

Shree Ganesh Jewellery House Limited

H1 FY2012

Revenues up 56% to Rs. 52,235 million; PAT up by 10% to Rs. 1,714 million

Kolkata (India), November 15, 2011: Shree Ganesh Jewellery House Ltd (SGJHL), one of the largest manufacturer-exporter of Handcrafted Gold Jewellery in India, announced its results for the second quarter and half year ended 30 September 2011.

Financial performance highlights

Q2 FY2012 vis-à-vis Q2 FY2011

- Total income enhanced by 34% to Rs. 26,512 million from Rs. 19,826 million
- PBIDT improved by 17% to Rs. 1,261 million from Rs. 1,078 million
- PAT at Rs. 900 million
- Diluted EPS at Rs. 14.84

H1 FY2012 vis-à-vis H1 FY2011

- Total income improved 56% to Rs. 52,235 million from Rs. 33,423 million
- PBIDT grew by 26% to Rs. 2,375 million from Rs. 1,879 million.
- PAT up 10% to Rs. 1,714 million from Rs. 1,562 million
- Diluted EPS grows to Rs. 28.24 from Rs. 25.80

Key Developments

- In a tactical move to give impetus to the light weight Italian fusion jewellery business, Shree Ganesh Jewellery entered into a joint venture with an Italian Company, Societa Aretina Lavorazione Preziosi S.P.A. (SALP SPA), to set up a gold jewellery manufacturing unit at Shree Ganesh Jewellery House Limited' (SGJHL) integrated jewellery manufacturing complex in Domjur, West Bengal
 - SALP SPA specializes in machine made light weight gold jewellery
 - The 50:50 JV will operate under the name of OROITALIA Chains Pvt. Ltd. and total investment will be to the tune of Rs. 100 crore
 - The unit is expected to be operational by Q1 FY2013 with an initial capacity to manufacture 10 tonnes of lightweight gold jewellery annually, particularly gold chains

- During H1 FY2012, SGJHL entered into an strategic alliance with Bharti Retail for shop-in-shop arrangements in its retail stores run by the name of 'Easy Day'
 - The first outlet opened at Banaswadi, in Bangalore, in July 2011
 - The second outlet opened at Bhandup, in Mumbai, in September 2011
 - Through this agreement the Company has a huge opportunity to improve its retail presence in India
- In Q2 FY2012, SGJHL established a manufacturing facility in United Arab Emirates (U.A.E.) to better address the vast gold jewellery market in the gulf region
 - This facility commenced commercial production during the quarter and the Company already has orders worth Rs. 600 crore from new customers for this facility
- The upcoming gold refining facility at Domjur, West Bengal is progressing well and is expected to commence trial production by Q4 FY2012
 - This plant has a total capacity to refine 35 tonnes of gold per annum
 - Expected to reduce dependence on imported gold and improve margins notably
- During the quarter, as a part of the brand extension strategy, the Company launched a range of light weight Italian fusion jewellery under the brand 'GAJA Lites'
 - With this, the Company plans to tap the huge potential of the lower end of the market spectrum
- To foray into loan against gold business by setting-up a non-banking finance company (NBFC)
 - Base work for the proposed NBFC is on track and is expected to commence operations by Q4 FY2012

Commenting on the performance of Q2 & H1 FY2012, Mr. Nilesh Parekh, Chairman of Shree Ganesh Jewellery House Ltd. said,

"It gives me great pleasure to share with you that the Company continues to report healthy performance even in a rising gold price scenario. These results are testimony to the strong demand for handcrafted gold jewellery that we specialize in. Demand remained firm in the key export destinations namely UAE, Singapore and Hong-Kong reflecting in the strong volumes growth during H1 FY2012. SGJHL is also gaining ground on the domestic front through its retail expansion. During H1 FY2012, we launched two stores with Bharti Retail in Bengaluru and Mumbai. We are delighted to announce that, during the quarter, the Company acquired 26 new outlets as a strategy to expand in the domestic market.

With the objective of expanding our customer base to include clients from across economic segments, in Q2 FY2012, SGJHL launched light weight Italian fusion jewellery under the brand name 'GAJA Lites' – at a time when gold prices are escalating and consumers are exploring viable options. I am delighted to share with you that in a strategic move to capitalize on the opportunity in the light weight Italian jewellery space, we entered into a joint venture with SALP SPA which specializes in machine made light weight gold jewellery.

As we continue to progress with a strong business model and effective growth strategies we are confident of creating value for all our stakeholders going forward.”

– ENDS –

About Us

Shree Ganesh Jewellery House Ltd. is one of the largest manufacturer and exporter of handcrafted gold Jewellery in India, exporting primarily to countries such as U.A.E., Singapore, and Hong Kong. The products portfolio includes handcrafted and hallmarked gold jewellery, gold enameled jewellery and gold jewellery studded with precious stones. The products, designed by a team of highly creative designers, have presence across different price points to cater to all customers across high-end, mid-market and value market segments allowing the Company to build a large and diverse portfolio of designs.

SGJHL received the “Four Star Export House” certificate from the Joint Director of Foreign Trade, Government of India in June 2009 and has been bestowed upon with the status of “Nominated Agency” under the Foreign Trade Policy, which allows the Company to directly import precious metals.

The Company has manufacturing units located in Mondalpara, Manikanchan SEZ which is presently the only jewellery SEZ in West Bengal and Domjur (upcoming). Some of the Company’s key strengths include strategic location of manufacturing units, strong in-house designing capabilities supported by skilled craftsmen, superior quality of products, and a well-spread marketing network.

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