



1st August 2014

PRESS RELEASE

Titan Company Ltd faces revenue drop of 7.6% in Q1 but contains decline of profit.

As expected sales income for Titan Company in Q1 dropped by 7.6% largely on account of an unprecedented Q1 of 2013-14 which had witnessed a 47% growth in jewellery business last year when gold price fell sharply. While the sales income declined from Rs.3087.79 crores last year to Rs.2853.66 crores in Q1, the profit after tax for the same period dropped by only 2.9% from Rs.182.48 crores last year to Rs.177.27 crores this year. The Company's PBT stands at Rs.240.47 crores in Q1 as against Rs.251.53 crores during the same period last year, registering a drop of 4.4%.

The watches business in Q1 this year recorded a healthy growth of 10.4%. The income of watches business grew from Rs.398.68 crores to Rs.439.95 crores. The Jewellery income in Q1 was Rs.2325.27 crores as against Rs.2586.61 crores, a decline of 10.1%. The jewellery business continues to face regulatory pressures that have an adverse impact on sales. The Company's other businesses, Eyewear, Precision Engineering and accessories grew by 3.8%, from Rs.123.18 crores to Rs.127.83 crores this year.

The Company has put together exciting plans to stimulate demand for all its product categories through innovative advertising campaigns and new product launches.

Retail expansion continued with a net addition of 22 stores across all its businesses in the first quarter, ending the period with a retail area of over 1.48 mn sq.ft nationally. The Company's retail chain is 1100 stores strong, as on 30th June 2014 and is expanding with growth plans in place for all its retail businesses – watches, jewellery and eyewear. The Company also has moved into a new Corporate Office in Bangalore towards the end of the quarter.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "The consumer discretionary spend in the quarter was far more stable than what we witnessed in the past few quarters. With stability in the political environment, the market mood has been positive. However, due to an extraordinary first quarter witnessed by jewellery business last year, the topline growth in this quarter was tough. Regulatory pressures faced by the jewellery industry have amplified the challenge."

S. Ravi Kant
Executive Vice President

(Corporate Communications)