



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





Region-wise Income from Operations

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



THANK YOU



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