



November 15, 2016

**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

**Calcutta Stock Exchange
Asscn. Ltd.**

7 Lyons Range
Kolkata 700 001
**Scrip Code – 10000027
(Demat)
27 (Physical)**

Subject: Presentation to Analysts – results for the quarter and half year ended
30th September, 2016

Dear Sirs,

Further to our letter dated 08 November, 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

TATA GLOBAL BEVERAGES LIMITED

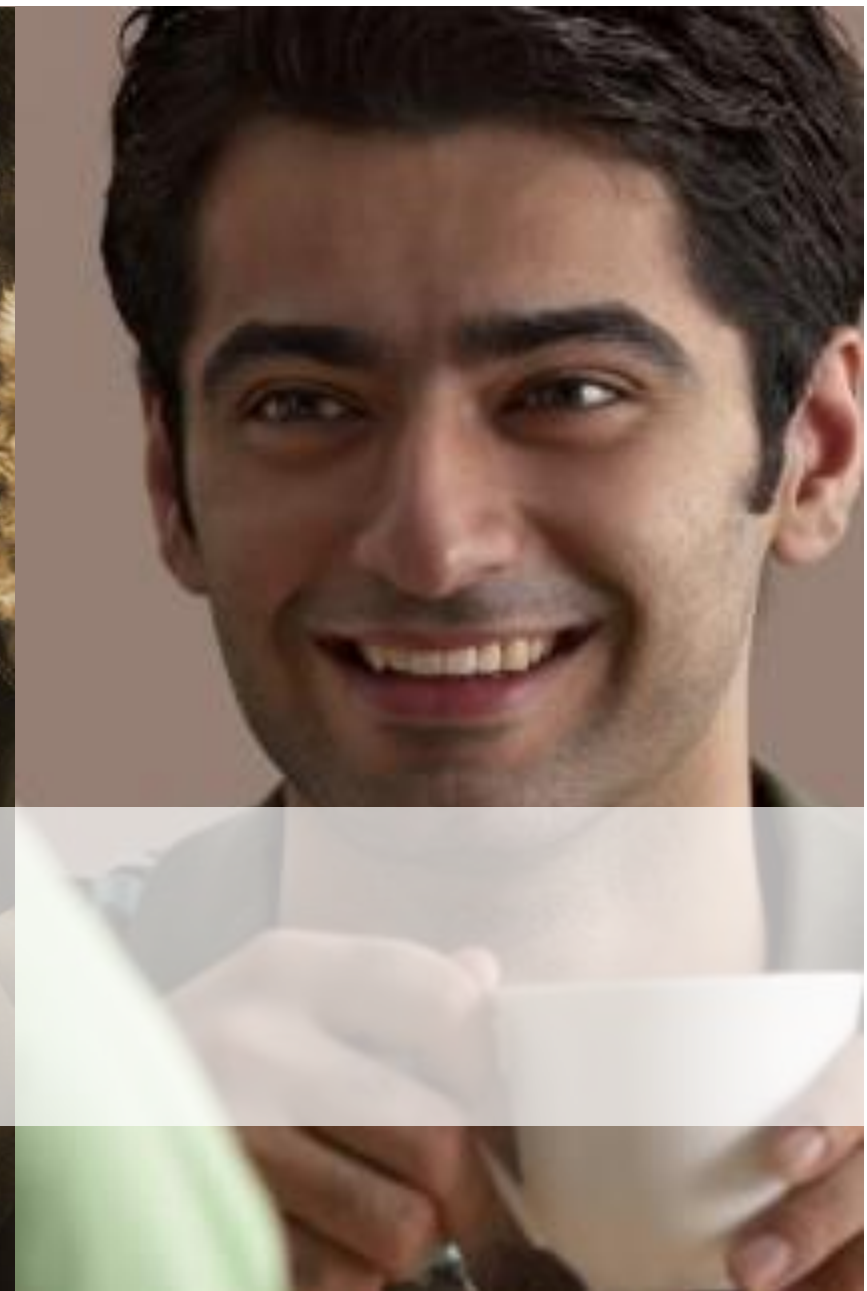
11/13 Botawala Building 1st Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India

Tel 91 22 6121 8400 Fax 91 22 6121 8499

Registered Office 1 Bishop Lefroy Road Kolkata 700 020

Corporate Identity Number - L15491WB1962PLC031425

website www.tataglobalbeverages.com



Analyst Meet
November 15, 2016



Agenda

1. H1 FY2016-17 – BUSINESS PERFORMANCE

2. FINANCIAL OVERVIEW



H1 - Business Performance

Key Highlights



➤ Second consecutive quarter of significant operating profit growth

- Top up by 1% – volume growth offset by price and adverse currency translation impact.

- Significant improvement in operating profits

Despite

- Continuing competitive intensity in developed markets

➤ Commodity costs

- Softness prevails in India and Kenya tea prices
- Coffee Costs – lower than previous highs, but showing a hardening trend

➤ Phasing of initiatives and good control on spends

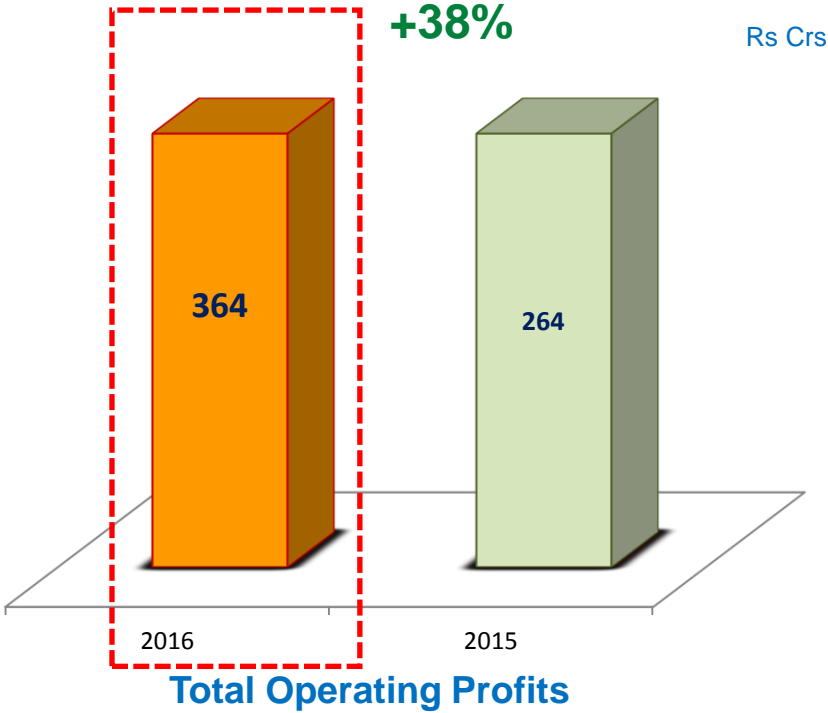
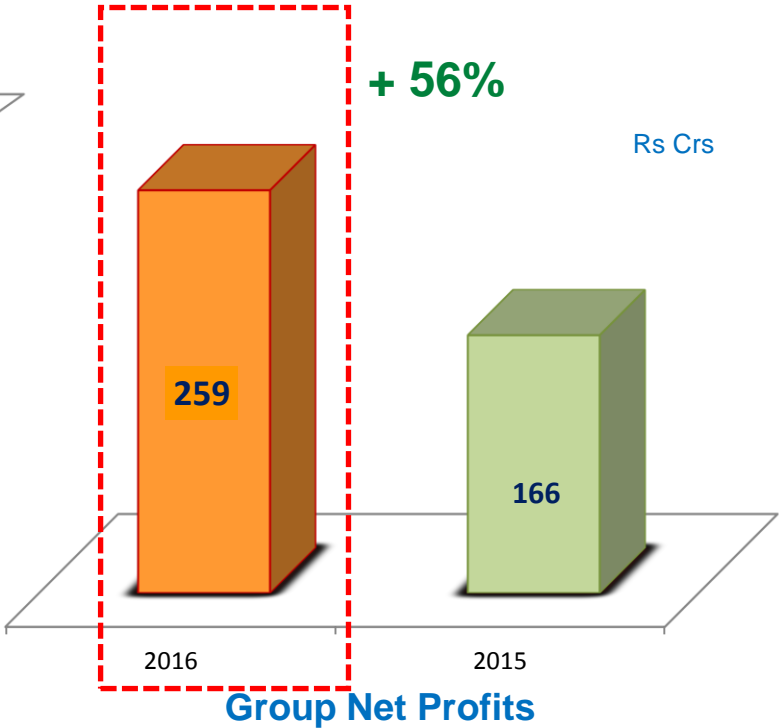
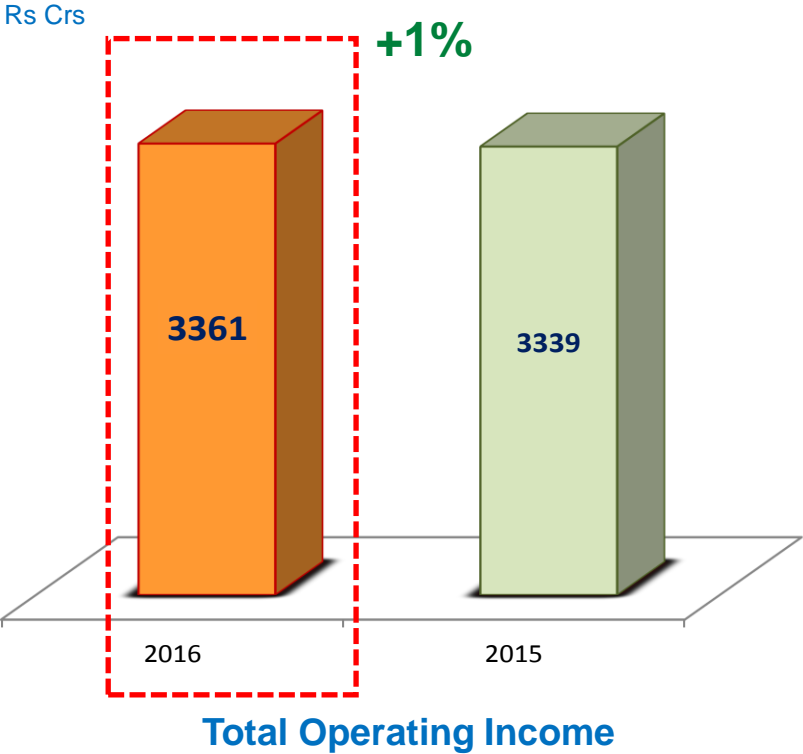
➤ Currency Markets

- No material impact on financials despite volatile currency markets
 - Depreciation in GBP mainly due to Brexit

➤ Financials reported under IND (AS)



Snapshot of financials



Performance Update – Branded Business



➤ INDIA

- Maintains volume and value leadership.
- Modest volume growth
- Effective management of commodity cost.
- Maharashtra Gold Mixture and our recently launched Tata Tea Elaichi are reflecting signs of success.
- Tata Coffee Grand – growth in market shares.

➤ UK

- Positive momentum continues in Q2 with growth in all sectors
- Despite a declining market and continuing competitive intensity, Tetley has grown market shares in all major categories.
 - Green tea continues to grow with continued improvement in Super Greens
- Various awards won which further is an endorsement for our products
 - Grocers new Product award – Tetley Super fruits, Boost, Blueberry and Raspberry
 - Great taste award – won this award for the third year on a row – Kenyan Gold, Earl Grey, Green tea mango and passion fruit, Super Greens heart forest fruits
- Tetley Smile train challenge launched.



Performance Update – Branded Business



➤ USA

- Moderate performance by US coffee
 - Ground Coffee growth in line with category growth
 - Good improvement in operating profits
- Launched infusions and Brazilian Breakfast coffee – Alert and Relax
 - Well received in trade and also receiving press coverage
- Tetley Green Tea reflects modest growth despite decline in category.

➤ Canada

- Good topline performance
- Maintains volume and value leadership
- New launches during the quarter
 - New ayurveda line of teas
 - Tetley Care (Herbal care) – lemon an ginger flavour

➤ Rest of EMEA

- Stable performance in some European markets
- Good topline performance in Russia in underlying currency.



Performance Update – Non Branded Business



- **Spectacular performance by Tata Coffee Ltd continues - reflecting increase in Operating Income as well as Operating Profit**
- **Instant Coffee**
 - Improvement in coffee extraction business driven by volume improvement.
- **Instant Tea**
 - Instant tea business reflects a stable topline performance with good improvements in operating profit.
 - China business yet to stabilize.
- **Plantations**
 - Improvements in tea plantation attributable to price increases and improved volume sales.
 - Stable performance in coffee plantations.

Performance Update – Incubatory businesses



➤ Middle East

- ME - Strong quarter with healthy growth in all six markets
 - Fresh foil pack launched – positive response from consumers
 - Kanan Devan Loose tea doing well in the hot tea segment
- Focus on drawstring bags with advertisement support in TV, outdoor and digital space

➤ Starbucks JV

- Topline growth with good store-level profitability
- Expansion to continue – new cities, new formats

➤ Nourishco

- Double digit growth continues for Tata Gluco Plus / Himalayan
- Himalayan demonstrated good growth in traditional trade, e commerce and key accounts

A close-up photograph of a young woman with long brown hair, smiling broadly and showing her teeth. She is holding a large white ceramic mug with both hands, bringing it up towards her face. She is wearing a white t-shirt. The background is a plain, light-colored wall.

H1 - Financial Overview

Financial Overview - YTD



➤ Operating income up by 1%

- Good volume growth in branded tea business
- Improvements in Branded Business –India, UK, Canada and Russia
- Improved non-branded business performance - Coffee extraction and tea plantation

Offset by

- Price decreases and adverse currency movements

➤ Operating profits higher than prior year (+38%)

- Improved performance in Branded Business in some markets
- Lower commodity costs
- Phasing of initiatives and good control over spends
- Improved performance in Non Branded Business

➤ Group net profit significantly improves over prior year (+56%)

- Improved operating performance
- Improved performance in JV's and associates

Financial Highlights - PL



Quarter ending Sep'2016			Particulars	Half year ending Sep'2016		
Actual	PY	Variance	(In Rs crores)	Actual	PY	Variance
1626	1669	(43)	Total Operating Income	3361	3339	22
162	111	51	EBIT	364	264	100
31	33	(2)	Other Income	52	46	6
(23)	(21)	(2)	Finance Cost	(45)	(42)	(3)
170	123	47	Profit Before Exceptional Items	371	268	103
-	(5)	5	Exceptional Items	(2)	(8)	6
170	118	52	Profit Before Tax	369	260	109
(62)	(45)	(17)	Tax	(135)	(101)	(34)
108	73	35	Profit After Tax	234	159	75
32	14	18	Share of Profit from JVs & Associates	25	7	18
140	87	53	Consolidated Group Net Profit	259	166	93
2.01	1.27		Earning Per Share (not annualised) (Rs)	3.65	2.42	

Financial Highlights - OCI



Quarter ending Sep '2016			Particulars	Half year ending Sep' 2016		
Actual	PY	Variance	(In Rs crores)	Actual	PY	Variance
140	87	53	Group Net Profit	259	166	93
(172)	(180)	8	Other Comprehensive Income	(321)	85	(406)
(32)	(93)	61	Total Comprehensive income	(62)	251	(313)

➤ Other comprehensive income mainly represents

- Impact of fair value of Investments, Cash flow hedges, Actuarial Gain/Loss on employee benefits and Foreign Currency Translation Reserve (FCTR)
 - ❑ Actuarial Gain/Loss on employee benefits in overseas entities , FCTR and Cash Flow Hedges were being reflected under reserves in IGAAP.
 - ❑ Actuarial Gain/ Loss on Employee benefits for Indian entities has been reflected under OCI under IND(AS) as opposed to taking it to Statement of Profit & Loss as per IGAAP.
 - ❑ Fair value accounting of Investments has been introduced under IND(AS) principles.

➤ Current year movement is mainly due to GBP depreciation against the Re whereas in previous year, the movement is mainly due to GBP appreciation against the Re.

Region-wise Income from Operations



Quarter ending Sep'2016			Particulars	Half Year ending Sep'2016		
Actual	PY	Variance	(In Rs Crores)	Actual	PY	Variance
337	360	(23)	CAA	706	692	14
395	411	(16)	EMEA	777	808	(31)
698	692	6	India Brands	1462	1436	26
1,430	1,463	(33)	Total Brands	2945	2936	9
209	212	(3)	Total Non Branded Operations	442	411	31
(13)	(6)	(7)	Other and Eliminations	(26)	(8)	(18)
1,626	1,669	(43)	TOTAL OPERATING INCOME	3361	3339	22

Segment - YTD



Particulars	Segment Revenue		Segment Results		Capital Employed	
(In Rs Crores)	Sep 16	Sep 15	Sep 16	Sep 15	Sep 16	Sep 15
Branded Business						
Tea	2383	2397	321	297	3308	3989
Coffee	557	534	99	53	1693	1757
Others	13	11	(8)	(11)	16	29
Total Branded Business	2953	2943	412	339	5018	5775
Non Branded Business	440	410	62	29	748	786
Less: Inter-segment Revenue	(32)	(14)				
Un-allocable items			(105)	(108)	1123	906
Total	3361	3339	369	260	6889	7467

- 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 Q2 Sep 2015



QTD Sep - 2015			Rs in Crs	YTD Sep - 2015		
Total Income from Operations	Profit from Operations	Group Consolidated Net Profit		Total Income from Operations	Profit from Operations	Group Consolidated Net Profit
2034	112	89	IGAAP	4063	265	180
(207)			Adjustments:			
(158)	6	(1)	Revenue	(409)		
	(15)	(10)	Equity Accounting of JV results	(316)	9	(1)
		(4)	Agricultural Produce		(23)	(16)
	7	13	Amortised cost adjustment on Long term Borrowings			(8)
			Other Adjustments		12	11
1669	111	87	INDAS	3339	264	166

- 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.
- 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



	As at Sep'30 2016 (Rs in Crs)
ASSETS	
Non- Current Assets	6070
Current Assets	3971
TOTAL ASSETS	10041
EQUITY	
Shareholders Funds	6889
LIABILITIES	
Non-Current Liabilities	983
Current Liabilities	2169
TOTAL LIABILITIES	10041

➤ Main impact of INDAS on the balance sheet is as follows:

- Fair Valuation of Investments
- Capitalisation of Bearer assets
- Fair Valuation of biological produces (Inventory)



Thank you