



PRESS RELEASE

FOR IMMEDIATE RELEASE

Sarine Achieves 82% Revenue Growth to US\$17.3 Million and Net Profit of \$4.0 Million in Q3 2016

- *Business conditions continue to improve with positive renewed consumer demand for polished diamonds, robust supply of rough diamonds at economically viable prices and absence of inventory overhang*
- *Record 22 deliveries of Galaxy™ family systems, of which 21 were to customers and a Galaxy™ Ultra to Indian service centre to meet strong demand for high-end services*
- *Sarine's breakthrough automated Clarity evaluation and grading technology, as well as its new advanced automated Colour classification technology, will strengthen the Group's comprehensive offerings for polished diamonds*
- *With a similar business model to the Galaxy™ products, these new technologies are expected to expand the Group's recurrent income in FY2017*

Singapore, 13 November 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 third quarter and nine months ended 30 September 2016.



Q3 and 9M 2016 Financial Results Review

Sarine recorded 82% revenue growth to US\$ 17.3 million on the back of increased manufacturing equipment sales and higher recurring revenue in Q3 2016. The growth was broad-based across most geographical segments as business conditions continue to improve with positive renewed consumer demand for polished diamonds in key markets, robust supply of rough diamonds at economically viable prices and the absence of inventory overhang. The growth in revenue boosted gross profit by 97% to US\$ 11.8 million and gross profit margin improved to 69%. Consequently, the Group reversed the net loss of US\$ 1.4 million in Q3 2015 and recorded a net profit of US\$ 4.0 million in Q3 2016.

During the quarter, Sarine deployed a record 22 Galaxy™ family systems, comprising 12 new Meteor™ small stone machines, 7 Solaris™ machines, 2 Galaxy™ Ultra machines and 1 Galaxy™ system. One of the Galaxy™ Ultra systems was deployed to the Group's service centre in India to meet strong demand for these high-end services. As of 30 September 2016, the Group has an installed base of 275 Galaxy™ family systems.

For the nine months ended 30 September 2016, Group revenue rose 49% to US\$53.6 million, of which 40% was recurrent in nature. Net profit for the period surged significantly by 515% to US\$ 13.0 million, compared to US\$ 2.1 million in the previous corresponding period.

Prospects

The Group expects its performance to benefit from the continued healthy developments in the diamond industry. With a record 60 Galaxy™ family systems delivered in the first nine months of 2016, the Group is on track to expand substantially upon its previous annual record of 48 deliveries in 2014. In addition, recurring income from polished diamond trades is likely to expand as additional Sarine Profile™ programs are expected to launch by retailers in the US and Australia in Q4 2016.



On 10 November 2016, the Group announced its new and groundbreaking technology to provide automated, objective and consistent Clarity measurement and grading for the diamond industry. This breakthrough in Clarity technology will significantly simplify, expedite and refine the process of Clarity grading, and hence polished diamond sorting and sourcing, much the same way that Sarine's DiaMension™ family of systems and Axiom transformed the global diamond industry's espousal of Cut measurement and grading. In addition, the Group has also developed a new advanced computerised Colour evaluation technology. The combination of these two new capabilities will broaden the Group's existing offerings for polished diamonds with revolutionary new products and services for Clarity and Colour grading. Following the commencement of advanced large-scale testing of both technologies in India, the Group targets the commercialisation of these new services from the middle of 2017. "The business model for these new offerings is expected to be similar to our Galaxy™ services and should expand our recurring revenues and improve our gross and operating margins," commented Mr. Uzi Levami, the CEO of Sarine

This press release should be read in conjunction with Sarine's Q3 and 9M 2016 results announcement released on 13 November 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 essential gemology tools 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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