

TITAN INDUSTRIES LIMITED

PRESS RELEASE

1st August 2013

Titan Industries Ltd. – Income grows by 42% in Q1

Titan Industries Ltd. announced an income growth of 42% in a challenging first quarter of 2013-14. While the sales income grew from Rs.2174.74 crores last year to Rs.3087.79 crores in Q1, the profit after tax for the same period grew by 16.9% to Rs.182.48 crores from Rs.156.12 crores last year. The Company's PBT stands at Rs.251.53 crores in Q1 as against Rs.212.25 crores during the same period last year, registering a growth of 18.5%

All businesses of the Company have recorded growth in first quarter. Jewellery income in Q1 was Rs.2614.16 crores, a growth of 47.2% over last year's income of Rs.1775.53 crores. The high growth in jewellery business was fuelled by a sharp drop in price of gold in April and a good wedding season during the first quarter. The watches business recorded an income of Rs.401.65 crores as against Rs.360.69 crores last year in Q1, a growth of 11.4%. Discretionary spend has been under pressure and had an impact on growth of watches business. The Company's other businesses, Eyewear, Precision Engineering and Accessories grew by 37.5% to Rs.123.21 crores.

The Company continues to stimulate demand for all its product categories through innovative advertising campaigns, the launch of "Inara" diamond jewellery and a new brand of Sunglasses "Titan Glares".

Retail expansion continued with a net addition of 15 stores across all its businesses in first quarter, ending the period with a retail area of over 1.3 mn sq.ft nationally. The Company's retail chain is 968 stores strong, as on 30th June 2013 and is expanding with growth plans in place for all its retail businesses – watches, jewellery and eyewear.

Mr. Bhaskar Bhat, Managing Director of the Company stated that "The first quarter has seen encouraging topline growth, largely driven by jewellery on account of drop in gold prices. This resulted in high sales of plain gold jewellery and coins that deliver lower margins. Margins in both watch and jewellery businesses were impacted due to change in product mix. Consumer sentiment continues to be weak and discretionary spend was subdued. The pressure of high inflation due to a weak rupee as well as rising import costs are a matter of concern. For the coming quarter, we are working on our plans to deal with the weak consumer sentiment as well as the impact of recent regulatory measures introduced in the financing of gold imports."



S. Ravi Kant
Executive Vice President

(Corporate Communications)