



PRESS RELEASE

FOR IMMEDIATE RELEASE

Sarine Reports Revenue of US\$ 36.1 Million and Net Profit of US\$ 2.1 Million in 9M 2015

- *Total installed base of just over 200 Galaxy™ family systems as at 30 September 2015; recurring revenue accounted for half of 9M 2015 revenue*
- *Balance sheet remained solid with strong cash position of US\$31.8 million as of 30 September 2015*
- *Initial trial programs for Sarine Profile™ have commenced with leading brick and mortar as well as online retailers; more launch customers are expected to commence trial programs throughout November in preparation for the US and Far East holiday seasons*
- *Beta introductions of new derivative functionalities of Sarine Light™ and Loupe™ can be expected in Q4 2015 after Indian Diwali holiday*
- *Initial Allegro™ service centre to open in Jaipur, India, on 16 November 2015*

Singapore, 08 November 2015 – 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 its financial results for the third quarter and nine months ended 30 September 2015.



Q3 and 9M 2015 Financial Results Review

As cautioned by the Group previously, business conditions in the diamond manufacturing industry deteriorated as various market challenges persisted during Q3 2015. Unsustainable disparity between rough and polished diamond prices, coupled with existing polished inventory resulting in significantly reduced quantities of new rough diamonds entering the midstream, resulted in lower Galaxy™ processing revenues and reduced demand for the Group's capital equipment. Limited working capital due to lesser availability of credit also affected some diamond manufacturers. Against this backdrop, the Group recorded a substantial decline in revenue and net profit to US\$36.1 million and US\$2.1 million respectively for 9M 2015.

With only one Galaxy™ family system delivery in Q3 2015, the Group's installed base of Galaxy™ family systems remained stable at just over 200 systems as of 30 September 2015. Recurring revenue accounted for half of 9M 2015 revenue. As for Q3 2015, the Group saw a 53% decrease in revenue to US\$9.5 million, an operating loss of US\$0.7 million, less than half that forecast in the Group's guidance of October 1, and a net loss of US\$1.4 million. Nevertheless, the balance sheet of the Group remained strong as at 30 September 2015 with short-term investments, cash and cash equivalents amounting to US\$31.8 million and no debt.

Prospects

Notwithstanding the short-term market challenges, Sarine remains committed to the development of its future growth drivers, namely, offerings for the polished diamond trade, enhanced rough diamond inclusion scanning and planning systems as well as the Allegro™ system to support non-diamond gemstone manufacturing. The Group has been actively marketing Sarine Profile™ and is encouraged by the adoption of this new product by leading brick and mortar as well as online retailers in the US and the Far East under initial trial programs.

"We are seeing the adoption of Sarine Profile™ in varied formats. Some launch customers are using all the offered features while others have opted for various



subsets. Some retailers are integrating the Sarine Profile™ experience only into their in-store selling process, others only into their online platforms and some into both," commented the Group's CEO, Mr. Uzi Levami. With the upcoming holiday season, the Group expects more of these programs to commence throughout November 2015. The Group continues to expand the capabilities of Sarine Profile™ and incorporate program-specific enhancements requested by customers. The following links offer a glimpse of the expanded capabilities of the Sarine Profile™, both in digital report <http://api.sarine.com/viewer/v1/139D33GQHY/HUNUGUTH6S> and widget display <http://api.sarine.com/viewer/v1/139D33GQHY/MEGAY7TRAF> formats.

The Group is also focusing R&D efforts on the development of new derivative functionalities for Sarine Light™ and Sarine Loupe™. The new Sarine Light™ functionality essentially 'fingerprints' diamonds based on their generated light pattern. With Sarine Loupe™, the Group is developing an automated method for advanced Clarity fine sorting which will provide manufacturers and traders with refined information on the specific nature and location of the grade-critical inclusions in polished stones. Beta introductions of these new functionalities can be expected from Q4 2015 after the Diwali holiday in India. In addition, the Group will open its initial Allegro™ service centre in Jaipur, India, on 16 November 2015. Expansion of the Jaipur service centre and opening of additional service centres in Israel, South America and Thailand are expected in 2016.

This press release should be read in conjunction with Sarine's Q3 2015 results announcement released on 08 November 2015 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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