



PRESS RELEASE

FOR IMMEDIATE RELEASE

Sarin Achieves New Heights with Record Performance in FY2012

**Revenues +10% to US\$63.8 million and
Net Profit +20% to US\$20.8 million**

- ***Galaxy™-related recurring revenue grew approximately 50%; overall recurrent income expanded to over 25% of Group revenue in FY2012***
- ***With the delivery of eight Galaxy™ family systems in Q4 2012, total installed base of Galaxy systems increased to just over 95 at year end; Group targets to increase pace of deliveries in 2013***
- ***First commercial launch of Sarine Light™ agreed upon with a significant diamond jewellery retail chain in Asia and initial deployment can be expected in early Q2 2013***
- ***Final dividend of US cent 1.25 per share is declared, so total dividend payout for FY2012 amounts to US cents 4.50 per share; dividend policy for 2013 increased to US cents 1.50 every six months, an increase of 50%, adjusted for May 2012 bonus issue***

Singapore, 17 February 2013 – Singapore Exchange Mainboard listed Sarin Technologies Ltd (“Sarin” 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 a sterling set of financial results for the fourth quarter and financial year ended 31 December 2012.



Q4 and FY2012 Financial Results Review

Following the diamond industry downturn in Q3 2012, reduction in rough diamond prices and stabilisation of polished diamond prices in Q4 2012 led to an improvement in the general sentiment. Buoyed by overall positive business conditions in 1H 2012 and renewed diamond manufacturing activity in India in Q4 2012, the Group saw higher demand across most geographical regions and registered 10% growth in revenue to a record US\$63.8 million in FY2012. During the year, the Group accelerated Galaxy™ related penetration and increased Galaxy™ related recurring revenue by approximately 50%. Consequently, the proportion of recurrent income grew to over 25% of total revenue for the year. The change in revenue mix also lifted gross profit margins from 66% in FY2011 to 68% FY2012. With higher revenue and gross profit margin, net profit rose 20% to US\$20.8 million in FY2012 and marked a new record in the Group's history.

In Q4 2012, the Group delivered seven Galaxy™ family systems to customers and one Galaxy™ XL to the service centre in South Africa. This raised the total installed base of Galaxy™ family systems to just over 95 as of 31 December 2012. Notwithstanding the respectable rebound in revenue on a quarterly sequential basis, Q4 2012 revenue of US\$14.2 million was a marginal improvement over the previous corresponding period last year. Due to lower gross profit margin, additional business development expenses associated with new products, including Sarine Light™ and Sarine Loupe™, as well as higher third party commission, net profit for the fourth quarter declined 20% to US\$3.8 million compared to Q4 2011.

To reward shareholders for the strong performance, the Board has declared a final dividend of US cent 1.25 per share, subject to approval at the Annual General Meeting. Together with the mid-year interim dividend of US cent 1.25 per share and the special interim dividend of US cents 2.00 per share announced in December 2012, total dividend payout for FY2012 would amount to US cents 4.50 per share. This translates to an increase of 73% over the total dividend payout of US cents 2.60 per share (adjusted for the 1-for-4 bonus issue effected in May 2012) for FY2011. Going forward, for 2013, the Board has decided to increase the dividend policy to US cents 1.50 every six months, an increase of 50%, adjusted for May 2012 bonus issue, subject to semi-annual Board approval, the Annual General Meeting's approval of the final dividend and subject to business conditions, financial results, other pre-empting uses of funds, statutory and tax issues, etc.



Prospects

Given the improvement in overall business sentiment of the diamond industry from Q4 2012, the Group is positive of its prospects in FY2013. "With the exception of the Euro zone, the economies in most regions, including China, India and, to a lesser extent, in the US, are likely to grow in 2013. We have also noted favourable trends such as continued robust demand for luxury goods and increased appetite for diamond consumption by the growing middle classes in China and India. Going forward, we expect diamond manufacturers to continue their investment in Sarin's products and technology so as to benefit from increased productivity," commented Mr. Uzi Levami, Chief Executive Office of the Group.

Galaxy™ related business will remain Sarin's main growth driver in FY2013. The Group expects to increase the pace of deliveries of Galaxy™ family systems in 2013. This increased pace of delivery of Galaxy™ systems will boost recurring revenue significantly in 2013. Towards the end of 2012, the Group introduced a new microscopic quality system, Galaxy™ Ultra (Ultra High Definition). The system will be made available in Sarin's service centres in Israel and India in Q2 FY2013, followed by other service centres later in the year.

The Group has also made good progress in its effort to commercialise Sarine Light™ and Sarine Loupe™. Following the initial commercial agreement with a significant retail chain of diamond jewellery in Asia, the Group is working towards the initial deployment of Sarine Light™ systems with this customer in early Q2 FY2013. The commercial arrangement is based on a recurring usage fee charged per Light Performance report generated. Other leading retail chains and gem labs in Asia as well as other markets have expressed interest in this new product and are in various stages of testing and evaluating the unique capabilities of Sarine Light™. The Group foresees the conclusion of additional agreements with other customers throughout 2013. As for Sarine Loupe™, an additional pilot test is commencing in India and Israel and the commercial launch of Sarine Loupe™ system can be expected later in 2013.

This press release should be read in conjunction with Sarin's FY2012 results announcement released on 17 February 2013 to the Singapore Exchange.



About Sarin Technologies:

Established in 1988, Sarin Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced planning, evaluation and measurement systems for diamond and gemstone production. Sarin 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. Sarin 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 Sarin and its products and services, visit <http://www.sarin.com>.

For more information about Sarin and its products and services, visit <http://www.sarin.com>.

Contact

Cyrus Capital Consulting Mr. Lee Teong Sang Principal Consultant Tel: +65-9633 9035 Fax: +65-62546811 E-mail: teongsang@cyrus.com.sg	Sarin Technologies Ltd Akiva Caspi VP of Marketing and Business Development Tel: +972-9-7903500 Ext. 152 Fax: +972-9-7903501 E-mail: akiva.caspi@sarin.com
--	---