



TATA CHEMICALS LIMITED

"Servicing Society through Science"

**Q3 & 9M FY2011
Media Presentation**



TATA

TATA CHEMICALS LIMITED

Performance Highlights

- Strong demand environment across all products
- Extreme climatic conditions in December impact European operations
- Global soda ash prices firm, GCIP and Magadi capacity utilizations improve
- Rising costs partially mitigated through price increases across decontrolled products
- Introduction of NBS a positive for fertilizer industry, reduction of benchmark prices for next fiscal a concern though
- New fertilizer policy for urea still awaited
- Insurance claim towards Babrala admitted – ₹ 39 crore accounted on a conservative basis
- Production from Customised fertilizer plant commences; product launched
- Planned shutdown at IMACID successfully completed; production impacted for ~ 35 days
- “Swachh” sales continues strong growth - 9M FY2011 sales at 3.45 lac units

Growth Initiatives

- BM acquires 100% stake in British Salt for an enterprise value of £ 93 million to secure supplies of raw material at BM UK as well as a new business of branded consumer and industrial salt in UK
- Rallis acquires a 53.5% stake in Metahelix Life Sciences, a research based seed company filling in a vital gap in our overall Agri strategy. Opportunity to leverage Metahelix' strong presence across the Seeds Value chain through our existing network
- I-Shakti brand extended to pulses – 'i-Shakti Dals' introduced in Maharashtra and Tamil Nadu – Thrust on offering quality and hygienic pulses at an affordable price through linkages with the farmer



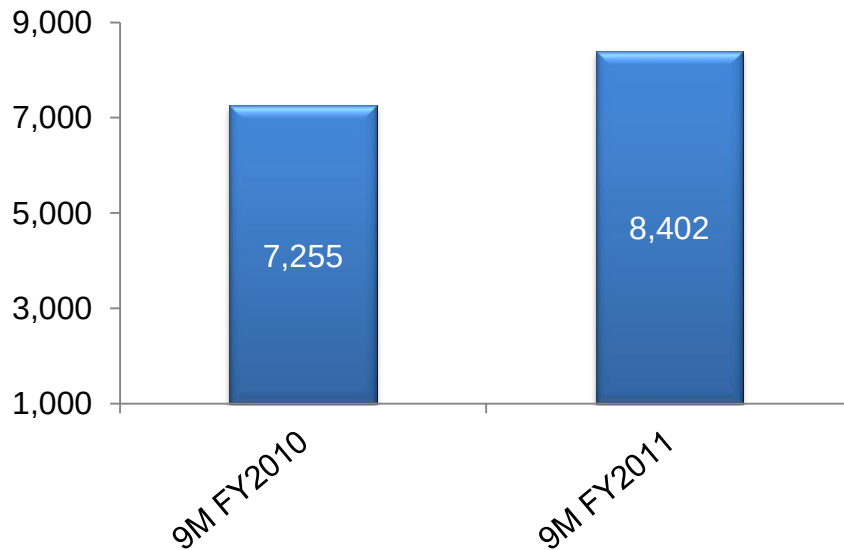
Growth Projects

- **Expansion of domestic salt capacity:** 50K TPA debottlenecking capacity completed in December '10 (cost: ₹ 35 crore). Additional 200K TPA capacity at ₹ 180 crore expected by March 2012
- **Expansion of soda ash capacity at GCIP:** Study under progress for increasing capacity by 400K TPA
- **Capacity doubling at Babrala:** Awaiting Policy clarity on gas allocation and pricing
- **Debottlenecking of SSP capacity at Haldia:** Capacity expansion by 50K TPA at a cost of ~ ₹ 11 crore – expected completion by March 2012
- **Phos acid expansion along with DAP capacity at IMACID, Morocco:** Study underway to double phos acid capacity along with ~ 1 million TPA DAP capacity
- **Biofuels production at Mozambique:** Initial capex of USD 15 million on engineering and infrastructure

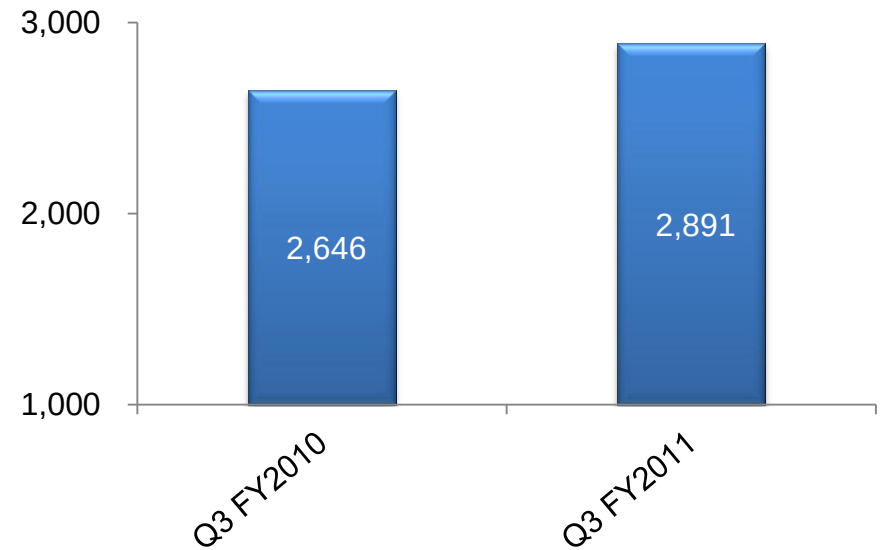
Consolidated Financials

Revenues

**9M FY11 Net Income from Operations
(₹ crore)**



**Q3 FY11 Net Income from Operations
(₹ crore)**

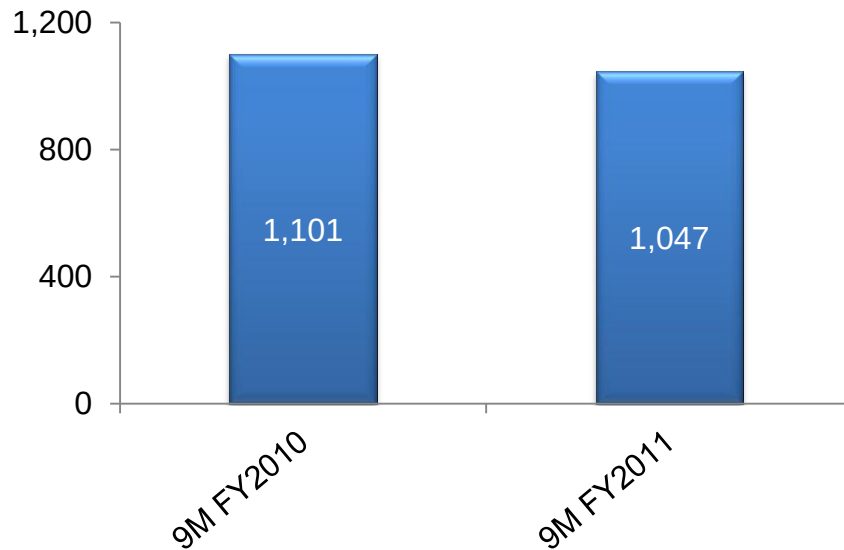


- Firm markets and stable operating environment across most sites
- Improving demand environment reflected in increased realizations

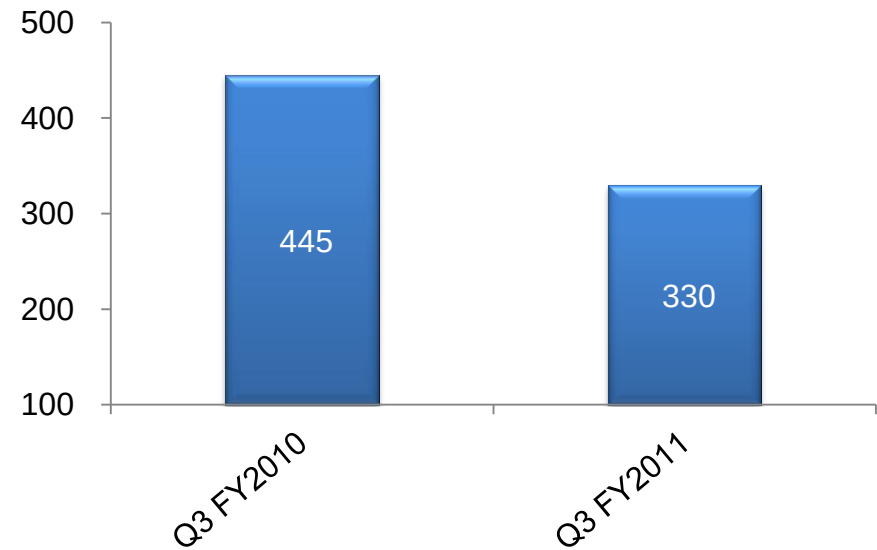


Profit from Operations

**9M FY11 Profit from Operations
(₹ crore)**



**Q3 FY11 Profit from Operations
(₹ crore)**



- Rising input costs put pressure on margins
- Plant shut downs, raw material unavailability result in subdued Profit from Operations
- Q3 FY2010 Profit from Operations includes ~ ₹ 30 crore towards prior period adjustments for rock phosphate prices at IMACID

IMACID during the quarter

Waste Heat Boiler



Old waste heat boiler



Erection of new waste heat boiler

Super heater



Removal of old super heater



Erection of new super heater

Gas By Pass Valve



Damaged gas bypass valve



Repaired gas bypass valve

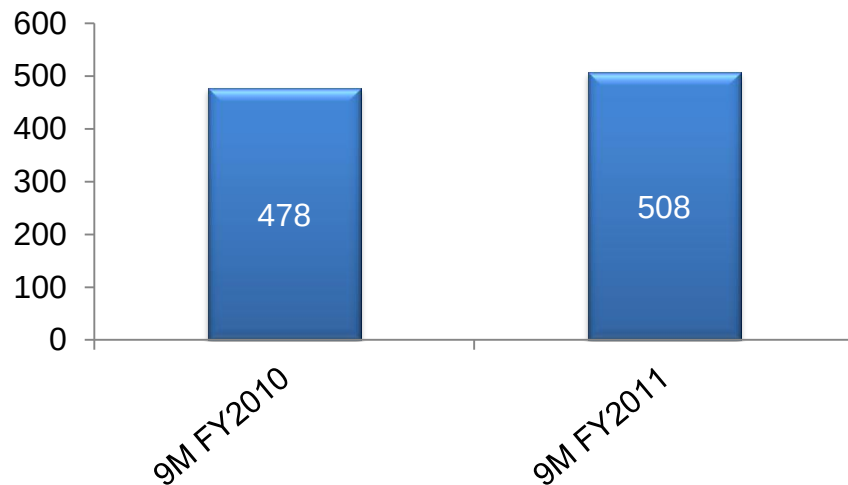
PAT & EPS



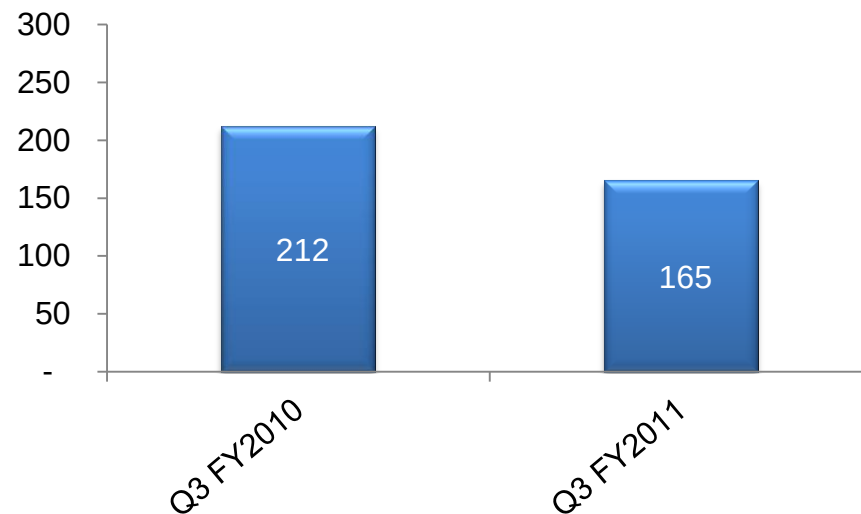
TATA

TATA CHEMICALS LIMITED

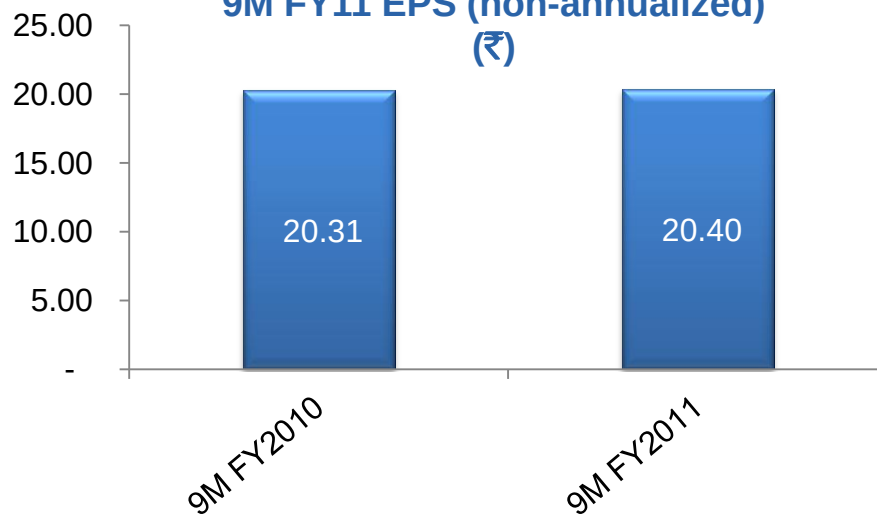
9M FY11 PAT (Post MI)
(₹ crore)



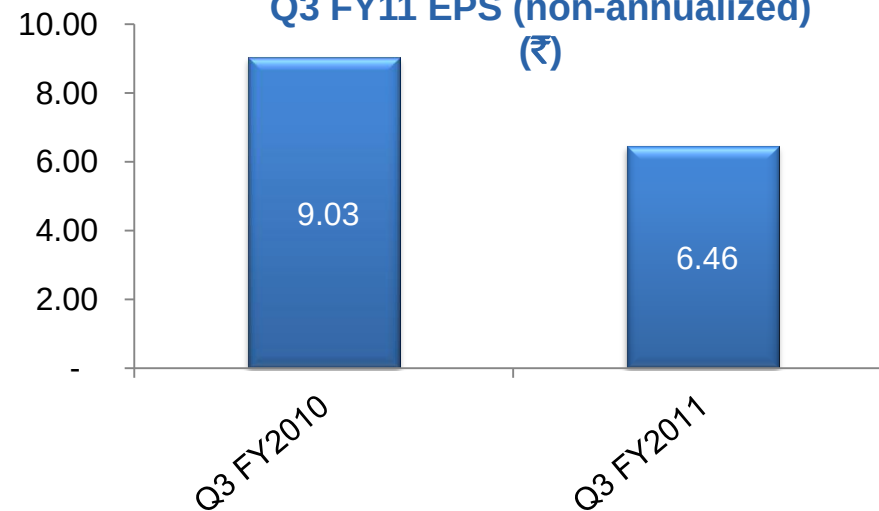
Q3 FY11 PAT (Post MI)
(₹ crore)



9M FY11 EPS (non-annualized)
(₹)



Q3 FY11 EPS (non-annualized)
(₹)



Key Ratios

Particulars	Q3 FY2011	Q3 FY2010
Net Debt/Equity	0.69	1.03
Net Debt/Total Assets	0.41	0.47
Net Debt/EBITDA	2.23	3.48

Consolidated Cash and cash equivalents as on December 31, 2010: ₹ 1,041 crore

Segmental Performance

- Domestic demand for Soda ash grew by 5%; Robust sodium bicarbonate demand - growth of over 9%
- However, rising input (coal, coke & limestone) costs continue to exert pressure
- Unusually extreme climatic conditions result in power and water supply failures causing BM UK plant to operate at sub optimal levels
- Magadi operations improve on the back of stable production
- GCIP demonstrates strong production growth
- Healthy demand growth in USA - international market conditions favorable in terms of both, volumes and pricing

European Winter



British Salt

- Tata Chemicals has acquired a 100% stake in British Salt for an enterprise value of £93m
- British Salt is a leading manufacturer of vacuum salt in the UK, with a 55% share of the market by sales volume currently
- The company manufactures various grades of salt, namely: undried vacuum salt, pure-dried vacuum salt, industrial vacuum salt, brine, and water softeners
- Apart from the core business of salt, British Salt is also present in the gas storage business

Benefits:

- Results in long term securitization of brine for BM UK
- Provides entry into Branded Consumer and Industrial salt in UK - British Salt is the largest supplier of vacuum salt in UK with 55% market share and has long-term customer relationships with leading food, chemicals companies in UK

Consumer Products

- Tata Chemicals remains the market leader with 62% market share in the National Branded segment
- Tata Salt volumes growth strong at over 8%
- i- Shakti brand extended to pulses – launches ‘i-Shakti Dals’
- “Swach” contributes positively to performance – 9M FY2011 sales at 3.45 lakh units
 - New introductions “Swach” and “Swach Magic” show promise
 - Swach now available across 9 states

Extending the i-Shakti brand

- India's first National brand of pulses – “i-Shakti Dals” launches 4 popular varieties of pulses (Channa, Toor, Urad and Moong including Whole Green Moong & Green Chilka)
- Range has been reasonably priced between MRP ₹ 95/- to ₹ 100/ for a 1 kg pack and will be available in SKUs of 1 kg, 500 g and 250 g
- The i-Shakti range of pulses will be rolled out in a phased manner and is presently available in Tamil Nadu and Maharashtra



Pulses – a perspective

- **Significant opportunity**
 - India's total demand for pulses: ~18 million tonnes p a
 - Total production: ~ 14.5 million tonnes p a
 - Close to 3.5 million tonnes is imported annually
 - Limited branded presence; no national brand
- Tata Chemicals' '**Farm to Fork**' approach
 - **Farm:** Strong linkages with the farmer through expansive and well entrenched networks of Rallis Kutumba and Tata Kisan Sansars (>200,000 farmer base)
 - **Fork:** Established food retail presence through Tata Salt and I Shakti covering a total of around 1.8 million outlets
 - Thrust on offering quality and hygienic pulses at an affordable price
 - Endeavoring to work closely with state governments across the country. Presently working on the Tamil Nadu government's Grow More Pulses Program with Rallis

Fertilizers

- Domestic demand for Urea, DAP and NPK increases by 4%, 6% and 29% respectively
- Marginal loss of urea production as a result of floods in October
- Unavailability of phosphoric acid results in lower production volumes at Haldia



Fertilizer Policy perspective

- NBS a significant positive for the fertilizer industry
- However setting of low benchmark prices for DAP and MOP making raw material and finished good availability uncertain
- New Urea policy awaited – delays may threaten agricultural productivity
- Court verdict upholding the Gas Utilization Policy as well as priority allocation to fertilizer/power ensures no negative impact on the gas already allocated to the fertilizer industry
- Now expected that the Government will decide to commit firm gas supply to urea expansion projects which will help our projects to achieve financial closure

- Strong growth in domestic business driven by value added offering to farmers in the last four years – despite the setback due to unseasonal rains
- Rallis revenues higher by 32% at ₹ 268 crore and PAT growth of 40% at ₹ 34 crore in Q3 FY2011
- Rallis has acquired 53.5% stake in Metahelix Life Sciences (MHS) through an all cash deal of ₹ 99.5 crore funded largely through internal accruals
 - Acquisition in line TCL's strategy to offer the entire suite of Agri-Inputs for the benefit of farm community
 - Metahelix possesses a portfolio of seeds successfully commercialized over the last 3 years
 - Transaction provides a presence across the entire Value chain comprising breeding, production and marketing of seeds
 - Pursuant to the terms of the definitive agreements signed, Rallis will enhance its shareholding to 100% in Metahelix over a period of five years

Providing LIFE Living, Farm & Farm Essentials



Mission

Serving Society through
Science

Values

Integrity
Safety
Excellence
Care
Innovation

Vision

To be amongst premier chemical companies by:

- Leveraging Science to deliver new and innovative offerings
- Enhancing value to our customers
- Delivering Superior Returns to our shareholders
- Leading in corporate sustainability
- Nurturing innovation, learning through diversity and team work amongst employees