

Date: 10/07/2015

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

**Sub.: 2nd annual report of Deloitte Touche Tohmatsu Limited
on Global Powers of Luxury Goods**

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

Dear Sir/Madam,

We are glad to inform you that Deloitte Touche Tohmatsu Limited in its 2nd annual report on **Global Powers of Luxury Goods** identified our Company as one of the top 100 luxury goods companies around the world based on publicly available data for the fiscal year 2013 (encompassing companies fiscal years ended through June 2014). According to the report, amongst jewellery and watch companies PC Jeweller was the most consistent high performer, with the highest Compound Annual Growth Rate (CAGR) growth from 2011-13, at 32.3%.

The report also identified the Company as one of the 20 fastest growing luxury goods companies based on CAGR growth from 2011-2013.

Extracts of the report with relevant highlighted portion are also enclosed.

Kindly take the information on record and treat it as compliance under applicable clauses.

Thanking you.

Yours sincerely,

For PC Jeweller Limited

(SANJEEV BHATIA)

Chief Financial Officer *



Encl.: As above

PC Jeweller Limited

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OTHER SHOWROOMS : NEW DELHI: Preet Vihar • Pitampura • Kingsway Camp • Paschim Vihar • Rajouri Garden • South Extn., Part-I • GK - I • UTTAR PRADESH: Ghaziabad • Indirapuram, Distt. Gzb. • Noida • Kanpur • Lucknow • Bareilly • Mathura • Varanasi • HARYANA: Gurgaon • Faridabad • Rohtak • Hisar • Panchkula • Yamuna Nagar • CHANDIGARH: Dehradun • Haridwar • MADHYA PRADESH: Bhopal • Indore • Jabalpur • CHHATTISGARH: Raipur • Bilaspur • BIHAR: Patna • Bhagalpur • JHARKHAND: Ranchi • ASSAM: Guwahati • RAJASTHAN: Jaipur • Jodhpur • Bhilwara • Beawar • Ajmer • Pali • Sri Ganga Nagar • PUNJAB: Amritsar • Ludhiana • GUJRAT: Ahmedabad, C.G. Road • Ahmedabad City (West) • Vadodara • Rajkot • TELANGANA: Hyderabad • KARNATAKA: Bangalore • Mangalore • J & K: Jammu • WEST BENGAL: Kolkata • Siliguri • Durgapur
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20 fastest-growing luxury goods companies, FY2011-2013 CAGR¹

CAGR rank	Top 100 rank	Company name	Country of origin	FY13 luxury goods sales (US\$mil)	FY11-13 luxury goods sales CAGR ¹	FY13 luxury goods sales growth	FY13 net profit margin
1	19	Michael Kors Holdings Limited	Hong Kong	3,311	59.4%	51.8%	20.0%
2	49	Kate Spade & Company (formerly Kate Spade LLC)	United States	743	54.1%	60.9%	n/a
3	43	Tory Burch LLC	United States	900 ^e	35.5% ^e	18.4% ^e	n/a
4	44	PC Jeweller Ltd.	India	886	32.3%	32.5%	6.6%
5	25	Luk Fook Holdings (International) Limited	Hong Kong	2,420	29.6%	46.6%	9.7%
6	24	Chow Sang Sang Holdings International Limited	Hong Kong	2,571	25.6%	34.2%	4.9%
7	55	Christian Louboutin SA	France	611 ^e	23.8% ^e	15.0% ^e	n/a
8	10	PVH Corp.	United States	6,200	22.7%	42.0%	1.8%
9	89	TWIN SET—Simona Barbieri SpA	Italy	236	22.7%	22.8%	1.7%
10	37	Zhejiang Ming Jewelry Co., Ltd.	China	1,382	20.6%	28.6%	1.0%
11	30	Fossil Group, Inc.	United States	1,757	19.6%	22.9%	11.9%
12	100	Richard Mille SA	Switzerland	142	19.1%	17.9%	n/a
13	63	Tumi Holdings, Inc.	United States	467	19.0%	17.3%	11.7%
14	52	Gianni Versace SpA	Italy	636	18.7%	17.2%	2.3%
15	15	Prada Group	Italy	4,776	18.5%	8.8%	17.8%
16	90	Laboratoire Nuxe SA	France	226	18.1%	16.1%	n/a
17	4	Chow Tai Fook Jewellery Group Limited	Hong Kong	9,979	17.0%	34.8%	9.6%
18	35	Pandora A/S	Denmark	1,605	16.3%	35.4%	24.6%
19	27	Christian Dior Couture	France	2,042	16.3%	5.8%	7.3%
20	64	Jimmy Choo plc	United Kingdom	441	15.6%	15.9%	7.5%
Fastest 20* **				41,331	23.1%	30.2%	10.6%
Top 100* **				214,231	9.8%	8.2%	10.3%

Companies in bold type are also among the 20 fastest-growing luxury goods companies in 2012, based on 2010-12 CAGR

*Fastest 20 and Top 100 growth rates are sales-weighted, currency-adjusted composites

**Fastest 20 and Top 100 net profit margins are sales-weighted composites

¹Compound annual growth rate

^e = estimate

Source: Published company data and industry estimates

The three most profitable cosmetics and fragrances companies were L'Oréal Luxe (14.7 percent), Puig (11.7 percent) and Estée Lauder (11.0 percent), whose above average profitability contributed nearly all of this group's profit (95 percent). The three companies with single digit profit margins were counterbalanced by Elizabeth Arden's 12.6 percent loss, and Coty's loss of 1.4 percent. Composite net profit margin for the eight reporting companies in this group was 2.5 percentage points below the Top 100 average, at 7.8 percent.



Jewelry and watch companies turned in a sparkling performance in 2013, with above par or par performance on all measures. This group's leading composite luxury sales growth of 13.5 percent was a full 5.3 percentage points above the average for the Top 100. The product sector had the second largest number of companies in the Top 100, at 31 percent, with a slightly smaller than average size of \$1.8 billion, giving them the second largest share of the Top 100's luxury goods sales, at 26.3 percent. There are three companies with luxury goods sales in excess of \$5 billion - Chow Tai Fook, Swatch Group and Rolex - who together have a 42.9 percent share of this group's sales. Seventeen companies have luxury goods sales below \$1 billion.

The specialist luxury jewelry and watch companies can be loosely split into three sub-sectors:

- Nine Swiss-based luxury watchmakers with iconic global brands
- Eight vertically integrated luxury jewelry groups with extensive retail networks based in China/Hong Kong and India
- Others—fourteen predominantly jewelry companies from all regions, ranging from Graff Diamonds' specialist position claim as "the pinnacle of luxury jewelry", and Mikimoto's global pearl brand, to the "aspirational" luxury of companies such as Denmark's Pandora and Spain's Joyeria Tous

Seventeen of the thirty-one jewelry and watch companies are newcomers to the Top 100, as the scope of this study has been extended with improved data this year, particularly for luxury jewellers. All of the nine top 50 new entrants are jewellers, mainly from China/Hong Kong and India. The leading new company, Hong Kong-based Chow Tai Fook (sometimes called "Asia's Tiffany & Co."), is the fourth largest luxury goods company in 2013.

Fourteen jewelry and watch companies achieved double digit luxury goods sales growth in 2013 - half of them with growth in excess of 20%. The top six performers were all jewelry groups, four of them China/Hong Kong-based, led by Luk Fook with 46.6 percent, and Denmark's Pandora with 35.4 percent. **India's PC Jeweller was the most consistent high performer, with the highest CAGR growth from 2011-13, at 32.3 percent.** Twelve companies reported single digit growth, while five lost sales. The weakest performer in 2013 was also an Indian jewelry group, Gitanjali Gems, whose finished luxury goods sales slumped by 35.4 percent, mainly due to an increase in customs duty and restrictions on gold imports imposed by the Indian government, which led to significant shortages in the supply of gold, and weakening of the Indian Rupee against the US Dollar.

Nineteen jewelry and watch companies reported net profits in 2013, resulting in a composite net profit margin exactly in line with the Top 100 average, at 10.3 percent. Pandora was the overall high performer, with the highest net profit margin of 24.3 percent, as well as the second highest sales growth. Fossil Group also delivered double digit profit margin (11.9 percent) and sales growth (22.9 percent) in 2013. Most companies were profitable, with five companies in total showing double digit profit margins (including Swatch Group at 22.8 percent), thirteen single digits, and only one, Italy's Damiani SpA, making a loss.



The ten **multiple luxury goods categories** companies have by far the largest average size, \$6.8 billion, and have a 31.9 percent share of the Top 100 luxury goods

sales. They include three Top 10 companies, LVMH, Richemont and Kering (whose sales represent nearly two-thirds of this group's sales), and eight Top 20 companies. This is because most of the largest companies have achieved their luxury goods scale by expanding into a range of luxury goods categories. This is a group made up predominantly of European multinationals, with three companies each based in France (LVMH, Kering and Hermès) and Italy (Prada, Salvatore Ferragamo and TOD'S), and one in each of Hong Kong (Michael Kors - although the majority of their sales are in the U.S.), Switzerland (Richemont), U.K. (Burberry), and U.S. (Coach).

The multiple luxury goods group's profit margin of 13.6 percent was the highest of all the product sectors, 3.3 percentage points above the average for the Top 100. With the exception of Kering, all companies achieved double digit profit margins, ranging from Hermès' leading 21.3 percent, Michael Kors' second place 20.0 percent and Richemont's 19.4 percent, down to Salvatore Ferragamo's very creditable 12.7 percent. Three companies increased their profit margin in 2013 - Michael Kors, Burberry and Salvatore Ferragamo. Kering only just stayed in profit, with a margin of 0.4 percent. This big drop from its 11.1 percent profit margin in 2012 was primarily due to restructuring costs as Kering completed its transformation (losses from discontinued operations Groupe Fnac and Redcats, and asset impairment expenses).

2013 composite luxury sales growth of 4.9 percent was much weaker than the outstanding growth (18.6 percent) achieved by this group in 2012, and 3.3 percentage points below the average for the Top 100. Michael Kors was the second fastest growing company in the whole of the Top 100 (see **Fastest 20** section for details) in 2013, with 51.8 percent growth. Burberry also achieved double digit sales growth in 2013, at 16.6 percent. Prada Group (8.8 percent) and Hermès International (7.5 percent) were the next best performers, with Richemont, Kering and LVMH all delivering lower single digit luxury goods sales growth. TOD'S just failed to match last year's sales, while Coach declined by 5.3 percent.