



TATA GLOBAL BEVERAGES

Presentation on Half Yearly Results

Analyst Meet
November 2014





Agenda

- Key Themes**
- Performance Highlights**
- Operating Performance Review**
- Financial Review**



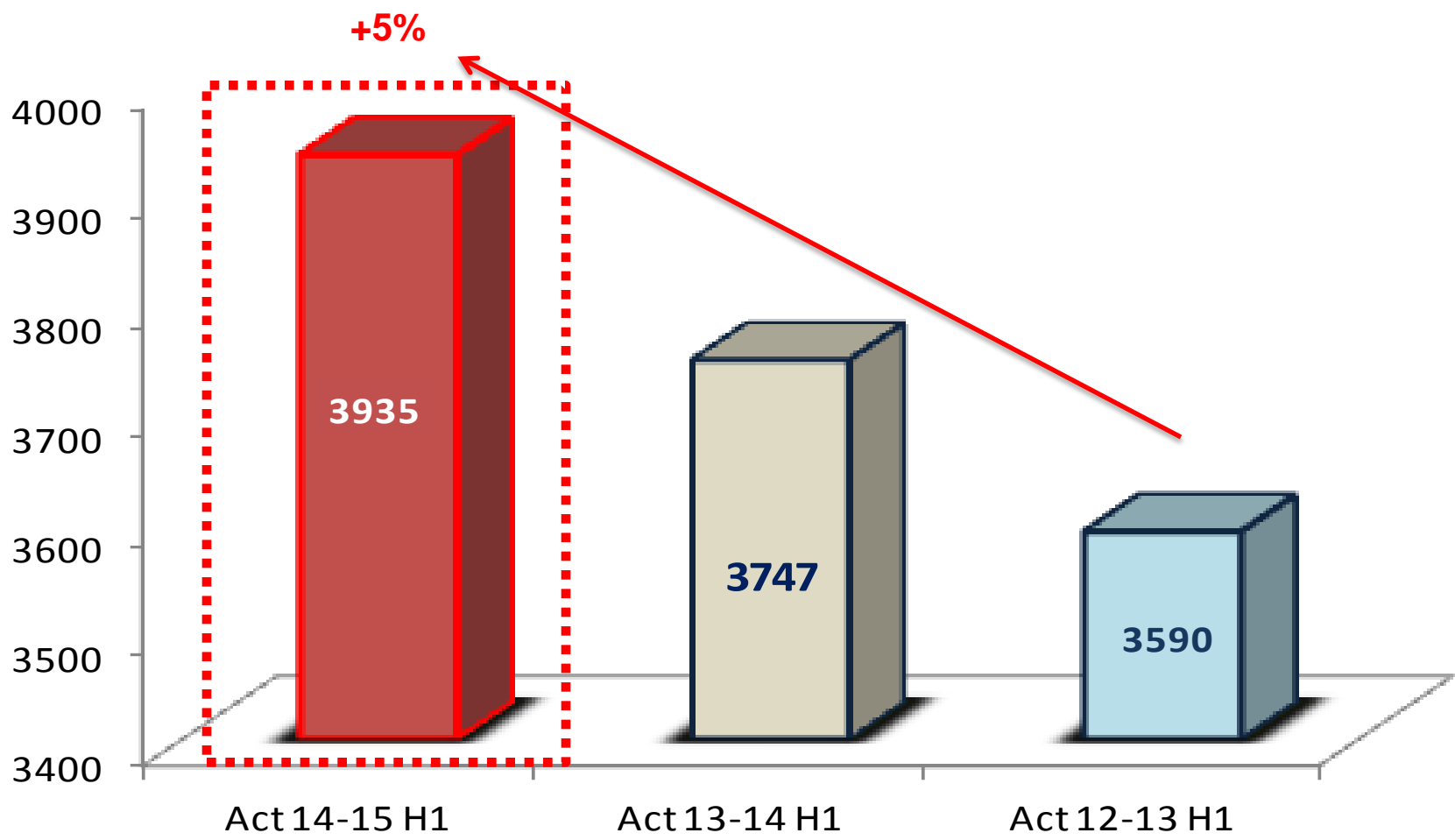
Key Themes H1 2014-15

- Improved profitability in branded business
- MAP acquisition adds to top-line growth
- In India, auction tea prices shows an upward trend, with some signs of softening towards the end of the quarter whereas it shows a declining trend in Kenya.
- Coffee commodity costs reflects a decline against budget and PY.
- Currency markets
 - Favourable on topline
 - Not material on profitability



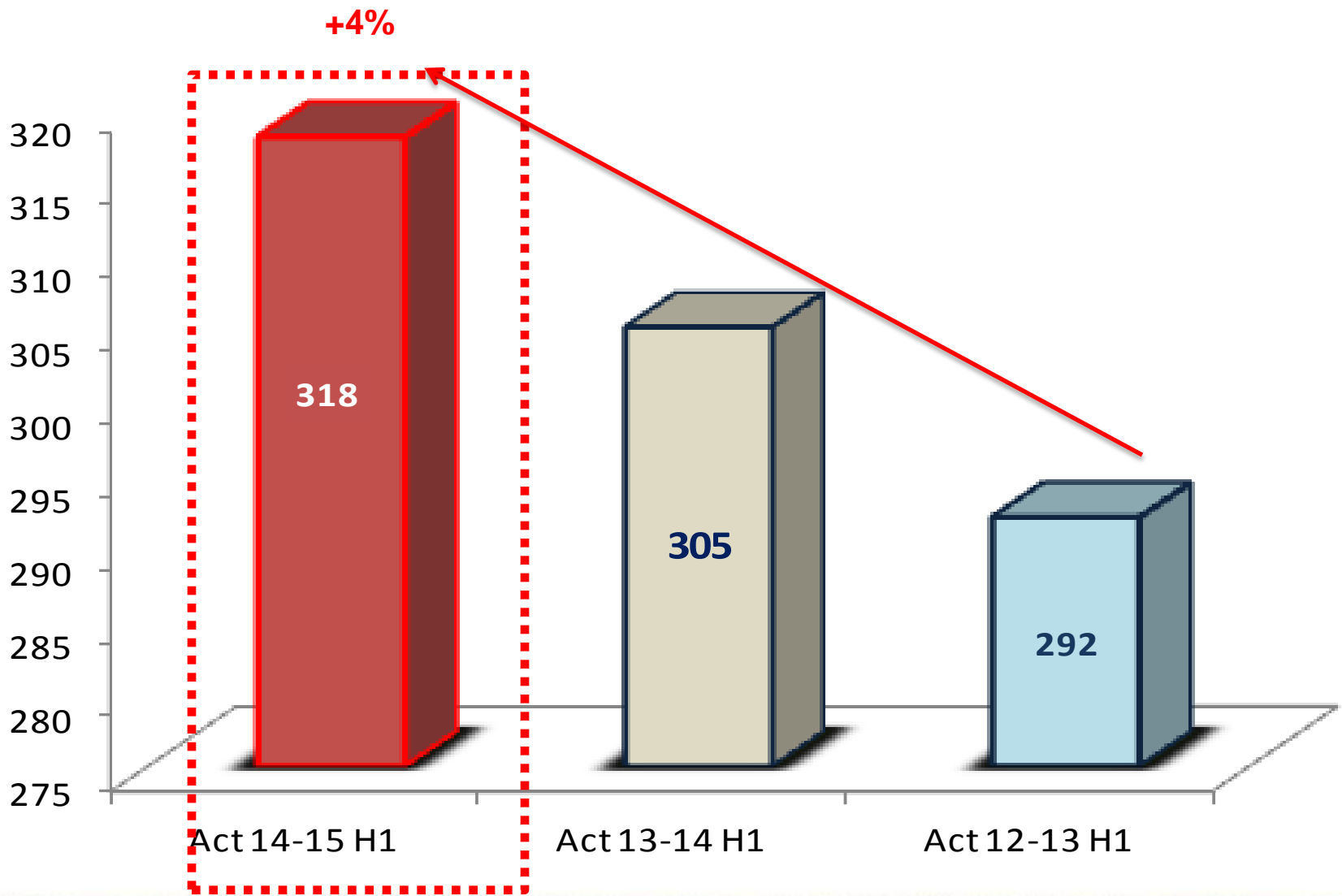


YTD Performance Highlights – Operating Income





YTD Operating Performance Highlights – Operating Profits





What we did well

1. India - tea : continuing strong branded tea topline performance.
 - Green tea reflects significant gains - New Green tea launched under Tata Tea brand – Acti Green
2. Australia : Sales remain robust.
3. Australia: MAP acquisition completed and adds to top-line.
4. USA & Canada : Eight O’Clock coffee K-cups (4th Largest in US) & Tetley Tassimo discs continue to make excellent headway.
5. Tetley USA performs well – higher distribution and improved black and green performance and lower spends.
6. India : “Starbucks – a Tata Alliance” expands to 58 stores with Hyderabad being the 6th city being added to the map.
7. UK – fairly good performance by Tea Pigs.
8. Improvement in Canadian Specialty market post joint promotion with Cirque du Soleil.
9. Water Portfolio does well.
10. Improvements in Middle East.





Operating Performance Highlights – South Asia

- 7% Top line growth across the portfolio with volume and value increases
- Maintained market volume and value leadership.
- Price increases taken in National Brands, ahead of competition, to offset the increase in tea commodity costs.
- Tata Tea Premium continued the “badi patti choti patti” communication in Q2 (July/August) and new TVC for KD has been launched.
- Significant increase in Green Tea, our focus segment on the Tetley Brand in India. Tata Tea Brand launches Actigreen in the green tea space.





Operating Performance Highlights – CAA

Canada

- Canadian sales improves over prior..
- Tassimo/ Kraft – continues to make good progress, gain in market shares.
- Teapigs in Canada continue to gain distribution.

USA

- EOC K-Cups (with Keurig) – Volumes continue to grow. Modest improvement in market shares.
- A very successful campaign with Warner Brothers was launched by Coffee Business. A “Pop-Up” shop in New York City was created celebrating the 20th Anniversary of the TV show Friends. A new ‘Central Perk’ Blend was created handed out in the ‘Pop-Up’ store as promotion.
- Modest performance by US tea

Australia

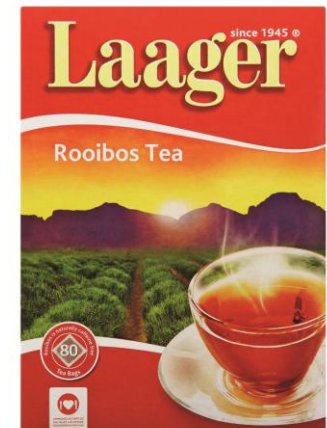
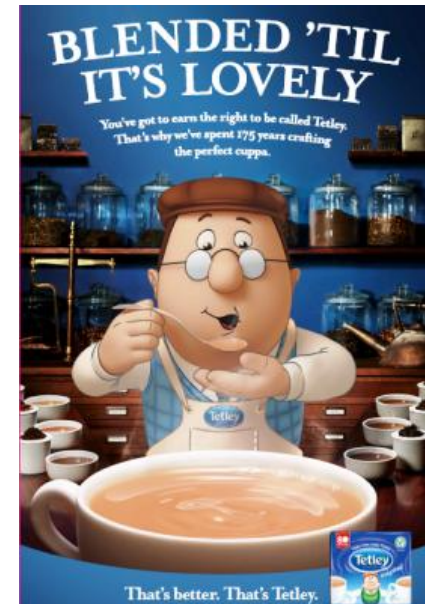
- Robust topline growth
- Acquisition of MAP brand, adds to topline.
- Winter campaign has been launched in support of the steamed green 18s pyramid range.
- A new range, to compete on the premium black segment, named the Tetley Tea Masters Selection has been launched and now being supported by radio and print which features our own Tea Master Justin Patton.



Operating Performance Highlights – EMEA

Europe/ United Kingdom /Middle East/ Africa

- In UK -Overall tea category continue to decline by single digits on a MAT basis.
- Investment to boost the appeal of the Tetley brand continued in Q2 with the Teafolk 'Aliens' TV commercial
- Market leadership in Redbush tea maintained.
- New green tea launch does well in market
- Tea Pigs topline grows by 11% - reflecting growth across most channels.
- Joekels business stable - Laager and Tetley communication campaigns began in Q2
- Good performance in ME (Middle East) driven by growth in KSA, Qatar and Kuwait
- France, Czech, Portugal – performance stable. Iced tea launch in Portugal doing well.





Operating Performance Review – Other Branded Business

- Modest top and bottom line improvement in the water business
- Himalayan Sparkling Launched in Delhi and Mumbai
- Distribution expansion and Geographic expansion for TWP
- “Starbucks – a Tata Alliance” expands to 58 stores with Hyderabad being the 6th city being added to the map.





Operating Performance Highlights Non branded businesses

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

Analyst Meeting

Financial Review





Performance highlights

- 5% Operating income growth and 20 % increase in Operating profits
 - Improved profitability in branded business
 - Lower crop impacts coffee plantation sales and profitability
- Difficult market environment in international markets
- Adverse impact of exceptional items
 - High exceptional income in the previous year
 - Provision for long term investments and restructuring
- Higher tax impact because of overseas dividend
- Lower Group consolidated profit



Financial Highlights – For the year

Quarter ending September			Particulars (In Rs crores)	Half -year ending September		
Actual	PY	Variance		Actual	PY	Variance
2022	1933	89	Total Operating Income	3935	3747	188
152	126	26	EBIT	318	305	13
32	32	-	Other Income	50	51	(1)
(22)	(18)	(4)	Finance Cost	(37)	(39)	2
162	141	22	Profit Before Exceptional Items	331	317	14
(25)	92	(117)	Exceptional Items	(27)	114	(141)
137	233	(96)	Profit Before Tax	304	431	(127)
(68)	(72)	4	Tax	(122)	(134)	12
69	161	(92)	Profit After Tax	181	296	(115)
7	4	3	Share of Profit from Associates	7	(5)	12
(13)	15	(28)	Minority Interest in consolidated profit	(28)	-	(28)
62	180	(117)	Consolidated Group Profit	160	292	132
1.01	2.91		Earning Per Share (Rs)	2.58	4.72	
1.34	1.32		Earning Per Share (Rs) – prior to exceptional items	2.94	2.81	



Regionwise income from operations

Quarter ending September			Particulars (In Rs Crores)	Half year ending March		
Actual	PY	Variance		Actual	PY	Variance
517	485	32	CAA	966	927	39
577	589	(12)	EMEA	1090	1092	(2)
678	628	50	South Asia Brands	1395	1288	107
1772	1702	70	Total Brands	3451	3307	144
194	193	1	Total Non Branded Operations	384	375	9
56	38	18	Other and Eliminations	100	65	35
2022	1933	89	TOTAL OPERATING INCOME	3935	3747	188



Balance Sheet

Particulars (In Rs Crores)	September 2014	March 2014
SOURCES OF FUNDS		
Shareholder's Funds	6959	6773
Borrowings	1608	1438
Non Current Liabilities	377	345
Current Liabilities	1339	1355
TOTAL	10283	9911
APPLICATION OF FUNDS		
Fixed Assets:		
Goodwill	4290	4188
Others Fixed Assets	1075	1052
Investments	599	611
Cash & Other Deposits	1353	1474
Non Current Assets	150	131
Current Assets	2816	2455
TOTAL	10283	9911



THANK YOU