

Media Release

For Immediate Publication

Warburg Pincus invests Rs. 1,200 crores in Kalyan Jewellers for a minority stake

Mumbai, October 20, 2014: Kalyan Jewellers, one of India's most trusted jewellery brands, announced that an affiliate of Warburg Pincus – a leading private equity firm focused on growth investing – has invested Rs. 1,200 crores for a minority stake in the company.

Founded in 1993 and headquartered in Thrissur (Kerala), Kalyan Jewellers is one of the largest jewellery manufacturing and distribution companies in the country. In India, Kalyan Jewellers has an established presence across all major markets in South India, Maharashtra, Gujarat, National Capital Region (NCR) and Punjab. Presently, it has a network of 55 exclusive outlets in India and 6 exclusive outlets in the United Arab Emirates designed to provide customers with a unique and premium shopping experience. Mr. Amitabh Bachchan and Mrs. Aishwarya Rai Bachchan have represented the brand on a national level since 2012.

Kalyan is pursuing a two-pronged approach in both its distribution and product strategies. In the domestic market, the company plans to enhance the number of exclusive outlets in existing markets and also foray into newer regions with an emphasis on the North and the West of the country. Kalyan also plans to rapidly scale up its global presence in the Middle East (foray into Kuwait and Qatar) and South East Asia (foray into Singapore and Malaysia). Kalyan plans to open 28 new outlets in the next six months, enhancing its distribution network significantly. The company's customer-centric approach will be enhanced by offering more choices in the bespoke design segment and strengthening its ability to offer affordable studded jewellery to its consumers.

Highlights of the investment:-

1. The largest private equity investment in the jewellery manufacturing and distribution industry in the country
2. The largest private equity investment into the state of Kerala thus far
3. Eyes Rs. 25,000 crores revenue; foray into new markets; enhanced global presence to drive growth

Axis Capital acted as the exclusive financial advisor to Kalyan.

Mr. T S Kalyanaraman, Chairman and Managing Director, Kalyan Jewellers, said, “We are delighted to welcome Warburg Pincus as our growth partner. Jewellery is one of the largest consumption categories in India, and Kalyan Jewellers has created a unique position as one of the largest and the most trusted jewellery brands in India. We continue to be guided by our core values of integrity, transparency and customer focus that have enabled us to gain our customers’ trust over the past two decades. We look forward to working with Warburg Pincus as we continue to build on our foundation and move onto our next phase of growth.”

Mr. Vishal Mahadevia, Managing Director and Co-head India, Warburg Pincus, said, “Mr. Kalyanaraman along with his sons, Mr. Rajesh Kalyanaraman and Mr. Ramesh Kalyanaraman, and the entire team have undoubtedly built a market-leading brand and an organization of scale. Warburg Pincus’ investment in Kalyan Jewellers is the largest private equity investment into the jewellery industry in India, and is an acknowledgment of the company's highly-talented team, its pioneering role within the industry, and its commitment to the highest levels of customer service. We are excited to partner with the team at Kalyan Jewellers as they continue to grow the business going forward.”

Kalyan has set industry level benchmarks on customer experience, innovations and transparent pricing. Kalyan’s leadership position in the industry is defined by its customer-centric business model that includes many “firsts” such as:

- the first to introduce BIS certification of gold jewellery;
- the first to introduce a customer loyalty program, which today has more than two million members;
- the first to pioneer the use of detailed price tags, thus demystifying making charges and providing increased transparency to customers, which has become a best practice in the industry; and
- the first to introduce the concept of neighbourhood customer service centers in the jewellery industry under the “My Kalyan” brand

Mr. Rajesh Kalyanaraman, Executive Director, Kalyan Jewellers said, “Kalyan Jewellers is a growth story of a home-grown company from the ‘real India’ which has leveraged the capabilities of Indian craftsmanship and built a trusted brand.”

“Kalyan Jewellers is excited about its next phase of growth as we continue to challenge conventional beliefs and practices in the industry and create a strategy which will shift the paradigm in the industry” added **Mr. Ramesh Kalyanaraman, Executive Director, Kalyan Jewellers**.

“This investment by Warburg Pincus reinforces the trust in the Kalyan Brand name and will act as a fillip to the entire industry” said **Dr. Subramanian, Managing Director, Axis Capital**

About Warburg Pincus

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than US\$39 billion in assets under management. Its active portfolio of more than 125 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than US\$50 billion in over 720 companies in more than 35 countries. Affiliates of private equity funds raised by Warburg Pincus have invested about US\$3 billion in Indian companies. The firm's past and current investments in India include Ambuja Cements, Au Financiers, BhartiAirtel, Dainik Bhaskar, Diligent Power, Capital First, Gangavaram Port, Havells, HDFC, Kotak Mahindra Bank, Lemontree Hotels, Max India, Metropolis Healthcare, Piramal Healthcare, and Sintex. The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Port Louis, San Francisco, São Paulo and Shanghai. For more information, visit www.warburgpincus.com.

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