May 24, 2016

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
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

The Secretary
Calcutta Stock Exchange Asscn. Ltd.
7 Lyons Range
Kolkata 700 001
Scrip Code – 1000027 (Demat)
27 (Physical)

National Stock Exchange of India Ltd.
Wholesale Debt. Market Segment
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex
Mumbai 400 051

Subject: Presentation to Analysts – results for year ended 31.03.2016

Dear Sirs,

Further to our letter dated 06 May, 2016 we enclose herewith a copy of the Presentation made at the Analyst’s Meet held today.

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
May 24, 2016
1. EXTERNAL ENVIRONMENT AND EMERGING TRENDS

2. TGBL’S STRATEGIC PRIORITIES

3. FY2015-16 – BUSINESS PERFORMANCE

4. FINANCIAL OVERVIEW
EXTERNAL ENVIRONMENT AND EMERGING TRENDS
## External Environment

### Shift in market trends
- Mainstream black category volumes declining in key international markets
- Premium and super-premium segments growing

### Competitive intensity
- High level of promotional activity to protect market share
- Aggressive trading environment and retailer consolidation

### Commodity costs
- Higher cost of Kenyan and Malawi teas due to adverse climate;
- Indian tea prices softer especially for plainer varieties
- Coffee commodity lower than previous highs

### Macroeconomic environment
- Russia economic downturn
- Adverse movement in RUB, GBP, AUD and CAD

### Implications
- Focus on emerging trends – Health & Wellness, Premiumisation, Convenience
  - Expand non-black portfolio
- Brand building, new product development, operating efficiencies
- Strategic buying, Blend optimisation
- Cost management, Develop new growth avenues
Emerging trends

Health & Wellness

- Growing preference for natural and healthy alternatives
- Carbonated Soft Drinks category growth declining in developed markets

Growth beyond mainstream black tea

- Non-black segment growing faster than black
- Bias towards variety and novelty

Category growth – USA

<table>
<thead>
<tr>
<th>Category</th>
<th>2010-2015 CAGR</th>
<th>2015-2020 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTD Coffee</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>RTD Tea</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Bottled Water</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>Carbonates</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Sports &amp; Energy Drinks</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Non-black vs Black – relative growth

<table>
<thead>
<tr>
<th>Country</th>
<th>2015-2020 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>1.3x</td>
</tr>
<tr>
<td>USA</td>
<td>2.0x</td>
</tr>
<tr>
<td>UK</td>
<td>3.7x</td>
</tr>
<tr>
<td>India</td>
<td>1.9x</td>
</tr>
</tbody>
</table>

Source: Euromonitor (based on value @ manufacturer selling price)
Emerging trends

Premiumisation and format innovation

- Single-serve pod systems growing for coffee as well as tea
- Innovative packaging formats emerging e.g. pyramid tea bags
- Tea and Coffee as artisanal products

New channels

- Emergence of specialty tea store and café concepts
- E-commerce players focused on tea and coffee – emphasis on personalisation
TGBL’S STRATEGIC PRIORITIES
TGBL’s strategic priorities

Base business rejuvenation

- Focus on key brands in core categories: Tea, Coffee, Water
- Profitable growth in core businesses: India, UK, Canada, USA (Coffee), Coffee Extractions
  - Focus on brand building, premiumisation and enhancing distribution reach
  - Grow non-black tea segments – green, fruit & herbal
  - Develop alternate channels (e.g. foodservice, e-commerce)

Invest for growth

- Continue growth momentum in India JVs: Starbucks and Nourishco
- Accelerate expansion of super premium brand Teapigs into new markets
- Scale up businesses in Middle East, Australia (Coffee) and USA (Tea)

Drive Innovation agenda

- Commit resources to bolster R&D pipeline and launch new product lines with a focus on specific themes: premiumisation, health & wellness and convenience (new formats)
- Strengthen innovation and new product development processes

Operational effectiveness

- Reinforce organizational capabilities
- Actively manage commodity costs: strategic buying, blend optimisation
- Cost management
Snapshot of financials

Total Operating Income

- 2%

Rs Crs

2016: 8111
2015: 7993

Total Operating Profits

- 17%

Rs Crs

2016: 532
2015: 642

Group Net Profits

+ 32%

Rs Crs

2016: 326
2015: 248
FY 15-16 Business Summary

- **New product launches – drive towards premiumisation**
  - 3 new launches in India
  - Successful Super Fruits launch in UK

- **Brand building efforts**
  - New Tetley logo, packaging and media campaign roll out
  - Tata Tea Premium restage

- **Non-black portfolio growth**
  - Green tea showing impressive growth in key markets
  - Superpremium brand Teapigs accelerating expansion

- **Businesses where we are investing for growth**
  - Starbucks and Nourishco expanding presence
  - Market share uptick in the Middle East
  - MAP brand growing in Australia on the back of single-serve coffee capsules
New product launches

- Tata Tea Gold Mixture
- Tata Tea Fusion
- Tata Coffee Grand (India)
- Tetley Signature Collection (Canada)
- Tetley Super Greens/Fruits (UK)
- EOC Coffee Instant Can/Jar (USA)
- Teapigs Matcha drink (USA)
Investing behind power brands

POWER BRANDS / HIGH PRIORITY BRANDS

Super Premium

Premium

Main-stream

Value

LOCAL CHAMPIONS

Global communications
Higher investment
S&F/Management focus

Local communications
Lower investment
Regional management focus

Tata Global Beverages
Investing behind power brands: Tetley brand re-stage

Tetley brand re-stage meets key objectives:

✓ Enhance brand positioning
✓ Modernise & Premiumise brand identity
✓ Improve fixture navigation & shopability

New logo and packaging

Brand new TV campaign amplified with print and PR

Celebrating success at iconic moments in British history where there is a clear role for tea as a catalyst

Winning the war
Creating the best music
Winning the world cup
Green tea and super premium segments growing in key markets

**UK Green Tea**
- Our growth faster than category growth in both volume and value terms
- Supergreens gaining momentum – voted product of the year

**India Green tea**
- Growth rate in double digits
- Investments in Modern trade
- Brand activation - increasing engagement on social media
- Maintains market leadership position in this category

**Teapigs**
- Double digit growth rate
- #1 super premium brand in UK and #2 in Canada
- Gaining traction in e-commerce and foodservice channels
- Expanding presence in USA as well as developing new export markets
Performance Update – India

➢ **Base Business – Grow current brands and distribution**
  - Maintained volume and value leadership
  - Growth in national as well as regional brands
    - Brand re-stage for Tata Tea Premium completed
    - Turnaround for Kanan Devan
  - White space: Successful new product launch in Maharashtra – Tata Tea Gold Mixture

➢ **Base Business – Upgrade and grow value/serve**
  - Significant growth in Green tea continues
  - Launch of Tata Tea Fusion

➢ **Expand portfolio beyond black and green tea**
  - Successful launch of Tata Coffee Grand – high impact launch created desired buzz and visibility

➢ **Good management on commodity costs**

**Topline growth of 7%**
Performance Update – Key International markets

- **UK**
  - Green tea sales continue to perform well – led by Supergreens
  - Moderate growth in retail channel; strong performance with top customers.
  - New packaging and media campaign well received
  - Successful launch of Super-fruits

- **USA**
  - Moderate growth in EOC in-market volumes in an aggressive competitive environment
  - Impact of high Coffee costs in the beginning of the year
  - Tetley continues to gain share in black and green segments
  - New launches:
    - Incremental sales from the new Can and Instant coffee products
    - Tetley Herbal Infusions roll-out underway.

- **Canada**
  - Maintains volume and value leadership
  - New products continue to gain distribution
    - Tetley Signature Collection launch
    - Teapigs is now #2 brand in the super-premium category
Performance Update – Businesses in investment phase

- **Starbucks JV**
  - Topline growth with good store-level profitability
  - Currently operating 82 stores
  - Expansion to continue – new cities, new formats
  - Focus on reducing costs through localisation and other initiatives

- **Nourishco**
  - Tata Gluco Plus has demonstrated significant growth
  - Himalayan performance steady; reworking Tata Water Plus model
  - Focus on enhancing market penetration and brand building

- **Middle East**
  - Improving market share in 2 key Gulf markets, Saudi Arabia and UAE
  - Tetley is also making good progress in the smaller GCC markets
  - Kanan Devan relaunch successful

- **MAP (Australia Coffee)**
  - Topline growth led by single-serve capsule sales in grocery channel
  - Improving market position
  - Expanding presence in channels beyond grocery
Performance Update – Non Branded Business

- **Instant Tea**
  - Topline growth in US and other export markets
  - Lower input costs boosts profitability
  - China business yet to stabilize

- **Plantations**
  - Topline growth aided by good pepper/coffee sales
  - Coffee improvements due to Robusta
  - Tea plantations impacted due to lower commodity costs and wage revision

- **Instant Coffee**
  - Stable performance
  - Growth led by improved agglomerate sales
Awards and Achievements

- **Over 50 accolades for the Power of 49 campaign**
- **Eight O’Clock Coffee wins two Reggies**
- **Tetley Super Green Tea awarded UK Product of the Year 2016**
- **Tetley in UK wins five Great Taste Awards!**
- **TGB wins at the Effie Awards – Gold and Bronze**
- **Website of the Year Award 2015 in Consumer Goods category**
- **Tata Coffee wins two awards at the 12th Golden Leaf India Awards 2016**
Financial Overview

For the year

- **Revenues are higher**
  - Improvement in topline in underlying terms in India (branded tea business and JVs).
  - Higher revenue in Non Branded Business
  - Lower turnover in international business because of currency translation (RUB, GBP, AUD, CAD), market growth rates and competitive intensity

- **Operating profit impacted**
  - Higher commodity costs - International tea prices remained firm whereas soft prices prevailed in India. Coffee commodity prices lower than previous highs.
  - competitive intensity,
  - higher spends behind new initiatives and capability development

- **Exceptional items mainly comprises of**
  - Profit on sales of some non core investments, offset by
  - Non Cash impairments taken in Eastern Europe and US – macro economic stability, decline in category growth rate and higher competitive intensity.

- **Significant Growth in Group Net Profits**
  - Exceptional items
  - Lower interest costs
  - Lower effective tax rates
## Financial Highlights

<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>1966</td>
<td>1923</td>
</tr>
<tr>
<td>EBIT</td>
<td>132</td>
<td>163</td>
</tr>
<tr>
<td>Other Income</td>
<td>16</td>
<td>8</td>
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<tr>
<td>Finance Cost</td>
<td>-18</td>
<td>-18</td>
</tr>
<tr>
<td>Profit Before Exceptional Items</td>
<td>130</td>
<td>153</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>30</td>
<td>-103</td>
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<tr>
<td>Profit Before Tax</td>
<td>160</td>
<td>50</td>
</tr>
<tr>
<td>Tax</td>
<td>-52</td>
<td>-35</td>
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<tr>
<td>Profit After Tax</td>
<td>108</td>
<td>15</td>
</tr>
<tr>
<td>Share of Profit from Associates</td>
<td>-23</td>
<td>-24</td>
</tr>
<tr>
<td>Minority Interest in consolidated profit</td>
<td>21</td>
<td>13</td>
</tr>
<tr>
<td>Consolidated Group Profit</td>
<td>107</td>
<td>4</td>
</tr>
<tr>
<td>Earning Per Share (Rs)</td>
<td>1.69</td>
<td>0.06</td>
</tr>
<tr>
<td>Particulars</td>
<td>Unaudited Three months ended</td>
<td>Audited Year ended</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td></td>
<td>March 31 2016</td>
<td>December 31 2015</td>
</tr>
<tr>
<td>Income from Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales / Income from Operations (Net of excise duty)</td>
<td>1927.99</td>
<td>2050.63</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>37.58</td>
<td>30.84</td>
</tr>
<tr>
<td><strong>Total Income from Operations (Net)</strong></td>
<td><strong>1965.57</strong></td>
<td><strong>2081.47</strong></td>
</tr>
<tr>
<td>(a) Cost of Materials Consumed</td>
<td>850.09</td>
<td>898.59</td>
</tr>
<tr>
<td>(b) Purchase of stock in trade</td>
<td>86.41</td>
<td>81.54</td>
</tr>
<tr>
<td>(c) Changes in inventories of finished goods, work in progress and stock in trade</td>
<td>(28.63)</td>
<td>12.54</td>
</tr>
<tr>
<td>(d) Employee Benefits Expense</td>
<td>229.29</td>
<td>238.57</td>
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<tr>
<td>(e) Depreciation and Amortisation Expenses</td>
<td>33.87</td>
<td>38.02</td>
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<tr>
<td>(f) Advertisement and Sales charges</td>
<td>337.47</td>
<td>359.30</td>
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<tr>
<td>(g) Other Expenses</td>
<td>324.90</td>
<td>318.99</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>1833.42</strong></td>
<td><strong>1947.35</strong></td>
</tr>
<tr>
<td>Profit from Operations before Other Income, Finance Costs &amp; Exceptional Items</td>
<td>132.15</td>
<td>134.12</td>
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<tr>
<td>Other Income</td>
<td>15.73</td>
<td>9.46</td>
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<tr>
<td>Profit from ordinary activities before Finance Costs &amp; Exceptional Items</td>
<td>147.88</td>
<td>143.58</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(18.15)</td>
<td>(22.68)</td>
</tr>
<tr>
<td>Profit from ordinary activities after Finance Costs but before Exceptional Items</td>
<td>129.73</td>
<td>120.90</td>
</tr>
<tr>
<td>Exceptional Items (Net)</td>
<td>30.00</td>
<td>(16.46)</td>
</tr>
<tr>
<td>Profit from ordinary activities before Tax</td>
<td>159.73</td>
<td>110.44</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>(51.87)</td>
<td>(48.17)</td>
</tr>
<tr>
<td><strong>Net Profit after Tax</strong></td>
<td><strong>107.86</strong></td>
<td><strong>62.27</strong></td>
</tr>
<tr>
<td>Share of Profit/(Loss) from Associates</td>
<td>(22.82)</td>
<td>6.22</td>
</tr>
<tr>
<td>Minority Interest in Consolidated Profit</td>
<td>21.49</td>
<td>(9.34)</td>
</tr>
<tr>
<td><strong>Group Consolidated Net Profit</strong></td>
<td><strong>106.53</strong></td>
<td><strong>59.15</strong></td>
</tr>
<tr>
<td>Paid-up equity share capital (Face value of Re 1 each)</td>
<td>63.11</td>
<td>63.11</td>
</tr>
<tr>
<td>Reserves excluding Revaluation Reserves</td>
<td>5614.58</td>
<td>5388.45</td>
</tr>
<tr>
<td>Earnings per share (Basic &amp; Diluted)(not annualised for quarter end) - Rs</td>
<td>1.69</td>
<td>0.94</td>
</tr>
<tr>
<td>Quarter ending March</td>
<td>Particulars</td>
<td>Year ending March</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>PY</td>
</tr>
<tr>
<td></td>
<td>530</td>
<td>499</td>
</tr>
<tr>
<td></td>
<td>516</td>
<td>527</td>
</tr>
<tr>
<td></td>
<td>680</td>
<td>651</td>
</tr>
<tr>
<td></td>
<td>1,725</td>
<td>1,676</td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>209</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>37</td>
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<tr>
<td></td>
<td>1,966</td>
<td>1,923</td>
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</tbody>
</table>
## Balance Sheet

<table>
<thead>
<tr>
<th>Particulars (In Rs Crores)</th>
<th>March 2016</th>
<th>March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOURCES OF FUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholder’s Funds</td>
<td>6600</td>
<td>6368</td>
</tr>
<tr>
<td>Borrowings</td>
<td>1182</td>
<td>1324</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td>446</td>
<td>461</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>1390</td>
<td>1358</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9618</strong></td>
<td><strong>9511</strong></td>
</tr>
<tr>
<td><strong>APPLICATION OF FUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets:</td>
<td></td>
<td></td>
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<tr>
<td>Goodwill</td>
<td>3792</td>
<td>3892</td>
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<tr>
<td>Others Fixed Assets</td>
<td>1101</td>
<td>1077</td>
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<tr>
<td>Investments</td>
<td>609</td>
<td>622</td>
</tr>
<tr>
<td>Cash &amp; Other Deposits</td>
<td>1198</td>
<td>1225</td>
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<tr>
<td>Non Current Assets</td>
<td>296</td>
<td>212</td>
</tr>
<tr>
<td>Current Assets</td>
<td>2622</td>
<td>2483</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9618</strong></td>
<td><strong>9511</strong></td>
</tr>
</tbody>
</table>
Dividend declared 225%, same as PY.
Thank you