

**TATA** GLOBAL BEVERAGES  
**Analyst Meet**

**2010/2011- H 1  
Performance**

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# Performance

Challenging environment, Volume pressures but Top line Growth continues.

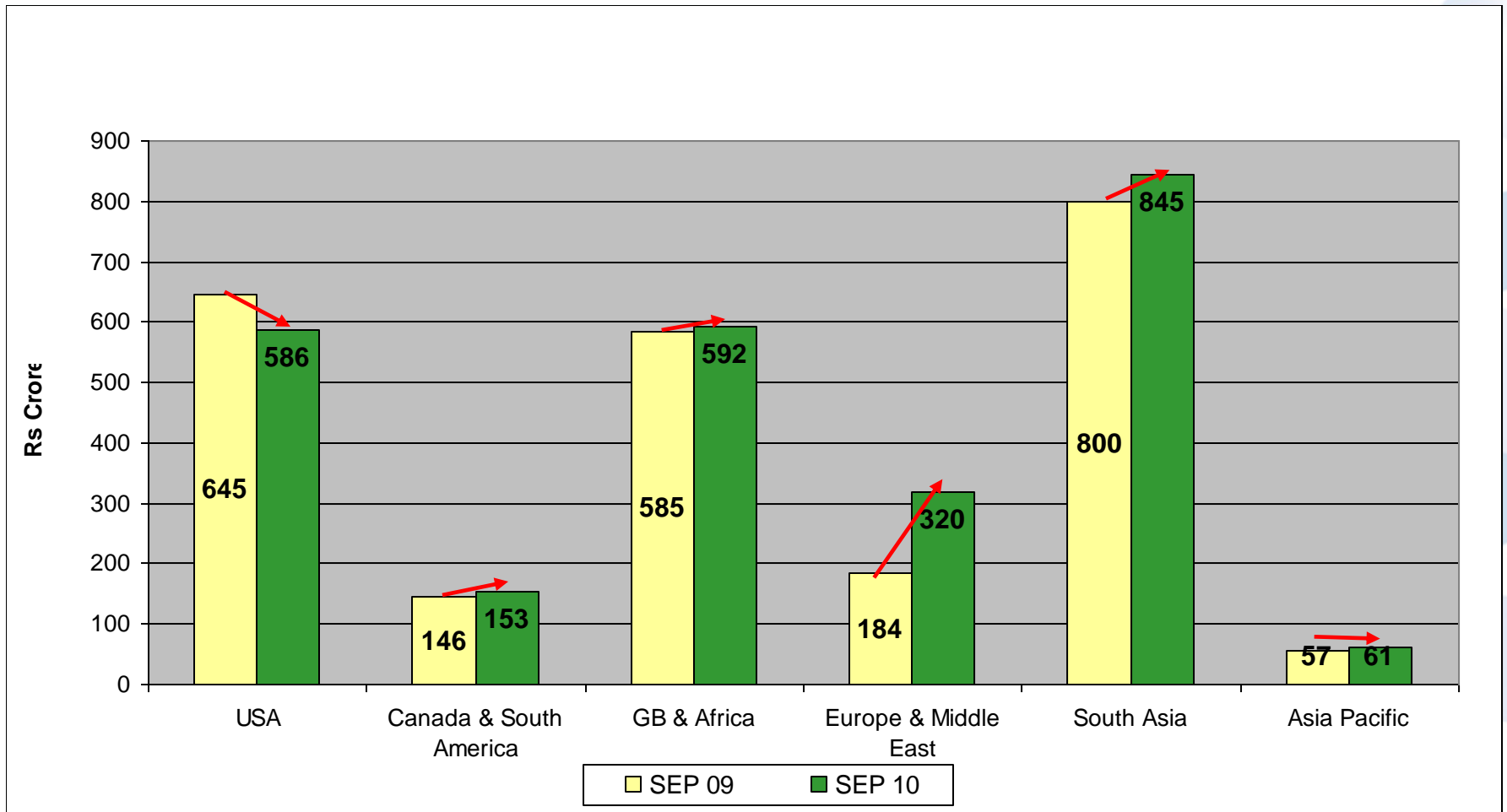
Group operating income up 5% (underlying increase of 9%) at Rs 2825 crores

Investment behind brands and innovation - higher commodity costs

# Some Big Wins during H1

- Pepsi JV and investment in “Activate”
- Growth in GB market share. Support for re-launch of iconic ‘Tetley tea folks’ Ad.
- Tata Tea volume leadership continues . Value share marginally lower to HUL’s.
- Canadian market records volume and value growth plus road shows. Encouraging response to launch of infusions.
- Cost pressure in Coffee Greens countered through price pass through.
- Growth in Poland following Premium Foods acquisition.
- Many new initiatives- Sukk, T!on grows, T4 Kidz, infusions
- Global pack design for Tetley packs in Australia, UK and USA.

# Branded Sales Trend



# Regional Performance – South Asia

- Achievements

- Volume leadership maintained with volume share of 18.9%. Marginally behind HUL in value share.
- Price decreases taken on key brands to mirror softening of commodity prices
- Key Brand initiative on Chakra Gold which strengthened “open up your mind” proposition.
- Growth in Tata Tea Gold.
- “Jaago Re” Campaign continues
- T!on obtains 7.9% value share in Kerala and grows quickly Kerala, Goa and Karnataka



# Regional Performance – US

- Achievements
  - Investment behind Tetley brand. Aim to capitalise on the strong brand recall in that country.
  - Coffee commodity price increase recovered through price increases
  - Tea Manufacturing consolidation to lower costs



# Regional Performance – UK and Africa

- Achievements

- Grows volume (26.8%;+0.2%) and value (23.6%; +0.3%) share
- Stronger position in speciality categories
- Test market launch of SUKK
- Significant growth(100%) in super premium 'Tea Pigs' brand.
- New initiatives- T4 Kidz, Soya



# Regional Performance – Canada and South America

- Achievements
  - Grows volume (41.9%;+1.0%) and value (36.3%;+0.2%) share.
  - Infusions well received by the market
  - NPD agenda- Mojito Mint Lime, Calm Camomile Mint in Hot Tea & additional infusion flavours.
  - Good Earth brand launch





# Regional Performance – Europe and Middle East

- Achievements
  - Grand acquisition delivers YoY growth in the region.
  - Tetley in Poland grows post distribution stabilisation .
  - Significant investment behind the brands in markets like Poland, France, Middle East & Russia
  - Distribution gains with large multiples in Czech Republic
  - Launch in Middle East



# Sustainability and Social Responsibility

- Four core issues identified for the group:
  - Ethical Sourcing - Rainforest Alliance certification for the Tetley brand by 2016
  - Climate Change – filings in the UK for carbon reduction commitment and measurement of global carbon footprint initiated.
  - Packaging – ‘zero to landfill by 2015’ goal
  - Water
- Community Investment continues directly and through individual brand initiatives:
  - Munnar – DARE and Srishti
  - Coorg Foundation – welfare and education programme

# Going Forward in 2010/2011

Grow in core tea markets

Build scale in US and Russia

Disruptive innovation in beverages

Expand across beverage categories in India

Leverage scale and operations capability to improve efficiency

Accelerate culture change

**TATA** GLOBAL BEVERAGES

**Six Months Ended  
September 2010/11  
Financial Results**



# Financial Review

# Group Financial Review – Qtr

- Group operating income underlying growth of 6.5%- attributable to price increases, impact of Russia acquisition and offset by adverse exchange rate movements.
- Group PBT before exceptional items is impacted due to
  - commodity cost increases
  - Investment behind brands and growth initiatives
  - higher interest costs
- Group PBT also lower due to one off gains in the previous year viz. profit on sale of Rallis shares and fx translation gains.

# Performance for the Half Year 2010-11

Qtr ending Sept30			Rs Crores Particulars	YTD ending Sept30		
2010/11	2009/10	Variance		2010/11	2009/10	Variance
1446	1403	43	Total Operating Income	2826	2698	127
104	148	-44	EBIT	217	299	-82
21	23	-2	Income From Investments	25	27	-2
-14	-9	-6	Interest Expense (net)	-26	-14	-12
111	162	-51	Profit before Exceptional Items	216	312	-96
-32	220	-252	Exceptional Items	-46	34	-81
78	382	-304	Profit Before Tax	170	347	-177
40	286	-246	Profit after Tax	99	253	-154
52	288	-236	Group Consolidated Profit	97	268	-171

# Region wise Total Income

Qtr ending Sept 30			Rs Crores	YTD ending Sept 30		
Total Income		Variance		Total Income		Variance
2010 / 11	2009 / 10	Total		2010 / 11	2009 / 10	Total
<b>BRANDS</b>						
277	313	(36)	USA	586	645	(59)
88	87	0	Canada & South America	153	146	7
329	319	10	GB & Africa	592	585	8
165	115	50	Europe & Middle East	320	184	136
415	403	12	South Asia	846	800	46
34	32	1	Asia Pacific	61	57	3
1,307	1,270	37	<b>Total Brands</b>	2558	2418	140
<b>NON BRANDED OPERATIONS</b>						
54	59	(5)	Plantations	110	114	(4)
74	48	26	Extraction	135	116	19
11	27	(16)	Other and Eliminations	23	50	(27)
1,446	1,403	43	<b>Total Income</b>	2826	2698	127



# Consolidated Balance Sheet

Rs in Crores

Particulars - Rs Crores	Sep 10	Sep 09
Shareholders Funds	5048	5248
Loans	1712	2430
Deferred Tax	68	50
<b>Total</b>	<b>6828</b>	<b>7729</b>
Fixed Assets	3776	4050
Investments		
Long term	479	418
Current	51	190
Total Loans, Cash and Escrow	2176	2798
Net Operating Working Capital	429	343
Provisions	-83	-75
Miscellaneous Exp to the extent not written off	0	3
<b>Total</b>	<b>6828</b>	<b>7729</b>
<b>Net Debt Position</b>	<b>+514</b>	<b>+558</b>

# Thank You