

Press Release: Results for H1 FY2018

14th November, 2017; Mumbai

Gitanjali Group announces results for the half year ended September 30th, 2017

In Rs. Cr

	Half Year ended 30 th September 2017		
	H1 FY18	H1 FY17	% chg
Sales Turnover	9,399.8	7,675.3	22%
Net Profit	133.3	102.5	30%
EPS	11.24	9.10	23%

KEY FINANCIAL HIGHLIGHTS

For the Half year ended September 30th, 2017

1. The company achieved **Net Sales of Rs. 9,399.8 Cr.** vs. Rs. 7,675.3 Cr. last year; up 22%
2. The EBIT for the first half stood at **Rs. 437.3 Cr.** vs. Rs. 414.1 Cr. last year; up 6%
3. The finance cost has come down by almost 6% from **Rs. 317.7 Cr. to Rs. 299.9 Cr.**
4. The Net profit for H1FY17 stood at **Rs. 133.3 Cr.** vs. Rs. 102.5 Cr. last year. Up by 30%
5. The EPS for H1FY17 was **Rs. 11.24** vs. Rs. 9.10 last year, up by nearly 23%
6. Jewellery sales were at **Rs. 7,340.6 Cr. up 11%** from Rs. 6,634.4 Cr. last year.

Commenting on the half-yearly performance, **Mr. Mehul Choksi, CMD Gitanjali Group** said, “The millennial consumers are steering the industry towards being more organized, branded and remain focus on diamond jewellery. Gitanjali is leveraging its pioneer position in this segment with its key brands like Nakshatra, Gili, Asmi and Sangini that offers complete range of diamond jewellery for the modern consumers. With our geographic diversity and integrated business model we are working towards to be the leading global brand from India.” He further added, “The reduction in finance costs and improving margins has had a compounding effect on overall profitability and returns during first half of this year.”

KEY BUSINESS HIGHLIGHTS:

1. India is gearing up for branded diamond jewellery primarily led by the young and modern consumers and their shift in buying behavior. Gitanjali is enjoys nearly 2/3rd of market share of jewellery sales in departmental stores in India.
2. Gitanjali group covers about 1 million sq. ft. of retail space globally across different formats of its own stores, franchisee stores, shop-in-shop and through its robust distribution channel network. Its unique FMCG type of distribution model of jewellery sales has been very successful and well accepted for over 2 decades by the consumers globally.
3. Consolidation of Indian branded jewellery business under the umbrella of Nakshatra World Ltd. has over 3,000 points of sales i.e. 1,980 points of sale through distribution channel in India, 890 points of sales of the Indian brands overseas, 329 points of sale through shop-in-shop in India and 61 own and franchise stores
4. E-Commerce contributed to about 3% of total sales for the company and is growing over 60% YOY. Being one of the worlds largest manufacturer of jewellery, Gitanjali is working towards inventory less module for its ecommerce business wherein there is customization available for consumers with change in metal, stone and colour of a particular design and the same can be manufactured and shipped in a weeks time.
5. US remains one of the key markets for the company, Samuels has expanded in 15 locations in Texas, California, Ohio, Indiana and Utah. This market cluster also offers economies of scale for operations and marketing. Samuels is also considering expansion in boutique store formats and add over 70 new stores in next 2 years
6. There is ongoing expansion plans for Middle East and Chinese markets which are prominent in the global jewellery markets today
7. Reduction in group’s debt and interest cost has contributed to financial efficiencies and improved its working capital ratios.
8. GST has positive impact for the organized jewelers and it should translate to better sales and profitability in coming quarters.

About Gitanjali Group

Gitanjali Group is the world's largest integrated branded jewellery manufacturer-retailer with an annual turnover of around \$ 2.5 billion. Established in 1966, today its activities are spread across the entire value chain from rough diamond sourcing, cutting, polishing and distribution, jewellery manufacturing to branding and retailing gold and diamond jewellery in India and abroad.

The Group pioneered jewellery retail revolution in India by launching '**Gili**' in 1994. It today owns and distributes eight out of the top ten jewellery brands in the country including *Gili, Nakshatra, Asmi, Sangini, Nizam and Parineeta to name a few*. Gitanjali's extensive network of own stores, shop-in-shops and franchise outlets span across 200 cities and 3,000 points of sale.

It has 2 world-class diamond polishing facilities in India located at Surat and Hyderabad. Domestic jewellery manufacturing facilities are located at Mumbai, Hyderabad, Surat and Jaipur while international manufacturing set up is in Thailand with a total capacity of almost 1 million pieces per month. The Group's international design hub is located in Italy.

Over the last two decades, the Group has expanded operations in USA, UK, Belgium, Italy and the Middle East to China, Singapore and Japan.

Today the group owns a large retail chain in the US, Samuels Jewelers Inc; and has acquired a number of brands such as Stefan Hafner, Valente, Io Si, Poratti and others in Italy, and has also launched a collection of Italian jewellery called Viola Italia. The group also has a fast developing presence in China, the Middle East and other new markets.

For More Information Please Contact:

Nikesh Mehta

Gitanjali Gems Ltd.

Tel: +91 22 4010 2000

E-mail: nikesh@gitanjaligroup.com