TITAN
COMPANY

SEC 19 /2015

National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra East,
MUMBAI -400 051

28th May 2015

Kind Attn: General Manager
DCS - CRD

Dear Sirs,

Sub: Key discussions at Investor Conferences

This is to inform that key discussion points in investor conferences are furnished in the attached document.

Thank you.

Yours faithfully,
For TITAN COMPANY LIMITED

A R Rajaram
Head Legal & Company Secretary

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A TATA Enterprise

Key issues discussed in the Investor conferences / roadshows in Singapore & Hong Kong in May 2015

Jewellery division

- Reduction in making charges was restricted to plain gold jewellery and did not extend to studded jewellery. This was only one part of the overall "Tanishq promise" campaign which attempted to bring out the key differentiators that Tanishq offered to its customers. While making charges were reduced, Tanishq continues to command a premium to the rest of the market.
- The company will buy gold on spot basis and hedge this gold in international markets even as it continues to buy gold on lease as the cost for buying gold on spot was lower than gold on lease costs at present. The company was focusing more on Return on Equity rather than Return on Capital Employed as traditionally calculated. The company accounts for Gold on lease as Trade Payables as per Accounting standards, which tends to depress Net Capital Employed.
- The Company expects a decline in revenues compared to the previous year for the first half due to the lack of the Golden Harvest scheme in the current year and more importantly due to the huge sale in Q2 of the previous year (growth of 64%) when customers were forced to redeem the advances under the scheme due to the changes in regulation. However growth should come from Q3 onwards. The company expects to grow on a full year basis.
- The company normally does not give guidance on revenue and margins and is particularly not able to predict EBIT margins at this point due to various uncertainties including source of gold procurement. However lower discount on Golden Harvest scheme in the current year and higher volumes will to some extent offset the impact of reduction in making charges.
- Despite the slowdown or lack of significant growth, the company will continue to expand its network of stores adding around 100,000 sft a year and will focus more on tier 2 and tier 3 towns going forward.
- The company is piloting an equivalent of the GHS scheme through a private sector bank in a few cities and plans to roll it out to other cities if successful.

Watch division

- The company is working with some large technology companies on "technology" watches that add more useful features to the current watches rather than on variants of "smart" watches that are available in the markets.
- Growth in the Watch division depends on macro-economic factors particularly increase in discretionary spends.
- The division still has potential to expand its network to the top 400 towns in India (termed Middle India)
- The company will focus on growing significantly accessories that have already been launched before launching more categories.

Eyewear division

- The company believes the prescription eyewear industry is set to grow strongly in the years to come due to significant under penetration and the division which is already the market leader, is well poised to take advantage of that growth.

- Store roll outs will continue to be aggressive
- The division is setting up more satellite lens labs and is also exploring setting up a frame manufacturing facility in India.

Precision Engineering Division

- The 100% subsidiarisation of the division is underway and is expected to be completed in about 6 months. A separate Board will help in the growth of this business that has very high potential particularly with the Make in India programme initiated by the Government.