



HARRY WINSTON

HARRY WINSTON DIAMOND CORPORATION



OCTOBER 31, 2012 – THIRD QUARTER FISCAL YEAR 2013 FACT SHEET

TSX: HW NYSE: HWD

Profile

Harry Winston Diamond Corporation (TSX: HW; NYSE: HWD) is a diamond enterprise with premium assets in the mining and retailing segments of the diamond industry. The Company supplies rough diamonds to the global market from its 40% ownership interest in the Diavik Diamond Mine, located in Canada's Northwest Territories. The Company's luxury brand segment is a premier diamond jeweler and luxury timepiece retailer with salons in key locations including New York, Paris, London, Beijing, Shanghai, Hong Kong, Singapore, Tokyo and Beverly Hills.

Competitive Advantage

Harry Winston Diamond Corporation focuses on the two most profitable segments of the diamond industry, mining and retailing, in which its expertise creates shareholder value. This unique business model provides key competitive advantages; rough diamond sales and polished diamond purchases provide market price intelligence that enhances the Company's overall performance. Moreover, being one of the world's leading rough diamond suppliers enables the Company to use its strong client relationships to secure the highest quality polished diamonds for its luxury brand division. The Diavik Diamond Mine ore bodies are among the highest grade and value in the world. In addition, Diavik offers the market high-quality diamonds extracted in a manner that protects the environment and provides significant benefits to local communities. At Harry Winston Inc., highly desirable jewelry and timepiece design, global salon growth and product expansion target the very top of the consumer pyramid, a specific niche where Harry Winston has and will continue to reside.

Why Invest?

Harry Winston provides a long-term, growth-focused investment.

DIAVIK DIAMOND MINE, CANADA'S LARGEST DIAMOND MINE:

- ◆ One of the world's highest value per tonne diamond-bearing kimberlites.
- ◆ Nearly 59 million carats of total proven and probable reserves, 11 million carats of measured and indicated resources, and over 8 million carats of additional inferred resources as at December 31, 2011 (100% basis).¹
- ◆ Exploration potential in existing pipes and on Diavik property to extend mine life.

PREMIER LUXURY BRAND:

- ◆ Objective for top-line sales CAGR in the mid teens by fiscal year 2016.²
- ◆ Strategically expanding retail network and wholesale distribution channel, particularly in Asia.
- ◆ Growth target for salon network: move from 27 to 50 directly operated and licensed salons, and grow to 300 wholesale timepiece doors by fiscal year 2016.

DIAMOND INDUSTRY OUTLOOK:

- ◆ Demand for rough diamonds expected to exceed supply, leading to increased prices. Worldwide rough diamond supply expected to be constrained for next 7-10 years.
- ◆ Diamond jewelry market currently valued at over US \$70 billion (IDEX 2011). Growing demand in emerging markets, particularly China and India.

¹ 16.1 million carats of proven reserves and 42.8 million carats of probable reserves for nearly 59 million carats of total proven and probable reserves. 10 million carats of measured resources, 1 million carats of indicated resources, and 8.5 million carats of inferred resources.

² Objectives for internal planning and measurement purposes. This is not a forecast of actual results.



CAUTION ABOUT FORWARD-LOOKING STATEMENTS

This fact sheet contains forward-looking information. Forward-looking statements are provided for the purpose of providing information about management's expectations, plans and targets for the future. Such statements are, by their very nature, not guarantees of our future operations or financial performance and are subject to risks and uncertainties regarding, among other things, mining, production, construction and exploration activities at the Diavik Diamond Mine, world and US economic conditions, fluctuations in diamond prices, and the worldwide demand for luxury goods. Readers are cautioned that actual results may differ materially from those set forth herein and are referred to our most recently filed management's discussion and analysis, as well as our other securities regulatory filings (which are available at www.sedar.com, www.sec.gov or investor.harrywinston.com) for more information.

Financial Data

Reported in International Financial Reporting Standards ("IFRS")

(All figures are in thousands of US dollars unless otherwise noted) (Unaudited)

CONSOLIDATED:

	Q3 FY 2013 THREE MONTHS ENDED October 31, 2012	Q3 FY 2012 THREE MONTHS ENDED October 31, 2011	Q3 FY 2013 NINE MONTHS ENDED October 31, 2012	Q3 FY 2012 NINE MONTHS ENDED October 31, 2011
Sales	\$ 180,399	\$ 119,716	\$ 549,757	\$ 486,026
Operating profit (loss)	10,322	(1,963)	45,364	25,822
Net profit attributable to shareholders (loss)	3,397	(4,728)	19,762	8,854
Diluted earnings per share (loss)	0.04	(0.06)	0.23	0.10
EBITDA ¹	34,775	21,158	112,344	89,951

MINING SEGMENT:

	Q3 FY 2013 THREE MONTHS ENDED October 31, 2012	Q3 FY 2012 THREE MONTHS ENDED October 31, 2011	Q3 FY 2013 NINE MONTHS ENDED October 31, 2012	Q3 FY 2012 NINE MONTHS ENDED October 31, 2011
Sales	\$ 84,818	\$ 36,239	\$ 235,300	\$ 187,882
Operating profit (loss)	9,223	(1,147)	37,331	21,321
EBITDA ¹	29,811	18,785	93,252	75,797
Harry Winston Diamond Corporation's 40% share of rough diamonds recovered (reported on a one-month lag)	(Three months ended September 2012) 0.8 million carats	(Three months ended September 2011) 0.8 million carats	(Nine months ended September 2012) 2.1 million carats	(Nine months ended September 2011) 2.0 million carats

LUXURY BRAND SEGMENT:

	Q3 FY 2013 THREE MONTHS ENDED October 31, 2012	Q3 FY 2012 THREE MONTHS ENDED October 31, 2011	Q3 FY 2013 NINE MONTHS ENDED October 31, 2012	Q3 FY 2012 NINE MONTHS ENDED October 31, 2011
Sales	\$ 95,581	\$ 83,477	\$ 314,457	\$ 298,144
Operating profit	5,349	1,464	20,474	12,612
EBITDA ¹	9,075	4,512	31,116	21,845

CORPORATE SEGMENT:

	Q3 FY 2013 THREE MONTHS ENDED October 31, 2012	Q3 FY 2012 THREE MONTHS ENDED October 31, 2011	Q3 FY 2013 NINE MONTHS ENDED October 31, 2012	Q3 FY 2012 NINE MONTHS ENDED October 31, 2011
Operating loss	\$ (4,250)	\$ (2,280)	\$ (12,441)	\$ (8,111)
EBITDA ¹	(4,111)	(2,139)	(12,024)	(7,691)

¹ Earnings before interest, taxes, depreciation and amortization ("EBITDA"). The term EBITDA does not have a standardized meaning according to IFRS. The Company defines EBITDA as sales minus cost of sales and selling, general and administrative expenses, meaning it represents operating profit before depreciation and amortization. For a reconciliation of EBITDA to operating profit, see our most recently filed management's discussion and analysis (which is available at www.sedar.com).

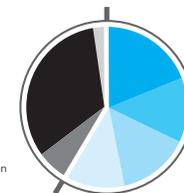
Harry Winston Diamond Sales Centres and Retail Locations**FY 2012 Geographic Distribution of Sales**

(in thousands of US dollars)

Mining Segment

15,018
NORTH AMERICA231,722
EUROPE43,374
ASIA excluding Japan

Luxury Brand Segment

133,024
NORTH AMERICA94,309
EUROPE103,815
ASIA excluding Japan80,781
JAPAN

Facts at a Glance

- ◆ Owner of 40% interest in the Diavik Diamond Mine, Canada's largest diamond mine.
- ◆ Owns Harry Winston Inc., the world's premier diamond jewelry and timepiece retailer.
- ◆ Owns and operates rough diamond sorting facility located in Toronto, Canada - first of its kind in North America.
- ◆ One of the world's leading suppliers of rough diamonds, with sales offices in Belgium and India.
- ◆ 22 directly operated sales salons and 5 licensed salons worldwide.
- ◆ Exclusive Harry Winston timepiece wholesale network with 201 locations worldwide.
- ◆ Owns and operates timepiece manufacturing facility located in Geneva, Switzerland.

Stock Information

TSX: HW

NYSE: HWD

Shares Outstanding (as of Nov. 30, 2012):

Authorized: **unlimited**Issued: **84,874,781**Fully Diluted: **87,104,508**Market Cap: **\$1.2 billion****Investor Relations**

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