



TATA GLOBAL BEVERAGES

Analyst Presentation Quarter 3 Results

October to December 2012





Agenda

 **Performance Highlights**

 **Operating Performance Highlights**

 **Financial Review**






Performance Highlights -2012-13 Quarter 3 Consolidated Financials

- Group income at Rs 1915 crores higher by 6% reflecting favourable translation impact and improved performance in South Asia, Australia, and extraction / plantation operations.
- EBIT at Rs 179 crores higher by 13%, reflecting
 - Improvement in operating performance in India, Australia, Canada, U.S.A.
 - Favourable impact of fx translation
- Profit before exceptional items at Rs 172 crores improves by 10% due to improved operating performance partially offset by decrease in other income.
- Group Consolidated Net Profit at Rs 80 crores improves by 25% mainly due improved operating performance and also due to improved performance by associate companies



Operating Performance Highlights

1. India - tea : strong branded tea topline sales performance
2. India – tea : better profit margins through pricing interventions
3. India - coffee : Excellent topline & bottomline performance by Tata Coffee
4. Australia – all round improvement in topline and bottomline performance
5. USA : significant improvement in profitability of Eight O’Clock coffee
6. Canada : initial signs of recovery in topline and bottomline growth during the quarter
7. USA & Canada : Eight O’Clock coffee K-cups & Tetley Tassimo discs make good progress
8. India : “Starbucks – a Tata Alliance” expands to 6 stores
9. India : Nourishco launches new product lines in Tata Gluco Plus
10. UK – strong performance by Tea Pigs (our super-premium brand) and in Green Tea
11. Cost interventions result in significant savings



Key challenges

- ☞ Tea : commodity cost remains high
- ☞ Europe : recessionary trends continue in several countries
- ☞ Competitive intensity remains high



Operating Performance Highlights – South Asia

- 19% Top line growth during the quarter with good volume and value increases
- Maintained strong market volume and value leadership with 20.3%^ and 21.9%^ respectively
- A range of interesting and impactful consumer promotions deliver successful results
- Profit from operations shows significant improvement over previous quarter.



^ AC nielsen MAT – December 12

Operating Performance Highlights – CAA

Australia

- All round improvement in performance
- Growth has come from key customers & new products launched (Chai & Specialty)

USA

- Significantly improved profitability of Eight O’Clock Coffee due to favourable green coffee pricing.
- EOC K-Cups (with Keurig) – well received by customers. Distribution gains registered resulting in increase in Royalty income.
- New variant “Chocolate mint” for EOC coffee, launched in US

Canada

- Improvement in Canada performance after a slow start in first half of the year
- Strong innovation agenda- 6 new variants launched (mocktails, green tea plus) appears in stores and gains distribution.
- Tassimo/ Kraft – Single serve brewing machines – launched and gains distribution. 3 new SKU’s being developed.



Operating Performance Highlights – EMEA

United Kingdom

- Overall tea category has declined in the past 12 months
- Market leadership in decaff / redbush tea. Continued strong growth in green tea
- New master brand campaign : “Make time, Make Tetley” was launched in August and new advert has been developed to include “blend of both”.
- Tea Pigs grows by a handsome 49%.
- New Tetley premium blend product “Estate Selection” has been launched. First listing achieved.



Rest of Europe

- Recessionary trend continues.
- Sales increase in Russia in freeze dried instant coffee performs well.
- Russia, Poland, France and Czech Republic not yet delivering to their potential



Operating Performance Highlights – Water & non branded businesses

Water Business

- Tata Water Plus – focus on growth and enhanced margins
- Tata Gluco Plus – orange variant
- Himalayan – enters Starbucks, Costa, Barista



Non Branded Business

- Tata Coffee registers record turnover and profit, both in instant coffee and plantation operations
- Tea plantations – KDHP, APPL and EMSPL (all associate companies) register significant profit increase





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Analyst Meet

Financial Review





Group Financial Review

Quarter ending December			Particulars (In Rs crores)	Nine months ending December		
Actual	PY	Variance		Actual	PY	Variance
1915	1801	114	Total Operating Income	5501	4897	604
179	159	20	EBIT	471	365	106
17	21	(4)	Other Income	70	76	(6)
(24)	(23)	(1)	Finance Cost	(56)	(56)	-
172	157	15	Profit Before Exceptional Items	485	385	100
(12)	(16)	4	Exceptional Items	(29)	62	(91)
160	141	19	Profit Before Tax	456	447	9
(67)	(59)	(8)	Tax	(136)	(113)	(23)
93	82	12	Profit After Tax	320	334	(14)
5	1	4	Share of Profit from Associates	10	5	5
(18)	(18)	-	Minority Interest in consolidated profit	(53)	(37)	(16)
80	64	15	Consolidated Group Profit	277	302	(25)



Regionwise Income from Operations

Quarter ending December			Particulars (In Rs Crores)	Nine months ending December		
Actual	PY	Variance		Actual	PY	Variance
352	371	(19)	USA	1091	1017	74
181	142	39	Canada ,South America & Australia	423	342	81
533	513	20	CAA	1514	1359	155
393	407	(14)	GB & Africa	1172	1040	132
204	237	(33)	Europe & Middle East	553	572	(19)
597	644	(47)	EMEA	1725	1612	113
588	496	92	South Asia Brands	1641	1445	196
13	8	5	Other Beverages	36	19	17
1731	1661	70	Total Brands	4916	4435	481
167	139	28	Total Non Branded Operations	531	425	106
17	1	16	Other and Eliminations	54	37	17
1915	1801	114	TOTAL OPERATING INCOME	5501	4897	604



THANK YOU



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