

RAJESH EXPORTS LIMITED

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PRESS RELEASE

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Rajesh Exports to emerge as the largest retailer in India across any segment by Opening 550 "SHUBH Jewellers" showrooms by 2014

Mumbai, December 14, 2011: Rajesh Exports, the world's largest manufacturer of gold jewellery, today announced the company's aggressive expansion plans in Retail sector. The company, which generates revenues of around Rs. 20,000 crores through exports and retail, would be opening 550 retail stores of "SHUBH Jewellers" across the four Southern states of India and thus generating revenues of around 20,000 crores through its retail venture by 2014-15.

India is the largest consumer of gold in the world, with more than 85% of the gold consumed in the form of gold jewellery. As per the latest BIS survey, more than 85% of the gold jewellery sold in India does not confirm to the required purity standards. In the guise of 22ct purity, gold jewellery ranging between 16ct to 20ct is sold to the consumers. On top of sub standard purity, there does not exist a standard pricing practice as well. Gold jewellery is sold across the country based on the "Rate Per Gram" concept. The "Rate Per Gram" offered by jewellery differs in a major way from jeweller to jeweller, however the major issue is not the lower purity and the inconsistent "Rate Per Gram", but the extra charges levied by the jewellers in the form of Making Charges, Wastage, Stone charges etc. due to these extra charges the consumer does not get the jewellery at the "Rate Per Gram" offered by the jeweller but he/she ends up paying much more than the "Rate Per Gram". Due to all this the consumer ends up getting inferior quality jewellery at a much higher price.

REL intends to bring in a paradigm shift in retailing of gold jewellery. REL being the world's only fully integrated player in gold jewellery and the lowest cost gold jewellery producer in the world is the only company which is capable of delivering true value for gold jewellery. REL is integrated from Mines to Consumer, without any middle men REL is capable of delivering hall mark purity and wide range of designs at the world's lowest prices. The company has decided to expand aggressively in the retail space. With its incomparable strengths of designing, manufacturing and integrated operations, REL would be offering to the retail consumers absolute value for money and the finest designs which no other jeweller in the world would be able to offer.

The age old concept of "Rate Per Gram" has lost all its meaning as the jewellery ultimately is not delivered at that rate, but it is delivered at a much higher price than the "Rate Per Gram." REL has decided to end all these age old practices in the jewellery business by introducing the "Real Rate Per Gram". At SHUBH Jewellers, REL would be offering a wide range of designs of gold jewellery, wherein each piece would be BIS hall marked at "Real Rate Per Gram". The customer would be able to select any design of jewellery and the actual physical weight of that piece of Jewellery (without any addition to the actual physical weight) would be multiplied by the "Real Rate Per Gram." The value arrived would only be the value to be paid by the customer, nothing extra. There would be no hidden charges of any type, there would be no compromise on the purity. Under this new concept the customers would get the best designs of hall mark purity at prices which would be about 10 to 20% lower than any other jeweller.

Global Presence in Gold and Diamond Jewellery

The new concept of "Real Rate Per Gram" has been called as the "Gold Revolution" by REL and the company has already launched 70 retail stores under the "Gold Revolution" in the state of Karnataka. The response received by REL from the consumers has been overwhelming, which has strengthened the resolve of REL to spread the retail "Gold Revolution" across India. REL has plans to launch a total of 125 stores in the state of Karnataka by April 2012, which would complete its retail presence in Karnataka. REL would then be launching its retail stores in Andhra Pradesh, Tamil Nadu, Kerala and Goa. REL would be launching a total of about 550 stores in these five states by the end of 2014.

Just over a period of about 15 months since its launch, SHUBH Jewellers has become the most trusted and house hold jewellery brand in the state of Karnataka and REL has emerged as the largest retail jeweller in the state of Karnataka. With completion of the launch of 125 stores by April 2012, REL hopes to become the largest retail jeweller in the country. With the completion of 550 stores by 2014, REL hopes to acquire 8% share in the Indian retail gold jewellery trade, which would translate into retail revenue of about Rs. 25,000 crores, making REL the biggest player in the Indian retail space.

After the launch of 550 stores in the South Indian states, REL would expand pan India into every state of India. For the first phase of 550 stores REL has estimated a funding requirement of about Rs. 6600 Crores, which would be met from internal accruals, Suppliers credit and Debt.


The estimated gold consumption of India for the current year would be about 900 tones, which translates in to a retail business of about 2,70,000 Crores. At the current practices the consumer is paying between 10 to 20% excess for the gold jewellery received by them, which at an average would translate to an excess payment of about Rs. 40,000 Crores per annum. With the introduction of the "Real Rate Per Gram" at SHUBH Jewellers, REL intends to curtail this excess payment to the maximum extent.

Speaking at the Press Conference, **Mr. Rajesh Mehta, Executive Chairman, Rajesh Exports** said "Currently REL is the largest gold product exporting company in the country and largest manufacturer of gold jewellery in the world. Banking on its incomparable backward integration and designing strengths and on the retail experience, REL now intends to unleash a retail "Gold Revolution" first in the states of South India and then across the country. Going by the response received from the customers I am confident that the retail "Gold Revolution" would place REL as a dominant entity in the retail space in India. This foray of REL in the retail space would ensure enhanced revenues and multi fold profitability to the company"

The gold jewellery market in India is poised to grow at the rate of about 15% per annum for the next five years. In spite of India being the largest consumer of gold in the world, the consumption of gold in India is set to further increase in the coming years.

Thanking You,

Your's Faithfully,
For Rajesh Exports Limited


Authorized Signatory

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