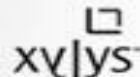


# Titan Industries Limited



*"Delivering value by creating Brands"*

*May 2013*



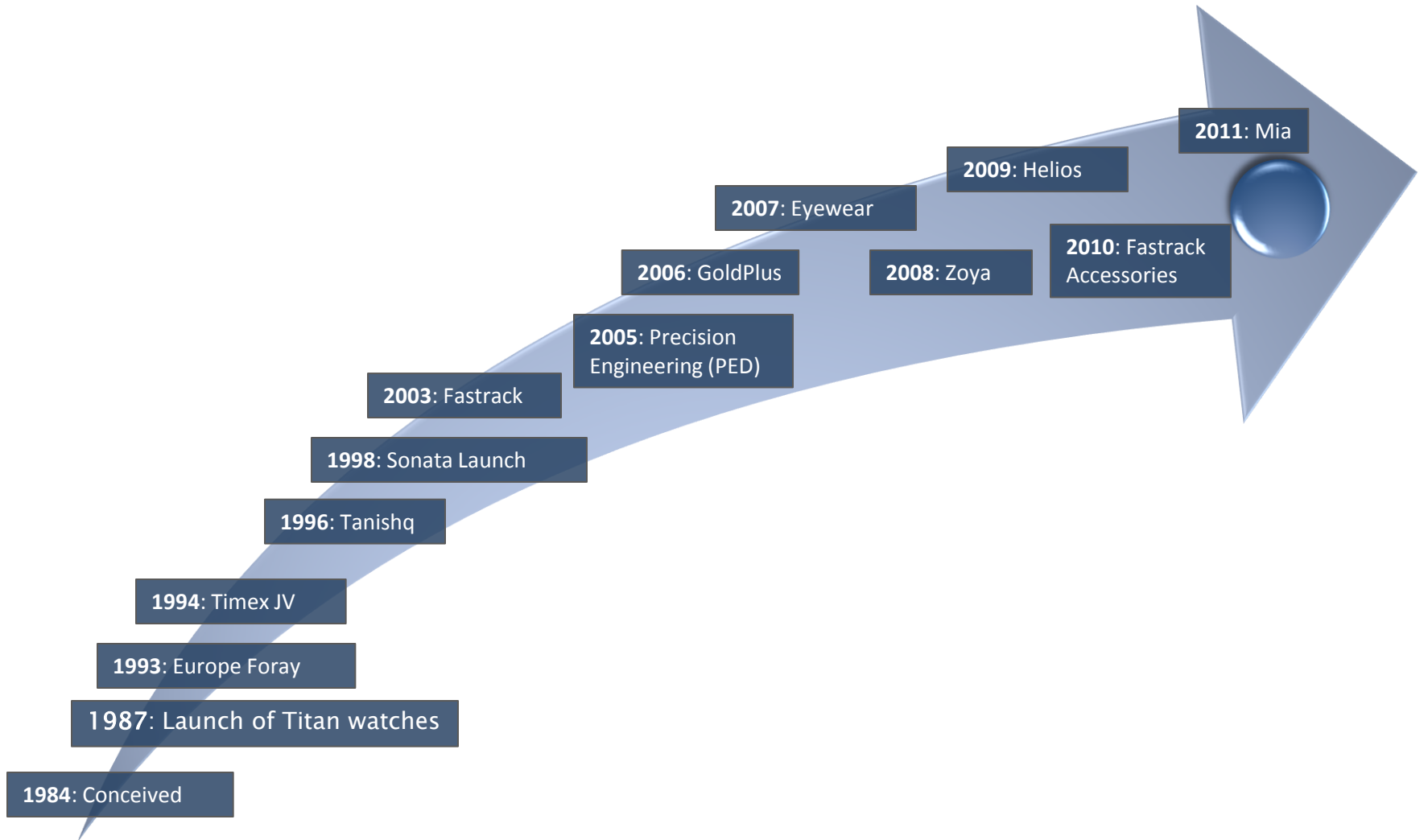
**TITAN**

# 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.*

# Silver Jubilee: The Journey



# Our Brands



# India's largest specialty retailer

*Luxury*

ZOYA 

*Premium*

 HELIOS 

*Mid Market*

 **364**  
WORLD of TITAN

TITAN One 

  
TANISHQ 

**TITAN EYE+**  
WORLD CLASS OPTICAL STORES

**224**

**Service Centres**

**742**

*fastrack*

 **140**

*Mass Market*

 **31**  
from TATA

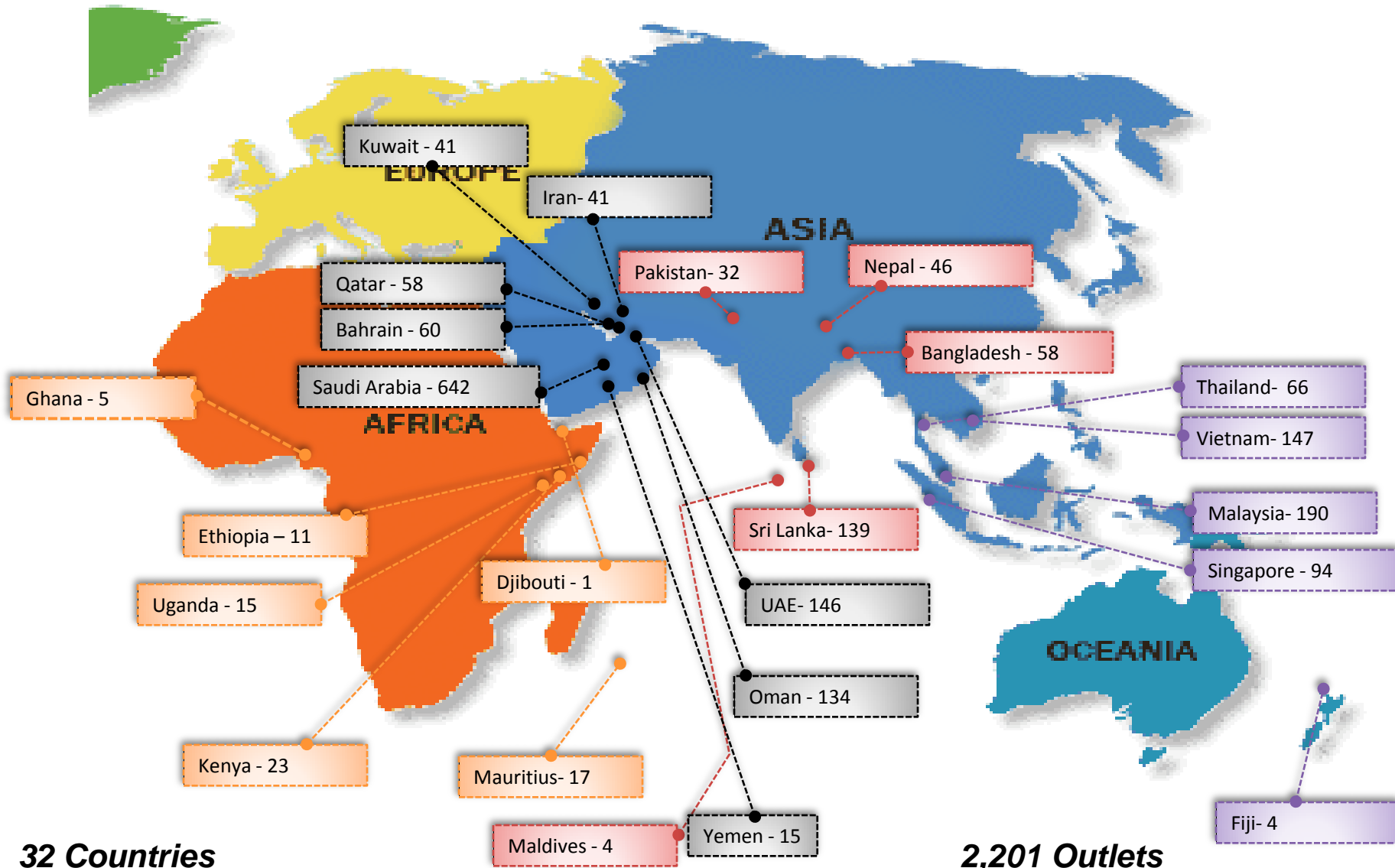
1,026 Exclusive stores

205 Towns

Over 1.3 million sft of retail space

**TITAN**

# International presence



**32 Countries**

**2,201 Outlets**

# Where we stand today

- World's 5<sup>th</sup> largest Watch Manufacturer
- 65% market share in organized watch market
- *Sonata*: India's largest selling watch brand
- *Fastrack*: India's largest youth brand
- *Tanishq*: India's leading Jewellery player
- *Titan Eye+*: India's largest retail chain in Eyewear
- Strength in Retail: 1,026 stores with over 1.3 million sft area
- Distribution: More than 11,000 multi-brand outlets
- Precision Engineering: Preferred vendor for high precision components to many global manufacturers

# Watches Division





# Watches

- Five major brands



- Sold through

- Exclusive “World of Titan” outlets
- “Fastrack” outlets
- Multi-brand outlets: “Helios”
- “TITAN One” outlets
- Multi-brand dealers and stores
- Large-format stores like Shoppers’ Stop, Lifestyle etc.

- Large network of exclusive service centers

- Sophisticated Design & Development Center

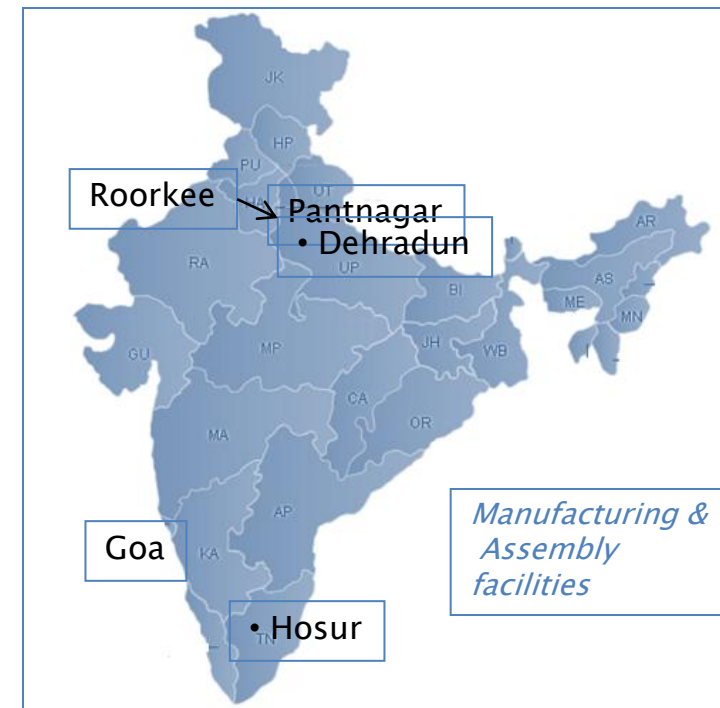
- Core strength in Industrial, Retail and Graphic design
- Numerous international award-winning designs to its credit

Licensed brands

TOMMY HILFINGER

fcuk™

Timberland®



# Watches – Distribution

Retail All India	<ul style="list-style-type: none"><li>• 11,000 dealers</li><li>• 2,500 towns</li></ul>
World of Titan	<ul style="list-style-type: none"><li>• 364 showrooms (32 added in FY12-13)</li><li>• 142 towns – 375k Sft</li></ul>
Fastrack	<ul style="list-style-type: none"><li>• 140 stores / kiosks (38 added in FY12-13)</li><li>• 65 towns – 76k sft</li></ul>
Helios	<ul style="list-style-type: none"><li>• 46 stores (21 added in FY12-13)</li><li>• 19 towns – 64k sft</li></ul>
TITAN One	<ul style="list-style-type: none"><li>• 73 stores (35 added in FY12-13)</li><li>• 64 towns – 41k sft</li></ul>
Service Centres	<ul style="list-style-type: none"><li>• 742 outlets</li><li>• 265 towns</li></ul>
International	<ul style="list-style-type: none"><li>• 2,201 outlets</li><li>• 32 countries</li></ul>

# Jewellery Division

ZOYA

TANISHQ

GOLDPLUS  
from TATA

Mia

fg  
TEEN  
DIAMONDS  
by TANISHQ



# Jewellery

- ▶ Largest jewellery retailer in India
- ▶ Three major brands – Tanishq, GoldPlus and Zoya
- ▶ Sub-brand - Mia, for the working woman; fq for the teens
- ▶ Manufacturing facilities in Hosur (Tamil Nadu), Dehradun and Pantnagar (Uttarakhand)
- ▶ Innovative Services – Golden Harvest / Future scheme, gift vouchers, gold exchange schemes and made to order facility
- ▶ Loyalty Programmes - Anuttara and Ananta
- ▶ Customer First and Lean initiatives in manufacturing and retailing
- ▶ Transforming industry practices – karatmeter, karigar parks/centres, transparency, 100% hedging of gold

# Jewellery – Distribution

## *Tanishq*

- 148 stores including 2 Zoya stores (18 added in FY12-13)
- 528k sft (145k sft added in FY12-13)
- 84 towns

## *GoldPlus*

- 31 stores
- 74k sft (7k sft added in FY 12-13)
- 31 towns

# Eyewear & Precision Engineering



# Eyewear

- India's largest optical retail chain:
  - 224 retail outlets across 85 towns
- Zero-error eye testing in state-of-the-art optometry clinics
- Lens manufacturing and distribution facility at Chikkaballapur, near Bangalore
- Products include frames, lenses, sunglasses, contact lenses, ready readers and accessories
- Three in-house brands: Titan, Eye+ and Dash
- Several international and luxury brands
- Customer loyalty program: Vista
- Tie-up with Sankar Nethralaya for training of store staff and optometrists
- Key differentiators: Style consultants, Zero-error prescription, free eye testing, scratch-resistant lens, hydrophobic lens, lens accuracy certificate

# Precision Engineering

- Leverages engineering capabilities
- B2B business – balances risk of B2C businesses
- Sub-division PECSA (Precision Engineering Component and Sub-assemblies) - provides components and sub-assemblies to Aerospace, Automotive, Oil & Gas, Electrical and Medical Equipments industries
- Sub-division MBA (Machine Building and Automation) - provides assembly and testing lines catering to Automotive, Electrical & Electronics, Solar and Medical Equipments industries
- Sixty clients across the world including:
  - ▶ Eaton, US
  - ▶ Hamilton Sunstrand, US
  - ▶ Microtechnica, Italy
  - ▶ Pratt & Whitney, US
  - ▶ Ford, UK
  - ▶ Bosch, India
  - ▶ Timken, India



# *Q4 Performance*

# Q4 - Background

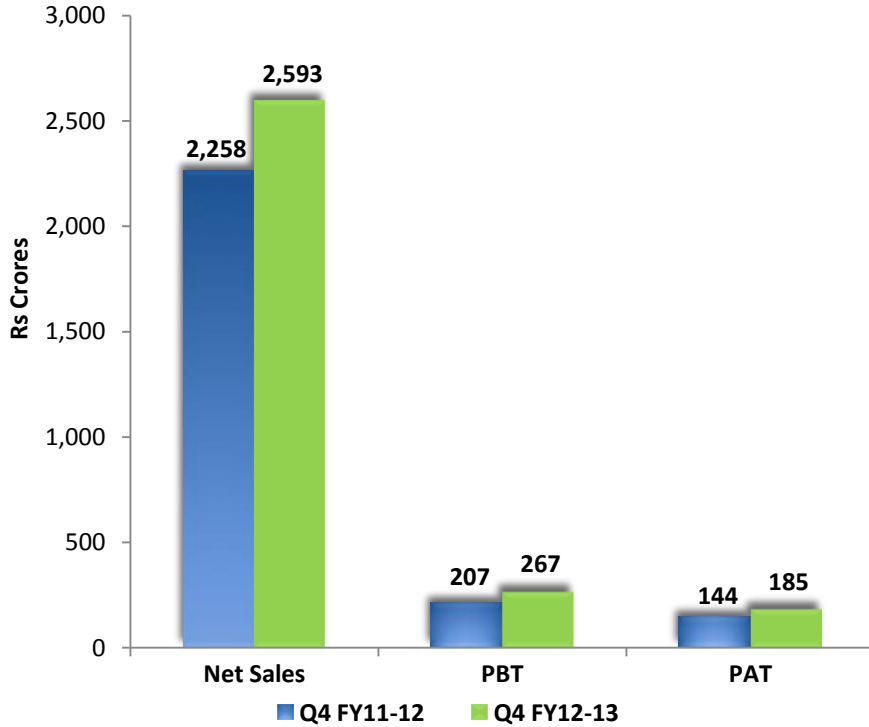
- Company focus on retail network expansion continues – 45 outlets (65k sft) added during the quarter across divisions
- Titan Skeletal EDGE watch won the globally prestigious Red dot award as "Best product design of the year- Watches and Jewellery"
- Titan launched new range of Octane watches and new collections of "Tagged by Titan" watches
- Fastrack launched Midnight party collection of watches
- Sonata launched new range of Touch Screen watches
- Sonata launched "Everyday" collection and "Wedding" collection of watches
- Eyewear launched "Teenz" collection of frames, new "Rave" collection of frames and new UV coated lenses
- Gold price softened towards the end of the quarter
- Regulatory overhang on gold imports/sale

# Q4 - Retail growth

	<b>Sales value growth</b>	<b>Like to like growth</b>
<i>World Of Titan</i>	4%	-2%
<i>Tanishq</i>	17%	8%
<i>Goldplus</i>	-3%	0%
<i>Helios</i>	60%	12%
<i>Fastrack</i>	59%	15%
<i>LFS - Watches</i>	14%	4%
<i>Titan Eye+</i>	46%	40%

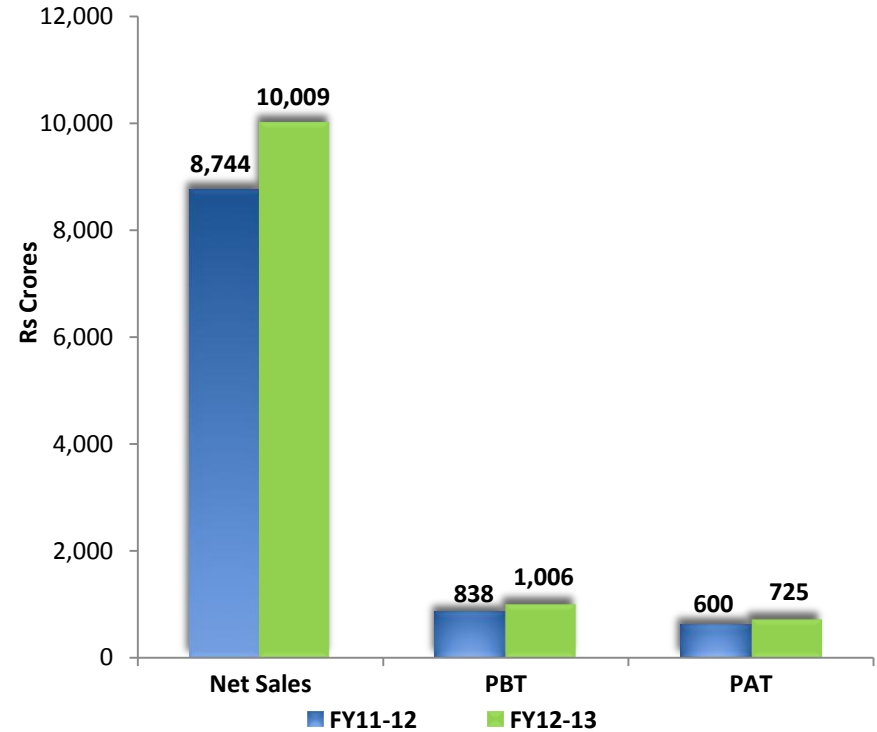
# Company performance

## Q4 Performance



- Revenue growth: 15%
- PBT growth: 29%
- PAT growth: 28%

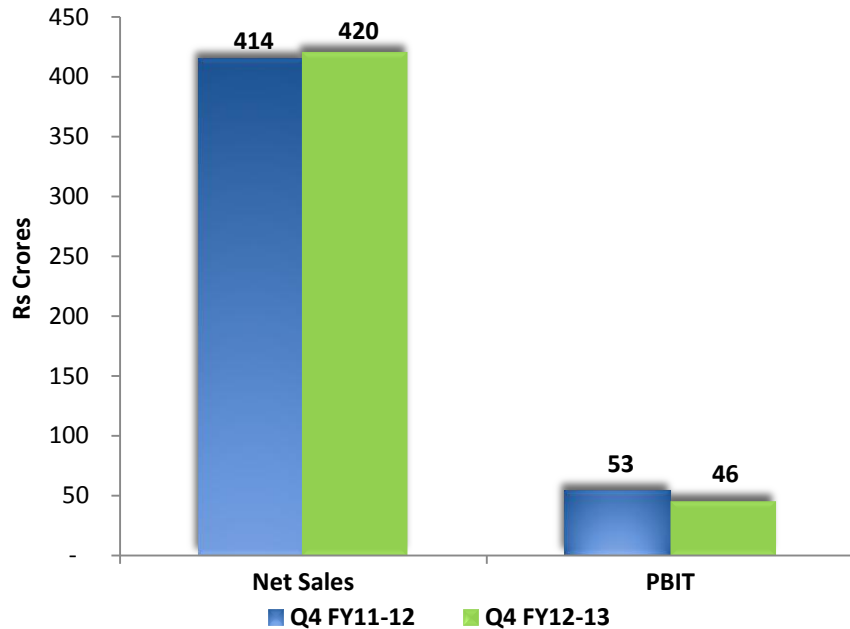
## Annual Performance



- Revenue growth: 14.5%
- PBT growth: 20%
- PAT growth: 21%

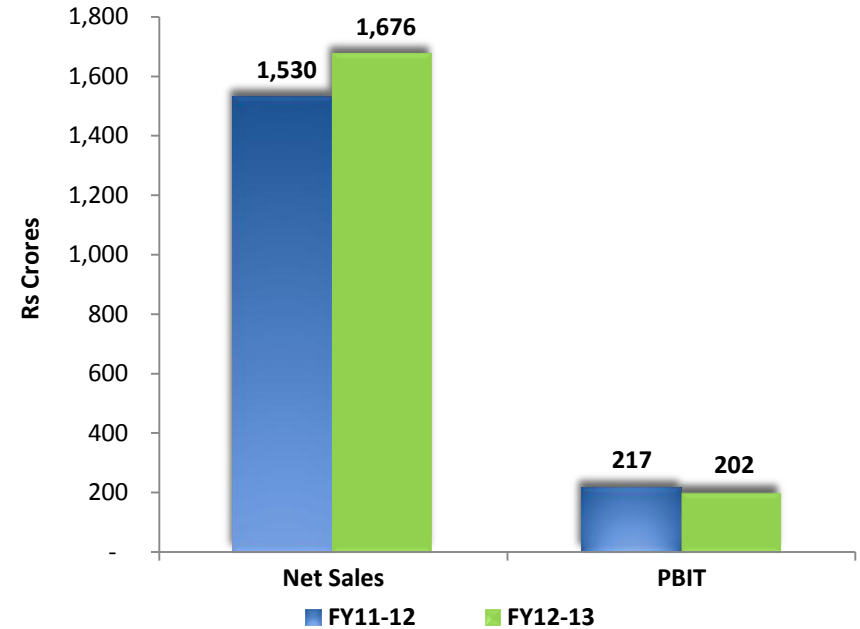
# Watches

## Q4 Performance



- Volume growth: (-10%)
- Revenue growth of 1.5% - impact of price increases over the last one year
- Margin affected by excise duty hike and higher material costs

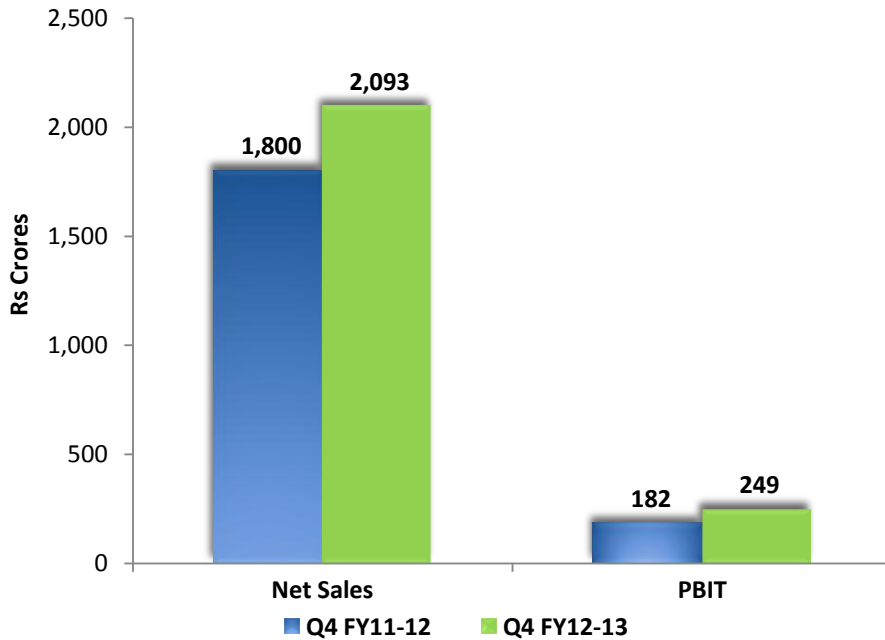
## Annual Performance



- Volume growth : (-1%)
- Revenue growth : 10%
- Margin decline and higher overheads result in PBT decline

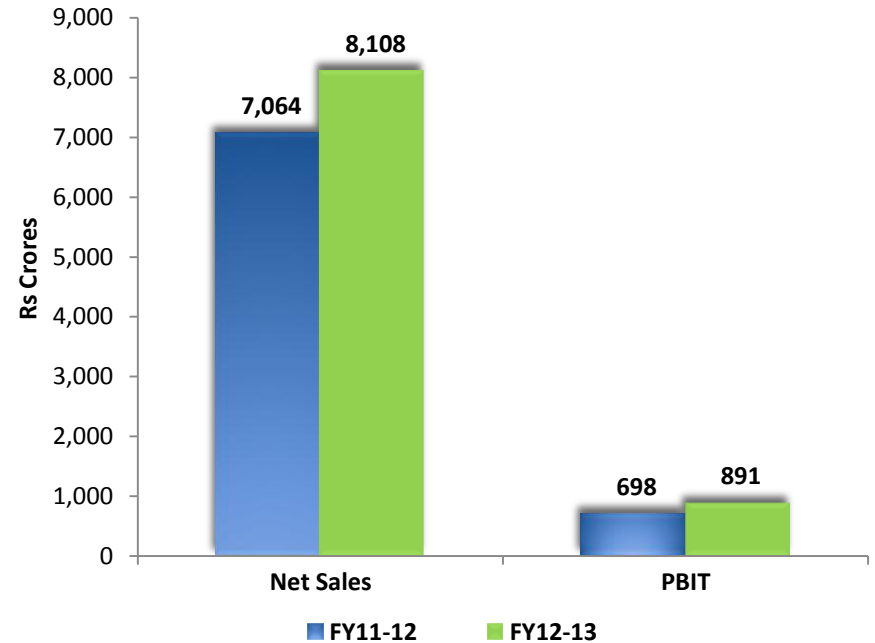
# Jewellery

## Q4 Performance



- Customer growth: 12%
- Studded share: 32%
- Revenue growth: 16%
- PBIT growth: 37%

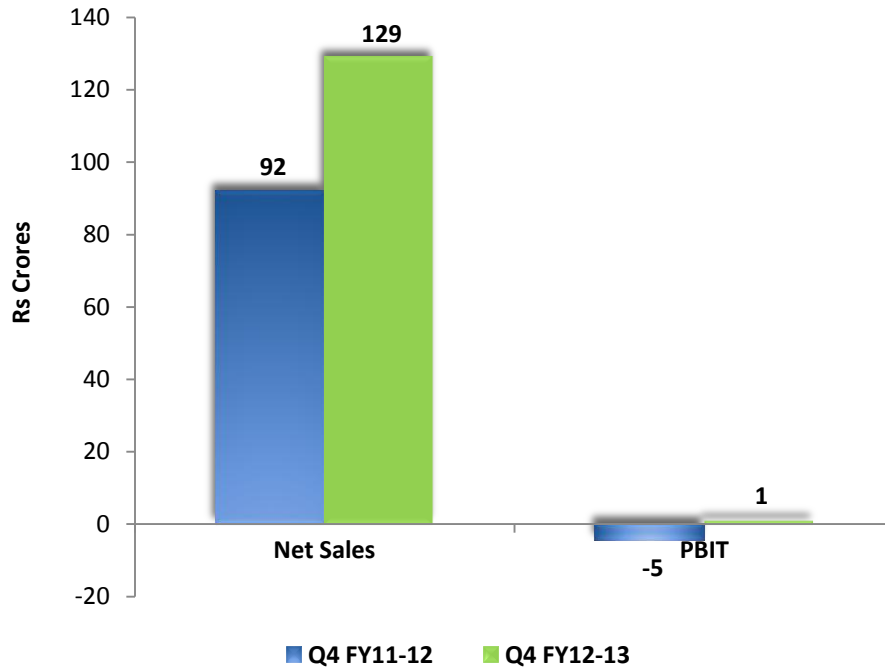
## Annual Performance



- Customer growth: 7%
- Studded share: 27%
- Revenue growth: 15%
- PBIT growth: 28%

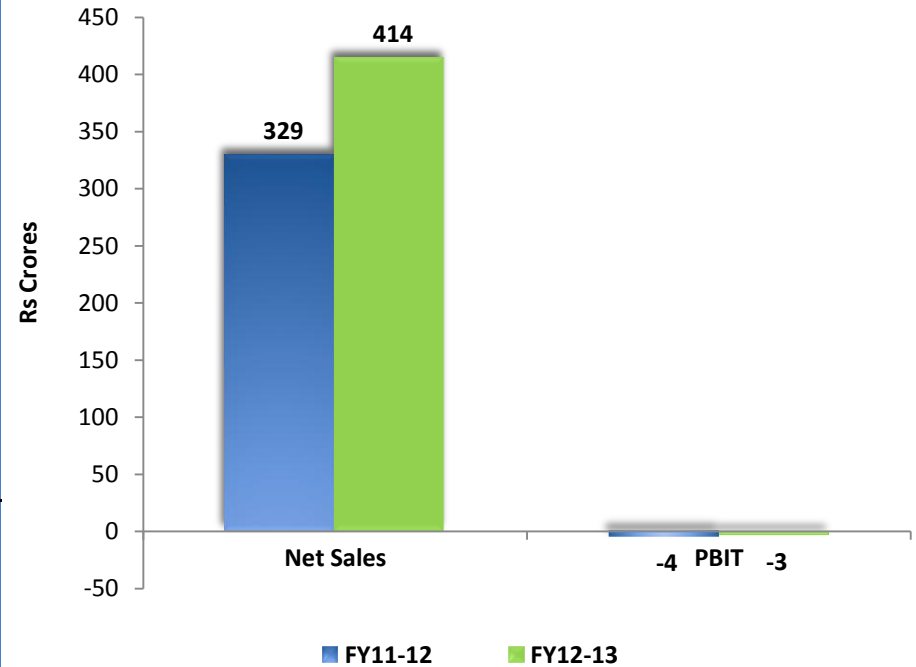
# “Others” Segment

## Q4 Performance



- Revenue growth: 40%
- Eyewear revenue growth: 43%

## Annual Performance



- Revenue growth: 26%
- Eyewear revenue growth: 18%

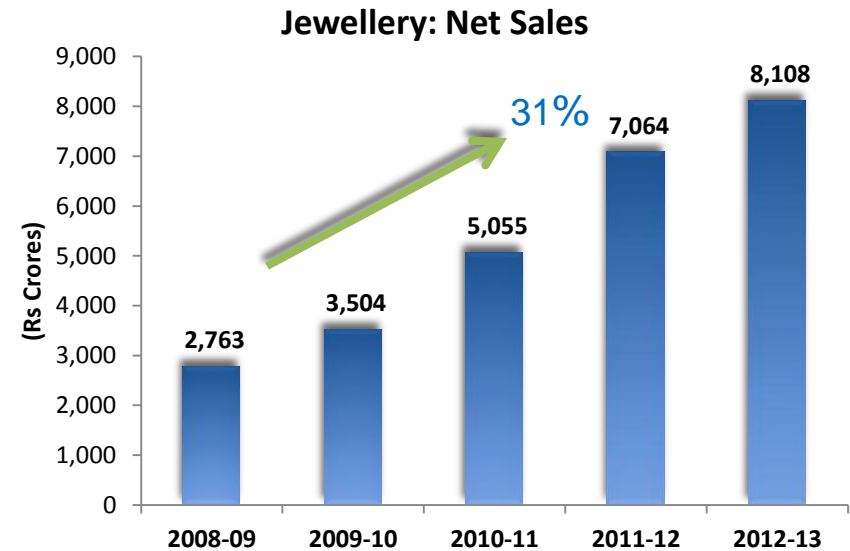
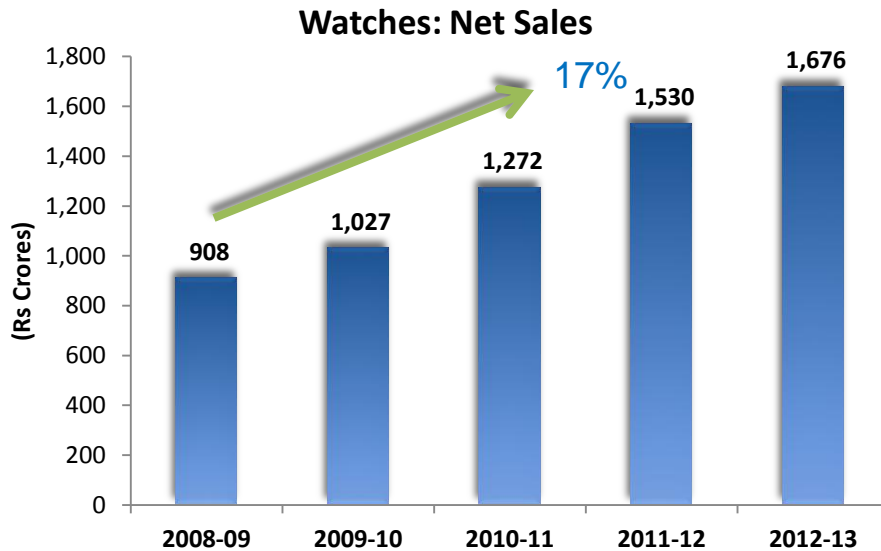
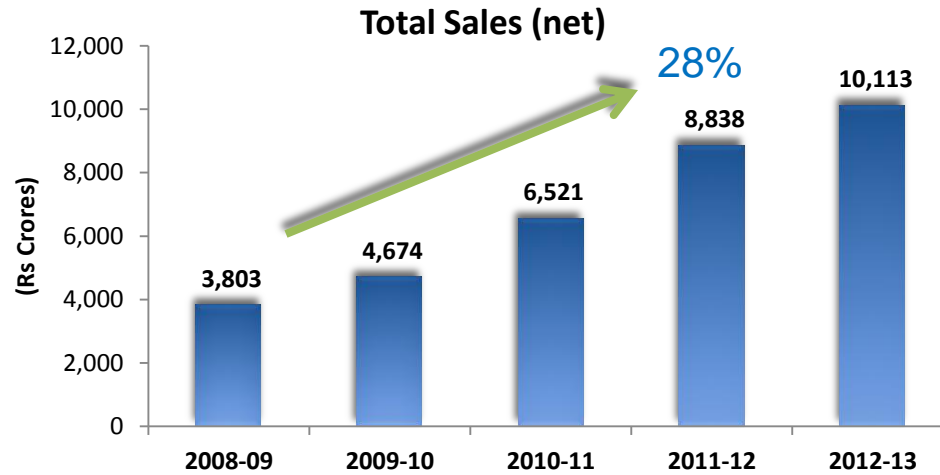
# Capital Employed



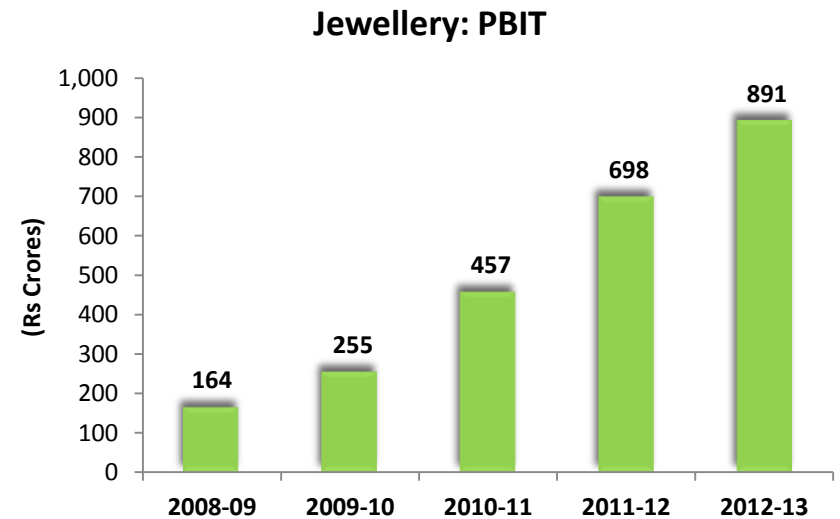
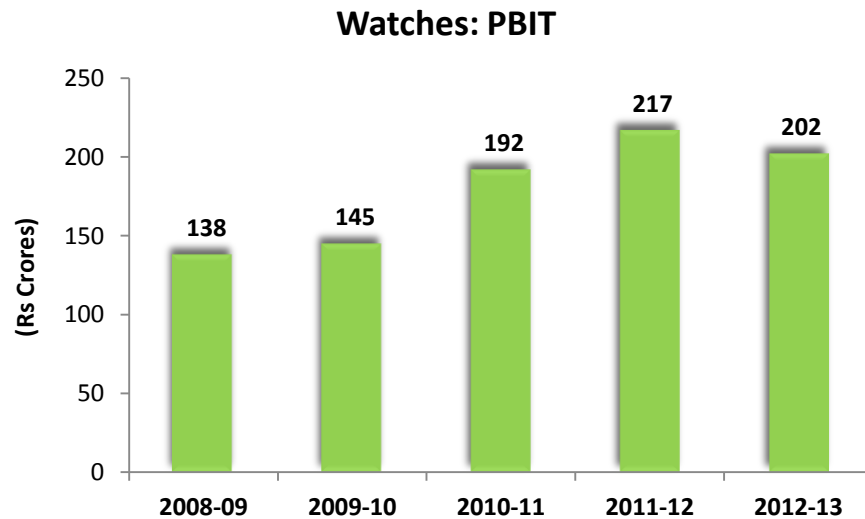
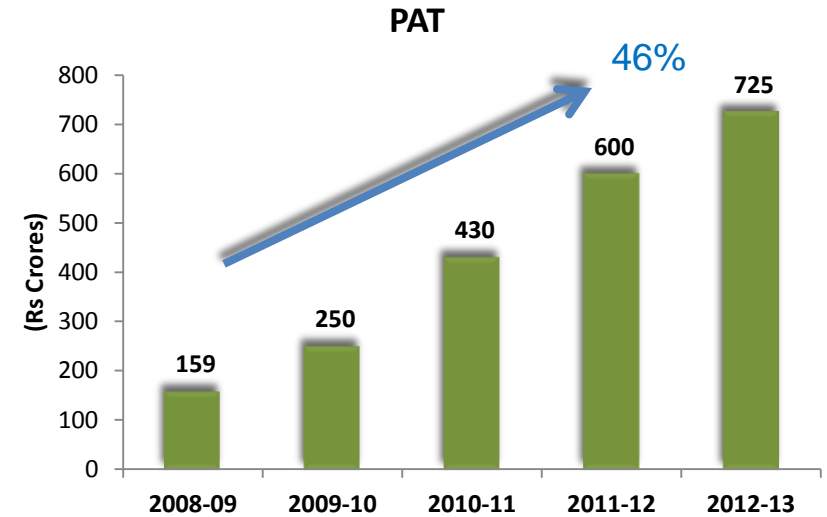
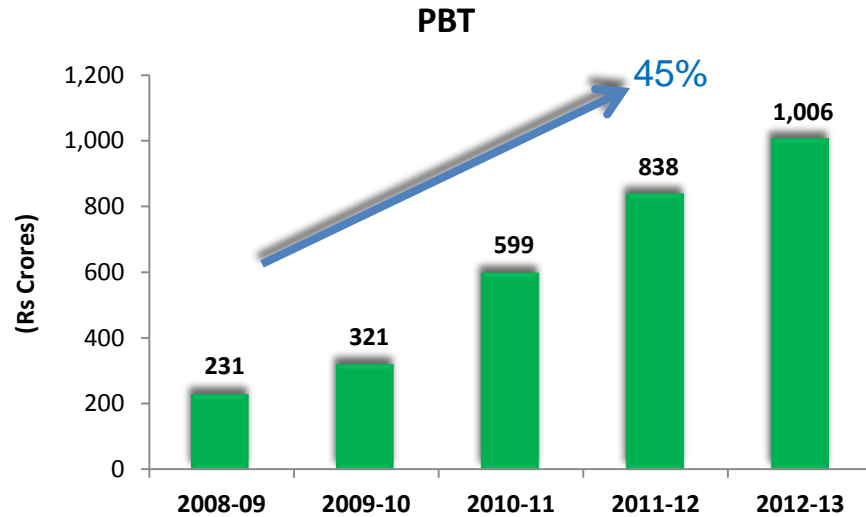
- Higher inventory levels and investments in fixed assets contributed to increase in capital employed



# Performance Trends - Annual

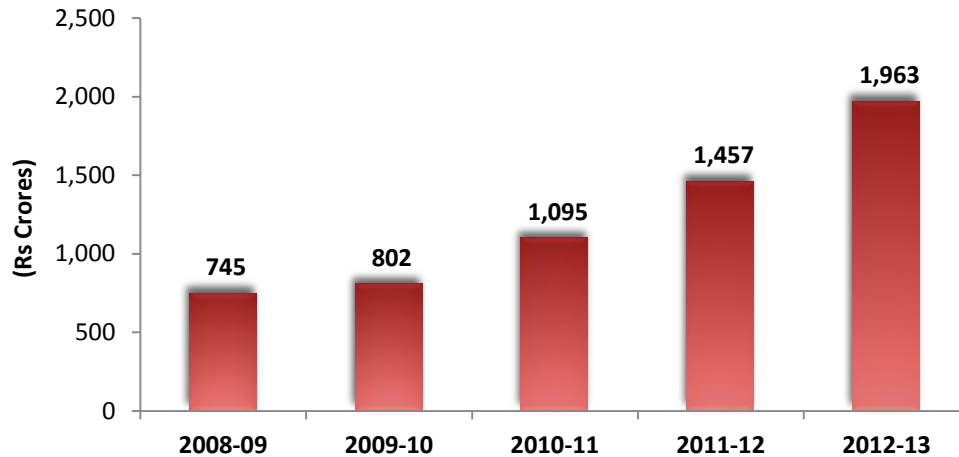


# Performance Trends - Annual (Contd.)



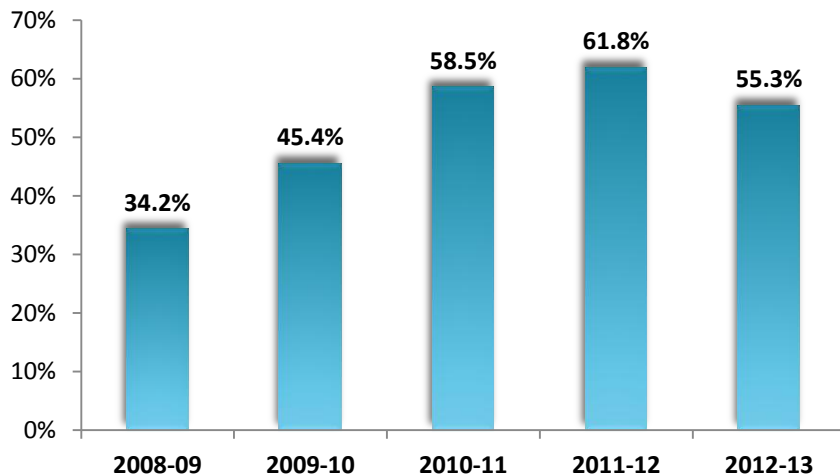
# Performance Trends - Annual (contd.)

## Capital Employed

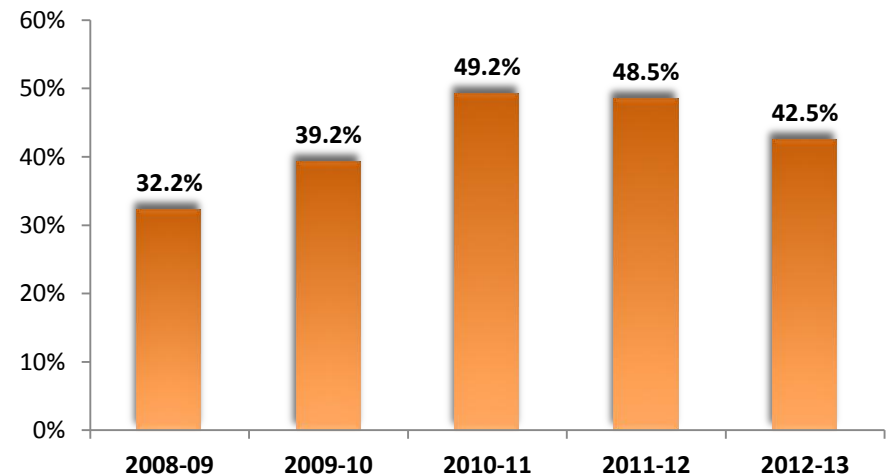


Cash balance up by Rs. 1,082 crores over the period

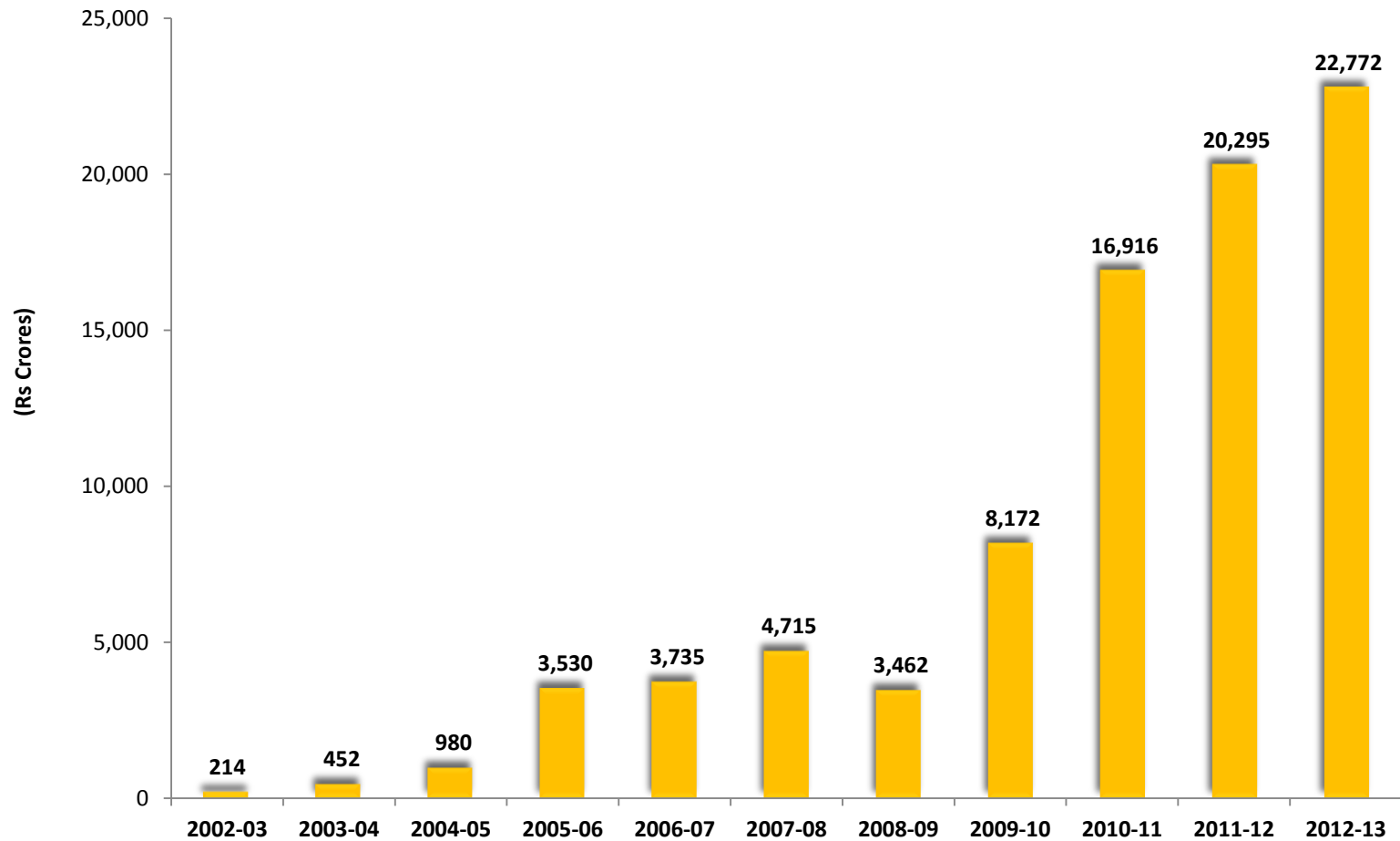
## ROCE



## RONW



# Market Capitalisation



*Note: Based on BSE closing prices at the end of the period*

# Recent Recognition

## Corporate

- “Transformational Leader of the Year” Award for Mr Bhaskar Bhat, MD at Managing India Awards 2013 by AIMA
- Best CEO of the year 2012 award for Mr Bhaskar Bhat, MD from *Business Standard*
- Best Governed Company Award 2012 from Asian Centre For Corporate Governance & Sustainability
- Titan enters *Forbes Asia's* FAB 50 companies list

## Watches

- Fastrack is placed 4<sup>th</sup> and Titan is placed 16<sup>th</sup> in the list of most exciting brands in India in the survey conducted by A C Nielsen and the *Economic Times* (Brand Equity)
- Silver Effie award for an effective 360 degree campaign for Titan HTSE
- AIMIA's 6th Loyalty Award for Titan Signet

## Jewellery

- IIFT Fashion & Lifestyle Award 2013 for Tanishq
- IJ Jewellers Choice Award in the ‘Diamond Jewellery under 5L’ category for a necklace from ‘Ganga’ collection
- Designomics award for Mia product design and CII's Best product design (Lifestyle category) award for Mia

*Thank You*