



TATA COFFEE

ANALYST MEET

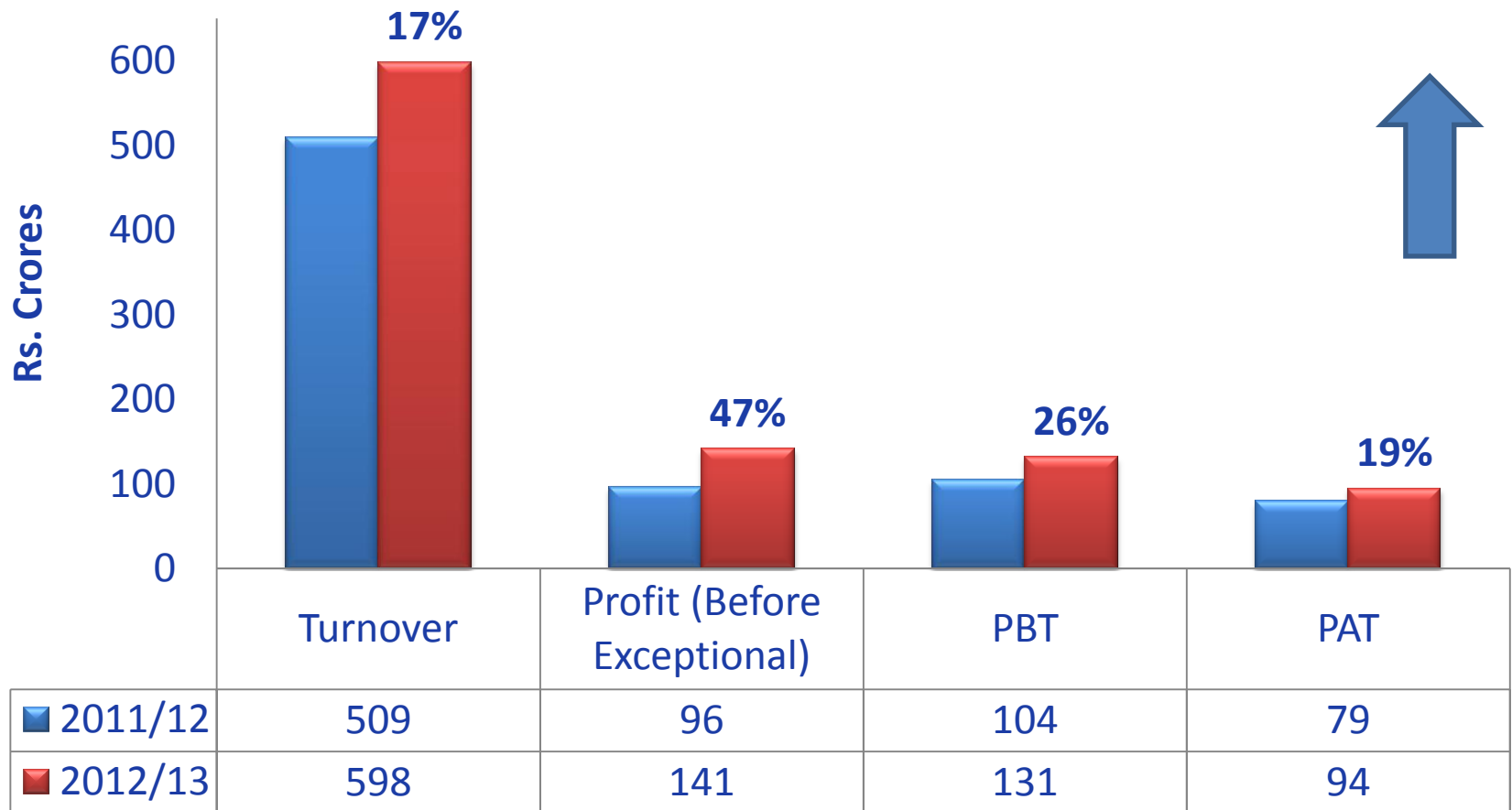
FY – 2012-13

14th MAY 2013

- *FY 2012-13 Highlights*
- *Q4 Highlights*
- *Business Outlook*
- *Financial Review*

FULL YEAR HIGHLIGHTS

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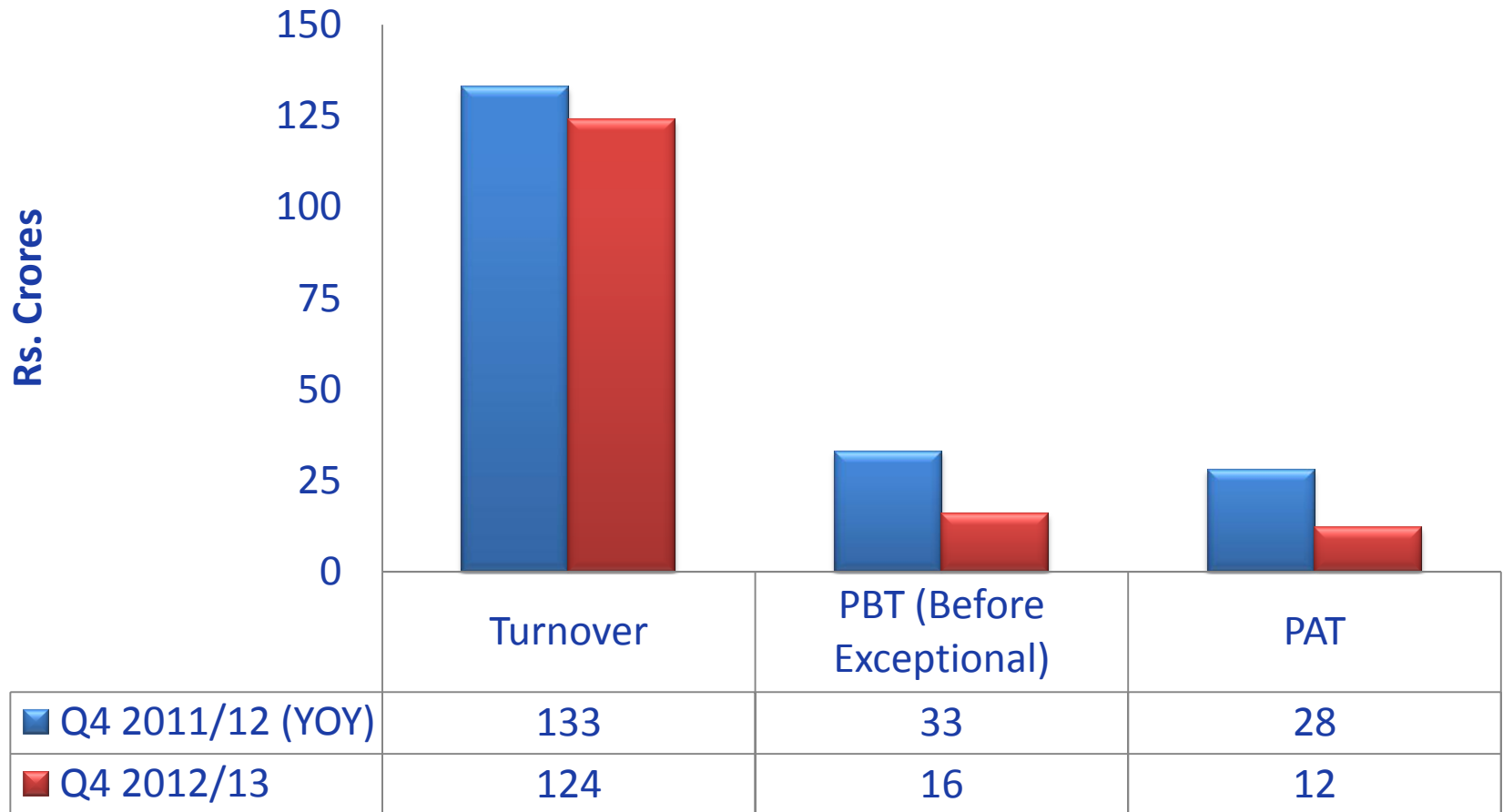


- **Turnover, PBT and PAT at all time high.**
- **EPS Rs 50.16** (P.Yr Rs42.22) ; **Dividend 125%** P.Yr 110%)
 - ✓ Turnover at Rs. 598 Cr up by 17%.
 - ✓ PBT (Before Exceptional items) at Rs.141 Cr up by 47%.
 - ✓ Exceptional Expenses for 2012-13 represents Post Retirement Benefits of Rs. 959 L ;
 - ✓ Exceptional Income for 2011-12 represents Sale of Shares Rs.1,113 L and Exceptional Expenses represents Post Retirement Benefit of Rs. 274 L.
 - ✓ PBT at Rs. 131 Cr higher by 26% and PAT at Rs. 94 Cr higher by 19%.

- *Main Profit contributor for the year.*
- *Higher proportion of Non-Russia Sales – 40%.*
- *100% Capacity Utilization at all units.*
- *Better Price Pass through and Green Coffee Management.*
- *Significant Margin improvement on all products.*
- *Higher Freeze Dried Coffee Sales by 13%.*
- *Operating Efficiencies - Usage of Spent Coffee for Boiler.*

- *Arabica Sales volume more by 18% forward positions insulated against a stressed New York Terminal.*
- *Robusta Sales volume down by 17% but with a significant higher per kg realization.*
- *Higher Production and per kg realization from Value added Pepper.*
- *Higher Sale of Specialty and Certified Sales.*
- *Improved Tea Sales realization across all Production Centres*

Q4 - HIGHLIGHTS



- *Turnover, PBT and PAT dropped as compared to Q4 of last year.*
- *Drop in Sales mainly on account of lower Sales volume of Arabica and Pepper. Impact of Non-perennial Crop.*
- *Reduction in PBT (Rs.6.70 Cr) on account of provision for*
 - ✓ *Disputed Tax liability - Rs. 3.45 Cr.*
 - ✓ *Additional Gratuity - Rs. 3.25 Cr.*
- *On a like-to-like basis, the Operating Profit is in line with Previous Year.*
- *Previous Year : Sale of Investment Rs 11.13 Cr & Tax Write back had a bearing on the PAT*

BUSINESS OUTLOOK

- *Enhancement of Extraction Capacity.*
- *New Product Development.*
- *Focus on New and Premium Markets.*
- *Comfortable Order Book for Q1.*
- *Operating Excellence in Production.*
- *Optimization of Capacity Utilization.*
- *Gearing facilities for 2014-15 targets*

- *Focus on Specialty / Certified Coffee.*
- *Modern Roaster for supply of Roasted Beans to Tata – Starbucks JV and progressively to other markets.*
- *2012-13 Crop - “Off” Year for Arabica.*
- *Focus on Re-planting.*

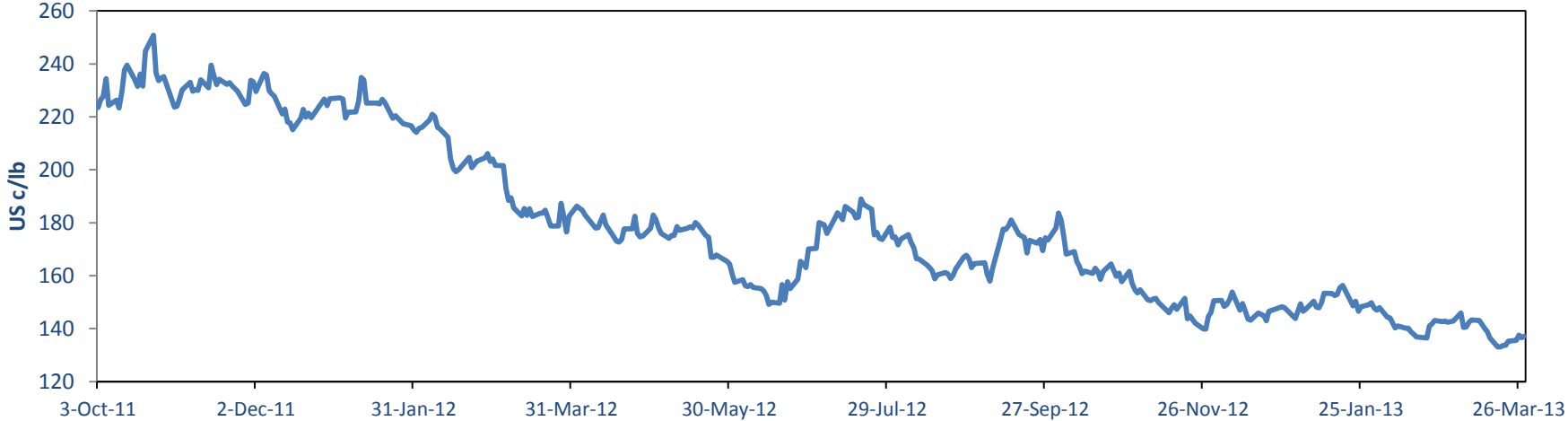
- Growing demand in developed countries for sustainably grown coffees.
- **ONLY** Coffee Plantation Company with comprehensive Triple Certification leading to differentiation.
 - Utz - Efficient Farm Management Practices.
 - Rainforest Alliance - Bio-diversity (For Environment Protection)
 - SA8000 - 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.
- Good premium paying niche market segments for Certified and Specialty coffees.
- Supplies to Starbucks amongst others.



- *12/13 was a surplus year and this reflected as a downward trend on the terminal prices from October'12 onwards. Both Brazil and Vietnam have held back stocks.*
- *Arabica prices which have been low have since started firming up.*
- *Robusta prices also were below 2000 levels till January'13 but have been steady from February above \$2000 albeit a spike in March.*
- *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. 13/14 is a off year , however record production is forecasted.*
- *As per current consumption trend and leaf rust issue in Central America the industry expects a slight deficit in Arabica and surplus in Robusta.*



NY - Arabica 18 months



London - Robusta 18 months



TCL STANDALONE FINANCIALS

PERFORMANCE HIGHLIGHTS – FULL YEAR 2012-13

IN LAKHS



PARTICULARS	FULL YEAR		Variance	
	2012-13	2011-12	Rs. Lakhs	%
Total Operating Income	59,808	50,852	8,956	18%
Profit before Other Income , Interest, Exceptional Items and Tax	12308	9,504	2,804	29%
Other Income	2,221	805	1,415	176%
Profit before Interest & Tax	14529	10,309	4,220	41%
Interest	(455)	(732)	277	
Exceptional Income/ (Expense)	(959)	839	(1,798)	
PBT	13,115	10,416	2,699	26%
Tax	(3,746)	(2,531)	(1,215)	
PAT	9,369	7,885	1,484	19%

- *Operating Income up by 18%*
- *Operating Profit up by 29%.*
- *Profit Before Interest up by 41%, PBT up by 26% and PAT by 19%.*

- *Increase in Total Income by 18% mainly driven by Instant Coffee and Arabica Volume and Higher Price on all products.*
- *Higher Operating Profit of 29% mainly due to Instant Coffee, Coffee, Tea and Pepper Prices.*
- *Increase in Other Income through \$ 2mn EOC Dividend and Higher Interest Income.*
- *Lower Interest cost on account of cash management benefits.*
- *Higher incidence of Tax*

PERFORMANCE HIGHLIGHTS – Q4 2012-13

IN LAKHS



PARTICULARS	Q4		VARIANCE
	2012-13	2011-12	Rs. Lakhs
Total Operating Income	12,417	13,274	(857)
Profit before Other Income , Interest, Exceptional Items and Tax	1,415	2,134	(719)
Other Income	309	200	109
Profit before Interest & Tax	1,724	2,334	(610)
Interest	(75)	(148)	73
Exceptional Income/ (Expense)	(57)	1,113	(1,170)
PBT	1,592	3,299	(1,707)
Tax Expense	(369)	(485)	116
PAT	1,223	2,814	(1,591)

2012-13: a) Lower Turnover due to nature of Plantation business and timing of Product Sales. Non-perennial
b) On a like-to-like basis excluding one-off items, the Operating Profit is at par with PY Q4.

2011-12: a) Exceptional Income includes Sales of Shares;
b) Tax is net of reversal of excess provision relating to earlier years.

IN LAKHS

	31 Mar 2013	31 Mar 2012
Sources of Funds		
Shareholders' Funds	52,446	45,726
Loans & Provisions	6,970	4,088
Deferred Tax (Net)	722	1,056
Total	60,138	50,869
Application of Funds		
Net Fixed Assets	29,597	23,142
Investments	14,563	14,564
Long Term Loans and Advances	2,009	4,200
Net Working Capital	13,969	8,963
Total	60,138	50,869

- **Shareholders' Fund** - Substantial increase Rs. 84.28 Crores.
- **Long Term Borrowing** – \$ 10 Mn ECB Loan for Freeze Dried Extract Project.
- **Net Fixed Asset** – Increase mainly due to New Freeze Dried Unit.
- **Long Term Loans and Advances** – Reduced as Capital Advances moved to Fixed Assets.
- **Net Working Capital** – Increase in Raw Material Inventory in Instant Coffee Division for the New Project and Finished Goods inventory increase in Plantations.

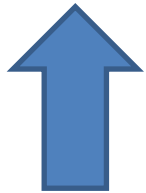
	March 2013	March 2012
ROCE %	24%	20%
Debt Equity Ratio	0.21	0.16
E.P.S. (Rs.)	50.16	42.22
PE Multiple (10.05.2013) (Rs.)	32.67	19.82
Market Capitalization (as of date) (Rs. Cr.)	2930	1,563

In \$ mn

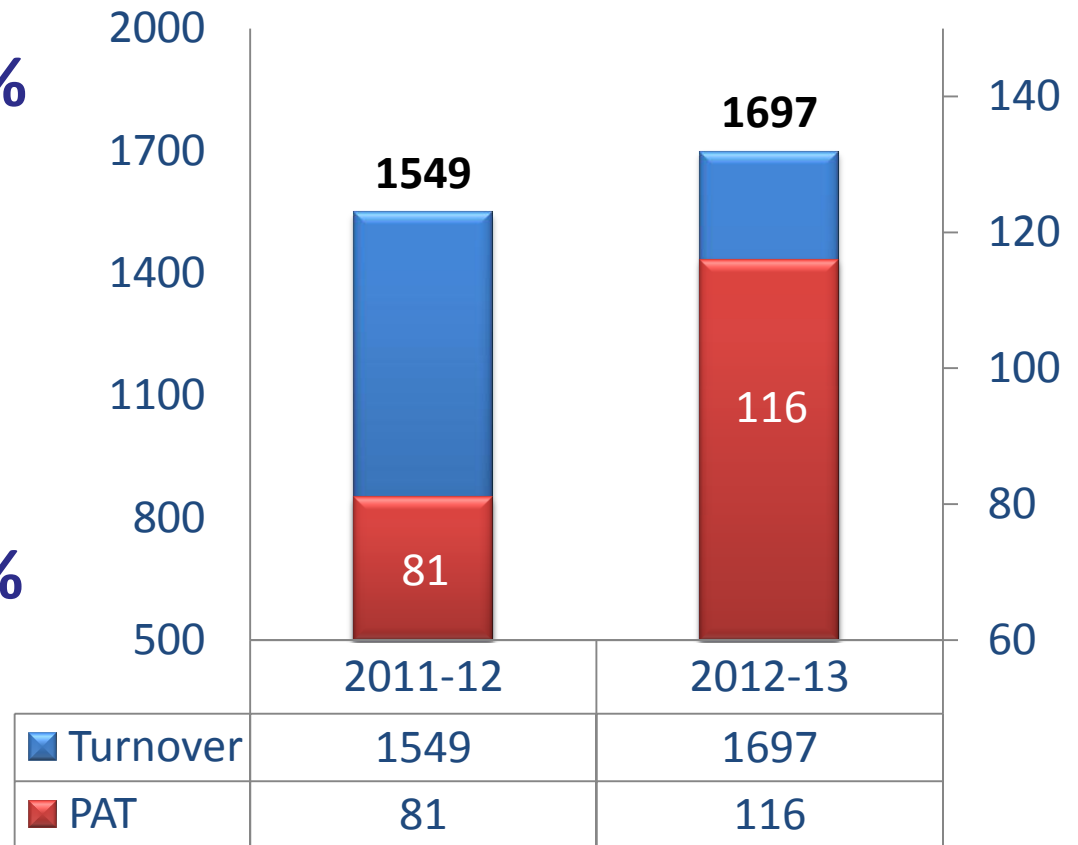
	31 Mar 2013	31 Mar 2012
Sources of Funds		
Shareholders' Funds	87.78	76.69
Loans	148.37	130.97
Deferred Tax Liability	17.07	17.77
Total	253.22	225.43
Application of Funds		
Net Fixed Assets	216.95	220.42
Investments	20.80	-
Net Working Capital	15.47	5.01
Total	253.22	225.43

IN CRORES

Group Sales up by 10%



Group Profit up by 44%



	March 2013	March 2012	Variance
TCL PAT ** (Net of Inter Company Dividend)	8,273	7,884	389
EOC PAT	6,689	470	6,219
MINORITY INTEREST	(3,339)	(235)	3,104
GROUP PAT	11,622	8,119	3,503

**** TCL 's Profit after Tax :-**

2012-13 includes Exceptional Expenses on account of Post Retirement Benefits of Rs. 959 L ;

2011-12 includes Exceptional Income on account of Sales of Shares of Rs. 839 L ;

Net impact on 2012-13 (-) Rs 1798 L

IN LAKHS

Q4 2012/13	Q4 2011/12		March 2013	March 2012	Variance	%
38,783	38,201	Total Income	169,735	154,900	14,835	10%
(32,390)	(34,277)	Operating Expenditure	(142,160)	(139,421)	(2739)	
(1,361)	(1,322)	Interest	(5,291)	(4,622)	(669)	
170	(268)	Investment, Exceptional Income / (Expense)	(123)	(864)	741	
5,272	2,334	PBT	22,232	9,993	12,239	122%
4,666	2,953	PAT	15,881	8,354	7,527	90%
(2144)	(70)	Minority Interest	(4,189)	(235)	(3,954)	
2,522	2,883	Group Consolidated Net Profit	11,623	8,119	3,504	43%
13.50	15.44	EPS (Rs.)	62.23	43.47	18.76	43%

