

TATA COFFEE LIMITED

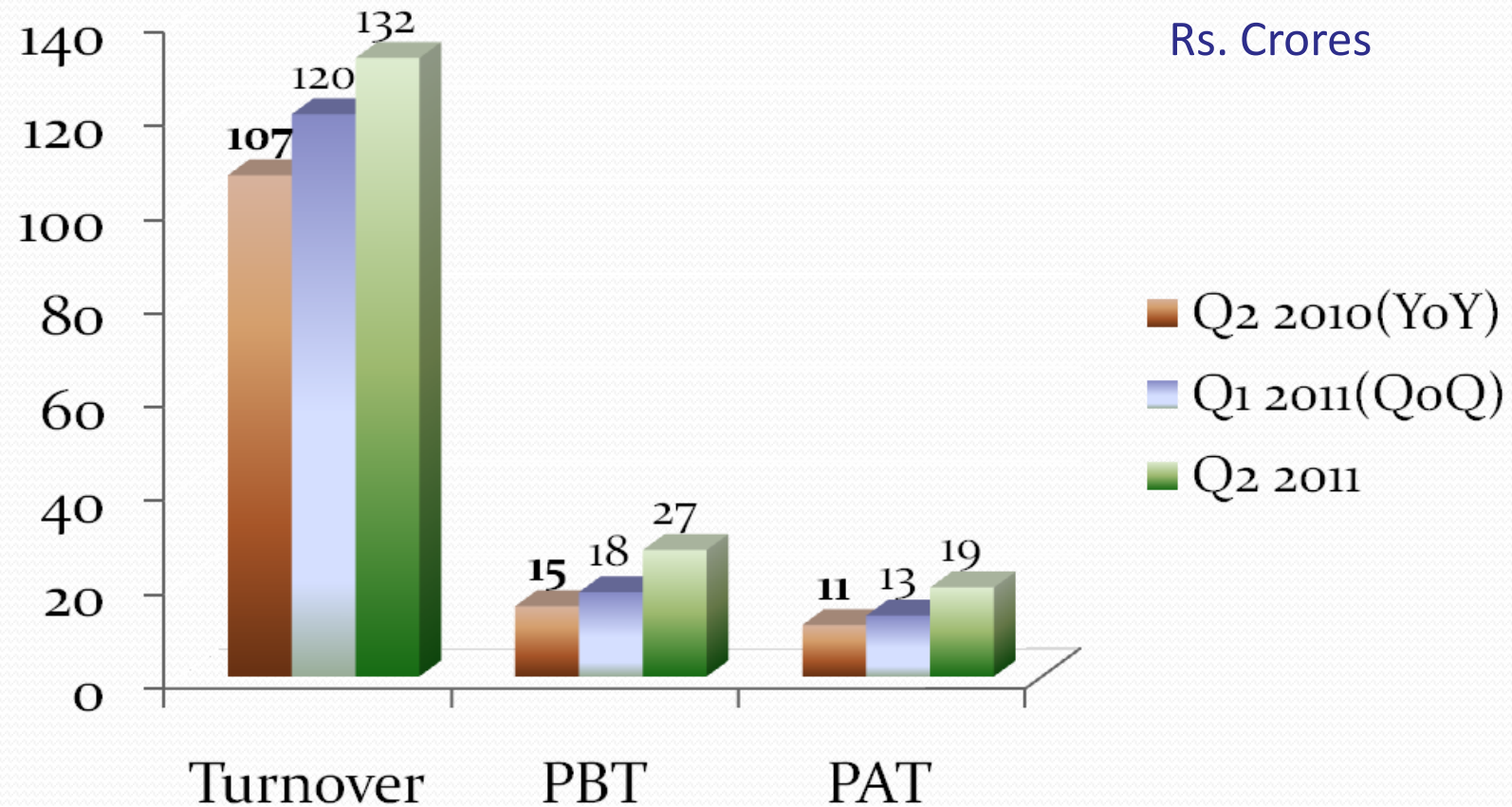
ANALYST MEET – YTD SEPT (2011-12)

25th October, 2011

AGENDA

- Q2 Highlights
- YTD Sept Highlights
- Business Outlook
- Financial Review

Q2 Highlights



Q2 Highlights Contd..

- Turnover, PBT and PAT at all time high levels
 - ✓ Turnover at Rs.132.03 Cr up 24 %
 - ✓ PBT at Rs 27.02 Cr up 83%
 - ✓ PAT at Rs.18.81 Cr up 72%
 - ✓ Q2 EPS at Rs 10.07 Vs Rs 5.86

Q2 Highlights – Instant Coffee

- ❑ Production up by 31% over PY
- ❑ Sales realization up by 6% over PY
- ❑ Higher share of Non-Russian markets
- ❑ Full Capacity Utilization
- ❑ Better Green Coffee management
- ❑ Efficient GC Price Pass through
- ❑ Lower Power & Fuel costs and increased production leading to better overhead absorption

Q2 Highlights - Plantation

- ❑ Continued buoyancy in Coffee Terminal rates
- ❑ Higher sale of Specialty and Certified Coffee
- ❑ Higher proportion revenue from value added Pepper
- ❑ Tea realizations improving in recent months.

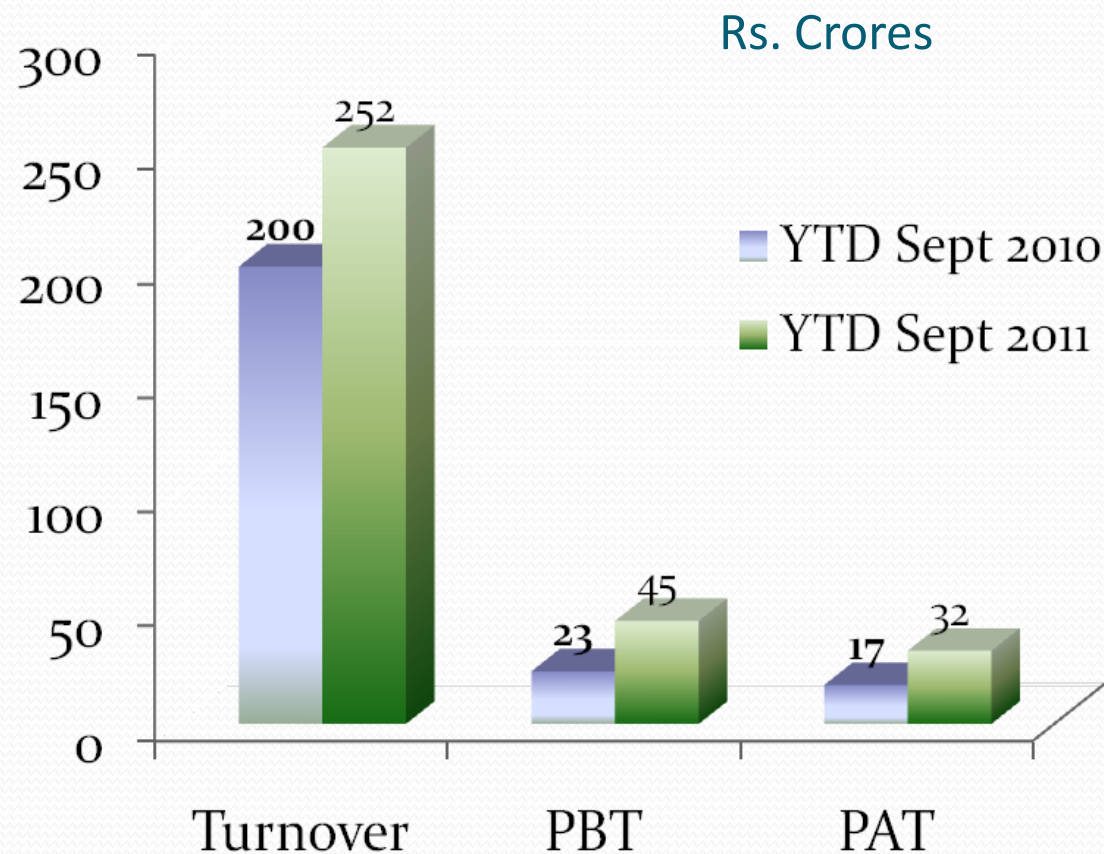
YTD Sept Highlights



↑ Sales up by 26%

↑ PBT up by 94%

↑ PAT up by 91%



YTD Sept Highlights

- Turnover, EBIT, PBT and PAT at all time high levels
 - ✓ Turnover at Rs 252.14 Cr up 26 %
 - ✓ PBT at Rs 45.10 Cr up 94%
 - ✓ PAT at Rs 31.73 Cr up 91%
 - ✓ YTD EPS at Rs 16.99 Vs Rs 8.91

YTD Sept Highlights – Instant Coffee

- ❑ Sales volume up by 14% over PY
- ❑ Higher share of Non-Russian markets - 60% increase over PY
- ❑ Full Capacity Utilization
- ❑ Better Green Coffee management
- ❑ Production up by 40% over PY

YTD Sept Highlights - Plantation

- ❑ Surge in Coffee Terminal rates
- ❑ Higher sale of Specialty and Certified Coffees
- ❑ Higher proportion of production & revenue from value added Pepper
- ❑ Tea realization marginally higher than PY

Business Outlook



Business Outlook – Instant Coffee

- ❑ Comfortable Order Book position for Q3
- ❑ Focus on Non-Russian market
- ❑ Improved through-put of FDC plant

Business Outlook – Plantation

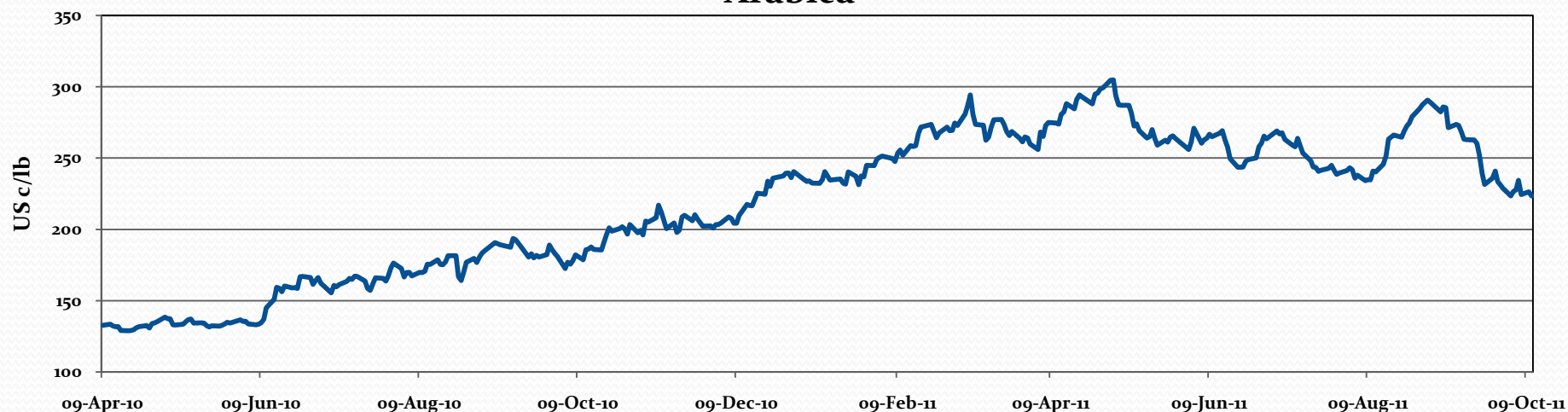
- ❑ Focus on Specialty Coffee
- ❑ New State of the Art Pulping facilities in Coffee estates
- ❑ Modernization of Tea factories in Anamallais

Business Outlook - Coffee Scenario

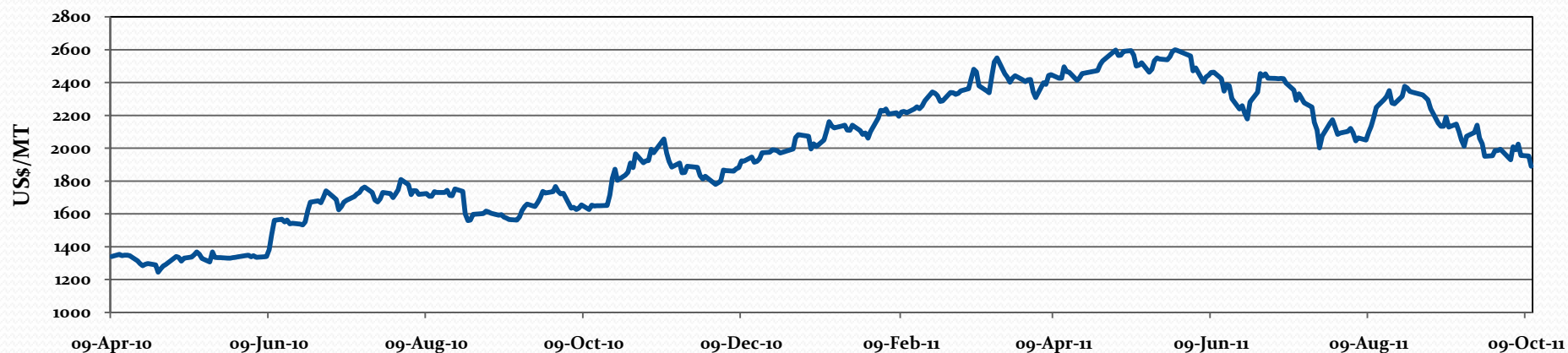
- ❑ Market to remain buoyant with global consumption at 135 mln bags outstripping production at 133 mln bags in 11/12.
- ❑ Coffee is a biennial crop with alternating years of high and low production, also known as 'ON' and 'OFF' years leading to cyclic supply trends.
- ❑ Last year's 'ON' year crop, although the highest ever, failed to generate sufficient supply surplus to carry the market through future 'OFF' years.
- ❑ The production is expected to be higher in the coming year and this is reflected in the terminal
- ❑ World inventory at an all time low both in Origins and consuming countries.

Arabica & Robusta Terminal – 18 months

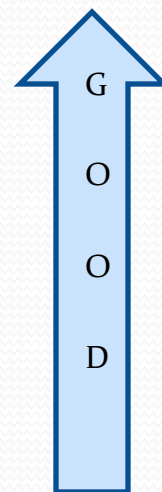
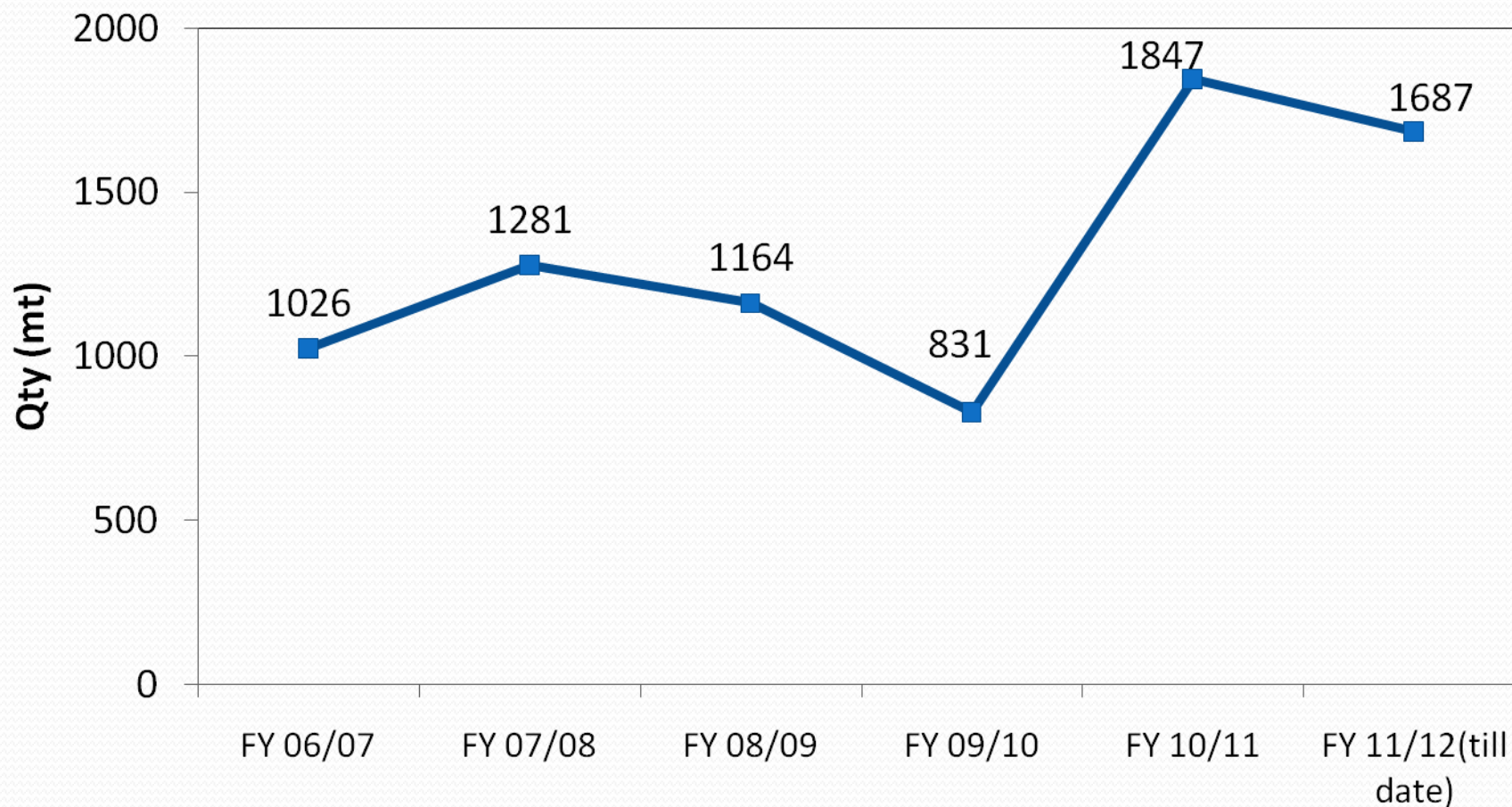
Arabica



Robusta



Specialty & Certified Sales



Specialty & Certified Sales

- *Key Differentiator for Tata Coffee*



- Growing demand in developed countries for sustainably grown coffees.
- **ONLY Coffee Plantation Company** with comprehensive Triple Certification leading to differentiation.

Utz - Efficient Farm Management Practices.

Rainforest Alliance - Bio-diversity (For Environment Protection)

SA8000 - Labour standard certification



- High degree of focus on Quality leading to well-established reputation in the premium markets. Large number of National & International Awards year-on-year for quality.
- Rapidly growing sales to the premium paying market segments for Certified and Specialty coffees.
- Successful entry into lucrative US market with Washed Robusta.

FINANCIALS – TCL STANDALONE



Performance Highlights- Q2-2011/12 & YTD Sept 2011 Rs. Lakhs

Q2		PARTICULARS	YTD	
Sept 2011	Sept 2010		Sept 2011	Sept 2010
13,203	10,689	Total Operating Income	25,214	20,032
2,705	1,120	Profit before Ex Var & Int.	4,892	2,415
(19)	(460)	Exchange Variance	(32)	(880)
(20)	(137)	Interest Charges	(112)	(275)
2,666	523	Profit before Other Income	4,748	1,260
36	956	Other Income	36	1,063
-	-	Exceptional Income/(Expense)	(274)	-
2,702	1,479	PBT	4,510	2,323
1,881	1,094	PAT	3,173	1,664

Profitability Analysis Q2-2011/12 and YTD Sept 2011

Rs. Lakhs

Q2 2011-12	Q2 2010-11	PARTICULARS	YTD			
			Sept 2011	Sept 2010	Variance	%
13,203	10,689	Total Operating Income	25,214	20,032	5,182	26%
2,705	1,120	Profit before Ex. Var & Int.	4,892	2,415	2,477	103%
(19)	(460)	Exchange Variance	(32)	(880)	848	96%
(20)	(137)	Interest Charges	(112)	(275)	163	59%
2,666	523	Profit before Other Income	4,748	1,260	3,488	277%

- Operating Income up by 26%
- Profit before Other Income Up by 277%

Profitability Analysis – YTD Sept 2011

- ❑ Increase in Total Income by 26% driven by higher Instant Coffee Volume and better realization in Plantation
- ❑ Profit before Exchange Variance and Interest up by 103% - Higher Instant Coffee sales volume, Margins and better coffee realization
- ❑ Exchange variance in previous period was on account of Hedge contracts majority of which got matured in last fiscal
- ❑ Lower interest on account of cash management benefits and lower borrowings
- ❑ Profit before Other Income up by 277% driven by higher Operating Profit and lower interest

TCL - Balance Sheet

Rs. Lakhs



	30 Sept 2011	31 March 2011	30 Sept 2010
Sources of Funds			
Shareholders' Funds	42,945	40,301	38,402
Loans (Net)	10,252	11,874	13,173
Deferred Tax Liability	1,336	1,337	1,471
Total	54,533	53,512	53,046
Application of Funds			
Net Fixed Assets	22,723	22,561	22,603
Investments	14,621	14,570	14,627
Net Working Capital	17,189	16,381	15,816
Total	54,533	53,512	53,046

YTD Sept Financial Performance- Balance Sheet

- ❑ Strong Financial Performance leading to sharp reductions in Borrowings from Rs 132 Cr in Sept 10 to Rs 102 Cr in Sept 11.
- ❑ Increase in working capital is on account of strategic position to go long in GC procurement.
- ❑ Sharp increase in Shareholder funds Rs 384 Cr from Sept 10 to Rs.429 Cr in Sept 11 driven by higher profits & after paying 100% dividend.

Tata Coffee – Ratios

	Sept 2011	March 2011
ROCE %	19%	14%
Debt Equity Ratio	0.23	0.29
E.P.S. (Rs.)	16.99 (For H1)	29.49
PE Multiple (10.10.2011) (Rs.)	26.20	
Market Cap (10.10.2011) (Rs. Cr)	1663	

TCL Group Results – Q2 & YTD 2011 Vs 2010

Rs. Lakhs

Q2 2011/12	Q2 2010/11		YTD Sept 2011	YTD Sept 2010	Variance	%
41,657	29,956	Total Income	75,157	61,645	13,512	22%
(38,439)	(25,521)	Operating Expenditure	(68,068)	(52,096)	(15,972)	(31%)
(921)	(1,243)	Interest	(1,876)	(2,461)	585	24%
7	(38)	Investment, Exceptional Income/(Expense)	(992)	(633)	(359)	(57%)
2,304	3,154	PBT	4,221	6,454	(2,233)	(35%)
1,638	1,813	PAT	2,997	3,774	(777)	(21%)
1,759	1,005	Group Consolidated Net Profit	3,085	2,219	886	39%
9.42	5.38	EPS (Rs.)	16.52	11.88	4.64	

Thank You