

Titan Industries Limited

“Delivering value by creating Brands”

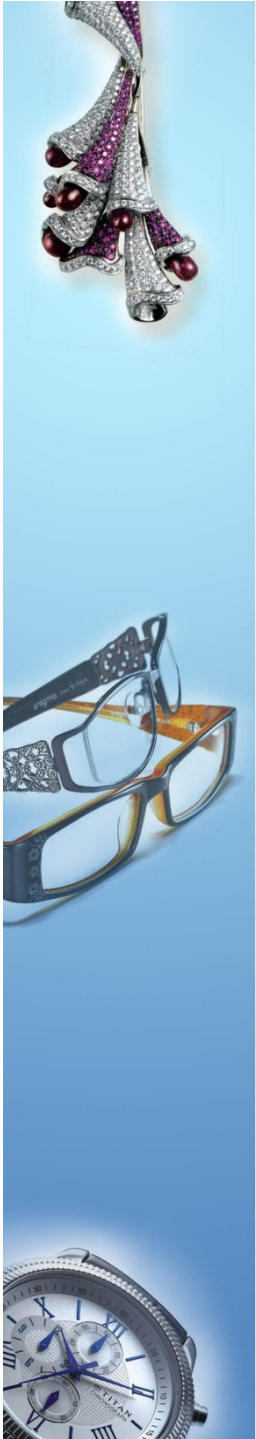
November 16, 2010



Disclaimer

Certain statements are included in this release which contain words or phrases such as “will,” “aim,” “will likely result,” “believe,” “expect,” “will continue,” “anticipate,” “estimate,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “goal,” “project,” “should,” “will pursue” and similar expressions or variations of these expressions that are “forward-looking statements.” Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for our products, our growth and expansion, the adequacy of our allowance for credit to franchisees, dealers and distributors, technological changes, volatility in income, cash flow projections and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions in India and the other countries which have an impact on our business activities; inflation, unanticipated turbulence in interest rates, foreign exchange rates, the prices of raw material including gold and diamonds, or other rates or prices; changes in Indian and foreign laws and regulations, including tax and accounting regulations; and changes in competition and the pricing environment in India. The Company may, from time to time make additional written and oral forward-looking statements, including statements contained in the Company’s filings with SEBI and the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company, to reflect events or circumstances after the date thereof.



Jodha Akbar Jewellery



*Titan Design
at its Best!*



Femina Miss India
Crown

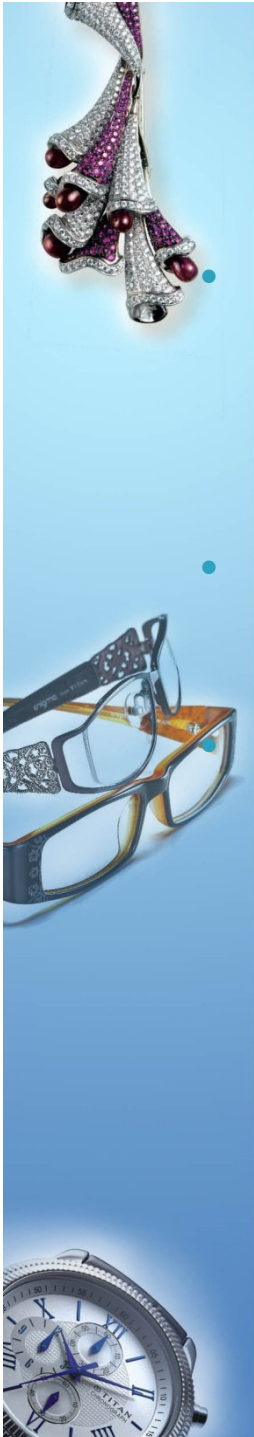
Commonwealth Games
Baton

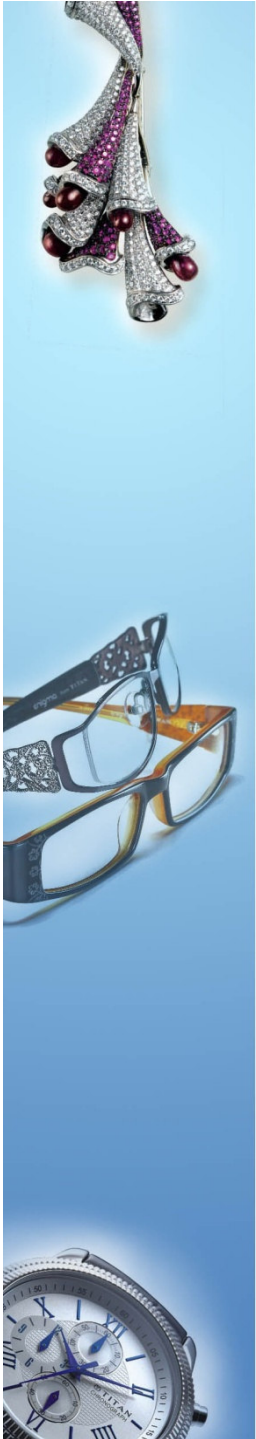
Our Heritage – the TATA Group

- Titan is a part of the TATA Group having a turnover of about USD 70 bn (2008-09) with 1/3rd coming from India, equivalent to over 2.5% of India's GDP and having the biggest market capitalization in India
- The Tata group is India's largest employer in the private sector – 357,000+ employees across 85 companies

The TATA group has achieved many Firsts for India:

- First private sector Steel mill
- First private sector Power utility
- First luxury hotel (Taj)
- First Airline (now Air India)
- The World's least expensive car (Tata Nano)
- India's largest software company (TCS)
- India's largest watch & jewellery manufacturer (Titan)

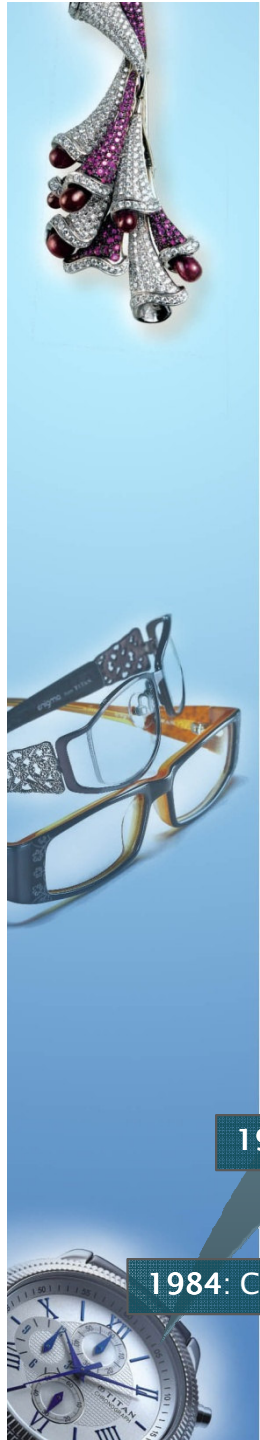




Titan Industries

- Pioneer
- Breaker of rules
- Leader in two businesses: premium and mass market
- Manufacturer, designer, brand owner, marketer, retailer and after-sales service provider
- Unique culture
- First company to dare to challenge the Swiss
- B2C and B2B player
- In four businesses from 2007-08
- One of the Jewels of the Tata Group

How It All Began...



1984: Conceived

1993: Europe Foray

1994: Timex JV

1996: Tanishq

1998: Sonata Launch

2003: Fastrack

2005: Precision Engineering (PED)

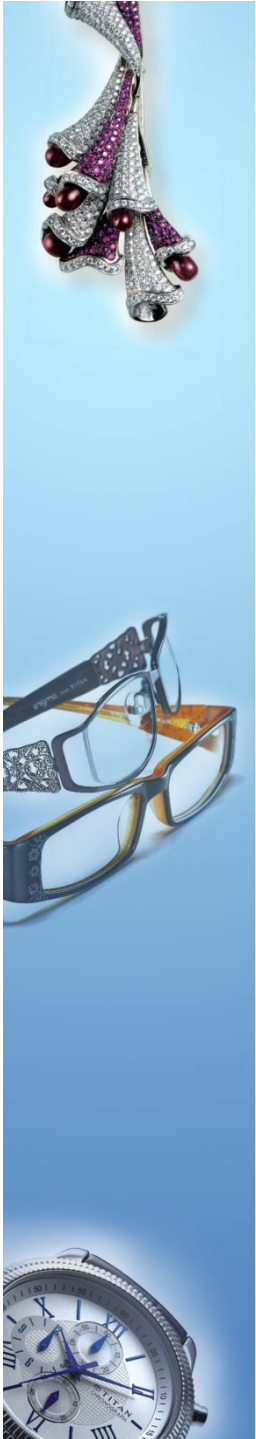
2006: Goldplus

2007: Eyewear

2009: Helios

2008: Zoya

2010: Fastrack Accessories



Vision, Mission & Values

Vision

- ▶ To be world class, contemporary, innovative and progressive in all business endeavors and to build India's most desirable brands

Mission

- ▶ To create wealth for all our stakeholders by building high performance businesses through a customer centric approach and to give back to the communities within our realm

Beliefs & Values

- ▶ Total customer orientation
- ▶ Respect and value employees
- ▶ Performance culture and team work
- ▶ Creativity and Innovation
- ▶ Passion for excellence
- ▶ Corporate Citizenship

Our Brands

fcuk™
FRENCH CONNECTION



fastrack



WORLD of TITAN

THE EXCLUSIVE TITAN SHOWROOM

HELIOS
THE WATCH STORE



TANISHQ

ZOYA

TITAN EYE+

xv|ys™

Swiss made

BOSS

HUGO BOSS

SONATA

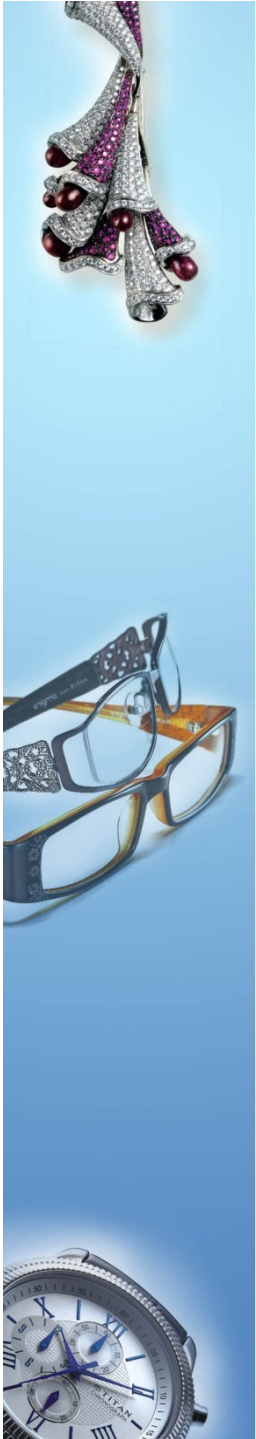
A TATA PRODUCT

GOLDPLUS
from TATA

TITAN

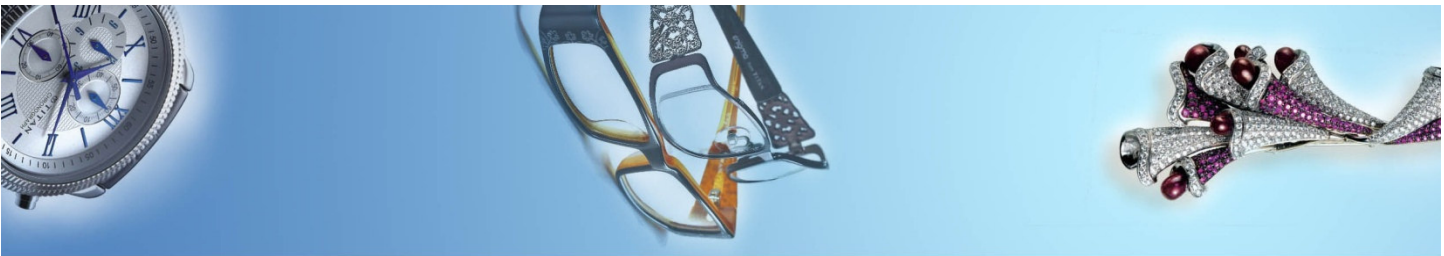
TOMMY HILFIGER

watches



Where We Stand Today

- ▶ World's 5th largest Watch Manufacturer
- ▶ 65% market share in organized watch market
- ▶ Sonata: India's largest selling watch brand
- ▶ Tanishq: India's leading Jewellery Player and a game changer
- ▶ Titan Eye+: India's largest retail chain in eyewear
- ▶ Strength in Retail: More than 580 stores
- ▶ Distribution: More than 10,000 Multi-brand outlets



Where We Stand Today

Our Businesses

B2C

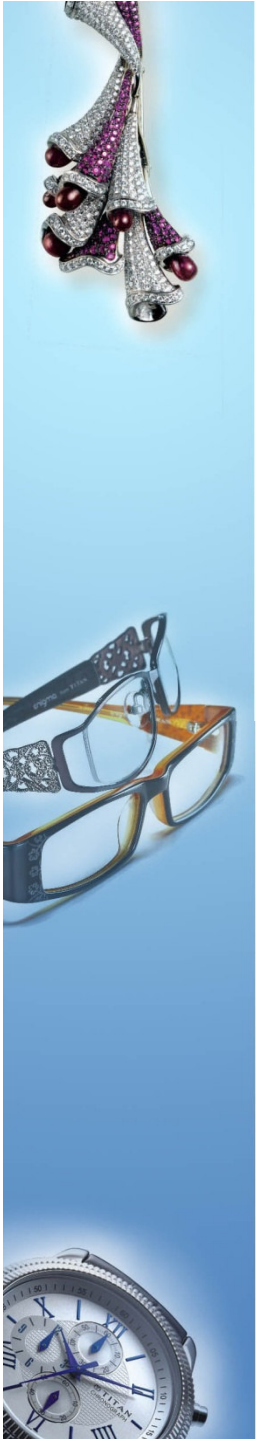
B2B

Watches

Jewellery

Eyewear

Precision
Engineering
Division



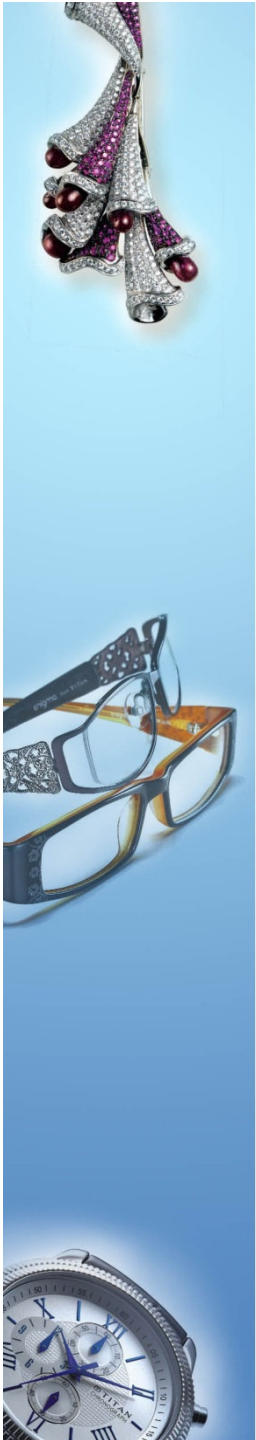
Retailing..

Widespread and differentiated

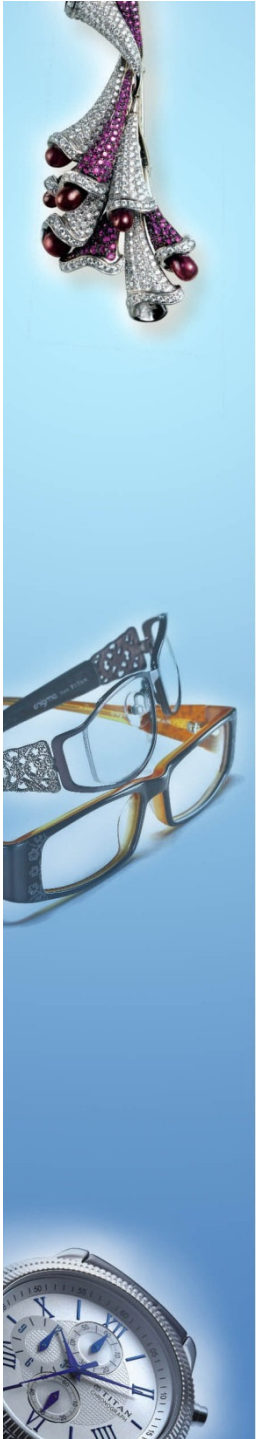


Global Footprint

- ▶ Presence in more than 30 countries across 4 continents
- ▶ Major player in South-east Asia, Middle East and SAARC
- ▶ Entered Europe as far back as 1993
- ▶ PED clients are spread across North America and Europe



I. Watch Business



Watches

- ▶ Four major brands



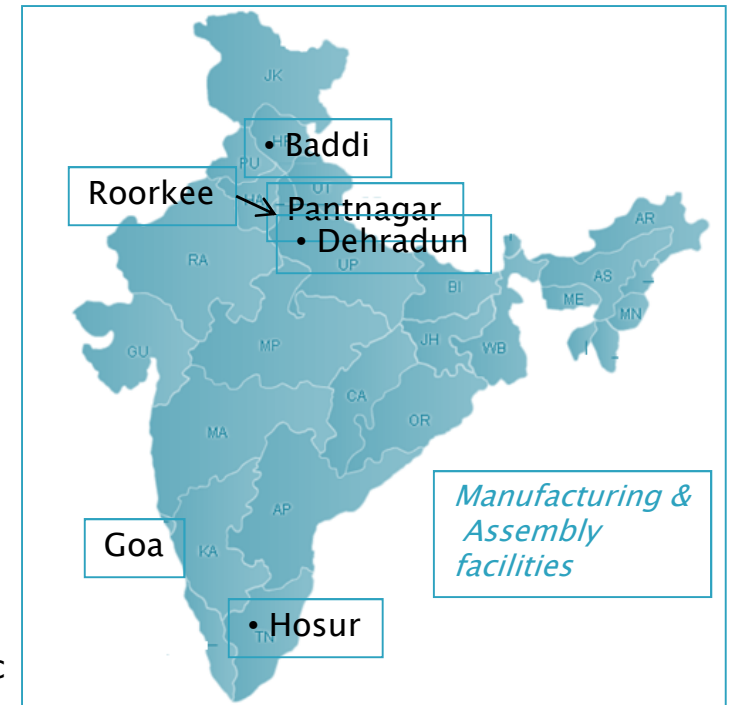
- ▶ Sold through

- Exclusive World of Titan outlets
- Fastrack outlets
- Multi brand outlet "Helios"
- Multi brand dealers and stores
- Large format stores like Shoppers' Stop, Lifestyle, etc.

- ▶ Large network of exclusive service centers

- ▶ Sophisticated Design & Development Center

- Core strength in Industrial, Retail and Graphic design
- Numerous international award winning designs to its credit

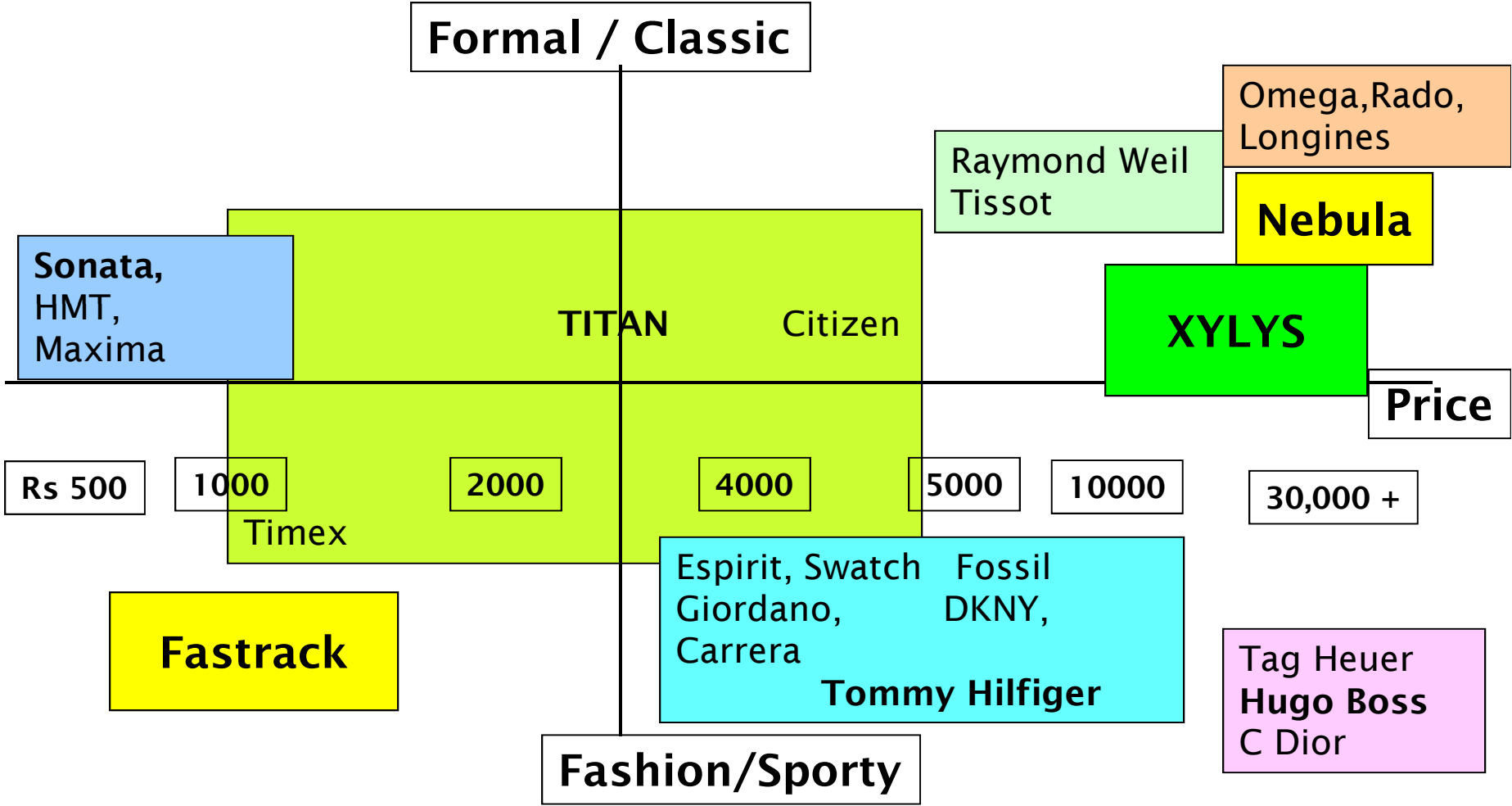




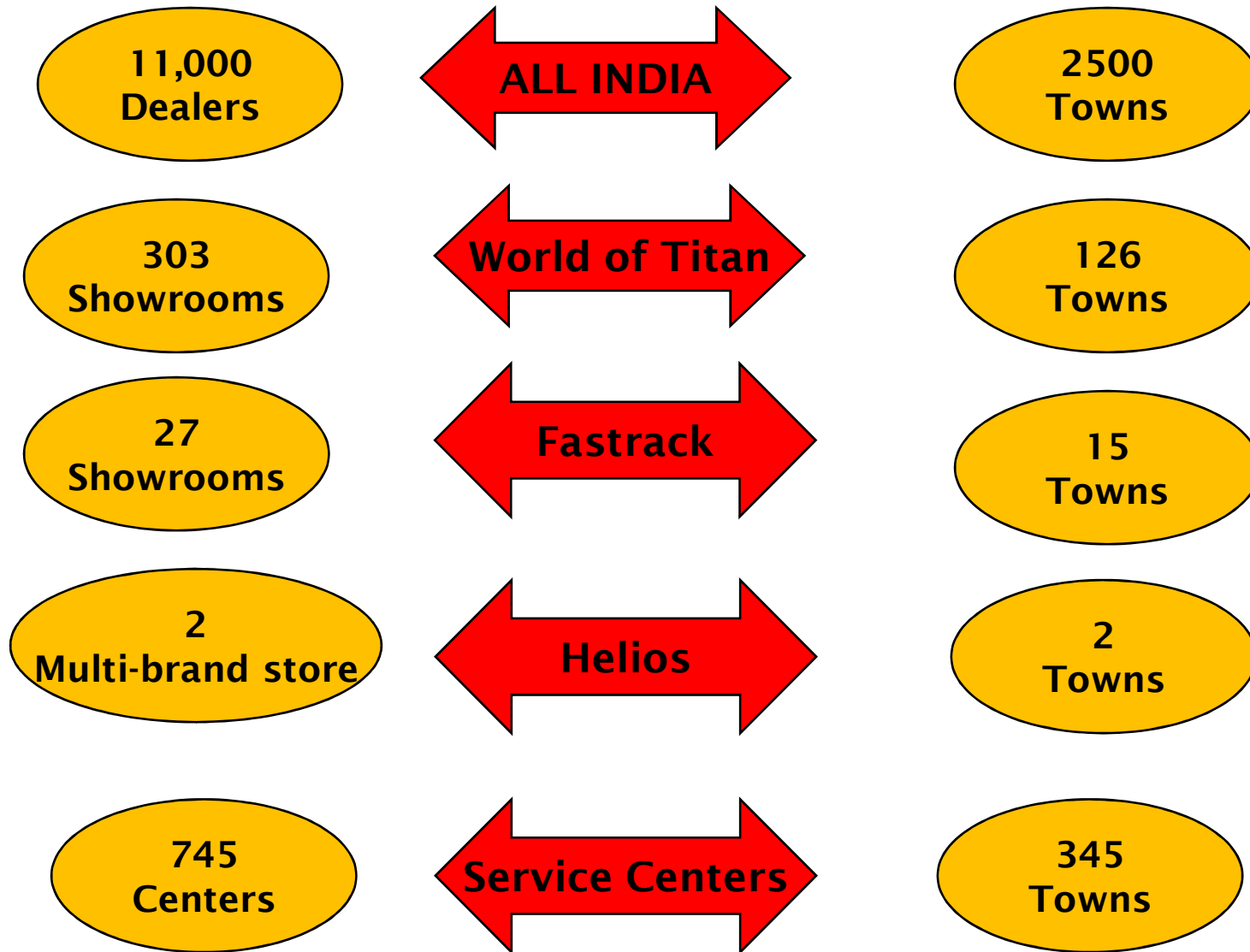
The Watch Market & Industry in India

- ▶ India is an under-penetrated market for watches – only 27 % of Indians own a watch
- ▶ Total estimated market in 2009-10
Volume ~ 44 mn units
Value: Rs 3100 Crores (USD 600 Mn) at retail
(We have a 22% volume share and a 40% value share)
- ▶ Vast proportion of the Indian market is below Rs 500
~ 65% by volume (24% by value)
- ▶ Market has been split into: Low end, Mass market, Premium, and Luxury

Watch Market Map



Our market and brand leadership of >50% uses the muscle of a vast distribution network



OUR WATCH BUSINESS – OVERVIEW

Revenues

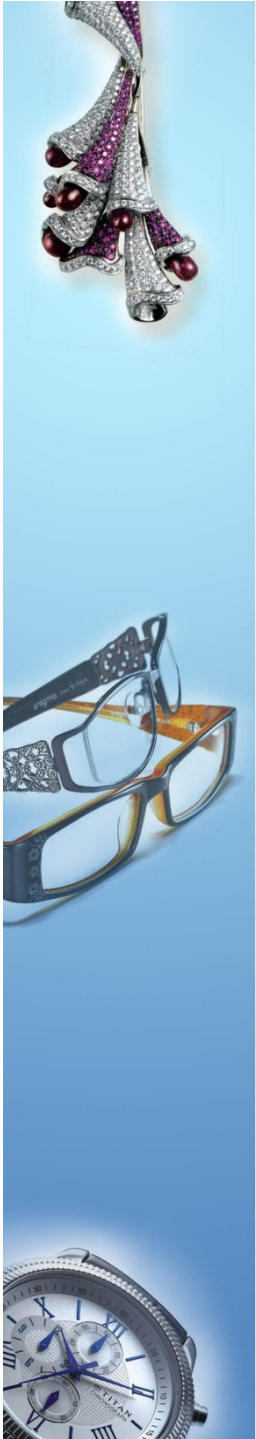
- Steady growth over the past three years
- Rs. 900 Crores Sales excluding exports and after-sales
- service (over Rs 1300 crores at retail prices) give us a 40% share of the total Indian Watch market.

Profits

- Consistent growth
- PBT (2005/06) - Rs. 90 Crores
- PBT (2006/07) - Rs. 96 Crores
- PBT (2007/08) - Rs. 133 Crores
- PBT (2008/09) - Rs. 128 Crores
- PBT (2009/10) - Rs. 140 Crores

ROCE

- ROCE (2005/06) - 50%
- ROCE (2006/07) - 50%
- ROCE (2007/08) - 62%
- ROCE (2008/09) - 52%
- ROCE (2009/10) - 77%

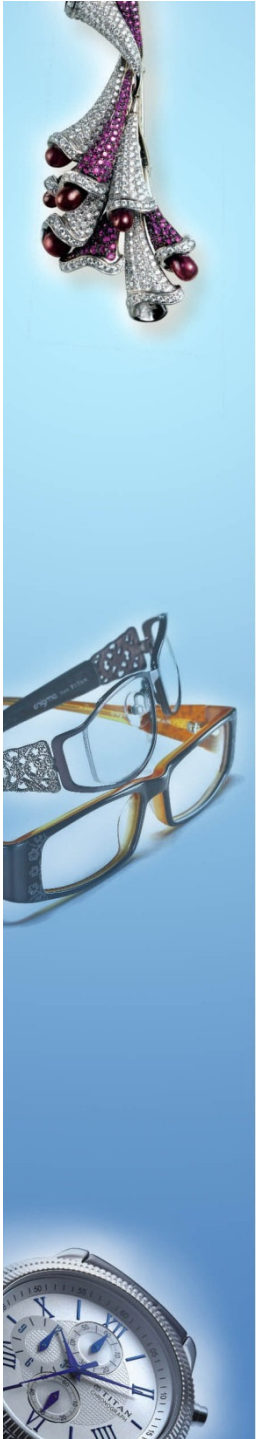


INTERNATIONAL BUSINESS

- ▶ One of India's first companies to market a consumer brand overseas.
- ▶ Titan watches are present in 26 countries outside India
- ▶ "Titan" is among the top 3 watch brands in several Asian countries
- ▶ Titan is exploring South Africa this year.
- ▶ Sold over 625k watches valued at Rs 70 crores. Total export sales of over Rs 101 crores in 2009-10 including jewellery, watch components and precision engineering items.
- ▶ Sold 380k watches valued at Rs 48 crores in H1 FY11 with total export sales of Rs 60 crores.



II. Jewellery Business



Jewellery

- ▶ Three major brands – Tanishq, Gold Plus and Zoya
- ▶ Largest jewellery retailer in India
 - 117 Tanishq boutiques
 - 29 Gold Plus stores
 - 2 Zoya stores
- ▶ Manufacturing facilities in Hosur and Dehradun
- ▶ Innovative Services – Golden Harvest/Future savings scheme, gift vouchers, gold exchange schemes and made to order facility
- ▶ Loyalty Programmes – Anuttara & Ananta
- ▶ Customer First and Lean initiatives in manufacturing and retailing

TANISHQ TODAY – A BRIEF OVERVIEW

Brand

- Tanishq the strongest and most aspirational brand in the jewellery category
- Awarded most admired brand and Retailer of the year by Images Fashion
- Enjoys a market share of about 40% in the branded jewellery segment

Network

- India's only national jewellery retailer
- 117 stores in 75 towns – prime high-street locations
- Many of these stores are run by management agents and franchisees

Customer Base

- Over 1.5 million customers shopped at Tanishq last year



Gold Plus :Size of the opportunity

- ▶ Semi-urban and rural market estimated to be as much as 40% of the total : Over Rs 30,000 crs.
- ▶ Value conscious consumers, buying traditional jewellery
- ▶ Very fragmented industry with under-karatage still prevalent in many parts of the country
- ▶ A new business model and a new brand to exploit this opportunity
- ▶ Sales of Rs 390 crs in 2008-09, and over Rs 440 crs in 2009-10
- ▶ Sales of Rs 225 crores in H1FY11
- ▶ 29 outlets as at 30 September 2010.

OUR JEWELLERY BUSINESS – OVERVIEW

Revenues

- Rapid growth of 35% p.a. over the past three years
- Rs. 3500 crores during the latest financial year
- Almost 75% of the Company's revenues

Profits

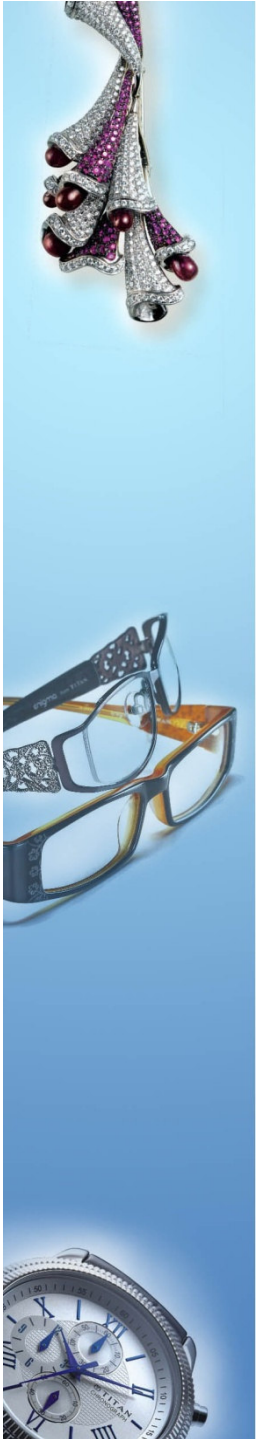
- Impressive turnaround in domestic market
- PBT (2005/06) - Rs. 35 crores
- PBT (2006/07) - Rs. 77 crores
- PBT (2007/08) - Rs. 101 crores
- PBT (2008/09) - Rs. 194 crores
- PBT (2009/10) - Rs. 245 crores

ROCE

- ROCE (2005/06) - 34%
- ROCE (2006/07) - 61%
- ROCE (2007/08) - 60%
- ROCE (2008/09) - 84%
- ROCE (2009/10) - 96%



IV. Eyewear Business



Eyewear

- ▶ India's largest optical retail chain (102 stores)
- ▶ State of the art eye-testing facilities
- ▶ Products include frames, sunglasses, contact lenses, ready readers, lens cleaning solutions and other accessories
- ▶ Three in-house brands
 - Titan, Eye+ and Dash
- ▶ Several international and luxury brands
 - Gucci, D&G, Armani, BOSS, Esprit, Daniel Swarovski and Mont Blanc
- ▶ Key differentiators – Style consultants, Zero-error prescription, free eye testing, scratch-resistant lenses, lens accuracy certificate



THE EYEWEAR MARKET - AN UNTAPPED OPPORTUNITY


Incidence:

30% of population typically needs correction in vision ~ 300 mn
Users: 84mn users - which is about 25% of those who need the correction
Consumers change their eyewear once in 3 to 4 years on an average



Market size:

- 25-35 million units per annum
- Rs 1500-1800 crores per annum
- Repeat purchase is a regular feature from adolescence to old age.
Customer lifetime value is very high
- Almost everyone over 40 yrs needs correction.

- 
- Growth: Market has been growing in double digits ~ 15-20% per annum and likely to sustain
 - Demand drivers: Urbanization, literacy, Penetration of TV & computers, Poor eye health due to lifestyles/ improper diet, etc.



OUR BUSINESS PROPOSITION

To enter as a retail brand – Chain of Stand Alone Stores



- Product / Service Offering:

Eye checking, Optometry

Range of frames - Titan & licensed brands

Range of **Branded** Lenses

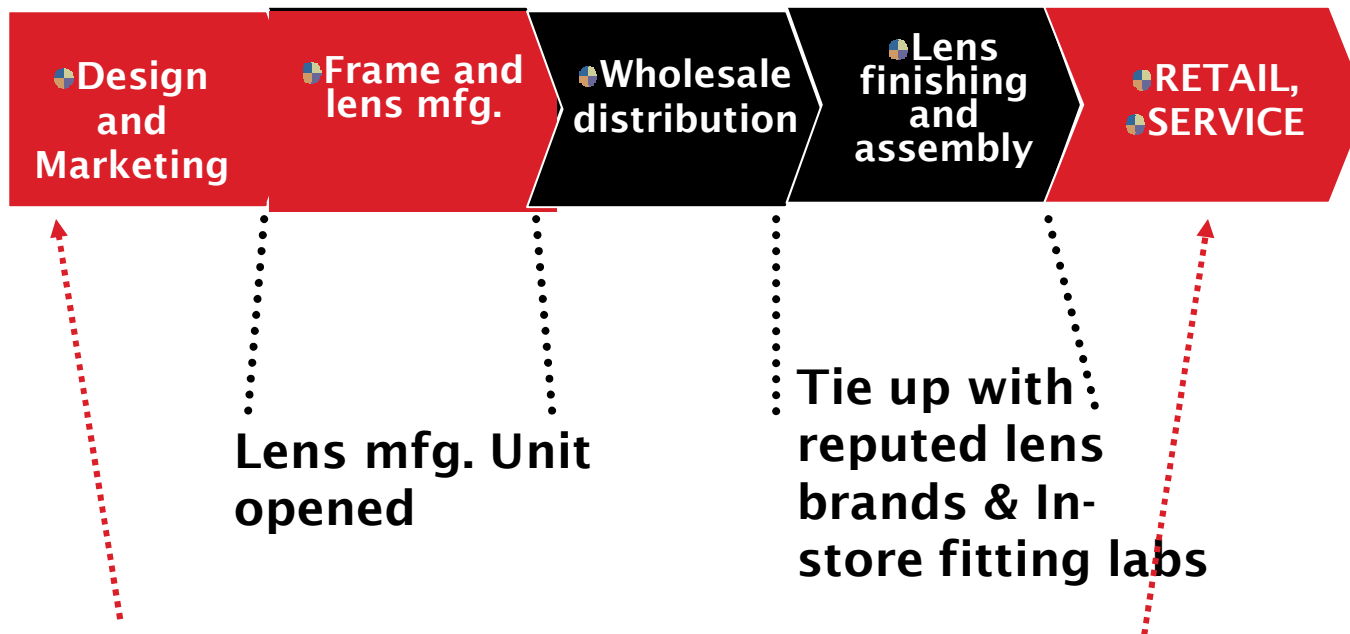
Sunglasses – Titan, Fastrack & licensed brands

Contact Lenses, Accessories



WHERE WE WILL PLAY IN THE VALUE CHAIN

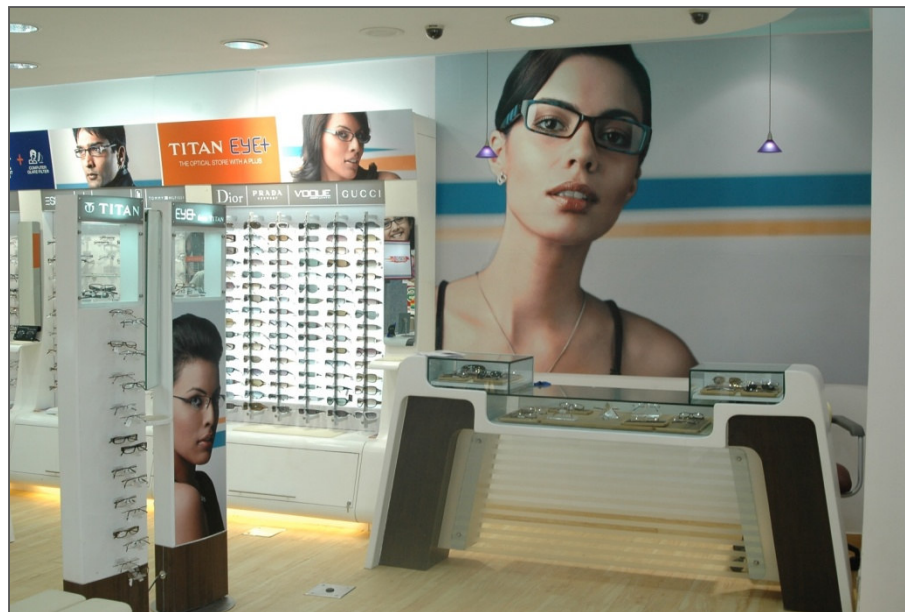
OUTSOURCE



Focus on strengths and high margin areas:
DESIGN, RETAIL, SERVICE & MARKETING



Bhaktha & Sons Ph: 23420735



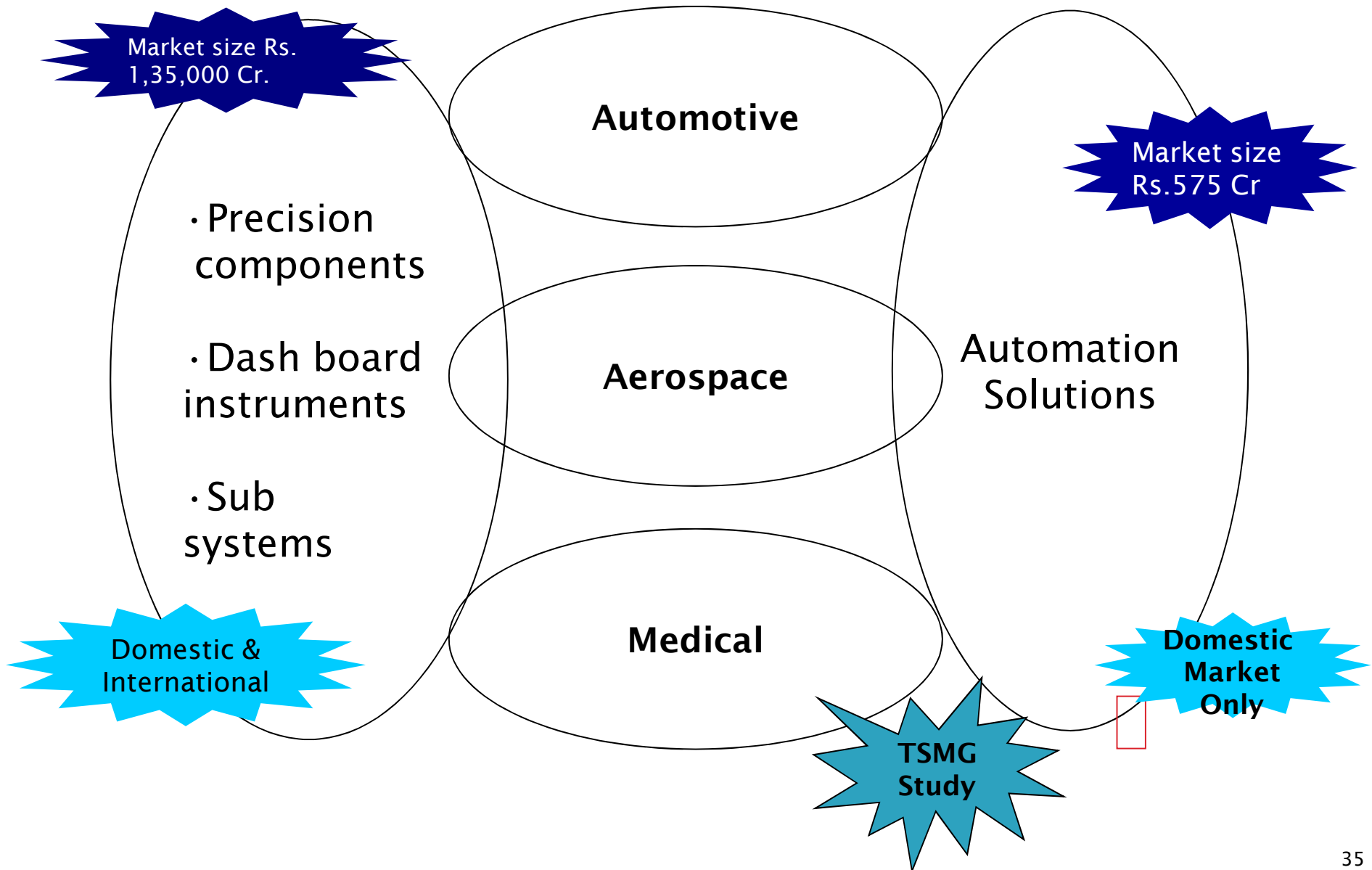
III. Precision Engineering Business



Precision Engineering

- ▶ Leverages engineering capabilities
- ▶ B2B business – balances risk of B2C businesses
- ▶ The Opportunity
 - India growing as a manufacturing base for precision products
 - Cost pressures and offset requirements guarantee a long term opportunity
 - High cost of switching for customers
 - Large & growing market: US\$ 32 billion globally
- ▶ Catering to
 - ▶ Aerospace industry
 - ▶ Automotive Industry
 - ▶ Oil Exploration & Production
 - ▶ Machine building and Automation Business
- ▶ Clients include
 - ▶ Eaton, US
 - ▶ Hamilton Sunstrand, US
 - ▶ Microtechnica, Italy
 - ▶ Pratt & Whitney, US
 - ▶ Ford, UK
 - ▶ Bosch, India
 - ▶ Timken, India

Current position: 3 segments 3 streams

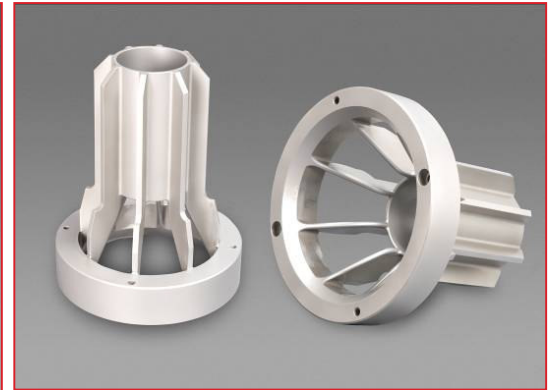


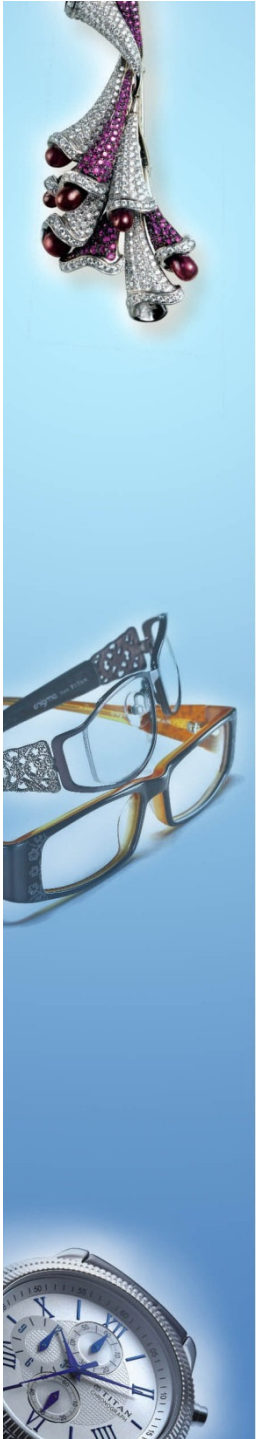
Wiper Motor Assembly Lucas TVS



- Value Rs.289 lakhs
- Complete assembly & Testing of wiper motors - 23 models
- 21 Stations
- 14 stations with universal fixtures
- 13.5 Seconds cycle time
- Lean design of stations
- Performance Testing, Noise Testing

Recent Products





Precision Engineering Business

The Customers

- ▶ Eaton, USA
- ▶ Hamilton Sunstrand, USA
- ▶ Microtechnica, Italy
- ▶ India
- ▶ Ford, UK
- ▶ Visteon, USA / India
- ▶ India
- ▶ Bosch, India
- ▶ Lucas, India
- ▶ Tata Motors,
- ▶ Timken, India
- ▶ Turbo Energy, India
- ▶ Stanadyne,
- ▶ Tyco Electronics,

The Plan

- ▶ Targeting a break-even in 2010-11

2009-10 – Summarised Results

₹ Cr.

(Rupees in Crores)	Watches	Jewellery	Others	Corporate	Total
Sales / Income from Operations	1051.89	3497.47	153.76	-	4703.12
Less : Excise Duty	26.55	-	2.15	-	28.70
Net Sales / Income from Operations	1025.34	3497.47	151.61	-	4674.42
Add : Other income	1.44	6.72	0.15	3.55	11.86
Net Sales / Income from Segments	1026.78	3504.19	151.76	3.55	4686.28
Profit before interest and taxes	144.73	254.68	-38.89	-13.78	346.74
Less : Interest					25.42
Profit before taxes					321.32
Less : Taxes					71.00
Net profit after taxes					250.32
Capital Employed	227.09	371.80	78.02	125.02	801.93

Additional Amortisation of trademarks during the year – Rs.24.04 Crores

Watches – Rs. 18.44 Cr

Jewellery – Rs. 5.6 Cr

2009-10 – Highlights of the year

▶ Financials

- Company Income crossed Rs 4700 Crores (over US\$ 1 billion)
- PBT crossed Rs 320 Crores (US\$ 70 million)
- PAT crossed Rs 250 Crores (US\$ 55 million)
- Borrowings reduced below Rs 75 Crores (US\$ 16 million) for the first time in 20 years

▶ Brands

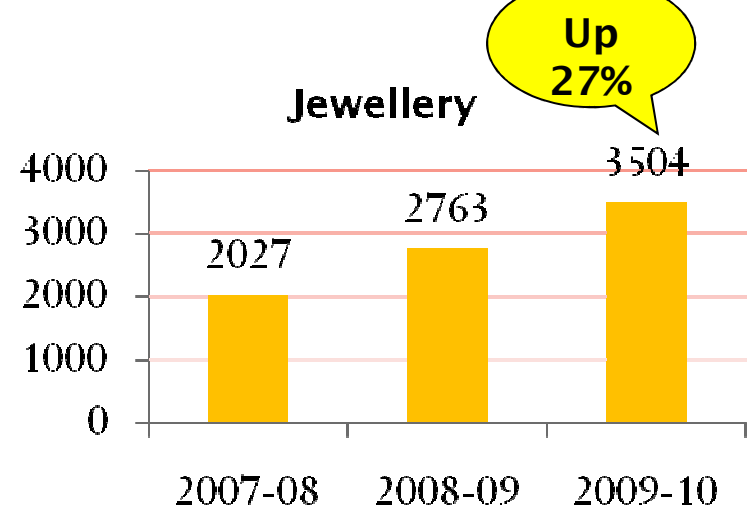
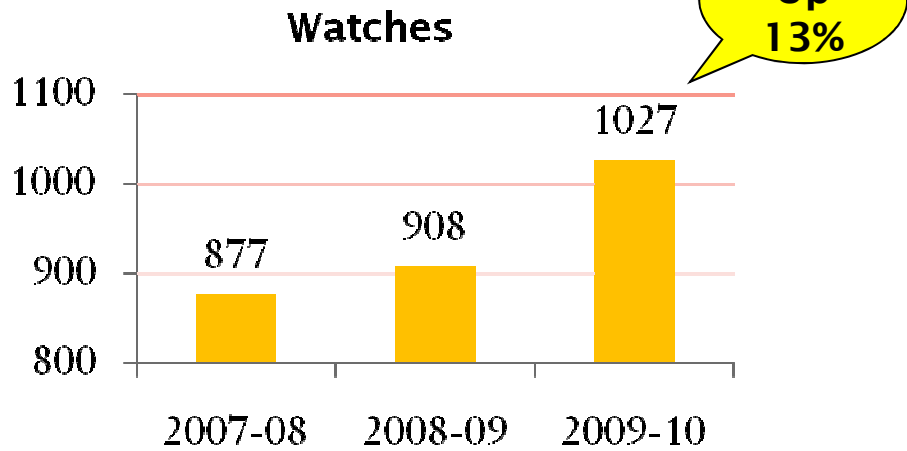
- Brand Tanishq crossed Rs 3000 Crores (US\$ 660 million)
- Brand Fastrack crossed 1.75 million watches

▶ Retailing

- World of Titan, Helios and Fastrack stores crossed 300
- Tanishq, Zoya and GoldPlus outlets touched 145
- Titan Eye+ outlets crossed 80
- Total area of retail space crossed 685,000 sq ft

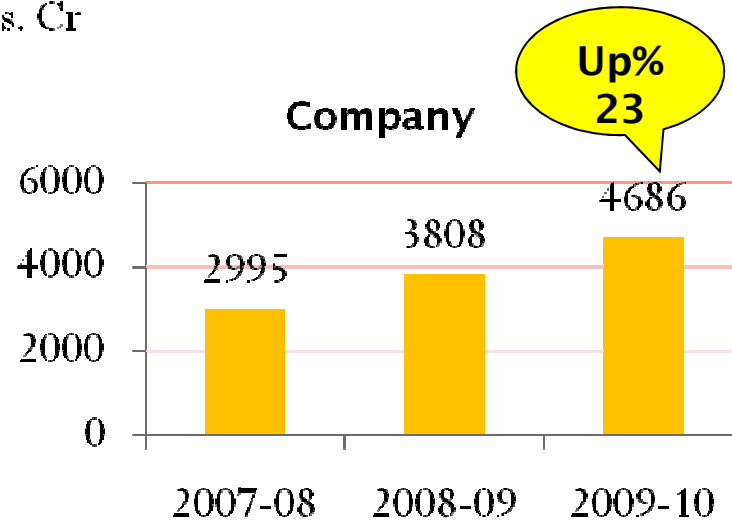
THE THREE YEAR JOURNEY... INCOME

₹ Cr.



■ Income Rs. Cr

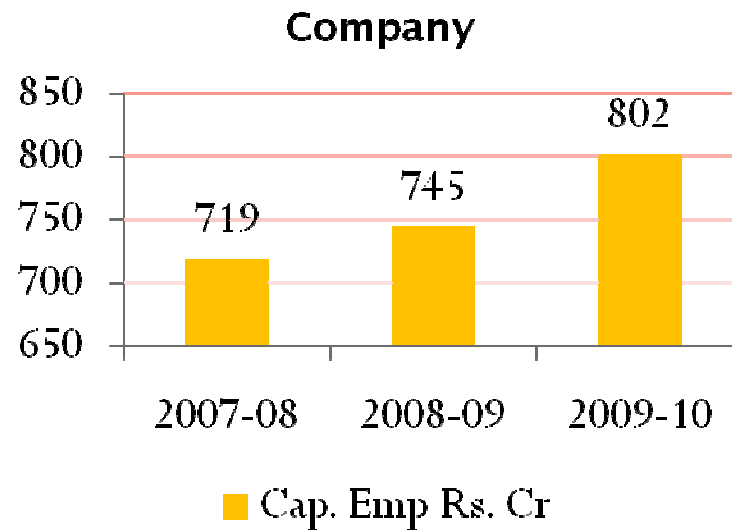
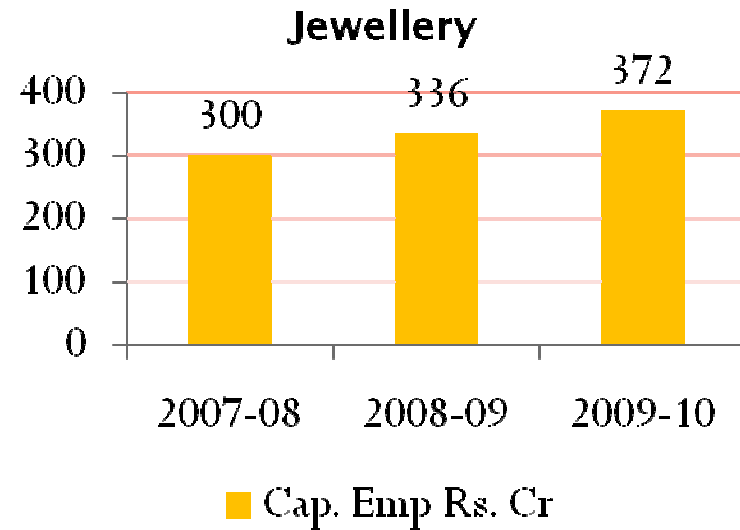
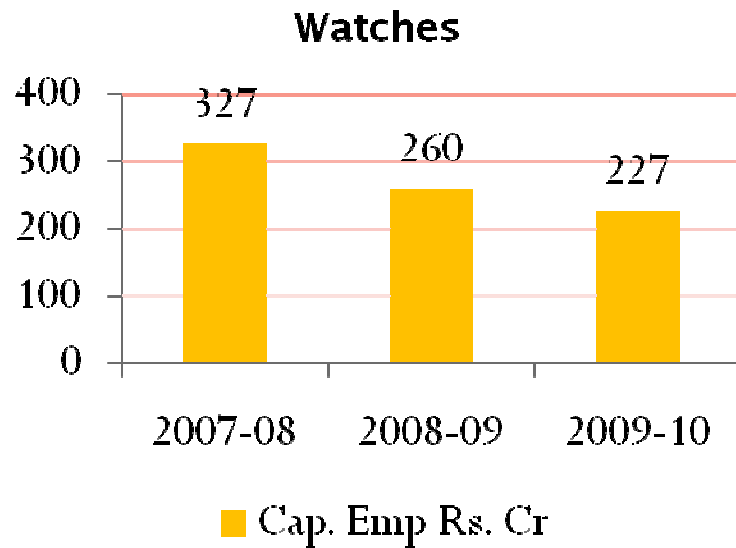
■ Income Rs. Cr



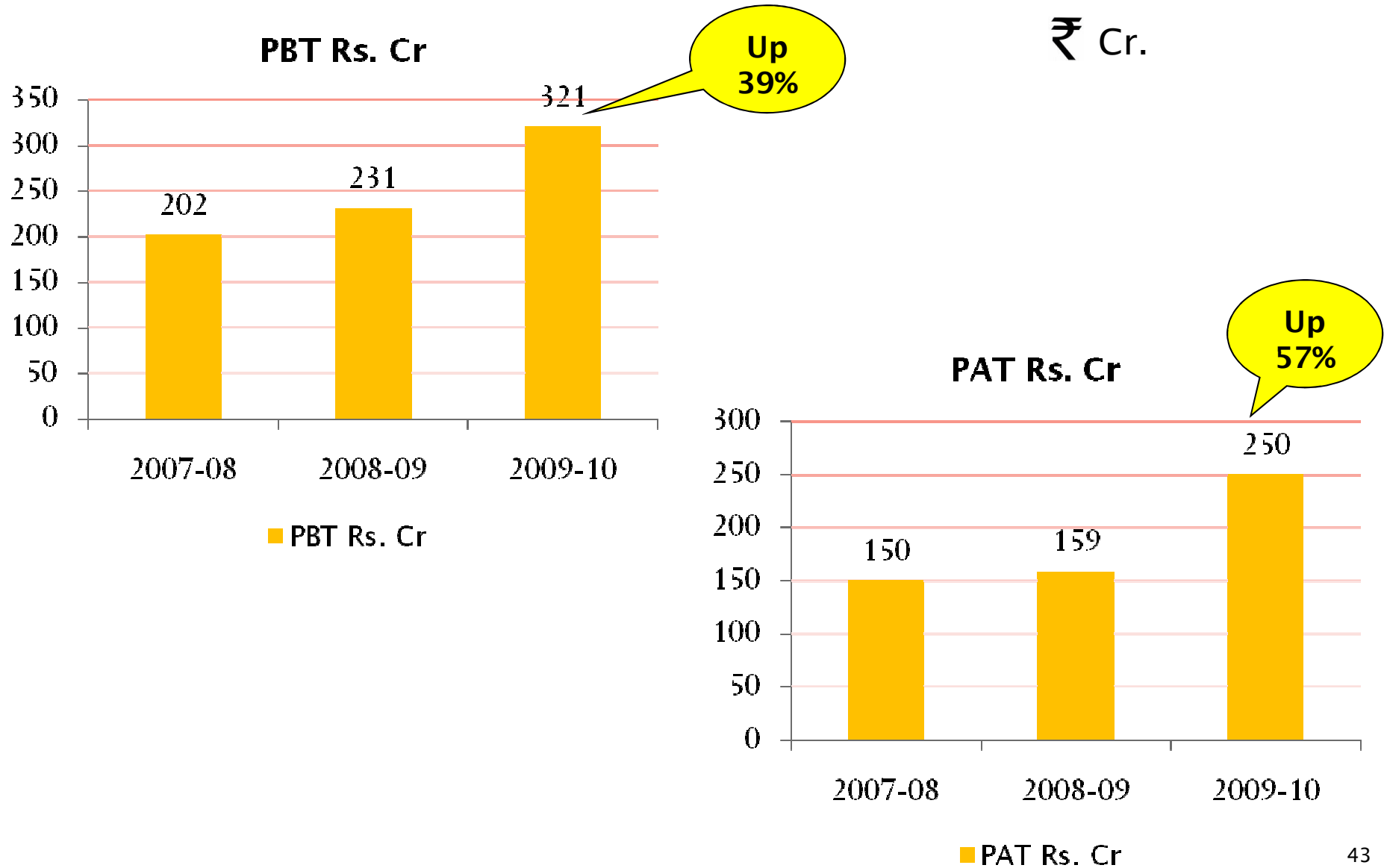
■ Income Rs. Cr

THE THREE YEAR JOURNEY... CAPITAL EMPLOYED

₹ Cr.

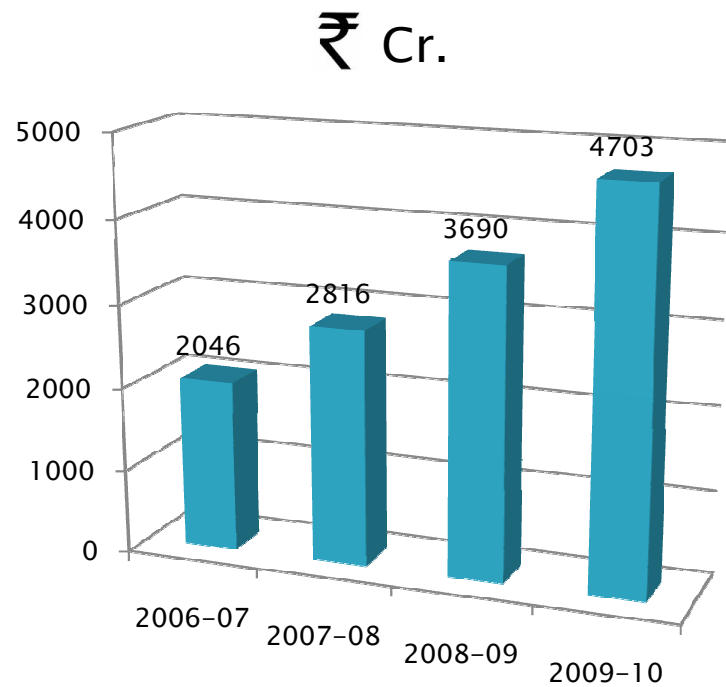


THE THREE YEAR JOURNEY... PROFITABILITY



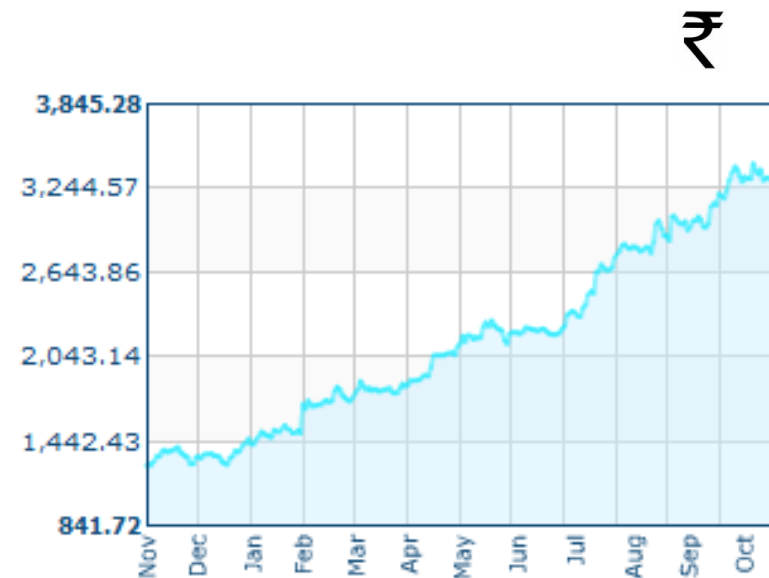
Where We Stand Today

Revenue



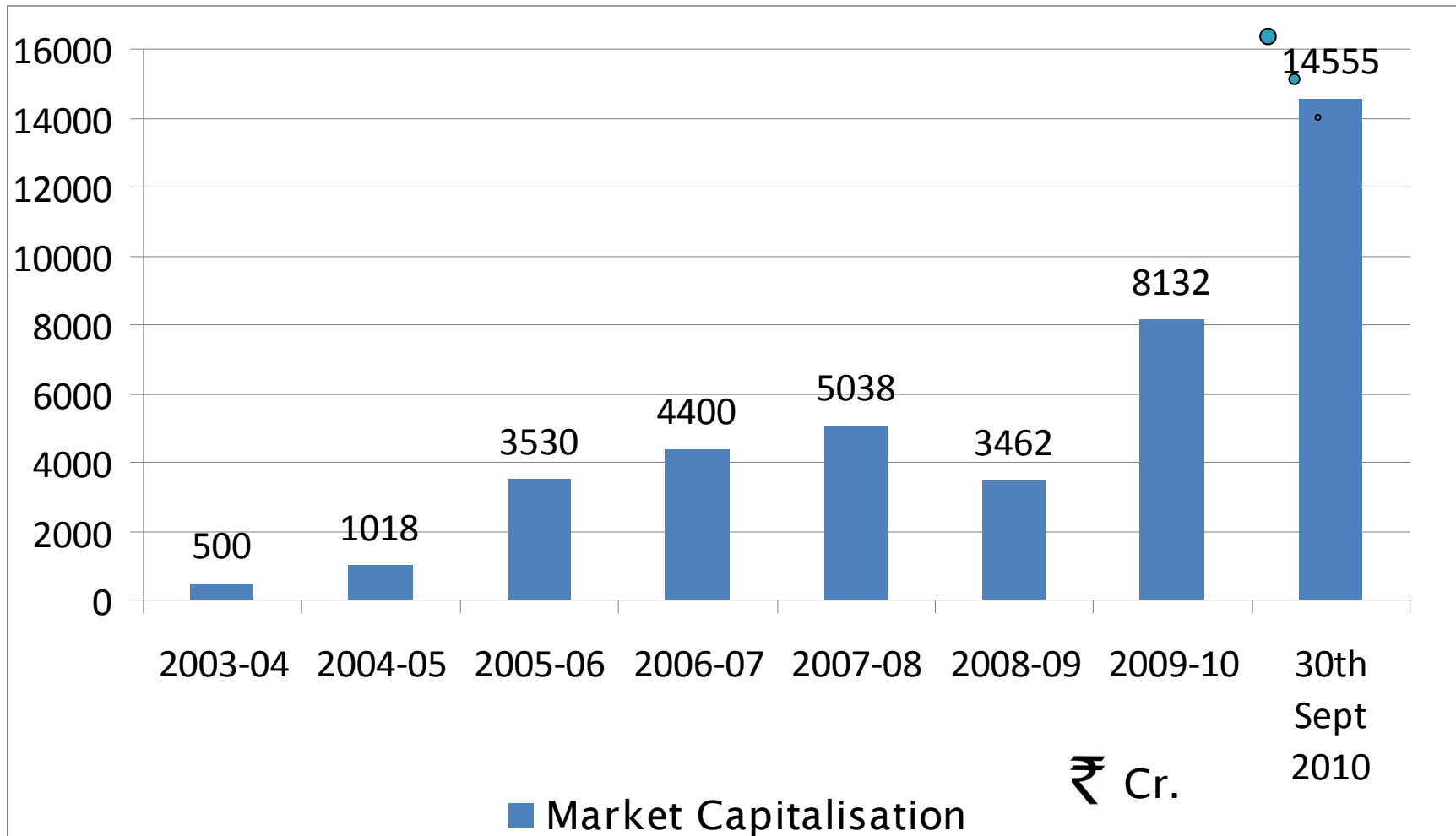
Stock Movement

(over 12 months)



MARKET CAPITALISATION

Crossed US\$ 3 Billion



April–September 2010 – Summarised Results

₹ Cr.

	Watches	Jewellery	Others	Corporate	Total
Sales / Income from Operations	632.86	2067.07	111.54	-	2811.47
Less : Excise Duty	20.95	-	1.78	-	22.73
Net Sales / Income from Operations	611.91	2067.07	109.76	-	2788.74
Add : Other income	0.47	8.03	0.07	7.66	16.23
Net Sales / Income from Segments	612.38	2075.10	109.83	7.66	2804.97
Profit before interest and taxes	117.99	168.10	(3.00)	1.19	284.28
Less : Interest					4.91
Profit before taxes					279.37
Less : Taxes					70.32
Net profit after taxes					209.05
Capital Employed	283.15	217.91	98.55	407.99	1007.60

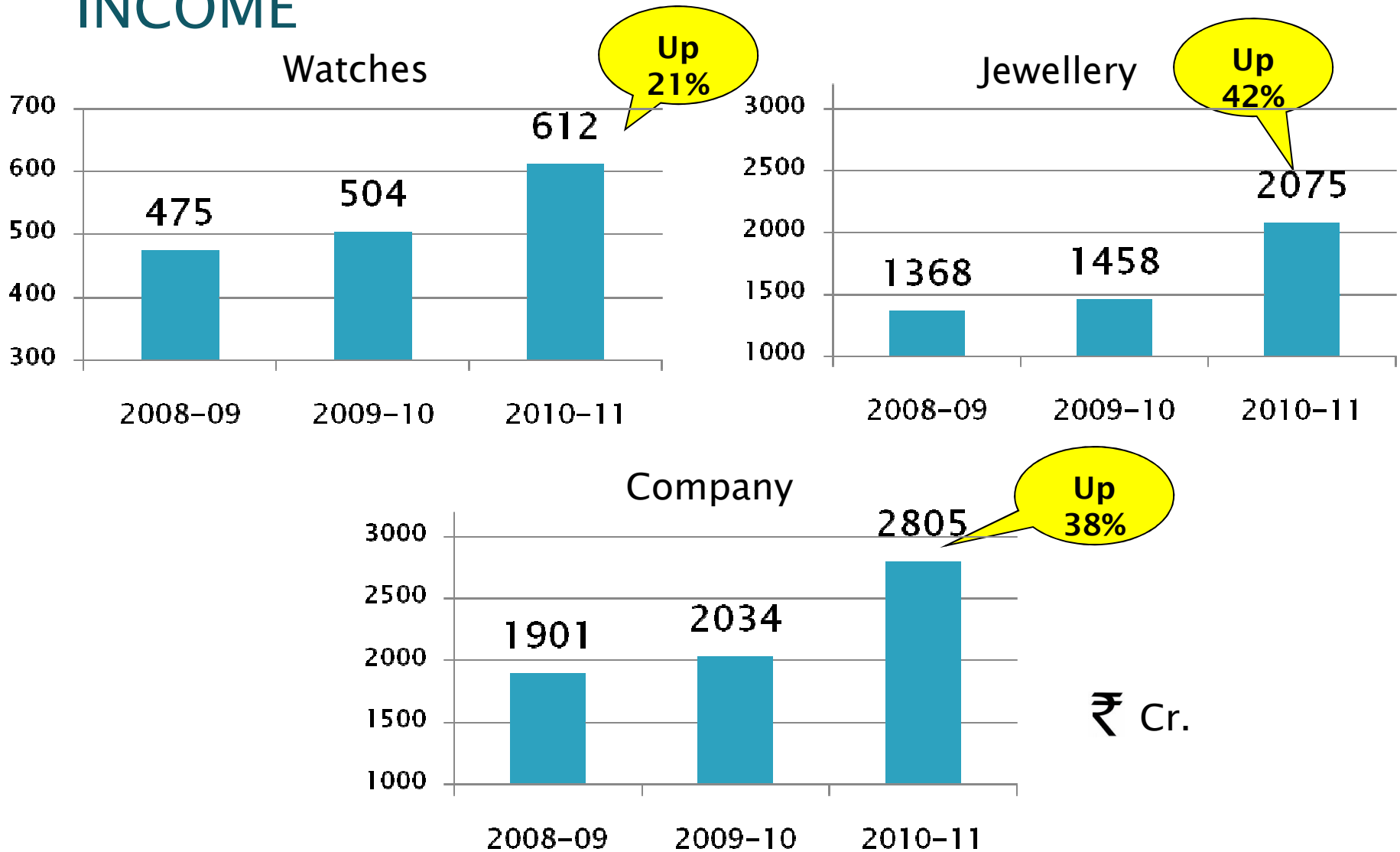
2010-11 – Q1 Highlights

- Company Income crossed Rs 1250 Crores (over US\$ 265 million)
- PBT crossed Rs 100 Crores (over US\$ 20 million)
- PAT crossed Rs 80 Crores (over US\$ 17 million)
- All businesses benefited from improved Consumer sentiment and from a longer Wedding “season” during the quarter
- Watches saw good growth in the premium TITAN brand, resulting in a better product-mix and improved margins
- Jewellery saw sales growth of 49%, inclusive of a 20% rise in gold prices
- The Eyewear segment grew by about 30% and made a small profit, but the retail business is yet to break even
- Precision Engineering also grew its topline, but made a small loss
- The total number of retail outlets across all three businesses crossed 560 and the total area of retail space crossed 700,000 sq ft

2010-11 – Q2 Highlights

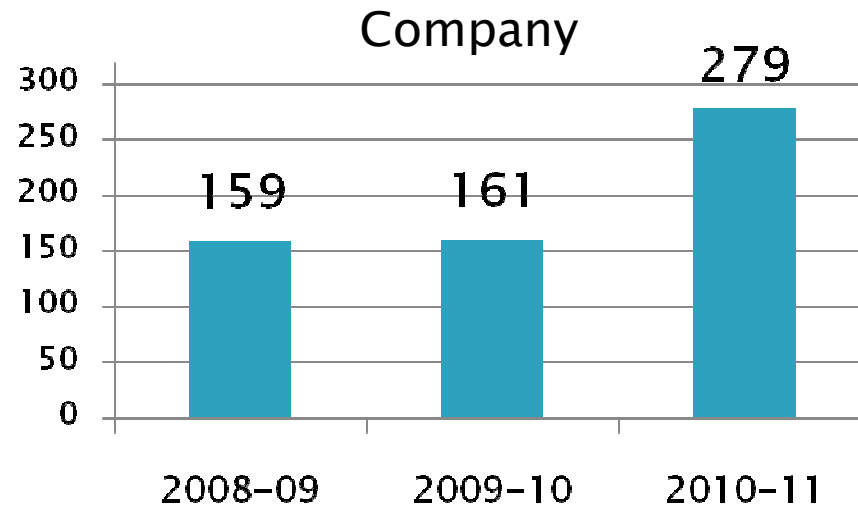
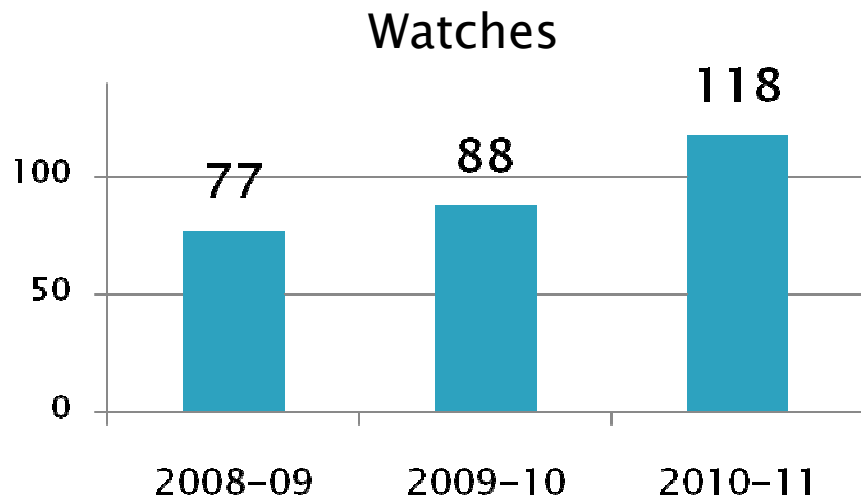
- Company Income crossed Rs 1550 Crores (over US\$ 350 million)
- PBT crossed Rs 170 Crores (over US\$ 38 million)
- PAT crossed Rs 125 Crores (over US\$ 28 million)
- All businesses benefited from continuing strong Consumer sentiment during the quarter
- Watches saw sales growth of 21% with the premium TITAN brand performing particularly well, resulting in a better product-mix and improved margins
- Jewellery saw sales growth of 37%, with encouraging growth in the studded segment, resulting in improved margins
- Sales of the Eyewear segment doubled relative to the previous year, and reduced the loss due to the retail business yet having to break even
- Precision Engineering also grew its topline, but made a small loss
- The number of retail outlets across all three businesses crossed 580 and the total area of retail space touched 740,000 sq ft.

PERFORMANCE – 2010-11 – FIRST HALF INCOME



PERFORMANCE – 2010-11 – FIRST HALF

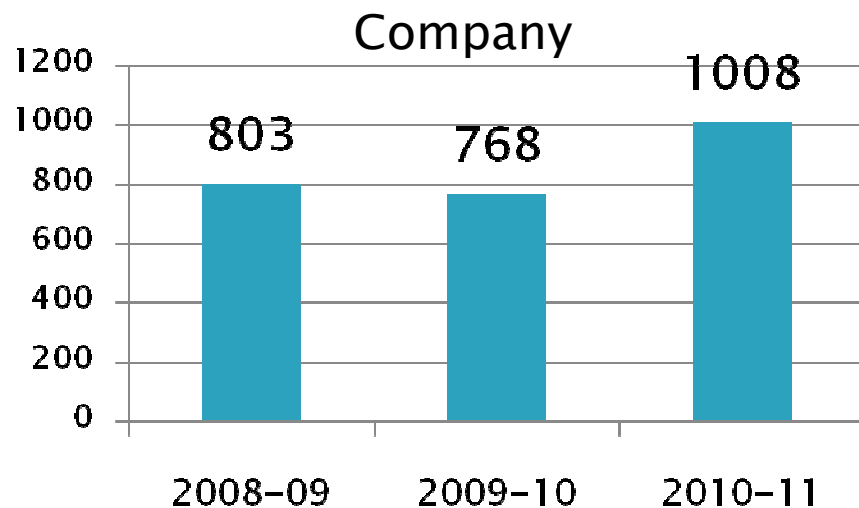
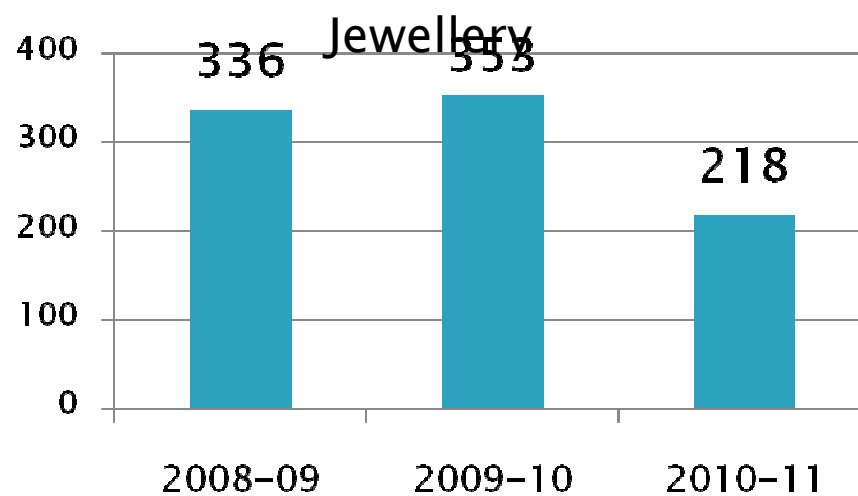
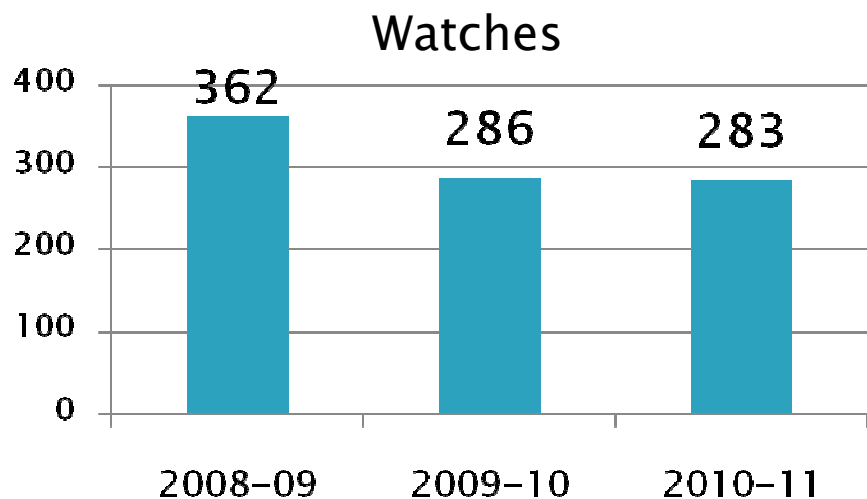
EBIT



₹ Cr.

PERFORMANCE – 2010-11 – FIRST HALF

CAPITAL EMPLOYED



₹ Cr.

RETAIL STORES NETWORK

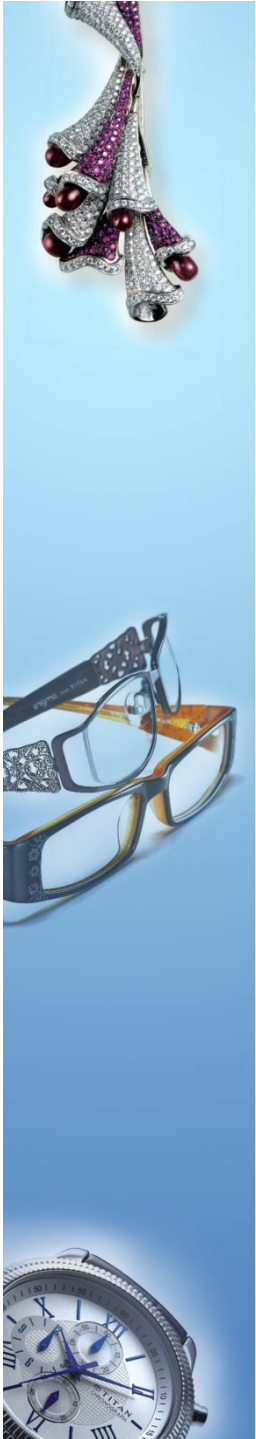
Brand		31/03/10	Net Additions 10-11	30/09/10
		Nos	Nos	Nos
World of Titan		291	12	303
Fastrack	Stores	20	7	27
	Kiosks	4	6	10
Helios		1	1	2
Watches		316	26	342
Tanishq		114	3	117
Goldplus		29	0	29
Zoya		2	0	2
Jewellery		145	3	148
Eye +		82	20	102
Eye Wear		82	20	102
Total		543	49	592

RETAIL SALES GROWTH – 2010-11 (I HALF)

Sl.	Retail Channel	Total growth	Like to Like growth
1.	World of Titan	19%	13%
2.	Tanishq	44%	41%
3.	Titan Eye+	57%	44%
4.	Fastrack	4 times	85%
5.	Gold Plus	28%	28%
6.	Helios	141%	41%
7.	Zoya	30%	30%
8.	Large Format Stores in Watches	64%	33%

SALES GROWTH OF BRANDS – 2010-11 (I HALF)

Sl.	Brands	Volume growth	Value growth
1.	Titan	17%	23%
2.	Sonata	21%	12%
3.	Fastrack	30%	23%
4.	Tanishq	7% (grammage)	45%
5.	Gold Plus	-13% (grammage)	20%



What's the Future?

- ▶ 14,000 crore revenue (3.5 billion dollar company) – Three-fold growth in 5 years
- ▶ Huge opportunity in International Markets
- ▶ Opportunity in Jewellery: 100,000 crore rupees market
- ▶ Eyewear – Rapid expansion of our world-class Titan Eye+ stores to dominate the optical industry in India



Capabilities

- ▶ Brand building
- ▶ Retailing
- ▶ Design
- ▶ Engineering
- ▶ Supply Chain

Fuelled by:

**A passionate & capable Team
and**

**A unique culture that encourages innovation
blended with strong
performance orientation**



Recognition

Corporate

- Great Place to work award–19th overall position and 1st in retail
- Bhaskar Bhat– Leadership Award given by Qimpro Foundation
- Titan–Best Commercial Establishment–Award for Corporate Sustainability
- ET Retail Award for “Most Innovative Retailer”

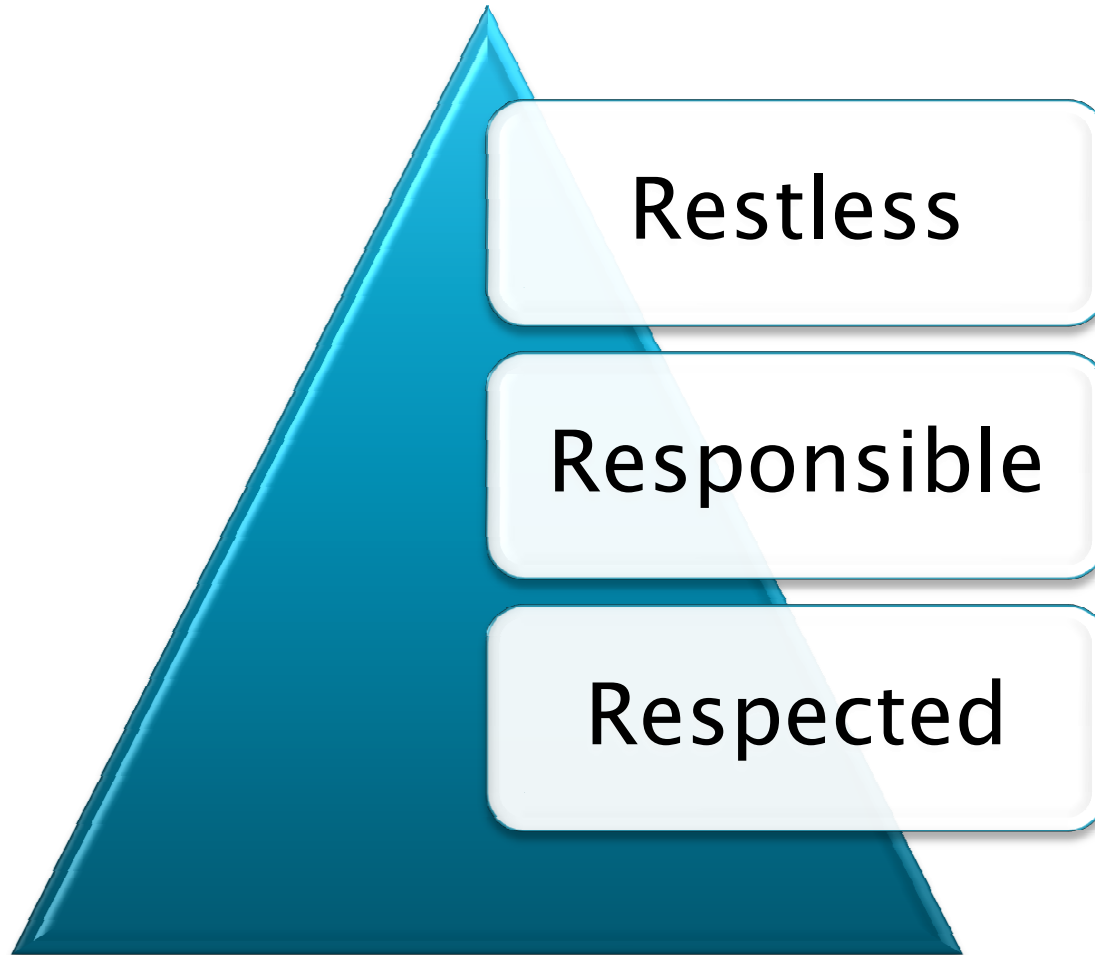
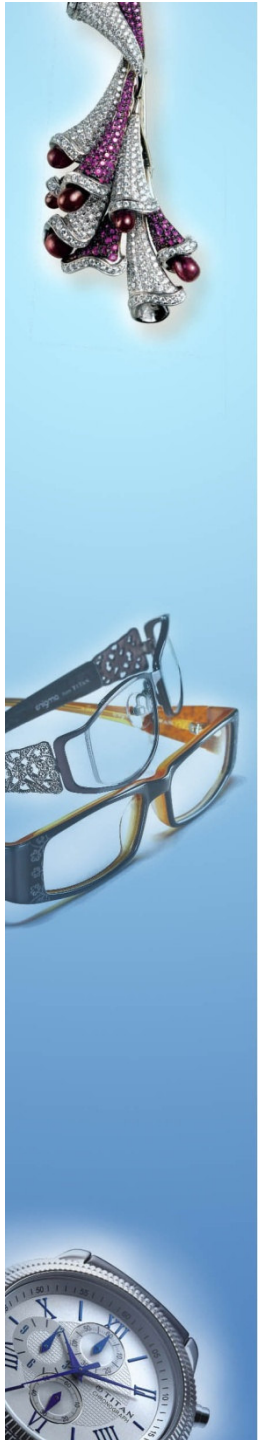
Watches

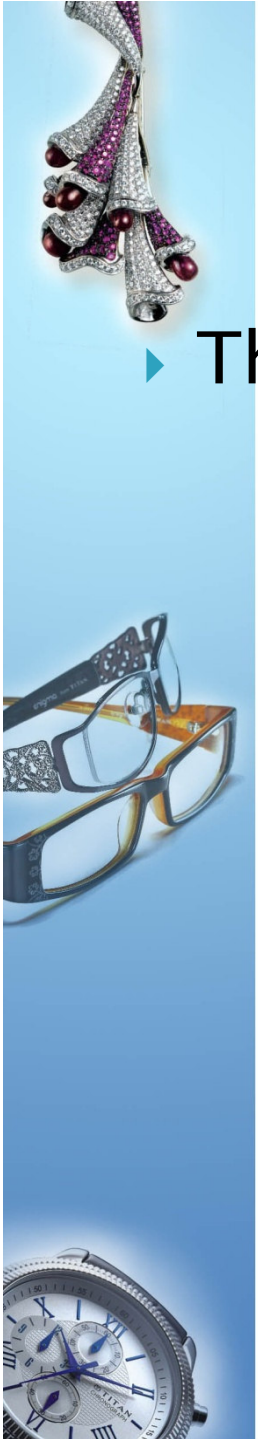
- Watch World Awards–Flagship Store, Mumbai and Titan “ Be More Legends”
- Golden Peacock Award–Titanium Edge watch
- India’s most trusted brands–Titan and Sonata
- Overall brand leadership award for Fastrack

Jewellery

- GoldPlus–Anantha Program–Award from Qimpro Foundation and the ET Retail award for Customer Relation Management.
- Gold Plus wins ET Retail award for “Rural Marketing”
- Tanishq “ One” –Digital Media Award
- Tanishq wins ET Retail award for “Best Store inauguration”

The House of Titan Today





▶ Thank You