



4th Oct, 2018

### Quarterly Update: Q2 FY '19

The Company continued to execute well across all its businesses in the second quarter and witness the gains in market share on the back of well laid out strategies for each of its businesses. While the Watch business carried on its good run from the first quarter, the growth in the Jewellery business picked up very well after a relatively soft growth in Q1'19.

#### Jewellery

The growth in the jewellery industry in the last few months has been challenging on the back of several factors like lesser number of wedding dates, increase in Gold prices, tightening of the credit to the industry, subdued consumer demand etc. Despite these challenges, our Jewellery business has done well due to gains in market share on the back of exciting new collection launches and extended diamond studded activation, resulting in good growth for the quarter that is in line with our internal expectations.

We launched the Gulnaz collection in July 2018 in studded Jewellery which has been receiving good customer response. Business has launched contemporary silver collection, under Mia brand, that is stylish, fashionable and affordable for the young modern woman.

The division added 16 Tanishq stores and closed 2, for the year to date, with the net retail space addition being approximately 35,000 sq. feet.

#### Watches

The strong growth momentum of the Watch division continues, with the launch of many exciting products, improvement in merchandise to fill the product gaps and brand building activities across online and offline platforms. A robust growth is witnessed across the channels, with the modern retail formats and e-commerce leading the growth amongst all the channels.

Titan brand launched refreshing collections like 'Octane Signature' inspired by motor sports, 'Purple stellar' inspired by celestial and cosmic elements and 'Classique Retrogrades'.

Fastrack launched Reflex 2.0 - an upgrade of the widely successful Reflex Activity Tracker with additional features of 'reading notifications on the band screen', 'find your phone' and 'control your camera', over and above the existing features of 'tracking steps', 'counting calories' and measuring distance travelled.

Sonata also launched multiple collections in the affordable, work and fashion space.

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The division added 18 WOT stores and closed 15, added 14 Fastrack stores while closing 7 and for Helios added 3 stores while closing 1 store during the year so far, adding up to 1,800 sq. feet of retail space overall on a net basis.

### **Eye Wear**

Strategy of introduction of more assortments at affordable price points and associated aggressive marketing campaigns to build consumer awareness on the core brand proposition of expertise & styles at great value were the major initiatives in the quarter. Growth however is muted as there was activation last year in the quarter without a corresponding one in the current year.

In this year, we have started the manufacture of Frames. Staying true to our nature of being innovative and disruptive, this capability will give us the ability to innovate on product design at an accelerated pace and bring premium quality to our products.

The division added 29 stores during the year to date and also closed 16 stores ending up with a net increase of about 8,000 sq. feet of retail space.

### **New Businesses**

Skinn continues to be the best seller in its category in departmental chain stores and is now sold in over 2,000 points of sale. "Amalfi Bleu", the latest variant launched in July-2018 has been a big hit.

Taneira opened a new store in Ambience mall in Delhi where a new store identity was explored with most fit-outs of handcrafted or recycled products that accentuated our offering of hand-crafted special occasion ethnic wear. The division has been able to partner with 300+ vendors for its sourcing needs across 50 weaving clusters such as Benares, Bhagalpur, Chanderi, Maheshwari, Chattisgarh, Pochampalli, Sambhalpur and Paithani.

### **Other initiatives**

In September, the Company launched an initiative called ECHO ('Educate to carry her onwards') in collaboration with the Tata Group, and has associated with Rana Uppalapati (Titan's business associate and international skater) for a journey on skates to cover the Indian Golden Quadrilateral (6,000 kms) in 90 days to raise funds for the education of 25,000 underprivileged girl children and also create awareness among six lakh children on aspects of child safety and sexual harassment.

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### **Market Outlook**

The company periodically undertakes consumer sentiment studies for our businesses and the latest study seems to indicate a sense of optimism in the outlook of the economy in general, employment and household income.

**For Titan Company Limited,**

**(Subramaniam S)**

**Chief Financial Officer**

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