

**TATA COFFEE LIMITED-
ANALYST MEET
27TH MAY, 2011**



TATA COFFEE - KEY BUSINESSES

1. PLANTATION



2. INSTANT COFFEE



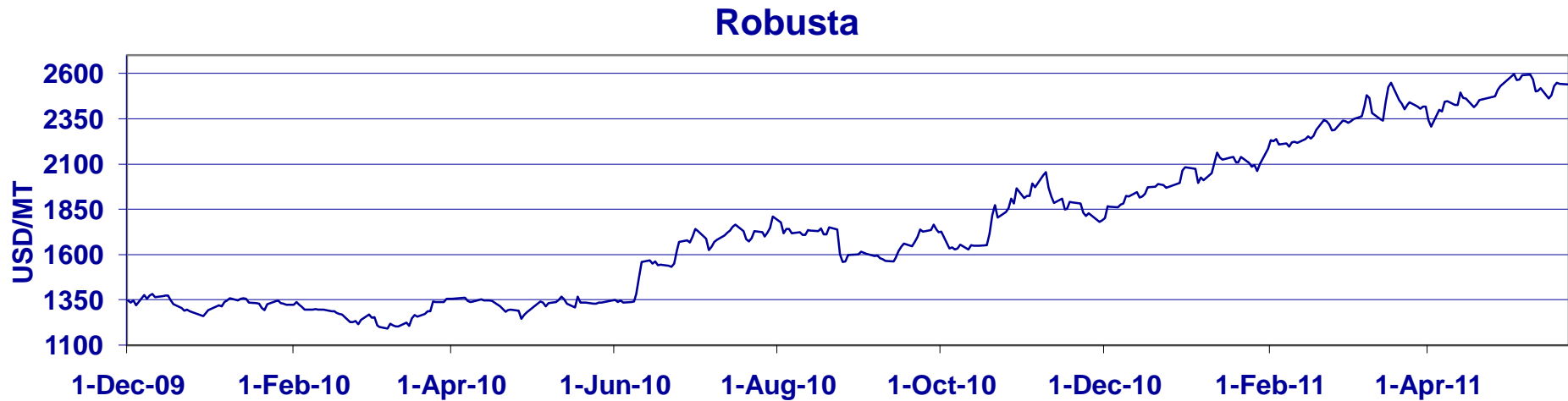
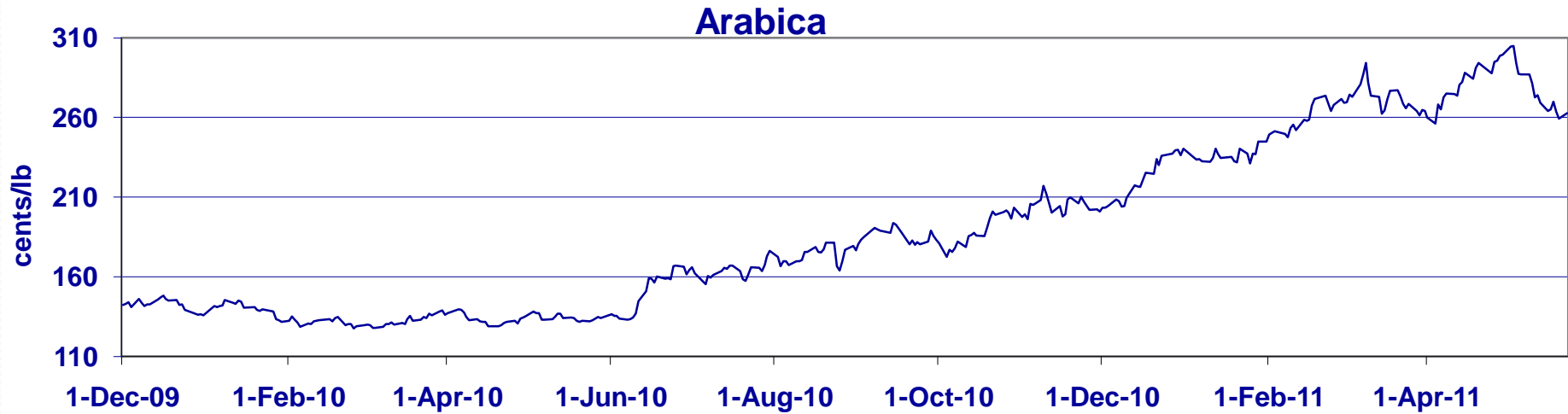
INTRODUCTION TO COFFEE



Global 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.

Arabica & Robusta Terminal – 18 months



PLANTATIONS



PLANTATIONS



Consistent
Returns from this
Division arising
from a basket of
crops neutralizing
commodity risk.



PLANTATIONS – Area & Crops

- Largest producer of Coffee & Pepper in Asia

Coffee & Pepper - 19,000 Acres

Tea - 6000 Acres

- Production - Plantation Products

(IN MT)

2009-10

2010-11

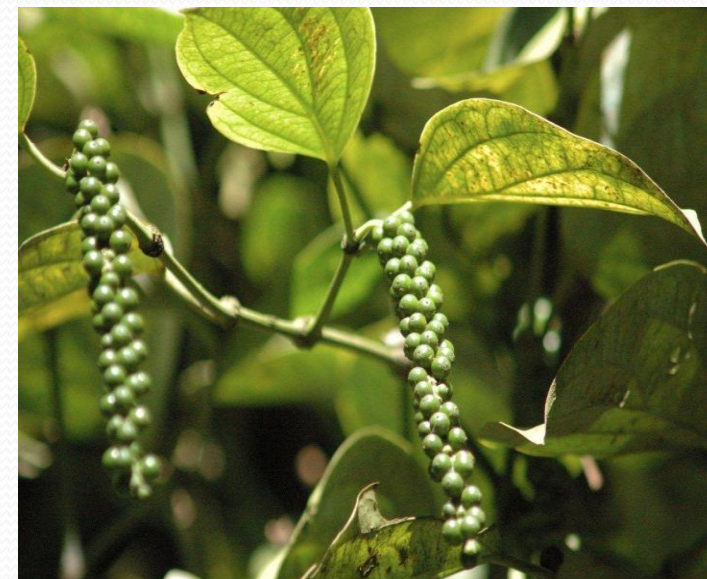
(10-11 an OFF Year)

Coffee 9459 8290

Black Pepper 974 930

(Crop season)

Tea 7989 7334



Timber: Large captive Timber resource from shade trees in Coffee Plantations

Arabica: Arabica production projected to increase substantially in short term with large replanting/consolidation programme undertaken.

2011-12 will be 'ON' year with anticipated increase in the crop.

Plantations

Coffee from TATA

- A differentiated Product
- High Quality Focus.



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.

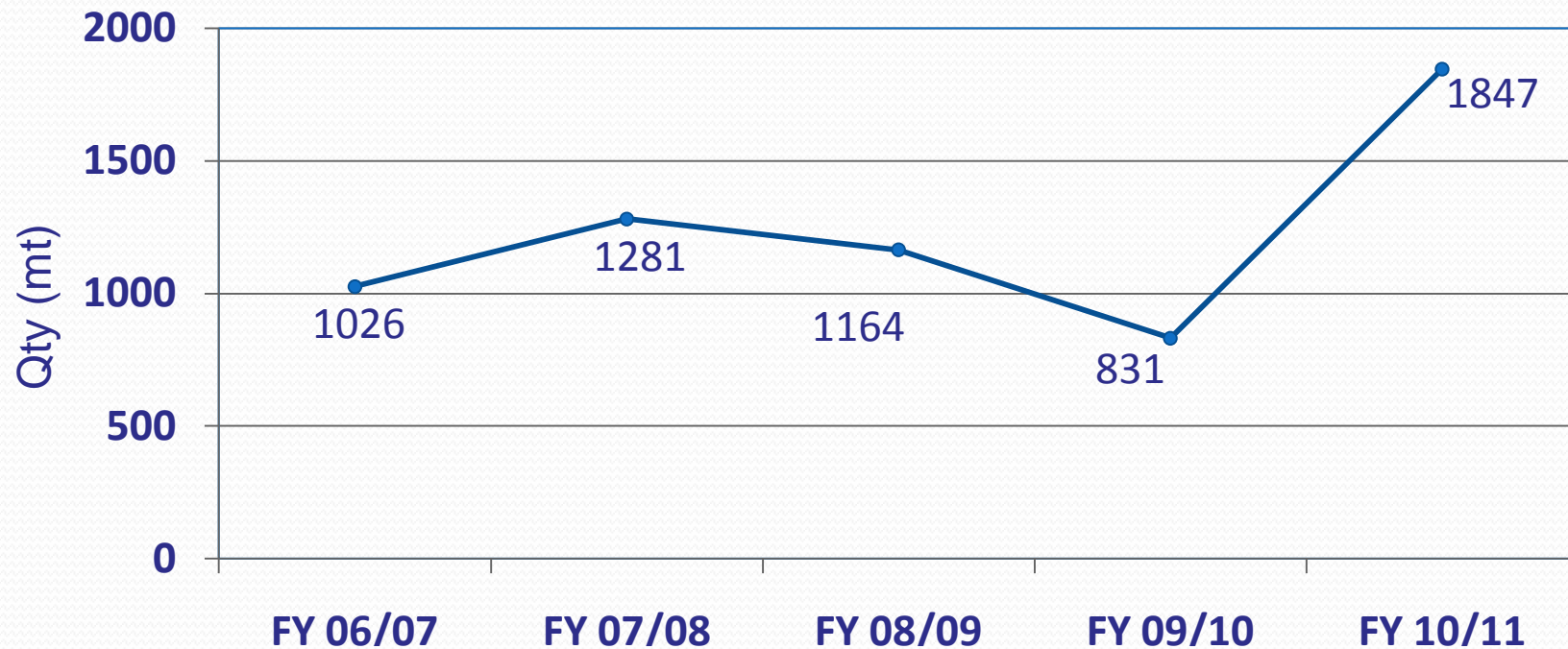
Rainforest Alliance - Bio-diversity (For Environment Protection)

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



Premium in the range of 10% +.

Pepper, Tea & Timber

- Pepper - Largest Single producer of Black & White Pepper in India.
 - High focus on Food Safety with best harvesting practices & in-house grading centre.
- Tea - Estates located mainly in Anamalais with an average yield of over 3300 kg per hectare and a good quality profile.
- Timber - Over 5 lakh trees of diverse variety with large bank of high value Rosewood and other jungle species.



INSTANT COFFEE



INSTANT COFFEE

- Production Base 6000 MT
 - 3 Export Oriented Units
- Products :
 - Freeze Dried
 - Agglomerated / Spray Dried

- Market Conditions : Post 2008 crisis market is now stable & demand is out pacing production capacity.

INSTANT COFFEE

- A differentiated Product focused on quality & meeting requirements of Private Label.
- A range of offerings in all segments of Instant Coffee.
- Focus : On Non Russian Market with higher value added offerings.
On Freeze Dried Coffee which is a premium product.

INSTANT COFFEE - MARKET

- Traditional Markets:
 - Russia
 - CIS
 - South East Asia

- New Customer base:
 - Japan
 - Korea
 - West Africa
 - UK

- Synergies between Eight O' Clock and Tata Coffee exploited to generate maximum value through consolidation of procurement operations and Sharing Best Practices.

SUSTAINABILITY & CSR



SUSTAINABILITY & CSR



Climate change :

- TCL is a carbon sink of 1.5 lakh MT of CO₂ equivalent p.a. largely from its plantation base.
- Focus on Water conservation projects for plantation, reducing carbon foot print of instant coffee and tea factories through energy optimization and exploring hydel and solar power.

People :

- People (% of total cost, nos.)
 - Employee strength – 8,800
 - Employee cost – 52% of total Cost of Production
- Benchmarking ourselves against global standards on the 3 dimensions of Human Development Index (HDI) - standard of living, health & education.

Corporate Social Responsibility :

- Independent Trust 'Coorg Foundation' runs mobile clinics, awards scholarships, carries out reforestation programs, etc.
- Swastha, the vocational training school for the differently-abled was awarded the 'Karnataka State Best Special School Award' under varied disabilities category .

FINANCIALS – TCL STANDALONE



Performance Highlights- FY 2010-11 & Q4

Rs. Lakhs

Quarter ended 31 st March, 2011				PARTICULARS	Year ended 31 st March, 2011			
2009/10	2010/11	Variance	%		2009/10	2010/11	Variance	%
8,964	10,064	1,100	12%	Total Operating Income	33,551	40,171	6,620	20%
1,036	1,548	512	50%	OPBIT	3,681	5,245	1,564	42%
(512)	(13)	499		Exchange Variance	(1,718)	(964)	754	
582	72	(510)		Other Income	3,792	2,039	(1753)	
(153)	(103)	50		Interest Charges	(755)	(523)	232	
-	-	-		Exceptional Income	-	1,065	1,065	
953	1,504	551	58%	PBT	5,000	6,862	1,862	37%
648	1,353	705	109%	PAT	3,199	5,508	2,309	72%

Performance Highlights - FY 2010-11

- Turnover Increase primarily from higher volume of Instant Coffee Sales.
- Coffee & Pepper: Operations registered improvement on hardening of price in II half.
- Tea: Profit impacted against PY on declining Auction realization.
- Instant Coffee : Improved Sales by 60% coupled with good Green Coffee Price Management, resulted in improved Profitability.



TCL - Robust Balance Sheet

Rs. Lakhs

LIABILITIES	2009-10	2010-11
Share Capital	1868	1868
Reserves	34120	38433
Shareholders Funds	35987	40301
Loan Funds	14864	11874
Deferred Tax Liabilities	1460	1337
Total Liabilities	52311	53512

ASSETS	2009-10	2010-11
Net Fixed Assets	23319	22561
Investments	14677	14570
Working Capital	14315	16381
Total Assets	52311	53512

Tata Coffee – Cash Generation

Rs. Lakhs



	2009/10	2010/11
PAT (Net of Depreciation / Non-Cash Items)	4479	6813
Working Capital & Tax adjustments	1419	(1554)
Capital Expenditure (Net)	(713)	(636)
Cash Generation before Dividend	5185	4623
Dividend	(1311)	(2722)
Cash Generation	3874	1901

Tata Coffee – Ratios

	2009-10	2010-11
ROCE %	11%	14%
Debt Equity Ratio	0.41	0.29
E.P.S. (Rs.)	17.13	29.49
PE Multiple (13.05.2011) (Rs.)	22.02	28.77
Market Cap (13.05.2011) (Rs. L)	70450	158461



EIGHT O' CLOCK COFFEE



EIGHT O' CLOCK COFFEE

- Eight O Clock Coffee registered a strong performance in 2010-11 in spite of difficult conditions and escalating raw material costs, were able to maintain margins.
- Price Pass Through: The US Coffee Retail Market has a well defined Price Pass Through Mechanism aligned to changes in coffee input cost. Equilibrium is attained over a longer time horizon.

EOC-Performance

US \$ mm



EOC Financials Summary	2009-10	2010-11
Unit sales (mm Pounds)	44	39
Net Sales	195	194
Green Coffee	68	74
Margin after Green Coffee	126	120
EBIT	42	33
Interest	15	9
PBT	27	24
PAT	16	15

TCL Group Results – 2010-11 Vs 2009-10

Rs. Lakhs

	2009/10	2010/11	Variance	%
Turnover	129,627	130,204	577	
Investment & Exceptional Income	(546)	167	713	
Total Income	129,081	130,371	1,290	1%
Operating Expenditure	107,924	108,846	(922)	(1%)
Interest	5,996	4,520	1,476	25%
PBT	15,161	17,034	1,873	12%
PAT	7,374	10,971	3,597	49%
Group Consolidated Net Profit	3,432	7,256	3,824	111%
EPS (Rs.)	18.38	38.85	20.47	

Thank You