

*Next Steps.
Now.*

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Preparing Goldiam for a faster,
better tomorrow, today.

Goldiam has been in a preparatory mode. Having differentiated itself as a design-led jewellery company, Goldiam continues to grow in the overseas market. But since the last one year, it has been preparing . . .

Taking the next steps. For a faster tomorrow.

With a cash-rich balance sheet and India at an inflection of retail boom, tomorrow came sooner. Goldiam is prepared to take the next steps, now.

These next steps are designed for growth. For us, the time is now.

Read on.

Expanding Exports

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Goldiam is not just any other export house. Since start, we wanted to, and we did focus on becoming a design-led, value-added provider of high quality design jewellery for the overseas market.

Whereas others focused on topline growth by 'commoditising' jewellery, we did just the opposite. We focused on our designs. If

designs demanded more stones per piece, so be it.

We created a niche market for us with the retailer we serviced. We are increasingly seeing a shift in the quality of our business. More retailers now chose to work directly with us. The ratio of retailer to wholesalers have improved and our customers now

include retailers from other geographies like Australia, Brazil, Japan, Thailand and Malaysia.

Having established our footprint in USA, we prepared for tomorrow. In the coming years, We read trends and created designs accordingly. We bought over 3 lakh carat diamonds and over one ton of gold for our



designs last year. Timely access to such unparalleled resources helps us protect our margins.

The result.

We have margins others talk of. And ROI others want. We are now penetrating customers in our existing markets of USA and beyond. We expect more from them.

It took some time for the other markets to recognize this. Now is the time.

Goldiam is expanding its core exports business into newer territories. Goldiam is working with customers in Japan, Australia, UK, Thailand, China, Russia, Canada, South Africa, Malaysia and Brazil, countries where we were earlier not present.

Middle East is a fast growing market and is increasingly looking at value-added companies like Goldiam to use their design capabilities to service them. Last year we saw an encouraging response to our designs. There is a possibility of adding 40% to our current business only from this market in two years.

The next few years will see a robust growth in our exports business.



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We took a decisive step last year.

With a strong balance sheet and a growing young India that was at the cusp of a retail revolution, Goldiam introduced its first brand Ola in the silver jewellery segment. And what a year it was for us. A year of nervousness and excitement. From serving few to serving millions. And penetrating a category that did not exist

in an organized way.

India surprised us.

Ola and the oomph got accepted. And how. We believe the Indian aspirations are here to stay. And with it Ola.

In its very first year with only six months of operations, Ola expanded to over 7 stand alone stores and 50 shop-in-shops. We took Ola to 20 cities across 14 states.

We sold over 25,000 pieces, with an average price point of Rs. 850. And thus Ola was easily accepted at leading retail destinations of India like Globus, Lifestyle and retail ventures of Future Group.

We have great plans for the oomph going forward.

Ola stores will more than double its stand alone presence. Triple the people, increase



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its acceptance and multiply the oomph. We have initiated distribution tie-ups with outlets like Spencers, Big Bazaar, Ebony, Argos, Future Bazaar and Depot. We have positioned Ola in high traffic women's apparel and jewellery stores located in high street. We are also working on different price points to ensure that the fashion aspirations of the masses are met.

And that's not all.

Ola, hitherto a women brand is now being extended to men too. Stainless steel jewellery in the form of cuff links, rings, pendants and bracelets.

Ola has introduced interesting concepts like yellow silver to tap the Indian preference for yellow metal.

Ola will also be sourced from new

destinations like Turkey, Thailand and Mexico.

Ola will for the first time enter minds of the aspirational Indian consumer through print and mass media advertising.

More oomph for Ola! The new FMCG of jewellery retail industry.

Goldiam - Diamonds for Everyone

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We believe we took the right step last year. Of getting into retail, owning the last mile consumer and learning from him.

Retail is perhaps the most exciting business.

It teaches you a lot, provided you want to learn. Millions of consumers come and either buy or not buy. Either way the

consumer is saying something.

We believe in keeping our eyes and ears open.

At Goldiam, we listened.

The customer told us that the youth of India is also looking for designed gold and

diamond jewellery. But affordable. There is a change that is evident. The youth is not hesitant in experimenting with non-traditional goldsmiths. They want fashion and design that they can wear, not invest in.

And we are giving them just that.



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Enter 'Goldiam'- Diamonds for Everyone.

'Goldiam' - a chain of retail stores that sells designed real gold and diamond jewellery at affordable and transparent price points.

Where Ola stops, 'Goldiam' begins.

'Goldiam' stores are targeted towards the

young, fashion conscious 30 plus working women and more. Goldiam differentiates itself on design and price points. With price points ranging from Rs 4000 to Rs 25,000 for shop-in-shops and upto Rs 1,50,000 for stand alone stores. The highly diversified product mix includes bridal jewellery, nose rings, rings,

pendants, chains, mangalsutras, earrings, bangles, sets, poda-jodi and jhumkas among others.

Diamonds for Everyone!

Message to Shareholders

'2007 has prepared us for strong

Dear Shareholders,

What a year it has been for us at Goldiam.

As I look back on the year that has gone by, I am delighted at the steps we, at Goldiam, took to put the company on a strong growth trajectory.

Let me share with you some significant developments that will shape, in my view, a new Goldiam in years to come.

- There was nothing that gave us more pleasure than to see many young Indians wear Ola silver jewellery. Our first brush with retail was interesting and has given the company a new direction. In the coming year, new retail concepts will be introduced. Thank you India. Thank you customers.
- Our exports, for the first time in the company's history, crossed Rs 300 crores, a growth of 28%. We not only grew business from existing customers and geographies, but also expanded our customer base and entered new geographies.
- At Goldiam, we emerged as one of the first companies in

India that started a factory internationally in China. With a new low cost manufacturing base we will enter new markets like Brazil, Thailand and Japan. It has been an amazing experience to manage a factory that does not speak any English but only speaks the language of jewellery.

- Another interesting development were the three subsidiaries that went into operation and incurred the start up cost. The revenues from the same are expected in the coming years.

With costs factored, shareholders can expect operating leverage play here.

- As I mentioned last year, Goldiam has reduced its exposure to equity-linked products on the cash balance and moved towards fixed income products bringing stability and security to the investment income.
- The rupee appreciation had its role to play on the margin suppression and even though we, at Goldiam, take sufficient hedge, we could not escape.

The coming years at Goldiam are expected to be very exciting.