



30th October 2015

PRESS RELEASE

Titan Company Ltd reports a decline of 25% in Q2 income.

Titan Company Ltd announced a decline of 25% in net income in the second quarter over last year. The income from operations in the second quarter, July to September 2015, was Rs.2654 crores, against last year's income of Rs.3564 crores during the same period. The income for April to September 2015, the first half of this financial year, stands at Rs.5341 crores, registering a decline of 16.8% over last year.

The net profit for Q2 is Rs.145.39 crores, against Rs.239.98 crores last year. The net profit for the six months ended September 2015 is Rs.296.45 crores, a decline of 29% over last year. The profit before tax is Rs.181.49 crores for Q2 and Rs.385.10 crores for the first half.

The retail sentiment has been extremely poor in this quarter and the Watches division, backed by activations for both Titan and Fastrack brands grew in income by 4.4%. A new sub-brand "SF" by Sonata was launched during the quarter, in the adventure sports segment. The income for watches was Rs.546 crores in Q2 as compared to Rs.523 crores last year. The jewellery business recorded an income of Rs.1981 crores this year in Q2 as compared to Rs.2929 crores last year. The sharp drop is largely due to the premature redemption of the Golden Harvest scheme that the Company had to do in the previous year in view of the changes to the Companies Act 2013 that brought such schemes under the ambit of public deposits. It may be noted that these redemptions contributed to 54% of the revenue this quarter last year. The Eyewear business grew by 15.3% in the quarter, recording an income of Rs.88 crores as against Rs.76 crores last year. Other businesses of the Company comprising Precision Engineering, a B2B business and accessories declined by 10% in Q2. The combined income of these businesses was Rs.58 crores in Q2. Their last year income for Q2 was Rs.65 crores.

The Titan Company retail chain is 1246 stores strong, as on 30th September 2015 with a retail area crossing 1.65 million sq.ft. nationally for all its brands

Mr. Bhaskar Bhat, Managing Director of the Company stated that "This was an extremely challenging quarter for the company and we witnessed an income decline of 25%. While our watches business witnessed a growth of low single digit at 4.4% the jewellery business had a difficult quarter with a decline over last year. The industry saw a tough period with gold imports declining significantly. The decline in jewellery sales was also on account of discontinuation of our Golden Harvest Scheme. The Eyewear business continues to register double digit growth. All our brands are working on new product and marketing campaigns for the festive season ahead."

S. Ravi Kant

Executive Vice President
(Corporate Communications)

Titan Company Limited
(formerly Titan Industries Limited)

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