

TITAN INDUSTRIES LIMITED

3, SIPCOT INDUSTRIAL COMPLEX, HOSUR 635 126.

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE PERIOD ENDED 30 SEPTEMBER 2006

(Rs. in crores)

	Quarter ended 30-9-2006 (Unaudited)	Quarter ended 30-9-2005 (Unaudited)	Half year ended 30-9-2006 (Unaudited)	Half year ended 30-9-2005 (Audited)	Year ended 31-3-2006 (Audited)
Net sales / Income from operations	538.51	365.47	988.43	665.63	1,481.37
Other income	0.53	0.59	1.94	1.08	2.43
Total income	539.04	366.06	990.37	666.71	1,483.80
Expenditure					
Decrease / (increase) in stock in trade	(53.54)	(47.37)	(104.30)	(98.12)	(72.58)
Consumption of raw materials	398.78	255.97	744.98	488.92	981.62
Excise duty	14.98	11.61	23.89	18.81	41.19
Staff cost	38.84	27.05	74.60	55.28	109.13
VRS cost	2.52	2.52	5.05	5.05	10.10
Advertising	31.17	22.56	71.37	48.47	101.31
Other expenditure	51.19	38.07	101.76	76.86	156.65
Total expenditure	483.94	310.41	917.35	595.27	1,327.42
Interest	4.31	5.98	9.20	11.78	24.84
Depreciation	5.51	4.77	10.41	9.62	19.66
Amortisation	1.05	-	1.05	-	-
Profit before exceptional item	44.23	44.90	52.36	50.04	111.88
Exceptional items					
Provision for doubtful loans and advances	2.05	15.23	4.92	17.73	25.00
Profit before taxes	42.18	29.67	47.44	32.31	86.88
Income taxes - Current	8.07	9.09	9.25	9.69	14.89
- Deferred	1.05	(1.69)	0.38	(5.33)	(5.57)
- Fringe Benefit	0.88	0.66	1.54	1.31	3.01
Profit after taxes	32.18	21.61	36.27	26.64	74.55
Less: Income tax of earlier periods	-	1.01	-	1.01	0.93
Net Profit	32.18	20.60	36.27	25.63	73.62
Paid-up equity share capital (face value: Rs.10 per share)	44.39	42.28	44.39	42.28	42.28
Paid-up preference share capital	-	40.00	-	40.00	40.00
Reserves excluding revaluation reserves					150.30
Basic and diluted earnings per equity share (Rs.) (Not annualised)	7.25	4.69	8.16	5.69	16.68
Aggregate of Non-Promoter shareholding					
- Number of shares	20,838,837	19,917,388	20,838,837	19,917,388	19,917,388
- Percentage of shareholding	47.0%	47.1%	47.0%	47.1%	47.1%
Segment Results					
Net sales / Income from segments					
Watches	224.86	185.02	373.54	311.11	654.83
Jewellery	296.90	172.67	585.15	338.79	791.31
Others	16.95	8.34	30.51	16.73	37.01
Total	538.71	366.03	989.20	666.63	1,483.15
Profit / (Loss) from segments before interest and taxes					
Watches	30.14	44.45	43.14	51.25	104.06
Jewellery	21.94	9.81	27.52	19.05	46.37
Others	(1.32)	(0.87)	(4.38)	(3.67)	(6.84)
Total	50.76	53.39	66.28	66.63	143.59
Less : Interest attributable to segments	3.97	5.55	8.65	10.90	23.12
Operating profit from segments	46.79	47.84	57.63	55.73	120.47
Less : Exceptional items					
Provision for doubtful loans and advances	2.05	15.23	4.92	17.73	25.00
Profit from segments before taxes	44.74	32.61	52.71	38.00	95.47
Unallocable income net of unallocable expenditure	(2.56)	(2.94)	(5.27)	(5.69)	(8.59)
Profit before taxes	42.18	29.67	47.44	32.31	86.88
Capital Employed					
Watches	323.61	345.36	323.61	345.36	327.68
Jewellery	154.06	184.85	154.06	184.85	137.10
Others	49.34	26.86	49.34	26.86	44.21
Corporate(Unallocated)	28.32	32.94	28.32	32.94	15.26
Total	555.33	590.01	555.33	590.01	524.25

In the case of Jewellery, the increase in the value of sales, compared to the same period in the previous year, is partly due to the increase in the price of gold, which has gone up to US\$ 600 per Troy Ounce on 30 September 2006 from US\$ 473 on the same date last year.

During the quarter, the Company acquired the overseas trademark rights to the Titan brand and certain other brands, for a consideration of about Rs.63 crores, which is being amortised over a period of 120 months from the month of acquisition.

The increase in the paid up equity share capital is consequent to the allotment of Rights shares on 12 May 2006. Thereafter, the preference shares aggregating to Rs.40 crores were redeemed out of the proceeds of the Rights issue.

During the quarter, the Company entered into a three-year wage settlement, with the recognised trade union effective from 1 June 2006. The consequential increased outgo has been accounted under Staff cost.

The Company's primary segments consist of Watches, Jewellery and Others, where the 'Others' include Eye wear, Precision Engineering, Machine Building and Clocks.

The figures of the previous period have been regrouped/recast, where necessary.

There were 2 investor complaints pending at the beginning of the quarter. 8 complaints were received and 5 were disposed off during the quarter. There were 5 complaints lying unresolved at the end of the quarter.

The Auditors have carried out a limited review of the financial results for the quarter ended on 30th September 2006, as required by the Listing Agreement.

The financial results were reviewed by the Board Audit Committee and were taken on record by the Board of Directors at their meeting on 18th October 2006.

For and on behalf of the Board of Directors
BHASKAR BHAT
 Managing Director

Bangalore, 18 October 2006