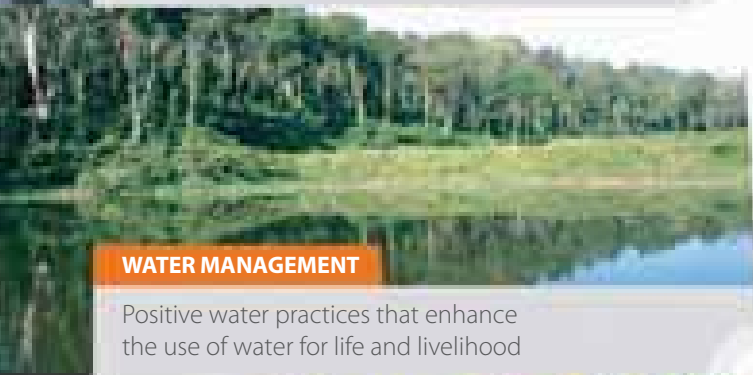




ETHICAL SOURCING

Enabling ethical and sustainable growth from crop to cup



WATER MANAGEMENT

Positive water practices that enhance the use of water for life and livelihood



CLIMATE CHANGE MANAGEMENT

Climate-resilient beverage production through sustainable agriculture and energy efficiency



WASTE MANAGEMENT

Conserving resources by reducing, reusing and recycling waste



COMMUNITY DEVELOPMENT

A better quality of life for the communities we serve

ANNUAL REPORT 2013/14

Making good
business better

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Attendance Slip & Proxy Form





Making Good Business Better

At Tata Global Beverages (TGB), we believe that doing business sustainably is key to building long-term growth and stakeholder value. We believe that a company which embraces sustainability taps deeper into its own potential; it challenges itself to think of new ways of doing business and enriching the community around it. Being a company focused on natural beverages, we are committed to sustainable beverage production and consumption across the value chain – from ethical sourcing to the time the beverage reaches the consumer.

Sustainability at TGB revolves around five pillars – Ethical Sourcing, Water Management, Climate Change Management, Waste Management and Community Development. Within the pages of this Annual Report, you

will read examples of our efforts under each of these pillars. These are success stories about caring for the environment, supporting sustainable livelihoods, reducing energy usage, ensuring that a factory does not dispose any waste to landfill, using new distribution models that provide employment, and launching a marketing campaign that drives social change.

Integrating sustainability into our core business and our DNA is a challenging but ultimately rewarding experience. We are continually inspired by the people we have had the opportunity to positively impact. Their growth and success fuels our continued commitment to making our good business better.

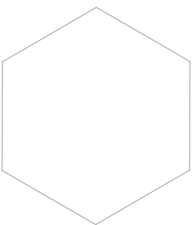
WHAT WE STAND FOR

VISION

*To be the most admired
natural beverages company
in the world by making a
big and lasting difference in
Tea, Coffee and Water*

PURPOSE

*We will focus on creating
magical beverage moments for
consumers and an eternity of
sustainable goodness for our
communities*



DIRECTIONAL THEMES



Consumer is our heartbeat

We use our mind (and our hearts) to come up with great ideas, making brands that people want and love. Our brands aren't just products; they are promises we keep and experiences we deliver.



Disruptively Challenging

We think differently, we are open to new sources of inspiration and we are fresh and unexpected. We punch above our weight because we are hungrier to succeed and quicker to anticipate and respond.



Playfully Professional

We are ambitious, confident and energetic. We know we can be commercially successful and have fun at the same time. Maybe that's why we work with a smile on our face!



Individually Excellent, Collectively Brilliant

We possess smart individuals but we know it takes a team to be successful. We are doers and achievers. We take charge, are resourceful and we make it happen.



Doing Good

We are fair and honest with everyone. We do the right things for the environment and inspire others to do the same. It is also important for us to provide a working and learning environment where everyone is treated equally and with dignity.



Perfect Execution

We believe in perfect execution of our plans and working together as a team, because we know that provides us the best platform for consistent success. It is our urge to deliver what we have committed, despite all odds. We will pursue perfect execution because we are capable professionals who take pride in our work.

TATA GLOBAL BEVERAGES AT A GLANCE

We are a global player with unique competencies, differentiated offerings, appealing brands and significant scale – in the three natural beverage categories of tea, coffee and water.

North America



**2nd
largest**
tea company
in the world

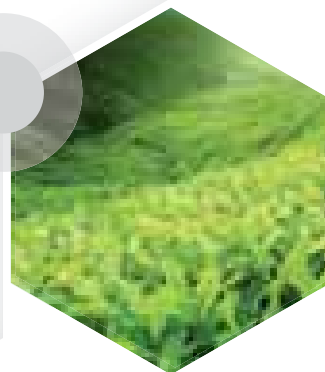


Among
top 10
players in
coffee globally

Brand
presence in **40+**
countries

**An expanding
branded water
portfolio**

**250 mn
servings**
of TGB brands
consumed globally,
everyday





Rs. 7,738 Cr

**Consolidated Revenue
from Operations 2013-14**

▲ 5% Y-O-Y

Rs. 522 Cr

**Consolidated Profits
After Tax 2013-14**

▲ 10% Y-O-Y

Rs. 481 Cr

**Group Net Profits
2013-14**

▲ 29% Y-O-Y

#1 Whole Bean Coffee
Brand in the US

#1 In India, Canada and
the Czech Republic
with Market leadership
in Tea Category

#2 In Tea Category in the UK,
with strong presence
in Black, Decaf, Rooibos
Green & Specialty teas

CEO & MANAGING DIRECTOR'S MESSAGE



DEAR SHAREHOLDERS,

Sustainability has always been at the heart of the Tata Group, since its inception. In the words of the Group's founder, Jamsetji Tata – "The community is not just another stakeholder in business, but is, in fact, the very purpose of its existence." At Tata Global Beverages, we are underpinned by a firm belief that a sustainable business is a better business, which generates better long-term value for all its stakeholders. This is reflected in the theme of our Annual Report – ***'Making good business better.'***

We believe a business needs to have a positive impact on all its stakeholders, which goes well beyond generating financial returns. Consumers feel positive buying products and services which they know have been produced sustainably. Employees and business partners experience pride and engage better when working with a business that makes ethical choices. Investors recognise that such businesses generate healthier long-term returns. Communities are supportive when businesses co-exist in harmony and also support development.

Tata Global Beverages has identified five core pillars, which are integrated with its strategy – Ethical Sourcing, Climate Change Management, Water Management, Waste Management and Community Development.

At Tata Global
Beverages, we
are underpinned
by a firm belief
that a sustainable
business is a better
business.



Our Company is building ethical sourcing into the supply chain through partnerships such as the Ethical Tea Partnership (ETP) and Trustea and enabling climate change management by reducing our carbon footprint. You will be glad to know that Tata Global Beverages has been ranked first in the Carbon Disclosure Leadership Index (CDLI) in the Consumer Staples sector in India. Our subsidiary Tata Coffee's water management initiatives help meet 95% of their water requirement and our biggest factory in Eaglescliffe, UK, sends zero waste to landfill. On the subject of community development, I would like to highlight 'Gaon Chalo', a community-based distribution model, which enables employment and development of rural youth in India.

On the business front, Tata Global Beverages is focused on creating magical beverage moments for consumers across the globe through its tea, coffee and water brands. During the last year, our Company made good progress in building the business through organic growth, innovation and strategic alliances. We have had an eventful year highlighted by new launches which were supported by impactful marketing campaigns. We re-launched the iconic Eight O'Clock coffee brand in the US, launched an exciting marketing promotion for Tetley in the UK and launched a new phase of the Tata Tea 'Jaago Re' campaign in India, focused on

awakening Indian women to the power of their vote.

Our Company continues to invest in innovation to leverage key trends like health and wellness. Tetley has kept pace with today's lifestyle, understood the palate unique to each region and offers a range of delicious flavours in the green tea portfolio. Tetley 100% Steamed Green Teas were launched in Canada and Australia. Tetley Black & Green tea, launched in the US, offers consumers the taste of black tea with the goodness of green tea. In India, a significant marketing and advertising campaign has begun for Tetley Green Tea.

During the year, Tata Global Beverages continued to develop its joint ventures -- Tata Starbucks and NourishCo to further enhance their market presence and growth.

Our Company successfully acquired a 100% stake in the equity capital of Earth Rules Pty Ltd., Australia, which is engaged in the coffee business under the Map brand. The Map brand is present in both Roast & Ground coffee and PODs (single service portions) category in Australia. This acquisition will help Tata Global Beverages further expand its portfolio in the high growth contemporary 'single serve' business.

On the business performance front, Revenue from Operations stood at Rs. 7,738 crores, posting an increase of 5% year-on-year. Group Net Profits were 29% higher than the previous year. The operating results reflect strong performance in some countries and a challenging market environment in a few geographies.

As you will note, despite a tough market environment in many geographies, our Company continued to invest strongly behind our brands, which impacted the profitability of the business. Our Company's vision is to be 'the most admired natural beverages company'. This aspiration, I am sure you will agree, is possible only by investing and protecting the long term future of the business -- our brands.

As I sign-off, I would like to reiterate that at Tata Global Beverages, how we achieve business growth and profits is as important as the quantum of growth and profits we achieve. I am sure you will feel great pride as you read through the pages of this Annual Report. At Tata Global Beverages, making good business better, is about sustainability in business practices as well as in business growth.

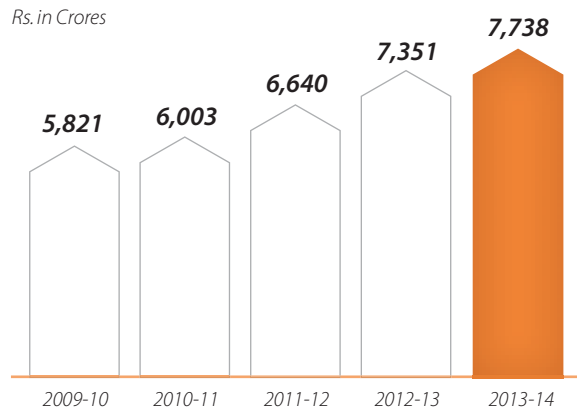
Ajoy Misra
CEO & Managing Director

PERFORMANCE HIGHLIGHTS (CONSOLIDATED)



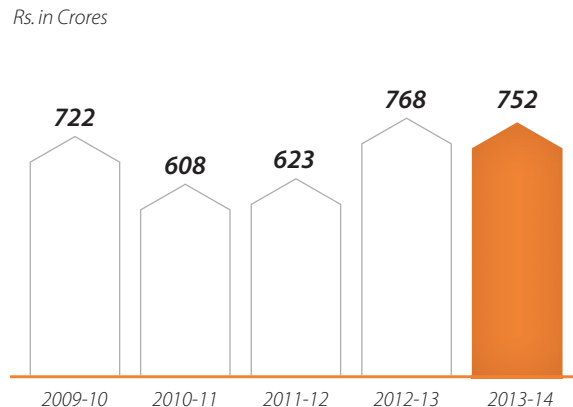
Revenue From Operations

Rs. in Crores



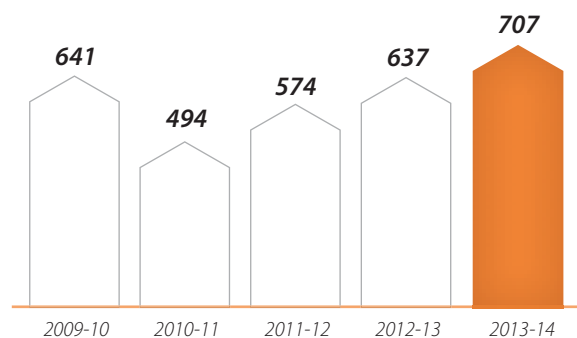
EBITDA

Rs. in Crores



Profit Before Tax

Rs. in Crores



Net Profits

Rs. in Crores

