

TATA GLOBAL BEVERAGES

Analyst Presentation

Quarter 1 2011-12

Agenda

- Financial highlights
- Macro Environment
- Operating performance
- Financial review

Financial Highlights

Group **income** up 6% against prior year
(underlying increase of 4%) at Rs 1467
crores

Significant increase in **Exceptional items**
attributable to the sale of non core
investments

PAT at Rs 174 crores is significantly ahead of
prior year

Macro Environment

- Strong sterling has a favourable impact.
- Commodity costs continues to harden
 - Tea prices increase in most markets
 - Coffee prices reduce from an earlier high but still higher than prior year.
- Interest rate softness continues
 - Company gains by restructuring high cost debts
- Continuing competitive intensity



Operating Performance Highlights

- Strong performance in India – volume growth and profitability
- US coffee performance trails – lower volumes and commodity costs
- Canada continues market leadership – in black tea and specialty tea segment.
- UK performance impacted by phasing of promotions and competitive intensity
- Good coffee performance in Russia

Operating Performance Highlights

- South Asia
 - Volume leadership maintained with volume share of 18.6% ¹.
 - Volume growth reported across the branded portfolio
 - Price increases taken in the market.
 - TV support for Tata Tea Premium, Tata Tea Gold and KD. On-pack promotion for Tata Tea Agni.
 - T!on discontinued



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Operating Performance Highlights

- Canada, America and Australia (CAA)
 - Integration of region under new leadership begins
 - Tetley continues to be volume and value leader for Black and specialty teas in the Canada, driven by aggressive innovation..
 - New blends/products developed and ready to be launched in Canada and Australia markets
 - Customers responding well to infusions in Canada
 - In US, Good Earth reports distribution gains , Manufacturing restructure complete.
 - Coffee business impacted by volume shortfalls/ commodity cost increases



Operating Performance Highlights

- EMEA (UK and Europe)
 - Integration of region under new leadership begins
 - Strong Market position in UK in black tea
 - Strong position in Specialty categories (UK). Market leader in Decaff and Redbush. Strong growth in Greens.
 - Teapigs brand of super premium teas continues to grow with distribution gains.
 - Improved Coffee performance in Russia
 - Recovery in Tetley brand in Poland



Operating Performance Highlights

- Non Branded Operations
 - Improved performance in Instant Coffee units in India
 - Improved realisations in Coffee plantations in India aided by the commodity boom



Financial Review

Group Financial Review

Particulars	Q1 Ending June 30		
	2011/12	2010/11	Variance
Total Operating Income	1467	1378	89
EBIT	94	113	(19)
Investment Income	6	4	2
Interest Expense (Net)	(1)	(12)	11
Profit Before Exceptional Items	99	105	(6)
Exceptional Items	89	(14)	103
Profit Before Tax	188	91	97
Tax	(14)	(32)	18
Profit After Tax	174	59	115
Share of loss from Associates	(5)	(7)	2
Minority Interest in consolidated profit	(8)	(6)	(2)
Group Net Profit	161	46	115

Region wise total income

Total Income (In Rs Crores)	Q1 Ending June 30		Variance vs Previous Year		
	2011/12	2010/11	FX	Other	Total
BRANDS					
USA	285	309	(3)	(21)	(24)
Canada & South America	63	65	2	(4)	(2)
Australia	32	27	4	1	5
CAA	380	401	3	-24	-21
GB & Africa	279	263	21	(6)	15
Europe & Middle East	160	155	9	(4)	5
EMEA	439	418	30	(10)	20
South Asia Brands	479	426	-	53	53
Nourishco & Alliances	5	5	-	-	-
Total Brands	1303	1250	34	19	53
NON BRANDED OPERATIONS					
Plantations	65	56	-	9	9
Tea Extractions	20	26	-	(6)	(6)
Coffee Extractions	52	35	-	18	17
Total Non Branded Operations	138	117	-	21	20
Other and Eliminations	26	10	(5)	20	16
TOTAL INCOME	1467	1378	29	60	89

Exceptional Items

Item	Rs. Crs Q1 2011	Rs. Crs Q1 2010
Un-realised Exchange Variance on \$ deposits/options	-	(5)
Profit on sale of Shares	137	-
Other Costs	(48)	(9)
Exceptional Items	89	(14)

Other Cost		
Redundancy Costs	(14)	(5)
Future payment obligation	(20)	-
Settlement of claims	(6)	-
Discard of assets	(4)	-
Others business restructure/re-organisation	(4)	(4)
Total	(48)	(9)

Balance Sheet

Rs Crores	June ' 11 -12	June' 10-11
Sources of Funds		
Shareholders Funds	5221	4937
Loans	885	1752
Deferred Tax	64	78
Total	6170	6766
Application of Funds		
Fixed Assets		
Goodwill	3036	3012
Others	760	764
Investments		
Long term	533	403
Current	158	135
Cash and Other Deposits	1461	2259
Net Operating Working Capital	266	279
Pension & Other Liabilities	-44	-84
Total	6170	6766
Net Cash Position	+734	+642

Thank You

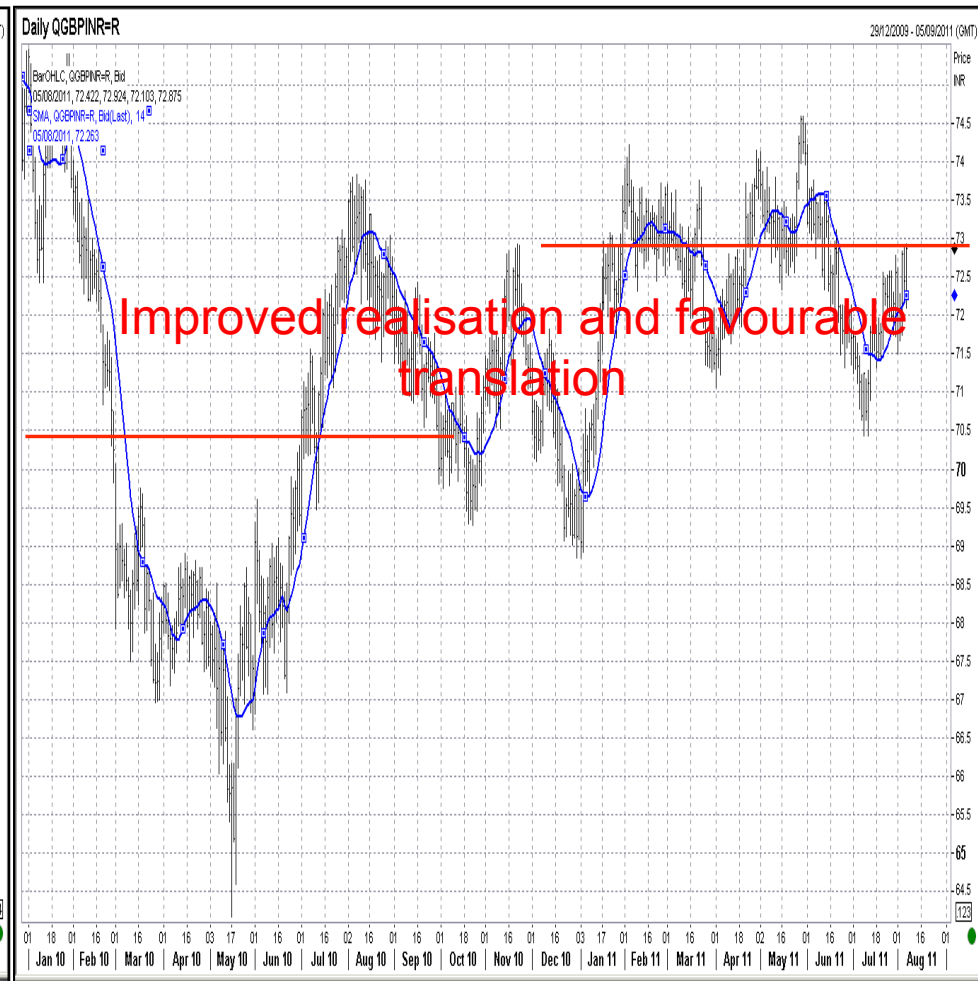
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Currency Movements

GBP/USD



GBP/INR



Source : Reuters

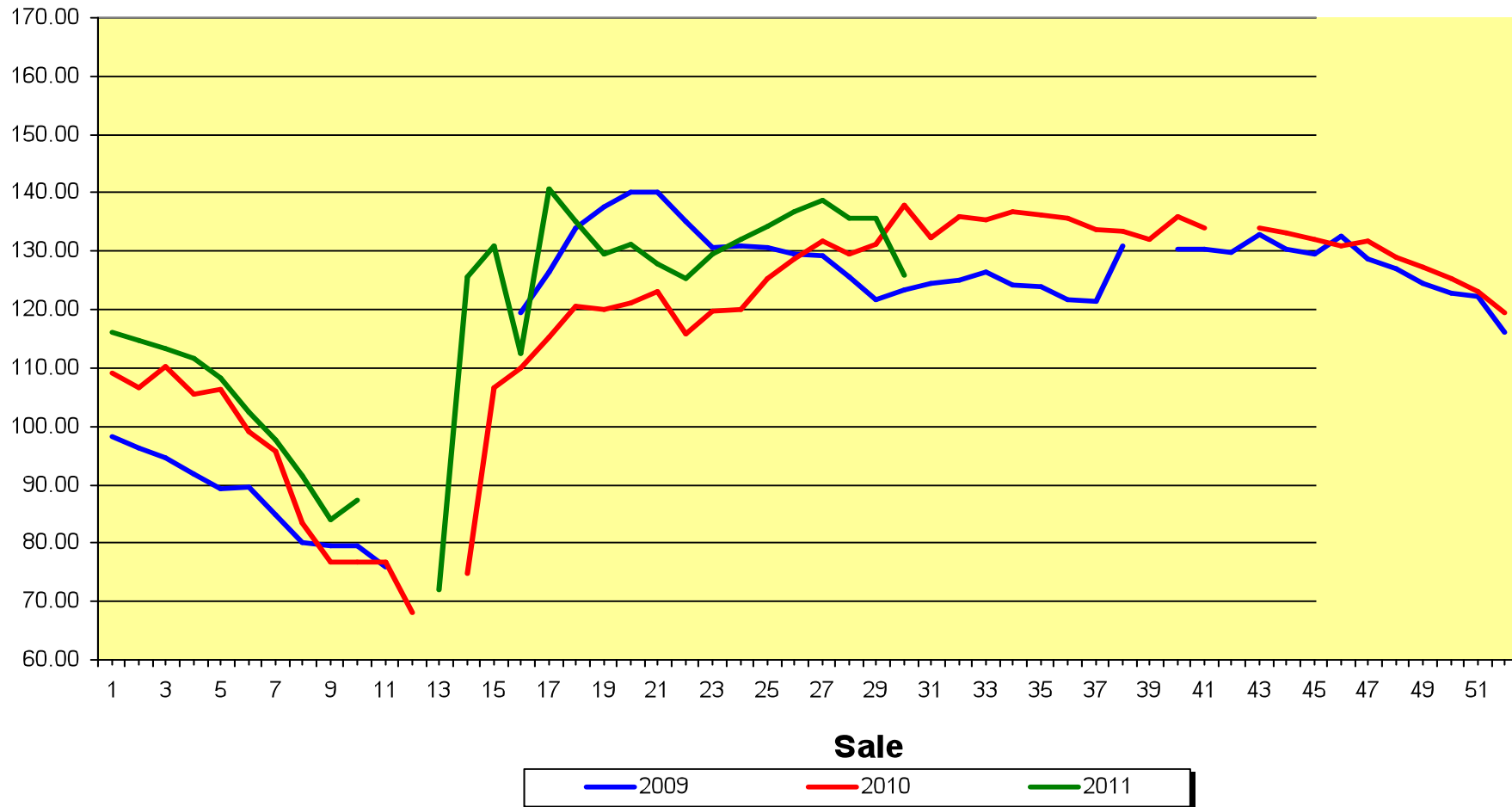
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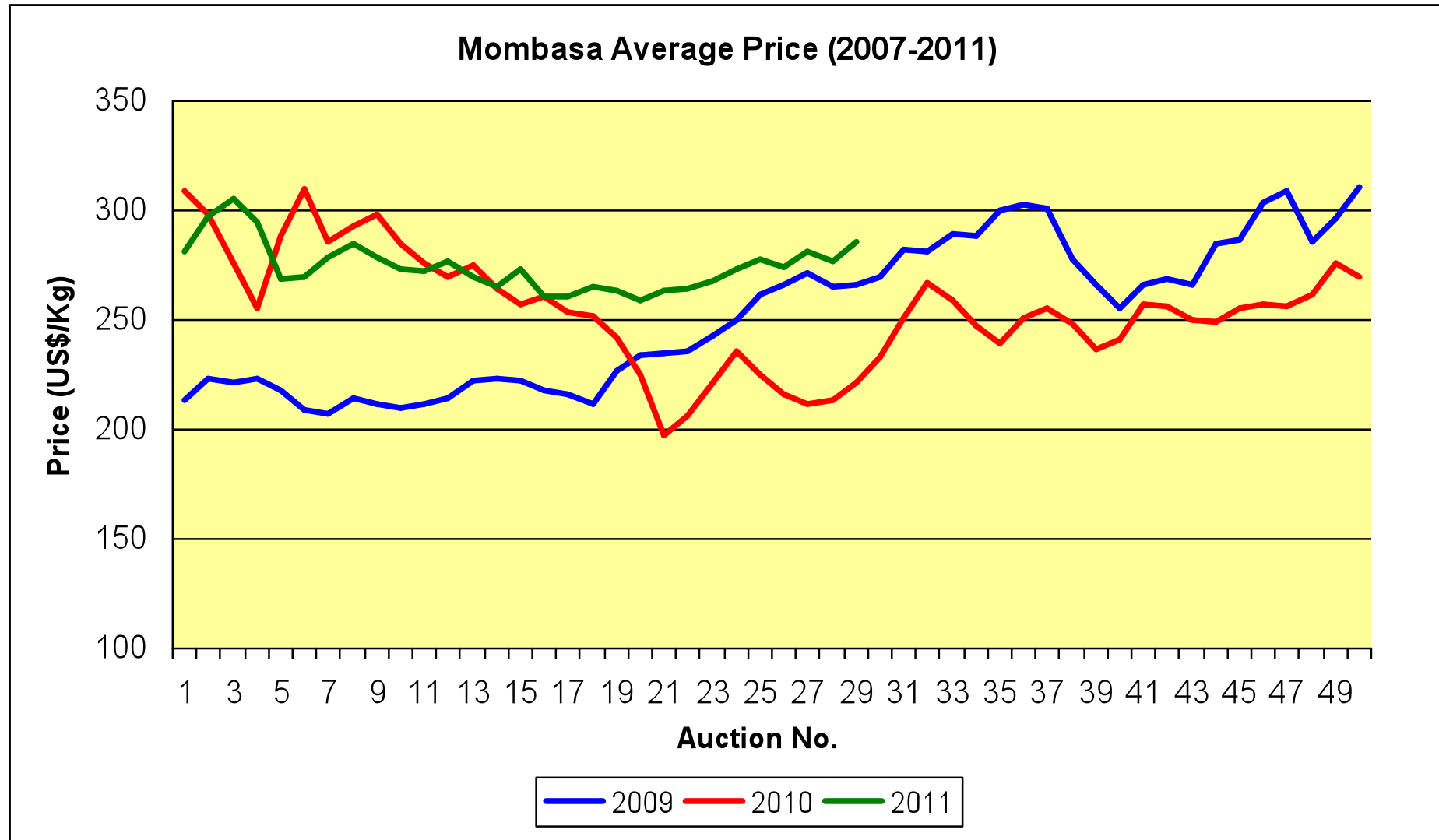
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Commodity Cost Trends - Tea

Average Kolkata Price 07-11

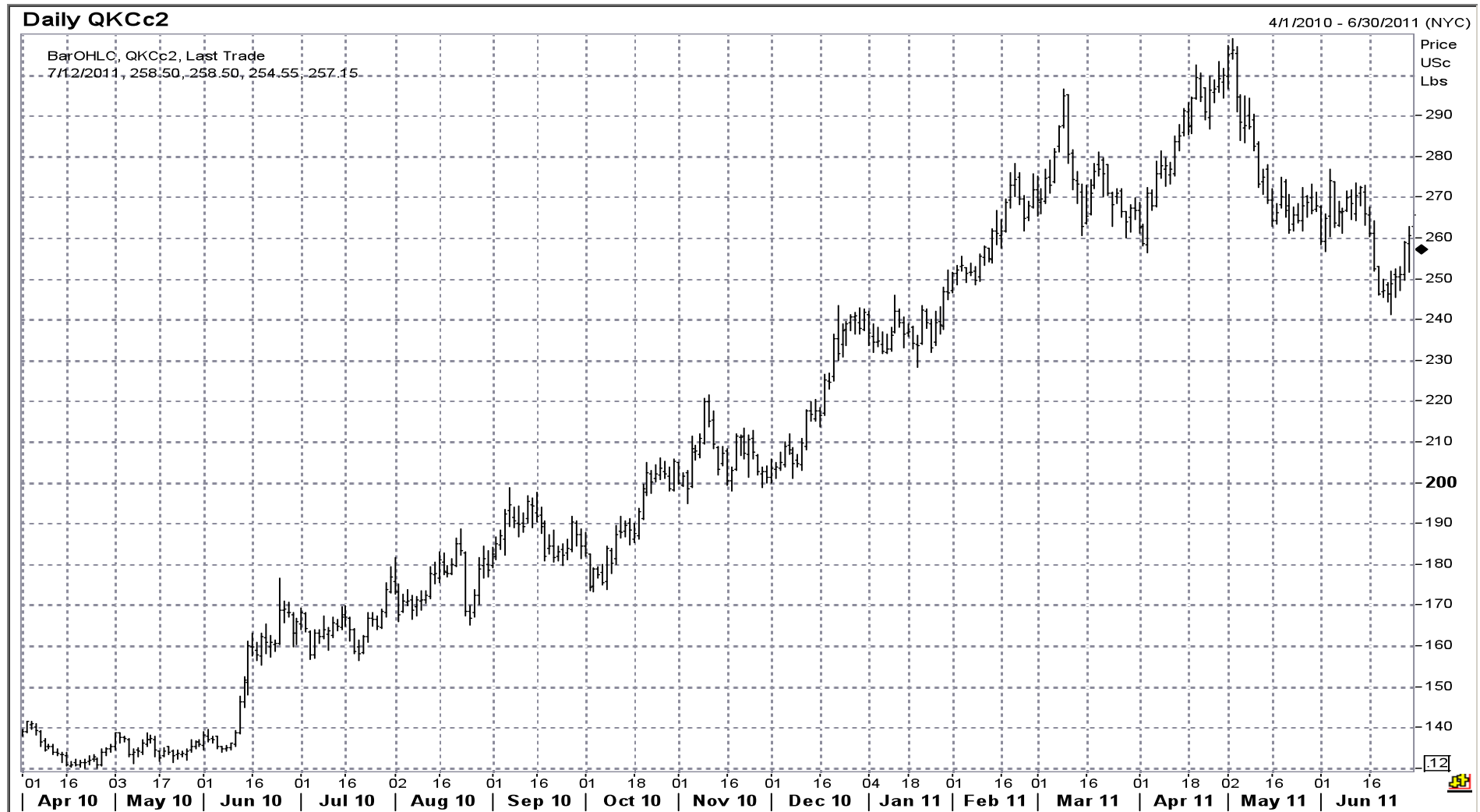


Commodity Cost Trends - Tea



Commodity Costs Trends - Coffee

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