

TITAN INDUSTRIES LIMITED

6 November 2007

‘Delivering value by creating desirable brands’



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.



Titan Industries

**A Happening Company in
a Happening India !**

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
- Will be in at least FOUR businesses by 2007-08
- Pride of the Tata Group

Our Heritage – the TATA Group

- Titan is a part of the TATA Group having a turnover of about USD 30 bn, 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 – 222,000+ 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)
 - India's largest software company (TCS)
 - India's largest watch & jewellery mfg (Titan)

About Us

- Titan is the world's sixth largest, integrated manufacturer-brand for watches
- Commencing production in 1986-87, the Company is today the leader in the Watch & Jewellery businesses in India
 - First & largest player in the branded jewellery segment (Tanishq)
 - >60% share of the organised watch market
 - Over 90 million watches sold across 30 countries, cumulatively
- Manufacturing Facilities
 - Main Watch & Jewellery plants in Hosur near Bangalore (India's "Silicon Plateau")
 - Watch assembly plants at Dehradun, Baddi, and Roorkee. ECB plant in Goa; Jewellery Plant at Dehradun
 - Investment of US\$130 million in a 450,000 sq.ft. state-of-the-art facility
- Owned by Tata:25.17% and TIDCO:27.88%
- Professionally managed by TATA Group & an independent Board

Recognition and Awards in many categories

- The Watch Division won the coveted JRD QV (Malcolm Baldrige) Award in 2006.
- India's most admired consumer durables company having the most trusted brand -TITAN.
- Both Watches and Jewellery adjudged most admired brands for the last 4 years.
- Adjudged Retail Company of the year.
- Retail Asia and Media Award-Singapore, for Retailing and preferred brands.
- Ideator Awards for Titan designers.
- Best Corporate Citizen – Mother Teresa, Helen Keller, Rotary and Chamber of Commerce Awards.
- President of India Award for best employer of the physically challenged.



Eight Indian firms among S&P's challengers to global majors

BS Reporter / New Delhi May 11, 2007

Eight Indian firms from industries as diverse as cement, hospitality, textiles and consumer goods are expected to emerge as challengers to the world's leading blue chip companies, according to rating agency Standard & Poor's (S&P) annual rating of global challengers

	Market Cap <i>(\$million)</i>
ACC	4,590.91
Siemens India	4,320.96
Indian Hotels Co.	2,044.46
Lakshmi Machine Works	1,004.50
Titan Industries	861.56
Marico	742.54
Hotel Leela Venture	530.02
Jain Irrigation Systems	505.19

Source: S&P, m-cap as of Dec 31, 2006

Our businesses

Watches

Jewellery

International Business

Precision Engineering

Prescription Eyewear

Marketing
our Products in
26 countries
with a larger
footprint in the
Middle East and
Asia-Pacific
regions



Our Brands

TITAN

SONATA

FASTRACK

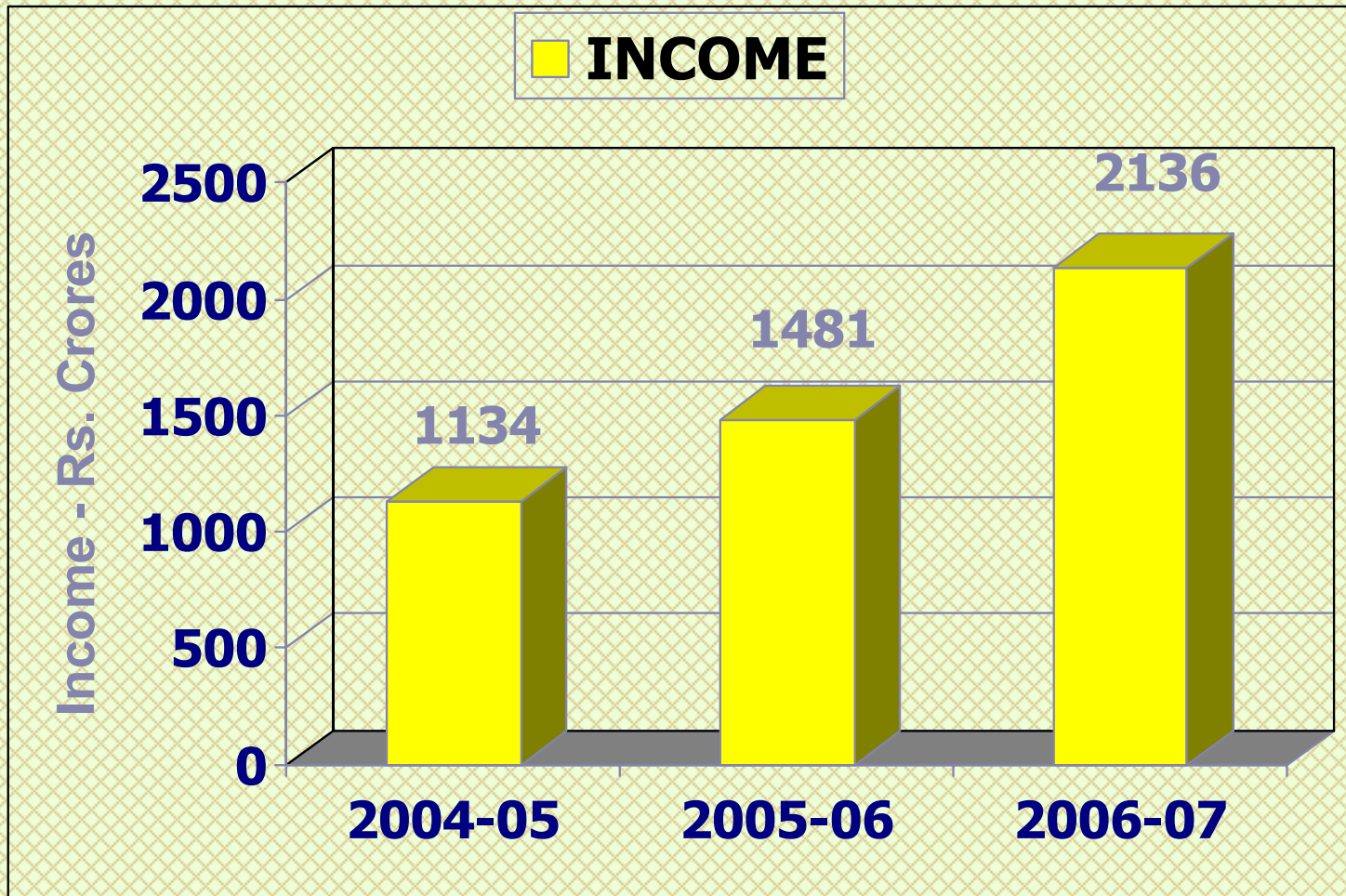
XYLYS

TANISHQ

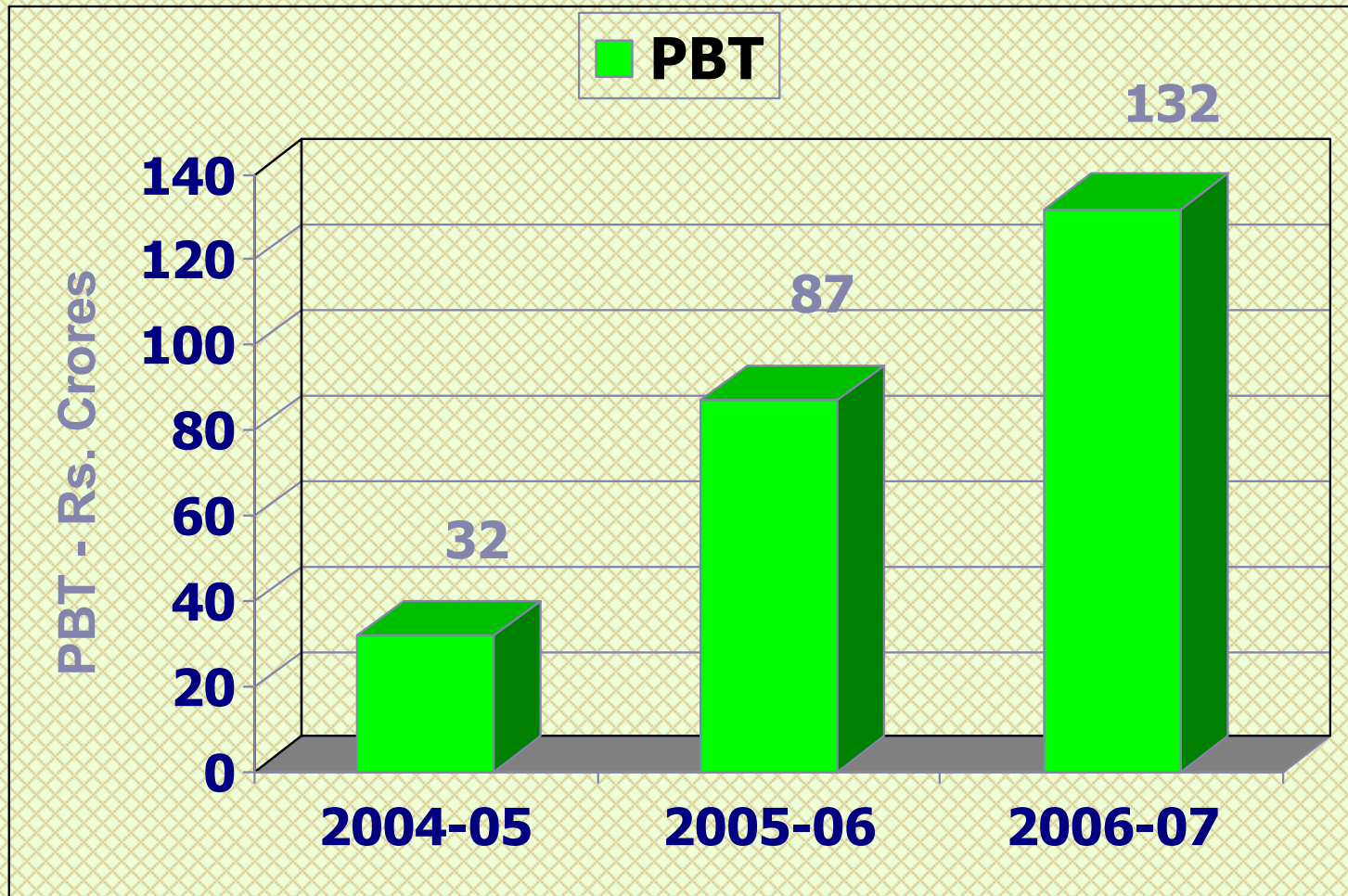
GOLD PLUS

TITAN EYE+

THE THREE YEAR JOURNEY..

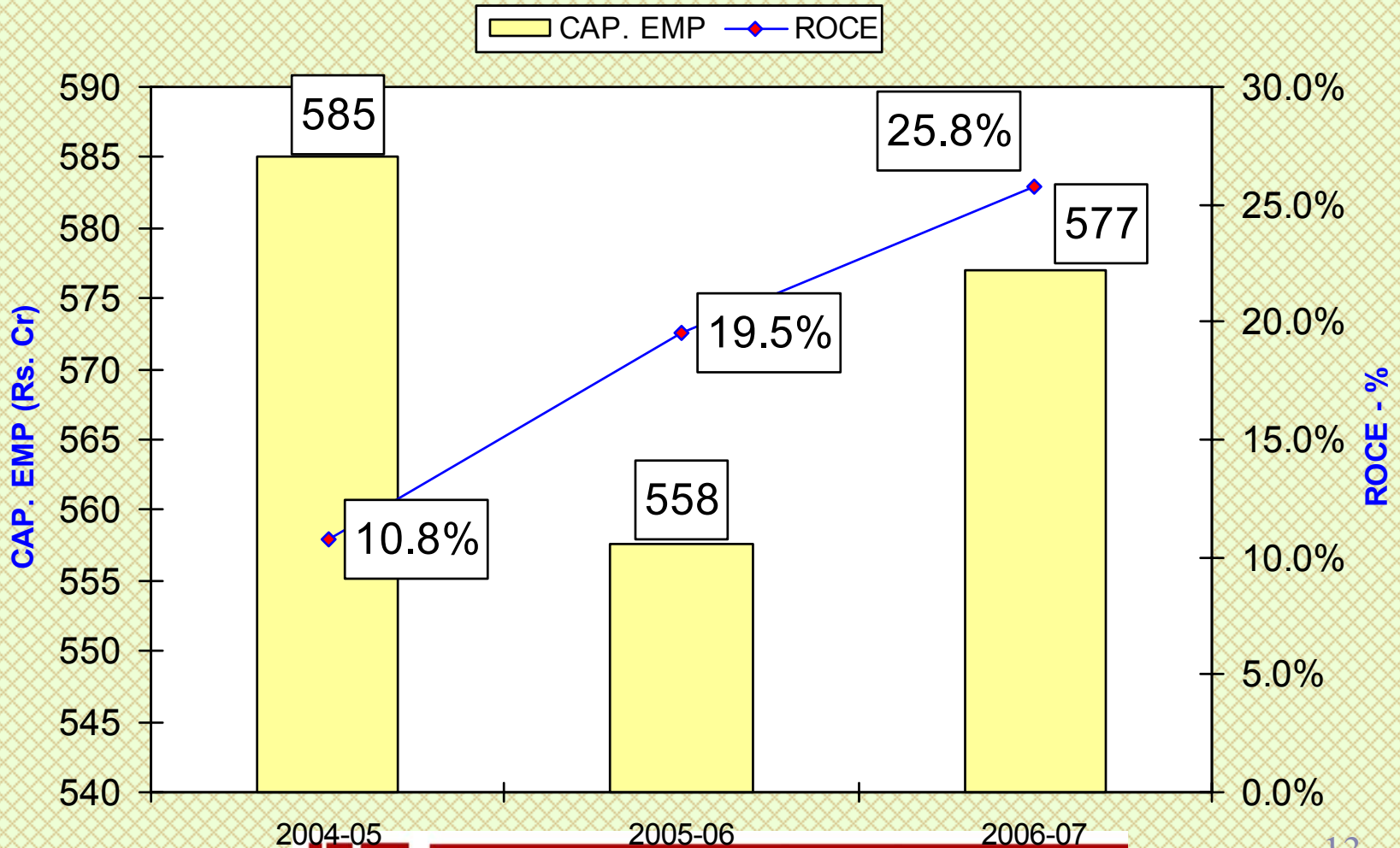


THE THREE YEAR JOURNEY..

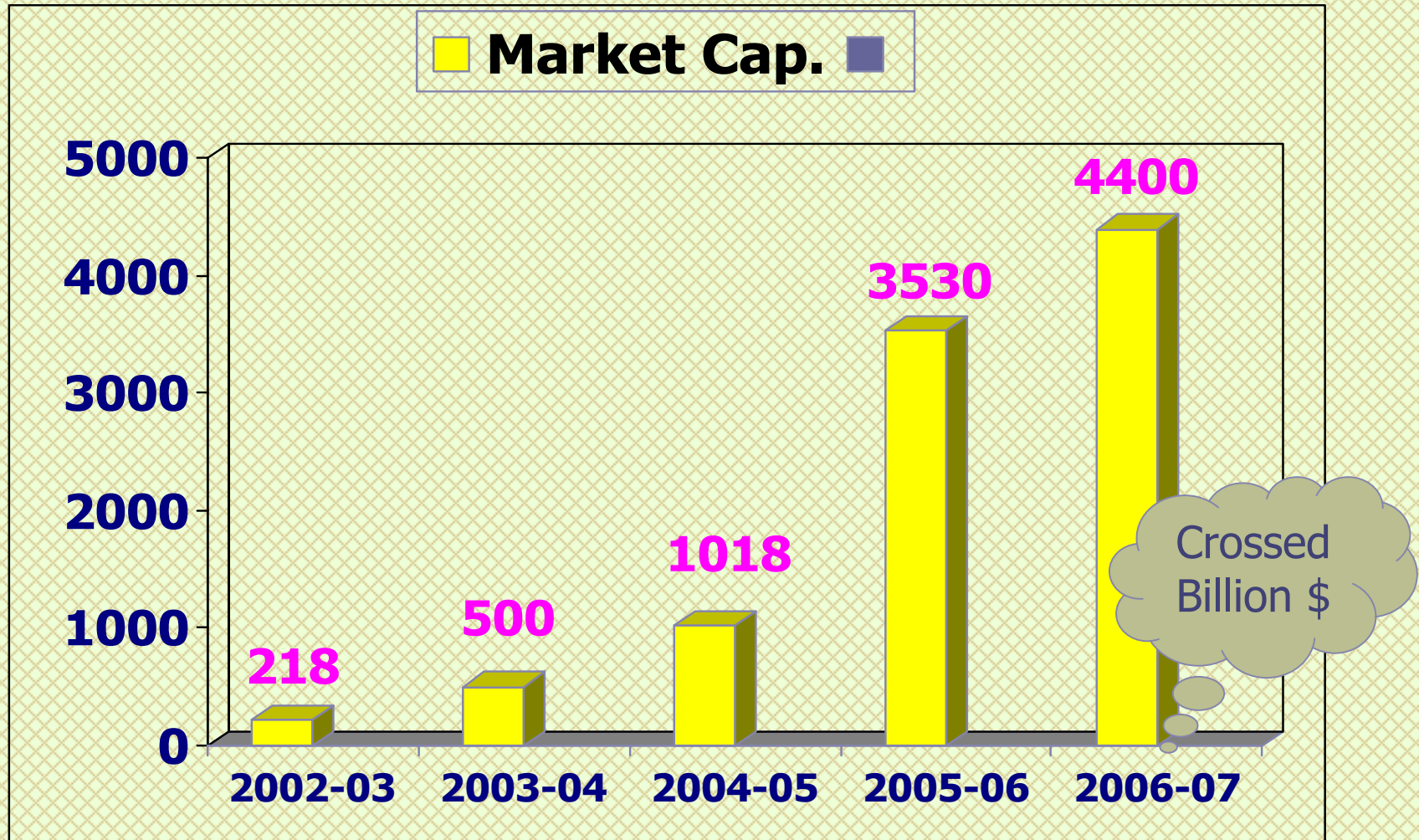


THE THREE YEAR JOURNEY..

CAPITAL EMPLOYED & ROCE



Market Capitalisation (Rs. Cr.)



2006-07 – a year to remember..

Financials

- Company Income crossed Rs 2000 Crore mark
- PBT crossed Rs 100 Crore mark
- Share price crossed Rs 1000 and Market cap crossed a billion dollars

Brands

- Brand Tanishq crossed Rs 1000 Crore mark
- Brand Titan crossed Rs 500 Crore mark
- Brand Sonata crossed Rs 300 Crore mark
- Brand Fastrack crossed Rs 100 Crore mark

Retailing

- World of Titan stores crossed 200
- Retail space – added over 60,000 sq ft.
- Large format Flagship store – Rs 100 Crore in first year

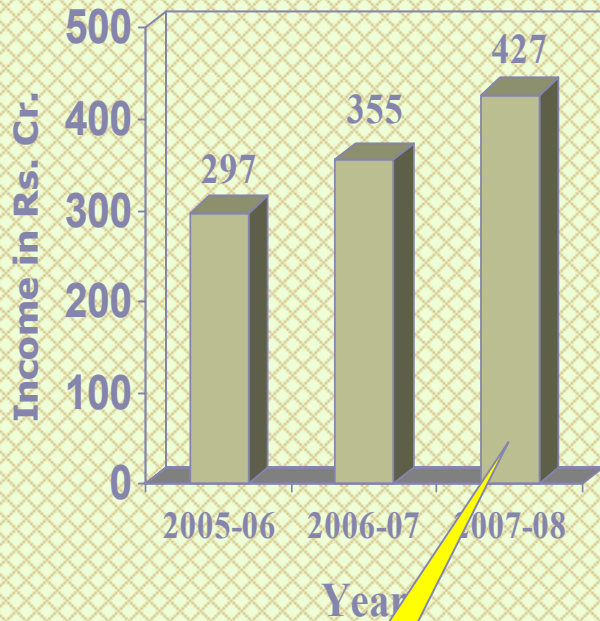
New Businesses

- Expansion of Gold Plus and Precision Engineering
- Titan Eye + began its journey

2007-08 PERFORMANCE FIRST HALF

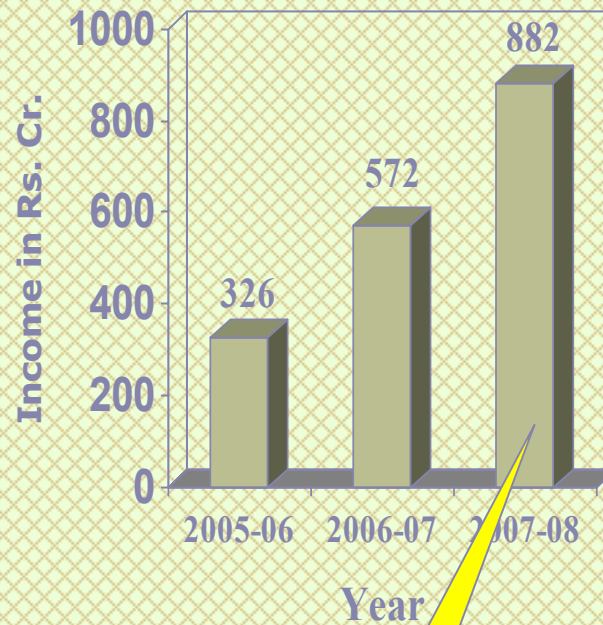
PERFORMANCE – 2007-08 – FIRST HALF INCOME

Domestic Watches



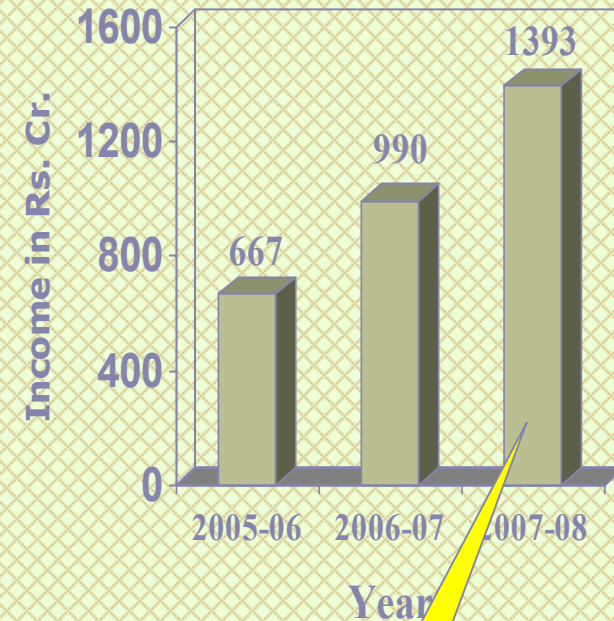
20%

Domestic Jewellery



54%

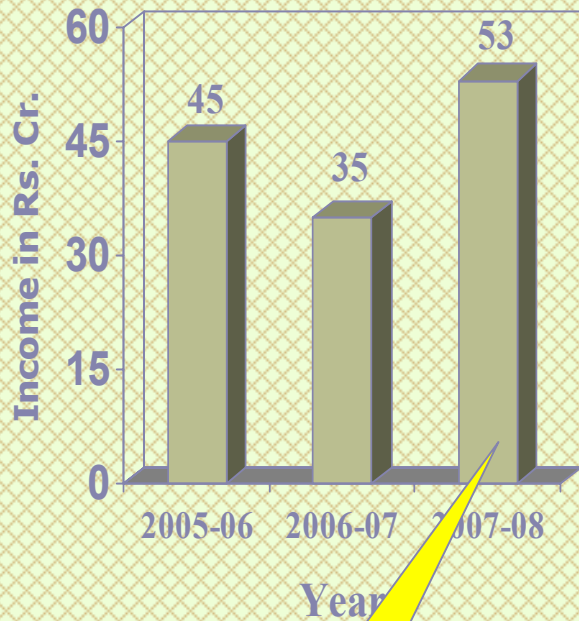
Company



40%

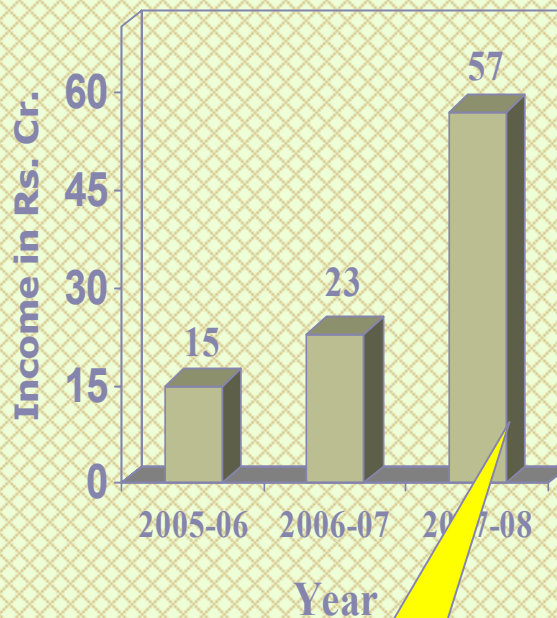
PERFORMANCE – 2007-08 – FIRST HALF PBT

Domestic Watches



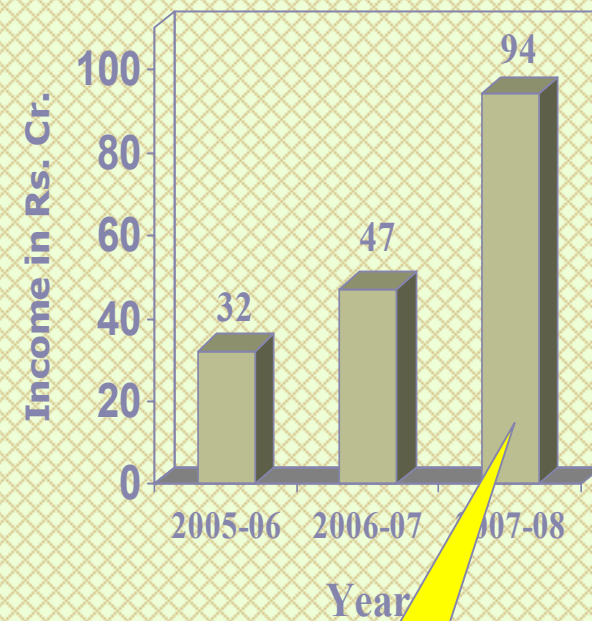
+50%

Domestic Jewellery



2.5 times

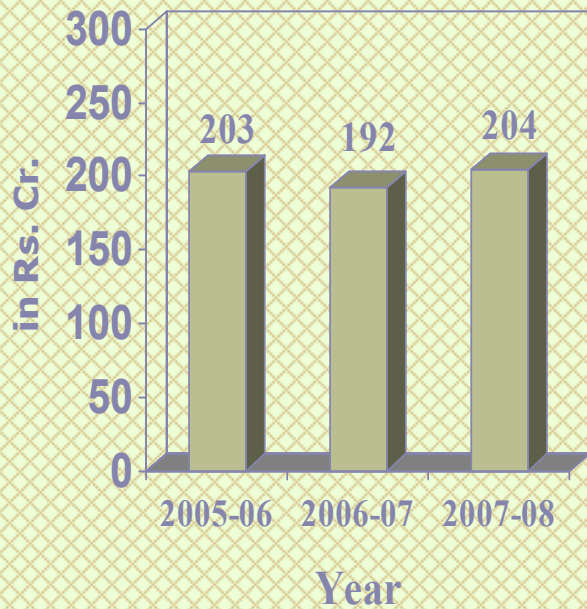
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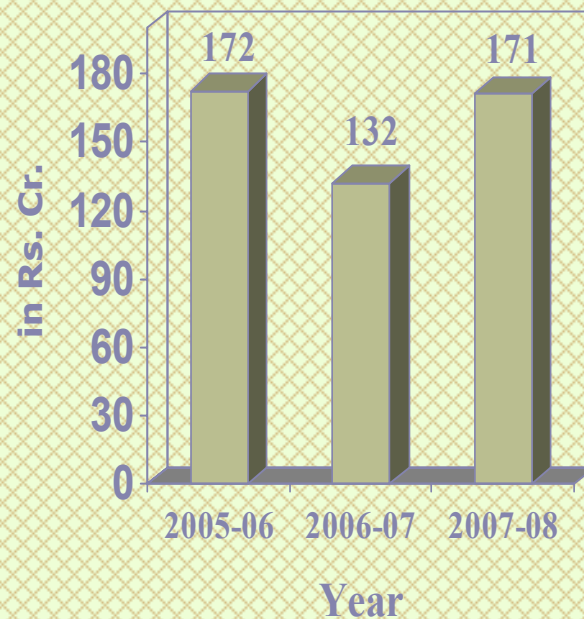
2 times

PERFORMANCE – 2007-08 – FIRST HALF CAPITAL EMPLOYED (END SEPTEMBER)

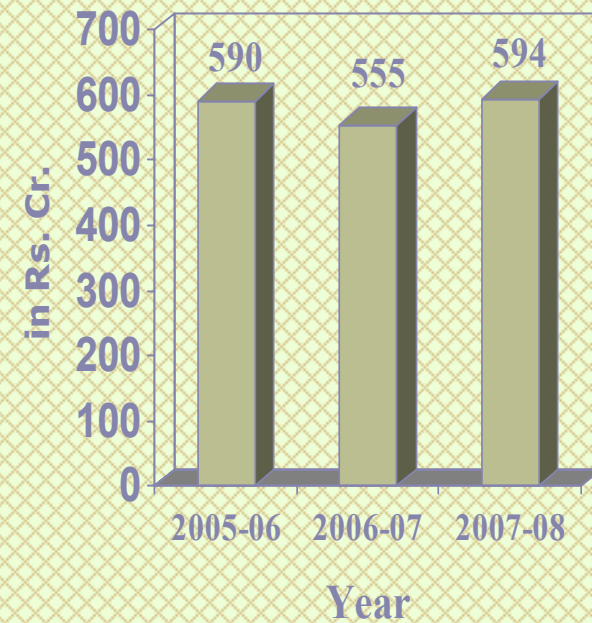
Domestic Watches



Domestic Jewellery



Company



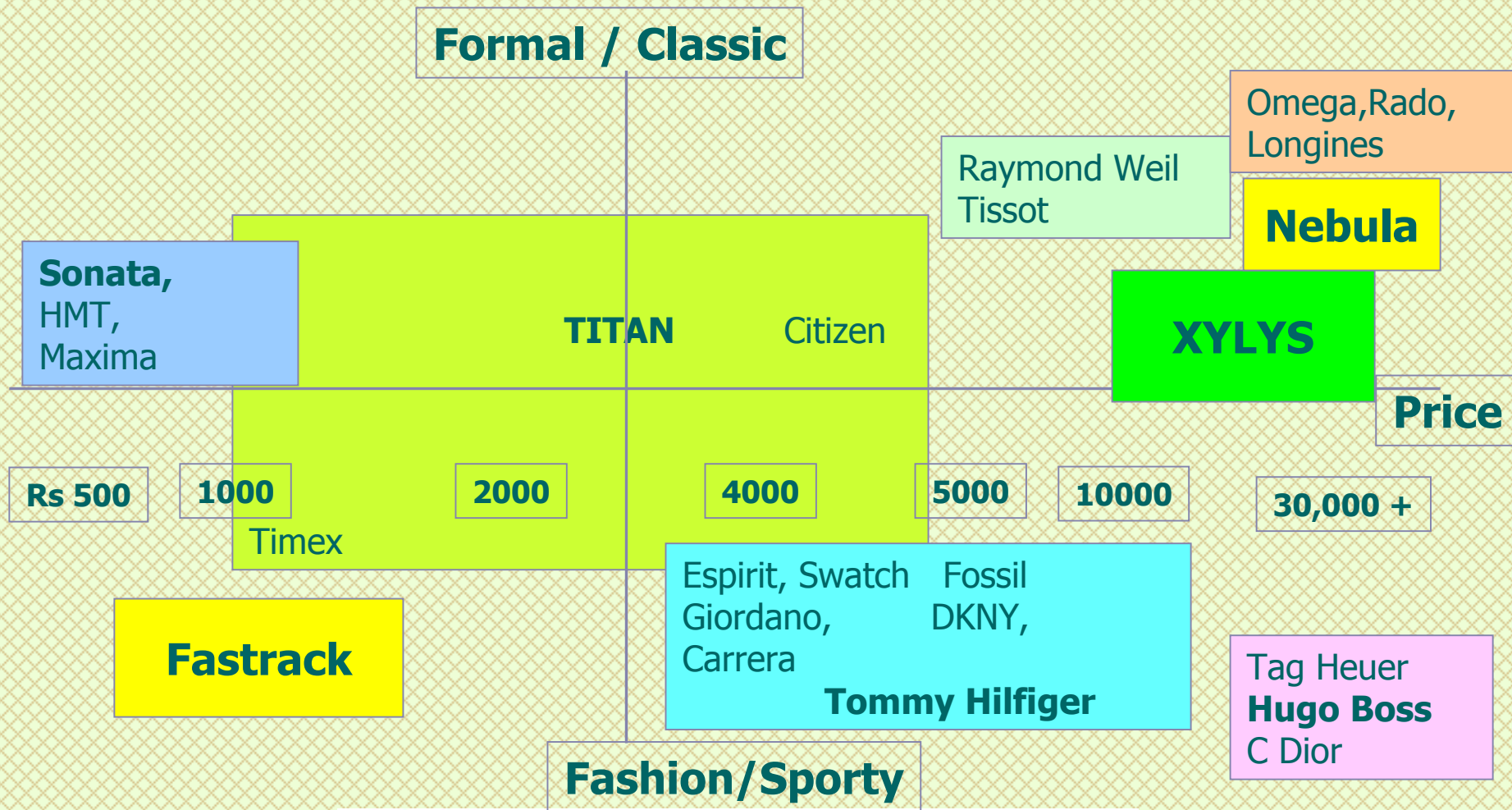


I Watch Business

The Watch Market & Industry in India

- India is an under-penetrated market for watches – only 27 % of Indians own a watch
- Total estimated market as of 2007 Volume ~ 39 mn units & Value: Rs 2500 Crores (USD 625 Mn)
- Vast proportion of the Indian market is below Rs 500 ~ 68% (85% by volume)
- Market has been split into: Low end, Mass market, Premium, Luxury

Watch Market Map



OUR WATCH BUSINESS – OVERVIEW

Revenues

- * Significant growth over the past three years
- * Rs. 746 Crores Sales during the latest financial year (over Rs 1000 crores at retail prices)

Profits

Consistent growth

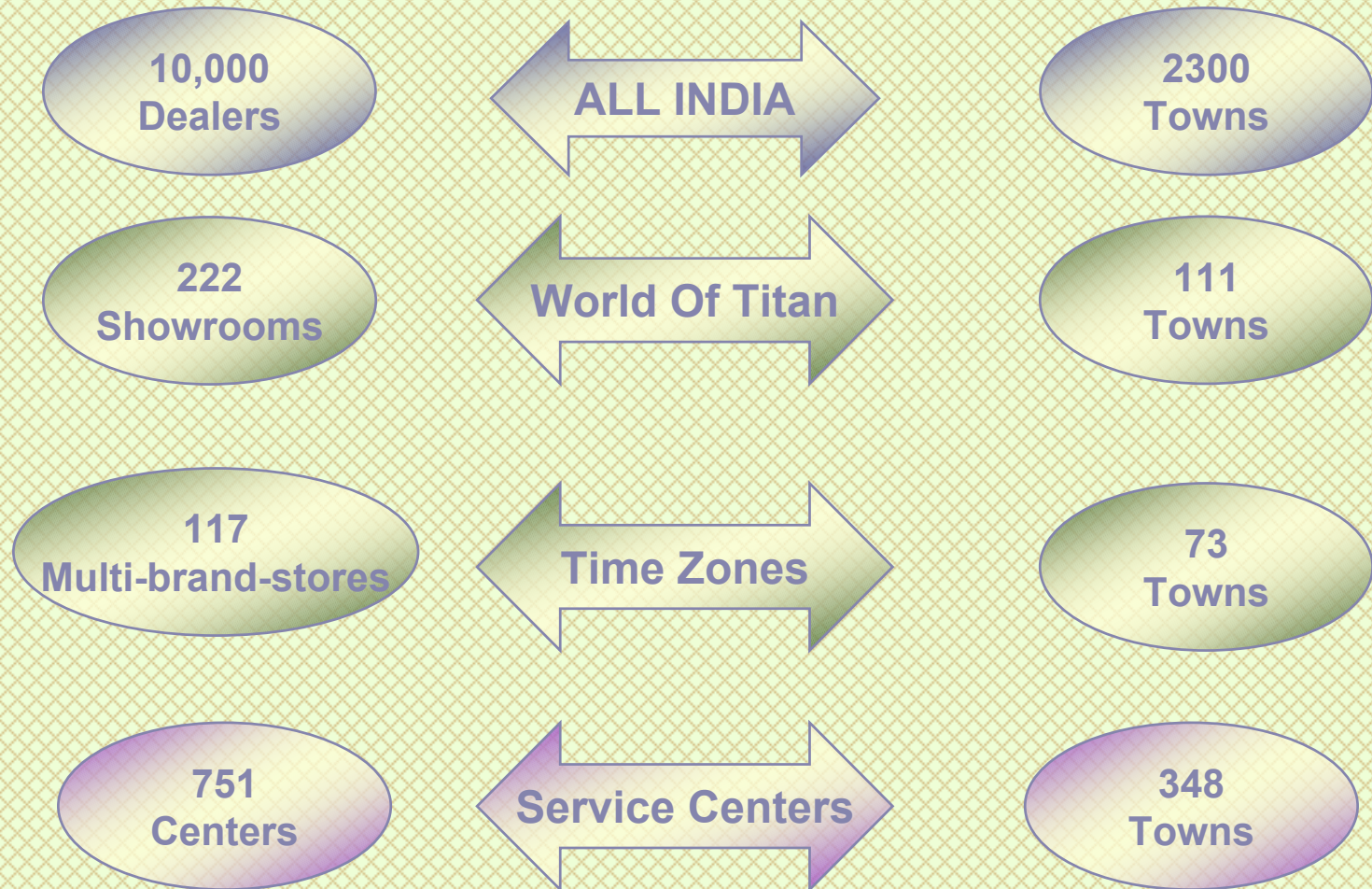
- * PBT (2004/05) - Rs. 70 Crores
- * PBT (2005/06) - Rs. 90 Crores
- * PBT (2006/07) - Rs. 96 Crores

ROCE

ROCE exceeds Cost of Funds

- * ROCE (2004/05) - 39%
- * ROCE (2005/06) - 50%
- * ROCE (2006/07) - 50%

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





II Jewellery Business

Jewellery – Market & Industry highlights

Market

- Size of market: Rs 65,000 crores (~ US\$ 16 billion)
- Urban market is about 38% of this base
- Branded jewellery is less than 5% of the overall market
- Importance of jewellery to Indian consumers –
Gold is seen as auspicious, an investment, for adornment....
- Product mix: largely plain gold 22kt, with gem set jewellery constituting less than 10% of the market

Players

- Key players: Fragmented market, mainly retailer driven.
- Most retailers are unorganised and stand alone
- Absence of hallmarking
- Tanishq - the first branded jewellery player (1996)
- Increased investment by industry bodies (DTC, PGI, WGC) is spurring rapid growth of the branded jewellery market in India

TANISHQ TODAY – A BRIEF OVERVIEW

Brand

- 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 over 40% in branded jewellery

Network

- India's only national jewellery retailer
- 100 stores in 70 towns – prime high street locations
- Many of these stores are run by franchisees

Customer Base

- 1.5 million customers shopped at Tanishq last year

TANISHQ TODAY – A BRIEF OVERVIEW

Revenues

- Rapid growth of 40% p.a. over the past three years
- Rs. 1252 crores during the latest financial year
- 58% of the Company's revenues

Profits

Impressive turnaround

- PBT (2004/05) - Rs. 20 crores
- PBT (2005/06) - Rs. 35 crores
- PBT (2006/07) - Rs. 77 crores

ROCE

ROCE exceeds Cost of Funds

- ROCE (2004/05) - 29%
- ROCE (2005/06) - 34%
- ROCE (2006/07) - 61%



III INTERNATIONAL OPERATIONS

INTERNATIONAL BUSINESS

- One of India's first companies to market a consumer brand overseas.
- Now present in 26 countries
- Among the top 3 brands in some Asian countries
- Selling 650k watches annually with increasing presence in jewellery.
- Total export sales of over Rs 100 crores in 2006-07



IV Precision Engineering Business

Precision Engineering Business

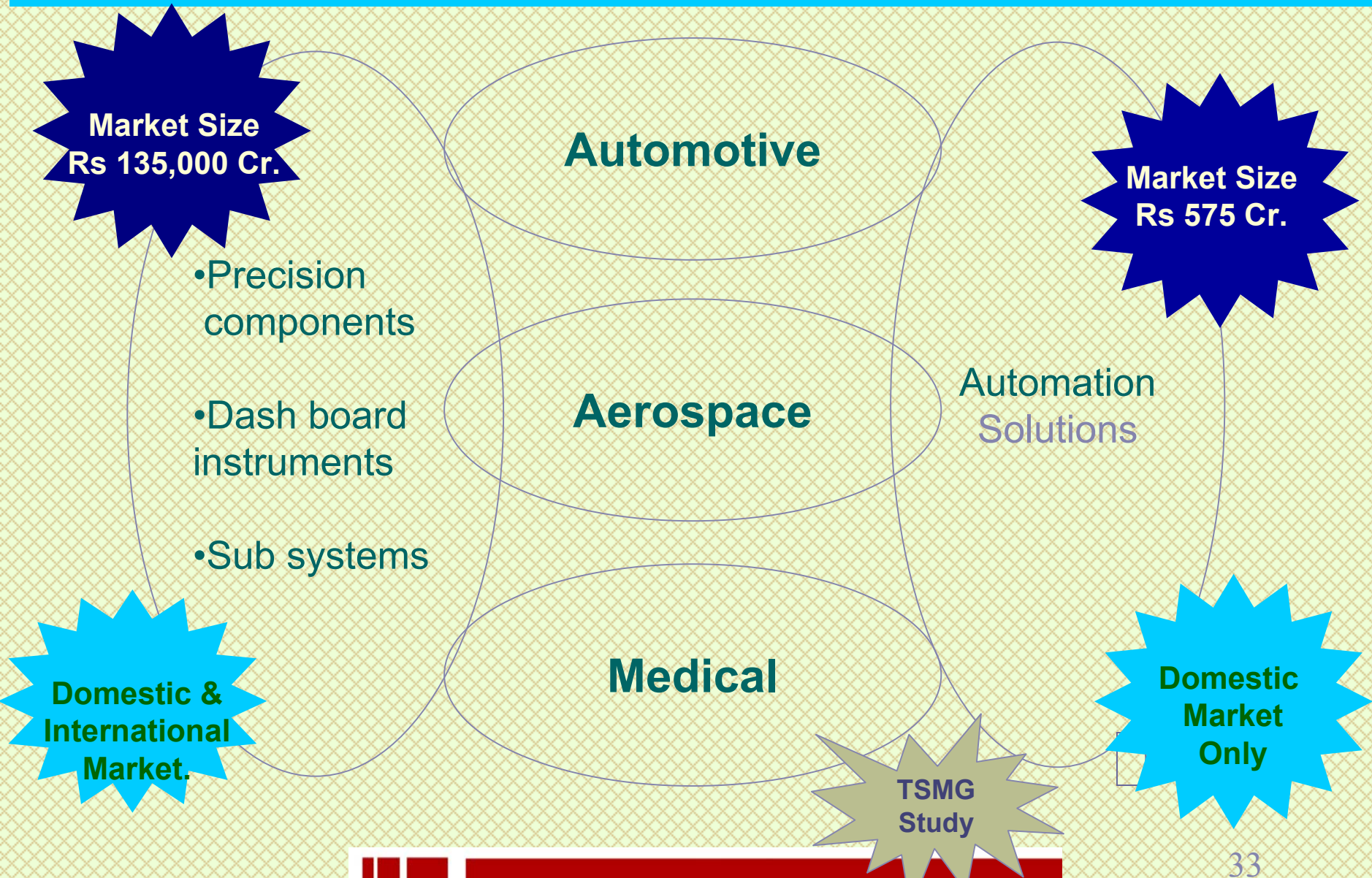
Rationale

- Leveraging Engineering capabilities
- B2B business – balances risk of B2C businesses

The Opportunity

- India growing as a manufacturing base for precision products across industries
- Cost pressures and offset requirements guarantee a long term opportunity
- High cost of switching for customers
- Large & growing market: The global market for precision engineering products addressable by Titan is Rs.135,000 cr.

Current position: 3 segments 3 streams



Precision Engineering Business

The Customers

- Eaton, US
- Hamilton Sunstrand, US
- Microtechnica, Italy
- Pratt & Whitney, US
-
- Ford, UK
- Bosch, India
- Timken, India
- Lucas, India
- Visteon, US / India
- Tyco Electronics, India
- Stanadyne, India
- Tata Motors, India
- Turbo Energy, India

Gold Plus :Size of the opportunity

- Semi-urban and rural market estimated to be as much as 50% of the total : Over Rs 30,000 crs.
- Highly 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 95 crs in 2006-07 and almost Rs 100 crs in H1'08

THE EYE WEAR BUSINESS

- Started in 2004-05 by marketing Sunglasses under the Fastrack brand
- Targeted the youth segment
- Achieved a sales turnover of over Rs 25 crores in 2006-07
- Pilot project for Prescription Eyewear started in Q4 2006-07
- 5 “Titan Eye+” outlets as on 30 September 2007



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

Typically consumers change their glasses / frames once in 3 to 4 years on an average

Market size:

- 25-35 million units per annum

- Rs 1500-1800 crs per annum

- Comparable to the watch industry

- Repeat purchase is a regular feature from adolescence to old age.

Customer lifetime value is very high

- Almost everyone over 40 yrs needs correction.

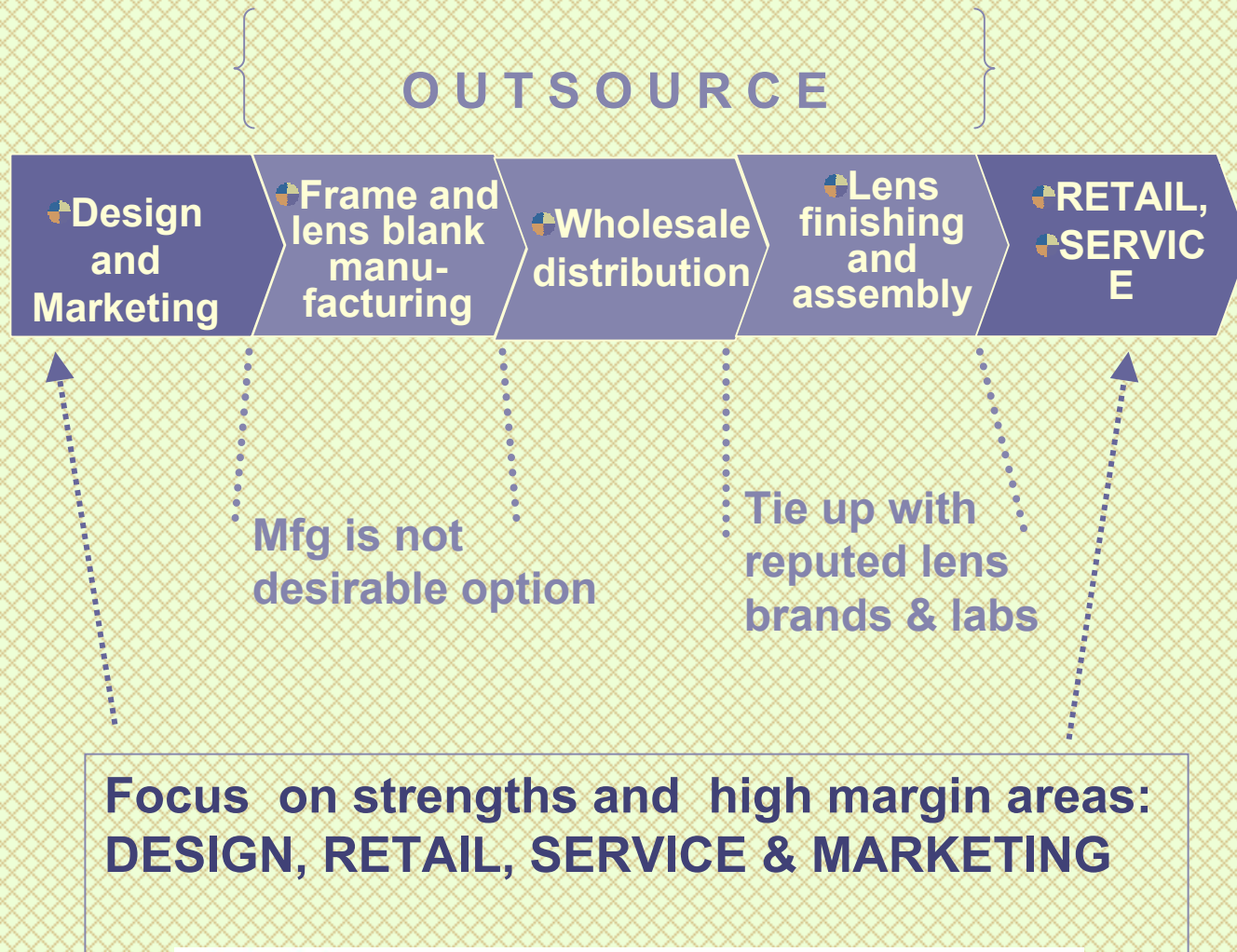
- **Growth:** Market has been growing in double digits ~ 15-20% per annum and likely to sustain
- **Demand drivers:** Urbanization, literacy, Penetration of TV & computers, Poor eye health due to lifestyles/ improper diet, etc.
- **Margins:** Overall mark ups of up to 300% exist between landed cost & retail price!

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 WILL WE PLAY IN THE VALUE CHAIN





Way Forward

2007-08

- Turnover to grow by over 40% over previous year, to cross Rs 3,000 crores
- PBT to grow over 50% to touch Rs 205 crores
- Two important programmes launched:
 - CustomerFirst which seeks to enhance consumer experience at every interface with the company
 - War on Waste that will improve productivity across the Company

Demographic Needs

Rising % of young Population

Increase in Income levels

Changing Spending pattern

Effect

CONSUMERISATION OF URBAN INDIA

Increase in Number working urbans

Enablers

Increase in Number Of working women

Increase in Spending power

Rising Aspiration levels

Outcome

Consumption of Lifestyle Items

Organised retail market at Rs.97000 Cr by 2010 (CAGR 31%)



Seize the Opportunity !

A Company that endears itself to
millions of Indians ...

**Will touch the lives of almost
14 million customers
this year ...**

Based in Happening India



Seize the Opportunity!

Organised Retailing –The New Buzz

101 Tanishq stores
222 World of Titan stores
17 Goldplus stores
15 Sonata stores
117 Timezones and
135 Watch Care Centres

**...this year will account for over
Rs 2300 crs of sales making us
India's largest speciality retailer**

Seize the opportunity !

Retailing Expansion 2007 – 08

WORLD OF TITAN

207 TO 268

SONATA

15 TO 25

FASTRACK KIOSKS

10 TO 40

TANISHQ

88 TO 106

GOLD PLUS

10 TO 28

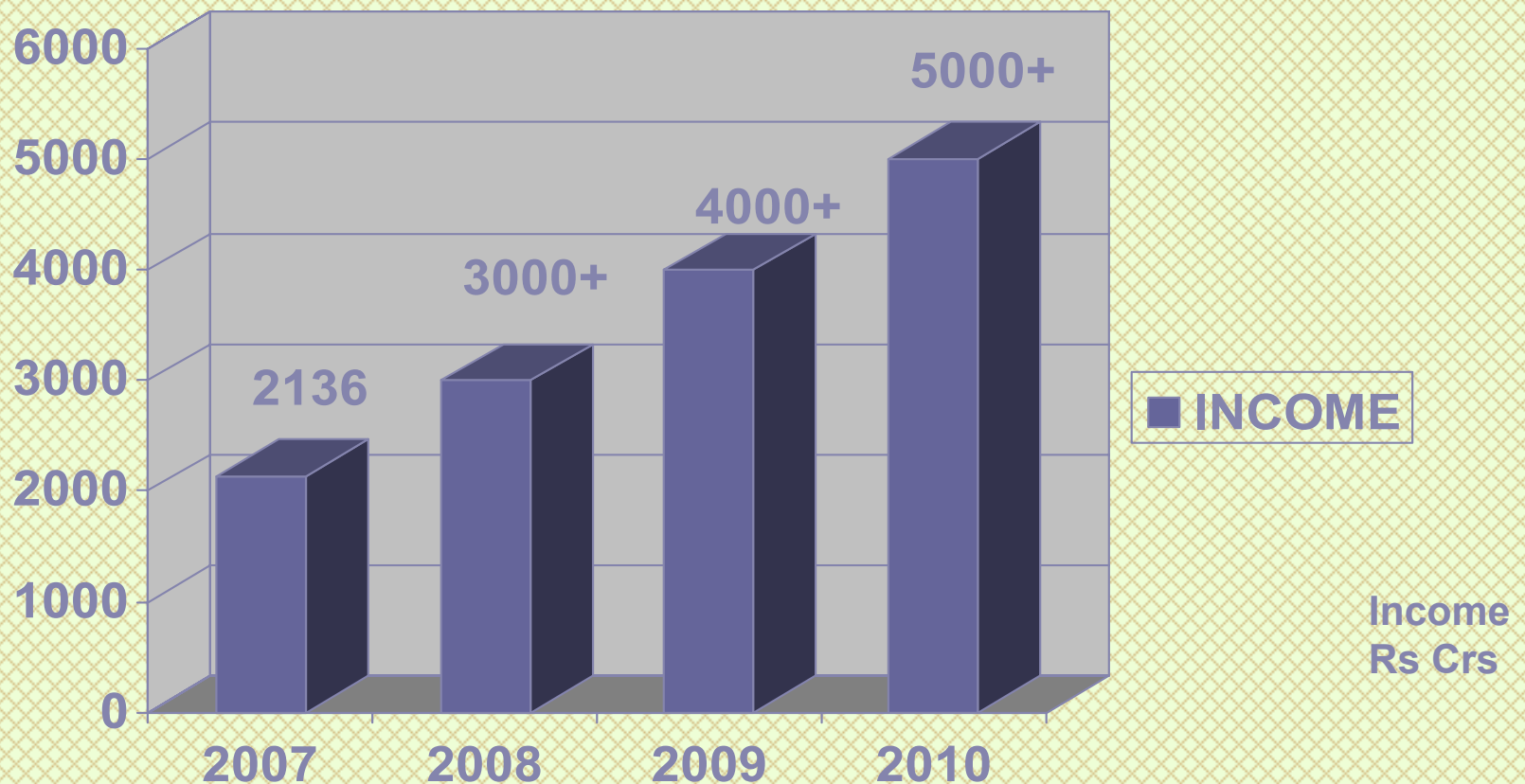
TITAN EYE+

1 TO 14



So what kind of company?

By 2009, More than a billion \$ company



Multiple Businesses, Brands and Geographies

Watches
Jewellery
Sunglasses
Precision parts

TITAN
SONATA
FASTRACK
TANISHQ

300 STORES
IN INDIA
AND
PRESENCE
IN 26
COUNTRIES

7 SBUs
7 PLANTS
WITH
3500
PEOPLE

PRODUCTS

BRANDS

GEOGRAPHIES

UNITS

Watches
Jewellery
Sunglasses
Eyewear
Precision parts

TITAN
SONATA
FASTRACK
TANISHQ
XYLYS
GOLD PLUS
TITAN EYE+

450 STORES
IN INDIA
AND
PRESENCE
IN 37
COUNTRIES

10 SBUs
9 PLANTS
WITH
4500
PEOPLE

TITAN INDUSTRIES

THANK YOU