

Titan Industries Limited

“Delivering value by creating Brands”

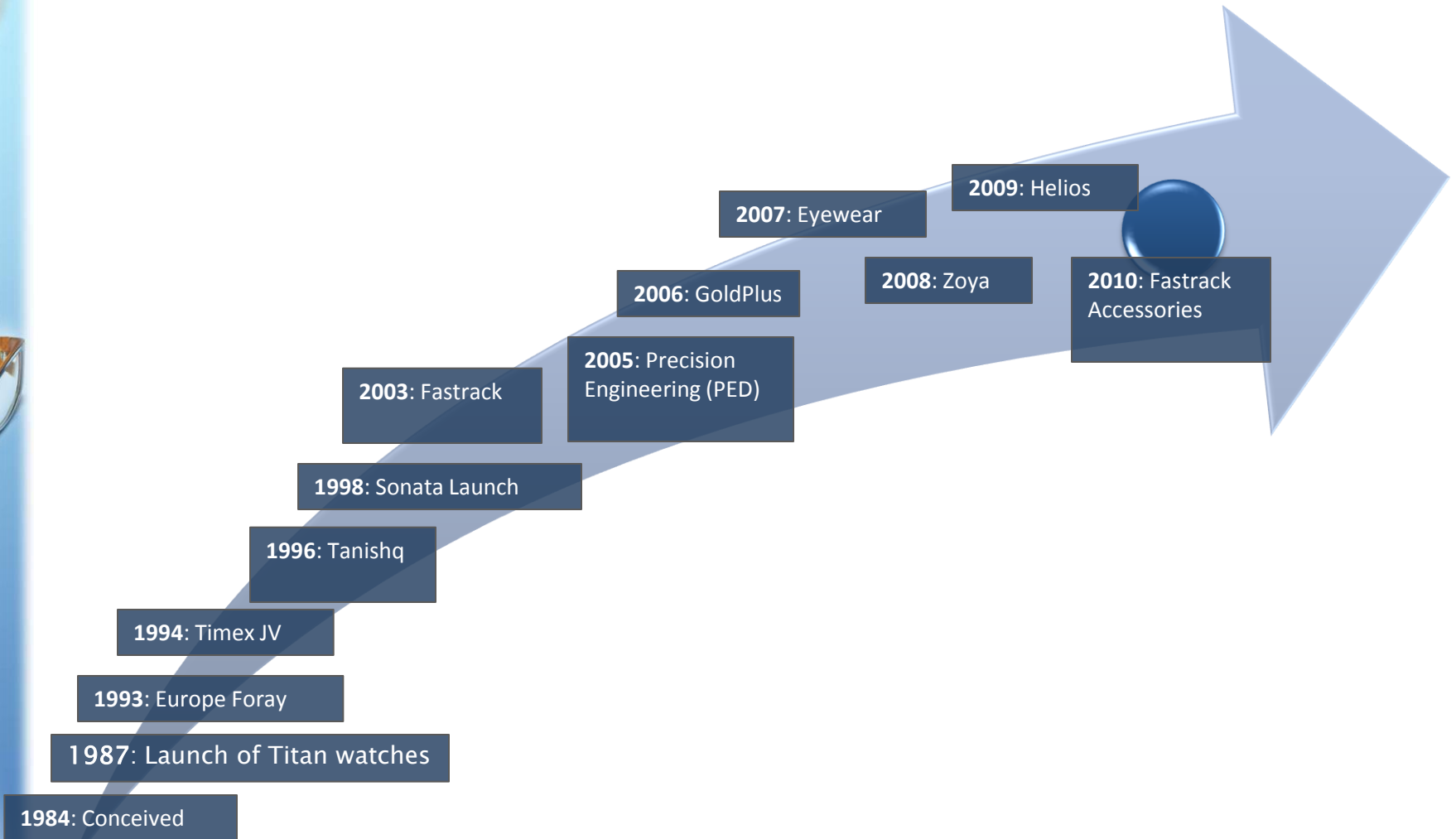


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Certain statements are included in this release which contain words or phrases such as “will,” “aim,” “will likely result,” “believe,” “expect,” “will continue,” “anticipate,” “estimate,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “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.

How It All Began...



Successful Brands



Luxury

ZOYA

Premium


xv|ys[™]
 Swiss made


TANISHQ

Mid Market


TITAN


TITAN


ZOOP
TITAN


fastrack


fastrack

Mass Market


SONATA
 A TATA PRODUCT


GOLDPLUS
 from TATA


EYE+

India's Largest Specialty retailer

Luxury

ZOYA  2

Premium

 HELIOS  14

Mid Market

 **WORLD of TITAN**  317


TANISHQ  125

TITAN EYE+
WORLD CLASS OPTICAL STORES  185

 **TITAN**
CUSTOMER SERVICE  325
WATCH CARE CENTRE

 **fastrack**  64

Mass Market

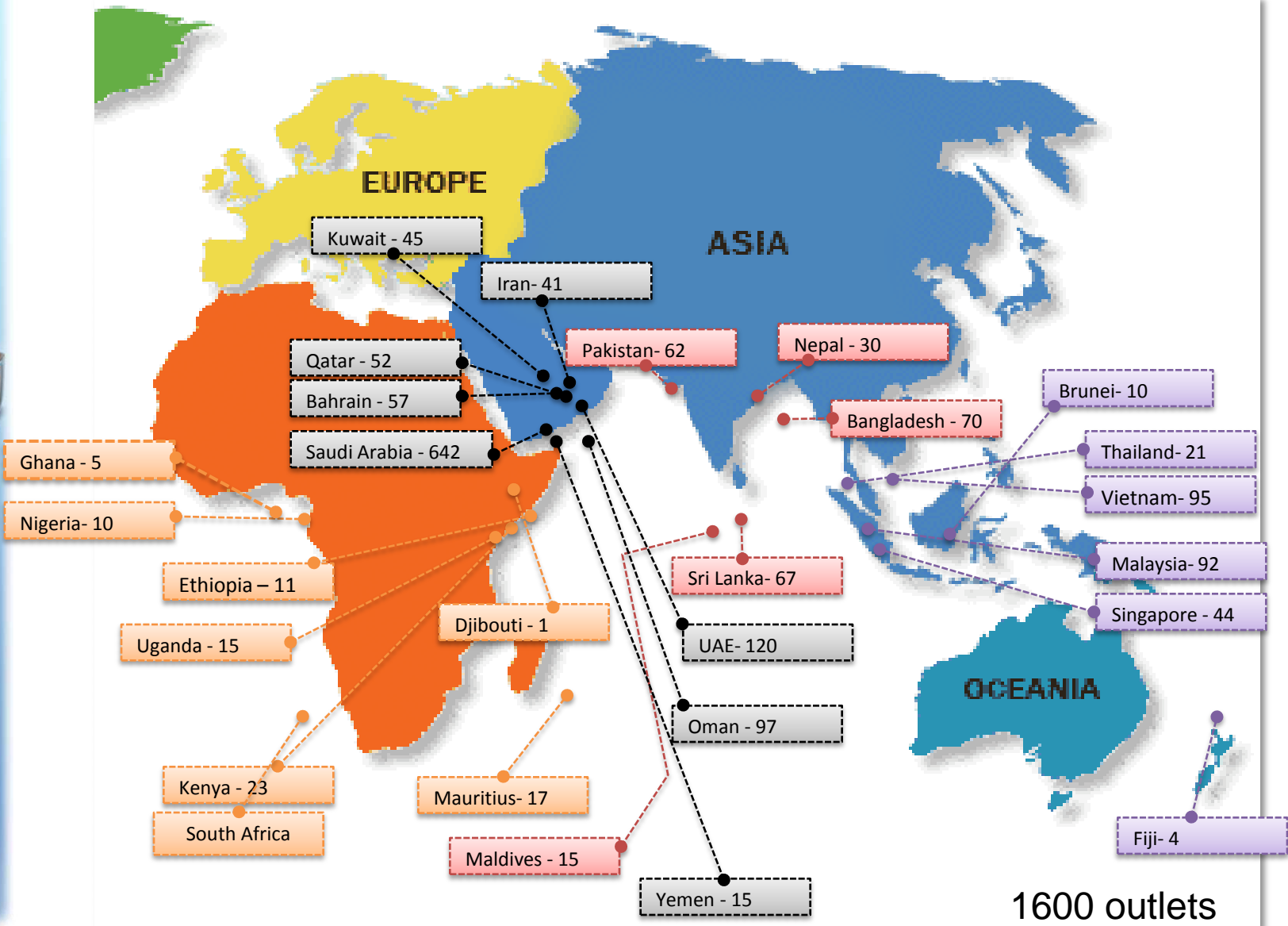
 **GOLDPLUS**
from **TATA**  30

737 exclusive stores

149 Towns

925,000 sft of retail space

Also has international operations



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: Over 700 stores
- Distribution: More than 11,000 Multi-brand outlets

Watches Division

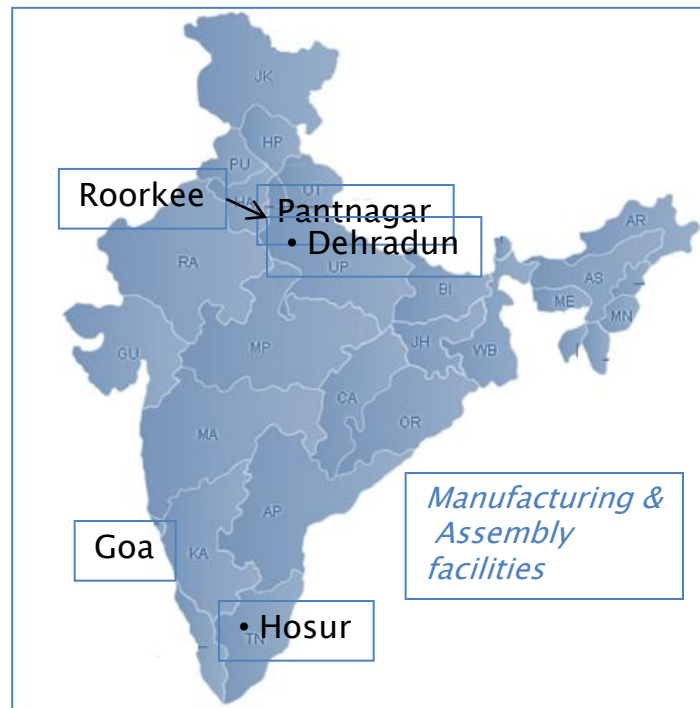


Watches

- Four major brands
 - TITAN
 - xvlys
 - SONATA
 - fastrack
- Sold through
 - Exclusive “World of Titan” outlets
 - “Fastrack” outlets
 - Multi-brand outlets “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

BOSS
fcuk™

TOMMY HILFINGER



Watches – Distribution

Retail All India

- 11000 dealers
- 2500 towns

World of Titan

- 317 showrooms – 6 added in H1
- 130 towns – 322k sft

Fastrack

- 64 stores / kiosks – 17 added in H1
- 27 towns – 28k sft

Helios

- 14 multi-brand stores – 8 added in H1
- 9 towns – 25k sft

Service Centres

- 745 outlets
- 345 towns

International

- 1600 outlets
- 26 countries

Jewellery Division

GOLDPLUS
from TATA

ZOYA

TANISHQ



Jewellery

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

Jewellery – Distribution

Tanishq

- 127 stores including 2 Zoya stores – 5 added in H1
- 356k sft – 64k sft added in H1
- 78 towns

GoldPlus

- 30 stores – 1 added in H1
- 58k sft – 8k sft added in H1
- 30 towns

Eyewear & Precision Engg. Division

TITAN EYE+
WORLD CLASS OPTICAL STORES



SWITCHERS
TITAN EYE+



Eyewear

- India's largest optical retail chain
 - 185 retail outlets across 62 towns – 35 outlets added in H1
- State of the art eye-testing facilities
- Lens manufacturing facility
- 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
- Key differentiators – Style consultants, Zero-error prescription, free eye testing, scratch-resistant lenses, lens accuracy certificate

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 | ▶ Clients include |
| ▶ Aerospace industry | ▶ Eaton, US |
| ▶ Automotive Industry | ▶ Hamilton Sunstrand, US |
| ▶ Oil Exploration & Production | ▶ Microtechnica, Italy |
| ▶ Machine building and Automation Business | ▶ Pratt & Whitney, US |
| | ▶ Ford, UK |
| | ▶ Bosch, India |
| | ▶ Timken, India |

Q2 Performance

Q2 - Background

- High inflation coupled with rising interest rates leading to slowdown in economy's growth
- Sharp depreciation of the Indian Rupee in August and September affects input costs
- Significant volatility in gold prices affects gold volumes – however outlook for Q3 looking better with softening of gold price from end September
- Diamond prices continue to be high affecting studded share
- Company focus on retail network expansion continues – 51 outlets and 67k sft added in the quarter across divisions

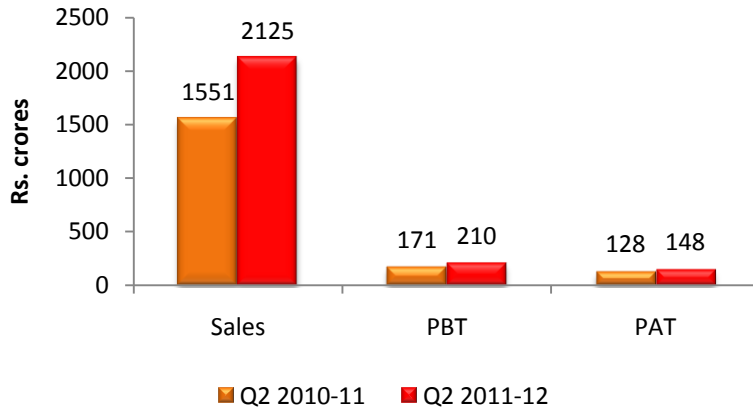
Q2 - Retail growth

	Growth	Like to Like Growth
World Of Titan	20%	16%
Tanishq	39%	31%
Goldplus	44%	49%
Helios	4 times	10%
Fastrack	Doubled	72%
Zoya	45%	45%
LFS – Watches	52%	24%
Titan Eye+	16%	-19%

Growth in Titan Eye+ is below previous year levels as the seasonal promotion in the previous year happened in Q2 while it happened in Q1 the current year

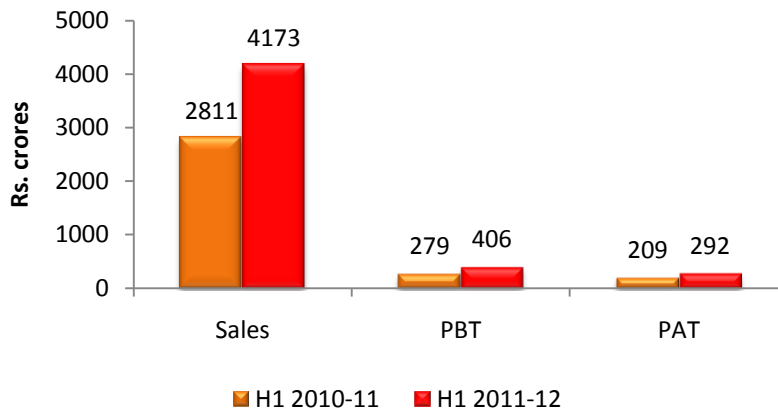
Company – Performance

Q2 Performance



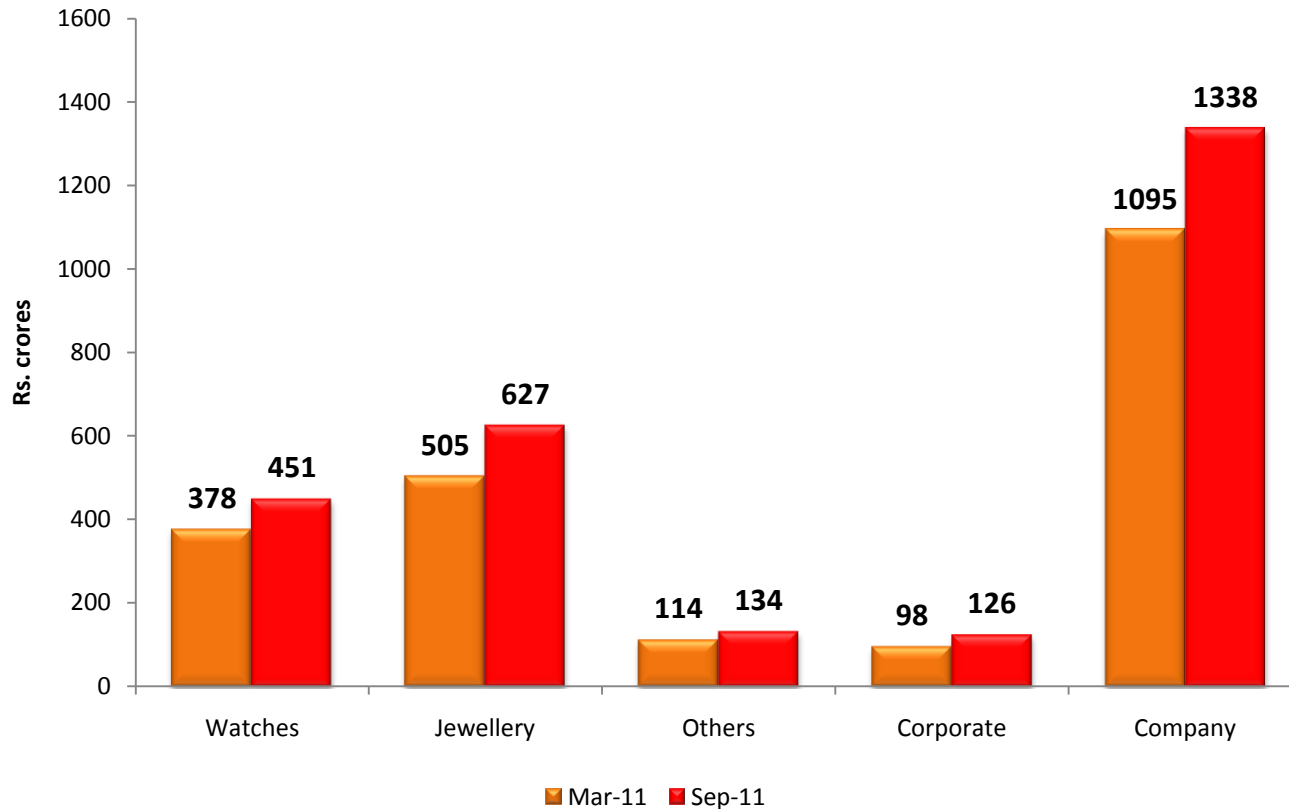
- Revenue growth -37% - growth slower due to high gold prices and economy
- PBT growth - 23%
- PAT growth – 16% - lower due to tax provision of prev year for Rs 5 cr

H1 Performance



- Revenue growth - 48%
- PBT growth - 45%
- PAT growth – 40%

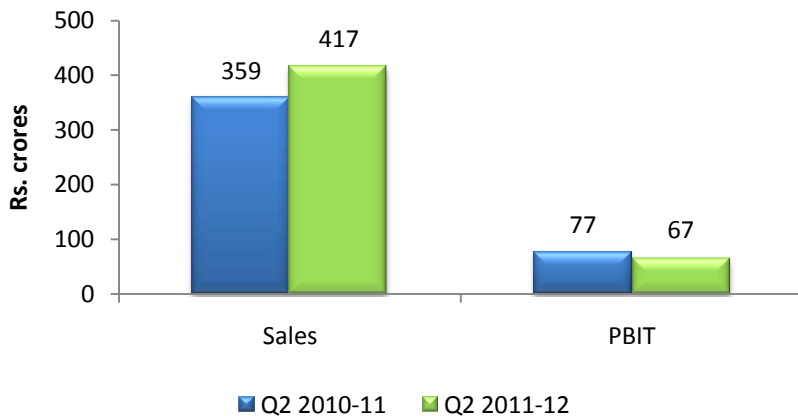
Company – Capital Employed



- Cash balances to the extent employed in segments hitherto reported in Corporate segment has been considered as segment assets
- Higher inventory levels contribute to increase in Capital employed

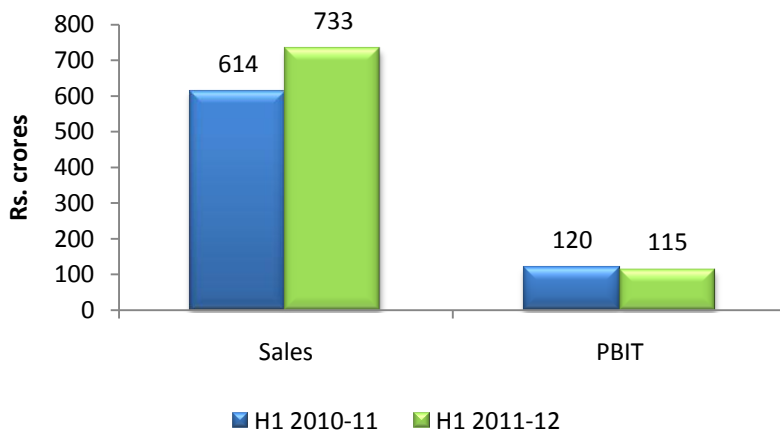
Watches – Performance

Q2 Performance



- Volume growth -19%
- Revenue growth - 16%
- PBIT lower due to material cost increases not passed on and higher investment in brands

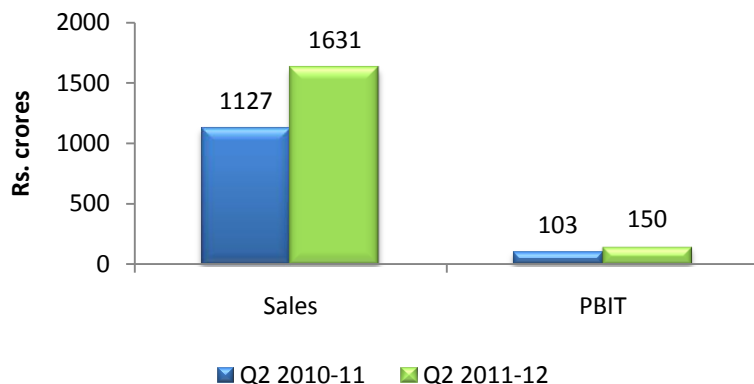
H1 Performance



- Volume growth - 18%
- Revenue growth - 19%

Jewellery – Performance

Q2 Performance



- Grammage growth -3%
- Studded share – 28%
- Revenue growth - 45%
- PBIT growth – 46%

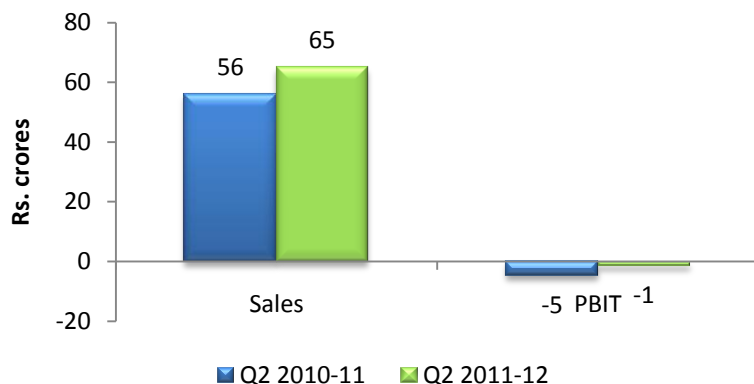
H1 Performance



- Grammage growth - 21%
- Studded share – 25%
- Revenue growth - 57%
- PBIT growth – 79%

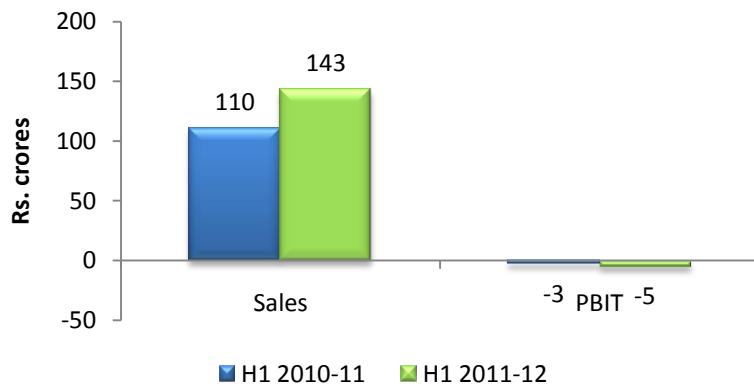
Eyewear & PED – Performance

Q2 Performance



- Revenue growth -16%
- Eyewear Revenue growth – 36%
- Loss lower than previous year

H1 Performance



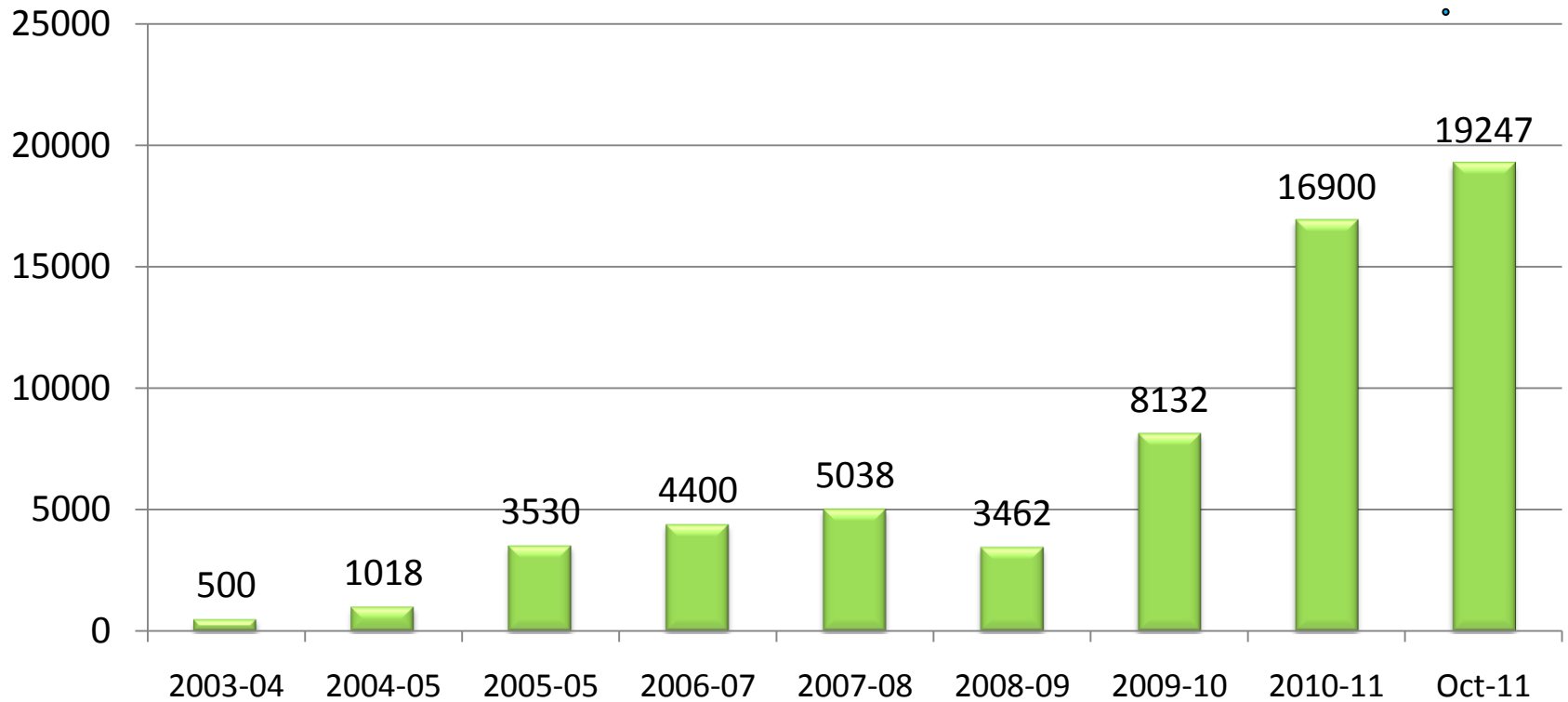
- Revenue growth – 30%
- Eyewear Revenue growth – 31%
- Order backlog for PED good

Market Cap – Where do we stand?

₹ Cr.

Crossed US\$ 4 Billion

Market Cap



Recent Recognition

Corporate

- Great Place to work award-15th overall position and 1st in retail
- India Retail Forum - Bhaskar Bhat won the Most Admired Retail Professional Award

Watches

- Watch World Awards – “Purple by Titan” wins the Best TV Campaign for the Year
- Economic Times - Brand Titan ranked 73 amongst top 100 brands in the country

Jewellery

- India Retail Forum - Tanishq was awarded the Most Admired Retail Brand 2011 in the Luxury segment
- CMO Asia Awards - Tanishq wins 4 awards including the Best Wedding Campaign of the Year
- QIMPRO awards – 2 awards for Best innovation in Jewellery manufacturing

What's the Future?

- Targeting significant growth in revenue to cross Rs. 14,000 crore by 2014-15 making us a US\$ 3 billion company
- Huge opportunity in International Markets
- Leverage Titan brands for expansion into other categories
- Opportunity in Jewellery: Over Rs. 100,000 crore market
- Eyewear – Rapid expansion of our world-class Titan Eye+ stores to dominate the optical industry in India

Thank You

