



# TATA GLOBAL BEVERAGES

## Presentation on Annual Results

Analyst Meet  
May 2013





# A story of product innovation in tea, coffee and water – Quarter 4, 2012/13







# Agenda

 **Performance Highlights**

 **Operating Performance Highlights**

 **Financial Review**





## Performance Highlights -2012-13 Consolidated Financials

- Group income at Rs 7351 crores higher by 11% reflecting improved performance in South Asia, Australia and non-branded operations and favourable translation impact
- EBIT at Rs 663 crores higher by 26%, reflecting
  - Improvement in operating performance in many markets.
  - Favourable impact of fx translation
- Profit before tax at Rs 637 crores improves by 11% due to improved operating performance partially offset by impact of exceptional expenses. (PY had the benefit of higher profit on sale of non core investments)
- Group Consolidated Net Profit at Rs 373 crores improves by 5% mainly due to improved operating performance offset by exceptional expenditure and increase in losses from associates.



## Performance Highlights -2012-13 Q4 Consolidated Financials

- Group income at Rs 1850 crores higher by 6% reflecting favourable translation impact and improved performance in South Asia.
- EBIT at Rs 193 crores higher by 19%, reflecting
  - Improvement in operating performance in most major markets
  - Favourable impact of cost saving initiative
  - Favourable impact of fx translation
- Profit before tax at Rs 181 crores improves by 42% due to improved operating performance and lower impact of exceptional expenditure.
- Group Consolidated Net Profit at Rs 96 crores improves by 77% mainly due to lower tax charge partially offset by increase of losses from associates.





# Operating Performance Highlights

## Winning moments

1. India - tea : strong branded tea topline sales performance
2. India – tea : pricing interventions ensure cost recovery in a volatile tea cost environment
3. India - coffee : excellent topline & bottomline performance by Tata Coffee
4. Australia : all round improvement in topline & bottomline
5. USA : significant improvement in profitability of US coffee, driven by clear strategy
6. USA & Canada : Pods make very good progress
7. India : “Starbucks – a Tata Alliance” expands to 13 stores, store profitability is robust
8. UK – strong performance by our Super Premium Brand - Tea Pigs
9. UK – maintains number 2 position in green tea market.
10. Cost interventions result in significant savings





# Operating Performance Highlights – South Asia

- 15% Top line growth across the portfolio during the year with good volume and value increases
- Maintained market volume and value leadership with 20.5%^ and 22.2%^ respectively
- Selling Price increases were optimally managed through a series of consumer promotions.
- New SRK Jaago re Campaign launched in the 4th quarter with the theme “Badey Badlav Ki Choti Shuruat”



^ AC nielsen MAT – March 13





# Operating Performance Highlights – CAA

## Australia

- All round improvement in performance –
  - Topline and bottomline significantly improves over prior year and turns profitable
- Growth has come from key customers & new products launched (Chai Latte & Specialty)

## USA

- Significant profit increase in Coffee– significant improvement in profitability due to lower green coffee costs and good buying strategy
- EOC K-Cups (with Keurig) – well received by customers. Distribution gains continues and mutual promotion for bagged coffee and K Cups have begun.
- New variant “Chocolate mint” for EOC coffee, launched in US

## Canada

- Challenging year for the Canadian business.
- Strong innovation agenda- 6 new variants launched (mocktails, green tea plus) appears in stores and achieved good distribution.
- New premium products (Tetley Ceylon and English Breakfast) have been listed in major retail chains.
- Tassimo/ Kraft – Single serve brewing machines – launched and maintains distribution.
- Tata Tea continues to be well received by major customers.





# Operating Performance Highlights – EMEA

## EMEA

- Overall tea category has declined by single digits on a MAT basis.
- Market leadership in decaff / redbush tea. Maintains number 2 position in green tea.
- New master brand campaign : “Make time, Make Tetley” was launched in August with supporting variant ads during the year.
- New Tetley premium blend product “Estate Selection” has been launched. First listing in a major retailer achieved during the year.
- Tea Pigs – our super premium tea brand – significant growth in sales - reflecting significant growth in all channels. Listing in major retailer in UK.
- Grand coffee in Russia has the fastest growing freeze dried coffee brand in Modern trade.
- Strategy to turnaround Czech Republic and Poland makes good initial progress. France reflects good recovery.
- Africa – new acquisition in our subsidiary Joekels transforms scale and impact of business





# Operating Performance Highlights – Water & non branded businesses

## Water/Other Business

- Tata Water Plus – TWP relaunched in March 13 with new communication, packaging design as well as new 1 ltr SKU replacing the earlier launched 750 ml. Launch supported with 360 degree campaign.
- Tata Gluco plus launched its third flavour (Mango)
- Himalayan – breakthrough into Starbucks
- Activate – brand launched in New York city & North East USA
- Tata Starbucks – 13 stores opened till date with 7 stores in Mumbai and 6 stores in Delhi







# Operating Performance Highlights Non branded businesses

## Non Branded Business

- Tata Coffee registers record turnover and profit, both in instant coffee and plantation operations
- Tea plantations - KDHP, Watawala and APPL register significant profit increases
- India and US instant tea operation stable
- China instant tea operation – good progress achieved on green instant tea and polyphenol production.
  - Aggressive sales effort will now commence





# TATA GLOBAL BEVERAGES

## Financial Review





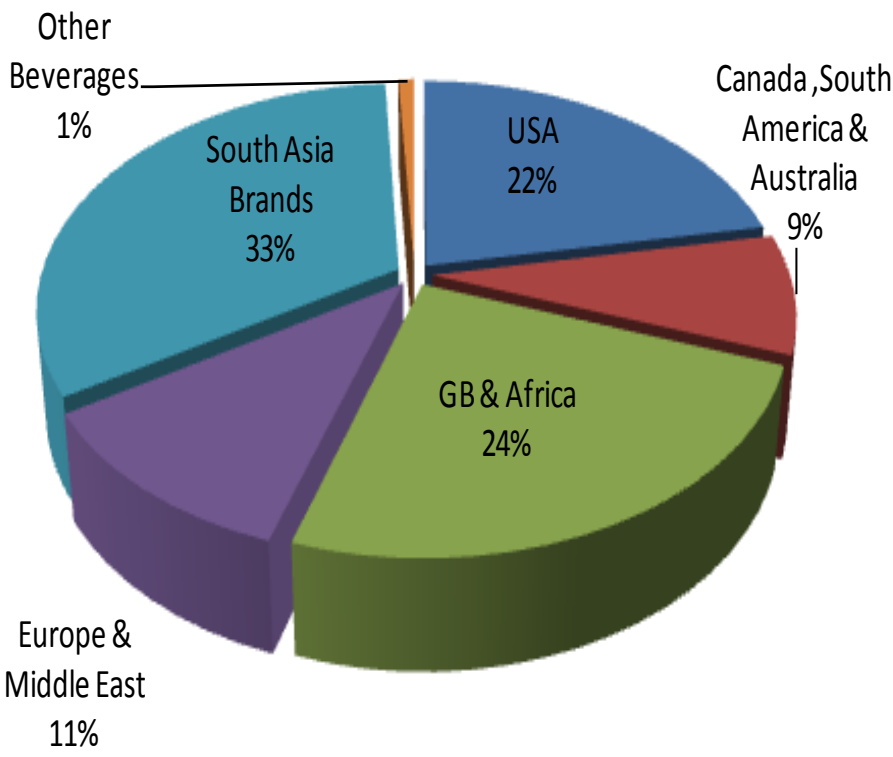


# Group Financial Review

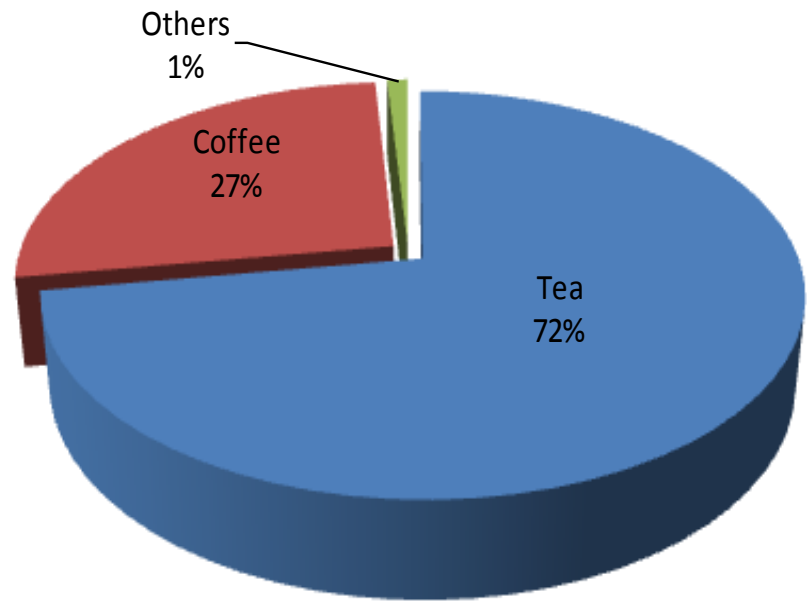
Quarter ending March			Particulars (In Rs crores)	Year ending March		
Actual	PY	Variance		Actual	PY	Variance
1850	1739	111	<b>Total Operating Income</b>	7351	6640	711
193	162	31	<b>EBIT</b>	663	527	136
16	19	(3)	<b>Other Income</b>	86	95	(9)
(29)	(15)	(14)	<b>Finance Cost</b>	(84)	(71)	(13)
180	166	14	<b>Profit Before Exceptional Items</b>	665	551	114
1	(39)	40	<b>Exceptional Items</b>	(28)	23	(51)
181	127	54	<b>Profit Before Tax</b>	637	574	63
(28)	(29)	1	<b>Tax</b>	(164)	(142)	(22)
153	98	55	<b>Profit After Tax</b>	473	432	41
(38)	(20)	(18)	<b>Share of Profit from Associates</b>	(28)	(15)	(13)
(19)	(24)	5	<b>Minority Interest in consolidated profit</b>	(72)	(61)	(11)
96	54	42	<b>Consolidated Group Profit</b>	373	356	17
1.55	0.88	0.67	<b>Earning Per Share (Rs)</b>	6.03	5.76	0.27
1.53	1.23	0.30	<b>Earning Per Share (Rs) – prior to exceptional items</b>	5.95	4.62	1.33



# Brand/Segment Operating income



Branded Operating Income 2012-13



Segment wise Operating Income 2012-13







# Region Wise - Income from Operation

Quarter Ending March			Particulars (In Rs Crores)	Year Ending March		
Actual	PY	Variance		Actual	PY	Variance
<b>BRANDS</b>						
363	335	28	USA	1453	1352	101
135	156	(21)	Canada ,South America & Australia	558	499	59
<b>498</b>	<b>491</b>	<b>7</b>	<b>CAA</b>	<b>2011</b>	<b>1851</b>	<b>160</b>
434	429	5	GB & Africa	1606	1468	138
183	191	(8)	Europe & Middle East	737	763	(26)
<b>617</b>	<b>620</b>	<b>(3)</b>	<b>EMEA</b>	<b>2343</b>	<b>2231</b>	<b>112</b>
534	442	92	South Asia Brands	2176	1887	289
20	10	10	Other Beverages	55	29	26
<b>1669</b>	<b>1563</b>	<b>106</b>	<b>Total Brands</b>	<b>6585</b>	<b>5998</b>	<b>587</b>
<b>148</b>	<b>159</b>	<b>(11)</b>	<b>Total Non Branded Operations</b>	<b>680</b>	<b>583</b>	<b>97</b>
33	17	16	Other and Eliminations	86	59	27
<b>1850</b>	<b>1739</b>	<b>111</b>	<b>TOTAL OPERATING INCOME</b>	<b>7351</b>	<b>6640</b>	<b>711</b>



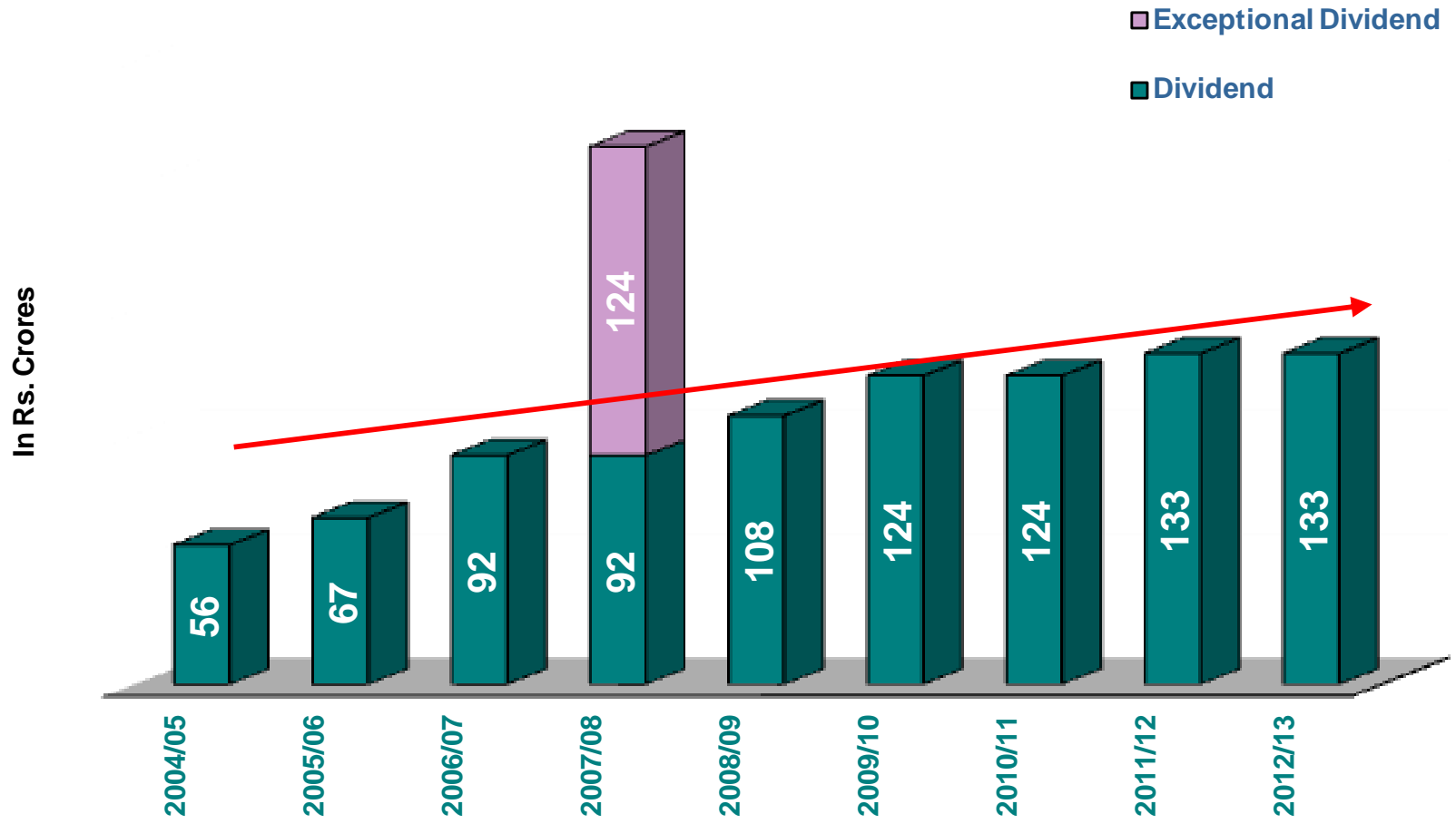
# Balance Sheet

Particulars (In Rs Crores)	March 2013	March 2012
<b>SOURCES OF FUNDS</b>		
Shareholder's Funds	5624	5631
Loans	1389	916
Other Liabilities	668	591
Deferred Tax (net)	54	66
<b>TOTAL</b>	<b>7735</b>	<b>7204</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets:</b>		
Goodwill	3598	3469
Others	926	824
Investments	578	567
Cash & Other Deposits	1364	1392
Net Operating Working Capital	1189	868
Other Assets	80	84
<b>TOTAL</b>	<b>7735</b>	<b>7204</b>





# Dividend History





# THANK YOU





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