

Date: January 23, 2016

To,
The Listing Compliance Department,
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai – 400 001

To,
The Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Ref.: PC Jeweller Limited (Scrip Code: 534809, Symbol: PCJEWELLER)

Sub.: Management Presentation

Dear Sir/Madam,

Please find enclosed herewith the Management Presentation on the unaudited standalone financial results of the Company for the quarter ended December 31, 2015.

Kindly take the same on record.

Thanking you.

Yours sincerely,

For **PC Jeweller Limited**



(SANJEEV BHATIA)
Chief Financial Officer

Encl.: As above

PC Jeweller Limited

Regd. & Corporate Off: C - 54, Preet Vihar, Vikas Marg, Delhi - 110 092 Ph: 011 - 49714971 Fax : 011 - 49714972

info@pcjeweller.com • www.pcjeweller.com • CIN: L36911DL2005PLC134929



PC Jeweller Limited

Management Presentation

January 2016

Disclaimer

Certain statements are included in this release which contain words or phrases such as “will,” “aim,” “will likely result,” “believe,” “expect,” “will continue,” “anticipate,” “estimate,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “goal,” “project,” “should,” “will pursue” and similar expressions or variations of these expressions that are “forward-looking statements.” Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for our products, our growth and expansion, the adequacy of our allowance for credit to franchisees, dealers and distributors, technological changes, volatility in income, cash flow projections and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions in India and the other countries which have an impact on our business activities; inflation, unanticipated turbulence in interest rates, foreign exchange rates, the prices of raw material including gold and diamonds, or other rates or prices; changes in Indian and foreign laws and regulations, including tax and accounting regulations; and changes in competition and the pricing environment in India. The Company may, from time to time make additional written and oral forward-looking statements, including statements contained in the Company’s filings with SEBI and the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any statements made in this presentation.

The facts and figures mentioned in this presentation is for informational purposes only and does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of the Company, or the solicitation of any bid from you or any investor or an offer to subscribe for or purchase securities of the Company, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Nothing in the foregoing shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof or any other jurisdiction through this presentation, and this presentation and its contents should not be construed to be a prospectus in India or elsewhere. This document has not been and will not be reviewed or approved by any statutory or regulatory authority in India or any other jurisdiction or by any stock exchanges in India or elsewhere. This document and the contents hereof are restricted for only the intended recipient(s). This document and the contents hereof should not be (i) forwarded or delivered or transmitted in any manner whatsoever, to any other person other than the intended recipient(s); or (ii) reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorized.

The information in this document is being provided by the Company and is subject to change without notice. No representation or warranty, express or implied, is made to the accuracy, completeness or fairness of the presentation and the information contained herein and no reliance should be placed on such information. The Company shall not have any liability to any person who uses the information presented here.

PC Jeweller Limited – Brief Snapshot

India's leading jewellery retail chain

58 showrooms across 48 cities and 17 states (~3,46,855 sq. ft. of retail space)

Clocked Rs. 6,348.5 cr. in total sales in FY 2015 (12 months), Rs. 5,360.7 cr. in FY 2016 (9 months)

Domestic Retail Sales remains a key focus area for us (contributed to ~72% of FY 2015 sales)

New Launches – Franchisee Showroom, Small Store, Smart Jewellery

Auditors - Walker Chandiook (Grant Thornton), Rating Agency – Crisil (Subsidiary of S&P)

Strong Promoter Group & Professional Management

Target presence across geographies and customer segments

Customer Segment	Metro	Tier I	Tier II	Tier III	
<p>Ultra Rich</p>	<ul style="list-style-type: none"> ➤ PC Jeweller Exclusive Lounges ➤ Started this concept in select showrooms ~3 years back. Now also planning to set up the independent lounges ➤ Focused on high end designer pieces 				
<p>Rich and Upper Middle Class</p>	<ul style="list-style-type: none"> ➤ PC Jeweller Large Format Showroom ➤ Own showrooms across Metro, Tier 1 and Tier 2 ➤ Focused on exclusive gold and diamond jewellery for weddings and occasions 		<ul style="list-style-type: none"> ➤ Franchisee showrooms across Tier 2 and Tier 3 ➤ Relatively large format (1500 sq. ft. +) 		
<p>Youngsters, Young couples and Working Women</p>	<ul style="list-style-type: none"> ➤ Flexia SIS across Malls and Airports (Primarily Metros and Tier 1) ➤ WearYourShine.com (eCommerce platform) - Penetration across Metro, Tier 1 and Tier 2) ➤ Focused on light weight, everyday wear jewellery 				
<p>Middle and Lower Middle Class</p>	<ul style="list-style-type: none"> ➤ Small Store Format ➤ Smaller local markets, locations where PCJ already has a presence on high street ➤ Focused on gold (primarily) and diamond jewellery 				

Business Updates

Business Updates

➤ Q3 FY2016 has been a very satisfying quarter for us

- ✓ This was primarily owing to the wedding/ festive season coupled with improving sentiments leading to increasing footfalls in our showrooms, launch and aggressive marketing of the unique Abhigyaan Shakuntalam collection. Company has also recently launched a new collection Garland of Love
- ✓ Stable gold prices have helped in the overall demand pickup for jewellery (increasing gold prices lead to deferment of buying decision)

➤ Large Format Showrooms

- ✓ We continue with our focussed expansion initiatives across Metro, Tier 1 and Tier 2 cities
- ✓ As on date, we have opened 8 showrooms (including one franchisee showroom and small store) across 8 cities and 7 states covering an additional area of 33,559 sq. ft. The total retail area under coverage now is 3,46,855 sq. ft.
- ✓ Customers appreciate entry of strong brand like PC Jeweller in Tier 1 and Tier 2 cities like Bhagalpur, Durgapur, Siliguri, Yamuna Nagar, Bhilai, Gwalior, Jamshedpur
- ✓ The operating costs are lower in these places and we are seeing quicker breakeven

➤ Smart Jewellery 'WYSH' launched at the Consumer Electronic Show 2016, Las Vegas

- ✓ PC Jeweller launched its smart jewellery at CES 2016 in technical tie-up with LA based leading tech firm Martian Inc.. PC Jeweller is the first jewellery retailer in the world to introduce smart jewellery
- ✓ Smart jewellery comprises of an electronic module fitted within the jewellery. This jewellery can get synced with mobile device and has various features like – Call Alert, Pedometer, SOS, etc.
- ✓ The product is expected to be launched commercially in Q1 FY 2017

Business Updates (Cont'd)

➤ **Small Stores**

- ✓ We have been working on this model and have launched the first one at Yamuna Vihar in New Delhi (area ~ 1,084 sq. ft.)
- ✓ Small Stores are planned to be set up in cities where we already have our large format showrooms, however, Small Stores will target middle class/ lower middle class jewellery customers who have a limited jewellery budget and are not very comfortable in visiting large format showrooms

➤ **Franchisee Model**

- ✓ We launched our pilot franchisee in Gwalior, MP in Oct 2015. We are keen on this format and are focussing on scaling up
- ✓ We expect to finalize 3 more franchisee locations by end of Q4 FY 2016
- ✓ We are very keen on this highly capital efficient format which gives us an opportunity to leverage on our brand and utilize the infrastructure and resources of local jewellers/ investors
- ✓ Franchisee showrooms will be set up in locations where the Company does not have its own showrooms. The format is asset light for us giving a positive addition to our RoE

Business Updates (Cont'd)

➤ **WearYourShine.com**

- ✓ We continue to see growth in traffic and transactions on WearYourShine.com
- ✓ WearYourShine.com has been evolved into a jewellery discovery platform focussed on curated jewellery. We have already tied up with over 18 brands and continue to be in touch with various brands
- ✓ This festive season has been fairly good till date, we expect a similar performance in Jan/ Feb owing to Valentine season

➤ **Flexia collection**

- ✓ Flexia was developed by us last year and has been a significant success with our customers
- ✓ We are currently selling Flexia jewellery through our showrooms
- ✓ We are now focussing on Flexia as a sub-brand and are evaluating potential independent outlets/ shop-in-shop concept for the brand

➤ **Exports**

- ✓ While we continue to focus all our energies and management bandwidth on domestic retail business, export business has remained a steady business for us

Smart Jewellery 'WYSH' – Select designs



Smart Jewellery 'WYSH' – Press Coverage

CNET is the world's leader in tech product reviews, news, prices, videos, forums, how to's and more.
CNET is the highest-read technology news source on the Web, with over 200 million readers per month, being among the 200 most visited websites globally, as of 2015.

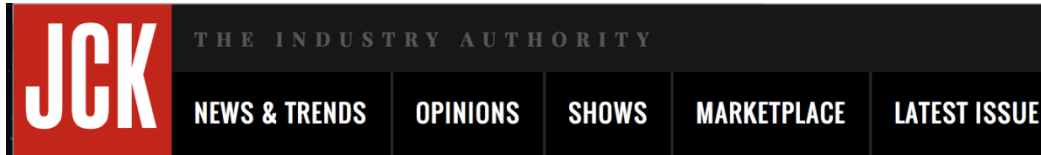
Economic Times is India's Leading Business Newspaper offers Business News, Financial news, Stock/Share Market News, Economy News etc.
 It is the world's second-most widely read English-language business newspaper, after the Wall Street Journal, with a readership of over 800,000.

Wear your tech: Fashion and jewellery at CES 2016 (pictures)
High-end tech
 Even traditional jewellery companies are getting in on the tech trend at CES. With some of the ornate jewellery on the show floor, you'd hardly know there was a smart wearable inside.
 Published: January 7, 2016 1:43 PM PST
 Photo by: Sarah Tew/CNET / Caption by: Claire Reilly
YOU MAY ALSO LIKE
 Clothes at the CES fashion show actually looked pretty normal - CNET

8 innovations we're looking forward to from CES 2016
Smart Jewellery
 13 Jan, 2016
 Martian has tied up with PC Jewellers for making gold and studded smart jewellery which will be showcased at CES 2016.
 The jewellery will use Martian's technology and we expect it will have features like one touch SOS help, anti-theft and GPS tracking.
 Prev Play Slideshow Next

Smart Jewellery ‘WYSH’ – Press Coverage (Cont’d)

JCK magazine is the jewellery industry's leading trade publication in US and the industry authority.



My 5 Favorite Wearables From the Consumer Electronics Show 2016

And a few thoughts on where wearables are headed

Emili Vesilind (author/emili-vesilind) | January 13, 2016 | RETAIL DETAILS

Martian Kindred

Irvine, Calif.-based Martian showed a great range of wearables steeped in classic analog watch design, including the new Kindred—a slim, streamlined notifier watch for women that was among the only “dressy” styles seen at the show (I loved the white leather strap with the rose gold bezel, in particular). The watch (starting at \$125) boasts an unobtrusive notifier light for when calls/texts come in and can also be programmed through its companion app to vibrate in specific patterns to alert the user to specific contacts. “Our customer base was wanting a smaller, more feminine design,” said Tabitha Bailey, media relations manager for Martian. They also wanted a longer battery life—and the Kindred can run up to three weeks on a single battery charge. (Note: Martian is also partnering with retailers to create their own wearables—and is looking for more partners.) India’s PC Jeweller was present in the Martian booth, showing elaborate gold-and-diamond ID-style bracelets that encased a Martian wearable.

Tech Times covers news on technological innovation and how business and technology intersects, influences and impacts different markets and industries to bring about cultural transformation in our lives. It has over 5 million monthly unique visitors globally



TAG CES 2016 , Martian , kindred vip , Smart Jewelry , Martian Smart mVip App

Martian's Smart Kindred Vip Jewelry Is Intense

By Brian Heater, Tech Times | January 9, 9:52 PM




Martian's new line of smart jewelry uses the Smart mVip app along with LED and vibrations that can be customized to notify the user of things like calls from specific numbers. (Photo: Brian Heater | Tech Times)

I really like my Martian smartwatch. It splits the difference nicely between tasteful analog and smartwatch functionality. The company's hoping to recapture some of that magic, while appealing to a new audience, by bringing some of that functionality to a new line of smart jewelry.

The Kindred Vip ties in technology in a very discreet fashion. Gone is the small LCD scroller you'll find on Martian's watches. In its place is a simple LED and vibrations that can be customized to notify the user of things like calls from specific numbers using the new Martian Smart mVip app.

The jewelry features a built-in accelerometer for activity and sleep tracking and a battery that only needs to be recharged every two or three weeks or so. The band is also water resistant. The line includes watches and the pictured jewelry, which was developed alongside PC Jeweller Limited and features actual gold.



Financial Highlights

Financial Highlights - Overall

Q3 FY 2016 Sales: Rs. 2,180.49 crores (19.70% growth over Q3 FY 2015)

Q3 FY 2016 Domestic Retail Sales : Rs. 1,586.03 crores (22.19% growth over Q3 FY 2015)

Q3 FY 2016 PAT: Rs. 146.13 crores (33.69% growth over Q3 FY 2015)

9 mths FY 2016 Sales: Rs. 5,360.72 crores (23.85% growth over 9 mths FY 2015)

9 mths FY 2016 Domestic Retail Sales : Rs. 3,828.95 crores (24.56% growth over 9 mths FY 2015)

9 mths FY 2016 PAT: Rs. 321.83 crores (24.69% growth over 9 mths FY 2015)

Financial Highlights – Overall (Cont'd)

- Overall Sales for Q3 FY 2016 was Rs. 2,180.48 crores (19.69% higher than Q3 FY 2015)
- PAT for Q3 FY 2016 was Rs. 146.13 crores (33.69% higher than Q3 FY 2015)
 - ✓ Excess tax provision to the extent of Rs. 15.45 crores has been written back in this quarter
 - ✓ On an adjusted basis, PAT for Q3 FY 2016 has been Rs. 130.68 crores (19.57% growth over Q3 FY 2015)
- Finance Costs
 - ✓ Finance Costs for Q3 FY 2016 was 2.49% of the total revenue as compared to 3.07% of the total revenue in Q3 FY 2015
 - ✓ This reduction in finance cost is primarily owing to renewal of gold on lease (100% of the gold being purchased now is being procured on gold on lease model)

Financial Highlights – Overall (Cont'd)

Particulars (Rs. Crores)	Q3 FY 2016	Q3 FY 2015	9 months FY 2016	9 months FY 2015
Revenue from Operations	2,180.5	1,821.7	5,360.7	4,328.3
Domestic Retail	1,586.0	1,297.9	3,828.9	3,074.0
Exports	594.5	523.8	1,531.8	1,254.3
Gross Margins (%)				
Domestic Retail (%)	16.06%	17.58%	16.48%	18.22%
Exports (%)	8.22%	9.04%	7.94%	8.48%
Expenses (% of total Revenue)				
Employee Expenses	0.90%	0.82%	1.01%	0.92%
Advertisements	1.01%	1.58%	0.69%	0.91%
Rentals	0.50%	0.56%	0.60%	0.64%
Other Costs	0.72%	0.78%	0.77%	0.78%
EBITDA Margins	10.80%	11.39%	10.96%	12.15%
PBT Margins	8.26%	8.36%	8.09%	8.56%
PAT Margins	6.70%	6.00%	6.00%	5.96%

Financial Highlights - Domestic Retail

➤ Domestic Retail Sales

- ✓ Domestic Sales witnessed a healthy QoQ growth of ~22.2% for Q3 FY 2016 (compared to Q3 FY 2015) to touch Rs. 1,586.0 crores
- ✓ This has been primarily due to stable gold prices and good pick-up in the 9 showrooms opened in FY 2015 and 6 showrooms opened till Q3 FY 2016
- ✓ Of the domestic sales growth of approx. 22.20% (Q3 FY 2016 vs. Q3 FY 2015), approx. 6% is contributed by same store sales growth and remaining by newer stores opened in last one year
- ✓ The volume of the gold sold has increased by approx. 37.05% (from 2,886.40 kg in Q3 FY 2015 to 3,956.09 kg in Q3 FY 2016)
- ✓ The average gold rate during this period declined from Rs. 2,502/ gram (22KT for Q3 FY 2015) to Rs. 2,370/ gram (22KT for Q3 FY 2016), a decline of approx. 5.6%

➤ Domestic Retail Margin Analysis

- ✓ Domestic Gross margins for Q3 FY 2016 were approx. 16.06 % as compared to approx. 17.58% in Q3 FY 2015, primarily owing to
- ✓ a) Decline in gold premiums that were prevalent in Q3 FY 2015. After the relaxation on gold procurement norms, the premiums on gold have nearly disappeared
- ✓ b) Reduction in diamond jewellery contribution (to approx. 29.9% of the total retail sales as compared to approx. 35% in Q3 FY 2015). This is owing to increase in Gold Jewellery sales due to attractive gold rates in Q3
- ✓ On a steady state basis, we expect our domestic gross margins to be in the range of approx.16%-17%

Financial Highlights - Domestic Retail (Cont'd)

➤ **Employee Costs**

- ✓ Employee Cost for Q3 FY 2016 was Rs. 17.92 crores (as compared to Rs. 13.34 crores in Q3 FY 2015)
- ✓ As our retail presence grows and we foray into newer formats, we are actively building teams and required resources

➤ **Advertisement**

- ✓ Advertisement Cost for Q3 FY 2016 was Rs. 22.11 crores (as compared to Rs. 28.87 crores in Q3 FY 2015)
- ✓ As the newer stores have been set up in Tier 1 and Tier 2 locations, advertisement costs are lower in this quarter
- ✓ On a steady state basis, we expect advertisement costs to be approx. 1.5% - 2.0% of the domestic retail sales

➤ **Rental Expenses**

- ✓ Rental Costs have remained steady at Rs. 10.84 crores for Q3 FY 2016 (as compared to Rs. 10.17 crores in Q3 FY 2015)

Financial Highlights - Domestic Retail (Cont'd)

Particulars (Rs. Crores)	Q3 FY 2016	Q3 FY 2015	9 months FY 2016	9 months FY 2015
Revenue	1,586.0	1,297.9	3,828.9	3,074.0
Gross Margins* (%)	16.06%	17.58%	16.48%	18.22%
Expenditure				
Salary	17.92	13.34	48.81	35.14
Salary (%age)	1.13%	1.03%	1.27%	1.14%
Rentals	10.84	10.14	32.22	25.58
Rentals (%age)	0.68%	0.78%	0.84%	0.83%
Advertisement	22.11	28.87	37.07	39.53
Advertisement (%age)	1.39%	2.22%	0.97%	1.29%
Others	14.89	15.01	39.33	33.36
Others (%age)	0.94	1.16%	1.03%	1.09%
EBIDTA	188.95	160.84	473.46	426.49
EBIDTA %	11.91%	12.39%	12.37%	13.87%
PBT	135.23	114.89	346.05	311.85
PBT Margin (%)	8.53%	8.85%	9.04%	10.14%

* including forex gains and losses

Financial Highlights - Exports

➤ Export Sales

- ✓ Export Sales for us have remained flattish - Rs. 594.45 crores in Q3 FY 2016 (as compared to Rs. 523.78 crores for Q3 FY 2015, growth of ~13.49%)
- ✓ We have been in the export business for a fairly long time and focus is only on handmade designer gold jewellery
- ✓ In the past 2 years (owing to 80:20 scheme), to ensure availability of gold for our domestic retail operations, we participated in several global jewellery exhibitions to boost our export sales. Corresponding we have got some good orders for exports
- ✓ However, on a long term, the export market potential for handmade jewellery is limited and we do not we expect much growth – in volume terms or margin terms
- ✓ We continue to focus all our energies and management bandwidth on domestic retail business, which we believe has high growth potential

➤ Export Margin Analysis

- ✓ Margins in Q3 FY 2016 were 8.22% (as compared to 9.04% in Q3 FY 2015)
- ✓ On a steady state basis, we expect export margins to be ~8%

Financial Highlights – Exports (Cont'd)

Particulars (Rs. Crores)	Q3 FY 2016	Q3 FY 2015	9 months FY 2016	9 months FY 2015
Revenue	594.5	523.78	1,531.8	1,254.3
Gross Margins* (%)	8.22%	9.04%	7.94%	8.48%
Expenditure				
Salary	1.78	1.64	5.47	4.85
Salary (%age)	0.30%	0.31%	0.36%	0.39%
Others	0.60	(1.01)	1.96	2.32
Others (%age)	0.10%	(0.19%)	0.13%	0.18%
EBIDTA	46.48	46.72	114.17	99.23
EBIDTA %	7.82%	8.92%	7.45%	7.91%
PBT	44.83	37.44	87.40	58.74
PBT Margin (%)	7.54%	7.15%	5.71%	4.68%

* including forex gains and losses

Showroom Updates

Showrooms opened in FY 2016 till date

Showroom	Area in Sq. Ft.	Opening Date
Bhagalpur, Bihar	6,000	May-15
Durgapur, West Bengal	5,000	May-15
Siliguri, West Bengal	3,600	Jun-15
Yamuna Nagar, Haryana	6,840	Jul-15
Bhilai, Chattisgarh	5,100	Oct-15
Gwalior, Madhya Pradesh (Franchisee)	3,035	Oct-15
Jamshedpur, Jharkhand	2,900	Jan-16
Yamuna Vihar, New Delhi*	1,084	Jan-16

* Opening on 24 Jan 2016

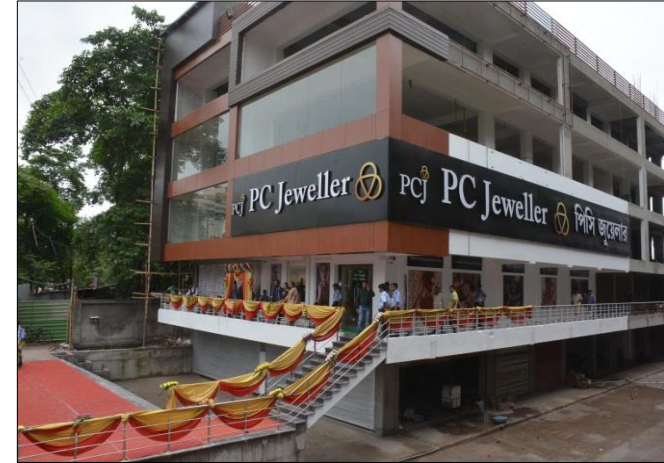
Showrooms opened in FY 2016 till date (Cont'd)



Bhagalpur, Bihar
(6,000 Sq. Ft.)



Durgapur, West Bengal
(5,000 Sq. Ft.)



Siliguri, West Bengal
(3,600 Sq. Ft.)



Yamuna Nagar, Haryana
(6,840 Sq. Ft.)



Bhilai, Chattisgarh
(5,100 Sq. Ft.)



Gwalior, Madhya Pradesh (Franchisee)
(3,035 Sq. Ft.)

Showrooms opened in FY 2016 till date (Cont'd)



Jamshedpur, Jharkhand
(2,900 Sq. Ft.)

Thank You