Agenda

1. BUSINESS PERFORMANCE

2. FINANCIAL OVERVIEW
Business Performance
Key Highlights

Significant increase in Share Price and Market Capitalisation in the quarter

• Operating Income for the quarter increased by 6% in underlying terms
  • Strong performance in India
  • Good performance in developed markets despite retailer pressures and decline in black tea category

• Good improvement in Profit before Exceptional Items and Group Net Profit
  • Good cost management
  • Lower finance cost

• Commodity costs
  • Softness in India tea prices
  • International tea prices impacted due to Brexit
  • Coffee prices volatile

• Currency Markets
  • Brexit impact

• Increased focus on under performing businesses
  • Exit from China & restructuring of Russian operations
Snapshot of Financials – Q2

Strong performance in Quarter 2

Total Operating Income
- 2017: 1,692
- 2016: 1,622
- Change: 4%
  (up 6% in underlying terms)

Profit before Exceptional Items
- 2017: 208
- 2016: 170
- Change: 23%

Group Consolidated Net Profit
- 2017: 154
- 2016: 140
- Change: 11%
Snapshot of Financials – H1

**Strong performance in H1**

- **Total Operating Income**: 1% (up 4% in underlying terms)
  - 2017: 3397
  - 2016: 3357

- **Profit before Exceptional Items**: 15%
  - 2017: 427
  - 2016: 371

- **Group Consolidated Net Profit**: 14%
  - 2017: 296
  - 2016: 259
Performance Update – Branded Business

• Sales improvement for quarter and year to date
  • Supported by a good volume growth in later half of Q2, post transition to GST
• Continue to maintain Volume and Value leadership
• Benefit of commodity cost
• Continued investment behind Jaago Re Version 2 campaign
• Various new launches –
  • Tata Cha – Out of Home (OOH) initiative - Pilot launch of its tea café in Bangalore in November
  • Fruski - Tea based ready to drink beverage – pilot launch during the period
  • Tata Tea Elaichi - Growth continuing at a robust pace
  • Tata Coffee Grand – Focus on core markets reflecting growth in market shares
    • New Hot Tea shop (HTS) variant and Roast and Ground Bags adding to the topline
UK

- **UK grows** market shares predominantly in non black tea category, despite
  - Category decline in everyday black tea
  - Continuing competitor intensity
- **Green Tea** continues to grow with improvement in Super Greens Tea
- Multimedia campaign of Tetley Supers with a focus on “Beauty” and “Immune” variant
- **Tetley Indulgence Range** launched during the period
- Topline growth in **Teapigs** – our super premium tea brand
- **Focus on improving customer engagement and collaborations** - Reflected through Advantage Group Trade Attitude Survey
Performance Update – Branded Business

US
• Strong topline improvement in **Branded Coffee** for Quarter 2
• Benefits of Keurig K-cup direct sales
• Recent Launches –
  • **New Infusions range** – Super Spice, B6 Metabolism, Acai Glow – Sales gathering pace
  • **Limited Addition** – Pumpkin Spice
• Improved performance in Tetley Super

CANADA
• Topline performance improves
• Continue to maintains volume and value leadership
• New launches during the period
  • Tetley RTD in 3 flavours - **Lemon Ginger; Orange Blossom Peach Mango; Hibiscus Pomegranate Berry**
  • **Tetley pink pack launched to support Canadian Cancer Society** - Favorable reviews from customers

Rest of EMEA
• Stable performance in European markets
Performance Update – Non Branded Business

Tata Coffee

- Performance impacted by lower sales both in ICD and plantation

Instant Tea

- Instant tea business reflects a stable performance

Associate (APPL, KDHPC and EMSPL)

- Good performance across all associates driven by higher volumes and improved realizations.
Performance Update – Incubatory Businesses

Starbucks

Opens its 100th store on its fifth anniversary in India

- Strong Topline Growth and store-level profitability
- Growth in new stores and new formats to continue
- Aims to increase diversity and boost the proportion of women in its workforce to 40% women by 2022
- Tata Starbucks poised to enter its 7th city, Kolkata in early 2018
Performance Update – Incubatory Businesses

NourishCo

- Double digit growth continues for Tata Gluco Plus & Himalayan
- Recorded profit at operating level
- Himalayan demonstrated good growth in traditional trade, e-commerce and key accounts
- Recent Launches - Himalayan Sparkling, Flavoured Himalayan and Tata Gluco Plus new variants (Jeera and Rose) launched during the period

Middle East

- Good Topline growth
  - Both in Tetley and Tata Tea Brands
  - Loose Tea introduced under Tetley portfolio – Strong and Gold variants

Bangladesh

- Improvement in topline driven by volumes
Focus on Strategic Priorities remains…..

- Continued investment behind building core brands through **Jaago Re campaign**
- Market Share gain in UK, across most categories
- **Coffee** - Renegotiation of Keurig Contract

- **Tata Coffee** - Tata Coffee infused in aggregate an amount of USD 6 Million for green field freeze dried instant coffee facility in Vietnam
- **Tata Starbucks** opens its 100\textsuperscript{th} store in Mumbai
- **Tata Cha** – Out of Home (OOH) initiative - Pilot launch of its tea café in Bangalore in November
- **Himalayan** - Entry into US market

- **China JV Sale** – Exit Completed in July 2017
- **Russia** – Restructuring completed on 3\textsuperscript{rd} November 2017
- Cost Charters
Tata Global Beverages participates as part of the “One Tata” pavilion at World Food India

**THEME – Transforming the food economy**

- The **largest ever gathering** of investors, manufacturers, producers, food processors, policy makers, and organizations from the global F&B ecosystem
- Opportunities for **investment and trade** in the F&B processing sector for Indian and International companies
- Encompassing the entire F&B spectrum from **production to consumption**
Financial Overview
Financial Overview – Operating Performance

Sixth consecutive quarter of operating profit growth

Quarter 2 highlights -

Operating income higher by 4% (6% in underlying currency)

- Growth in India Tea Brands
- Improved performance in US branded coffee
Partly Offset by
- Underperformance in Non Branded Operations

Group Profit before exceptional items improves by 23% (24% in underlying currency)

- Good Cost management
- Lower finance costs
Partly offset by
- Increase in commodity cost driven by US coffee and tea cost in UK

Group consolidated net profits significantly higher by 11%
## Financial Highlights - PL

<table>
<thead>
<tr>
<th>Quarter ended Sep 30, 2017</th>
<th>Particulars</th>
<th>Year to date Sep 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>PY</td>
</tr>
<tr>
<td>Revenue from operations</td>
<td>1692</td>
<td>1622</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>1508</td>
<td>1464</td>
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<tr>
<td>Operating Profit</td>
<td>184</td>
<td>158</td>
</tr>
<tr>
<td>Other Income</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>(10)</td>
<td>(23)</td>
</tr>
<tr>
<td>Profit Before Exceptional Items</td>
<td>208</td>
<td>170</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>(12)</td>
<td>-</td>
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<tr>
<td>Profit Before Tax</td>
<td>196</td>
<td>170</td>
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<tr>
<td>Tax</td>
<td>(73)</td>
<td>(62)</td>
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<tr>
<td>Profit After Tax</td>
<td>123</td>
<td>108</td>
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<tr>
<td>Share of Profit from JVs &amp; Associates</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td>Consolidated Group Net Profit</td>
<td>154</td>
<td>140</td>
</tr>
<tr>
<td>Attributable to owners of the parent</td>
<td>144</td>
<td>127</td>
</tr>
<tr>
<td>Earning Per Share (not annualised) (Rs)</td>
<td>2.28</td>
<td>2.01</td>
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### Financial Highlights - OCI

<table>
<thead>
<tr>
<th>Quarter ended Sep 30, 2017</th>
<th>Particulars</th>
<th>Year to date Sep 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>PY</td>
</tr>
<tr>
<td>Consolidated Group Net Profit</td>
<td>154</td>
<td>140</td>
</tr>
<tr>
<td>Changes in Fair Value of Equity Instruments</td>
<td>43</td>
<td>106</td>
</tr>
<tr>
<td>Exchange difference on translation of foreign operations</td>
<td>164</td>
<td>(245)</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>(33)</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>209</td>
<td>(172)</td>
</tr>
<tr>
<td>Total Comprehensive income</td>
<td>363</td>
<td>(32)</td>
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</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 in the PY. Increase in sterling from March, hence the favourable currency translation for the current year.
- Others primarily represent actuarial gain / loss on retirement benefits and cash flow hedges.
Region-wise Revenue from Operations

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter ended Sep 30, 2017</th>
<th>Year ended Sep 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>PY</td>
</tr>
<tr>
<td>CAA</td>
<td>415</td>
<td>337</td>
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<tr>
<td>EMEA*</td>
<td>362</td>
<td>395</td>
</tr>
<tr>
<td>India Brands</td>
<td>727</td>
<td>691</td>
</tr>
<tr>
<td>Total Brands</td>
<td>1504</td>
<td>1423</td>
</tr>
<tr>
<td>Total Non Branded Operations</td>
<td>198</td>
<td>212</td>
</tr>
<tr>
<td>Others and Eliminations</td>
<td>(10)</td>
<td>(13)</td>
</tr>
<tr>
<td>TOTAL OPERATING INCOME</td>
<td>1692</td>
<td>1622</td>
</tr>
</tbody>
</table>

* Impacted by currency volatility due to Brexit.
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.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Segment Revenue</th>
<th>Segment Results</th>
<th>Capital Employed</th>
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<tbody>
<tr>
<td></td>
<td>Sep 17</td>
<td>Sep 16</td>
<td>Sep 17</td>
</tr>
<tr>
<td>Branded Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tea</td>
<td>2454</td>
<td>2381</td>
<td>349</td>
</tr>
<tr>
<td>Coffee</td>
<td>540</td>
<td>557</td>
<td>91</td>
</tr>
<tr>
<td>Others</td>
<td>18</td>
<td>14</td>
<td>(5)</td>
</tr>
<tr>
<td>Total Branded Business</td>
<td>3012</td>
<td>2953</td>
<td>435</td>
</tr>
<tr>
<td>Non Branded Business</td>
<td>407</td>
<td>435</td>
<td>46</td>
</tr>
<tr>
<td>Less: Inter-segment Revenue</td>
<td>(22)</td>
<td>(32)</td>
<td>(61)</td>
</tr>
<tr>
<td>Un-allocable items</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3397</td>
<td>3357</td>
<td>420</td>
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</table>
## Balance Sheet

<table>
<thead>
<tr>
<th>Details (Rs cr)</th>
<th>30-Sep-17</th>
<th>31-Mar-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>3666</td>
<td>3498</td>
</tr>
<tr>
<td>Other non Current Assets</td>
<td>2253</td>
<td>2736</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>771</td>
<td>780</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalent</td>
<td>1669</td>
<td>1018</td>
</tr>
<tr>
<td>Asset on Disposal group (net)</td>
<td>75</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>8434</td>
<td>8058</td>
</tr>
<tr>
<td><strong>Equities &amp; Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Equity</td>
<td>7607</td>
<td>7185</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td>827</td>
<td>873</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>8434</td>
<td>8058</td>
</tr>
</tbody>
</table>
Share Performance & Market Capitalisation

**TGBL Share Price**

- Mar-17: 150.55
- Apr-17: 153.10
- May-17: 149.40
- Jun-17: 150.65
- Jul-17: 169.55
- Aug-17: 198.00
- Sep-17: 205.80
- Oct-17: 226.95
- Nov-17: 246.65

**Price as on 14th Nov 2017**

**Touched a high of Rs 248 on 14th Nov 2017**

**Market Cap (Rs Cr)**

- Mar-17: 9,501
- Apr-17: 9,662
- May-17: 9,429
- Jun-17: 9,508
- Jul-17: 10,700
- Aug-17: 12,496
- Sep-17: 12,988
- Oct-17: 14,323
- Nov-17: 15,566

*Price as on 14th Nov 2017*

Touched a high of Rs 248 on 14th Nov 2017
Thank you