TATA GLOBAL BEVERAGES

Presentation on year end 14-15 results

Analyst Meet
May 2015
Agenda

- Key Themes
- Performance Highlights
- Operating Performance Review
- Financial Review
Key Themes for 2014-15

- Improved turnover and profitability
- MAP acquisition adds to top-line growth
- Tea Auction price trends
  - Kenya auction prices reflect a reduction of prices against prior year.
  - Kolkata action prices reflect an increase against prior year.
- Coffee commodity - average costs flat
- Currency markets
  - Adverse impact on top line
  - Not Material on profitability
- Impairments taken for some businesses.
- Court order for MEMW merger with TGBL received and filed with ROC.
Performance Highlights – Group Operating Income

Operating Income

- At prior year fx rates operating income would be 5% higher.
Performance Highlights – Group Operating Profit

Operating Profit
• At prior year fx rates operating profit would be 4% higher.
Operating Performance highlights – South Asia

- 7% top-line improves – both volume and value increases
- Significant milestone of achieving 100m kgs of sales in a fiscal
- Maintained Volume and value leadership
- Price increases taken in most of the brands to offset the increase in tea commodity costs.
- Significant growth in Green tea
  - Continued association with Kareena Kapoor.
- Gemini records highest sale in the history of the brand – 2nd year in succession
- 49+ awards won for the PO49 campaign
Operating Performance highlights – CAA – Canada, America

**Canada**
- Sales improves over prior year
- Tetley masterbrand “variety” spot continues with a 5 second Cirque promotional tag.
- Specially designed limited edition Canadian Breast Cancer foundation pack is in store.
- New products listed are now gaining distribution
- Tata Tea Brands in Canada reflect good performance

**USA**
- EOC - Improved momentum in base business after a soft H1
- EOC - Win-in-store initiative proving effective
- EOC - POD’s volumes continue to grow.
- Tetley USA – modest performance
Operating Performance highlights – CAA - Australia

- Robust topline growth
  - Improvement in F&H, green and main-stream black
  - New listing aids improvement in sales.
- MAP acquisition adds Rs 72 crs to topline
- Green teas market share is up - now the no 3 player in the green tea market.
- Good growth in tea profitability.
In UK - Decline in UK Black tea market continues.

UK- Teafolk “medieval castle continued airing.
  • Strong promotional programme with good store visibility aligned to the advertisement air saw a robust growth in Tetley original
  • Tetley, chosen by Tesco, to be a part of a select group of brands to partner Tesco for their new price initiative – resulted in fantastic in-store visibility

UK - Green tea is the star segment with volume growth.
  • Super Green teas sales performance encouraging

UK - Tetley Decaff regained MAT volume leadership.

Teapigs grows - reflecting growth across most channels

Joekels business stable despite adverse economic conditions.
Middle East - Good performance driven by strong growth in KSA and GCC
France - Green tea performs well.
Czech Republic – stable performance. Maintains volume and value leadership.
Russia –
  • Despite adverse market conditions losses reduce
  • Good performance in the quarter in underlying terms – Grand FDC grows
  • Distribution expansion the key focus
Stable performance by the water business

Himalayan
- Product continues to expand footprint in retail stores in Singapore.
  - Marketing campaign launched in October 2014
  - Singapore – brand metric performance in par with one of the premium international brands
- A new TV Advertisement for Himalayan went live on Media in February’15.

Tata Water Plus – significant increase in distribution

Tata Gluco Plus – improved sales
- New advertisement, pack variants launched during the last quarter.

Tata Starbucks now has 72 stores
- 29 new stores added during the year
- Present in 6 cities.
Non Branded Business

- **Tata Coffee** - profitability impacted
  - Lower plantation crop available for sale due to adverse weather and cyclical conditions.
  - Improved instant coffee sales

- **Tea plantations** – lower crop available due to adverse weather conditions impact profitability

- India and US instant tea operation stable

- China instant tea operation – Sales effort now key.
TATA GLOBAL BEVERAGES

Financial Performance

May 2015
Performance Highlights

- Operating income higher by 3% (5% in constant currency)
  - Operating profit higher by 3% (4% in constant currency)
    - Improved profitability in branded business
    - Lower crop impacts plantation sales and profitability

- Adverse impact of exceptional items
  - Impairments taken in some geographies – China, Russia and some eastern European brands
  - High exceptional income in the previous year

- Higher effective tax rate

- Lower Group consolidated profit
# Financial Highlights – For the year

<table>
<thead>
<tr>
<th>Quarter ending March</th>
<th>Particulars</th>
<th>Year ending March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>PY</td>
</tr>
<tr>
<td>Total Operating Income</td>
<td>1923</td>
<td>1910</td>
</tr>
<tr>
<td>EBIT</td>
<td>163</td>
<td>154</td>
</tr>
<tr>
<td>Other Income</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>(18)</td>
<td>(20)</td>
</tr>
<tr>
<td>Profit Before Exceptional Items</td>
<td>153</td>
<td>150</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>(103)</td>
<td>(12)</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>50</td>
<td>138</td>
</tr>
<tr>
<td>Tax</td>
<td>(35)</td>
<td>(39)</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>15</td>
<td>99</td>
</tr>
<tr>
<td>Share of Profit from Associates</td>
<td>(24)</td>
<td>(20)</td>
</tr>
<tr>
<td>Minority Interest in consolidated profit</td>
<td>13</td>
<td>(10)</td>
</tr>
<tr>
<td>Consolidated Group Profit</td>
<td>4</td>
<td>69</td>
</tr>
<tr>
<td>Earning Per Share (Rs)</td>
<td>0.06</td>
<td>1.12</td>
</tr>
<tr>
<td>Earning Per Share (Rs) – prior to exceptional items</td>
<td>1.22</td>
<td>1.21</td>
</tr>
</tbody>
</table>
## Regionwise income from operations

<table>
<thead>
<tr>
<th>Quarter ending March</th>
<th>Particulars (In Rs Crores)</th>
<th>Year ending March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>PY</td>
</tr>
<tr>
<td>CAA</td>
<td>499</td>
<td>490</td>
</tr>
<tr>
<td>EMEA</td>
<td>527</td>
<td>587</td>
</tr>
<tr>
<td>South Asia Brands</td>
<td>652</td>
<td>612</td>
</tr>
<tr>
<td>Total Brands</td>
<td>1677</td>
<td>1688</td>
</tr>
<tr>
<td>Total Non Branded Operations</td>
<td>201</td>
<td>188</td>
</tr>
<tr>
<td>Other and Eliminations</td>
<td>45</td>
<td>33</td>
</tr>
<tr>
<td>TOTAL OPERATING INCOME</td>
<td>1923</td>
<td>1910</td>
</tr>
</tbody>
</table>
## Balance Sheet

### SOURCES OF FUNDS

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 2015</th>
<th>March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder’s Funds</td>
<td>6368</td>
<td>6773</td>
</tr>
<tr>
<td>Borrowings</td>
<td>1324</td>
<td>1438</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td>461</td>
<td>432</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>1358</td>
<td>1355</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9511</strong></td>
<td><strong>9911</strong></td>
</tr>
</tbody>
</table>

### APPLICATION OF FUNDS

#### Fixed Assets:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 2015</th>
<th>March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>3892</td>
<td>4188</td>
</tr>
<tr>
<td>Others Fixed Assets</td>
<td>1077</td>
<td>1052</td>
</tr>
<tr>
<td>Investments</td>
<td>622</td>
<td>611</td>
</tr>
<tr>
<td>Cash &amp; Other Deposits</td>
<td>1225</td>
<td>1474</td>
</tr>
<tr>
<td>Non Current Assets</td>
<td>212</td>
<td>218</td>
</tr>
<tr>
<td>Current Assets</td>
<td>2483</td>
<td>2454</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9511</strong></td>
<td><strong>9911</strong></td>
</tr>
</tbody>
</table>

Prior period numbers have been reclassified / rearranged wherever necessary.
Dividend

Dividend declared 225%, same as PY. The slight increase is mainly on account of the merger.
THANK YOU
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