



TATA COFFEE LIMITED

ANALYST MEET – Q1 (2011-12)

9TH AUGUST, 2011

AGENDA

- Q1 Highlights
- Business Update
- Financial Review

Q1 Highlights

- Turnover, EBIT, PBT and PAT at all time high levels
 - ✓ Turnover at Rs.120 Cr up 29%
 - ✓ PBT at Rs 18.07 Cr up 114%
 - ✓ PAT at Rs.12.92 Cr up 127%
 - ✓ Q1 EPS at Rs 6.92 Vs Rs 3.05

Q1 Highlights – Instant Coffee

- ❑ Sales volume up by 43% over PY
- ❑ Higher share of Non-Russian markets
- ❑ Increased focus on premium (Freeze Dried) Segment
- ❑ Full Capacity Utilization
- ❑ Better Green Coffee management
- ❑ Efficient GC Price Pass through

Q1 Highlights - Plantation

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

Business Outlook



Business Outlook – Instant Coffee

- ❖ Comfortable Order Book position for Q2
- ❖ Focus on Non-Russian market
- ❖ Improved through-put of FDC plant
- ❖ Plant Capacity expansion on the anvil

Business Update – Plantation

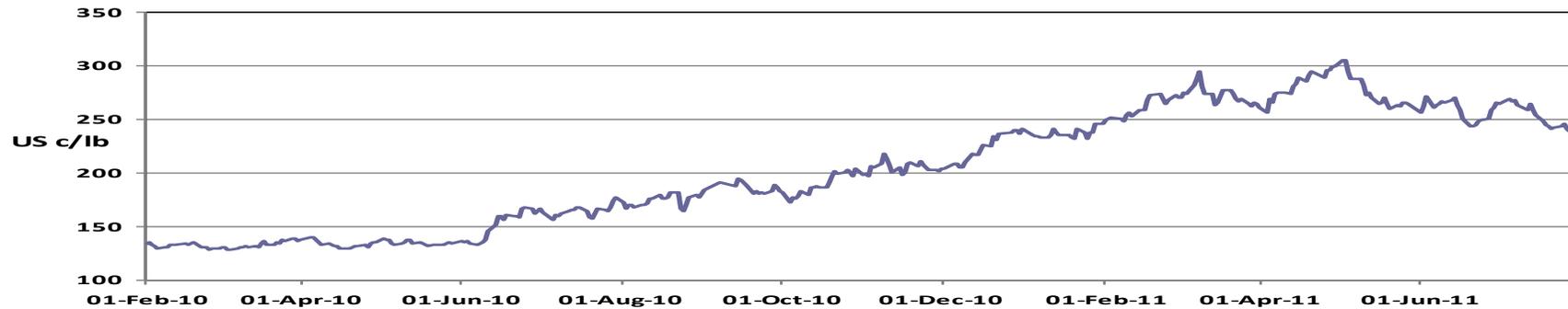
- ❑ New Market Entry- Robusta sales arrangement to USA
- ❑ Focus on Specialty Coffee
- ❑ New State of the Art Pulping facilities in Coffee estates
- ❑ Broad based Pepper sale through Commodity Exchange - NCDEX
- ❑ Modernization of Tea factories in Anamallai's

Business update - Coffee Scenario

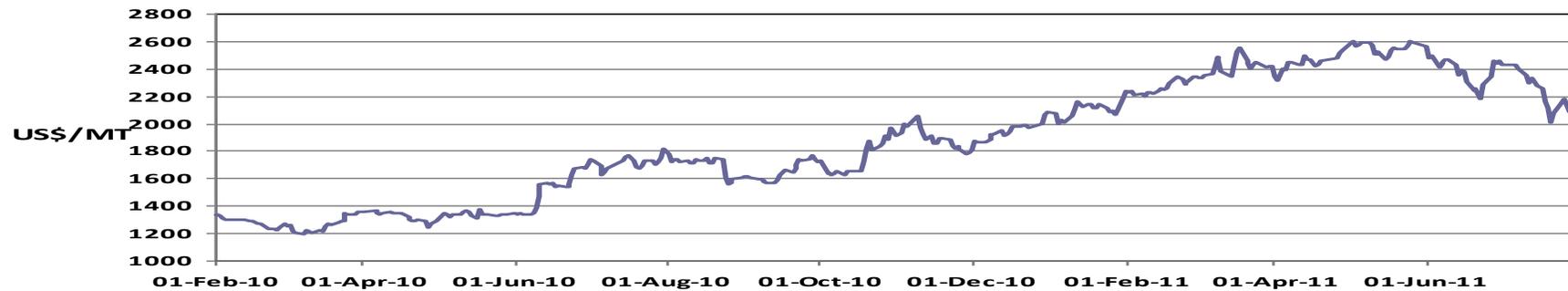
- ❖ Market to remain buoyant with global consumption at 135 mln bags outstripping production at 133 mln bags in 11/12.
- ❖ World inventory at an all time low both in Origins and consuming countries.
- ❖ Coffee is a biennial crop with alternating years of high and low production, also known as 'ON' and '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.
- ❖ Recent surge in Coffee Terminal to continue but with volatility

Arabica & Robusta Terminal – 18 months

NY - Arabica - 18 months



London - Robusta - 18 months



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.

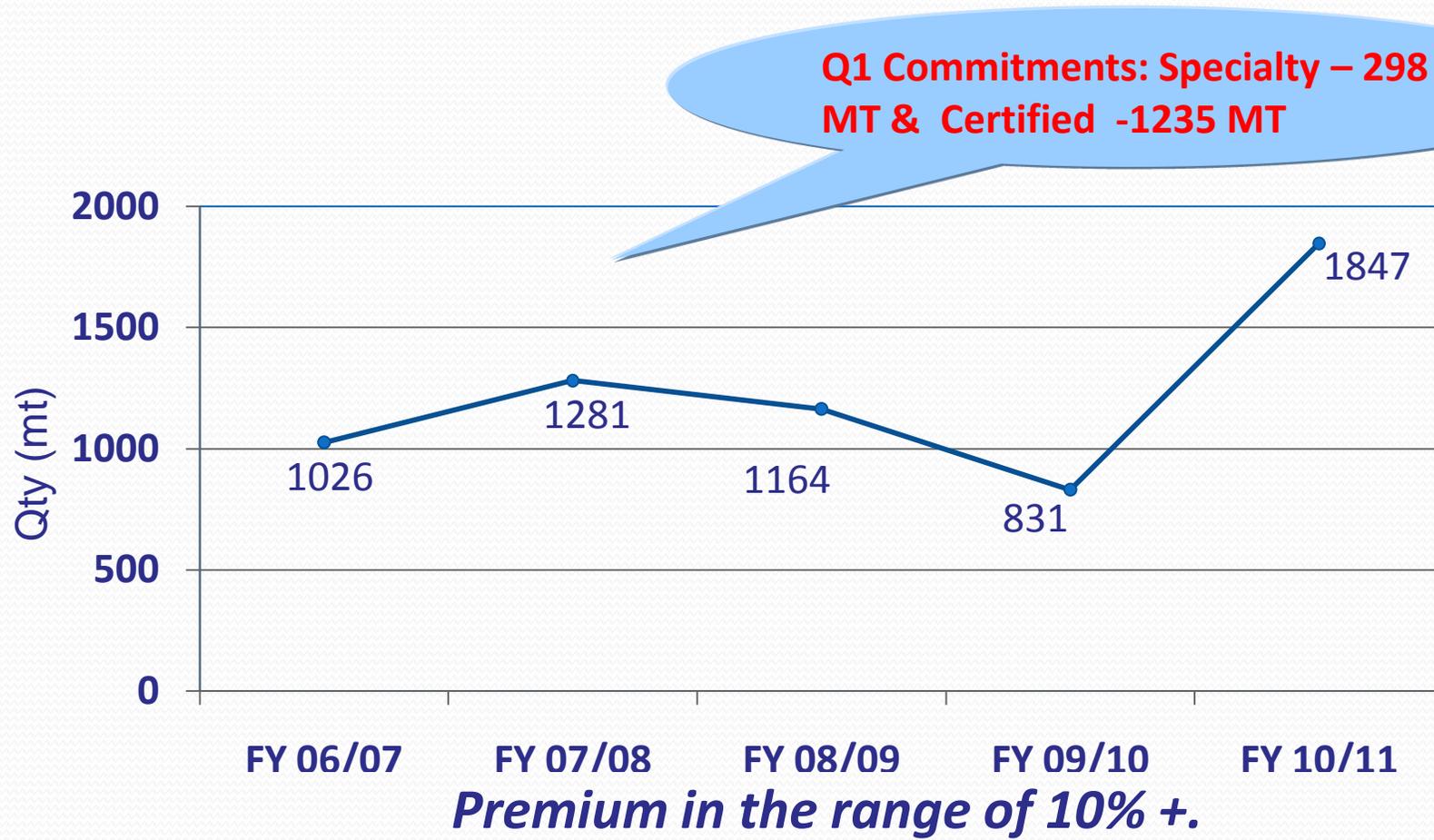
Rainforest Alliance - Bio-diversity (For Environment Protection)

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.

Specialty & Certified Sales



FINANCIALS – TCL STANDALONE



Performance Highlights- Q1 June 2011 & FY 2010/11

Rs. Lakhs



Year ended 31 st March, 2011		PARTICULARS	For the Quarter	
2010/11	2009/10		June 2011	June 2010
40,171	33,551	Total Operating Income	12,011	9,344
5,245	3,681	Profit before Ex Var & Int.	2,188	1,295
(964)	(1,718)	Exchange Variance	(14)	(420)
(523)	(755)	Interest Charges	(92)	(139)
3758	1208	Profit before Other Income	2082	736
2,039	3,792	Other Income	-	107
1,065	-	Exceptional Income/(Expense)	(274)	-
6,862	5,000	PBT	1,808	844
5,508	3,199	PAT	1,292	570

TATA Coffee Limited

Profitability Analysis June 2011

Rs. Lakhs



PARTICULARS	For the Quarter			
	June 2011	June 2010	Variance	%
Total Income	12,011	9,344	2,667	29%
Profit before Ex. Var & Int.	2,188	1,295	893	69%
Exchange Variance	(14)	(420)	406	
Interest Charges	(92)	(139)	46	
Profit before Other Income	2,082	736	1,345	182%

- Operating Income up by 29%
- Profit before Other Income Up by 182%

Profitability Analysis – June 2011

- ❑ Increase in Total Income by 29% driven by higher Instant Coffee Volume
- ❑ Profit before Exchange Variance and interest up by 69% - Higher Instant Coffee sales volume, Margins and better coffee realization
- ❑ Exchange variance in previous year 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 182% driven by higher Operating Profit and lower interest



TCL - Balance Sheet

Rs. Lakhs

	June 2011	March 2011	June 2010
Sources of Funds			
Shareholders Funds	41,659	40,301	36,748
Loans	10,601	11,874	13,977
Deferred Tax	1,335	1,337	1,462
Total	53,595	53,512	52,187
Application of Funds			
Net Fixed Assets	22,609	22,561	22,639
Investments	14,621	14,570	14,678
Net Working Capital	16,365	16,381	14,870
Total	53,595	53,512	52,187

Q1 Financial Performance- Balance Sheet

- ☐ Strong Financial Performance leading to sharp reductions in Borrowings from Rs 140 Cr in June 10 to Rs 106 Cr in June 11.**
- ☐ Increase in working capital is on account of strategic position to go long in GC procurement**
- ☐ Sharp increase in Shareholder funds Rs 367 Cr of June 10 to Rs 417 Cr in June 11 driven by higher profits.**

Tata Coffee – Ratios

	June 2011	March 2011	June 2010
ROCE %	17%	14%	8%
Debt Equity Ratio	0.25	0.29	0.32
E.P.S. (Rs.)	6.92	29.49	3.05
PE Multiple (14.07.2011) (Rs.)	30.90		
Market Cap (14.07.2011) (Rs. Cr)	1615		

TCL Group Results – June 2011 Vs June 2010

Rs. Lakhs

FY 2010/11	FY 2009/10		June 2011	June 2010	Variance	%
130,234	129,627	Total Income	33,500	31,689	1,811	6%
108,846	107,924	Operating Expenditure	29,629	26,575	(3,054)	(11%)
4,520	5,996	Interest	954	1,219	264	22%
167	(547)	Investment, Exceptional Income/(Expense)	(1000)	(595)	(404)	(68%)
17,034	15,161	PBT	1,917	3,300	(1,383)	(32%)
10,971	7,374	PAT	1,359	1,961	(602)	(19%)
7,256	3,432	Group Consolidated Net Profit	1,326	1,214	112	28%
38.85	18.38	EPS (Rs.)	7.10	6.50	0.60	

Thank You