

Gitanjali Q3 FY2008 - Revenues up 57% to Rs. 12,527 million

Jewellery revenues improve 142% to Rs. 6,110 million, contributing 48% to top-line; Operating profits higher by 58% to Rs. 799 million; PAT at Rs. 505 million, up 61%

Mumbai, Maharashtra, IND, 2008-02-01 09:53:47 (IndiaPRwire.com)

Gitanjali Gems Ltd. (Gitanjali), a corporate with interests in diamond and jewellery, retail, infrastructure and lifestyle businesses, announced its results for the third quarter & nine months ended 31 December 2007.

Q3 FY2008 performance overview (Compared to Q3 FY2007)

Net revenues up 56.7% to Rs. 12,527.2 million from Rs. 7,995.0 million PBIDT higher by 58.0% to Rs. 798.6 million from Rs. 505.3 million PAT increases 61.1% to Rs. 505.2 million from Rs. 313.6 million EPS grows to Rs. 6.15 from Rs. 4.719M FY2008 performance overview (Compared to 9M FY2007) Net revenues improves 51.6% to Rs. 33,512.9 million from Rs. 22,112.6 million PBIDT up 59.7% to Rs. 2,044.4 million from Rs. 1,280.4 million PAT increases 62.4% to Rs. 1,273.8 million from Rs. 784.3 million Diluted EPS at Rs. 15.98 versus Rs. 12.74

Key Developments

Buys 100% stake in Brightest Circle Jewellery Pvt Ltd (BCJPL) and acquires 'Nakshatra Brand' Nakshatra is a leading diamond brand in India which was owned by DTC and whose distribution and marketing rights were held by BCJPL The acquisition gives Gitanjali sole rights over Nakshatra as well as a 100% stake in BCJPL which is now a fully owned subsidiary Nakshatra is expected to yield sales of approximately Rs. 10 billion over the next 5 years Successfully raises US\$ 180 million through issue of Global Depositary Receipts (GDRs) at US\$ 9.67 per GDR Proceeds to be utilized for expanding the Company's new and existing businesses, investing in the Company's subsidiaries, both in India and abroad, and to augment funds to meet the working capital requirements Each GDR represents one equity share of the Company at a nominal value of Rs. 10 each Acquires 100% stake in Rogers Jewellers, Inc, USA a jewellery retailer which has 46 outlets Rogers operates under two brand names 'Rogers Jewelers' and 'Andrews Jewelers'. Rogers has a notable presence in the industry in the U.S. Rogers is a mall-based jeweller focusing mainly on the middle and upper middle-income bracket customers Established as a single store Company in 1920, Rogers has steadily moved on to become a 46 store operation. The growth in Rogers was possible largely because of its high quality products, integrity and a good degree of financial stability Enters into an agreement with Netherlands based ARMO Netherlands Finance B.V. to form a joint venture Company - Morellato India Private Limited (Morellato India) Gitanjali will hold 50% equity interest in Morellato India with the balance held by ARMO Netherlands Finance B.V. Morellato India will carry on business of importing, wholesaling, distribution and manufacture of high end luxury products under the a diverse range of brands

Forms a Joint Venture Company with the Mariella Burani Fashion Group (MBFG) Italy MBFG is a recognized public Company with a reputable line of luxury lifestyle products The proposed Company will assist in the growth of MBFG brands in emerging markets in Asia Gitanjali to develop an extensive distribution network of 32 mono-brand stores and approximately 132 multi-brand stores The Company will offer production, marketing, logistics expertise and MBFG will Design and develop lifestyle products

Commenting on the performance for Q3 & 9M FY2008, Mr. Mehul C. Choksi, Chairman, Gitanjali Gems Limited, said:

'We are pleased to inform that the Company has continued to deliver strong overall performance with our jewellery retail operations having delivered notable growth. Gitanjali's presence right across the value chain has enabled us to improve our top-line along with profitability and we are aiming to sustain this momentum going forward.

It has been an eventful quarter for Gitanjali in which we have increased our holdings in 'Nakshatra' to 100% and acquired a 100% stake in 'Rogers Jewellers'. We are confident that complete ownership of brands will add considerable value to our Company going forward. The earnings outlook for our U.S. business including 'Samuels Jewellers' and 'Rogers Jewellers' is extremely promising as we intend to accrue significant cost benefits by leveraging supply to international operations from our manufacturing facilities located in India. As U.S. is the world's largest market in terms of value, having a strong presence there is essential to our global growth plans.

During the quarter, we also successfully raised US\$ 180 million through the issue of Global Depository Receipts, proceeds of which will be utilized to provide adequate impetus to our new and existing businesses going forward.

Given the multiple growth initiatives, and a model that is shaping up to be both highly competitive and profitable, we remain very enthusiastic about our outlook for the coming years.'

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.

- END -

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

For further information contact:

Abhijeet /Rajlaxmi / Puja

Sampark Public Relations

9967395553 /9892122598 /9820473457

For more information, Please contact:

Puja Gentle

Sr associate - Sampark PR

22025550

You can also visit www.sampark.com for more information.