Titan Industries Limited

"Delivering value by creating Brands"

February 16 & 17, 2011



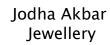
Disclaimer

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.













Commonwealth Games Baton









Our Heritage — the TATA Group

Titan is a part of the TATA Group having a turnover of about USD 70 bn (2009-10) 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



- 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)





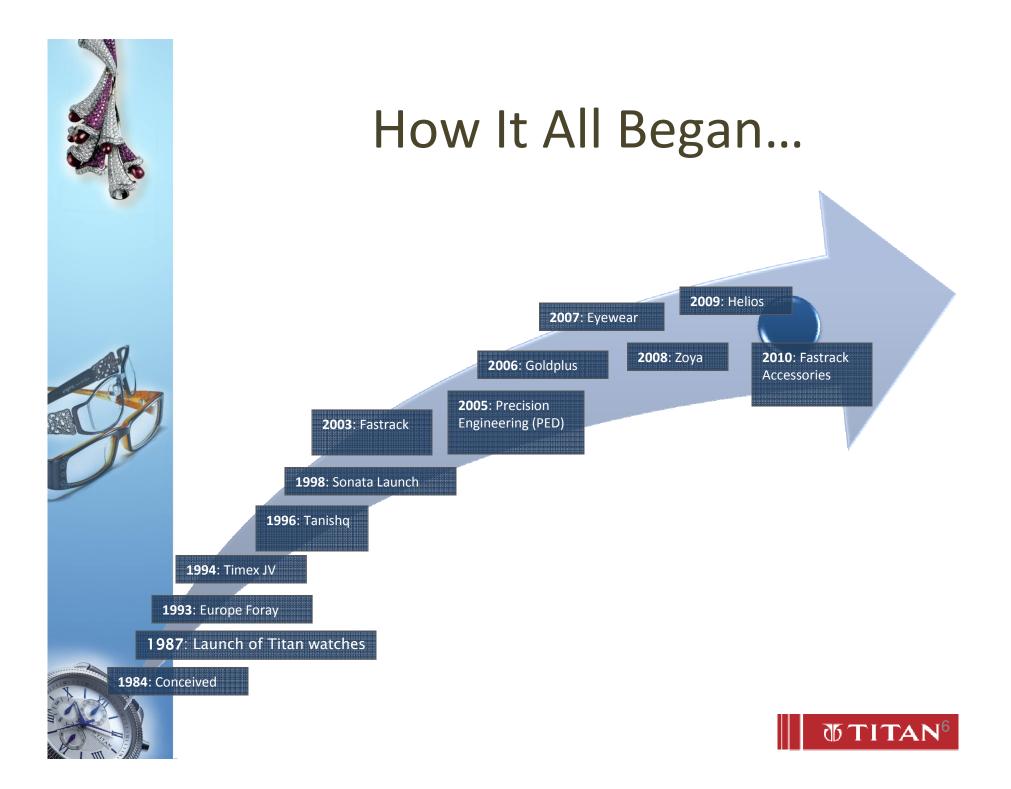






- Pioneer
- Breaker of rules
- Leader in two businesses: premium and mass market
- Manufacturer, designer, brand owner, marketer, retailer and after-sales service provider
- Unique culture
- First company to dare to challenge the Swiss
- B2C and B2B player
- In four businesses from 2007-08
- One of the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











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

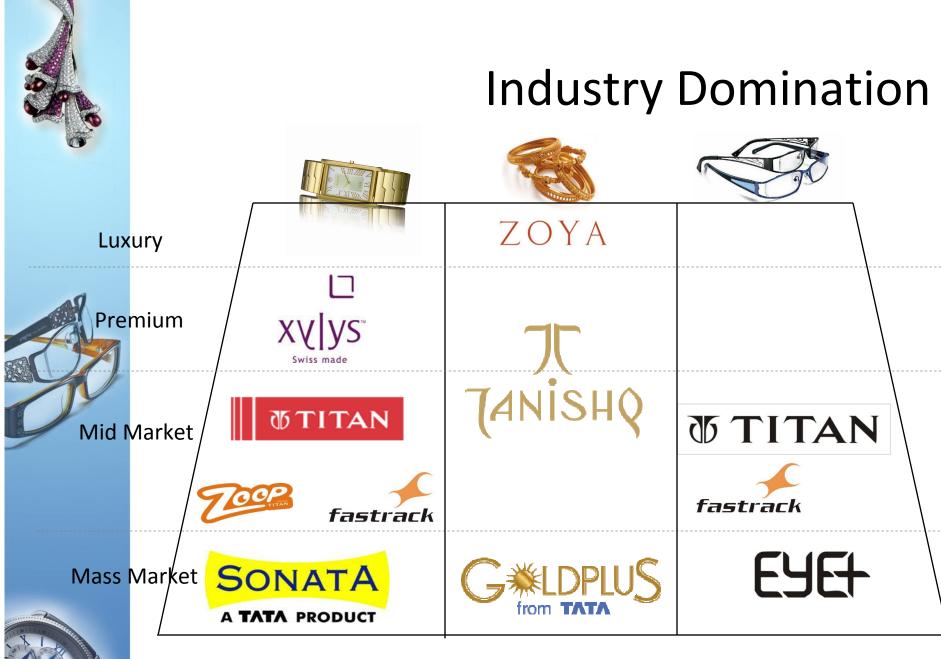
- Total customer orientation
- Respect and value employees
- Performance culture and team work
- Creativity and Innovation
- Passion for excellence
- Corporate Citizenship





Successful Brands















India's Top 3 watch brands (sales value)

India's largest Eyewear company



A TATA PRODUCT



India's largest Jeweller









Licensed Brands















India's Largest Specialty Retailer

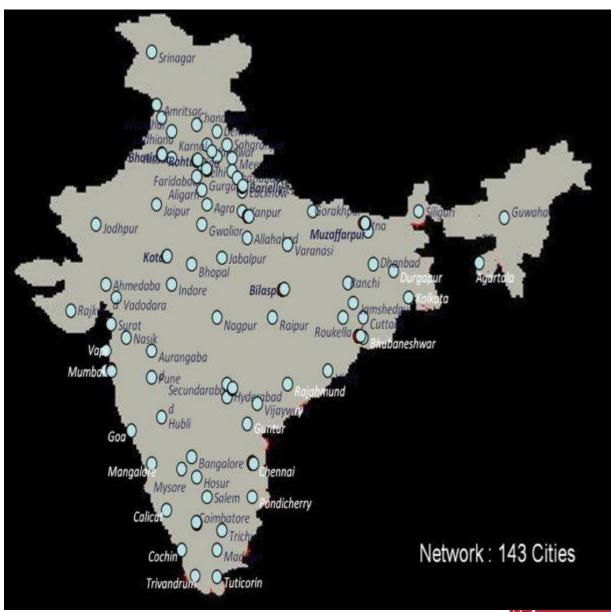


India's Largest Specialty retailer





India's Largest Specialty retailer











FROM THE HOUSE OF



Jewellery for the design discerning, high end customer.

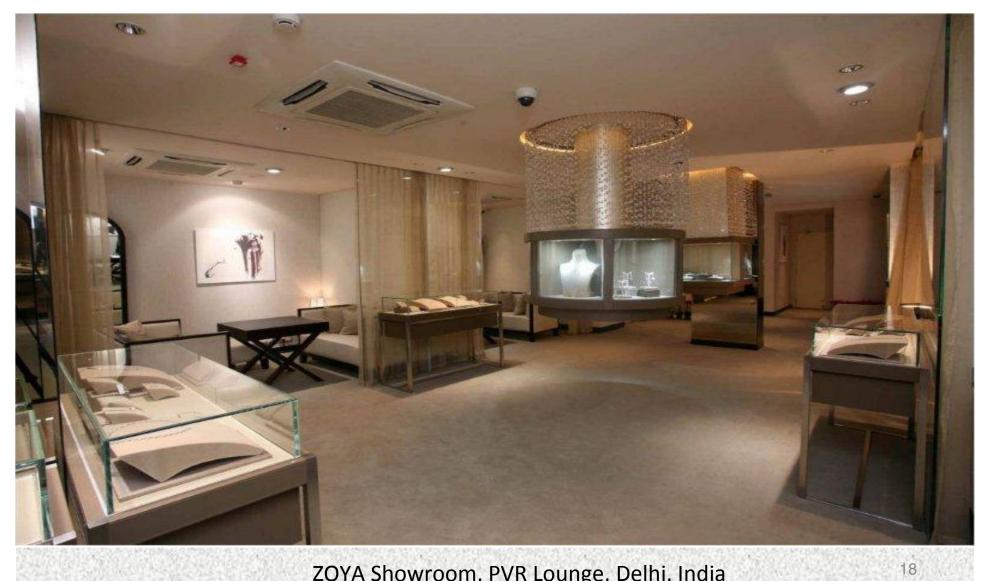
Retailed in a luxurious retail ambience and world class service.

ZOYA



ZOYA Showroom, Delhi, India

ZOYA



ZOYA Showroom, PVR Lounge, Delhi, India



STORES

HELIOS



HELIOS



Helios exclusive area – premium brands

JE

STORES

TANISHQ STORES



TANISHQ STORES

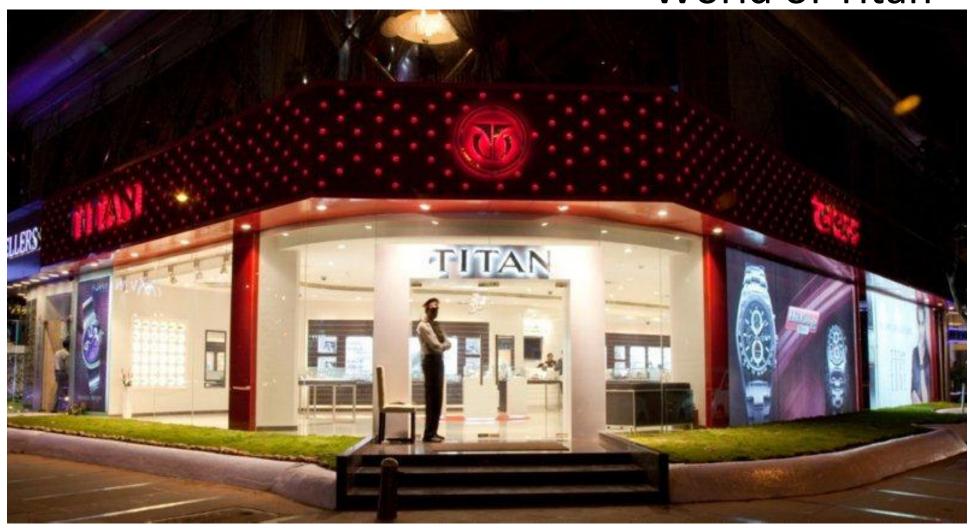






STORES

World of Titan



World of Titan





STORES



Fastrack Store



30



Fastrack





STORES

TITAN EYE +





STORES

GOLDPLUS SHOWROOMS



After Sales Service



After Sales Service

325 service centres

4 million consumers every year





Our Manufacturing Facilities





Watch Plant, Hosur



Roorkie Assembly Plant



Titan Time Products, ECB Unit, Goa



Pantnagar Assembly Plant



Dehradun Assembly Plant



DEHRADUN JEWELLERY PLANT



HOSUR JEWELLERY PLANT

PRECISION ENGINEERING PLANT, BOMMASANDRA



PRECISION ENGINEERING PLANT, HOSUR

LENS LAB AT CHIKBALLAPUR





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 600 stores
- Distribution: More than 10,000 Multi-brand outlets





Where We Stand Today

Our Businesses

B2C

B2B

Watches

Eyewear

Precision Engineering Division



I. Watch Business

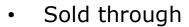


Watches

Four major brands







- 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









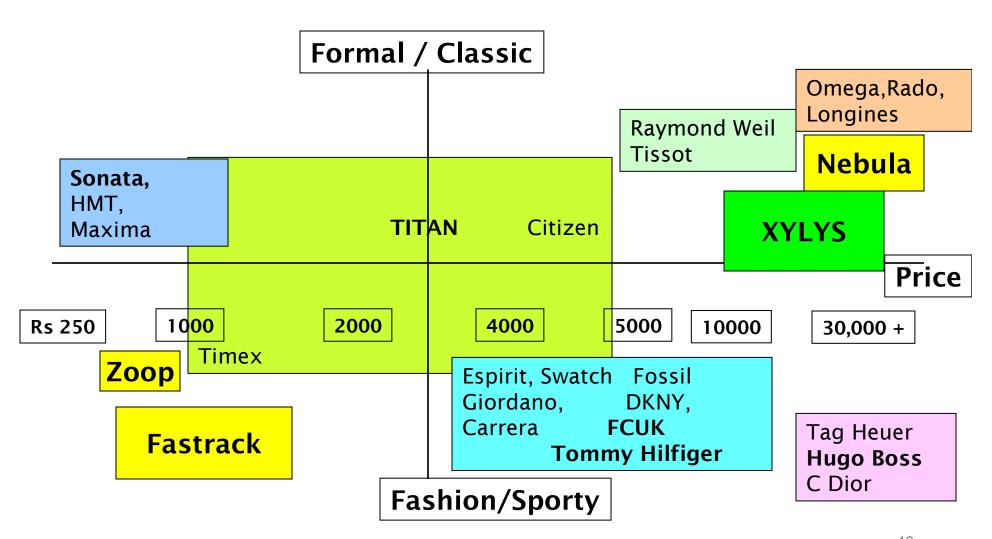


The Watch Market & Industry in India

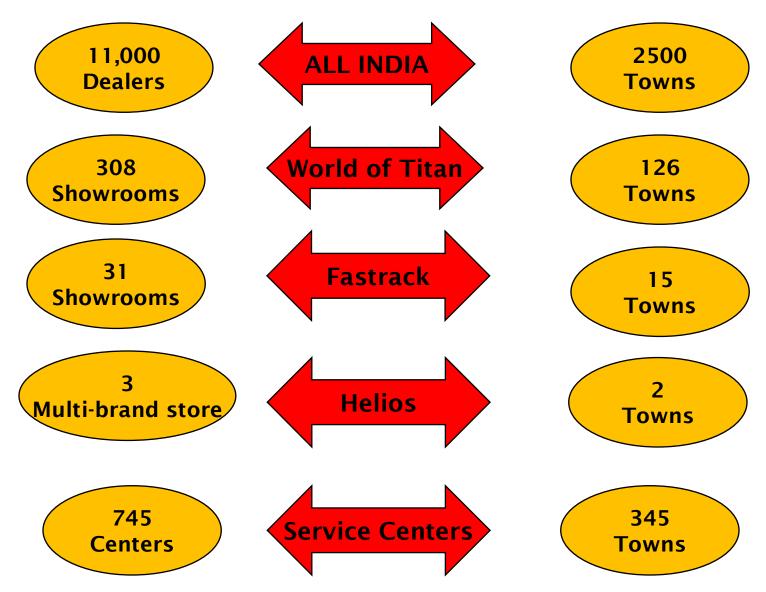
- India is an under-penetrated market for watches only 27 % of Indians own a watch
- Total estimated market in 2009-10
 Volume ~ 44 mn units
 Value: Rs 3100 Crores (USD 600 Mn) at retail
 (We have a 22% volume share and a 40% value share)
- Vast proportion of the Indian market is below Rs 500 (\$11)
 - ~ 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 (\$195 million) Sales excluding exports and after-sales service over Rs 1300 crores at retail prices (\$280 million) give us a 40% share of the total Indian Watch market

Profits

- · Consistent growth
- PBT (2007/08) Rs. 133 Crores (\$29 mn)
- PBT (2008/09) Rs. 128 Crores (\$28 mn)
- PBT (2009/10) Rs. 140 Crores (\$30.4 mn)

ROCE

- · ROCE (2007/08)
- · ROCE (2008/09)
- · ROCE (2009/10)

- 62%
- 52%
- 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.
- Total export sales of over Rs 101 crores (\$22 mn) in 2009-10 including jewellery, watch components and precision engineering items.













Brands in the Watches Division









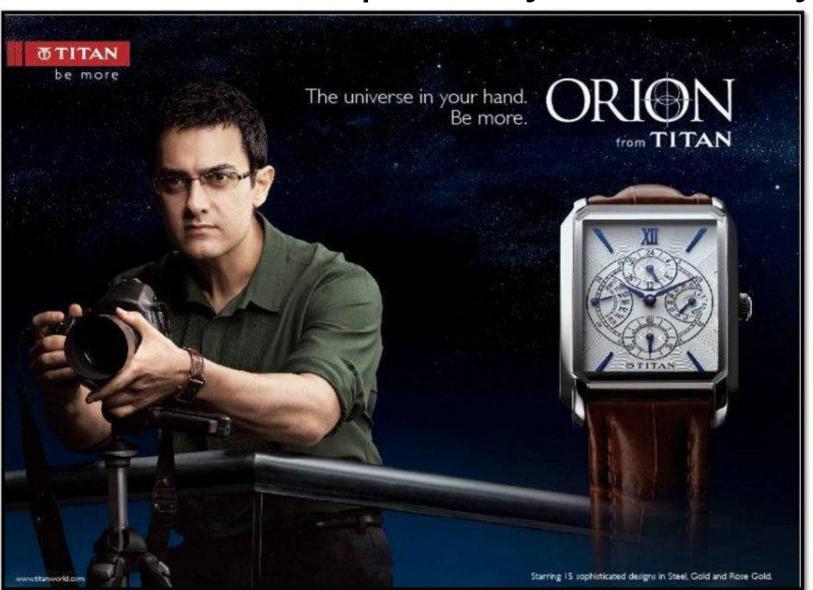
TITAN³

PURPLE COLLECTION





Inspired by Astronomy



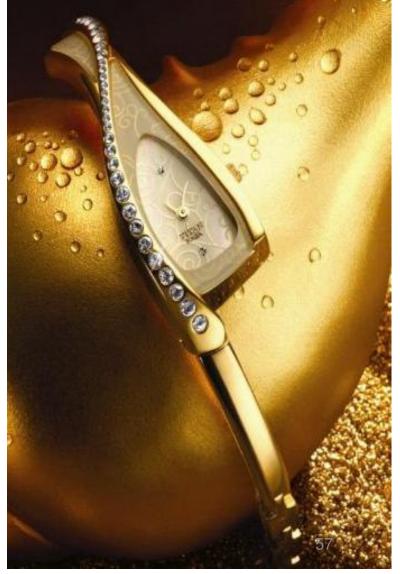


Raga Crystals





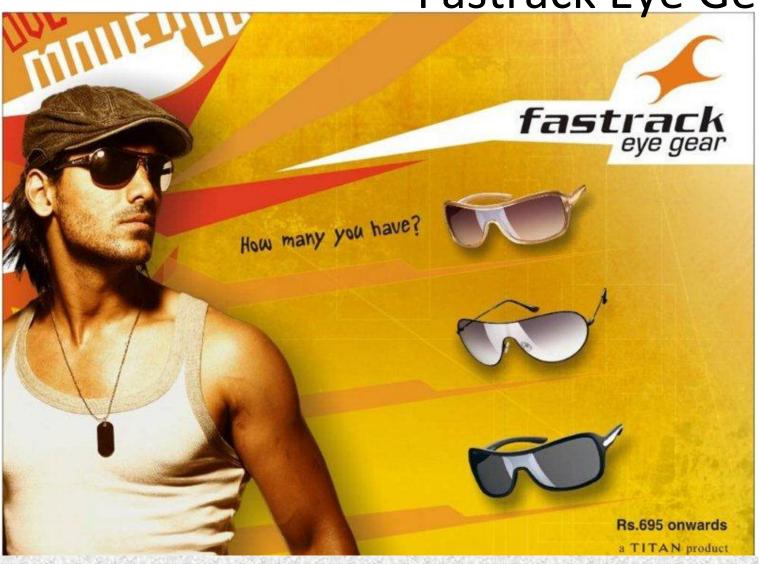




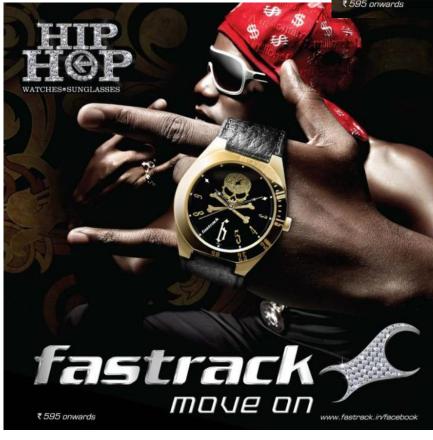
Fastrack-The Army collection



Fastrack Eye Gear









Watch Manufacturing



Case Mfg





Movement Manufacturing



Movement Assembly

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 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





OUR JEWELLERY BUSINESS – OVERVIEW

Revenues

- · Rapid growth of 35% p.a. over the past three years
- · Rs. 3500 crores (\$ 760 mn) during the latest financial year
- · Almost 75% of the Company's revenues

Profits

- · Impressive turnaround in domestic market
- · PBT (2007/08) Rs. 101 crores (\$22 mn)
- · PBT (2008/09) Rs. 194 crores (\$42 mn)
- · PBT (2009/10) Rs. 245 crores (\$53 mn)

ROCE

· ROCE (2007/08)

- 60%

· ROCE (2008/09)

- 84%

· ROCE (2009/10)

- 96%

THE BRAND

Jewellery for the design discerning, high end customer.

The Brand Campaign theme: Decadence



The Brand Campaign theme: Decadence



The Brand Campaign theme: Decadence





ZOYA



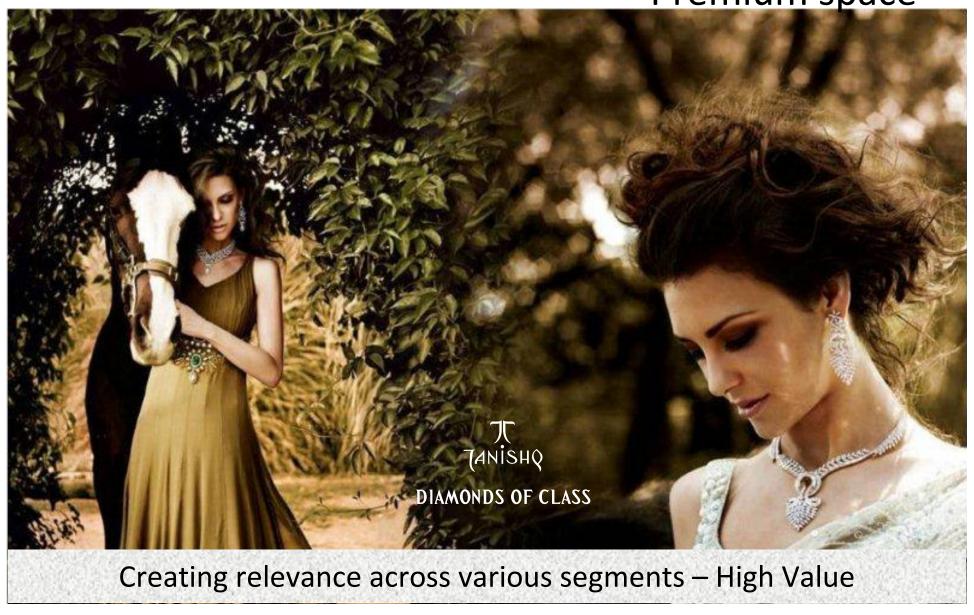




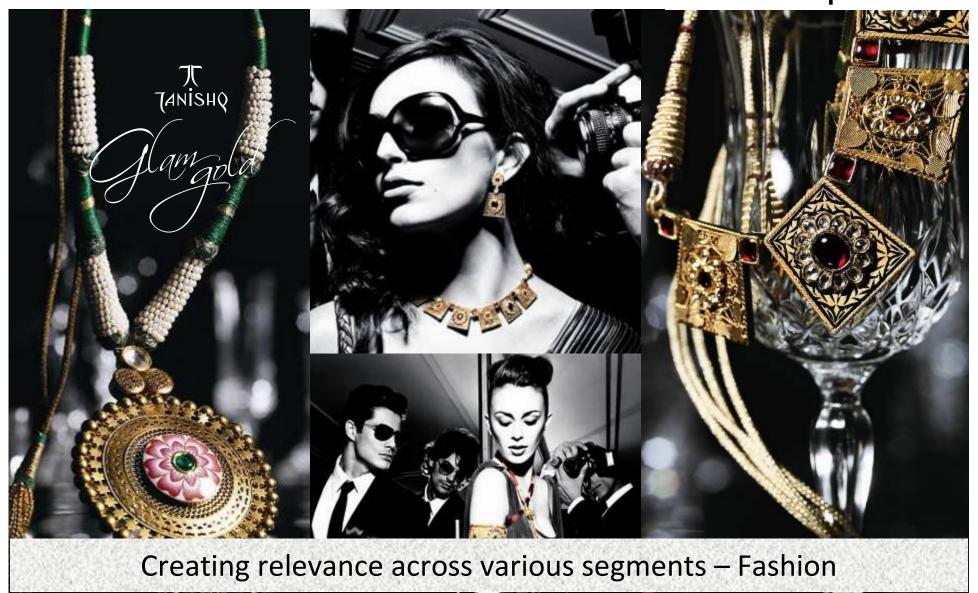
Jewellery brand for the progressive woman

Relevant across segments

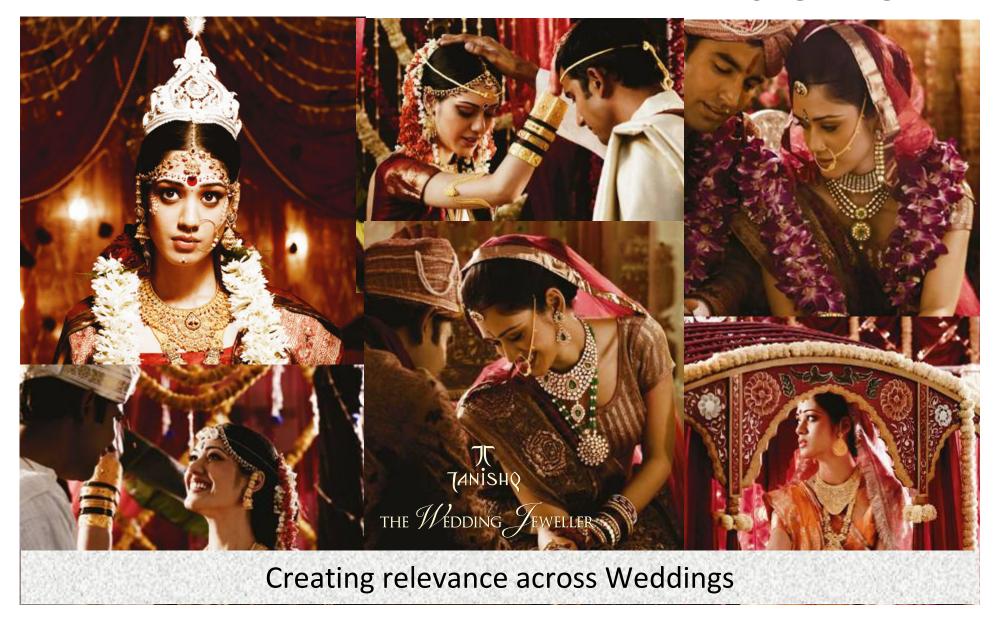
Premium space



Fashion Space



WEDDING SPACE



TANISHQ





TANISHQ











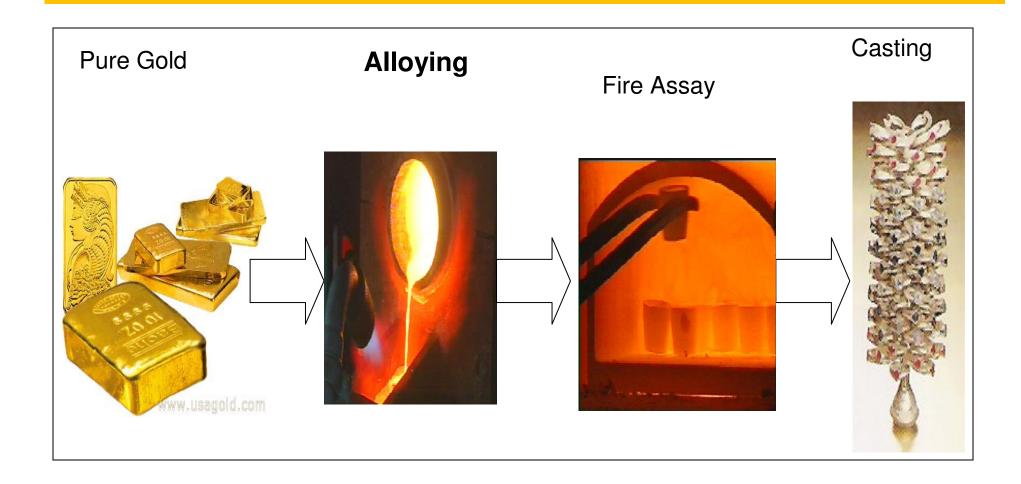
'புஷ்பிதா' இது மன்களின் அழகிய வடியங்களால் துண்டப்பட்டு 22 காரட் தூய தங்கத்தில் எழிலுடன் உருவாக்கப்பட்டுள்ள நகைவரிசையாகும். கண்களுக்கு விருந்தாக அமையும் இந்த நவநாகரீக ஆபரணங்களைக் காண இன்றே கோல்டுபினஸ் ஷோருமிற்கு வருகை தாருங்கள். தீங்கள் விரும்பும் தங்க மவர்களை உங்கள் சொந்தமாக்கி மகிழுங்கள்..!



மேலும் விவரங்களுக்கு www.goldplus.in என்னும் இணைபதாத்தைப் பார்வைபிடவும்,

Jewellery Manufacturing

Gold





Traditional jewellery making











IV. Eyewear Business



Eyewear

- India's largest optical retail chain (122 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 Swarowski 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 (\$325 to \$400 mn)
- · 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



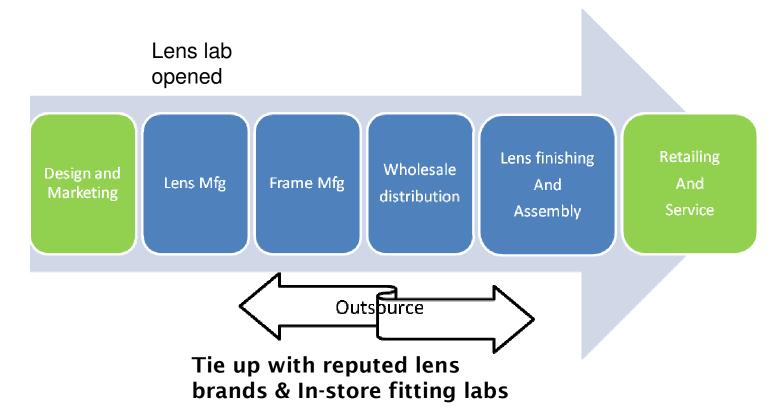
- <u>Product / Service Offering:</u>
 - Eye checking, Optometry
 - Range of frames Titan & licensed brands
- Range of **Branded** Lenses
 - Sunglasses Titan, Fastrack & licensed brands
 - Contact Lenses, Accessories







WHERE WE WILL PLAY IN THE VALUE CHAIN



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



PRODUCTS



















Lens Manufacturing Lab

LENS LAB



SURFACING DEPARTMENT

POWER GENERATION MACHINE - HSC MASTER



POLISHER - CCP 103



LASER MARKER - CCL



ANTI REFLECTION COATING DEPARTMENT

HARD COATING DEPARTMENT

HARD COATING MACHINE – CHC 150





ANTI REFLECTION COATING MACHINE -BOXER

III. Precision Engineering Business



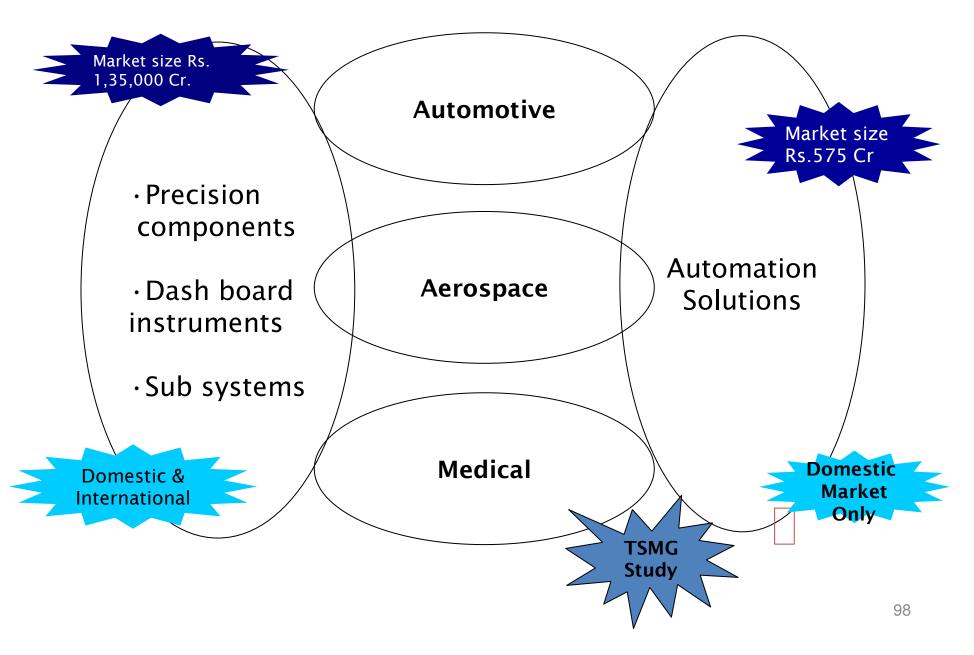
Precision Engineering

- 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 & Witney, 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



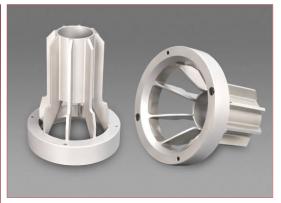




Recent Products

















The Customers

- Eaton, USA
- Hamilton Sunstrand, USA
- Microtechnica, Italy
- Visteon, USA /India
- Ford, UK

Bosch, India Lucas, India

Tata Motors, India

Timken, India

Turbo Energy, India

Stanadyne, India

Tyco Electronics, India



2009-10 - Summarised Results



(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 Less: Interest Profit before taxes Less: Taxes Net profit after taxes	144.73	254.68	-38.89	-13.78	346.74 25.42 321.32 71.00 250.32
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

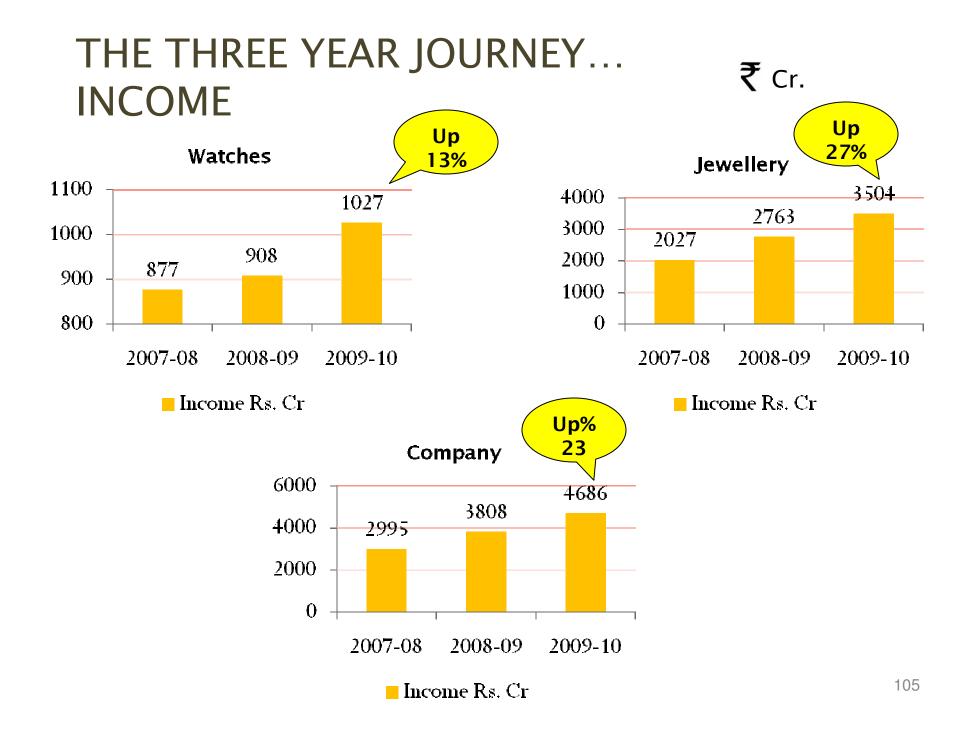
- Company Income crossed Rs 4700 Crores (over US\$ 1 billion)
- PBT crossed Rs 320 Crores (US\$ 70 million)
- PAT crossed Rs 250 Crores (US\$ 55 million)
- Borrowings reduced below Rs 75 Crores (US\$ 16 million) for the first time in 20 years

Brands

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

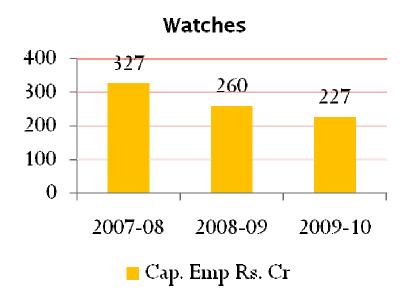
Retailing

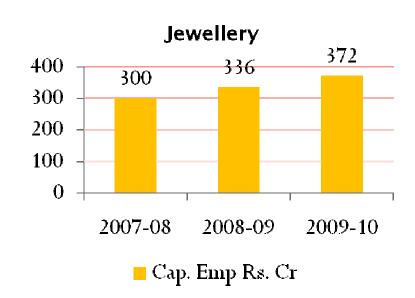
- World of Titan, Helios and Fastrack stores crossed 300
- Tanishq, Zoya and GoldPlus outlets touched 145
- Titan Eye+ outlets crossed 80
- Total area of retail space crossed 685,000 sq ft

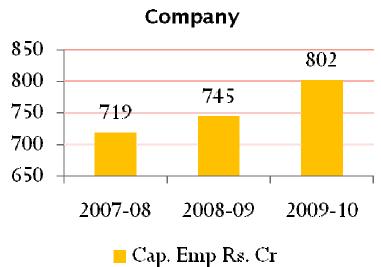


THE THREE YEAR JOURNEY... CAPITAL EMPLOYED

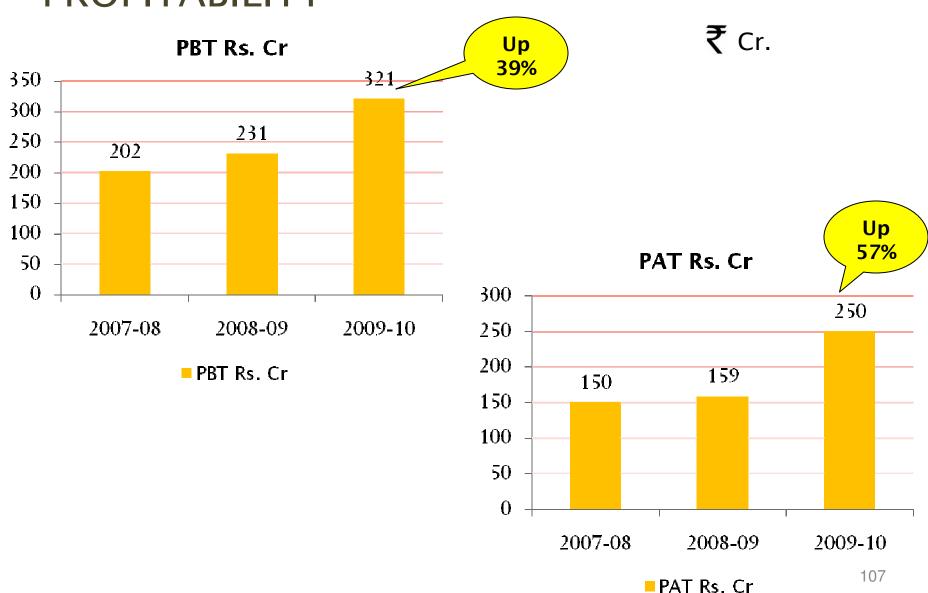






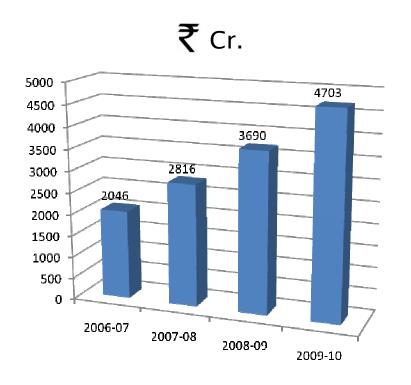


THE THREE YEAR JOURNEY... PROFITABILITY



Where We Stand Today

Revenue



Stock Movement

(over 12 months)



MARKET CAPITALISATION





Nine Months Performance – 2010-11







April–December 2010 – Summarised Results

₹ Cr.

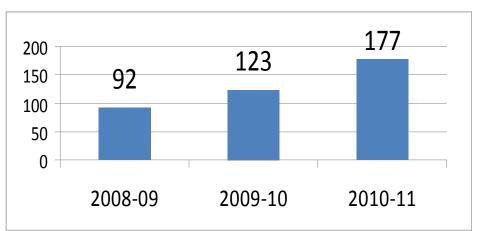
	Watches	Jewellery	Others	Corporate	Total
Sales / Income from Operations Less: Excise Duty Net Sales / Income from Operations Add: Other income Net Sales / Income from Segments	970.28 33.60 936.68 0.82 937.50	-	167.45 2.45 165.00 0.10 165.10	18.51	4779.37 36.05 4743.32 31.72 4775.04
Profit before interest and taxes Less: Interest Profit before taxes Less: Taxes Net profit after taxes	176.52	310.17	(8.16)	7.65	486.18 6.94 479.24 132.62 346.62
Capital Employed	314.17	(185.40)	111.1	904.89	1144.76

PERFORMANCE - 2010-11 - FIRST NINE MONTHS

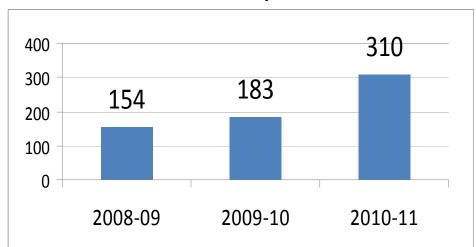


PERFORMANCE - 2010-11 - FIRST NINE MONTHS

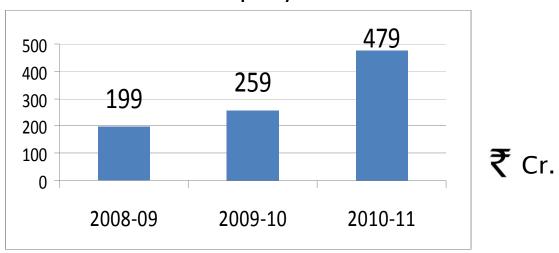
Watches - EBIT



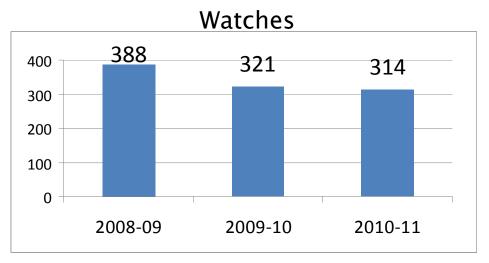
Jewellery - EBIT

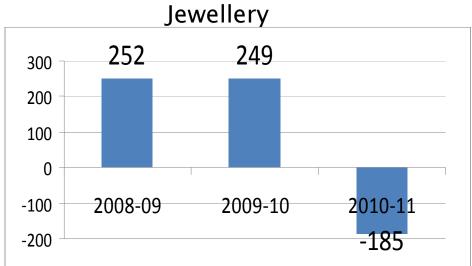


Company - PBT

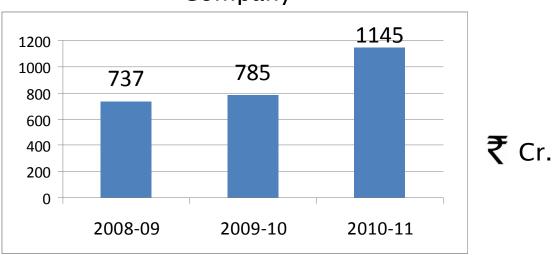


PERFORMANCE – 2010-11 – FIRST NINE MONTHS CAPITAL EMPLOYED





Company



RETAIL SALES GROWTH - 2010-11 (YTD DEC 2010)

SI.	Retail Channel	Total growth	Like to Like growth
1.	World of Titan	21%	13%
2.	Tanishq	47%	44%
3.	Titan Eye+	67%	47%
4.	Fastrack	4 times	Doubled
5.	Gold Plus	13%	13%
6.	Helios	3 times	45%
7.	Zoya	46%	46%
8.	Large Format Stores in Watches	66%	38%

SALES PER SQUARE FEET

SI.	Channel	2009-10 ` per sqft	2010-11 (annualised) `per sqft	Growth
1.	World of Titan	18400	21000	14%
2.	Tanishq	132000	167000	26%
3.	Gold Plus	93000	103000	11%



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





CORPORATE SOCIAL RESPONSIBILITY





KARIGAR PARK













TITAN TOWNSHIP















TITAN SCHOOL









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"





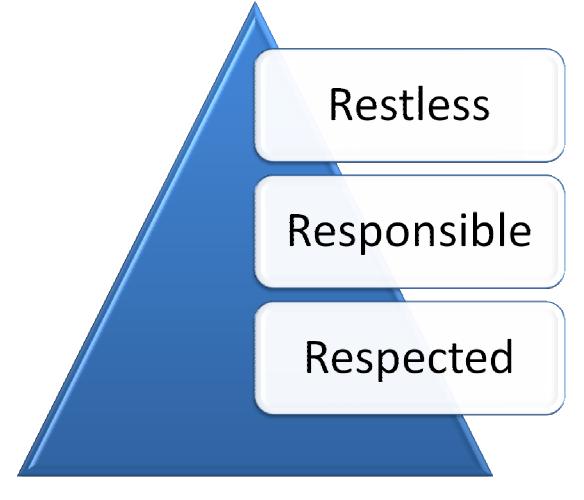
What's the Future?

- Targeting three-fold growth in revenue in 5 years to Rs14,000 crore making us a 3.5 billion dollar company
- 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





The House of Titan Today







Thank You



