



PRESS RELEASE

FOR IMMEDIATE RELEASE

Sarine Reports Strong Profit Growth in Q2 2016 Record Galaxy™ Family Systems Delivered

- *Group revenues rose 45% to US\$20.9 million and net profit jumped 126% to US\$6.0 million in Q2 2016*
- *Record 20 quarterly deliveries of Galaxy™ family systems expanded total installed base to 253 as of 30 June 2016; recurrent income contributed about 40% of H1 2016 revenues*
- *Balance sheet solid at 30 June 2016 with cash and cash equivalents totaling US\$37.4 million and no debt*
- *The Board declared an interim dividend of US cents 2.0 per share for H1 2016, an increase of 33% over H1 2015*

Singapore, 7 August 2016 – Singapore Exchange Mainboard-listed Sarine Technologies Ltd ("**Sarine**" or "**the Company**", and with its subsidiaries "**the Group**") (U77:SI), a worldwide leader in the development, manufacture and sale of precision technology products for the evaluation, planning, processing, finishing, grading and trading of diamonds and gemstones, today announced strong financial results for the second quarter and half year ended 30 June 2016.

Q2 and 1H 2016 Financial Results Review

As a beneficiary of the continued recovery in the diamond industry, Sarine recorded 45% increase in revenue to US\$20.9 million in Q2 2016. The improvement was underpinned by higher sales of diamond manufacturing equipment and growing recurring revenue generated by the Galaxy™ family inclusion mapping systems, Quazer™ laser cutting and shaping services and annual maintenance contracts. Coupled with the Group's prudent management of operating costs, profits from operations doubled to US\$6.7 million and net profits jumped 126% to US\$6.0 million in Q2 2016. For its half-year 2016 performance, the Group recorded 37% and 154%



increase in revenues and net profits to US\$36.4 million and US\$9.0 million, respectively.

Notably, the Group delivered a record 20 Galaxy™ family systems, comprising 10 new Meteor™ small stone machines, 8 Solaris™ machines and 2 Galaxy™ Ultra systems, to customers in Q2 2016. To put this achievement in perspective, the Group shipped only 25 Galaxy™ family systems for the whole of FY2015. As of 30 June 2016, the installed base of Galaxy™ family systems totaled 253 and recurrent revenue accounted for about 40% of H1 2016 revenue.

To reward shareholders for the strong performance, the Board declared an interim dividend of US cents 2.0 per ordinary share for H1 2016. This is in line with Sarine's dividend policy and represents an increase of 33% over the interim dividend of US cents 1.5 per share for H1 2015.

Prospects

Despite cautious inventory management by diamond manufacturers, traders and retailers, the return of midstream profitability is expected to continue to underpin demand for capital equipment and services in the second half of 2016. With deliveries of a record 20 Galaxy™ family systems to customers in Q2 2016, the Group delivered 38 systems in H1 2016. "Though we expect slightly fewer deliveries in the second half of 2016, primarily due to the Indian Diwali holiday in Q4 2016, we are confident that 2016 will be a record year for Galaxy™ family system deliveries, expanding substantially upon the typical 40+ deliveries realised in the previous years," commented Mr. Uzi Levami, CEO of Sarine.

In the diamond retail industry, sales programs utilising the Sarine Profile™ are creating buzz as more leading retailers in the US and the Asia Pacific (APAC) region adopt Sarine Profile™ to enhance the buying experience of customers for polished diamonds. Some of these early adopters include CIMA from Japan, Shining House, Kela and Hope from China, Soo Kee from Singapore and GN from North America. For the rest of the financial year, the Group will be rolling out expanded programs for existing customers as well as commencing new programs with additional regional and national leading retailers in the US and APAC. In order to support the growing



customer base for recurrent services in these regions, the Group has expanded its marketing team in the Hong Kong regional sales headquarter and is looking to increase both sales and operational staff at the New York office.

This press release should be read in conjunction with Sarine's Q2 and H1 2016 results announcement released on 7 August 2016 to the Singapore Exchange.

About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced evaluation, planning, processing, and finishing systems for diamond and gemstone production. Sarine products include diamond Cut, Color and light performance grading tools, the Galaxy™ family of inclusion mapping systems, rough diamond planning optimisation systems, laser cutting and shaping systems, laser-marking and inscription machines and polished diamond visualisation systems. Sarine systems have become an essential gemology tool in every properly equipped gem lab, diamond appraisal business and manufacturing plant, and are today considered essential items by both diamond dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

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