TATA GLOBAL BEVERAGES

Investor Presentation

September 2015



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Tata Global Beverages – key facts

Who?

- A leader in good for you beverages
- Tata heritage with global brand ownership

What?

- The second largest tea company in the world.
  - Tea represents 74% and Coffee represents 25% of Total turnover
- Growing interests in other beverage products
- Over 3000 employees worldwide

Where?

- Significant presence in over 40 countries
- Globally managed through three consume facing regions CAA, EMEA and South Asia
  - ➢ Each region headed by regional presidents with P/L responsibility

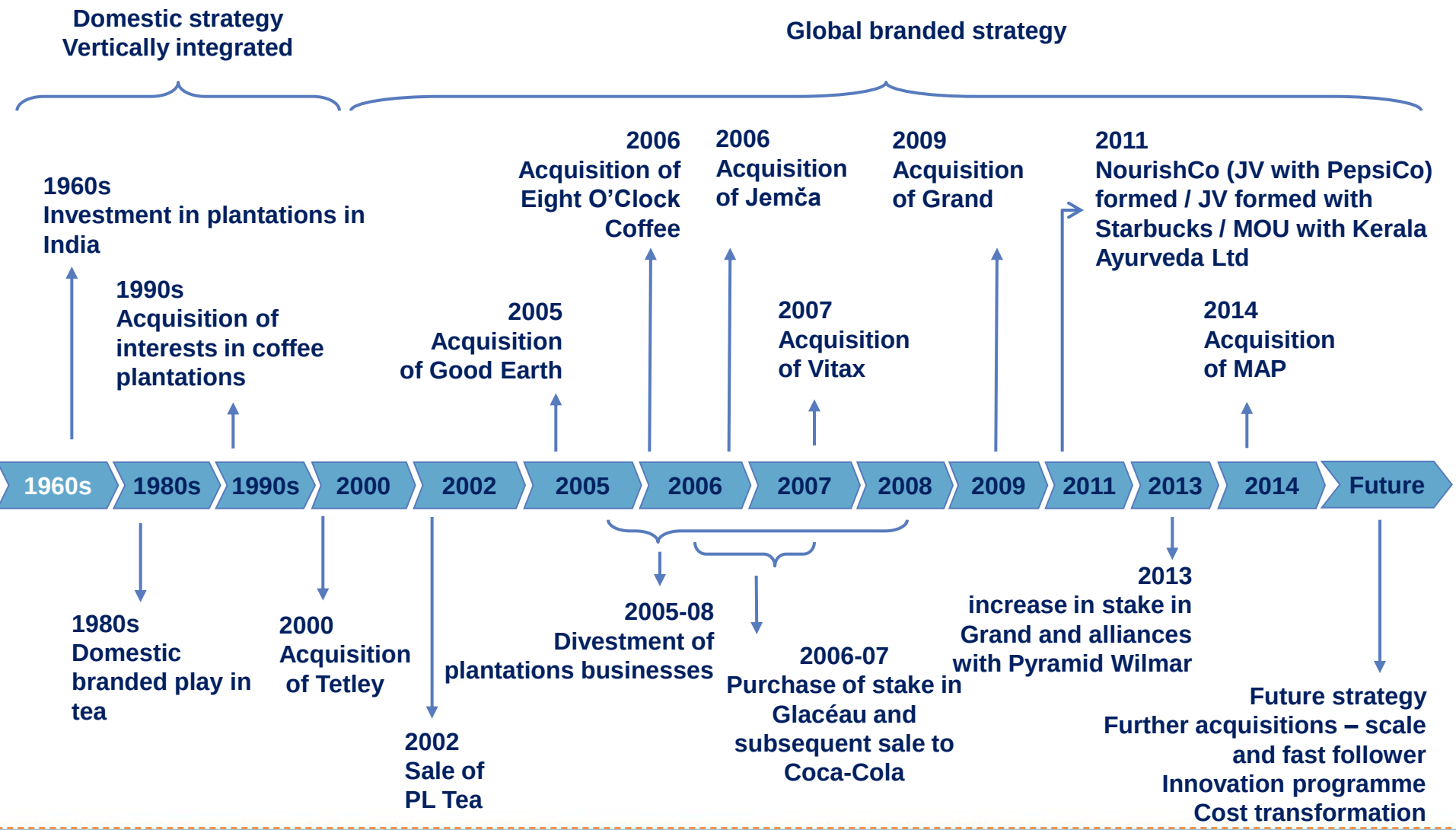
Worth?

- $1.6 bn* in revenues (2014-15)



** On a 100% basis*

Tata Global Beverages - History



Our global presence

North America & Canada

- TETLEY
- TEAPIGS
- TATA TEA
- GOOD EARTH
- EIGHT O'CLOCK

Europe, Russia & Middle East

- TETLEY
- JEMCA
- VITAX
- TATA TEA
- TEAPIGS
- GRAND

Africa

- TETLEY
- LAAGER

Australia

- TETLEY
- TEAPIGS
- MAP

South Asia

- TETLEY
- TATA TEA
- TATA GLUCO+
- TATA WATER PLUS
- HIMALAYAN



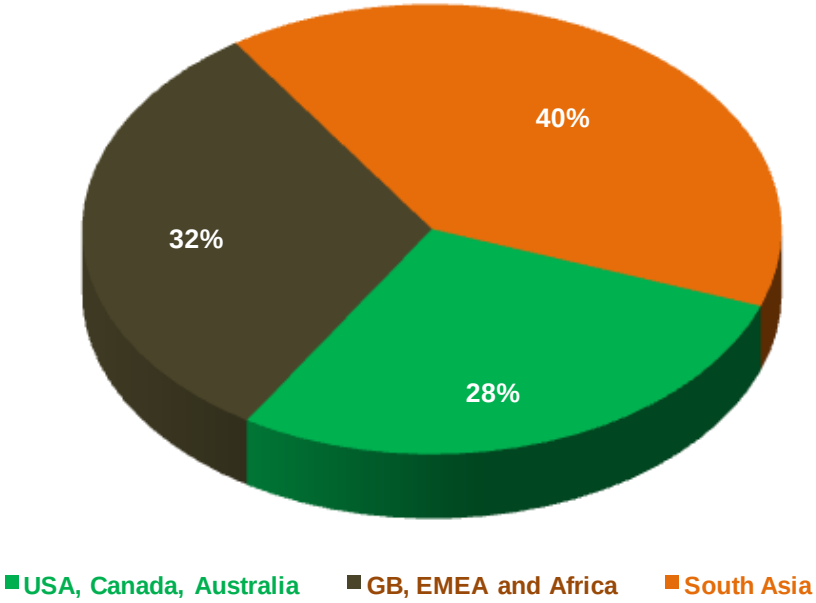
TEA

COFFEE

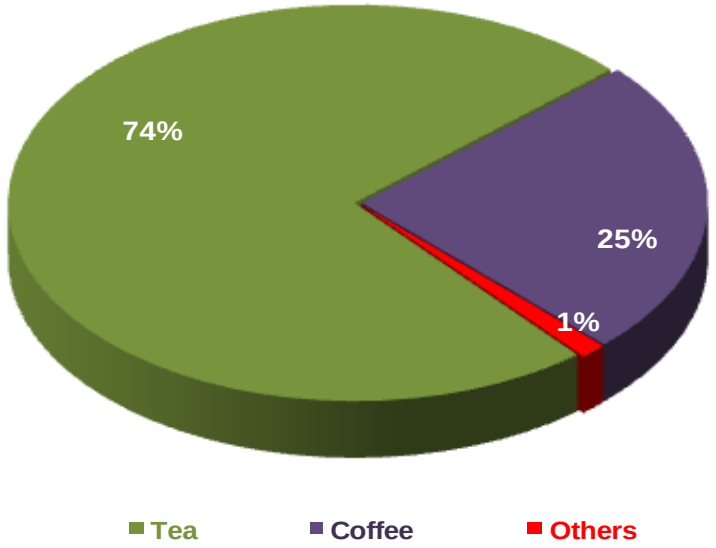
WATER / FUCTIONAL WATER

Our Business Profile

Region wise branded turnover - 2015



Segmentwise Turnover- 2015



*Approx. **90%** of our sales comes through our **Branded Business** whilst **10%** of our sales is through **Non Branded Business***

Our Vision/Purpose Statement

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 consumers"

TEA

COFFEE

WATER / FUCTIONAL WATER

Our Strategy

Key Trends /Opportunities - Consumers

TEA

- ✓Premium tea segments growing
- ✓ Increasing disposable incomes
- ✓Growth in new formats
- ✓ Retail tea stores + online sales growing
- ✓Health and Wellness
- ✓Emerging market have a dominant play

COFFEE

- ✓Cocooning – Café Experiences
- ✓ Sensory Fusion – exotic flavours
- ✓Made for me - Customization
- ✓ On the go - portability
- ✓Health and Wellness

WATER / FUCTIONAL WATER

- ✓Health and wellness
- - CSD declining
- -"Better for you" options
- - Functional/fortified
- ✓ underserviced cohorts
- ✓Status affirmation/life-style

The Strategy

" Maximise current business+ target new high growth opportunities"

" Fuel existing brand portfolio and drive step change growth opportunities

" upgrade consumers to healthier hydration"

Our Tea Strategy

TEA

- ✓ Grow Base Business
- ✓ Brand leaders in select countries
  - ➢ Markel leaders in India and Canada*
  - ➢ 2nd largest in volume terms in UK*
  - ➢ Significant presence in key markets

*Neilson data March 2015

Brand Engagement









Format innovations







Premiumising











Grow in key under-exploited markets

Grow beyond black













Our Coffee Strategy

COFFEE

Win with PODs





Brand Engagement







Expand Range





Geographic expansion

- *Expanding in markets where there is adequate growth opportunity*
- *MAP brand acquisition gives foothold in Australia and neighboring countries*

Beyond the bean

- *Alternative formats*
- *Growth through*

TATA STARBUCKS LTD.

Our Water Strategy

WATER / FUCTIONAL WATER

Premiumising





Brand Engagement





Functional Beverages



Build Scale

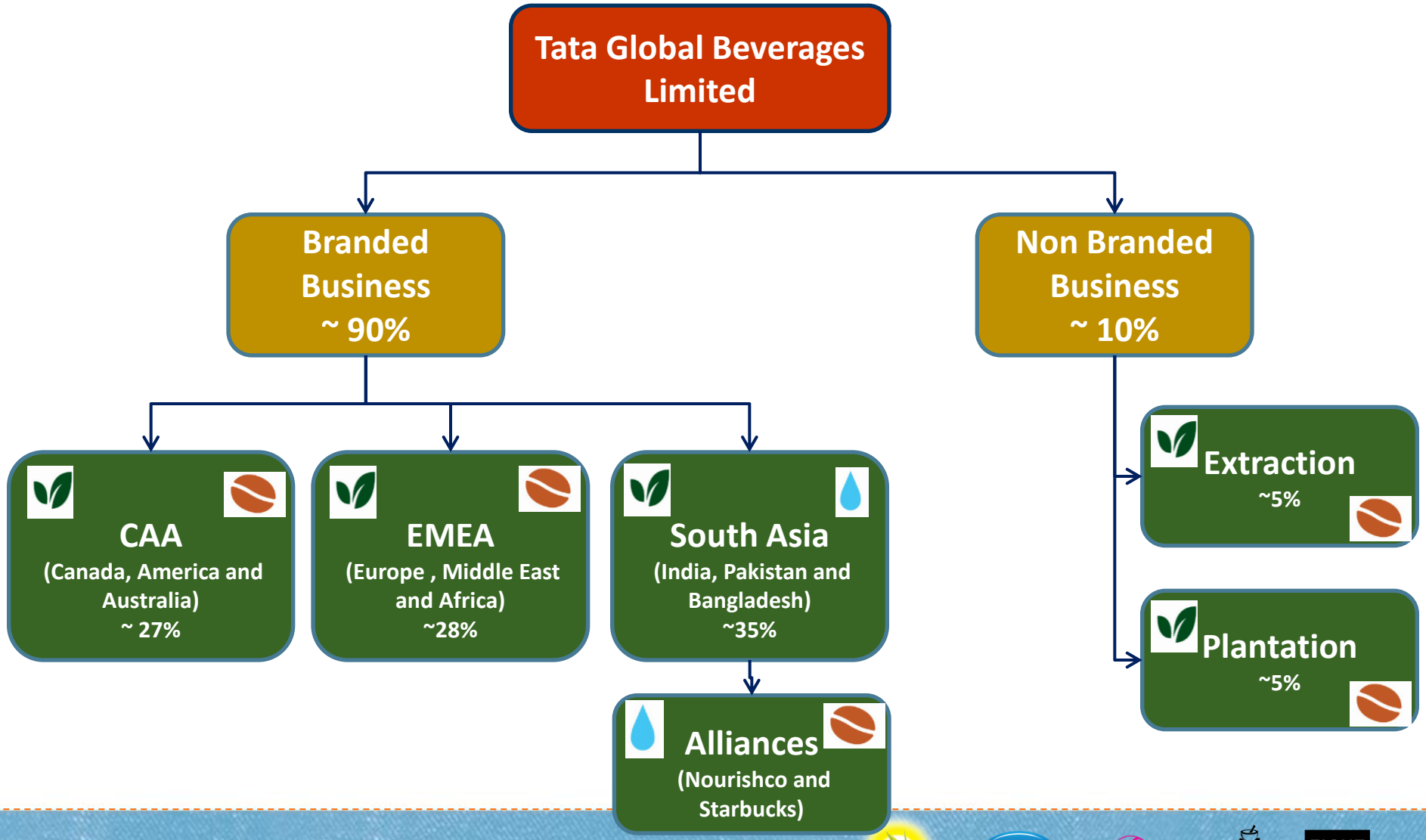
- Expanding within India
- international opportunities

New Product development

- health and wellness
- Innovation for untapped segments
- customer led innovation
- value proposition

Tata Global Beverages – Managing the business

Management Structure



Branded Business - CAA

Canada

- Market Leader in **Hot Tea** - #1 in value and volume
- Tetley has the **highest loyalty** and **penetration rates** in Canada
- Consumer insight driven with a history of **successful innovation**.
- Successful **Tea pod** relationship with **Tassimo**.





USA

- Present in both **tea** and **coffee** segments.
- Authentic USA **Coffee** Brand with over **150 years** of rich heritage.
- Imagery for Coffee: **Trustworthy, Authentic**
- **Tetley Tea** has a Strong British Heritage and extensive heritage of tea expertise
  - 3rd highest awareness for Tetley in the tea category.
- **Good Earth** - One of first herbal tea companies in the USA.
  - Niche specialty tea business focused in West Coast.





Branded Business - CAA cont'd

USA cont'd

- Strong and **successful relationship** with **Keurig** in both tea and coffee
  - #**4 largest brand in K-Cups for coffee**.
- Majority ownership in one of the largest food service business in the US
  - 56% JV with Harris Freeman
  - focuses on **food service distribution** in the US
  - caters to the sales of **TGB products as well as private label bra**nds
  - **strong customer relationships**
  - Initially **distributed 'Tetley'** brand and now expanded to include **'Eight O Clock Coffee'** brands





Australia

- Relatively small but **strong and growing** tea business
- **MAP acquisition** gives foothold in the growing coffee category.



Branded Business - EMEA

- **EMEA**
  - Present primarily in **tea** and to a lesser extent **coffee.**
  - **Tetley is no 1 brand** in **Decaf** sector and No **2 brand** in the **Green sector** in UK
    - First to launch **Super Green Teas** which has proven health benefits
  - **Strong distribution** reach in UK.
  - **Tea Pigs, our premium brand**, is in a growth trajectory
  - **Best in class** tea factory in Eaglescliffe.
    - **Various recognitions** received over time
  - **Jemca**, our local brand in Czech Republic, is the **No 1 tea brand** in that country
  - Presence in **Russia** in both **coffee and tea** segments through our brand "**Grand"**





Branded Business - South Asia

- **Volume** and **Value Market leaders** in Tea in India – a market with significant opportunities
- **Strong portfolio** of brands
  - Tata Tea Premium, Tata Tea Gold and Tata Agni - Available across the country and with dominant share in North and East India.
  - Tetley – Pioneered green tea in India. Currently, the market leader in the green tea segment.
  - Chakra Gold, Kanan Devan and Gemini – Strong regional brands with a South India focus.
- **Strong distribution network**
  - Leaders in the category on both numeric and weighted distribution
  - Significant penetration in Rural India – last mile through unique through rural fulfillment model.
- **Path breaking marketing campaigns**
  - Jaago Re
  - PO 49
- **Strong CSR programme**









Branded Business South Asia – Alliances

- **Nourishco –** 50:50 JV company formed between **Tata Global Beverages** and **Pepsico**
  - **Marketing** and **distribution** of products in the area of non-carbonated ready-to-drink beverages, focused on health and wellness.

- **Tata Starbucks** - **Tata Global Beverages Limited** has entered into a 50:50 JV with **Starbucks Coffee International Inc** which owns and operates Starbucks cafes in India.
  - **Spectacular launch** of the Inaugural flagship store, branded 'Starbucks – a Tata alliance' – launched at Horniman Circle, Mumbai in the year 2012
  - Store uses **India roasted coffees** from Tata Coffee, for all its espressos
  - Store also offering **Tata Tazo teas** and **Himalayan water**
  - **72 stores** opened till March'15 with 26 stores in Mumbai, 22 stores in Delhi / NCR, 10 stores in Bangalore, 7 stores in Pune, 4 stores in Hyderabad and 3 store in Chennai





Non Branded Business -Extractions

Coffee Extraction

- **2 Plants** in India with a total capacity of **8400 TPA**
- **Producing 3 variants** : Spray, Agglomerated & Freeze Dried.
- **Major markets** are Russia, CIS, SE-Asia, West Africa & targeting Far East







Tea Extraction

- Tea extraction plants located in **US and India**
- Caters to B2B businesses
- **China JV plant** – Capability to drive both instant tea and tea polyphenols.



Non Branded Business - Plantations

Plantations

- Producing Coffee, Tea, Pepper & Timber.
- Asia's largest producer of coffee - 10,000MT.
- India's largest pepper producer.
- Have minority stake in tea plantation companies in North & South India and Sri Lanka
- Supply arrangements with branded business.





Tata Global Beverages – Major Brands

Our brands

GLOBAL BRANDS

Tetley

TATA TEA

Himalayan
The natural mineral water

GOOD EARTH

teapigs.

OTHER BRANDS

vitax

JEMČA
ČESKÁ ČAJOVÁ JEDNIČKA

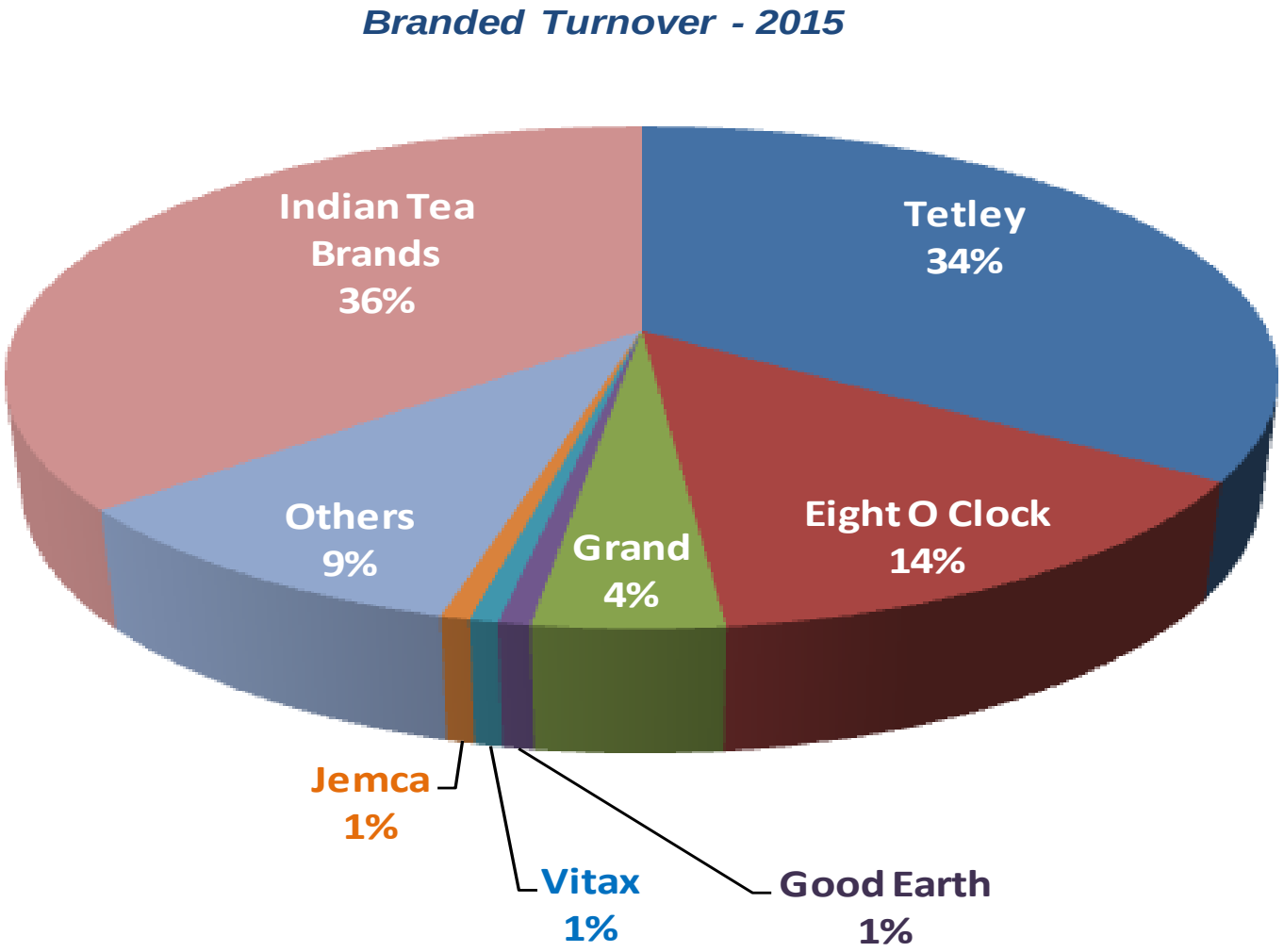
GRAND

map
Italian coffee

EIGHT O'CLOCK

TATA TEA
CHAKRA GOLD
Premium Tea

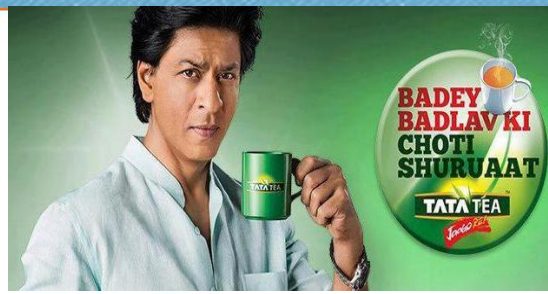
Relative contribution of brands



Our global brands: Tata Tea / Teapigs

About Tata Tea

- Tata Tea has been rated as the second most trusted hot beverage brand India and accorded ‘Super Brand’ status
- Tata Tea is the largest brand by volume and value in India
- Promotes Social awakening and action through the landmark ‘Jaago Re’ campaign.
  - New SRK Jaago re Campaign - theme “Badey Badlav Ki Choti Shuruat”
  - New Tata Tea Gold ‘Power of 49’ campaign in association with IIFA







About Teapigs

- Launched in UK in 2006
- Positioning as a premium tea brand
- Originally set up as an incubated business unit, reflecting the need to access new customer channels and to foster an entrepreneurial focus
- Online channel model adopted for sales – a high-margin, growing business
- Now distributed to premium food stores
- Brand being extended internationally (USA, Canada, Australia and other countries



Our global brands: Tetley





About Tetley

- Enjoyed in over 40 countries worldwide
- 175 years of British heritage.
- 2nd largest tea brand, globally
- Market leaders in Canada
- Market leader in Decaffeinated and fastest growing brand in Green tea segment in the UK
- Significant presence in other markets
- Strong innovation agenda –Super Green tea's and fruit and herbal.
- Out of home presence through tea kiosks
- Various awards won across continents

Our global brands: Himalayan/ Good Earth

About Himalayan

- Himalayan is a premium, lifestyle, mineral water brand in India's top metropolitan markets
- It's unique packaging and brand philosophy has helped it to break through in a crowded market place
- Distribution alliances with Pepsi and Starbucks
- Exploring international opportunities

About Good Earth

- Distinctive and meaningful Brand name.
- Stands for goodness and exceptional flavor
- One of the first American herbal tea companies and a leader in specialty teas
- Unique and great tasting blends
- Re-launched recently with new packaging
- Extension beyond USA



Our brands: EOC

About Eight O'Clock

- Eight O'Clock is a value gourmet coffee brand with national distribution in the US; limited distribution in Canada
- Rich heritage (since 1859); recognized for great taste and value
- Named one of America's Greatest Brands in the 2010 edition of *America's Greatest Brands*
- #1 brand of Premium Bagged coffee in the Northeast region of the USA; #3 brand nationally and #2 brand nationally of premium whole bean coffee.
- Currently sold in Bag (Whole Bean and Ground) and K-Cup package formats.









Our brands: Tata Gluco +/ Tata Water +

Tata Gluco +

- Various flavoured drink to provide instant energy and refreshment to consumers
- Contains the benefits of Glucose, Electrolytes (mineral salts) and Iron
- Packaging format that ensures product quality at a value price point without compromising on sensorials.





Tata Water +

- India's first nutrient water created by international scientist and Indian nutrition experts launched in February 2012
- Contains Zinc and Chromium which improve health and well being
- Deliver enhanced wellness through nutritionally rich water which goes beyond quenching thirst to promoting everyday good health
- Positioned as an affordable ready to drink beverage for everyday consumption





Tata Global Beverages – Innovations



Some innovations under our brands















Some more innovations under brands











Tata Global Beverages – Focus on Sustainability



Our Focus on Sustainability

- **Sustainability Strategy**
  - Sustainability & CSR policy & strategy for integrated sustainability transformation in the organization.
  - Consolidation of Sustainability & CSR budgets -simplicity, accountability & transparency.
  - Implement Sustainability Performance Management system & KPIs.
- **Sustainable Sourcing**
  - Certification of all tea through Rainforest Alliance and trustea by 2020
  - Project S-PPF with Tata Chemicals & Rallis develop bio-pesticides
- **Carbon Foot printing**
  - Focus to minimize carbon emissions & carbon disclosure leadership.
- **Water Foot printing**
  - Map water footprint & define water reduction targets and KPI's
- **Waste Management**
  - Efforts to optimize packaging, resource efficiency, low environmental impact without compromising product quality and safety.
- **Community Development**
  - UNICEF–ETP Project in Assam promotes child protection & child rights.
- **Affirmative Action** : enhanced support to AA programs & initiatives

RAINFOREST ALLIANCE CERTIFIED

trustea
ENVIRONMENT • SAFETY • LIVELIHOODS

CDP CLIMATE DISCLOSURE LEADER 2014

Ethical Tea Partnership

unicef
United Nations Children's Fund

Tata Global Beverages – recognition and achievements



Recognition and achievements

- ***TGB*** Retains Leadership in ***CDLI 2014*** with an Increased Score while ***Eaglescliffe*** factory is recognised as a ***best practice for energy efficiency***.
- **50+** awards won for **PO49** Campaign including the prestigious EMVIES, IMA, Goafest.
- ***Eight O'Clock Coffee takes home two Reggies -*** a Gold in the Partnership category and a Bronze in the Sponsorship and Licensed Property category
- ***Tetley*** scores a **hat trick** at the ***Great Taste Awards 2014***
- ***Tetley in Canada*** voted ***Most Trusted brand*** in the **Tea** category as part of the 2015 ***BrandSpark Most Trusted Awards***
- **Tata Coffee** wins the ***Golden Peacock Environment Management Award 2014***

CDP CLIMATE DISCLOSURE LEADER 2014



TATA TEA GOLD

The Power of 49%







BrandSpark MOST TRUSTED BY CANADIANS 2015



Tata Global Beverages – Financials



Performance for YTD 2014-15 and 2013-14

INR Crs Particulars	Year Ended March 2015	 2014
Total Operating Income	7993	7738
EBIT	642	623
Profit Before Exceptional Items	630	618
Exceptional Items	(130)	89
Profit before Tax	500	707
Profit after Tax	284	522
Group Consolidated Profit	248	481

Segment Performance - YTD 2014-15

Segment -2014/15 (Rs Crs)	Tea	Coffee	Others	Total
Segment Revenue	**5880**	**2010**	**103**	**7993**
(Segment Revenue as a % of Total Revenue)	*74%*	*25%*	*1%*	*100%*
(Segment Revenue as a % of Total Revenue - PY)	*74%*	*25%*	*1%*	*100%*
Segment Results	**615**	**264**	**(44)**	835
(Segment Results as a % of Segment revenue)	*11%*	*13%*	*(43%)*	-
(Segment Results as a % of Segment revenue - PY)	*11%*	*11%*	*(42%)*	
Less: Unallocated expenditure				(193)
Group Operating Profit				**642**
(Group Results as a % of Total Revenue)				*8%*
(Group Results as a % of Total Revenue)				*8%*

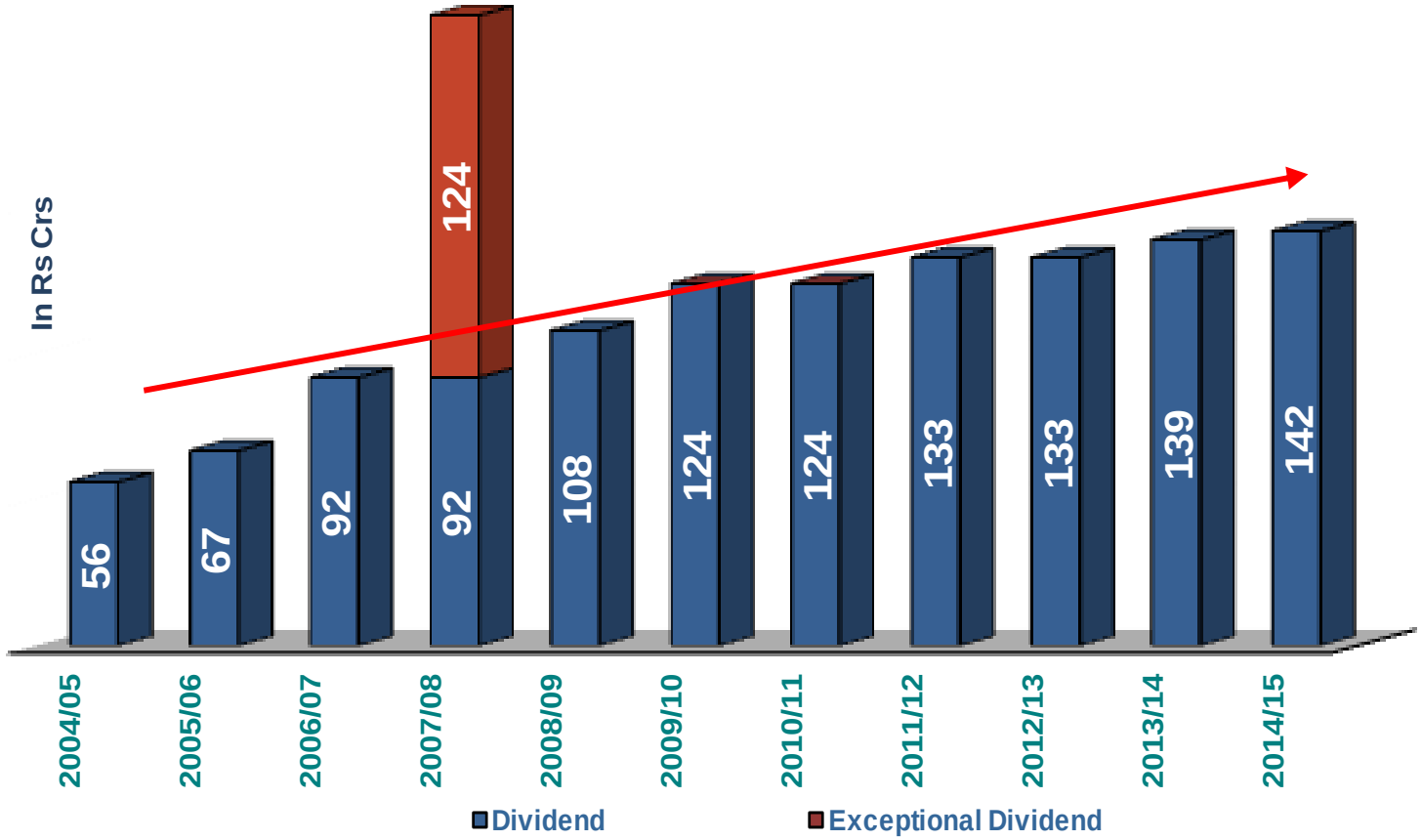
Strong Balance Sheet

Particulars (In Rs Crores)	March 2015
SOURCES OF FUNDS	
Shareholder's Funds	6368
Borrowings	1324
Non Current Liabilities (net)	249
TOTAL	**7941**
APPLICATION OF FUNDS	
Fixed Assets:	
Goodwill	3892
Others Fixed Assets	1077
Investments	622
Cash & Other Deposits	1225
Current Assets (net)	1125
TOTAL	**7941**

Prior period numbers have been reclassed / rearranged whereever necessary

Increase in dividend payout and market capitalisation

Market Capitalisation increases to Rs 9220 crores in March 2015 from Rs 2948 crores in March 2005….an increase of 3 times.




Tetley
blend of both
NEW
TATA
WATER
TATA TEA
GOLD
Tetley
Chai
Latte Berry
EIGHT O'CLOCK
GOOD EARTH
Sweet
Tetley
ESTATE SELECTION
Laager
Cappuccino
Forest Fruits
GRAND
Melange
Tetley
Cold
vitax
TASSIMO
TATA TEA
PREMIUM
Chakra Gold
Tetley
Tetley
cosmo
JEMCA
TATA
GLUCO+
Tetley

THANK YOU

TATA GLOBAL BEVERAGES











