



# TATA GLOBAL BEVERAGES

## Analyst Meet Presentation Quarter 1 Results

July 2012





# Agenda

- **Summary Financials**
- **Macro Environment**
- **Operating Performance Highlights**
- **Financial Review**





# Summary Financials

- Group income at Rs 1725 crores higher by 18% reflecting favourable translation impact and improved performance in most major markets.
- EBIT at Rs 156 crores reflects strong underlying performance in major markets
- Profit before exceptional items at Rs 153 crores improves by 55% mainly due to improved operating performance
- PAT at Rs 99 crores behind, mainly due to the impact of exceptional items. Exceptional items included profit on sale of non core investments in the prior year.



# Macro Environment

- ☛ Volatile exchange market
  - USD strengthen against most currencies
  - Favourable translation impact
- ☛ Commodity costs showing varying trends
  - Tea prices remain volatile
  - Coffee prices reduces from earlier highs
- ☛ Interest rates
  - Softness continues in short term rates in international markets
- ☛ Continuing competitive intensity.
- ☛ Recessionary environment in developed markets





# Operating Performance Highlights – South Asia

- 12% Top line growth year on year with portfolio growth (volume and value increases)
- Maintained MAT market volume and value leadership with 19.6%^ and 21.3%^ respectively
- Various promotions and “Soch Badlo” campaign supported top-line improvement
- Volume growth and better realisations improve operating profits



^ AC nielsen MAT – June 12



# Operating Performance Highlights – CAA

## Canada

- Tetley continues to be volume and value leaders.
- Strong innovation agenda. New SKU's produced successfully with listing achieved in major customers
- Tata Tea brand well received with major customers and ethnic retailers

## US

- Volume growth and price increases in coffee drive topline growth.
- EOC entered the world of single serve coffee through partnership with Green Mountain Coffee Roasters, Inc

## Australia

- New retailer listings.
- New lines (fruit and herbal, decaff green) gaining distribution. Strong performances by Tetley Chai Latte





# Operating Performance Highlights – EMEA

- UK – Volume recovery through merchandising support in a competitive intensive market wherein the black tea market has declined by 3.6%.
- New Product “blend of both” has had good coverage in media and press.
- Market leaders UK in Tetley Decaff and Tetley Redbush. Green tea volume growth year on year. (No 2 position in UK).
- Teapigs brand of super premium teas continue to grow with distribution gains.
- Strong freeze dried coffee performance in Russia with continued focus on distribution and increased listing in key accounts.
- Recovery of Tetley brand continues in Poland with volumes growing 4% yoy.





# Performance Highlights – Other Key Initiatives

Starbucks JV – development of launch and operating plans underway



Nourishco

- Tata Water Plus

- Superior differentiated product proposition, delivered to a key un-serviced customer need with a promise of well-being
- Two sku launched in 2 states

- Tata Gluco Plus

- Volumes scaling up
- Good Consumer acceptance







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## FINANCIAL REVIEW





# Financial Performance Highlights

- Significant improvement in operating performance
  - ❖ Income higher by 18 %
  - ❖ Profit before exceptional items higher by 55 %
  
- Key drivers of the improved performance include
  - ❖ Volume and value growth in India
  - ❖ Price increases with some volume growth in other major markets
  - ❖ Improved performance by Eight O Clock coffee
  - ❖ Improved volumes and pricing in Coffee Extractions and Plantations
  - ❖ Favourable impact of cost interventions.
  
- Improving profitability trend



# Group Financial Review

Particulars (In Rs crores)	Quarter Ended June		
	2012	2011	Variance
<b>Total Operating Income</b>	<b>1725</b>	<b>1467</b>	<b>258</b>
<b>EBIT</b>	<b>156</b>	<b>93</b>	<b>63</b>
Other Income	18	19	(1)
Finance Cost	(21)	(13)	(8)
<b>Profit Before Exceptional Items</b>	<b>153</b>	<b>99</b>	<b>54</b>
Exceptional Items	(5)	89	(94)
<b>Profit Before Tax</b>	<b>148</b>	<b>188</b>	<b>(40)</b>
Tax	(49)	(14)	(35)
<b>Profit After Tax</b>	<b>99</b>	<b>174</b>	<b>(75)</b>
Share of Profit from Associates	(6)	(5)	(1)
Minority Interest in consolidated profit	(15)	(8)	(7)
<b>Consolidated Group Profit</b>	<b>78</b>	<b>161</b>	<b>(83)</b>





# Region-wise Income from Operations

Particulars (In Rs Crores)	Quarter Ended June		
	2012	2011	Variance
<b>Brands</b>			
USA	346	285	60
Canada ,South America & Australia	89	95	(6)
<b>CAA</b>	<b>435</b>	<b>380</b>	<b>54</b>
GB & Africa	375	285	90
Europe & Middle East	175	160	15
<b>EMEA</b>	<b>550</b>	<b>445</b>	<b>105</b>
South Asia Brands	537	479	58
Other Beverages	12	5	7
<b>Total Brands</b>	<b>1534</b>	<b>1309</b>	<b>225</b>
<b>Total Non Branded Operations</b>	<b>172</b>	<b>137</b>	<b>35</b>
Other and Eliminations	18	20	(2)
<b>TOTAL OPERATING INCOME</b>	<b>1725</b>	<b>1467</b>	<b>259</b>



# THANK YOU



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