



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

TATA GLOBAL BEVERAGES LIMITED

Kirloskar Business Park Block-C 3rd & 4th Floor Hebbal Bengaluru-560 024

Tel 91-80-67171200 Fax 91-80 6717 1201

Registered Office 1 Bishop Lefroy Road Kolkata 700 020

Corporate Identity Number (CIN) - L15491WB1962PLC031425

E-mail id - investor.relations@tataglobalbeverages.com

Website address – www.tataglobalbeverages.com



Analyst Meet for FY 2016-17
May 30, 2017

Vision and Purpose



TATA GLOBAL BEVERAGES

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



A SUPER BREW FOR A SUPER YOU

Supers range - UK



Tata Teaveda



Himalayan Sparkling & Flavoured



TGP - New variants



Agenda

1. BUSINESS PERFORMANCE

2. FINANCIAL OVERVIEW



Business Performance

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)

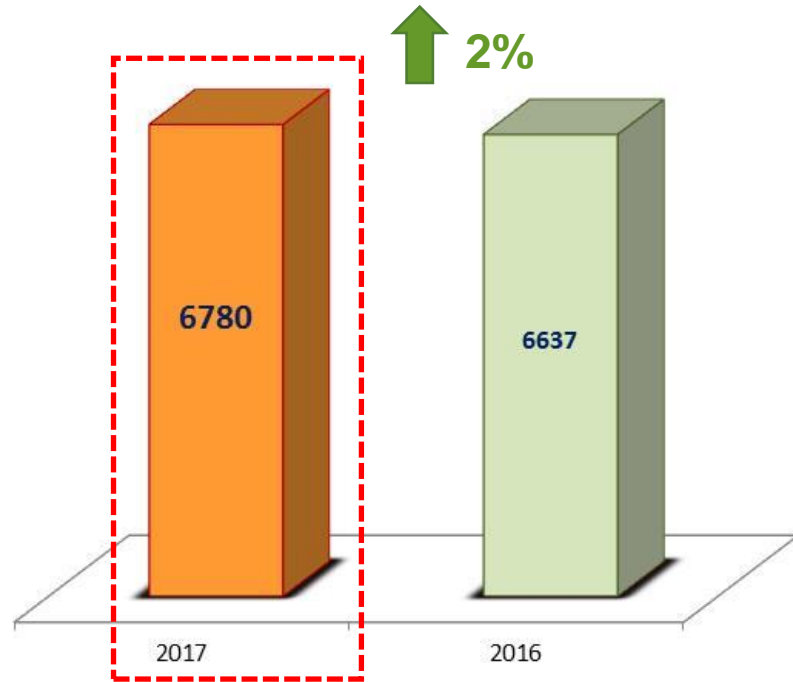
Increased focus on under performing businesses

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

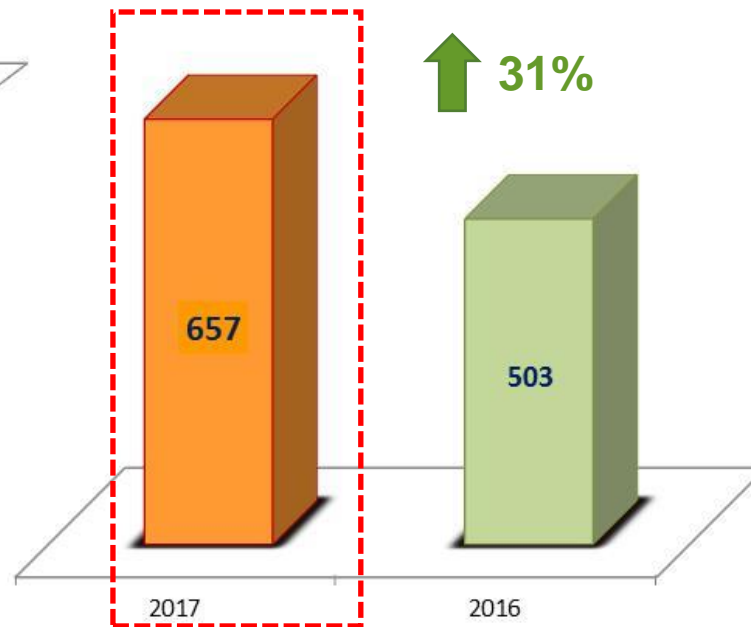


Snapshot of Financials

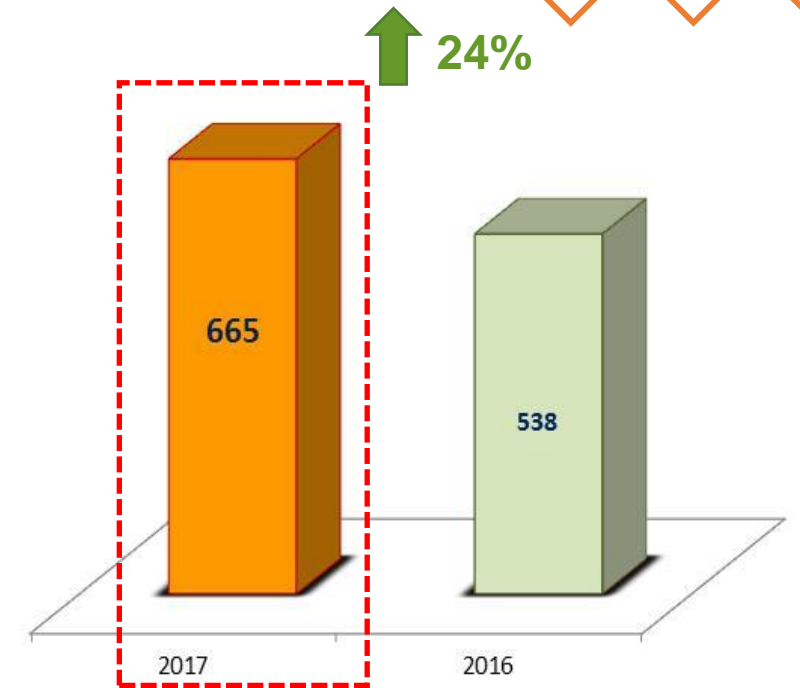
Rs Crores



Total Operating Income



Profit before Exceptional item and Tax



Total Operating Profit

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



Quarter ended Mar 31, 2017			Particulars (In Rs crores)	Year ended Mar 31, 2017		
Actual	PY	Variance		Actual	PY	Variance
1674	1598	76	Revenue from operations	6780	6637	143
(1526)	(1463)	(63)	Total Expenses	(6115)	(6099)	(16)
148	135	13	Operating Profit	665	538	127
17	26	(9)	Other Income	83	82	1
(25)	(44)	19	Finance Cost	(91)	(117)	26
140	117	23	Profit Before Exceptional Items	657	503	154
(43)	(315)	272	Exceptional Items	5	(333)	338
97	(198)	295	Profit Before Tax	662	170	492
(13)	(52)	39	Tax	(198)	(200)	2
84	(250)	334	Profit After Tax	464	(30)	494
(33)	(19)	(14)	Share of Profit from JVs & Associates	(9)	(7)	(2)
51	(269)	320	Consolidated Group Net Profit	455	(37)	492
31	(216)		Attributable to owners of the parent	389	(6)	
0.5	(3.42)		Earning Per Share (not annualised for the Qtr) (Rs)	6.17	(0.09)	

Financial Highlights - OCI



Quarter ended Mar 31, 2017			Particulars (In Rs crores)	Year ended Mar 31, 2017		
Actual	PY	Variance		Actual	PY	Variance
51	(269)	320	Consolidated Group Net Profit	455	(37)	492
112	(47)	159	<i>Changes in Fair Value of Equity Instruments</i>	259	(137)	396
(145)	(59)	(86)	<i>Exchange difference on translation of foreign operations</i>	(567)	151	(718)
40	(32)	72	<i>Others</i>	30	(61)	91
7	(138)	145	Other Comprehensive Income	(278)	(47)	(231)
58	(407)	465	Total Comprehensive income	177	(84)	261

➤ 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



Quarter ended Mar 31, 2017			Particulars (In Rs Crores)	Year ended Mar 31, 2017		
Actual	PY	Variance		Actual	PY	Variance
428	391	37	CAA	1592	1481	111
403	409	(6)	EMEA*	1548	1637	(89)
636	610	26	India Brands	2818	2745	73
1467	1410	57	Total Brands	5958	5863	95
224	199	25	Total Non Branded Operations	890	815	75
(17)	(11)	(6)	Other and Eliminations	(68)	(42)	(26)
1674	1598	76	TOTAL OPERATING INCOME	6780	6637	143

* Impacted by currency volatility due to Brexit. **Growth in underlying businesses**

Segment - YTD



Particulars (In Rs Crores)	Segment Revenue		Segment Results		Capital Employed	
	Mar 17	Mar 16	Mar 17	Mar 16	Mar 17	Mar 16
Branded Business						
Tea	4804	4715	578	579	3350	3606
Coffee	1118	1119	179	129	1584	1678
Others	36	29	(22)	(28)	4	20
Total Branded Business	5958	5863	735	680	4938	5304
Non Branded Business	890	815	137	72	854	801
Less: Inter-segment Revenue	(68)	(42)				
Un-allocable items			(210)	(582)	1392	1003
Total	6780	6637	662	170	7185	7109

- 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.

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



Quarter ended Mar 31, 2016				Year ended Mar 31, 2016		
Total Income from Operations	Profit from Operations	Group Consolidated Net Profit	Rs in Crs	Total Income from Operations	Profit from Operations	Group Consolidated Net Profit
1966	132	85	IGAAP	8111	532	334
(210)			Adjustments:			
(148)	1	(-)	Revenue	(844)		(2)
	(6)	(6)	Equity Accounting of JV results	(620)	11	(25)
		(4)	Agricultural Produce		(33)	(16)
		(328)	Amortised cost adjustment on Long term Borrowings			(328)
(10)	8	(16)	Profit on sale of Non Core Investments	(10)	28	-
1598	135	(269)	INDAS	6637	538	(37)

- 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

Balance Sheet



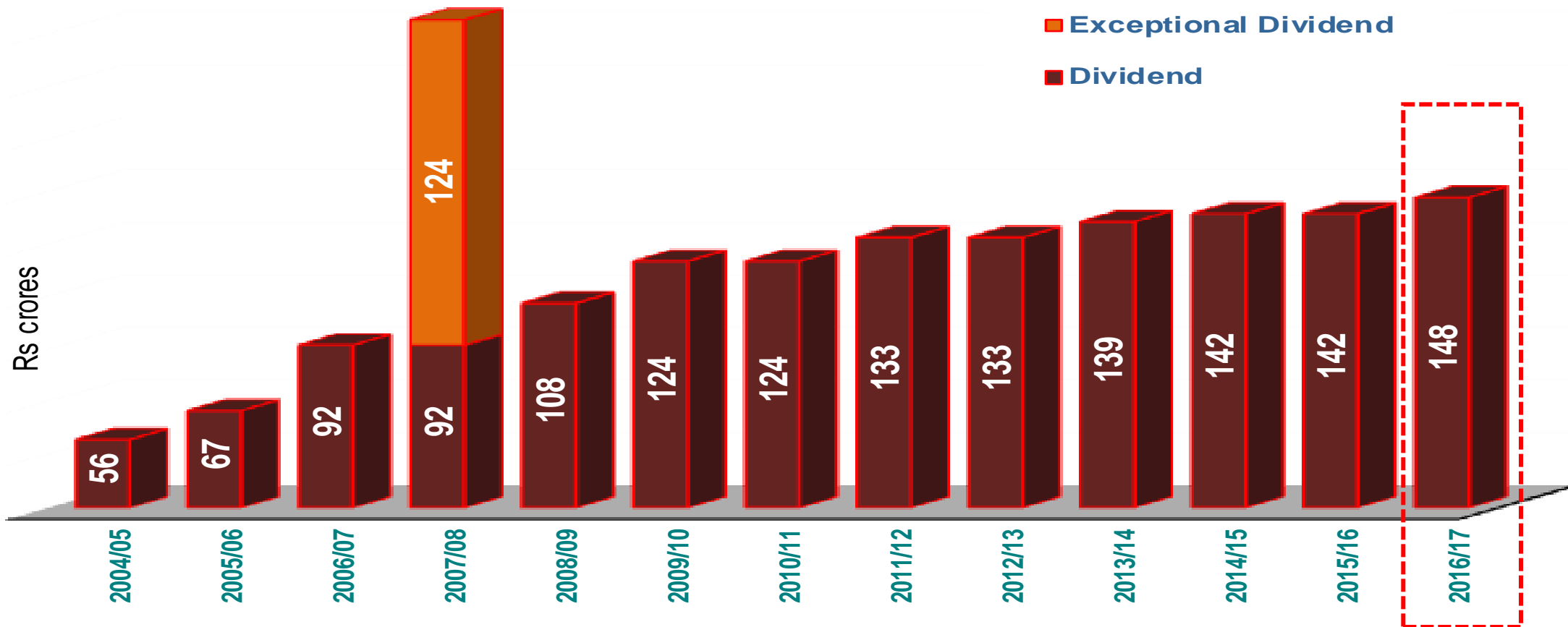
Rs Crs	As at March 31, 2017	As at March 31, 2016
Shareholders Fund	7185	7109
Gross Debt	786	1354
TOTAL	7971	8463
Total Fixed Assets including intangibles and Goodwill	4567	4701
Investment property	69	70
Investments (Non current)	1284	1122
Net Operating Working Capital	1232	1511
Other Assets (net)	819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

- Reduction of Borrowings
- Significant Improvement in the operating working capital
- Increase in Investment mainly on account of fair valuation

Dividend



Over the last financial year the market capitalization has increased by 24%





Thank you