

DAMAS JEWELLERY LLC



Background

Established in 1907, Damas Jewellery LLC is one of the largest retail jewellery outlet chains in the world with an annual turnover of over US\$ 900 million. It has a retail network of over 285 stores across four continents and sixteen countries including U.S.A, Italy, Lebanon, Jordan, Maldives, Turkey, Egypt, India and all the GCC countries.

Jointly owned by Tawfique Abdullah, Tawhid Abdullah and Tamjid Abdullah, Damas is professionally managed and supported by well-developed systems and processes. Its strong focus on customers and a committed work force have contributed to the emergence of Damas as the world's leading jewellery retail chain. Its brand value is enhanced by celebrity endorsements from megastars like Claudia Schiffer, Amitabh Bachchan and Arab Pop Singer Nancy Ajram. The key to its success has been a visionary creativity, an inspirational leadership, a dedicated workforce and a lot of sincere hard work.

The business segments in which Damas operates include

- Jewellery including rings, chains, bracelets, pendants, bangles, necklaces and earrings
- Watches
- Accessories including cufflinks, key chains, pins and clips, pencils, pens and objects of art.

With an array of high-end brands and its own exclusive private labels, Damas is strongly associated with luxury and has the value

proposition of 'Luxury Wrapped in Trust'. Internationally, it retails over 100 international brands of jewellery and watches of leading international luxury brands like Roberto Coin, Scavia, Mikimoto, DanielK, Faberge, Carrera Y Carrera, Van Cleef & Arpels, Parmigian and Chronoswiss. In addition Damas offers over 20 inhouse brands such as Harmony, Al Mantorah, Dibla, Damas Solitaire and Varotti, created by a team of experienced jewellery designers.

Presence in India

Damas ventured into the Indian market for the first time in 2003 when it formed a 50-50 Joint Venture, D'Damas with Gitanjali Gems Limited to manufacture and market a range of jewellery in India and abroad. In August 2005, Damas launched their flagship store in Bangalore. The Bangalore experience reinforced their belief in the potential of the Indian market and immense opportunities that are on offer. Within a short period of 5 months since then, Damas opened seven showrooms and within the end of the next financial year (2006-07) intends to open about thirty plus showrooms. The highly personalised service and its policy of building relationship with trust are sought to be replicated in the Indian market.

Indian market offers tremendous opportunities for Damas

The jewellery market is amongst the fastest growing sectors in India - the gold jewellery market is growing at 15% per annum and the diamond jewellery market at 27% per annum. The Indian

jewellery market is pegged at over US\$ 12 billion making it the second largest in the world, next only to the USA. The market however, is largely fragmented and unbranded, with the unorganised segment (family jewellers) accounting for more than 96 per cent of the market share by value. In contrast, branded jewellery accounts for less than 4 per cent, primarily because branded Jewellery is a relatively new concept in India.

Branded jewellery has, however, found a niche for itself in the extremely competitive Indian market by positioning Jewellery as a fashion statement rather than an investment opportunity. The volumes and values of the future are also expected to come from this repositioning of jewellery as a fashionable luxury item. The market for branded jewellery is growing at a tremendous rate of 20-30 per cent annually, and it is estimated that the Indian branded jewellery market would cross US\$ 2 billion by 2010.

Damas group with its strong brand equity is well poised to take advantage of this enormous opportunity offered by the Indian gems and jewellery market.

Success factors

Today, Damas has become synonymous with 'International quality jewellery at affordable prices' selling hope, beauty and dreams in its stores. Damas has been successful in segmenting the market and customising its products to suit the needs of each segment. Through aggressive marketing it has created more occasions jewellery wearing and more occasions of Jewellery purchase. Damas introduced different brands for everyday wear, party wear (special occasion wear) and bridal jewellery - all targeted at different consumer groups with fashion being the main theme. Also recognising the importance of festival occasions in Indian society, Damas has created more occasions for purchase by aggressively marketing festival days like Diwali, Dussehra, Akshaya Tritiya, Karva Chauth

and Varalakshmi Vratam as noble occasions for jewellery purchase. Adaptation to local conditions has been the secret of Damas's success.

Future Plans

Damas intends to set up about 30 exclusive showrooms in India by the end of the financial year. Damas has tied up with UAE based Duty Free Trading Company Flamingo International to offer its portfolio of Jewellery and luxury watch brands at three major international airports - Jaipur, Thiruvananthapuram and Chennai. The company sees huge growth potential in the Indian duty free market because of increase in number of budget airlines and privatisation of airports.