



PRESS RELEASE

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Sarine Posts Record Performance for Third Consecutive Year

FY 2013 Revenue and Net Profit Grew 20% and 28% to US\$76.4 Million and US\$26.5 Million Respectively

(versus FY2012 on a comparable basis before one-off tax of US\$ 2.6 million on exempt profits for prior periods)

- ***Record full year performance driven by accelerated Galaxy™-related penetration and usage and overall positive business sentiments***
- ***15 Galaxy™ family systems deliveries in Q4 2013 brought full-year deliveries to a record high of 46 systems and expanded total installed base to over 140***
- ***Final dividend of US 2.0 cents per share recommended, so total dividend payout for FY2013 amounts to US 6.0 cents per share; dividend policy for 2014 increased to US 2.0 cents per share every six months***
- ***Marketing efforts for Sarine Light™ expanding to U.S. and additional Far and Southeast Asian countries in 2014; full commercial launch of Sarine Loupe™ expected this year***

Singapore, 26 February 2014 – Singapore Exchange Mainboard listed Sarine Technologies Ltd (“Sarine” or “the Group”) (U77:SI), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products for the planning, processing, evaluation and measurement of diamonds and gems, today announced another set of strong financial results for the fourth quarter and financial year ended 31 December 2013.



Q4 2013 and FY2013 Financial Results Review

Supported by positive business sentiments in the diamond industry, Sarine continued to benefit in FY2013 from increased investments by diamond manufacturers in technology to improve profitability. In Q4 2013, the Group delivered 15 Galaxy™ family systems to customers and its service centres. This brings the full-year deliveries to a record 46 systems and the total installed base to more than 140 Galaxy™ family systems as of 31 December 2013. With accelerated Galaxy™ penetration, overall recurring revenue grew to over 30% of Group sales which saw an improvement of 20% to a record US\$76.4 million in FY2013. During the year, the Group recognised initial, albeit marginal, revenues from the commercialization of Sarine Light™.

Driven by higher revenues and the change in revenue mix towards recurring income, gross profit increased 26% to US\$54.6 million and gross profit margin improved to 71%. On a comparable basis, net profit before income tax expense for prior periods (the Group recorded a one-time US\$2.6 million tax charge due to the release of approximately US\$30 million in exempt profits for prior periods) climbed 28% from US\$20.8 million in FY2012 to US\$26.5 million in FY2013. Even after accounting for the income tax expense for prior periods, the Group still registered a healthy 15% growth in net profit to US\$23.9 million for the financial year in review.

On the quarterly basis, revenues rose 18% to US\$16.7 million in Q4 2013 mainly due to higher Galaxy™-related income. During the quarter, the Group delivered 12 Galaxy™ family systems to customers with the majority of the orders being for the Solaris™ model. Despite the steadily expanding installed base with customers in India, growing demand for Sarine's Galaxy™ inclusion mapping services prompted the Group to deploy an additional Galaxy™ system to its service centre in Surat, India. In addition, the Group also shipped 2 Galaxy™ Ultra systems to the service centres in India and Israel in preparation for the commercial launch of this new model. For Q4 2013, the Group recorded net profit of US\$4.5 million, an increase of 17% compared to the previous corresponding period.

To reward shareholders for the sterling performance, the Board has recommended a final dividend of US 2.0 cents per share, subject to approval at the Annual General Meeting. Including this dividend, the total payout for FY2013 will amount to US 6.0 cents per share, an increase of 33% over the US 4.5 cents per share in FY2012. In addition, the Board seeks to



revise the dividend policy for 2014 and increase the semi-annual dividend by 33% to US 2.0 cents per share. This is subject to the semi-annual Board approval, the Annual General Meeting's approval of the final dividend as well as other relevant business considerations.

Prospects

Sarine expects the macroeconomic environment to remain stable and the Group to benefit from the ongoing positive business conditions. In view of the strong demand for Sarine's products and services, the Group plans to accelerate the delivery of Galaxy™ family systems in 2014. Mr. Uzi Levami, Chief Executive Officer of the Group, commented, "The recurring income stream from our extensive installed base of Galaxy™ and Solaris™ systems has expanded significantly in FY2013 and we foresee this trend carrying on into FY2014." Early in 2014, the Group launched the commercial services of Galaxy™ Ultra in its Indian and Israeli service centres. The services will be extended to additional service centres, along with system deliveries to customers later in the year.

In the current financial year, marketing and sales efforts for Sarine Light™ will be intensified so that more significant revenue contribution from this new product can be expected from FY2015. In addition to marketing efforts in the US, Hong Kong (China), Taiwan and Korea which have already commenced, the Group will expand its roll out to Southeast Asian markets such as Thailand, Malaysia, Indonesia and Singapore. As for Sarine Loupe™, limited introduction to manufacturers in India and wholesale traders in Israel was delayed to the beginning of 2014. The Group expects the product to rapidly gain acceptance upon its full commercial launch later in 2014. Other new products from Sarine include the Instructor™ 3.0 software which was launched in January this year as well as the upgraded version of the Advisor™ software and the new DiaMension Axiom™ platform which are scheduled for release later in 2014.

This press release should be read in conjunction with Sarine's FY2013 results announcement released on 26 February 2014 to the Singapore Exchange.



About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced planning, evaluation and measurement 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 optimisation systems, laser cutting and shaping systems and laser-marking and inscription machines. 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://sarine.com/>.

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