May 31, 2017

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Scrip Code – TATAGLOBAL

Bombay Stock Exchange Ltd.
Corporate Relationship Dept.
1st Floor, New Trading Wing
Rotunda Building, PJ Towers
Dalal Street
Mumbai 400 001
Scrip Code - 500800

The Secretary
Calcutta Stock Exchange Asscn. Ltd.
7 Lyons Range
Kolkata 700 001
Scrip Code – 10000027
(Demat)
27 (Physical)

Subject: Presentation to Analysts – results for year ended 31.03.2017

Dear Sirs,

Further to our letter dated 22 May, 2017 we enclose herewith a copy of the Presentation made at the Analyst’s Meet held yesterday.

A copy of the same is also uploaded on the Company’s website www.tataglobalbeverages.com.

This is for your information and records.

Yours faithfully,
For Tata Global Beverages Limited

(V. Madan)
Vice President & Company Secretary

Encl.: as above
Analyst Meet for FY 2016-17
May 30, 2017
Vision and Purpose

OUR VISION
To be the most admired natural beverages company in the world by making a big and lasting difference in Tea, Coffee and Water.

OUR PURPOSE
We will focus on creating magical beverage moments for consumers and an eternity of sustainable goodness for our communities.
Constant Drive towards Innovative Products

- **Super Greens - India**
- **Coffee Infusions - US**
- **Ayurveda Balanced Range - Canada**
- **Elaichi Chai - India**
- **Supers range - UK**
- **Tata Teaveda**
- **Himalayan Sparkling & Flavoured**
- **TGP - New variants**
Agenda

1. BUSINESS PERFORMANCE

2. FINANCIAL OVERVIEW
Key Highlights

4th consecutive quarter of operating profit growth despite higher spends behind brands, new launches and competitive intensity in developed markets

- For the year topline up by 2% (3% in underlying terms)
  - Q4 - Topline up by 5% (7% in underlying currency) – volume growth & price increase
- Significant improvement in operating profit

Commodity costs

- Softness in India and Kenya tea prices
- Coffee Costs – showing a hardening trend

Good control on spends

Currency Markets

- Volatile currency markets
  - Brexit leading to GBP depreciation

Financials reported under IND (AS)

Increased focus on under performing businesses

- Proposal to divest stake in China
- Restructuring of certain assets in Eastern Europe
Snapshot of Financials

- **Total Operating Income**
  - 2017: 6780
  - 2016: 6637
  - Increase: 2%

- **Profit before Exceptional item and Tax**
  - 2017: 657
  - 2016: 503
  - Increase: 31%

- **Total Operating Profit**
  - 2017: 665
  - 2016: 538
  - Increase: 24%
Performance Update – Branded Business

**INDIA**

- Volume & sales growth
- Continue to maintain volume and value leadership, gain market shares
- Effective management of commodity cost
- New launches - Tata Tea Teaveda and Tetley Super Green Tea
- Earlier launched Maharashtra Gold Mixture and our recently launched Tata Tea Elaichi are reflecting signs of success
- Tata Coffee Grand – growth in market shares
- Jaago Re version 2 launched – ‘A thought provoking campaign’
Performance Update – Branded Business

UK

- Strong performance in UK with higher volumes witnessed through growth in market shares across all major categories despite
  - declining overall tea category, specially in everyday black
  - continuing competitive intensity
- Green tea continues to grow with improvement in Super Greens
- Multimedia campaign of Tetley Supers ran in H2 – with strong ground activation
- Various awards won - an endorsement for our products
  - **Grocers New Product Award** – Tetley Super fruits, Boost, Blueberry and Raspberry
  - **Great Taste Award** – 3 years in a row – Kenyan Gold, Earl Grey, Green tea mango and passion fruit, Super Greens heart forest fruits
  - Tetley has been highlighted as a ‘Brand to watch’ by Grocer – a leading media house covering UK FMCG sector
- Tetley Smile Train challenge was run to promote and raise funds for the Smile Train charity
Performance Update – Branded Business

USA
- Strong performance by US coffee
  - Ground Coffee grows
  - Strong improvement in operating profits
- New Launches - Brazilian Breakfast coffee and Infusions – Alert and Relax
  - Well received in trade and also receiving press coverage
- Improved Brand Imagery through innovative packaging
- Tetley Green Tea reflects modest growth despite decline in category
  - Launch of Super Green tea aids growth

Canada
- Topline performance improves
- Maintains volume and value leadership
- New launches during the year
  - New Ayurveda line of teas
  - Tetley Care (Herbal care) – lemon & ginger flavour

Rest of EMEA
- Improved performance in some European markets
Performance Update – Non Branded Business

**Tata Coffee Limited**
- Spectacular performance, recording highest ever
  - Operating Income, and
  - Operating Profit
- **Instant Coffee** - Improvement in coffee extraction business driven by improved volumes & favorable sales mix
- Various accolades won by TCL during the year

**Instant Tea**
- Instant tea business reflects a stable topline performance with good improvement in operating profit

**Plantations**
- Improvement in tea plantation attributable to better realisation
- Improvement in coffee plantation, mainly due to improved Arabica volumes
Performance Update – Incubatory Businesses

**Middle East**
- Strong year with healthy growth in all six markets
  - Tetley Brand grows
  - Fresh foil pack launched across markets – good response from consumers
- Tea commercial - Focusing of **health benefits of green tea**

**Starbucks JV**
- Topline growth with good store-level profitability
- Expansion across new cities, new formats to continue
- Starbucks Coffee (India Estate Blend) now served on Vistara airlines

**Nourishco**
- Double digit growth continues for Tata Gluco Plus & Himalayan
- Himalayan demonstrated good growth in traditional trade, e-commerce and key accounts
- **Himalayan Sparkling** and **Flavoured Himalayan** launched in test cities and channels
- Tata Gluco Plus New variants - **Jeera and Panneer (Rose)** launched during the quarter
Some more Recognitions

TGB achieves full Rainforest Alliance certification for EMEA and CAA region

TGB is a leader again in Climate Disclosure Leadership Index India 2016

Tata Coffee recognized as Most Ethical Company - Agricultural Sector

TGB recognized as one of the most transparent companies in emerging markets

Tetley Green Tea’s Transformation series wins Gold at Emvies 2016
Financial Overview
Financial Overview

- **Operating income**
  - For the year - up by 2% (3% in underlying currency) and for the quarter – up by 5% (7% in underlying currency)
    - Good volume growth in branded tea business
      - Improvement in Branded Business –India, UK, Canada
      - Spectacular performance by Tata Coffee Limited
      - Offset by - Currency translation
  - Operating profit higher than prior year +24% and for the quarter by +10%, despite higher advertisement spends in the quarter
    - Improved performance in Branded Business in some markets
    - Lower commodity costs
    - Good control on spends
    - Improved performance in Non Branded Business

- **Profit before Exceptional item and tax increases by 31%, aided by lower finance cost**

- **Group net profit significantly improves over prior year**
  - Improved operating performance, lower interest costs and lower exceptional items
    - In the current year non cash impairment taken for Australia Business whereas in the prior year non cash impairment was taken for US tea and Eastern Europe.
    - In the prior year, under IGAAP exceptional items included profit on sale of Non Core Investments amounting to Rs 328 crs, which is now being reported directly under Retained Earnings under Ind (AS).

- **Strong Balance sheet - Higher operating cash flows and lower operating working capital**
## Financial Highlights - PL

<table>
<thead>
<tr>
<th>Quarter ended Mar 31, 2017</th>
<th>Particulars</th>
<th>Year ended Mar 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>PY</td>
<td>Variance</td>
</tr>
<tr>
<td>1674</td>
<td>1598</td>
<td>76</td>
</tr>
<tr>
<td>(1526)</td>
<td>(1463)</td>
<td>(63)</td>
</tr>
<tr>
<td>148</td>
<td>135</td>
<td>13</td>
</tr>
<tr>
<td>17</td>
<td>26</td>
<td>(9)</td>
</tr>
<tr>
<td>(25)</td>
<td>(44)</td>
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<tr>
<td>140</td>
<td>117</td>
<td>23</td>
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<tr>
<td>(43)</td>
<td>(315)</td>
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<td>97</td>
<td>198</td>
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<td>(13)</td>
<td>(52)</td>
<td>39</td>
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<tr>
<td>84</td>
<td>250</td>
<td>334</td>
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<tr>
<td>(33)</td>
<td>(19)</td>
<td>(14)</td>
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<tr>
<td>51</td>
<td>269</td>
<td>320</td>
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<tr>
<td>31</td>
<td>(216)</td>
<td></td>
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<tr>
<td>0.5</td>
<td>(3.42)</td>
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</tr>
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</table>
### Financial Highlights - OCI

<table>
<thead>
<tr>
<th>Quarter ended Mar 31, 2017</th>
<th>Particulars</th>
<th>Year ended Mar 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>PY</td>
<td>Variance (In Rs crores)</td>
</tr>
<tr>
<td>51</td>
<td>(269)</td>
<td>320</td>
</tr>
<tr>
<td>112</td>
<td>(47)</td>
<td>159</td>
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<td>(145)</td>
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<td>(86)</td>
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<td>40</td>
<td>(32)</td>
<td>72</td>
</tr>
<tr>
<td>7</td>
<td>(138)</td>
<td>145</td>
</tr>
<tr>
<td>58</td>
<td>(407)</td>
<td>465</td>
</tr>
</tbody>
</table>

#### Other comprehensive income

- Changes in fair value of equity investment mainly reflects the increases in quoted share prices.
- Exchange difference reflects the impact of currency translation mainly on account of Brexit for our overseas subsidiaries in UK.
- Others primarily represent actuarial gain / loss on retirement benefits and cash flow hedges.
## Region-wise Income from Operations

<table>
<thead>
<tr>
<th>Quarter ended Mar 31, 2017</th>
<th>Particulars</th>
<th>Year ended Mar 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>PY</td>
<td>Variance</td>
</tr>
<tr>
<td>428</td>
<td>391</td>
<td>37</td>
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<tr>
<td>403</td>
<td>409</td>
<td>(6)</td>
</tr>
<tr>
<td>636</td>
<td>610</td>
<td>26</td>
</tr>
<tr>
<td><strong>1467</strong></td>
<td><strong>1410</strong></td>
<td><strong>57</strong></td>
</tr>
<tr>
<td>224</td>
<td>199</td>
<td>25</td>
</tr>
<tr>
<td>(17)</td>
<td>(11)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>1674</strong></td>
<td><strong>1598</strong></td>
<td><strong>76</strong></td>
</tr>
</tbody>
</table>

* Impacted by currency volatility due to Brexit. **Growth in underlying businesses**
The group has organised its business into Branded Segment and Non Branded Segment.

- Branded Segment is further sub-categorised as Branded Tea, Branded Coffee and the residual as Branded Others.

- Accordingly, the group has reported its segment results for these segments. This complies with Ind AS – 108 – Segment reporting principles, and is made effective from 1st April, 2016 and the previous quarter numbers have been regrouped/reclassified.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Segment Revenue</th>
<th>Segment Results</th>
<th>Capital Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In Rs Crores)</td>
<td>Mar 17</td>
<td>Mar 16</td>
</tr>
<tr>
<td>Branded Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tea</td>
<td>4804</td>
<td>4715</td>
<td>578</td>
</tr>
<tr>
<td>Coffee</td>
<td>1118</td>
<td>1119</td>
<td>179</td>
</tr>
<tr>
<td>Others</td>
<td>36</td>
<td>29</td>
<td>(22)</td>
</tr>
<tr>
<td>Total Branded Business</td>
<td>5958</td>
<td>5863</td>
<td>735</td>
</tr>
<tr>
<td>Non Branded Business</td>
<td>890</td>
<td>815</td>
<td>137</td>
</tr>
<tr>
<td>Less: Inter-segment Revenue</td>
<td>(68)</td>
<td>(42)</td>
<td></td>
</tr>
<tr>
<td>Un-allocable items</td>
<td></td>
<td></td>
<td>(210)</td>
</tr>
<tr>
<td>Total</td>
<td>6780</td>
<td>6637</td>
<td>662</td>
</tr>
</tbody>
</table>
IND(AS) – Policy Choices

Electives adopted on transition to IND (AS)

- **Plant Property and Equipment (PPE)**
  - To carry PPE at previous GAAP costs.

- **Foreign Currency Transition Reserve (FCTR)**
  - Set to zero as at transition date

- **Business Combination**
  - Not to re-account for past acquisition

- **Investment in entities outside the group**
  - Fair value impact routed through OCI

- **Investment in Subsidiaries, Associates and JVs in standalone financials**
  - Not to fair-value the investment in Subsidiaries, Associates and JVs – to carry at previous GAAP costs
IND(AS) – Reconciliation between IGAAP and IND(AS) representation for March 2016

- Expenditure adjusted with revenue based on the measurement principles of IND(AS), which were previously reflected as an expense as per IGAAP.
- Joint venture equity accounted as per IND(AS) as opposed to proportionate consolidation under IGAAP.
- Fair valuation of agricultural produce as per IND(AS)
- Recognition of finance cost under effective interest rate method for redemption premium on debentures, which was adjusted to reserves under IGAAP.
- In the PY, Under IGAAP, Profit on sale of non core investments were reflected in the PL statement whereas currently it is reflected under retained earnings as per the requirements under IND(AS)
- Other adjustments:
  - Actuarial gain/loss on employee benefits for Indian Companies accounted in Reserves
  - Expenditure on Bearer plants, now capitalised
  - IND(AS) transition adjustments of Associate entities
- Corresponding tax impact on the above as applicable

<table>
<thead>
<tr>
<th>Quarter ended Mar 31, 2016</th>
<th>Year ended Mar 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income from Operations</td>
<td>Profit from Operations</td>
</tr>
<tr>
<td>1966</td>
<td>132</td>
</tr>
<tr>
<td>(210)</td>
<td>1</td>
</tr>
<tr>
<td>(148)</td>
<td>(-)</td>
</tr>
<tr>
<td>(10)</td>
<td>8</td>
</tr>
<tr>
<td>(10)</td>
<td>8</td>
</tr>
<tr>
<td>1598</td>
<td>135</td>
</tr>
</tbody>
</table>

- Total Income from Operations
- Profit from Operations
- Group Consolidated Net Profit

- Adjustments:
  - Revenue
  - Equity Accounting of JV results
  - Agricultural Produce
  - Amortised cost adjustment on Long term Borrowings
  - Profit on sale of Non Core Investments
  - Other Adjustments
## Balance Sheet

<table>
<thead>
<tr>
<th>Rs Crs</th>
<th>As at March 31, 2017</th>
<th>As at March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders Fund</td>
<td>7185</td>
<td>7109</td>
</tr>
<tr>
<td>Gross Debt</td>
<td>786</td>
<td>1354</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7971</strong></td>
<td><strong>8463</strong></td>
</tr>
<tr>
<td>Total Fixed Assets including intangibles and Goodwill</td>
<td>4567</td>
<td>4701</td>
</tr>
<tr>
<td>Investment property</td>
<td>69</td>
<td>70</td>
</tr>
<tr>
<td>Investments (Non current)</td>
<td>1284</td>
<td>1122</td>
</tr>
<tr>
<td>Net Operating Working Capital</td>
<td>1232</td>
<td>1511</td>
</tr>
<tr>
<td>Other Assets (net)</td>
<td>819</td>
<td>1059</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7971</strong></td>
<td><strong>8463</strong></td>
</tr>
</tbody>
</table>

- **Reduction of Borrowings**
- **Significant Improvement in the operating working capital**
- **Increase in Investment mainly on account of fair valuation**
Over the last financial year the market capitalization has increased by 24%