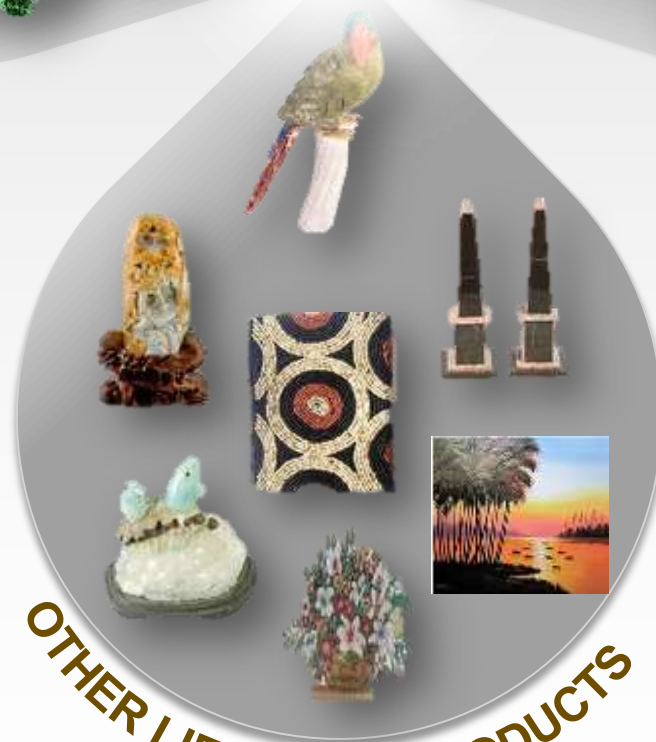
FINE & FASHION JEWELLERY

Bracelets, bangles, earrings, studded jewelry etc.



Watches, handbags, scarves, phone protective shells etc.

FASHION ACCESSORIES



Office and home décor, etc.

OTHER LIFESTYLE PRODUCTS

Continuously expanding product range – portfolio of 65,000 designs augmented with launch of lifestyle accessories



US Market Access on Liquidation Channel



Channel #274



Channel #399
& 1399

Verizon FIOS

Channel #159



Channel #75 &
226



*



*



*

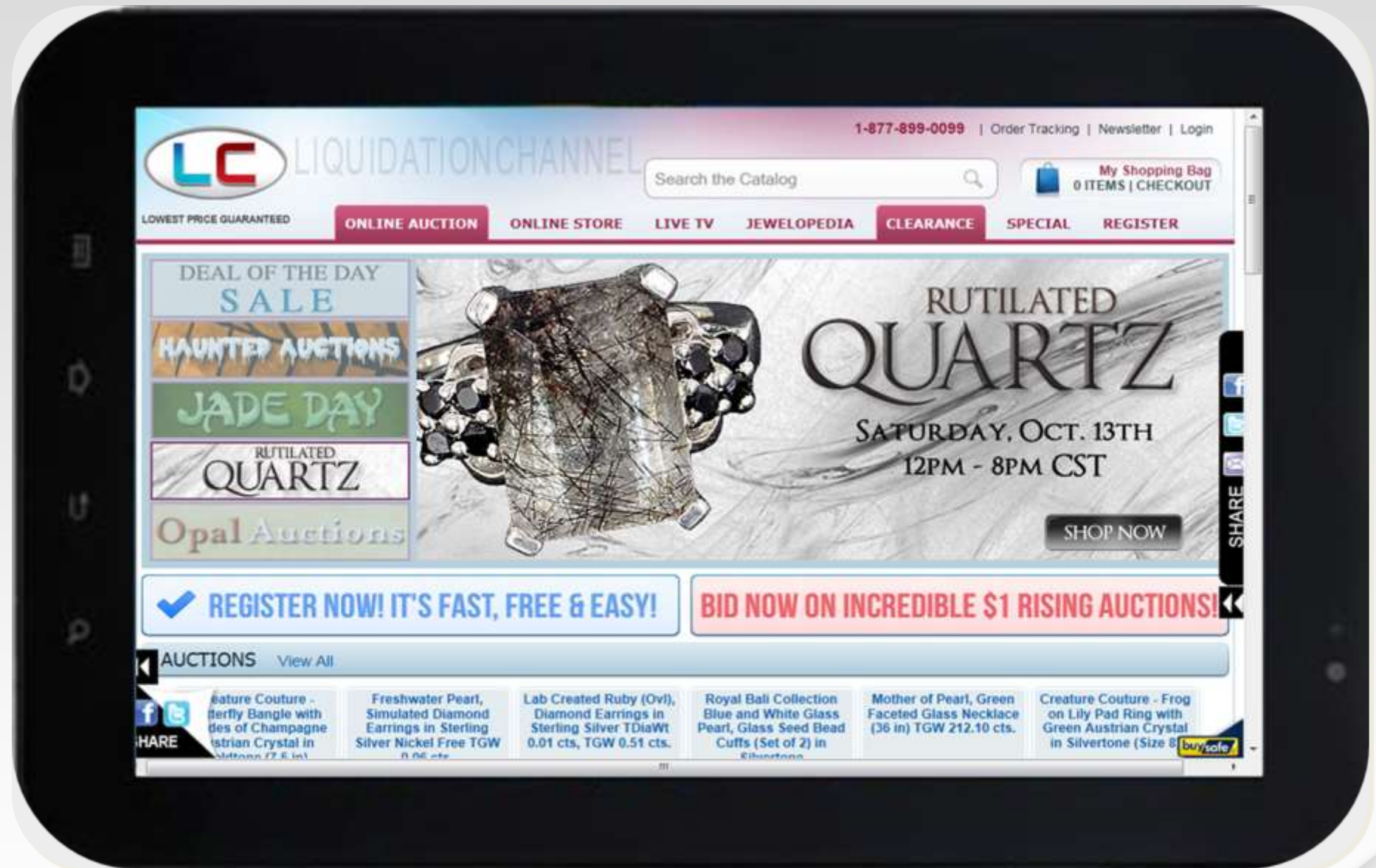


*



*

* Different channel # across various locations



<https://www.liquidationchannel.com>

Access to 70 million (FTE) of the 116 million households in the US



UK Market Access on The Jewellery Channel



Channel #49



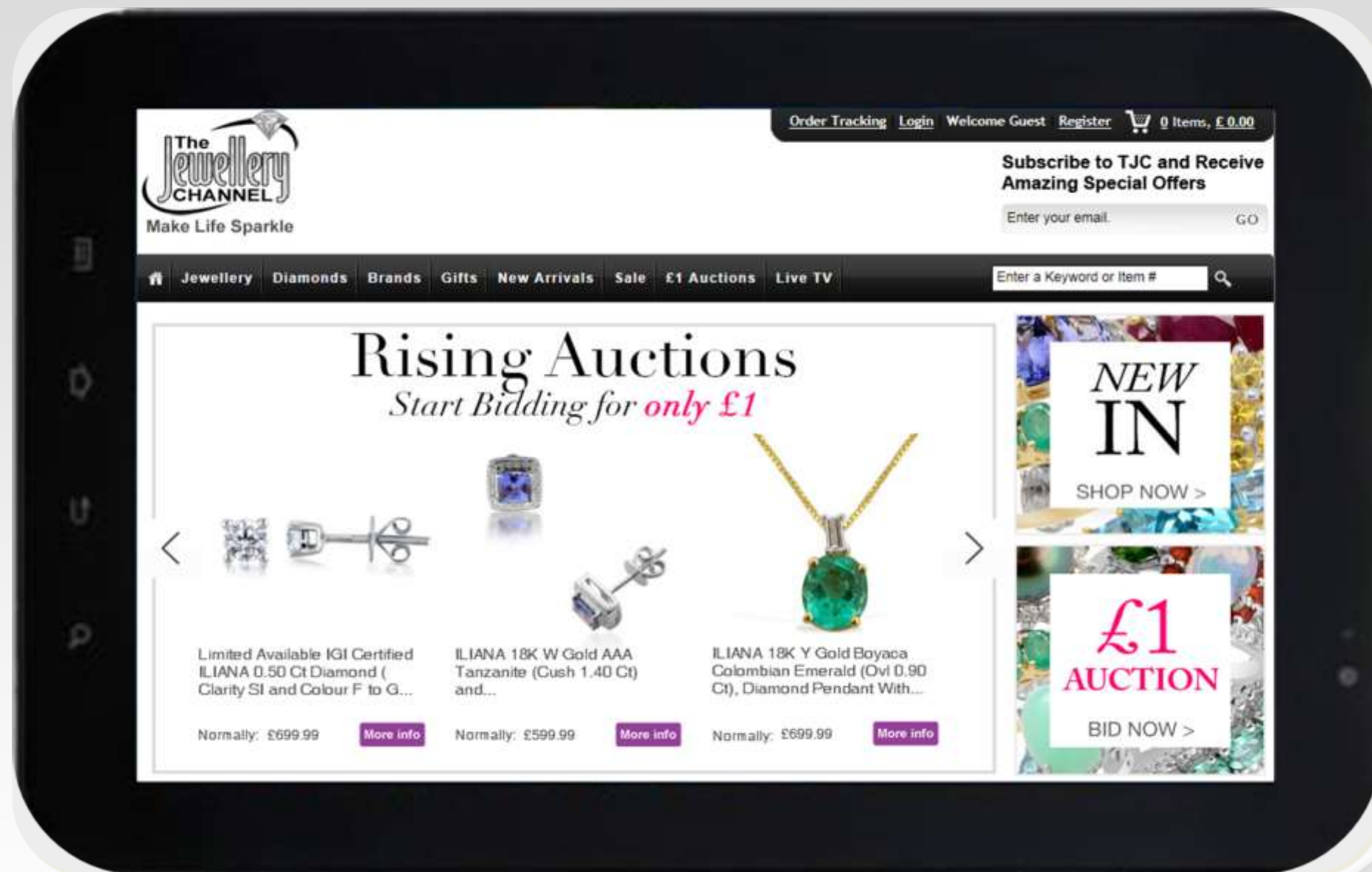
Channel #650



Channel #815



Channel #757



www.thejewellerychannel.tv

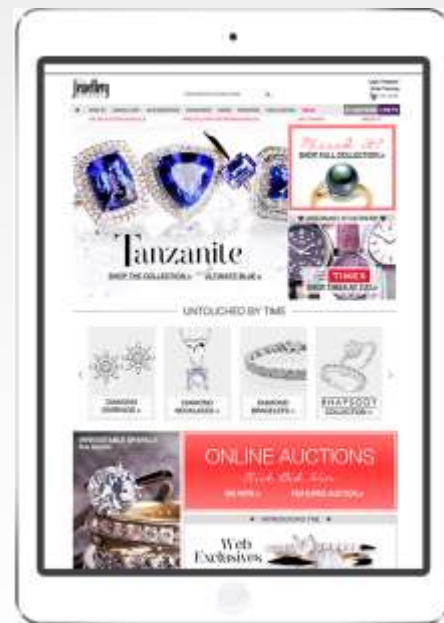
Access to 25 out of the total 25 million households



E-Commerce



- Digital presence through liquidationchannel.com and thejewellerychannel.tv
- Retail formats:
 - Catalog
 - Rising Auctions
- Loyal visitor base driving e-commerce traffic:
 - Liquidationchannel.com has Alexa rank of 4,097 in US
 - Thejewellerychannel.tv has Alexa rank of 16,914 in UK
- Technology enhancements:
 - iPad app available for the Liquidation Channel, US
 - Hybris (a SAP company) platform to be implemented in current fiscal year both in US and UK.
 - CRM and marketing analytics framework

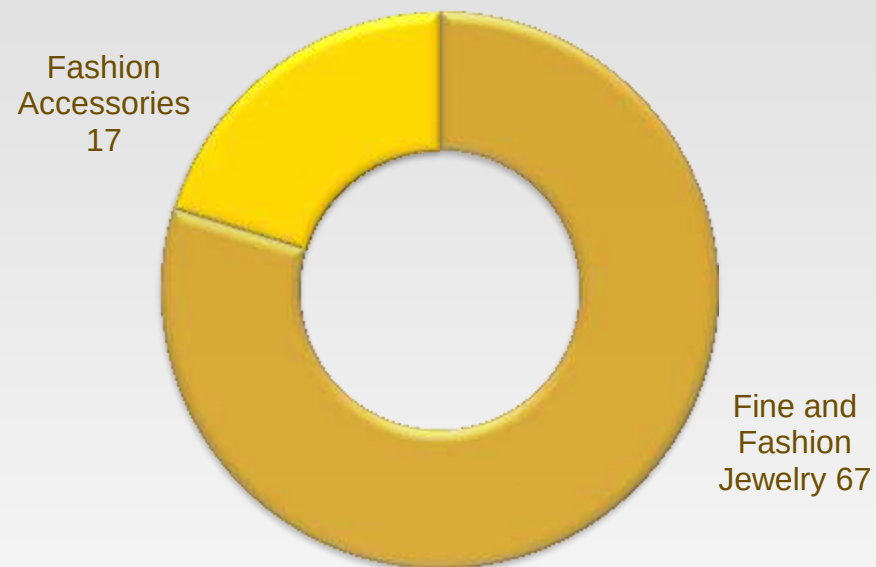


Increased Focus and Contribution from E-commerce Retail

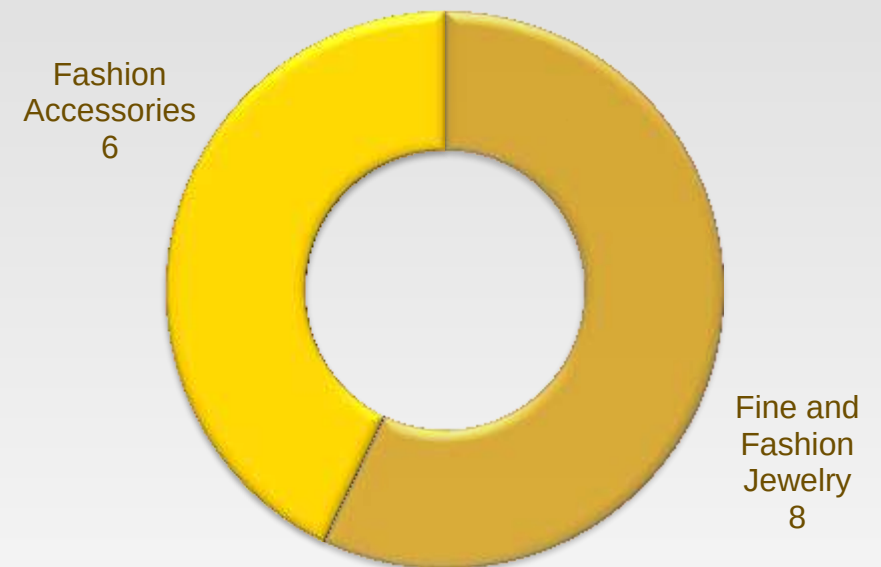


Market Opportunity

US market size (US\$ Bn)



UK market size (US\$ Bn)



VGL has delivered market share gains by constantly introducing collections/designs mapped to fashion trends across an expanding distribution network



Market Opportunity for VGL

	Vaibhav Global (US & UK) VGL	<i>Leading US headquartered homeshopping companies</i>		
		Company 1	Company 2	Company 3
Revenue	\$215 mn	\$640 mn	\$2.3 bn	\$8.6 bn
Gross Profit Margin	61%	36%	35%	37%
EBITDA margin	12%	3%	11%	21%
Households reached	95 mn	87 mn	96 mn	195 mn
Revenue per household	\$2.3	\$7	\$24	\$44
Units shipped	9.4 mn	9 mn	47 mn	169 mn
Average price point	\$23	\$81	\$58	\$51
Internet / Mobile Sales %	17%	46%	37%	37%

Ample scope to expand scale of operations by leveraging existing organizational framework, new introductions and aggressive customer engagement



Sourcing Markets

Manufacturing facility in Jaipur, India

Production capacity – 4 million pieces p.a. ISO 9001:2008 manufacturing facilities

Over 2,200 people in India across corporate, manufacturing, design, sales & marketing, customer service, logistics etc



Sourcing operations from fashion centric micro markets of Asia

Global supply chain capability of 12 million pieces, continuously expanding

Over 120 people in purchase/ procurement and ancillary functions across Asia

China	Thailand	Indonesia
<ul style="list-style-type: none">Guangzhou, Haifeng, HauaduShenzhen, Dongguan, Zhuji,Wenzhou, Wuzhou, Yiwu, Hunan	<ul style="list-style-type: none">Bangkok, Chang Mai, Mae Sai,Kanchanaburi, Chanthburi	<ul style="list-style-type: none">Bali, Yogyakarta, Sumatra,Madura Surabaya

Global network for trend spotting and merchandising



Consumption Markets

Access to over 95 million (FTE) households on TV homeshopping in the US, UK and Canada

- Affiliate agreements with major cable, satellite providers
- Improved product presentation by investing into studio facilities

The Jewellery Channel



UK

- The Jewellery Channel and e-commerce
- UK head quarters – Hampton, Middlesex
- Reaching all 25 million households across the U.K.
- Over 100 people in sales & marketing, customer service, logistics, TV production, e-commerce and support functions

Liquidation Channel



USA

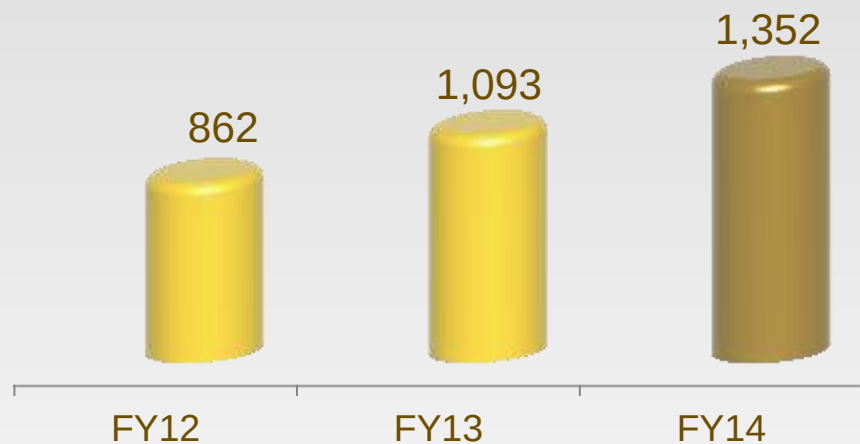
- Liquidation Channel and e-commerce
- US head quarters – Austin, Texas
- Access to 70 million (FTE) of the 116 million households in the US, covering all states
- Over 500 people in sales & marketing, customer service, logistics, TV production, e-commerce and support functions



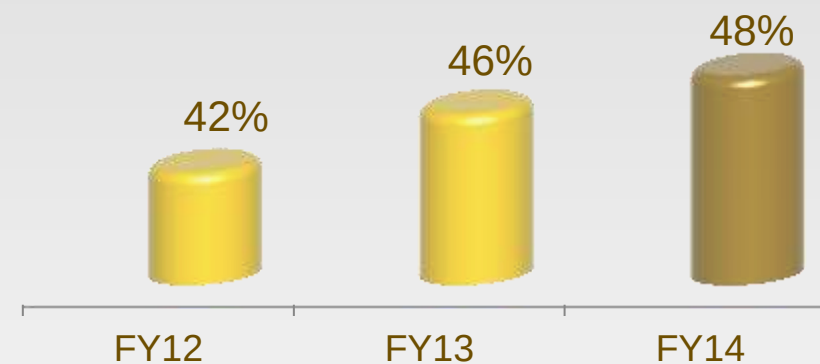
Gaining Customer Traction

- Expanding household distribution and improved brand awareness
- Appeal to broader customer base through exquisite designs, exceptional quality, outstanding value and excellent service
- Enhancing customer experience and trend merchandising drive retention rate and customer LTV

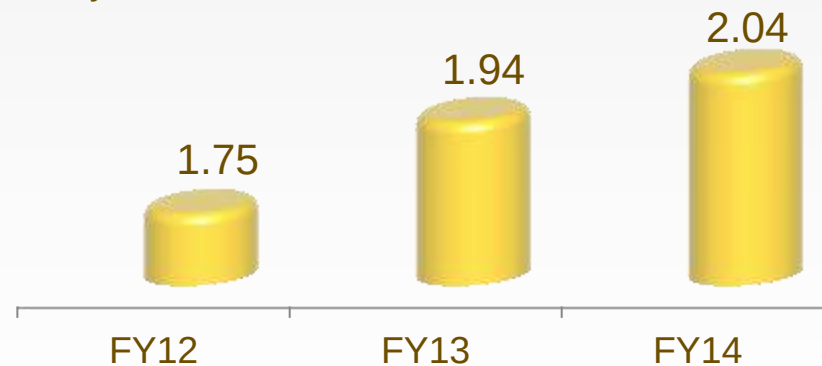
Total no. of registered customers ('000)



Customers Retention Rate



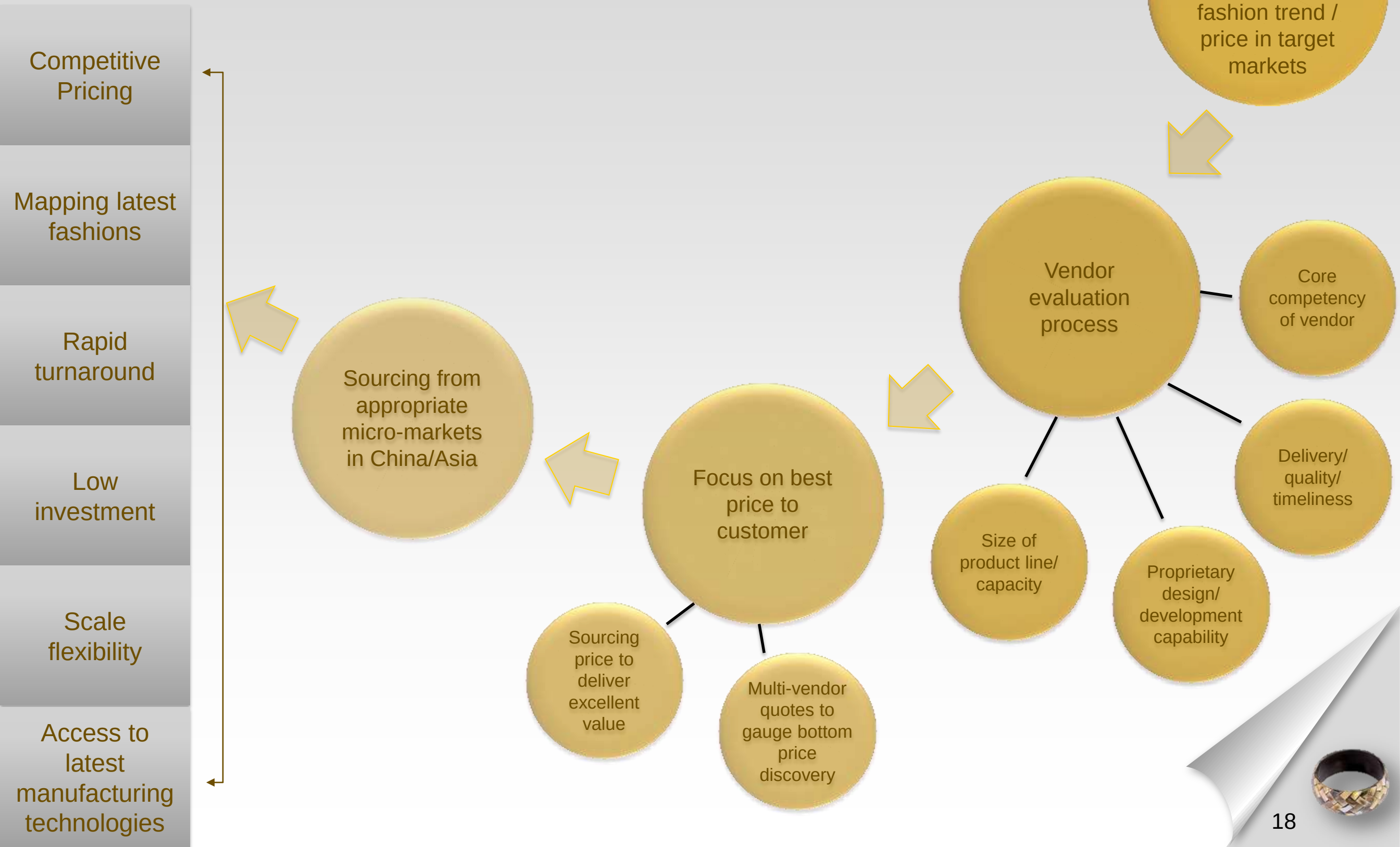
Customer Life time (only for US)
years



Deeply Engaged, Loyal & Growing Customer Base



Fast Fashion Supply Chain



Aligned with Demand Patterns

Process



1

- Buyer discussions
- Evaluation/ feedback of last year's hits/misses
- Product development strategies – by category

2

- Discussions/ directions with global design teams

3

- Product development reviews
- Final approval to sketches/designs/ styles/concepts

4

- Live sample evaluation
- Buyer reviews

5

- Products finalized by buyers
- Orders placed

6

- Product in warehouse



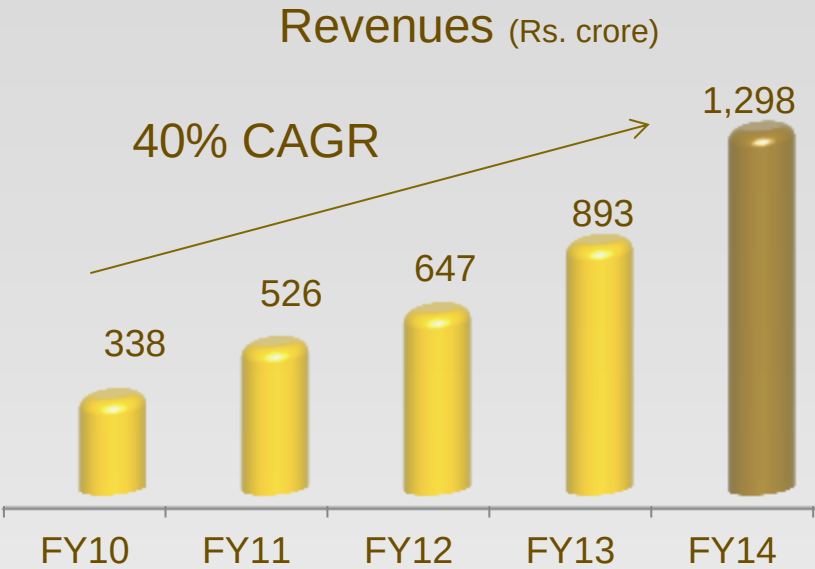
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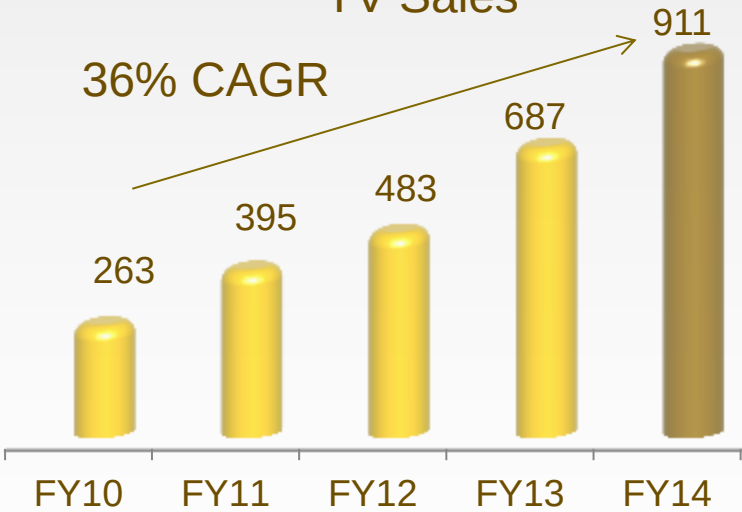
Financials Performance Trends

(Revenues)

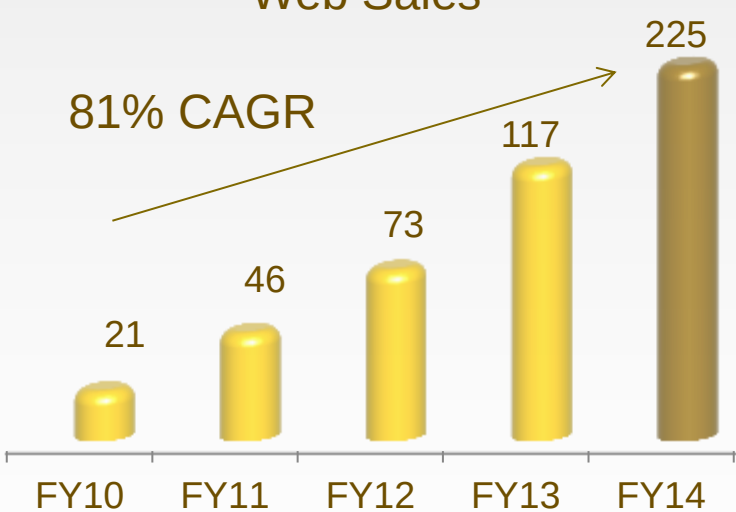


Jewelry & Lifestyle Products

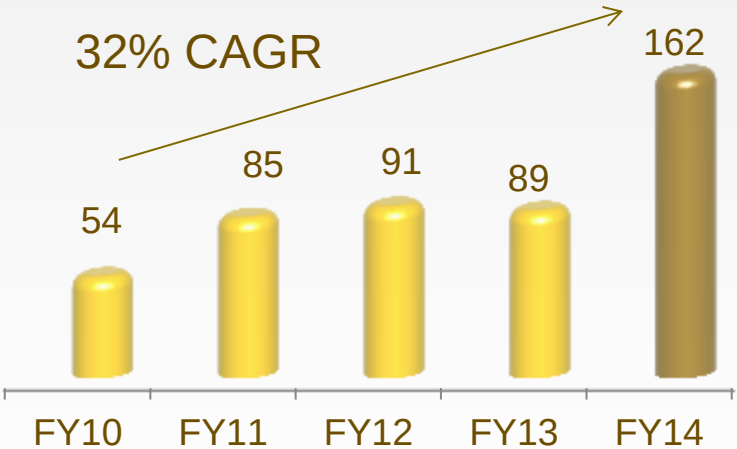
TV Sales



Web Sales



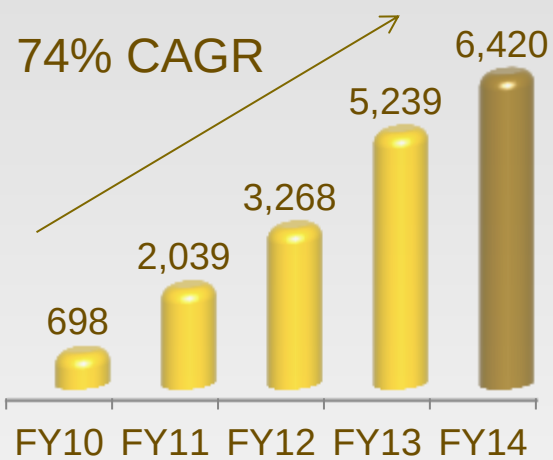
B2B Sales



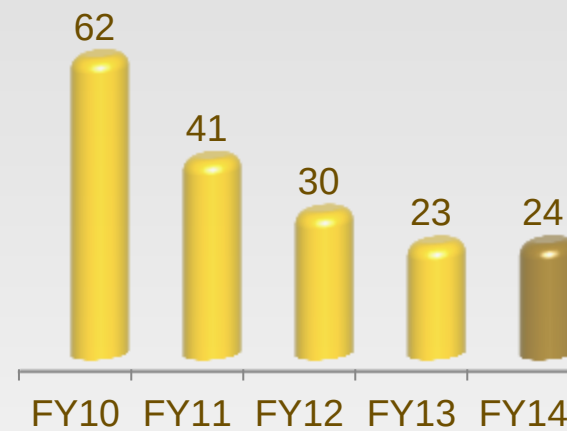
Retail Performance Trends

TV Sales

Sales Volumes ('000s)



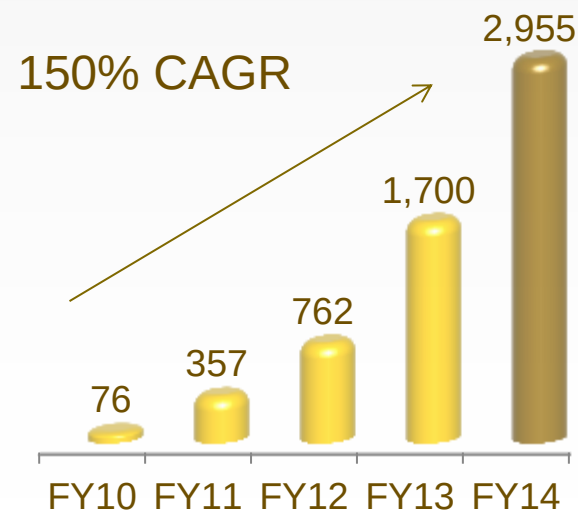
Average selling price US\$



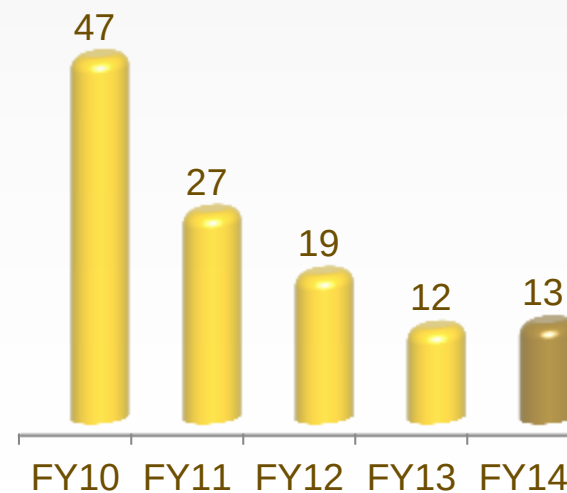
- Robust volume growth driven by strong customer engagement
- ASP has trended inline with portfolio transition from fine jewelry to fashion jewelry and accessories

Web Sales

Sales Volumes ('000s)



Average selling price US\$

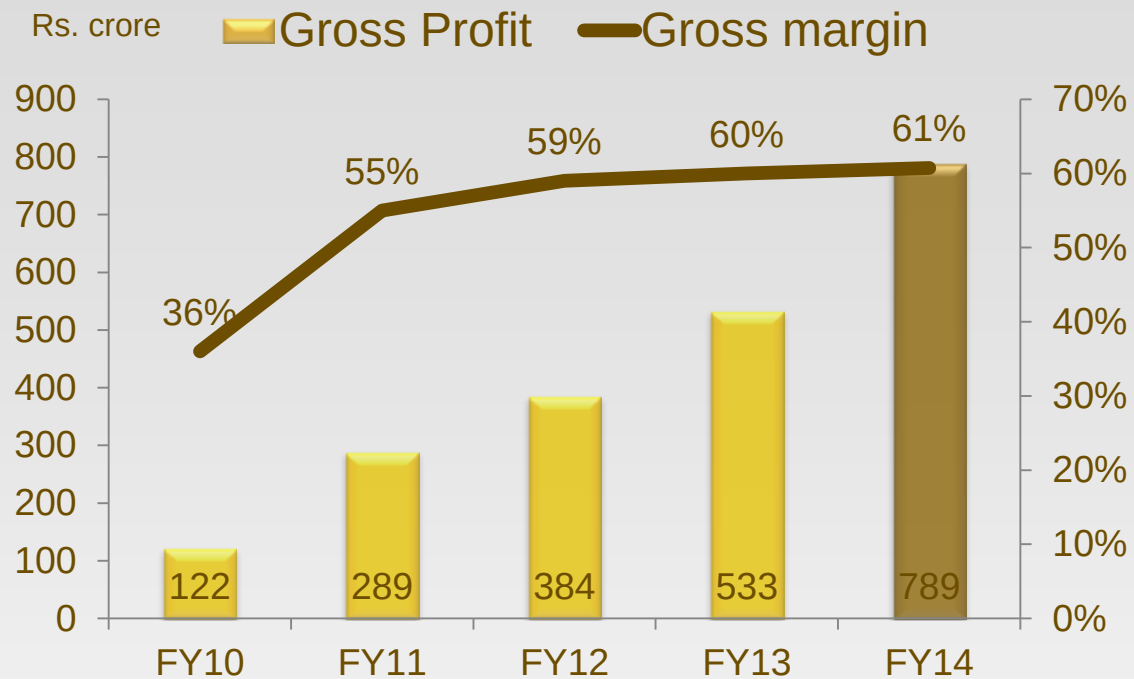


- Internet sales volumes complement TV shopping and create a balanced portfolio

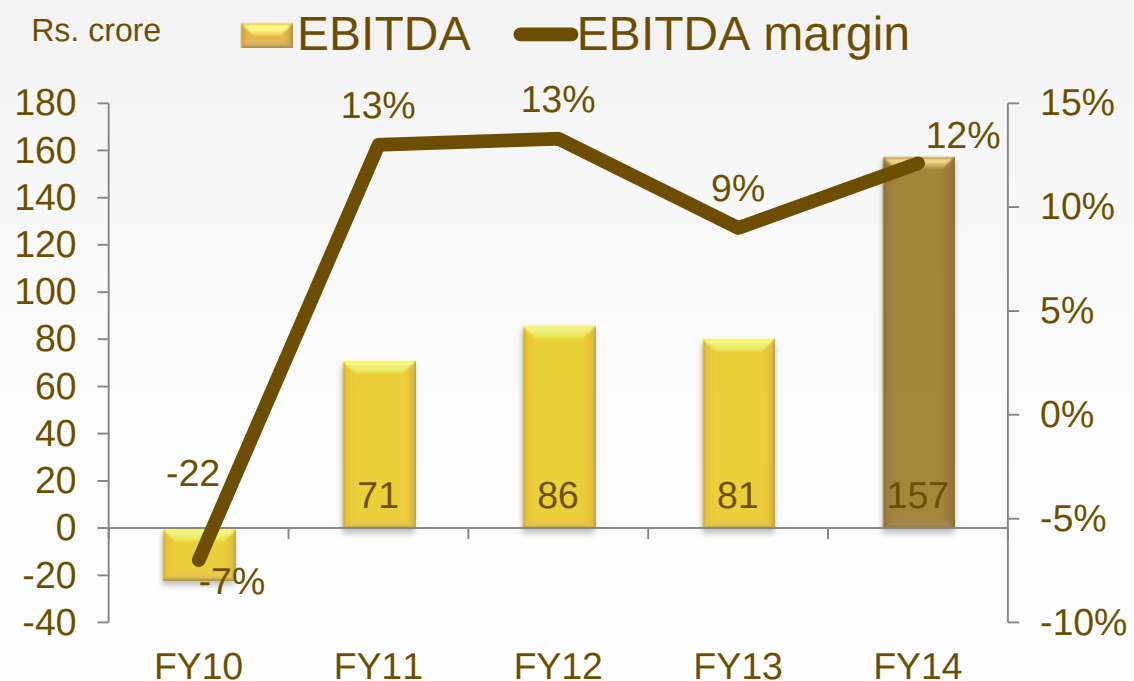


Financials Performance Trends

(Margins)



- Gross margins remain robust supported by a sourcing matrix that provides flexibility to purchase from cost efficient markets

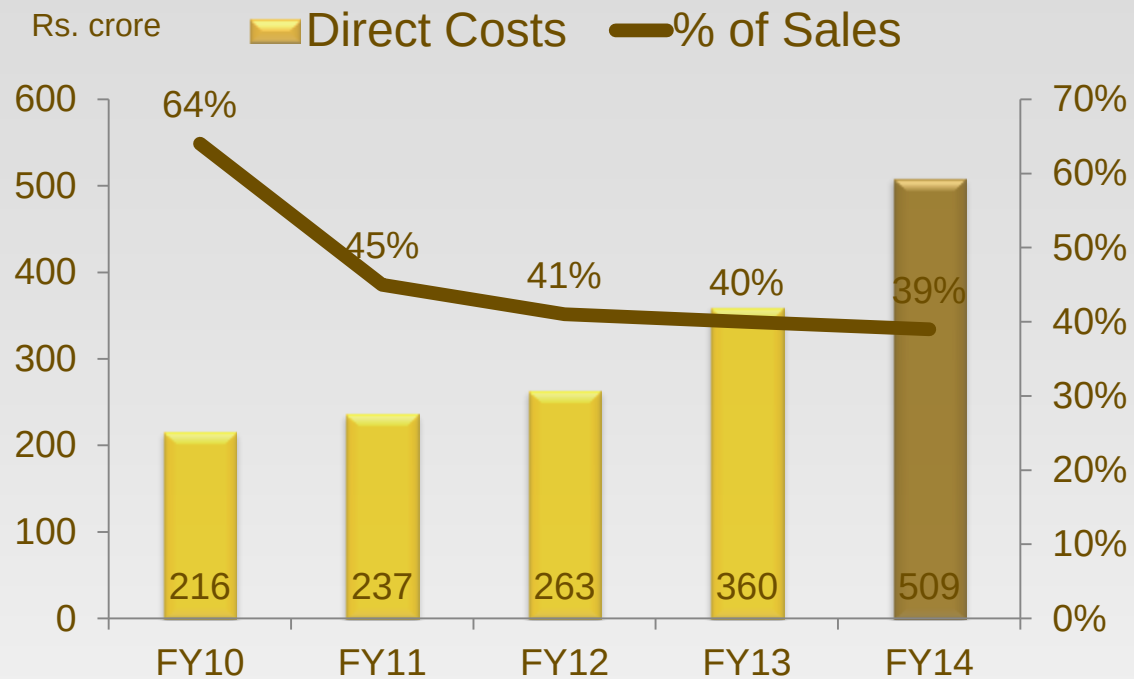


- Recent EBITDA growth from margin expansion as volumes have increased on a stable cost structure

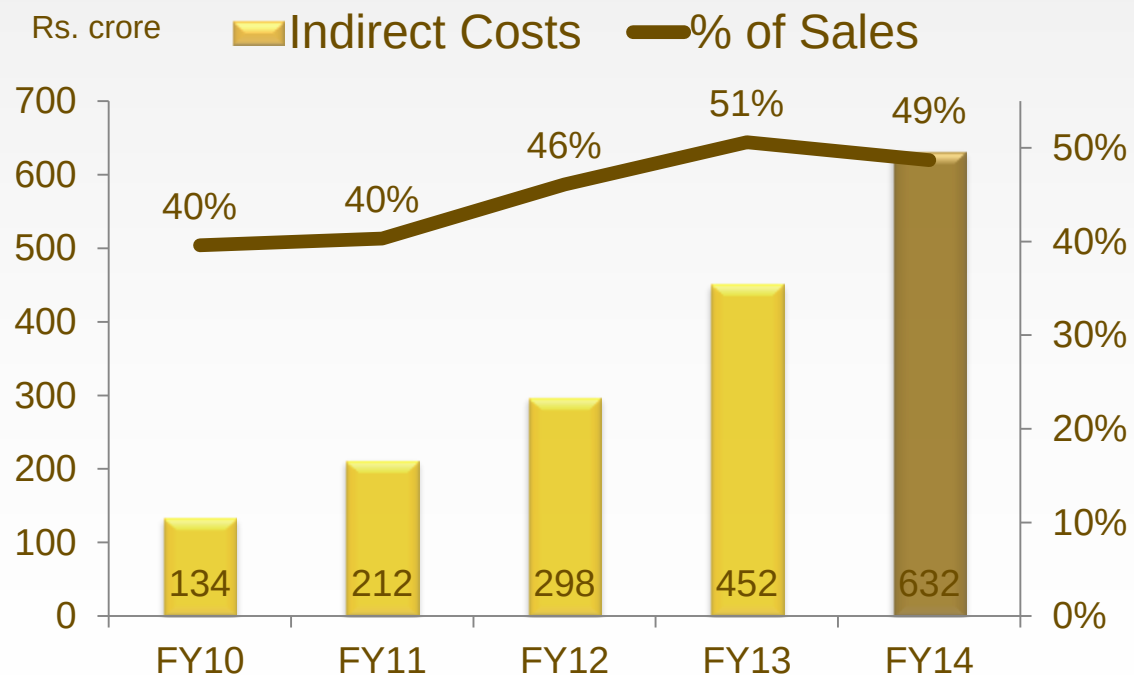
Note:
EBITDA excludes exchange gain/loss;

Financials Performance Trends

(Cost Analysis)



- 
- Efficient global sourcing has allowed industry-leading gross margins as customers recognize deep value delivered at reasonable prices

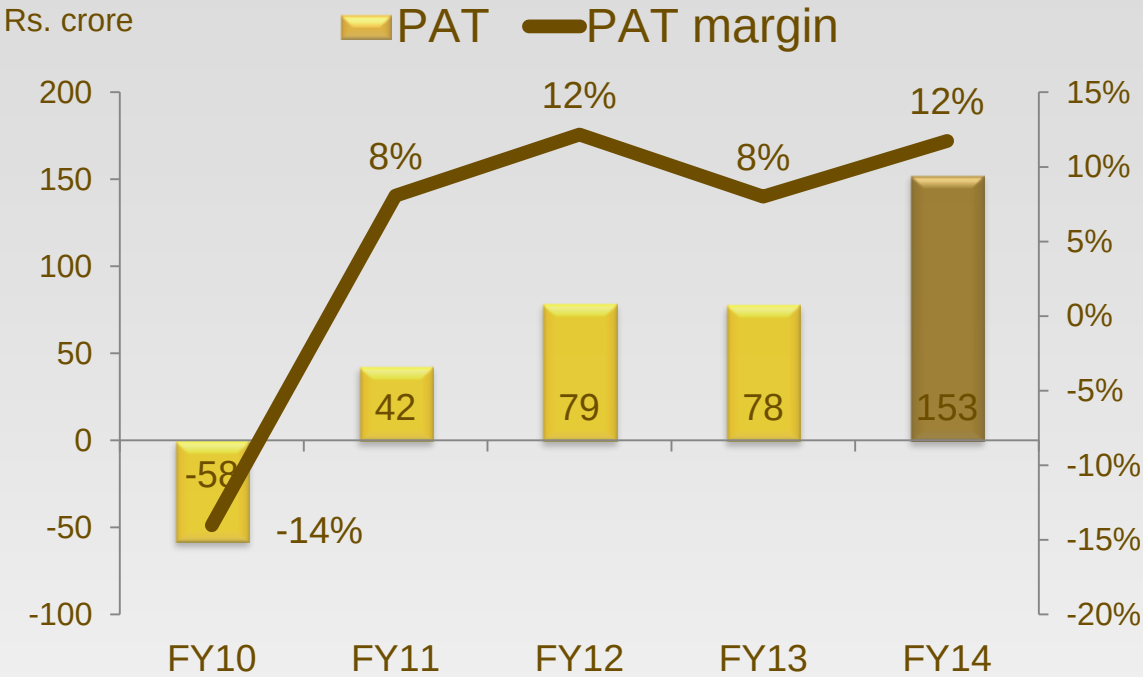
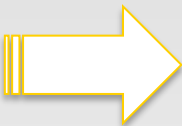


- 
- Significant investments in broadcast facilities and content, distribution, people, supply chain and customer engagement activities

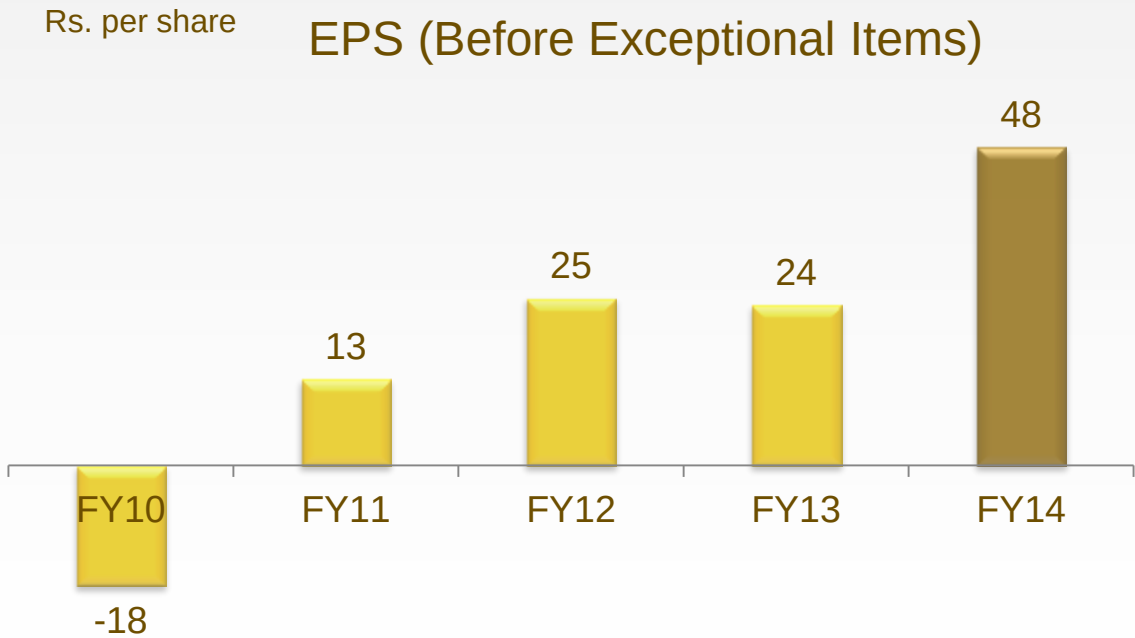


Financials Performance Trends

(Profits)

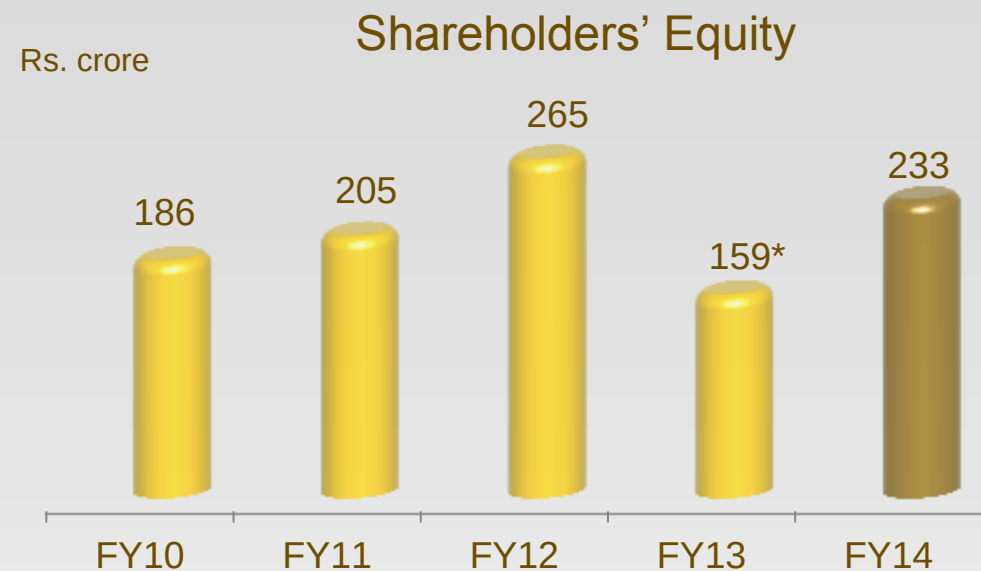


- PAT expansion is in line with improvement in core business profitability

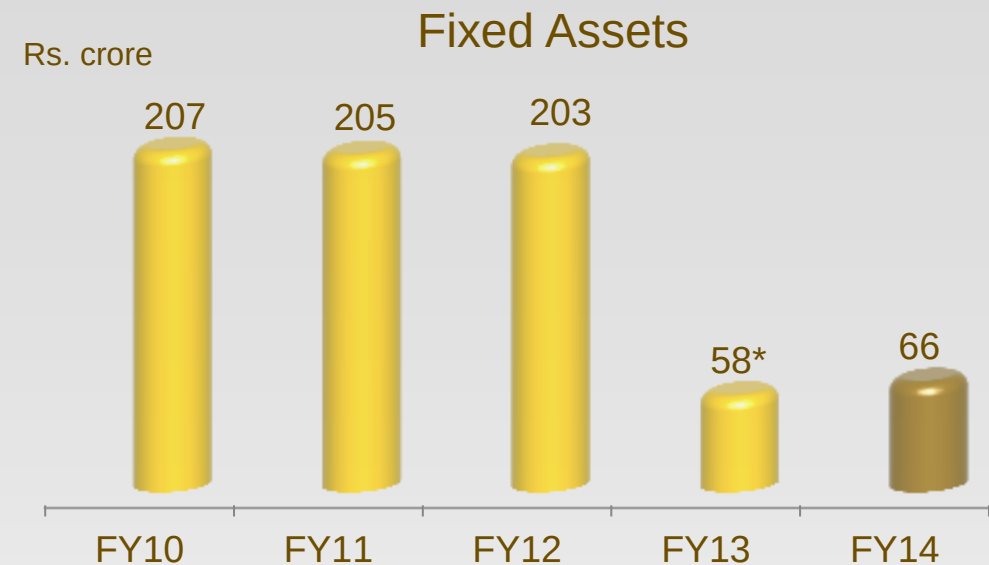


Financials Performance Trends

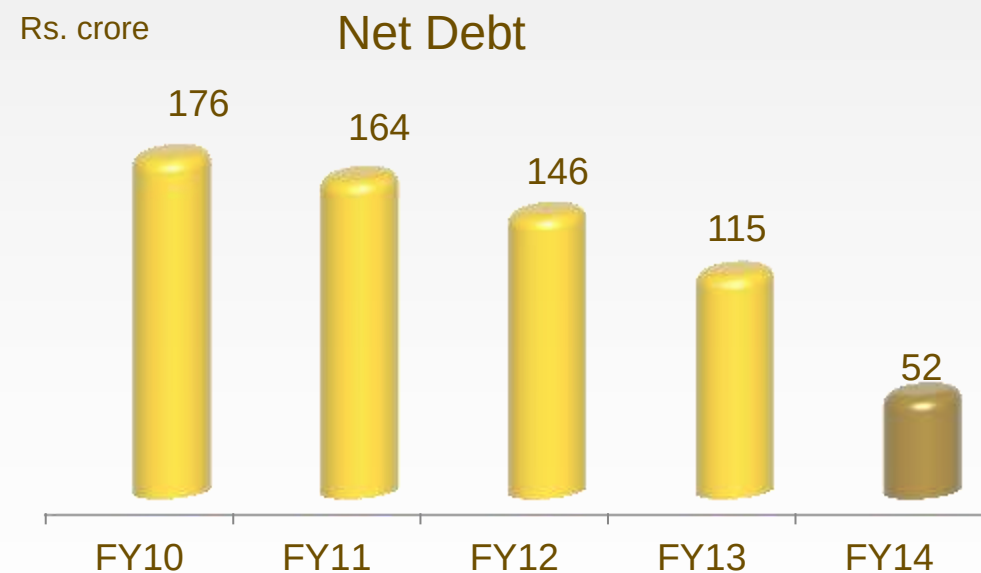
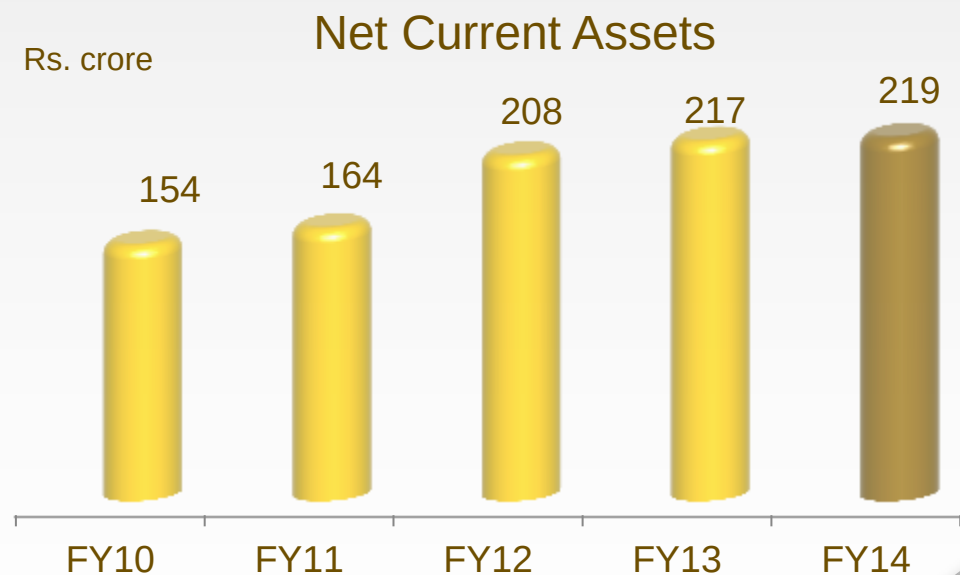
(Balance Sheet)



* During FY13, Shareholders' Equity was adjusted lower by Rs. 163.7 crore due to goodwill written off (Rs. 151.1 crore), provision for CDR recompense interest (Rs. 11.2 crore) and write off on liquidation of subsidiary (Rs. 1.5 crore)

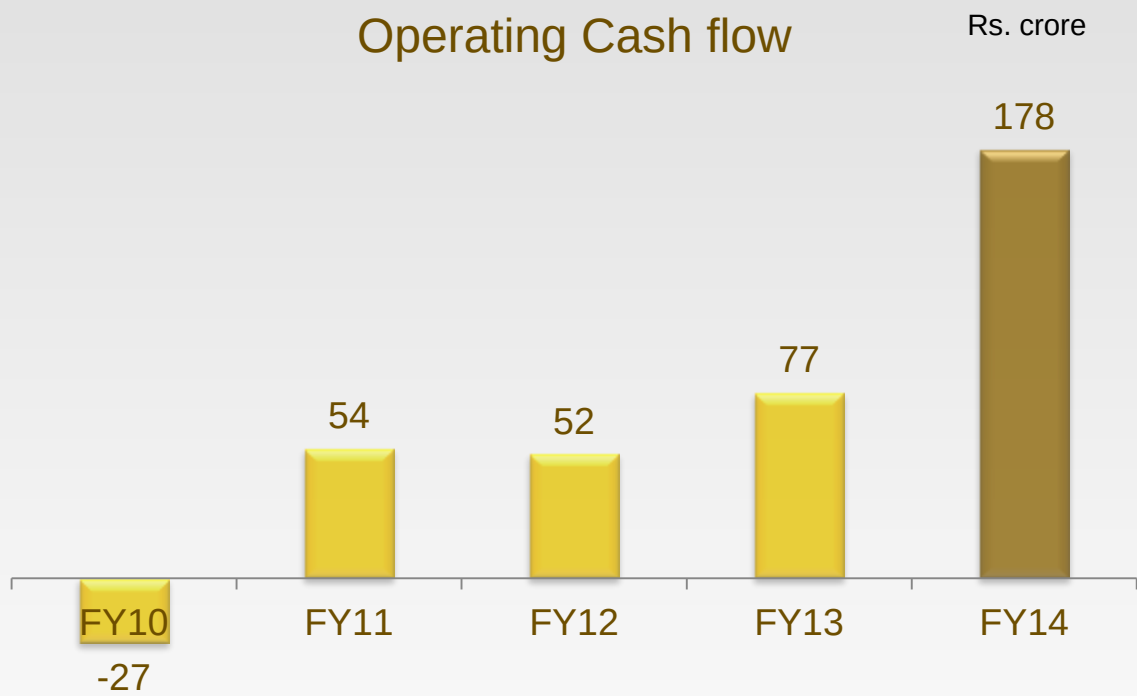
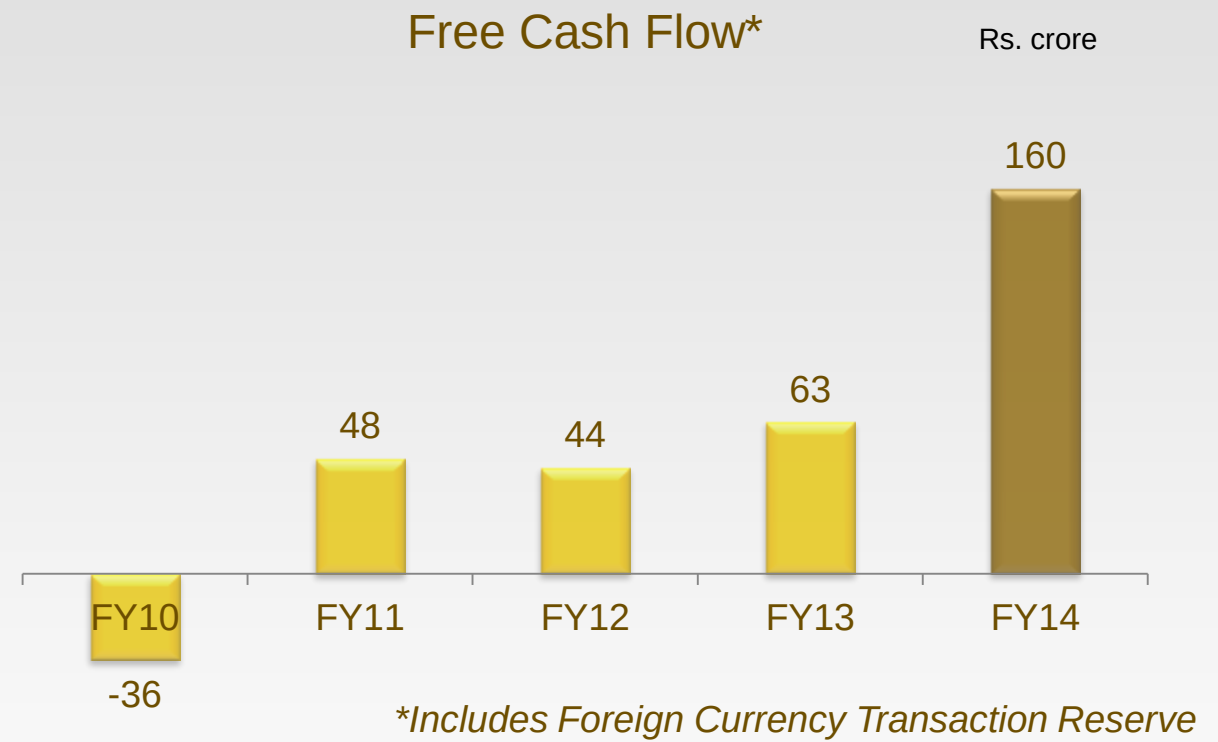


* During FY13 fixed assets were adjusted lower by Rs. 151.1 cr due to goodwill written off



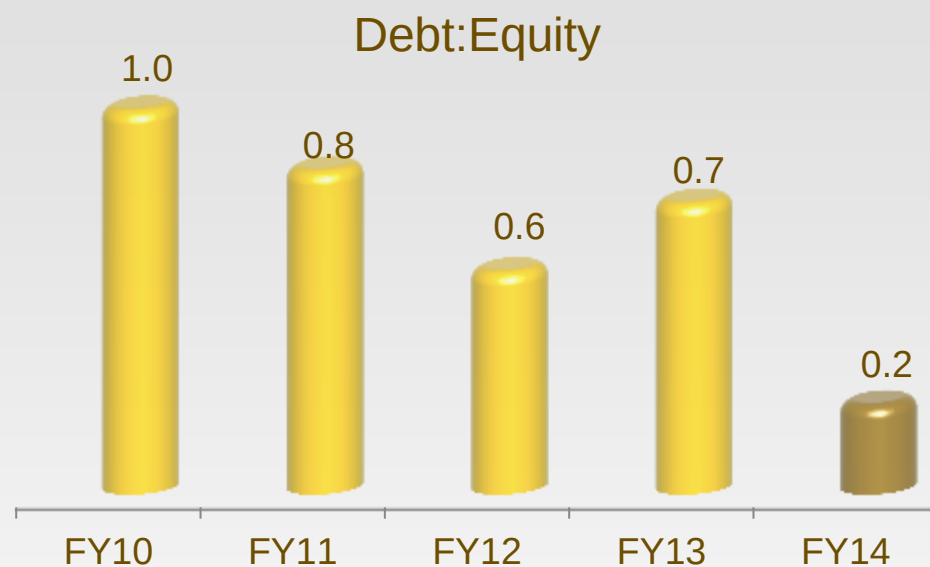
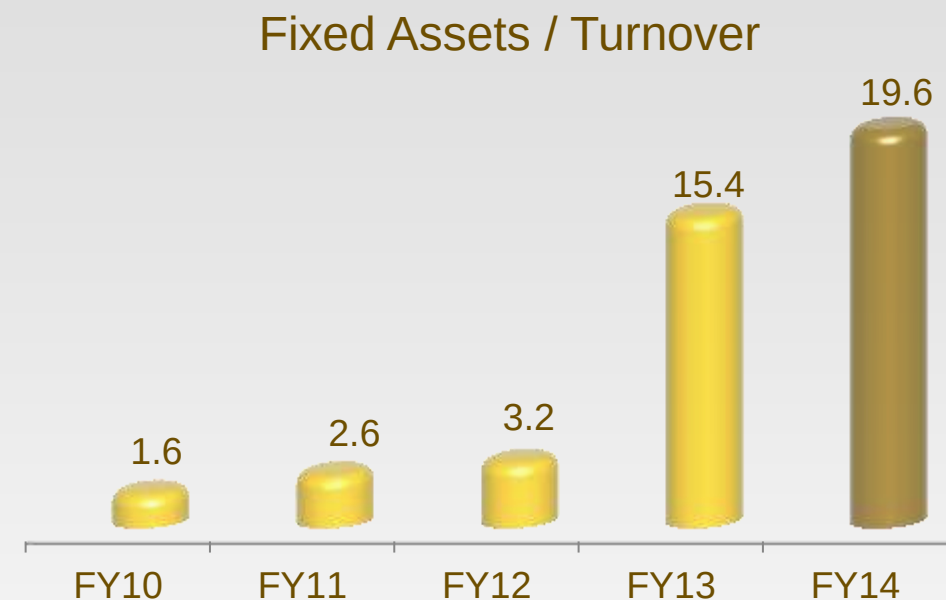
Financials Performance Trends

(Cash Flow)



Financials Performance Trends

(Key Ratios)

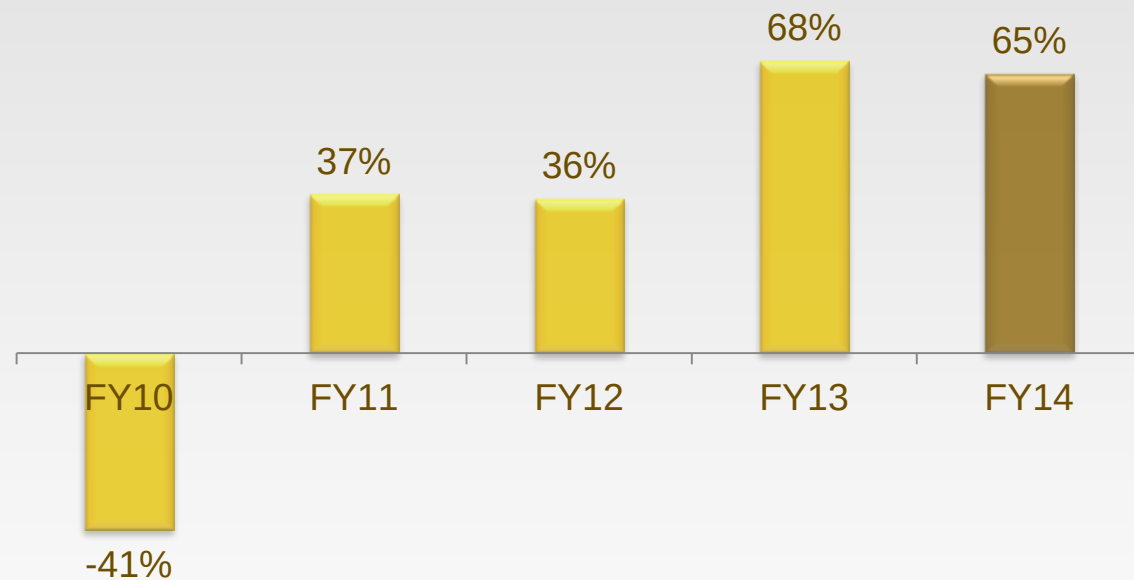


* During FY13 fixed assets were adjusted lower by Rs. 151.1 cr due to goodwill written off . Adjusting the goodwill write-off in each year, the pro-forma asset turnover ratio would be 19.6X in FY14, 15.4X in FY13, 12.5X in FY12, 9.8X in FY11 and 6.1X in FY10

Financials Performance Trends

(Key Ratios)

ROE



ROCE

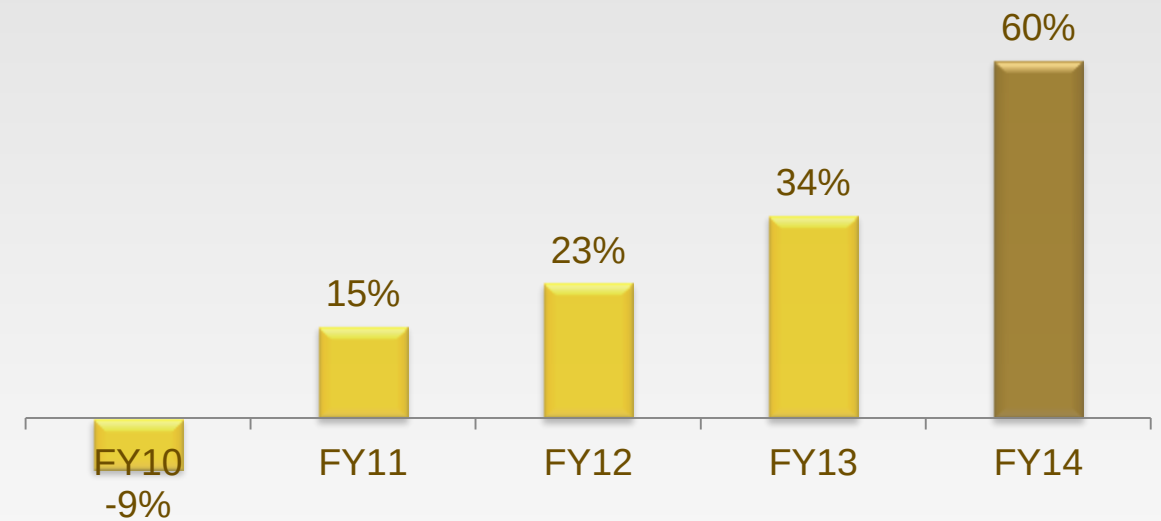
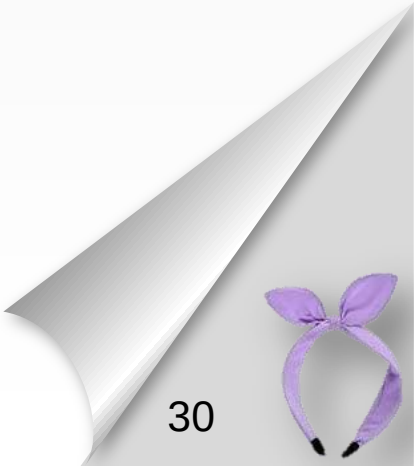


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Management Team

Sunil Agrawal

Chairman and Managing Director



- Established Vaibhav in 1980 as a first generation entrepreneur and has led the company's transition into a leading brand for fashion jewelry and lifestyle accessories
- Travels extensively across the world, overseeing operations, sourcing raw material globally and representing the company at major trade shows and jewelry fairs in the US, Europe and Asia

Gerald Tempton

President, The Liquidation Channel USA



- Leading VGL's US retail business for the last four years
- Distinguished career since 1979 in retail/consumer products, commercial real estate, financial services across merchandising, sales, marketing and operations at Zale's Jewelers, JB Robinson Jewelers, Gordon Jewelry Corp, Gap Inc, the Walt Disney Company, United Colors of Benetton and KB Toys

Colin Wagstaffe

Managing Director, The Jewellery Channel UK



- Previously led retail marketing and ecommerce initiatives at UK and Ireland operations of Signet Jewellers, the largest specialty retail jeweler by sales in the US and UK
- Over two decades in leadership marketing roles in major UK businesses – J Sainsbury plc, one of the UK's leading supermarket companies and BAA, the UK's largest, airport operator

Sri Burugapalli

Senior Vice President , Group Strategy



- Moved into group strategy after leading VGL's US and UK business operations for 7 years, focusing on restructuring and rebranding.
- 14 years in automotive player ZF Group's US operations across operations leadership/general management with deep experience in P&L management, organization development, global supply chain partnerships and startup ventures



Management Team

Hemant Sultania

Group Chief Financial Officer



- 17 years of rich experience in strategic financial planning, budgeting, project evaluation, commercial and legal affairs, taxation, fund management, finalization of accounts, revenue assurance, auditing, MIS development and mergers & acquisitions
- Previously CFO with Dr. Lal Path labs, Vice President with Bata India Limited and Senior Tax Manager at Ernst & Young India

Gaurav Vishal Soni

Chief Operating Officer, VGL India



- 17 years of extensive operations experience in the automotive sector, held senior positions heading businesses and plants in companies such as Motherson Sumi, Texplas, Lifelong India (Hero Honda Group) and Omax Auto

Praveen Tiwari

Vice President , STS China



- Over 15 years at VGL, currently heads the group's China and Hong Kong sourcing operations
- Part of core team that successfully implemented organizational turnaround strategies

Pushpendra Singh

Vice President , Human Resources Asia



- 19 years of experience in HR with a range of Indian companies such as NTPC, Jindal Steel and Power, Kalpataru and Reliance Communications, successfully implementing many talent acquisition, management and retention initiatives

Charlie Curnow

Group Chief Information Officer



- Extensive experience across EMEA, Asia-Pac and South America in IT leadership roles at both public and private sector companies including A.H. Belo Corporation, Bear Stearns, Blockbuster, Coca-Cola, Computer Sciences, Dell, and General Electric
- Focused on leading the expansion of VGL's global IT capabilities



Recent Additions to the Board

Pulak Prasad

Director



- Founder of private equity fund Nalanda Capital Pte Ltd
- Serves as a director on the boards of several companies
- Over two decades of experience in investing and consulting at Nalanda, Warburg Pincus and McKinsey & Company

Vikram Kaushik

Director



- 40 years of experience with the companies like Unilever, Britannia, Colgate-Palmolive and Tata Sky
- Management consultant / advisor to groups like Voltas, Tata Strategic Management Group, Price Water House Coopers, AMAGI Media Labs and also has done shorter assignments for HSBC, Standard Chartered Bank and Warburg Pincus
- Currently a director in Sistema Shyam Teleservices and India Capital Growth Fund

Peter Duncan Whitford

Director



- 34 years of extensive experience in various fields including consumer products, marketing, merchandising, planning and allocation, global branding, sourcing strategies, licensing strategies, media strategies, social compliance programs, growing and re-inventing organizations internationally
- Previously Group CEO & Chairman of The Wet Seal Inc. and President Worldwide of a division of The Walt Disney Company Inc., among others

Mahendra Kumar Doogar

Director

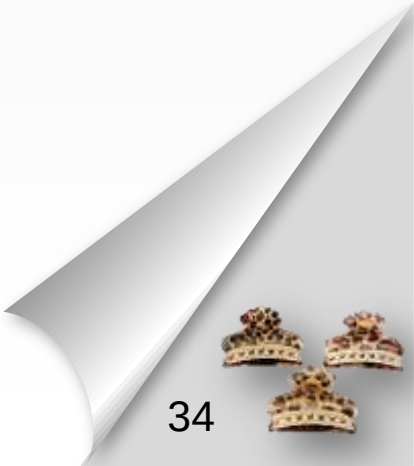


- 38 years in corporate finance, taxation, statutory and internal audit, merchant banking, financial structuring, project consultancy and fund management
- Presently on the Board of PHD Chamber of Commerce and various companies like, BSL, Frick India, Morgan Ventures, Kamdhenu Ispat and Radico Khaitan



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Way Forward

TV Retail

- Increase channel reach through affiliate agreements
- Connect with customers through improved story telling

E-Commerce Retail

- Further investment in e-commerce platforms, enhance customer experience
- Mobile Apps for better engagement with the customers on the go

Merchandising

- Increase product depth and penetration in adjacent product categories
- Aggressive trend spotting
- Value based merchandising from micro-markets
- Uninterrupted process of unveiling new products

Customers

- Continued focus on customer delight with changing customer preferences
- Multi-Language Support
- Cause Marketing
- Focus on 3R: Registration, Repeat Purchase and Retention



Way Forward

IT Infrastructure

- Investment in technology to support growth through new IT systems
 - ERP, Marketing Automation, MIS, Analytics, CRM
- Drive value through outsourcing strategy

Organization

- SMAC Principles as guidelines for coming years
 - Customer Trust & Delight, Low Price – High Quality, Low Operating Costs, Employee Engagement, High Performing Team, and High Employee Retention

Financial performance

- Continued growth momentum driven by market share gains
- Ongoing investments in infrastructure, technology and people
- Long term potential to expand margins based on scale benefits
- Debt free status by FY15 (Net Debt basis)
- Rewards to shareholders through dividend



Contact Information

For more information on Vaibhav Global Limited, please contact:

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Email: Hemant@vlggroup.com

Shiv Muttoo / Karl Kolah

CDR India

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Email: shiv@cdr-india.com
karl@cdr-india.com





**Thank
You**