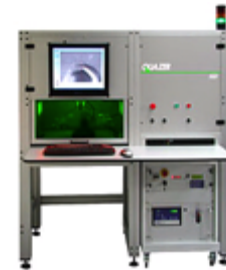


Sarine Technologies Ltd.

Corporate Presentation

February 2014



INSPIRE CONFIDENCE

Disclaimer

This presentation may contain statements regarding the business of Sarine Technologies Ltd and its subsidiaries (the "Group") that are of a forward looking nature and are therefore based on management's assumptions about future developments. Such forward looking statements are typically identified by words such as 'believe', 'estimate', 'intend', 'may', 'expect', and 'project' and similar expressions as they relate to the Group. Forward looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to numerous factors.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, interest rate changes and regulatory developments. Such factors that may affect the Group's future financial results are detailed in our listing prospectus / circulars, listed in this presentation, or in the management discussion and analysis section of the company's result report and filing with the SGX. The reader is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements. We will announce all material information about the Group on the SGXNET in accordance with the rules of the SGX-ST Listing Manual.

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Agenda

- ◆ Executive Summary
- ◆ Results Update
- ◆ New Products Update
- ◆ Trends & Prospects
- ◆ Appendices
 - ◆ Business Overview
 - ◆ Products



Executive Summary

- ◆ Sarine is the global leader in the development and provider of solutions for the evaluation, planning, manufacturing and finishing of rough diamonds and is now launching systems and services which could significantly change the wholesale and retail polished diamond trade
- ◆ FY2013 revenue and profit grew 19.8% and 27.6% to US\$76.4m and US\$26.5m respectively over FY2012 (on a comparable basis before a one-off US\$2.6m tax charge for exempt profits from prior periods)
- ◆ Total installed base of Galaxy™ family systems increased to just over 140 as of 31 December 2013 and recurring revenue accounted for over 30% of group revenue in FY2013
- ◆ Current marketing efforts for Sarine Light™ in the US, Hong Kong (China), Taiwan and Korea will expand to Southeast Asian markets in 2014



Results Update



5-Year Results Summary 2007 – 2013

(excluding 2008 & 2009, years impaired by the GCF)

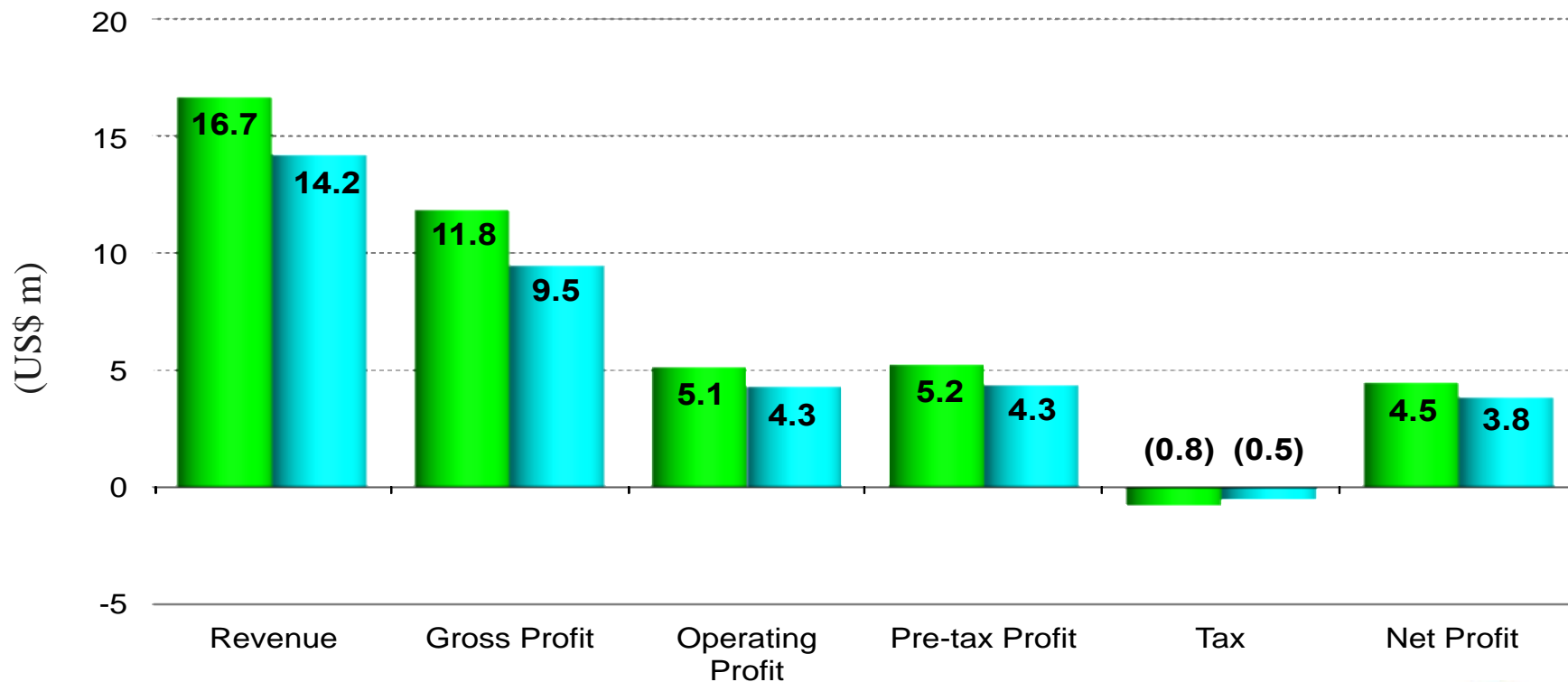
(US\$'000)	FY2007	FY2010	FY2011	FY2012	FY2013
Revenues	37,123	45,663	57,803	63,750	76,369
Gross Profit	24,402	29,350	38,281	43,388	54,583
Net Profit**	8,010	11,111	17,366	20,755	26,475
Gross Profit Margin	65.7%	64.3%	66.2%	68.1%	71.5%
Net Profit Margin**	21.6%	24.3%	30.0%	32.6%	34.7%
Cash and investments (no debts)	25,270	28,270	33,946	36,787	33,059
EPS (US cents, fully diluted)*	2.49	3.30	5.12	6.03	6.87
Annual Dividend (US cents)*	1.32	1.60	2.60	4.50	6.00

*Adjusted for bonus issue in May 2012

** On a comparable basis before one-time tax for prior periods (exempt profits)

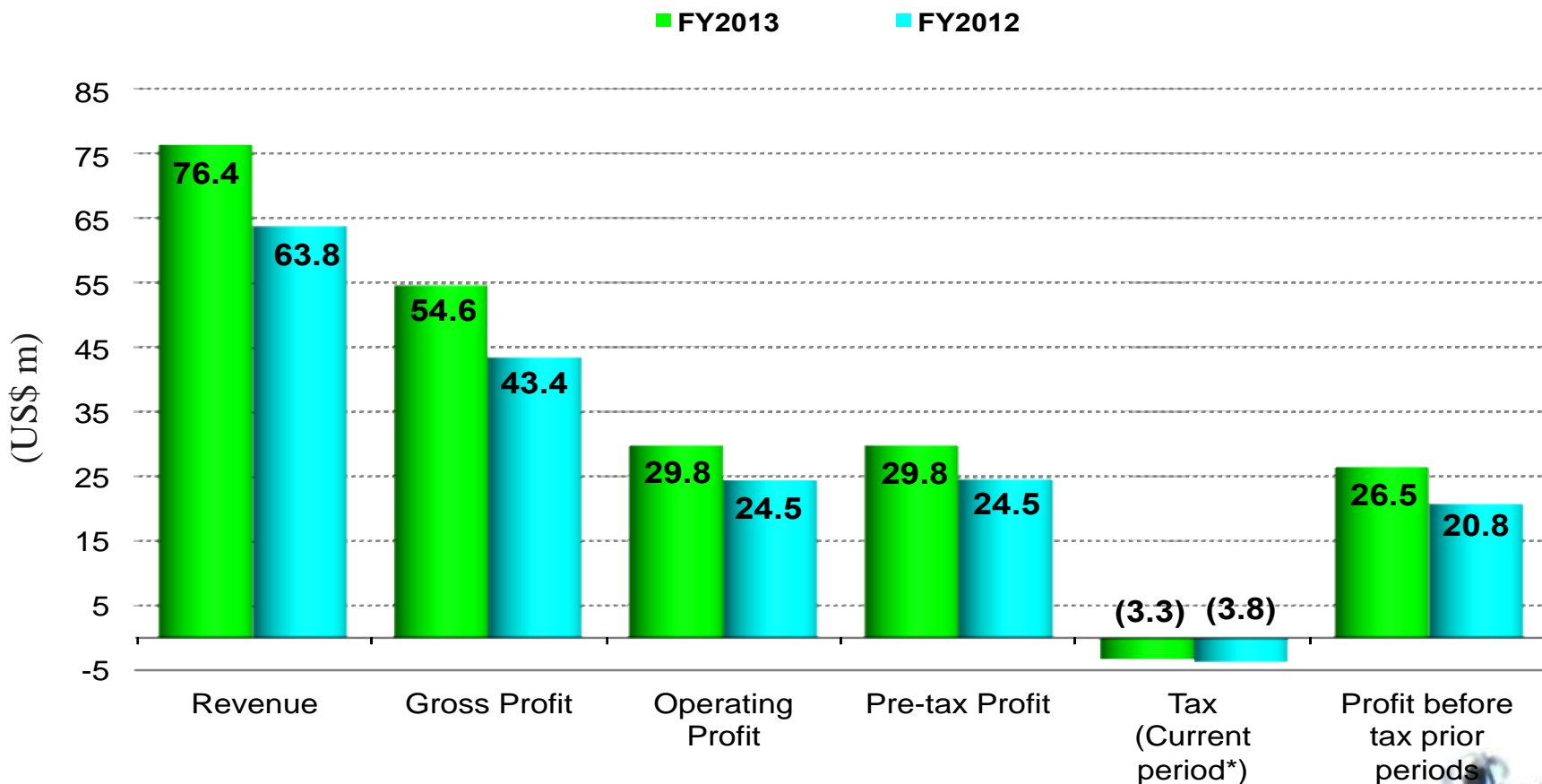
Q4 2013 Results Summary

■ Q4 FY2013 ■ Q4 FY2012



% change	+ 18%	+ 25%	+ 20%	+ 21%	+ 50%	+ 17%
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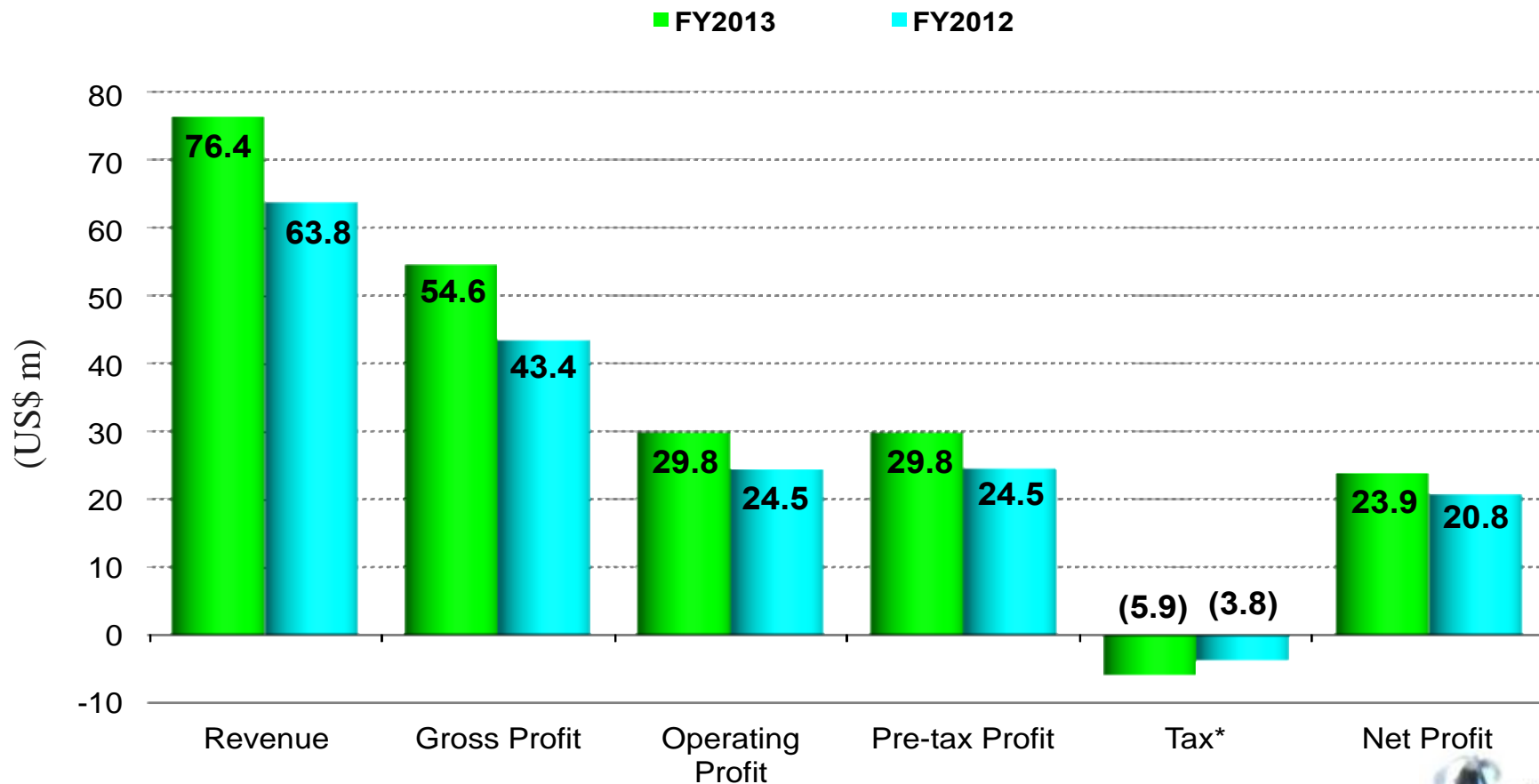
FY 2013 Results Summary



% change	+ 20%	+ 26%	+ 22%	+ 22%	(11%)	+ 28%
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(*Tax expenses for current period exclude a one-off US\$2.6m tax charge for the release of exempt profits for prior periods)

FY 2013 Results Summary (cont'd)



% change	+ 20%	+ 26%	+ 22%	+ 22%	+ 57%	+ 15%
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(*FY2013 tax expenses include a one-off US\$2.6m tax charge on exempt profits for prior periods)

Q4 and FY2013 Results Highlights

- ◆ Sarine achieved record performance in FY2013 with revenue of US\$76.4m, profit before one-off tax charge of US\$26.5m and net profit of US\$23.9m
- ◆ The Group delivered 15 Galaxy family systems in Q4 2013, bringing full year deliveries to record 46 systems and total installed base to over 140; overall recurring revenues accounted for over 30% of FY2013 Group sales
- ◆ Higher revenue and the change in income mix towards recurring revenues resulted in improvement in gross profit margin to 71%
- ◆ Q4 2013 revenue and net profit grew 18% and 17% to US\$16.7m and US\$4.5m respectively
- ◆ Strong balance sheet as of 31 December 2013 with cash and bank balances totaling US\$33.1m and no debts

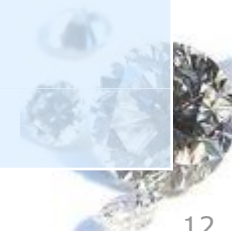


Revenue Breakdown by Geographical Segments

Region	FY2013 (US\$' 000)	FY2012 (US\$' 000)	% Change	% Share (FY2013)
India	58,446	48,789	+ 20%	77
Africa	3,785	4,871	(22%)	5
Europe	2,033	1,661	+ 22%	3
N. America	821	1,102	(26%)	1
Israel	4,136	3,150	+ 31%	5
Other	7,148	4,177	+71%	9
Total	76,369	63,750	+ 20%	100.0

Strong Balance Sheet

(US\$ millions)	31 Dec 2013	31 Dec 2012
Non-current Assets	20.4	15.3
- Property, plant & equipment	10.7	5.5
- Intangible assets	8.4	9.2
Current Assets	61.2	52.5
- Inventories	8.5	6.8
- Trade receivables	15.8	7.4
- Cash & bank deposits	33.1	36.8
Current Liabilities	13.9	11.1
- Trade payables	3.3	2.0
Non-current Liabilities	0.4	0.6
- Long term liabilities	0.2	0.4
Shareholders' Equity	67.3	56.1



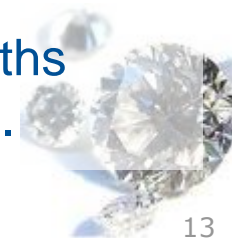
Dividend

US cent/share	FY2013	FY2012	FY2011 (adj*)	FY2011
Interim	1.50	1.25	1.00	1.25
Special interim	2.50	2.00	0.80	1.00
Final	2.00**	1.25	0.80	1.00
Total	6.00	4.50	2.60	3.25

* Adjusted for 1-for-4 bonus issue effected in May 2012

** Pending Annual General Meeting approval

- Total dividend payout for FY2013 (including special) was about 87% of the year's net profit (or just over 77% of net profit for the year before the income tax expense for prior periods)
- FY2014 dividend policy: US 2.0 cents per share every six months subject to Board approval, AGM approval and other conditions.

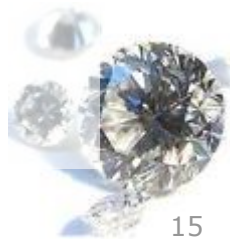


New Products Update



Galaxy™ Family Rollout

- ◆ Demand for Galaxy™ family of products remains strong in all major industry centres
- ◆ From just over 95 at year end 2012, the Group has increased total installed base to just over 140 systems as of 31 December 2013
- ◆ The Group is capitalising on the ongoing lack of meaningful competition for inclusion mapping systems in the market to deepen Galaxy™ penetration
- ◆ Commercialisation of Galaxy™ Ultra has commenced in India and Israel and additional rollout and sales to customers can be expected during 2014



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Optimal Planning with Galaxy™ Inclusion Mapping

The screenshot displays the Sarine software interface for diamond planning. The main window shows a 3D model of a rough diamond with various colored planes overlaid, representing different cutting strategies. The total weight is 30.819ct. (30.819ct.). The cut part weight is 0.000ct. and the angle is 82.4° with a re-align of 0.00%. The dimensions are (L:15.68mm W:12.94mm H:17.13mm). The interface includes a menu bar (Stone, Planes, Planning, Polish, Reports, Tools, Help) and a toolbar with various icons. A 'Part Planning' panel on the right lists different cutting options with their respective weights and grades.

Part	Weight	Grade
AGL	Very Good	
180 deg	Manual	
GIA	Excellent	
180 deg	Manual	

Part	Weight	Grade
Saw5-2	8.966ct	SARIN EX1
D	IF Basic	
Saw5-2	5.671ct	SARIN EX1
D	IF Basic	
Pie5-1	5.452ct	SARIN EX1
D	IF Basic	
Pie5-3	3.964ct	SARIN EX1
D	IF Basic	
Pie5-5	2.165ct	SARIN EX1
D	IF Basic	

Note unique Strategist™ & Quazer™ II pie-cut sawing



DiaMension™ Axiom / Instructor™

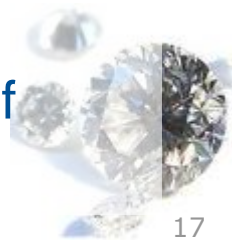
◆ DiaMension™ Axiom

- ☞ Quantum leap in proportion measurement and symmetry grading of polished diamonds
- ☞ Symmetry grading new business opportunity as previously only done manually

◆ The Instructor™ software product

- ☞ For the ongoing quality control of the actual polishing process as the polished diamond is faceted
- ☞ Unique capability of providing instructions on necessary corrective actions and/or possible asymmetric enhancements
- ☞ Enhanced handling of fancy shaped diamonds to counter competition

- ◆ These products are expected to continue to drive the growth of Group's polished diamond grading product line



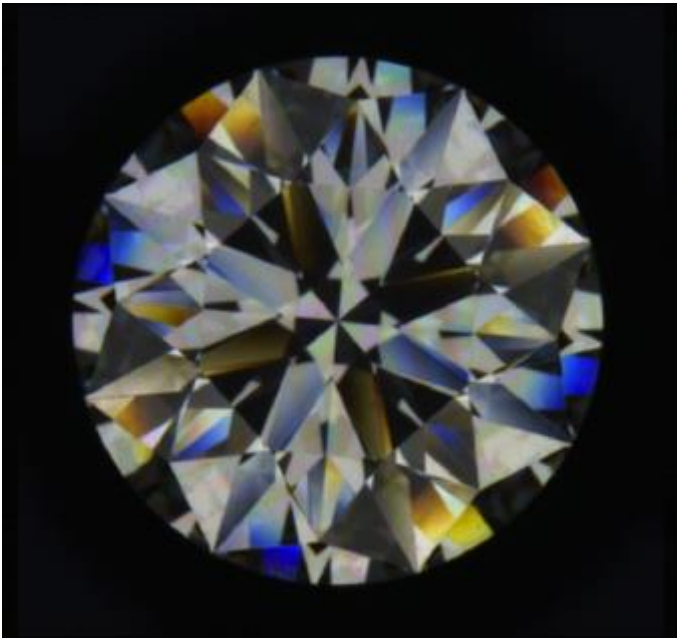
Sarine Light™

- ◆ With increasing demand for prettier diamonds, Light Performance parameters (brilliance, fire, scintillation/sparkle and symmetry) are becoming accepted as understandable consumer-oriented criteria
- ◆ In December 2010, Sarine acquired the Light Performance Technology (LPT), a system that enables the automatic, independent and accurate measurement of a polished diamond's appearance
- ◆ In April 2013, CIMA, a leading bridal diamond jewellery chain in Japan, launched Sarine Light™ Light Performance grading reports for polished diamonds in all its stores
- ◆ Subsequently, an esteemed diamond manufacturer adopted the Sarine Light™ Light Performance grading system
- ◆ The Group has launched Sarine Light™ in the US and Far East markets (Hong Kong/China, Taiwan and Korea); marketing efforts will be expanded to Southeast Asian markets (Thailand, Malaysia, Indonesia and Singapore) later in 2014

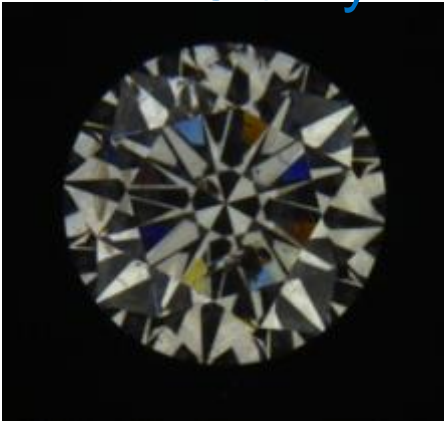


Sarine Light™ Imagery

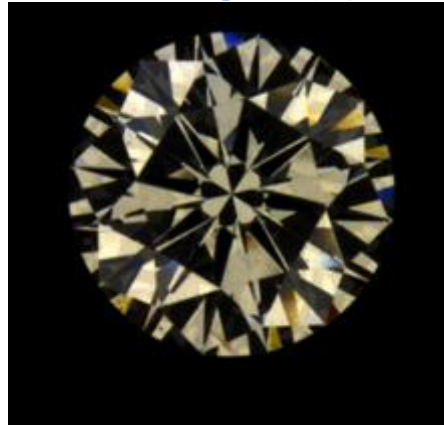
Perfect stone -
high Clarity,
Colour and
Cut grades



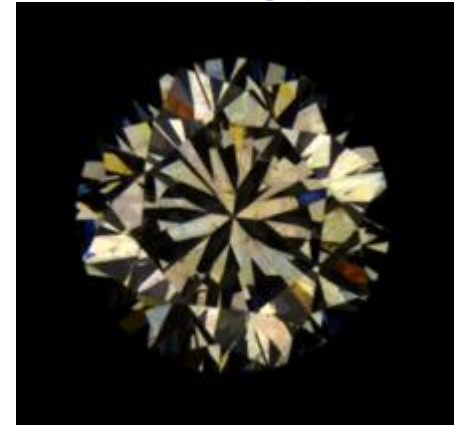
Low Clarity



Low Colour

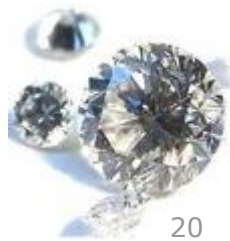


Low Cut



Sarine Loupe™

- ◆ An imaging system that captures a polished diamond, including its internal features, in simulated three dimensions
- ◆ Enables buyers to view it, as if with a traditional loupe, from a multitude of angles and at varying magnifications, without having the polished diamond physically in hand
- ◆ Expected to significantly simplify the buying process of polished diamonds by reducing costs and time involved for both buyers and sellers
- ◆ Sarine Loupe™ has been introduced to a limited number of Indian manufacturers and Israeli wholesale traders; full commercial launch scheduled later in 2014



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Sarine Loupe™ Imagery of Included Stone



Prospects



Prospects

- ◆ Given the immediate tangible benefits of Sarine's unique technology and the ongoing lack of meaningful competition, the Group is confident of deepening the market penetration of the Galaxy™ family systems
- ◆ Galaxy™ and Solaris™ inclusion mapping enhances demand for Sarine's planning products and contributes to the consolidation of the Group's leading market share for manufacturing products
- ◆ New products such as Sarine Light™, Sarine Loupe™ and similar services (e.g., DAS) address the wholesale and retail trade of polished diamonds – a significant new market segment that is expected to add to the Group's recurring revenue base
- ◆ The Group seeks to broaden offerings for polished diamonds as well as for semi-precious gemstones manufacturing to increase sales, recurring revenue and overall profitability



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Growth Drivers for Recurring Revenue

Important Catalysts to Future Growth

- ◆ Deliveries of additional Galaxy™ family systems for rough diamond inclusion scanning and mapping to customers
- ◆ Increased adoption of Sarine Light™ and commercial launch of Sarine Loupe™

Benefits to Sarine

- ◆ Expand Sarine's potential markets to the retail segment of the diamond industry
- ◆ Broaden the Group's revenue base into polished diamond trade
- ◆ Increase the recurrent portion of the revenue stream for the Group



Business Overview



Business Overview

Established in Israel in 1988, Sarine is a **global leader** with **proprietary technology** specifically designed for and applied to the diamond industry

Market Focus

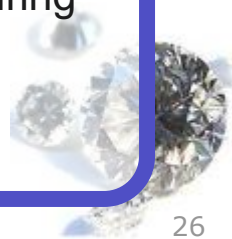
Major centres of diamond manufacturing and wholesale and retail trading worldwide: India, China and southern African countries (S. Africa, Botswana, Namibia), Belgium, Israel, Russia, USA and Hong Kong

Business Focus

Development, manufacture and sales of precision technology products and services that revolutionise diamond manufacturing, and the wholesale and retail trade

Adoption of Technology

The need for technology is driven by pressures on manufacturing margins, increasing consumer sophistication and demand for better and prettier diamonds and retail chain positioning and branding efforts



Diamond Industry Value Chain



Miners	De Beers concentrates ~ 45% of rough diamonds worldwide; Botswana; Russia; Zimbabwe; Australia; Canada; others
Manufacturers	India accounts for > 80% of all stones; Southern Africa (S. Africa, Botswana and Namibia) emerging as important centre
Gemmological Laboratories	Strategic customers setting industry standards
Wholesalers	Belgium, Israel, USA, Hong Kong
Retailers	<ul style="list-style-type: none">• USA > 40% of global retail diamond market• Hong Kong is second largest market (~25%)• Chains gaining in importance over shops



Diamond Industry Value Chain

Our products increase profits at all stages of the diamond trade from purchase of rough stones to sale of polished diamonds

Value of Market in US\$ in 2012

\$13.4
billion

**Rough
Diamond
Mining
Output**

\$15.5
billion

**Rough
Diamond
Sales**

\$20.7
billion

**Polished
Diamond
Output**

\$72.1
billion

**Retail Sales
of Diamond
Jewellery**



Sarine's Value Proposition

Challenges

- Need to increase industry players' profits
- Address issues of quality and beauty

Sarine's Solutions

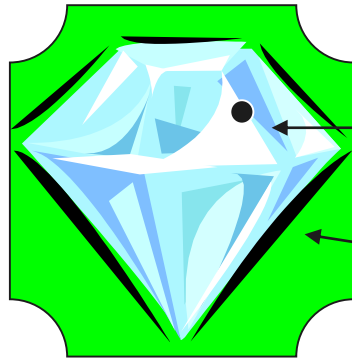
- Maximise profit from rough diamonds
- Grade quality and beauty polished diamonds according to 4Cs and light performance
- Solutions to affirm and enhance branding

Sarine's Expertise

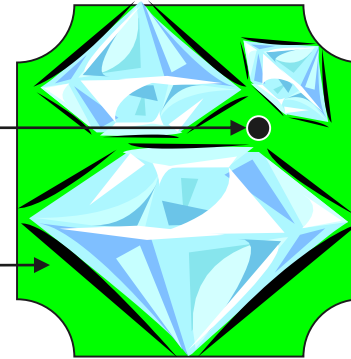
Proprietary precision mechanics, optics, electronics, laser and colour technology with sophisticated software in computerised systems

Inclusion Mapping

Diamond with Inclusion



Diamonds without Inclusion



Inclusion

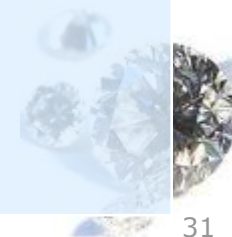
Planned diamonds

- ◆ Diamonds without inclusions can be worth up to 10x more
- ◆ No cost effective automated inclusion mapping system existed in the market until the introduction of Galaxy™ 1000
- ◆ Galaxy™/Solaris™ offer automated, comprehensive and accurate mapping of inclusions within rough and polished diamonds in a far shorter time compared to currently available techniques



Inclusion Technologies Before Galaxy™ 1000

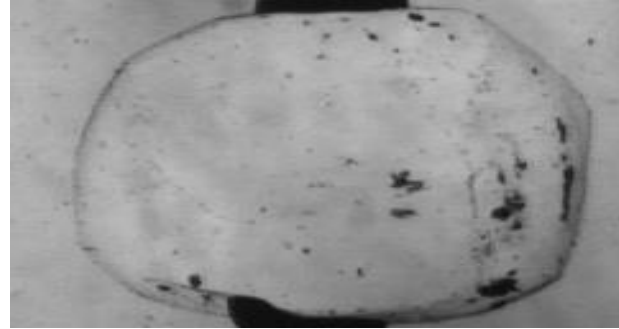
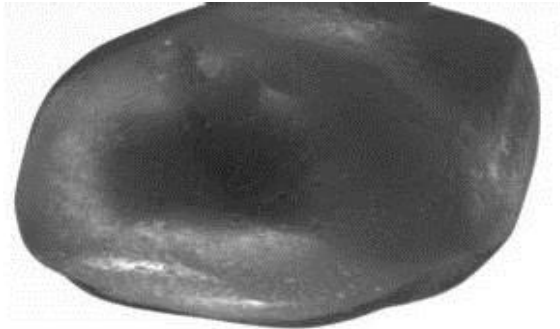
Technology	Suppliers	Disadvantages
Manual Inclusion Charting	Sarine and others	<ul style="list-style-type: none">● Needs windows opened in stone● Done by expert personnel● Limited success on complicated inclusions● Limited to larger inclusion sizes● Very long (hours/days per stone) process
X-Ray	Others	<ul style="list-style-type: none">● Expert personnel required - not all inclusions easily detected, often many “false positives”● Relatively long process (hour +)● High cost



Galaxy™ / Solaris™

Automated Inclusion Mapping Technology

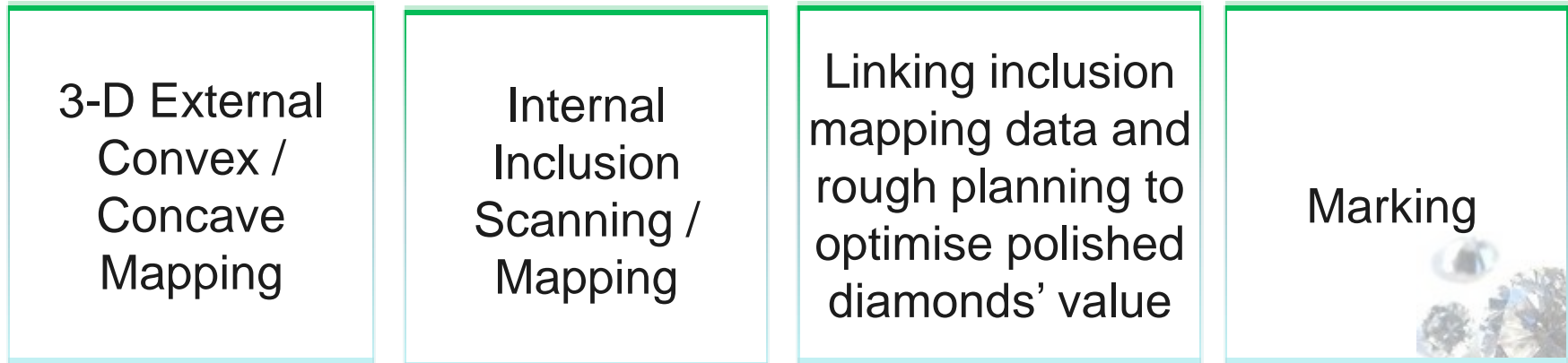
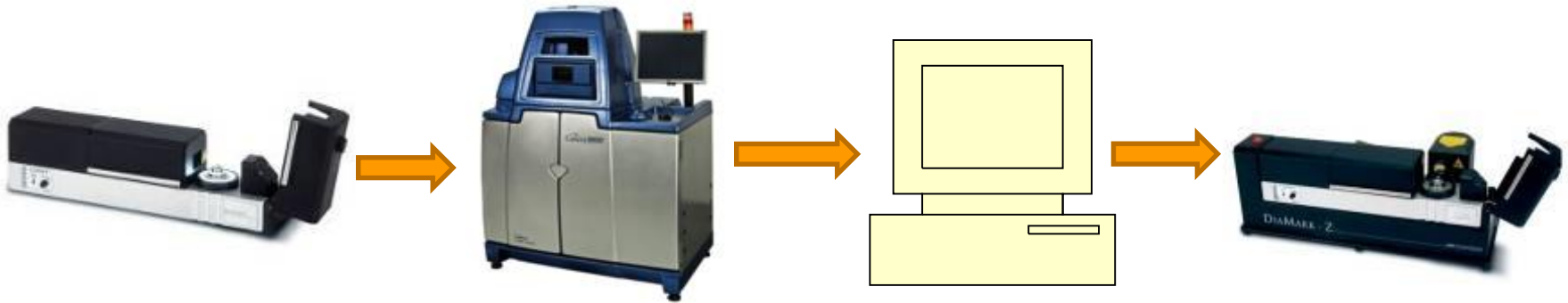
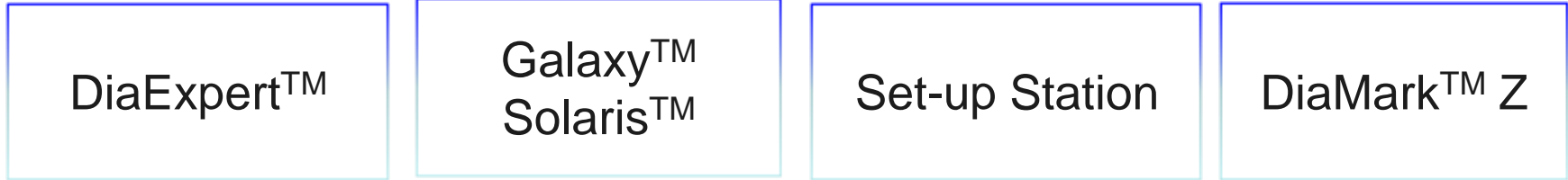
How opaque becomes transparent



- ◆ No need to preprocess the rough diamond (no “windows”)
- ◆ Supports most types of stones (even thin mineral-coating)
- ◆ Automatic; little user-expertise required
- ◆ Identifies all types and most sizes of inclusions
- ◆ Relatively fast operation (minutes)
- ◆ Cost-effective



Galaxy™ / Solaris™ in Planning



Products



Rough to Polished Diamond Flow



Sarine Products and Services



Galaxy / Solaris



DiaExpert Eye/
DiaExpert Atom



DiaMark-Z



Advisor



Strategist
&
Quazer Green
Laser System



DiaScan S+



DiaMension
Axiom



DiaScribe



Sarine Light



Instructor
3.0



Instructor
3.0



Sarine Loupe



Products Introduced Over the Years

2008 & prior	2009	2010	2011	2012 & beyond
<ul style="list-style-type: none"> ➤ DiaMension™ ➤ DiaExpert™ & Eye / Nano ➤ DiaMark™ & Z ➤ DiaScan™ S+ ➤ DiaScribe™ ➤ Quazer™ ➤ Colibri™ 	<ul style="list-style-type: none"> ➤ Galaxy™ 1000 / 2000 ➤ DiaMension™ HD ➤ DiaMobile™ XL ➤ Instructor™ 	<ul style="list-style-type: none"> ➤ Solaris™ 100 ➤ DiaExpert™ Nano 6.5 ➤ Quazer™ II ➤ Strategist™ 	<ul style="list-style-type: none"> ➤ Galaxy™ HD ➤ DiaMark™ HD 	<ul style="list-style-type: none"> ➤ Galaxy™ XL ➤ Galaxy™ Ultra ➤ DiaExpert™ Atom ➤ DiaMension™ Axiom ➤ Sarine Light™ ➤ Sarine Loupe™

Competitors

Diamond Planning & Grading Products	Laser Sawing & Cutting Products
<p>OctoNus (Russia) High-end rough planning and polished evaluation equipment; teamed with Lexus in India for sales</p> <p>Sahajanand Technologies (Surat, India) Former Sarine distributor in India; markets rough planners for low and medium range applications</p> <p>Sahajanand Laser Technology (Ahmedabad, India) Low-end rough planning equipment</p> <p>OGI Systems (Israel) Price player with international presence</p>	<p>Synova (Switzerland) High-end, fast, safe green lasers; extremely expensive (\$600K - \$1M price tag)</p> <p>Soenen (Belgium) Quazer copy; very low market presence</p> <p>Laxmi (India) Low-cost/low-end green laser without cutting/shaping capabilities</p> <p>S.O.S. (India) Mainstream infra-red (IR) laser supplier</p> <p>Sahajanand Technologies (India) Low-end/low-cost IR laser; broadest presence</p> <p>Sahajanand Laser Technology (India) Low-end/low-cost IR laser; wide presence</p> <p>OGI Systems (Israel) Some market presence with a laser</p>
<p>Combined market share of competitors for diamond planning & grading products is still smaller than Sarine's (~70+%)</p>	



Thank You

Q & A

