

MARKET REPORT

VOL. 2, NO. 1 MARKET INTELLIGENCE FOR THE U.S. RETAILER AND WHOLESALER WINTER 1999

IADC Announces New Directory

The Indo Argyle Diamond Council (IADC) announces the availability of its 1999 directory, which will be inserted into the February issue of *Modern Jeweler* magazine. Unlike most industry directories, which simply list an association's members, the IADC Directory is a hands-on, easy-to-use reference for any buyer who is thinking about buying jewelry that features small diamonds.

With a brand new design created by *Modern Jeweler* that highlights the craftsmanship of IADC member jewelry, the 1999 IADC Directory is every buyer's

one-stop guide to buying jewelry from India. IADC members offer the highest quality and unbeatable prices with the convenience of a full-service New York office.

The 28-page directory is chock-full of valuable information, including a listing of U.S.-registered trademarks for each IADC member, marketing material and information on doing business in India.

The new directory features a fashion layout of diamond and colored stone jewelry manufactured by IADC members. The jewelry highlighted includes bridal,

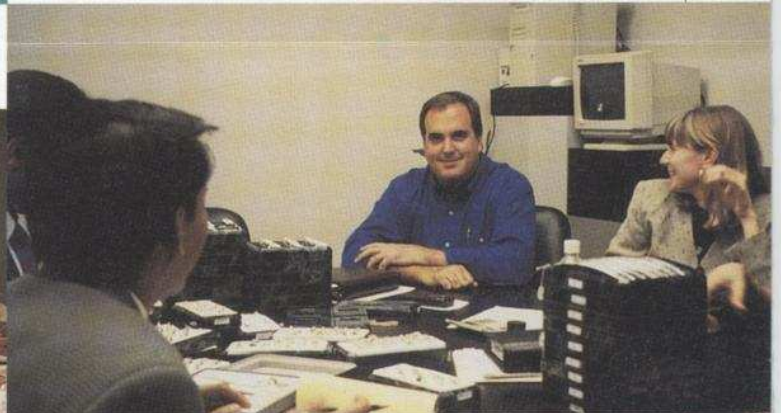
diamond fashion jewelry, colored gemstone and diamond jewelry as well as platinum styles. Platinum and colored stone jewelry are a new focus for the IADC for 1999.

With a page devoted to each member, the IADC Directory offers complete contact information for each location of the company and a description of the company and its merchandise.

The IADC Directory is available through any IADC member or by contacting the IADC headquarters at 800-797-IADC (4232).

Attn. Retailers and Wholesalers

IADC Can Come to You



Above, from left: Amish Doshi, Atul Kothari of Jewelex and Keith Dillmeier (in blue), Darlene Smith of Jan Bell Marketing. Left, from left: Ollie Keene, Yvonne Gentile, Trudy Gorenc, Mark Binfet of Helzberg Diamonds.

Buyers around the country are discovering one of IADC's best-kept secrets: IADC Vendor Days™. IADC Vendor Days are designed to give a buyer an introduction to the IADC membership and the services the IADC can provide. These can be one- or two-day events with all or just a select group of members attending. The meetings are held at the buyers' convenience in their corporate offices. What makes this different from any ordinary sales call is that IADC organizes the entire visit.

"Vendor Days are convenient. Nobody else visits as an organized group," says Ollie Keene, Vice President/Merchandise Manager of Helzberg Diamonds, North Kansas City, Mo. Eight IADC members recently visited this 200-store national chain over two days, and he says he appreciated the organized effort made by IADC.

Dale Perelman, President of King's of New Castle, Pa., saw 10 IADC members during his two-day IADC Vendor Days event. Based on that experience, Perelman, who was

already working with two IADC members, has developed a relationship with two more. He featured two items in King's November mailer, and also used the IADC logo, "You were meant to wear diamonds®," which is designed to help promote the sales of multi-stone diamond jewelry.

"The whole day was handled very professionally," says Perelman, who heads a 40-store regional chain. "The IADC has a strong commitment to backing up a vendor relationship. I think their business has grown because of it."

With the dual opportunities of the Exclusive Viewing Shows™ and the IADC Vendor Days buyers have a number of convenient opportunities to take advantage of what the IADC has to offer. **Buying from India has never been easier. Let IADC prove it to you!**

To find out more about IADC Vendor Days, contact Johanna Trotter at 800-797-IADC (4232).

MVI MARKETING LTD. PRESENTS

Indo Argyle Diamond Council

New location at JCK Las Vegas: IADC Pavilion 22091

MVI MARKETING LTD.SM
presents the
**Indo Argyle
Diamond Council**

In an effort to develop a U.S. market for jewelry manufactured in India, MVI Marketing Ltd. in 1993 created the Indo Argyle Diamond Council. IADC acts as both an association for Indian jewelry manufacturers and a buying resource for retailers and wholesalers. Prior to this, in 1990, MVI introduced and created a market for Champagne Diamonds®, a marketing effort that forever and completely changed the consumer and trade's perception of this product.

Today, with its extensive knowledge of the jewelry industry, MVI Marketing Ltd. is uniquely positioned to assist any company seeking to expand its business in the United States or conduct business in all parts of the world.

BUSINESS HOURS: 8:30 a.m. to 5:30 p.m., PST, Monday-Friday

ADDRESS: 470 S. Beverly Drive, Beverly Hills, CA 90212

PHONE: 800-797-IADC (4232)

FAX: 310-284-8319

E-MAIL: iadc98@aol.com

CONTACT: Johanna Trotter or Judi Shechter-Lankford



MVI MARKETING, LTD.SM
The Market Intelligence Company®

MVI Marketing Ltd., presenter of the IADC program, is the jewelry industry's innovative provider of expert, reliable and cutting-edge information, and the industry's leading resource for exclusive marketing products and services.

As a marketing consulting firm working exclusively in the jewelry, gem, and watch industries, MVI serves a wide spectrum of related companies throughout the world. MVI has demonstrated an ability to work effectively with a wide range of businesses, from large multinational corporations requiring international market launch programs to independent retailers seeking innovative techniques to enhance the growth of their businesses. Visit our web site at www.mvimarketing.com.

**Be sure to visit the Indo
Argyle Diamond Council's
new location at the JCK Las
Vegas Show on the second
floor: IADC Pavilion 22091.**



Retailers around the country are testing Champagne Diamond® fashion jewelry in early spring for Mother's Day. Because contrast is the key to Champagne diamond jewelry, styles that feature white and Champagne diamonds as well as dark and light diamonds are popular, offering a strong fashion statement at attractive prices.

destination: **India**

India is the largest diamond center in the world and the IADC can make it easy for buyers to include India as a destination on their next buying trip. In fact, adding India to an Asian or European buying trip is a smart business decision, due to the many benefits of buying in India, such as consistent quality, excellent design and attractive price points. In addition, the IADC offers its assistance for every aspect of the trip.

The IADC recommends that the best months for travel to India—in terms of weather—are October through March. The hotels in Mumbai (Bombay) are completely modern, and the five-star hotel restaurants are excellent.

The IADC provides a number of valuable services that take care of the many details involved in the trip:

- Confirmed appointments with IADC members at their jewelry manufacturing operations or their loose diamond sales offices
- Assistance with securing travel visas
- A car and driver to transport buyers to appointments
- An escort to appointments, if requested
- Passes for travel in and out of the SEEPZ area, the jewelry manufacturing zone near the airport
- Follow-up on orders placed, upon request
- Five-star hotel reservations using IADC's corporate discount rate

India's jewelry and diamond industries, open Monday through Saturday, 9:30 a.m. to 6:30 p.m., are mainly located in two areas. The loose polished diamond companies are based in a section of downtown Mumbai called Opera House. Finished diamond jewelry factories are located in the SEEPZ area near the airport. The traveling time between SEEPZ and the Opera House is about one to two hours in heavy traffic. IADC advises that buyers who plan to visit jewelry manufacturers in SEEPZ should stay in IADC-recommended hotels situated 15 minutes from the airport and 15 minutes from SEEPZ. Buyers who plan to visit loose diamond offices are advised to stay in an IADC-recommended hotel in downtown Mumbai.

With its low labor costs, efficient factories and sophisticated technology, India has become the supplier of first choice for buyers seeking diamond jewelry. **Buying from India has never been easier. Let IADC prove it to you!**

DIAMOND Jewelry Tops Holiday Sales

It was a shiny and profitable Christmas for retail jewelers this year, thanks to the many diamond trends—including bezel setting, pavé setting and antique reproductions—that topped holiday sales for most stores.

Bezel setting that features multiple small stones, popular in necklaces, pendants, earrings and bracelets, was an especially strong trend this year. As a result, such retailers as Helzberg Diamonds, Ben Bridge, Zale Corp. and Rogers Ltd. devoted large amounts of catalog space to bezel-set jewelry. Holiday sales were strong for traditional round diamonds in bezel settings accented with other diamond shapes such as baguettes and princess cuts. Bezel setting was popular not only in yellow gold, but also in white gold, platinum and, following another new trend, two-tone gold.

Pavé setting was another design trend that was ringing up sales in stores around

the country. Pavé setting is popular because it allows a large diamond look at reasonable prices as it uses smaller diamonds. As holiday sales proved, this design trend is popular in all jewelry categories, from the huggie hoop earring and pavé bangles to pavé anniversary bands in all widths and configurations. One of the hottest styles this year was pavé ball pendants and earrings. Pavé heart pendants were also good sellers.

Two-tone jewelry, a big seller throughout the holiday, has proved its strong potential for future growth, in both ladies' and men's jewelry. Two-tone, which has a white gold base accented by yellow gold, has become especially popular. Although the two-tone trend began in the fashion jewelry category, its popularity has expanded into bridal jewelry and pendant chains.



Antique reproductions were the surprise of the selling season. Reviving 19th century Victorian, Edwardian and Art Deco styles, antique reproductions include both copies of old designs and modern interpretations of the themes from that era. Antique reproductions were popular in all product categories, especially crosses in white or two-tone gold. Four design elements that define this trend are engraving, beading, scrollwork and filigree. In addition, nature themes, including flowers, butterflies, insects and animals, are in great demand.

White gold continued to maintain its explosive growth, although yellow gold is



still the most popular metal. This trend is an offshoot of the growing demand for platinum product. White gold has moved beyond basic designs into more fashionable items. The white gold cross was an important item, whether it was channel-set, pavé or antique reproduction. White gold engagement rings, wraps and ring guards were new this year and also popular this holiday season.

Top photo: Bezel-set styles, clockwise, starting at top: bracelet by Chubbs Diamonds, necklace by Uni-Creation, ring by JBR, and two rings by Bombay/Bharat Diamond. Middle photo: Rings, left to right: Chubbs Diamonds, Kama Jewellery, Su Raj Jewellery, three by Titan Jewellery, and Kama Jewellery. Bottom photo: Two-tone gold, clockwise, starting at top: bracelet by Sanghavi Diamonds, ring by FabriGem Creations, earrings and ring by Jewelex New York, ring by FabriGem Creations, ring by Uni-Creation, ring by Sanghavi Diamonds, and earrings by FabriGem Creations.

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EGG-STRAORDINARY *Display at IADC Pavilion*

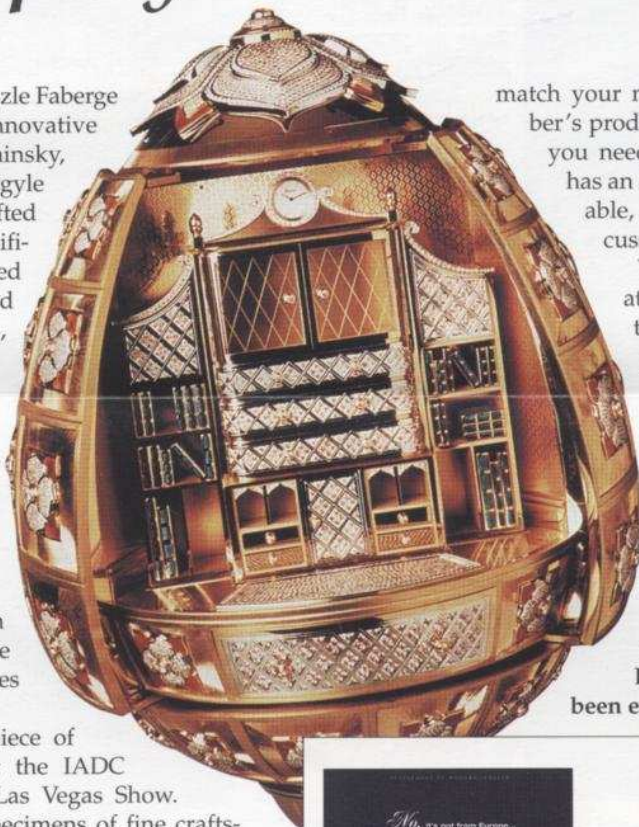
In a tour-de-force that would dazzle Faberge himself, the respected and innovative London jewelry house, Kutchinsky, has created the awe-inspiring Argyle Library Egg. Hundreds of handcrafted components went into this magnificent object d'art, which is fabricated entirely of 18k gold and embellished with 435 carats of white diamonds, and 348 carats of incomparable Argyle pink diamonds—20,000 diamonds in all.

Traditional Faberge eggs always held a surprise; the Argyle Library Egg, too, has more than an extraordinary exterior. Inside the egg is a library filled with 18k gold and enamel-spined books, a writing desk with drawers that open, and a private picture gallery. The interior revolves electronically to reveal each room.

You can see this remarkable piece of old-world craftsmanship only at the IADC Pavilion 22091 at the June JCK Las Vegas Show. Afterward, you can view other specimens of fine craftsmanship and beauty offered by IADC members.

All 18 IADC members will be on hand offering a wide selection of high-quality jewelry set with round, baguette and princess-cut diamonds. IADC members are committed to producing platinum jewelry at affordable prices; half of the membership are now working in platinum. Color is another new focus, with many IADC members offering great new designs in color and diamonds.

IADC member prices are very competitive which means savings you can pass on to your customers. But you'll save time, too, by visiting the IADC Pavilion 22091. By seeing a group of manufacturers together in one spot, you can fill out your basic product line at competitive prices—in one stop. IADC staff can help you



match your needs to the appropriate member's product. So you see just the product you need to see. Every IADC member has an individual booth and a comfortable, confidential office area to discuss your purchases.

Visiting the IADC Pavilion 22091 at the JCK show is like a mini-trip to India. By the time you leave, you'll have seen the best India has to offer. You'll have your fall buying planned, with high-quality, popular designs at competitive prices. And IADC membership is your assurance of quality and hassle-free purchasing. Each IADC member maintains a U.S. office that takes care of all importation and quality control issues.

Buying from India has never been easier. Let IADC prove it to you!

MVI MARKETING
LTD. PRESENTS

*Indo
Argyle
Diamond
Council*



1999 IADC Directory Now Available

Whether it is bridal or fashion jewelry, colored stones or diamonds, gold or platinum, you'll find what your customer is looking for in the 1999 Indo Argyle Diamond Council (IADC) Directory. Each page in this easy-to-use reference showcases a different member's product, describes the company, and gives you contact information. Information on doing business with Indian manufacturers is included as well.

For your copy, contact any IADC member or call IADC at 800-797-IADC (4232). **Buying from India has never been easier. Let IADC prove it to you!**

New location at JCK Las Vegas: IADC Pavilion 22091

Wisdom from
India's Great
Humanitarian

**Mahatma Gandhi
(1869-1948)**

*Confession of error is like a broom
that sweeps away dirt and leaves
the surface cleaner than before.*

*If we could erase the 'Y's and the
'Mine's from religion, politics,
economics, etc., we shall soon be
free and bring heaven upon earth.*

*We may fall and stumble, but shall
rise again; it should be enough if we
did not run away from the battle.*

*There come to us moments in life
when about some things we need no
proof from without. A little voice
within us tells us, "You are on the
right track, move neither to your left
nor right, but keep to the straight
and narrow way."*

India in High (Tech) Gear

The reality of business in India today is far different from the image held by many outside the country, that India engages in archaic business practices. India's reputation for technology and cutting-edge production is growing. For example, many American high-tech computer software and hardware companies are relocating to India, where highly-skilled and educated labor is available. They are finding that Indian high-tech companies can give them serious competition.

This shift to growth and technology is true of the jewelry manufacturing industry in India as well. Many Indian jewelry manufacturers have invested in the expensive technology necessary for casting platinum. Indian companies have been in the forefront of wax setting technology, including the dif-

ficult invisible setting technique. Indian jewelry manufacturers are responsible for bringing affordable, invisibly-set product to the U.S. mass market.

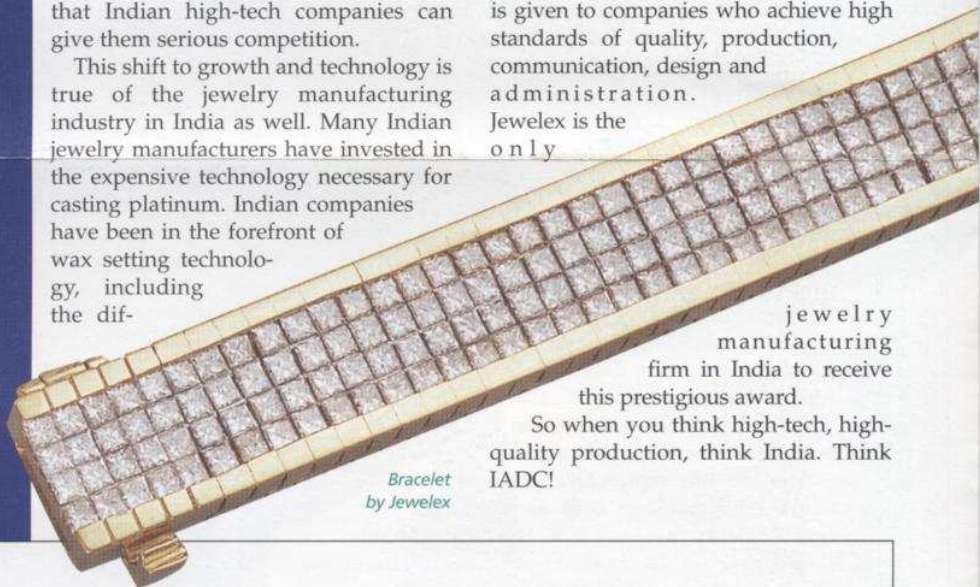
A number of Indian manufacturing firms have received international recognition for their increased production quality. IADC member, Jewelex India Pvt., Ltd., has received the coveted ISO 9001 certificate, awarded by independent auditing company KPMG. The ISO 9001 is given to companies who achieve high standards of quality, production, communication, design and administration.

Jewelex is the
o n l y

jewelry
manufacturing
firm in India to receive
this prestigious award.

So when you think high-tech, high-quality production, think India. Think IADC!

Bracelet
by Jewelex



What Do You Know About Buying Jewelry from India?

Indian jewelry is light-weight and low quality.

True or False?

False! The quality of Indian-made jewelry has risen dramatically in the last five years. For example, India leads the world in invisible setting and platinum technology. IADC member product can be found in the most prestigious retail stores in the U.S., who stake their reputations on quality.

It's a hassle to import jewelry from India.

True or False?

False! Importing jewelry from India is easy when you deal with IADC members. All members have U.S. offices which take care of importation paperwork and customs. They also ensure that all the jewelry you receive is of the high quality you expect.