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PRESS RELEASE

Titan Company Ltd.: registered a decline in income of 11.1% in Q3

Titan Company reported a decline of 11.1% in income in Q3 over same period last year and an income growth of 8.3% for the nine month period ended December 2013. The overall income in the third quarter, October to December 2013, was Rs.2650.46 crore, as compared to last year's income of Rs.2982.89 crore during the same period. The income for April to December 2013, the nine-month period, stands at Rs.8028.27 crore, registering a growth of 8.3% over last year.

The profit before tax for the nine-month period ending December 2013 showed a marginal decline of 0.3%, at Rs.737.02 crore. Profit before tax for Q3, October to December 2013, was Rs.228.23 crore. The net profit for the same period was Rs.165.57 crore and Rs.534.70 crore for the nine-months ended December 2013.

The overall trend in sales over the last 3 quarters has been similar across all brands and channels with Q3 registering the lowest growth this year due to a poor festive season. The income from watches was Rs.455.48 crore in Q3, a growth of 7.5%. On the other hand, jewellery business recorded a decline of 15.4% in Q3 over last year primarily due to a lower demand for gold Jewellery. The first quarter had seen a surge in demand due to lower gold prices. The jewellery industry was also adversely impacted by the regulatory measures implemented to restrict gold imports. It had an income of Rs.2126.67 crore this year in Q3 as compared to Rs.2515.24 crore last year. For the nine-month ended December 2013, the jewellery business recorded a growth of 8.7%. Other businesses of the Company comprising Precision Engineering, a B2B business, the Eyewear business and accessories grew by 18.6% in Q3. The combined income of these businesses in Q3 was Rs.116.52 crore as compared to Rs.98.26 crore last year.

The Titan Company retail chain is 1039 stores strong, as on 31st December 2013 with the retail area crossing 14 lac sq.ft. nationally for all its brands.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "The sentiments in the market continue to be weak and the company witnessed an extremely poor retail-sales quarter for both its watches and jewellery businesses. The impact of festive season this quarter was much below our expectations. Although the stock market has picked up, the high inflation levels have resulted in lower disposable income in the hands of consumers. In the last quarter of this financial year we have planned aggressive sales promotions for both watches and jewellery to stimulate demand and generate consumer interest in these categories. We will continue to make adequate investments in mass communication and build our brands."

S. Ravi Kant
Executive Vice President

(Corporate Communications)