



SEC 15 / 2018-19

4th July 2018

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: **500114**

The General Manager, DCS – CRD
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051
Symbol: **TITAN**

Dear Sirs,

Sub: Quarterly Update – Q1 FY 2018-19

This is to provide the quarterly update for Q1 of FY 2018-19 as furnished in the attached document.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED

S. Subramaniam
Chief Financial Officer

Encl. As stated

Titan Company Limited

'INTEGRITY' No.193, Veerasandra, Electronics City P.O Off Hosur Main Road, Bengaluru - 560 100 India, Tel : 91 80 - 67047000, Fax : 91 80 - 67046262
Registered Office No. 3, SIPCOT Industrial Complex Hosur 635 126 TN India, Tel 91 4344 664 199, Fax 91 4344 276037, CIN: L74999TZ1984PLC001456
www.titan.co.in

A **TATA** Enterprise



4th July, 2018

Quarterly Update: Q1 FY '19

The year has started off well for the Company with continuing of gains in market share across businesses. The Company's efforts in re-crafting Watches and Eyewear division has started paying off and both the divisions have shown good growth in Q1'19, although reported revenue growth for these two segments will look optically subdued due to the transition to GST.

During the quarter, the Company had set for itself and subsequently also announced an ambition of achieving INR 50,000 crore (in consumer sales) by FY '23. Work on plans and means to achieve this target has commenced.

Jewellery

The jewellery industry has been going through a significant soft patch in the first 5 months of CY 2018 as evidenced in the decline of imports of gold by 39% in volume terms. This is primarily led by decline in demand for bullion and to some extent by weak demand for adornment during the period. Channel checks have also corroborated the view that, while Akshaya Tritiya day itself had decent sales, the remainder of quarter witnessed a significant decline compared to the previous year. The weakness in the consumer sentiment has had an impact on our sales also leading to recording of sales below our internal targets. Further, it may be noted that this quarter also has a very high base for comparison (54% YoY growth in the same quarter of previous year), which apart from having a good growth also had a favorable one-off impact of an estimated INR 250 crores sales getting advanced from Q2 to Q1 last year in anticipation of higher GST rates. The above two factors have led to June'18 quarter's sales growth being muted.

The division has added 10 net new Tanishq stores. The net space addition for the division was around 24k square feet. Tanishq launched Lavanyam, a range of traditional jewellery inspired by the cultural motifs and patterns of South India. The revised gold exchange program continues to bring in new customers and along with the Golden Harvest scheme, is a major contributor to customer acquisitions.

Watches

Watch division had a great quarter on the back of good growth in modern retail formats as well as e-commerce. Continued focus on introducing new designs and engaging marketing campaigns is bringing back customers to this category and younger customers are also showing good interest.

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Titan launched new collections of Raga Viva II to extend the everyday wear look for the Raga women, Gents Classique - elegant classic multifunction watches, Octane Active – multifunction and chronograph

watches and Titan Ceramics for both men and women. Fastrack launched Deadpool and Avengers collections, based on the theme of comic characters.

Watches division added 21 new stores and 14k square feet of retail space this year, comprising of 11 WOT, 7 Fastrack stores and 3 Helios stores. The new Fastrack web site under the Digital transformation programme has been launched and new sites for other brands will be rolled out in the next few months.

Eye Wear

The prescription eye wear business and sunglasses saw good pick up after the introduction of more assortments at competitive price points along with many product innovations that has improved the style quotient, comfort and the product functionality. Focus is on eye protection like reducing eye strain and improving vision by removing glare. The differentiation in products is being highlighted by impactful visual merchandising and aggressive marketing. Sunglasses business has done well during the quarter after declining for many quarters.

The division launched multiple exciting collections in both frames as well as sunglasses category. The division added 9 new stores during the quarter adding up to about 6k square feet.

New Businesses

Fragrance business continues to be in high growth phase and also continues to be the best seller in its category in departmental chain stores. Division continued with multiple initiatives like running customer trials of body mist during summer, launched fragrance festival, engaged with distributors in annual meet to increase their awareness on opportunities and conducted detailed study for indigenization of bottling operations for cost saving.

Taneira brand continues to progress well on its journey of establishing itself as a credible brand for bringing the authentic ethnic wear to the women and has received encouraging initial response to the offering. Business is expanding products range, strengthening sourcing by setting up captive looms and tie-ups for exclusive products and establishing robust quality check norms. Brand metrics of repeat business and referral business are trending at very healthy levels.

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Subsidiaries

As part of the drive to divest the company of non-core businesses, Titan TimeProducts Ltd (TTPL), a subsidiary of Titan Company that was in the electronic manufacturing services business based in Goa, has been divested for the cash purchase consideration of INR 18.5 crores for 100% of its shares.

S. Subramaniam
(Chief Financial Officer)
Titan Company Limited

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