

# TATA GLOBAL BEVERAGES

Discover the Refreshing World of TATA  
Global Beverages

Jason Cortellini



# About Tata Global Beverages

## Our Vision and Mission...

*To be the global leader in branded  
“good for you” beverages*

*To make the world a better place  
through life enhancing,  
sustainable hydration*

# Our Global Presence



★ Regional offices

**TATA** GLOBAL BEVERAGES

**TATA** COFFEE **TATA** TÉA

**Tetley**

**Himalayan**  
The natural mineral water

**GOOD EARTH**

**EIGHT**  
O'CLOCK

# Our Major Product Brands

## GLOBAL BRANDS



## GROWTH BRANDS



## Tata Global Beverages is part of Tata Group

- Tata Group is a successful, growing conglomerate operating in seven business sectors: consumer products, communications and information technology, engineering, materials, services, energy, and chemicals
- Tata employs over 300,000 employees in 80 countries
- In 2008/09 the Tata Group generated revenue of US\$70.8 billion
- 66% of the shares of Tata's holding company are owned by philanthropic trusts. Profits from the group support a wide range of good causes



# TATA GLOBAL BEVERAGES

Tata Coffee



# Tata Coffee

- Asia's largest coffee plantation company with 9,000 hectares spread over a variety of micro-climates producing 10,000 MT of mainly washed Arabica & Robusta varieties
- ISO 9001-2008 certified Dry mill with a capacity of 20,000 MT p.a.
- A fully equipped roastery with a Neohas Neotec roasters with a capacity of 1,500 MT p.a.
- A multi-plant soluble manufacturer with a total capacity of 6,000 MT producing all 3 variants: spray dried, agglomerated and freeze dried coffee for export markets
- A significant tea producer owning 2,400 hectares of tea gardens producing about 8, 000 MT of tea
- Single largest pepper producer in India, producing about 1,500 MT of pepper



# Plantations

- Every estate produces 100% shade grown and sun dried coffee and is fully equipped with facilities for washing (pulpers, fermentation units, washers) and tables for drying
- Multiple rounds of selective picking ensure the highest quality standards
- The only corporation with an accredited R&D division
- Extensive data collection and research resulting in a Codification system for various farm level cultural practices

# Plantations





# Valparai Estate



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# Focus on Quality

- Striving to produce over 13,000 bags of Specialty coffee
- Careful selection of seed material
- Multiple rounds of selective picking ensure harvesting at the peak stage of ripeness
- Scientifically managed pulping, fermentation, washing and drying processes
- Regular training of all workers on proper processes and procedures to continually improve quality
- Each lot is cupped and rated after processing and stored separately according to the cup rating
- At our facilities coffee is stored and milled according to estate groupings ensuring **100% traceability**

# Range of cup profiles

- Estates are spread over different micro-climates of varying elevation and soil conditions resulting in a range of cup profiles
- 19 high elevation estates produce top quality Arabica's and Robusta's that supply specialty roasters worldwide
- Care in picking, processing, drying and milling have resulted in coffees that have consistently won awards at specialty competitions
- Our accredited Quality Lab classifies coffees according to cup ratings and customer requirements

***Processing from tree to cup is handled by Tata Coffee, thus exercising control on quality at every stage***

# Awards

Consistently winning awards for quality:

| Year | Awards won by Estates at the India International Fine Cup Awards   |
|------|--|
| 2010 | Nullore – Best Specialty – II                                      |
| 2009 | Jumboor – Best Specialty – I<br>Nullore – Best Specialty – II      |
| 2008 | Valparai – Best Specialty – I<br>Coovercolly – Best Specialty - II |
| 2007 | Sunticoppa – Best Specialty – I                                    |

## Rainforest Alliance Cupping for Quality - May 2010 Results

### India

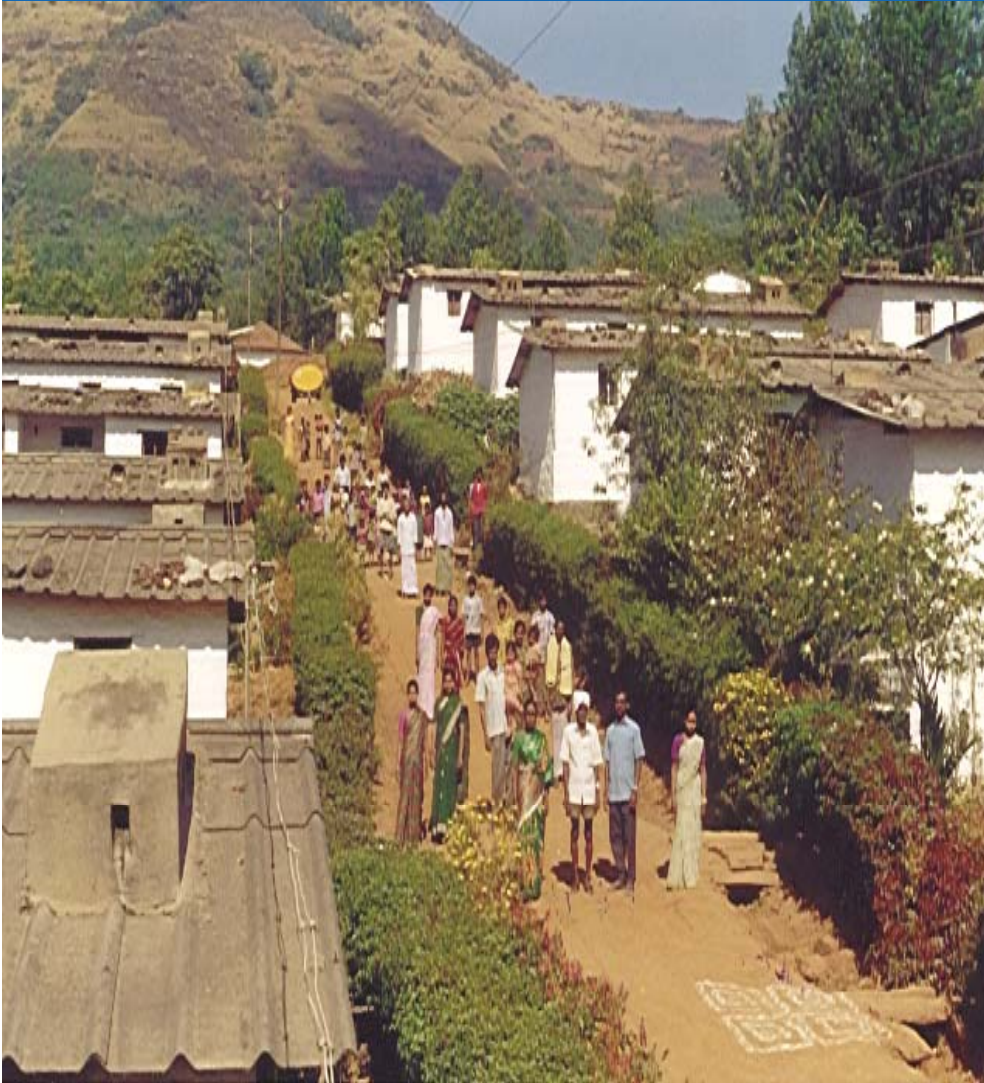
|                      |       |
|----------------------|-------|
| Jumboor Estate       | 83.85 |
| Mylemoney Estate     | 82.82 |
| Ubban Estate         | 81.95 |
| Cannoncadoo Estate   | 81.73 |
| Goorghully Estate    | 80.75 |
| SAS Melkodige Estate | 80.73 |
| SAS Lalithadri       | 78.20 |

# Tata & Sustainability

- Tata farms are ***Utz and Rainforest Alliance certified***
- The plantations are workforce intensive and we employ over 10,000 workers
- Tata is the first plantation company in the world to be SA8000 certified
- Workers are provided with housing, medical care, day care for their children, piped water and electricity
- Independent assessors conduct a welfare audit each year to monitor the worker's well-being
- Tata Coffee has implemented the Human Development Index (HDI) measure across all estates. TCL's HDI standard exceeds the national average and we strive to be one amongst the global leaders



# Workers housing





# Community Development

In line with the Tata ethics and culture of being a leader in community and human welfare, Tata Coffee has well established initiatives within each coffee region it operates:

- Tata Coffee has established and funded an independent charitable trust, Coorg Foundation, which runs schools, distributes scholarships and operates a mobile clinic staffed with trained doctors
- Swastha, a special education school run by Coorg Foundation caters to all special needs children around our estates
- Tata Coffee is also carrying out a reforestation project under the Coorg Foundation banner
- Runs the DARE (Developmental Activities for Rehabilitative Education) project
- Has set up a community hall for the local residents where it has facilities

# Corporate Social Responsibility



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**Tetley**

**Himalayan**  
The natural mineral water

**GOOD EARTH**

**EIGHT**  
O'CLOCK

# Climate Change

- Tata Coffee is a Carbon sink of .15 million MT of CO2 equivalent p.a. as per a recent assessment
- Initiatives for water conservation with new generation pulpers and energy audits are underway to further reduce our carbon footprint
- All coffee is **shade grown** and **sun dried**
- The estates have a **rich variety of flora and fauna**. Wild animals are found crossing the estates freely and safely
- Effluents are properly treated and water is recycled



# Wildlife on the estate



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# Wildlife on the estate



**EIGHT  
O'CLOCK®**



# Eight O'Clock Coffee is a strong U.S. brand

- Rich heritage as a 151 year old brand established in 1859
- #1 Whole Bean and 4<sup>th</sup> in volume in U.S. Grocery
- Primarily a Retail brand
- Eight O'Clock's 100% Colombian coffee variety rated #1 in taste and a “best buy” by leading independent consumer product testing organization (February 2009)
- Recently named one of *America's Greatest Brands*



# Eight O'Clock Coffee has a Rich History

## 1800's

- Eight O'Clock Whole Bean Coffee sold in A&P stores since 1859

## 1920's – 1950's

- Eight O'Clock was the #1 Retail coffee brand in America

## 1970's

- Eight O'Clock began selling to third party retailers

## 1980's – 1990's

- Product innovation – Whole Bean blends and flavors
- Packaging innovation – freshness valve on bag

## 2000's

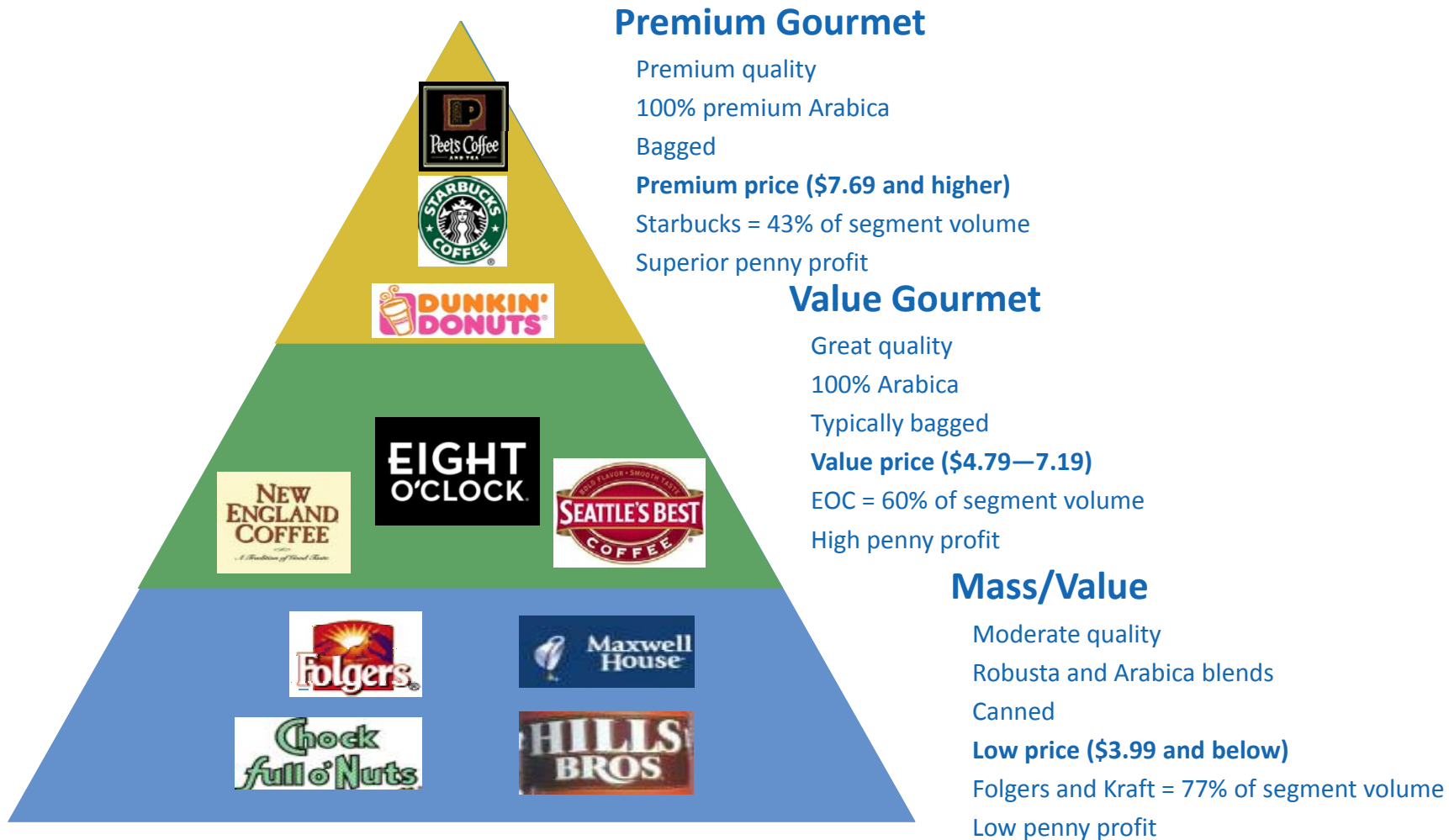
- Became independent of A&P; now owned by the Tata Group
- Launched Ground product line

## 2010

- Still the best selling Whole Bean Coffee in America
- Accolades for Great Taste and Great Value
- Entered functional beverage segment with Eight O'Clock Metabolism Boost™ Performance Blend

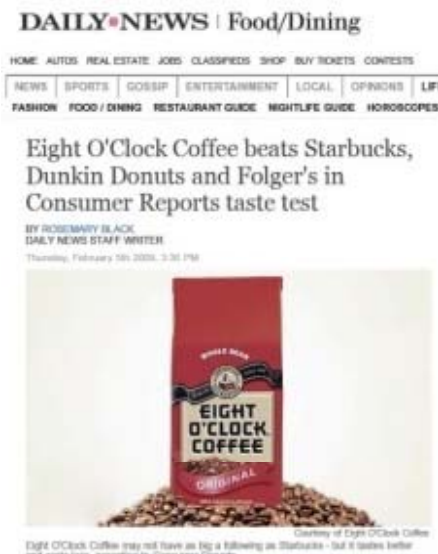


# Eight O'Clock is Positioned as a Value Gourmet Brand in the Competitive U.S. Coffee Market



# High Quality Standards Deliver Eight O'Clock Coffee's Well-Documented Great Taste

- **Eight O'Clock Coffee maintains high quality standards**
  - Careful selection of high quality 100% Arabica coffee beans
  - Each lot of green coffee tasted and tested multiple times
  - Beans are batch roasted to optimize flavor
  - Experienced operators continuously control processing and packaging quality
  - All finished product is tasted at start-up and throughout the production process
  - Strong food safety and sanitation standards
  - Lean Sigma is used as a continuous improvement tool
- **The great taste of Eight O'Clock Coffee has been well-documented**



# Eight O'Clock delivers a full line of products to meet many consumer preferences

Roast Levels



Single Origin



Flavors



Reduced Caffeine



# Eight O'Clock is staying consumer-relevant with new packaging and a new “good for you” variety

**LOOK FOR NEW PACKAGING**



**Fresh new look, same great taste.**

visit [eighthoclock.com](http://eighthoclock.com)

**Taste what people are talking about**

**MANUFACTURER'S COUPON EXPIRES 12/31/2014**

**\$100 OFF**

any one (1) bag of Eight O'Clock® Coffee

**EIGHT O'CLOCK**

Coupons valid only on breakfast blend. One coupon per purchase. Not to be cashed or transferred. Consumer pays any sales tax. \$100.00 off will only be paid prior to purchase. Coupon good for buying one (1) bag of product with 11 additional in combination with one coupon (maximum of 12 coupons) for purchase of same brand/size bag only. Total of purchase of additional 11 bags of product must be provided on receipt. Coupon will expire 12/31/2014. See back of coupon for details. © 2014 TATA COFFEE CO. All rights reserved.

**MANUFACTURER'S COUPON EXPIRES 1/31/2015**

**\$200 OFF**

any two (2) bags of Eight O'Clock® Coffee

**EIGHT O'CLOCK**

Coupons valid only on breakfast blend. One coupon per purchase. Not to be cashed or transferred. Consumer pays any sales tax. \$200.00 off will only be paid prior to purchase. Coupon good for buying two (2) bags of product with 11 additional in combination with one coupon (maximum of 12 coupons) for purchase of same brand/size bag only. Total of purchase of additional 11 bags of product must be provided on receipt. Coupon will expire 1/31/2015. See back of coupon for details. © 2014 TATA COFFEE CO. All rights reserved.

**TRY NEW METABOLISM BOOST™ VARIETY!**

**Coffee Infused with Antioxidants from Green Tea**



**EIGHT O'CLOCK**

**Taste what people are talking about**



# Eight O'Clock maintains continuous dialogue with its passionate consumers

**EIGHT O'CLOCK** SAME GREAT TASTE, FRESH NEW LOOK.

**Stock up and Save! \$2 OFF 2 BAGS**  
CLICK HERE FOR COUPON

**WE'RE SERVING UP A NEW LOOK... AND WE WANTED YOU TO SEE IT!**  
Created with you in mind, our new packaging was designed with consumer input. Our new look reinforces our commitment of great taste in a fresh and more contemporary way. We may be 151 years old, but we don't have to look it!

Don't worry, we may look different on the outside, but the same great taste is still on the inside. And we're still color coded, so your favorite varieties remain easy to find on the shelf.

**PLAY OUR EIGHT O'CLOCK COFFEE MATCH GAME!**  
Become a fan at Facebook.com/eightoclockcoffee. Show your skill at matching up our old and new packaging and you may win free Eight O'Clock Coffee for a year! Click here for Match Game Official Rules.  
**HINT:** Before playing, take a quick peek at all our varieties (old and new packaging) in the "Find Your Grind" section at eightoclock.com.

**DON'T MISS OUT! JOIN THE BEAN BOARD!**  
Go to eightoclock.com before September 30th for a chance to be featured on our homepage and you may win one of 500 bags of Eight O'Clock Coffee\*.

**Enjoy tea, too?**  
Click here to opt in for special offers from Tetley Tea or Good Earth Tea.

**TASTE WHAT PEOPLE ARE TALKING ABOUT.**  
Visit us at [EightOClock.com](http://EightOClock.com)

\*NO PURCHASE NECESSARY. A purchase will not increase your chances of winning. Sweepstakes begins 12:01 AM ET 8/1/10 and ends 11:59 PM ET 9/30/10. Subject to Official Rules, available online. Open to residents of the 50 United States, DC and other "hold or APSP" addresses outside of the US, PR & where prohibited. Limit one entry per person/online address per day. Sponsor: Eight O'Clock Coffee, 100 Chemical Ridge Road, Morristown, NJ 07960. ©Copyright 2010 Eight O'Clock Coffee Company.

E-Mail Blasts



**Kevin O'Reilly** 8 O'Clock Brand Coffee Has been a Vital part of my life from the memories as a child inhaling the smells emanating from the Custom Grinders at the check out counters Of A&P . to those same smells that bring the nostalgia rushing back to me as I grind My 8 O'CLOCK COFFEE ,in my own home as an adult. Thank You!

May 2 at 1:09pm · Flag



**Emily Zahm** Eight O'Clock Colombian is the only coffee I bother buying. Nothing else holds to the same standards of flavour and body, let alone how well that flavour persists long after the bag has been opened!

May 2 at 12:38pm · Flag

[Facebook.com/eightoclockcoffee](https://www.facebook.com/eightoclockcoffee)



Bean Board at [eightoclock.com](http://eightoclock.com)

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**EIGHT O'CLOCK**

*Take Another Look at Eight  
O'Clock Coffee!*

# TATA GLOBAL BEVERAGES

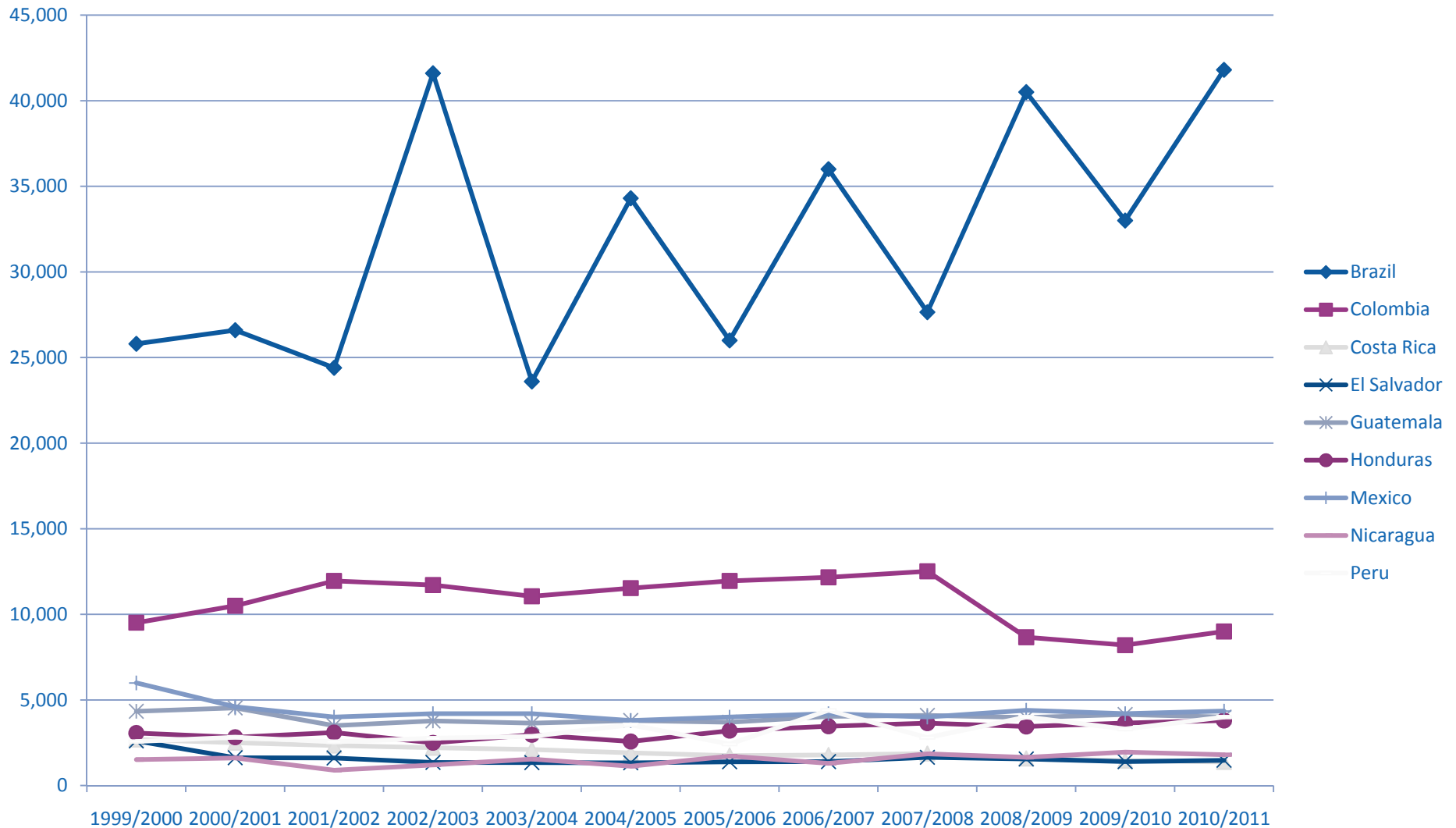
## Washed Arabica

# Washed Arabica Supply & Demand Changes

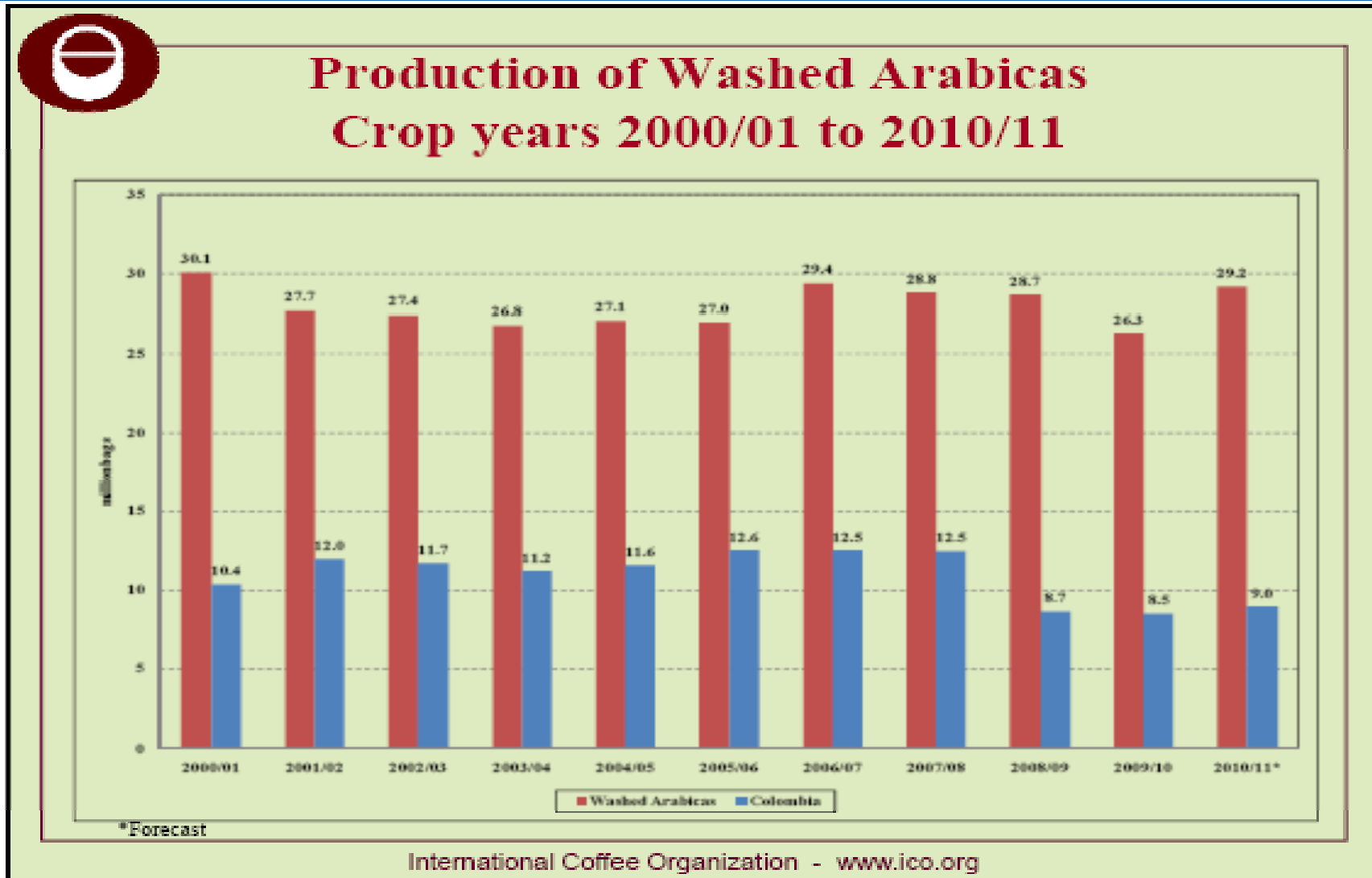
- Supply of washed Arabica's and increased differential prices have initiated creative thinking
- ICE futures market rally and speculative trading added another dimension
- Production changes due to external factors
- Washed Arabica / Emerging market consumption
- Shift seen to focus on alternatives
  - Vietnam
  - China
  - Washed Brazils




# Arabica Production the last 10 years



# Production of Washed Arabica's - ICO



# World Coffee Consumption: Traditional markets - ICO



**World Coffee Consumption: Traditional markets**  
**Evolution 2000 – 2009**  
 (in thousand 60-kg bags)

|                       | 2000          | 2009*         | Annual growth (%) |
|-----------------------|---------------|---------------|-------------------|
| <b>Total</b>          | <b>63 377</b> | <b>68 873</b> | <b>0.8</b>        |
| <b>European Union</b> | <b>38 024</b> | <b>38 626</b> | <b>0.2</b>        |
| <i>Germany</i>        | <i>8 770</i>  | <i>8 897</i>  | <i>0.1</i>        |
| <i>Italy</i>          | <i>5 149</i>  | <i>5 835</i>  | <i>1.3</i>        |
| <i>France</i>         | <i>5 402</i>  | <i>5 568</i>  | <i>0.3</i>        |
| <i>Spain</i>          | <i>2 991</i>  | <i>3 352</i>  | <i>1.2</i>        |
| <i>United Kingdom</i> | <i>2 342</i>  | <i>3 220</i>  | <i>3.3</i>        |
| <b>USA</b>            | <b>18 746</b> | <b>20 436</b> | <b>0.9</b>        |
| <b>Japan</b>          | <b>6 626</b>  | <b>7 130</b>  | <b>0.7</b>        |

\*Forecast

International Coffee Organization - [www.ico.org](http://www.ico.org)

# World Coffee Consumption: Emerging markets - ICO



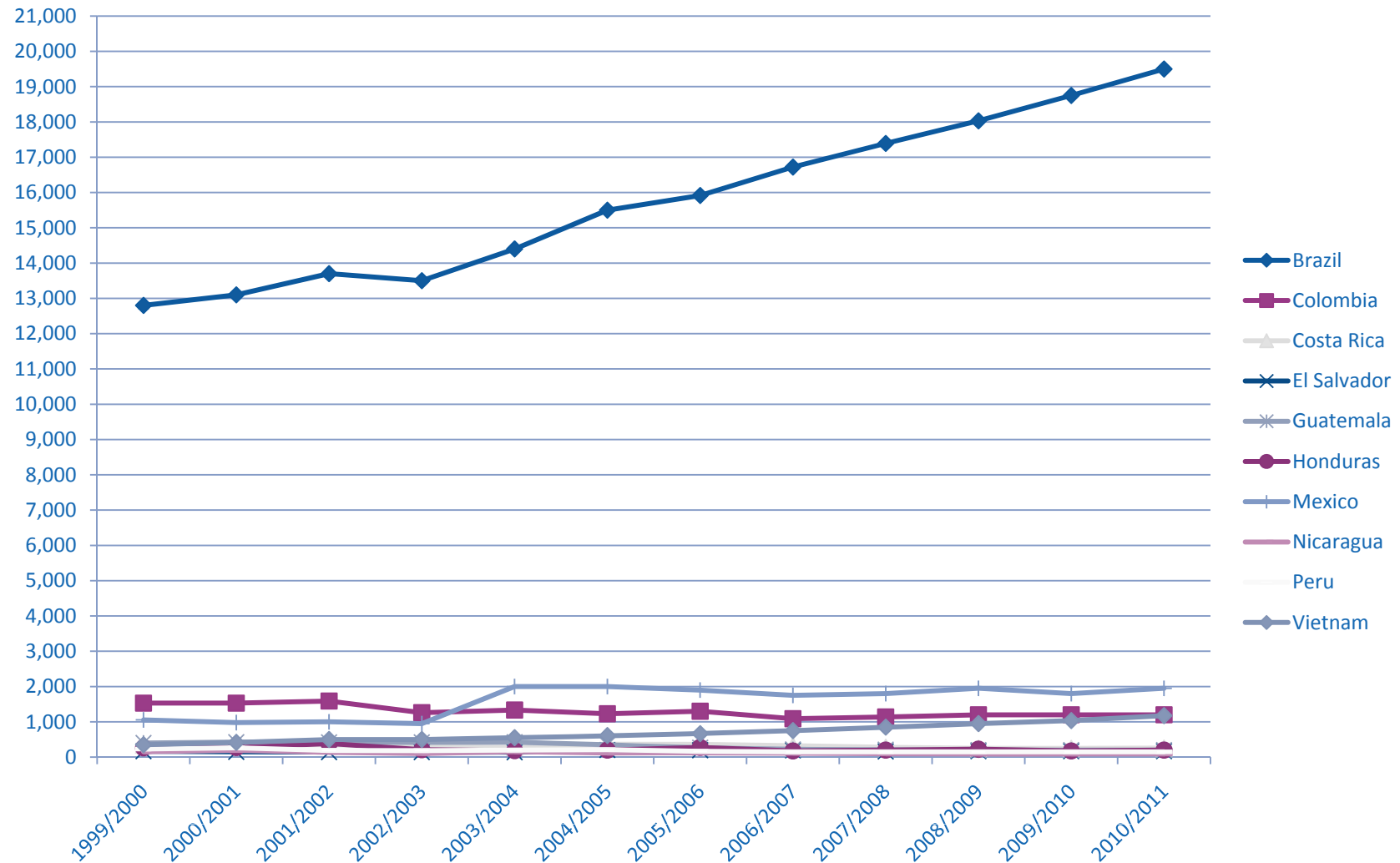
## World coffee consumption: Emerging markets Evolution 2000 – 2009 (in thousand 60-kg bags)

|                           | 2000          | 2009*         | Annual<br>growth<br>(%) |
|---------------------------|---------------|---------------|-------------------------|
| <b>Total</b>              | <b>15 744</b> | <b>22 500</b> | <b>3.6</b>              |
| <b>Russian Federation</b> | <b>1 863</b>  | <b>3 131</b>  | <b>5.3</b>              |
| <b>Algeria</b>            | <b>1 779</b>  | <b>2 066</b>  | <b>1.5</b>              |
| <b>Korea, Rep. of</b>     | <b>1 246</b>  | <b>1 551</b>  | <b>2.2</b>              |
| <b>Ukraine</b>            | <b>179</b>    | <b>1 460</b>  | <b>23.4</b>             |
| <b>Australia</b>          | <b>832</b>    | <b>1 223</b>  | <b>3.9</b>              |
| <b>Turkey</b>             | <b>291</b>    | <b>521</b>    | <b>6.0</b>              |
| <b>Croatia</b>            | <b>327</b>    | <b>366</b>    | <b>1.1</b>              |
| <b>Tunisia</b>            | <b>174</b>    | <b>289</b>    | <b>5.2</b>              |

\*Forecast

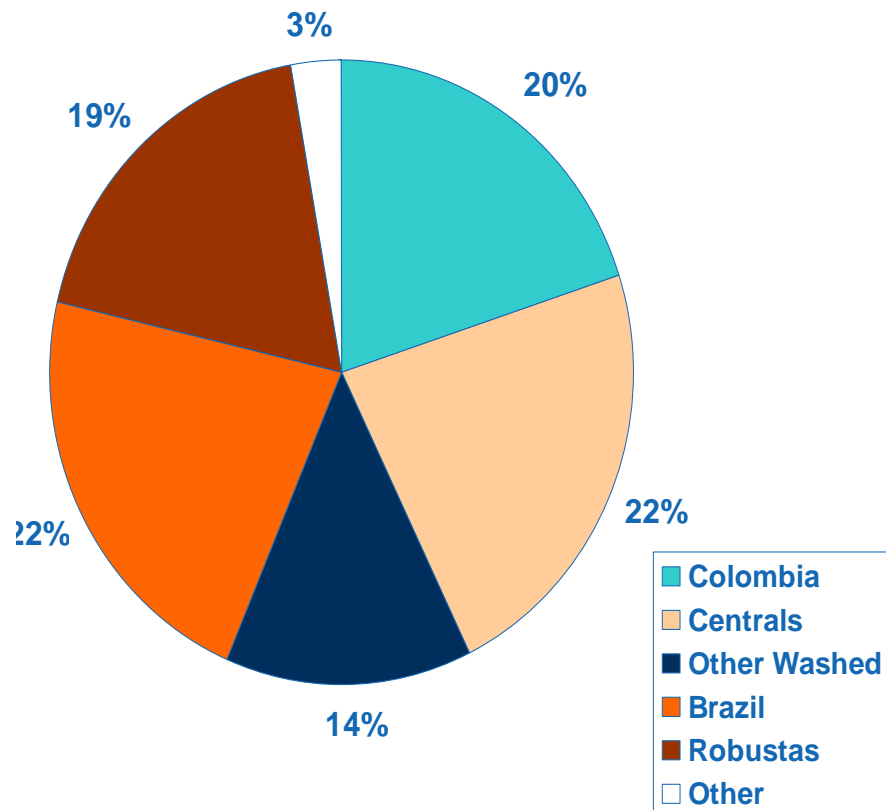
International Coffee Organization - [www.ico.org](http://www.ico.org)

# Producing country consumption

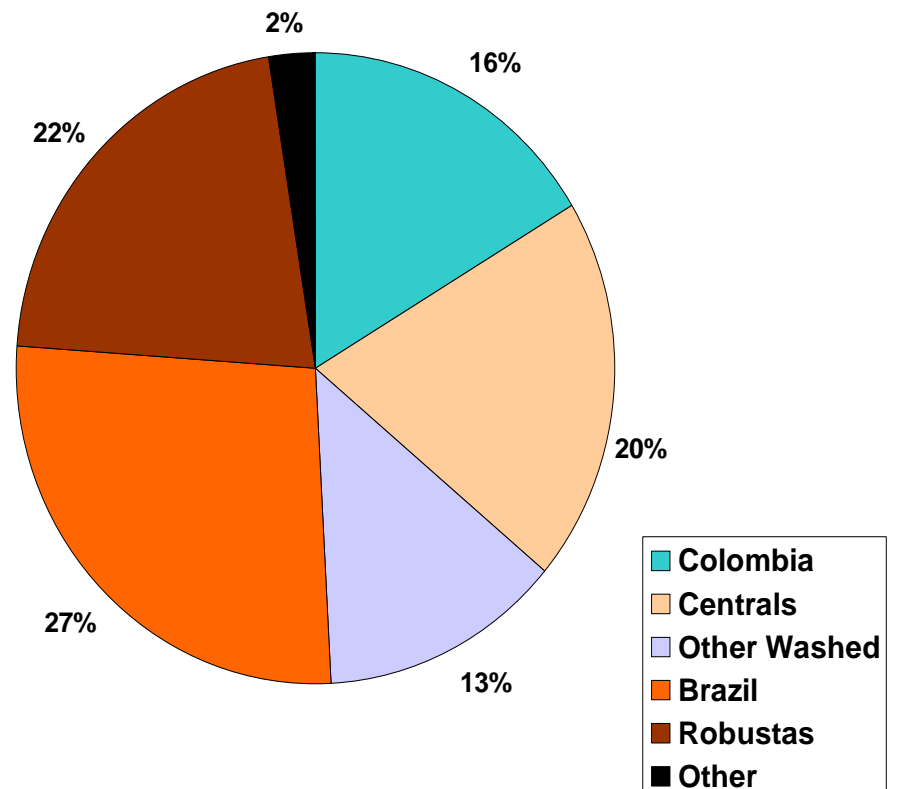


# USA Green Coffee Imports

Jan-Dec 2008



Jan-Dec 2009



Courtesy of Rothfos Corporation

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**TATA COFFEE** **TATA TEA**

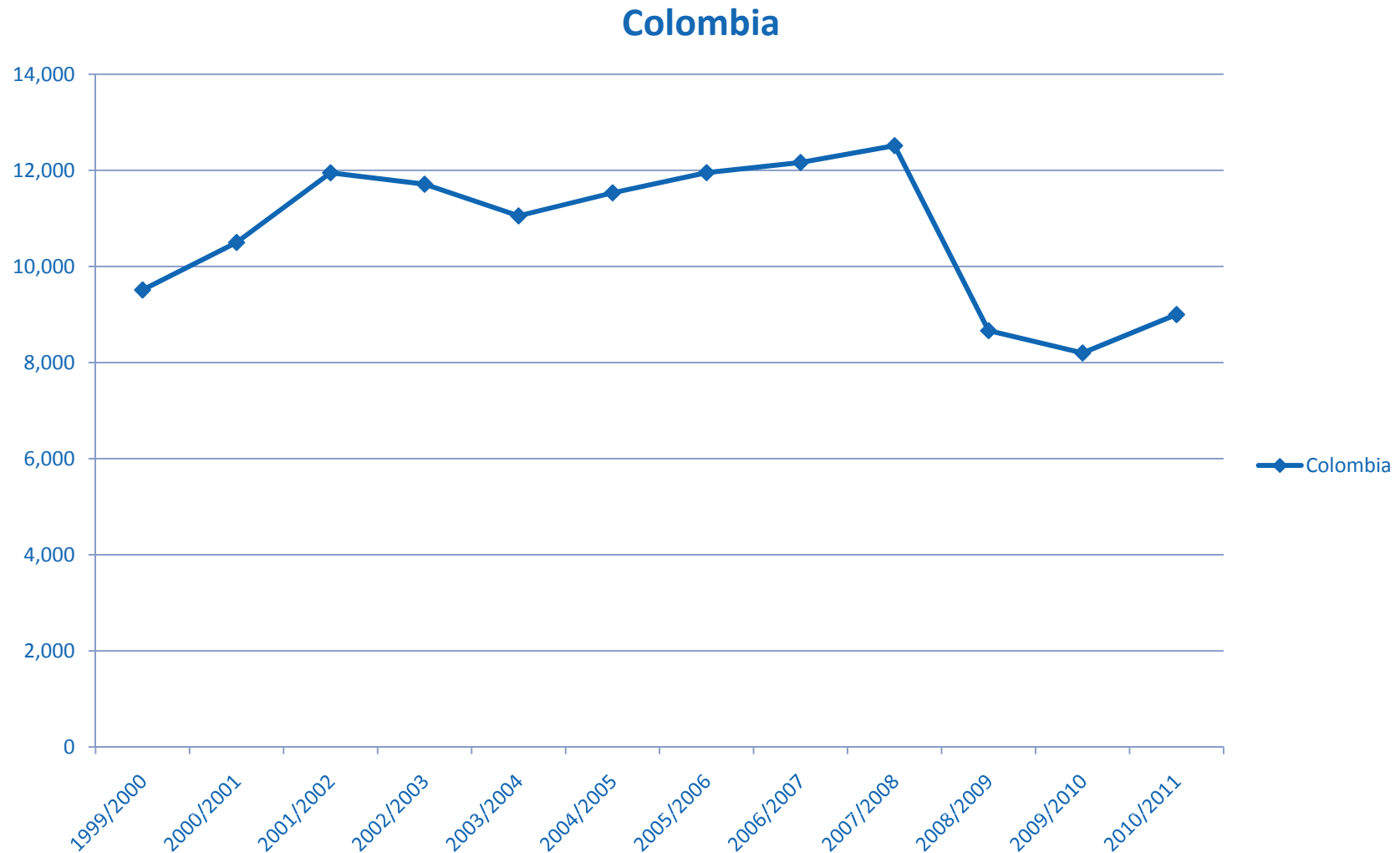
**Tetley**

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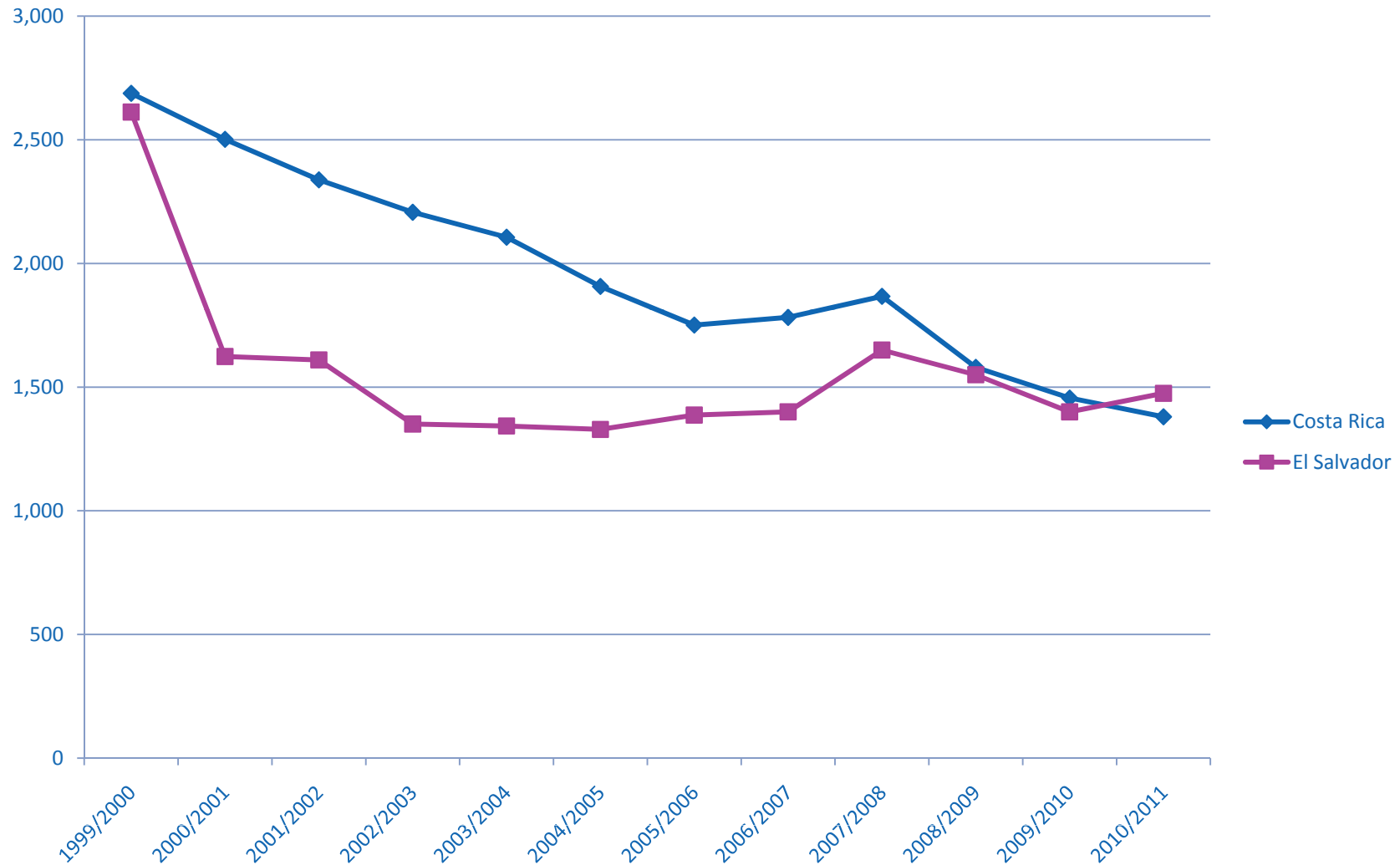
**GOOD EARTH**

**EIGHT O'CLOCK**

# Colombian Production Trend

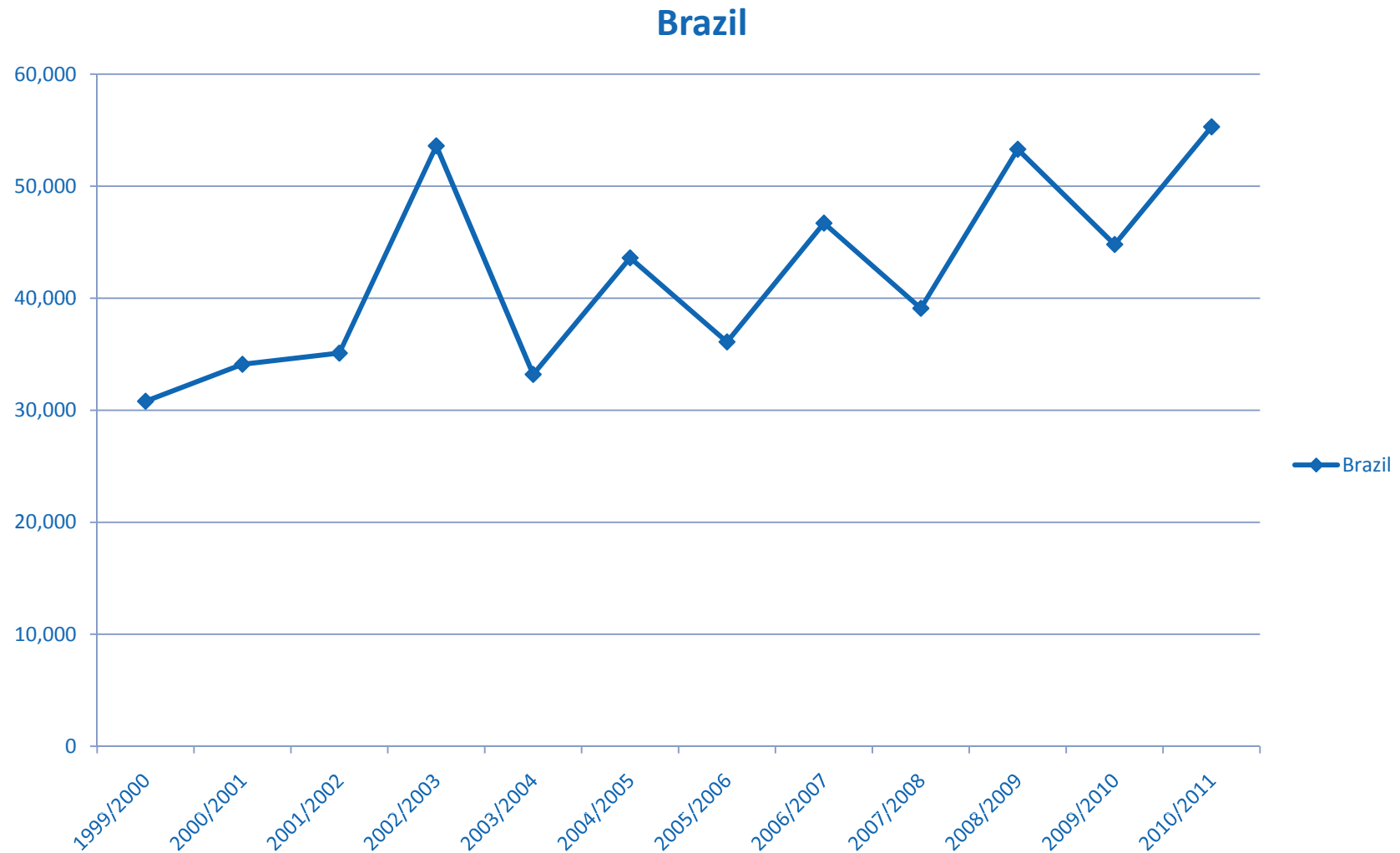


# Costa Rica and El Salvador Production Trend

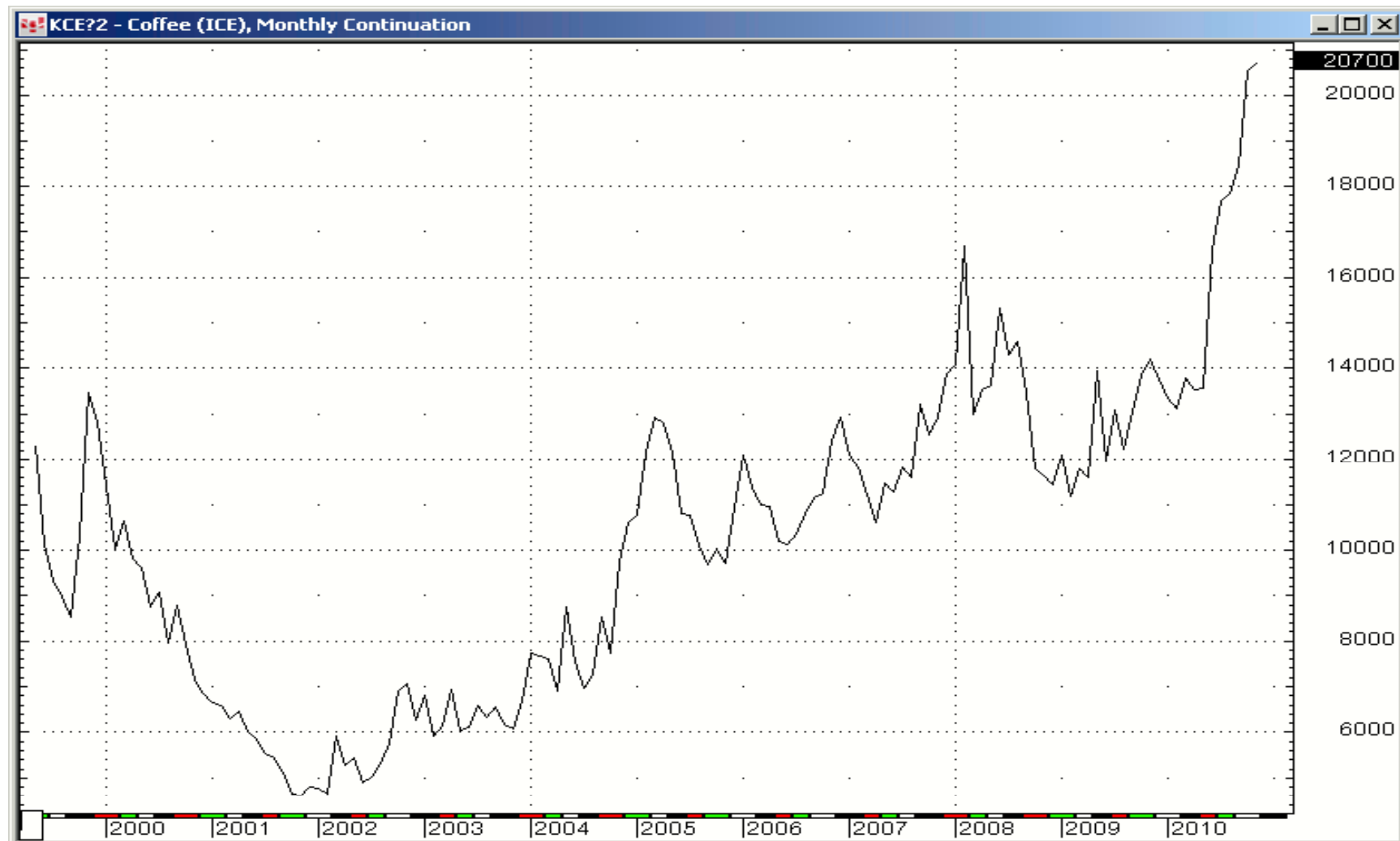




# Brazil Crop Trends



# ICE Rally



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Fri Nov 05 2010 13:19:02

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# Speculative Position vs. Commercial Short Position



Courtesy of M. J. Nugent & Co. Inc. and Bloomberg

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# Stocks vs. ICE Futures



Courtesy of M. J. Nugent & Co. Inc. and Bloomberg

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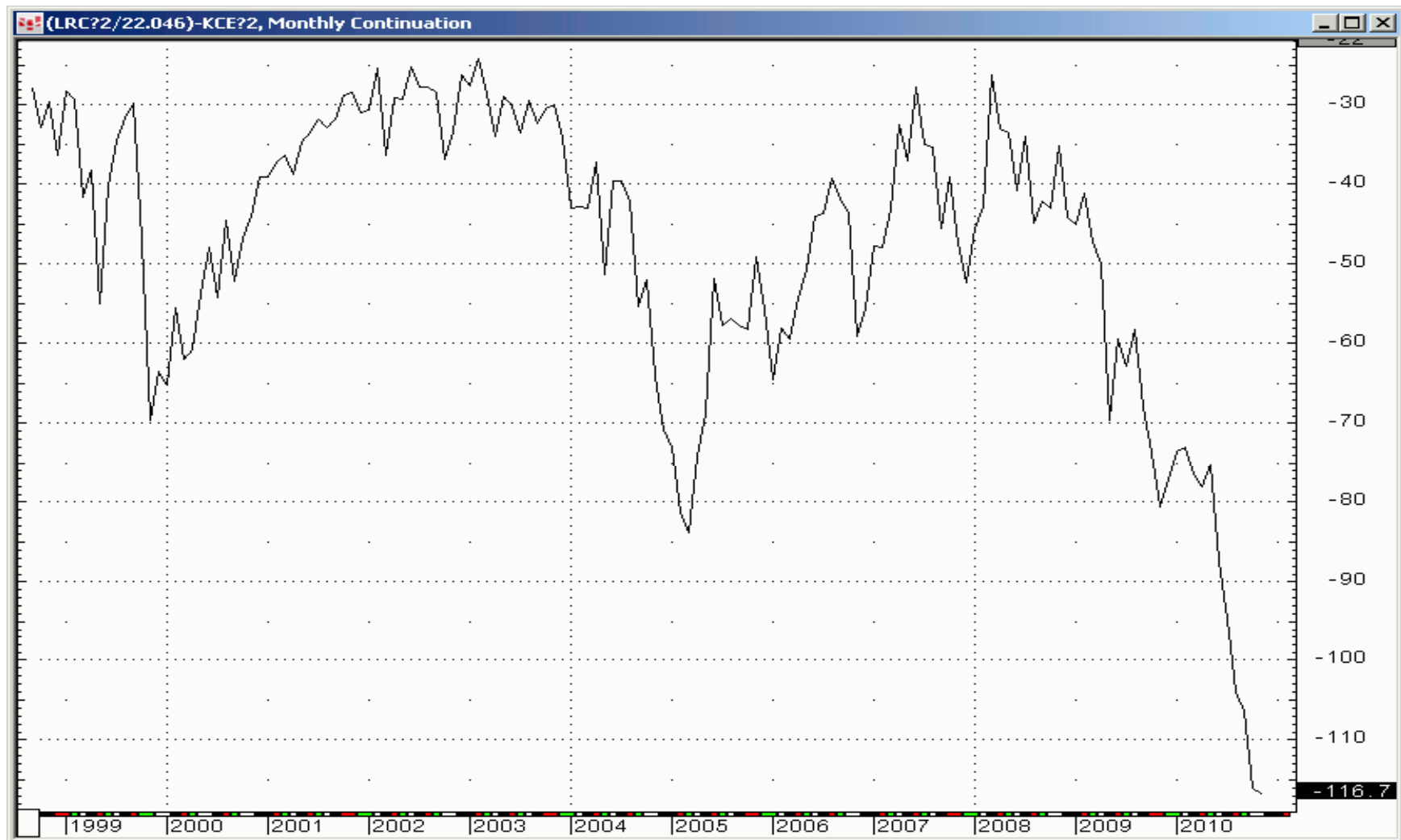
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# Arb ICE/LIFFE



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Fri Nov 05 2010 10:00:17

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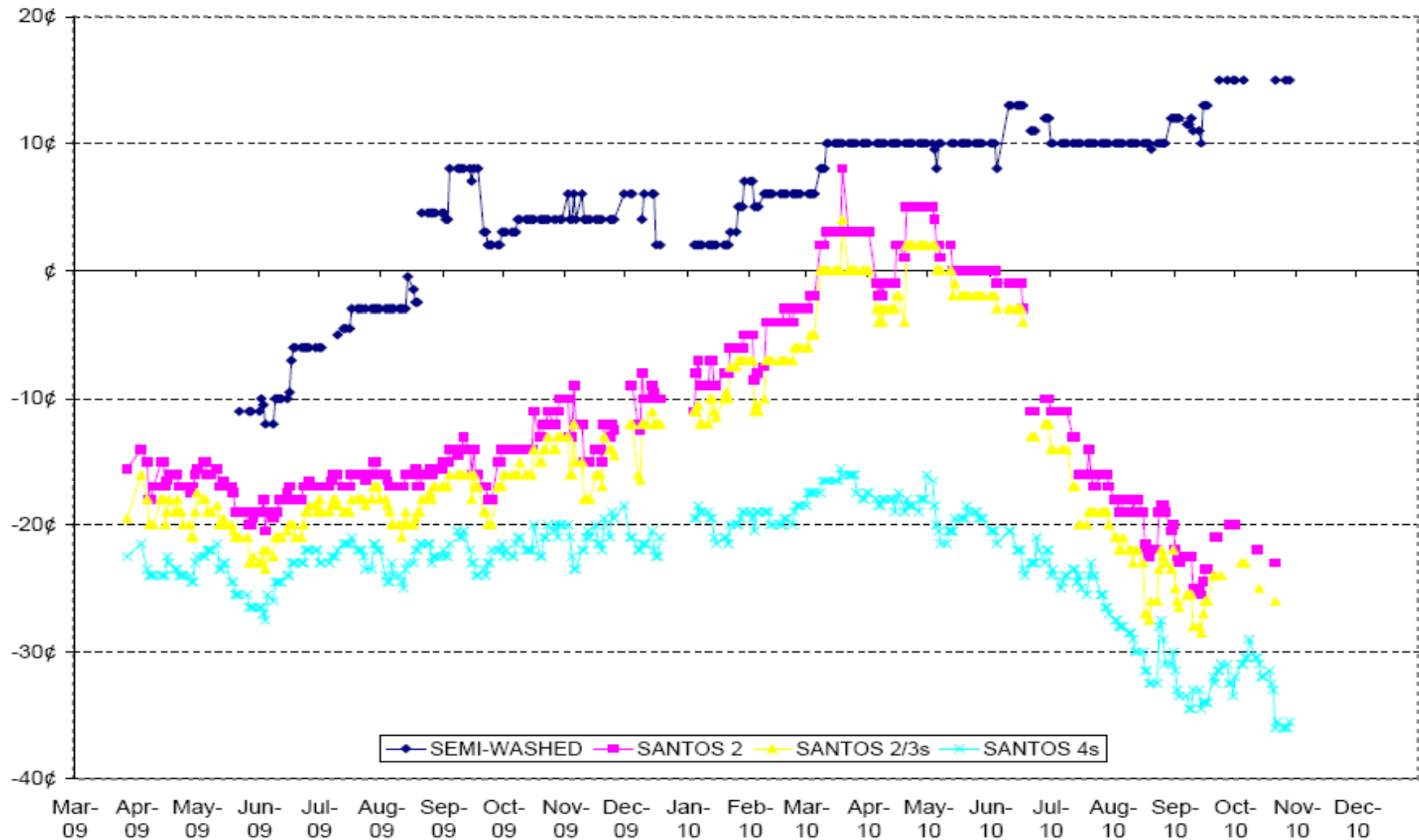
**How are roasters addressing the issue of higher prices and lower reduced availability of washed Arabica's?**



# Import Data Suggests Focus on Alternatives

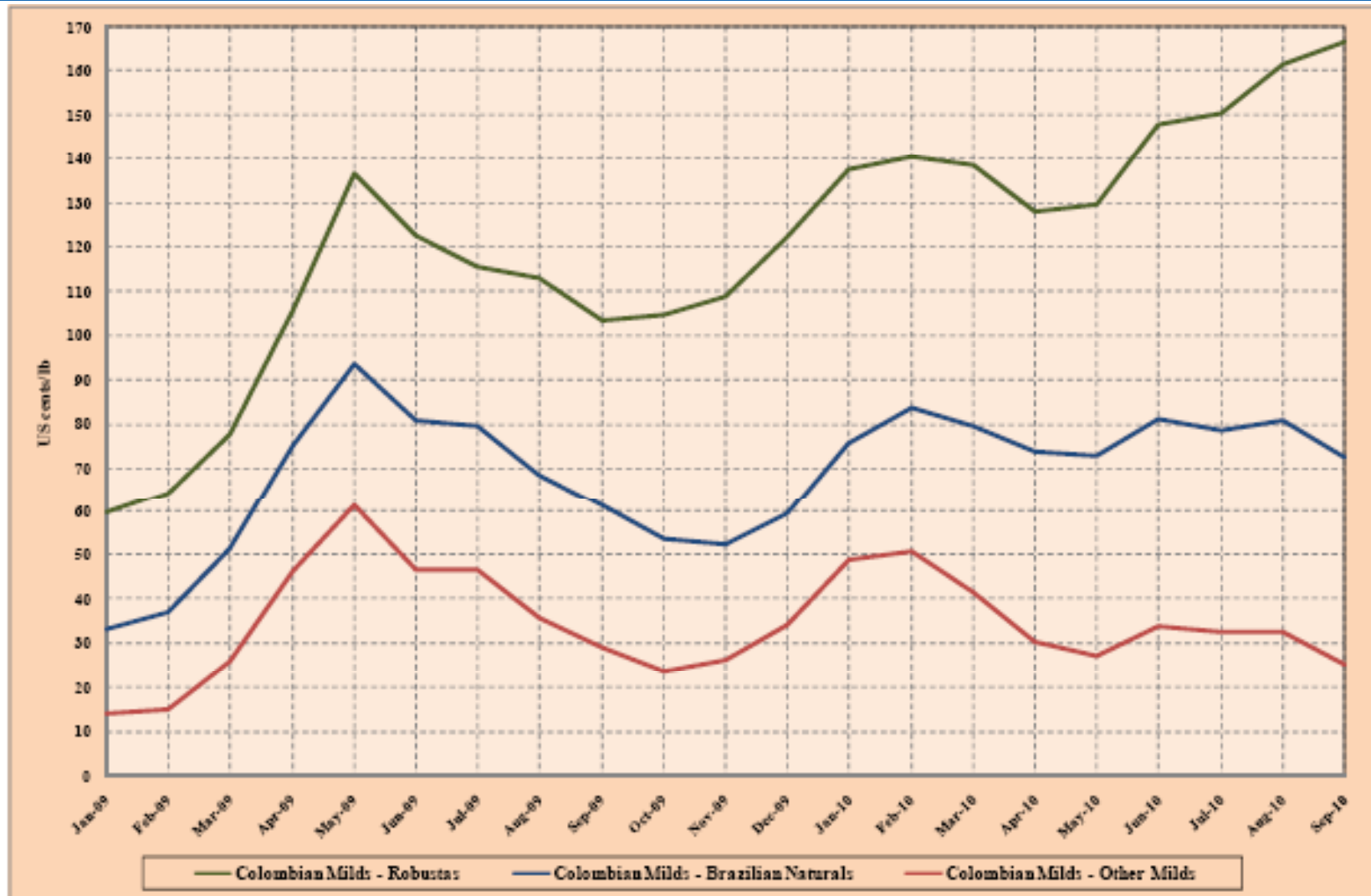
- With a current price difference of 30 to 40 cents per pound between Brazil Naturals and Washed Arabica's, expectations are for a demand to continue to increase in the Brazil Naturals and potentially Robusta's
- Brazil Washed Arabica's
- Vietnam Washed Arabica's
- China?

# Brazil Arabica Differentials

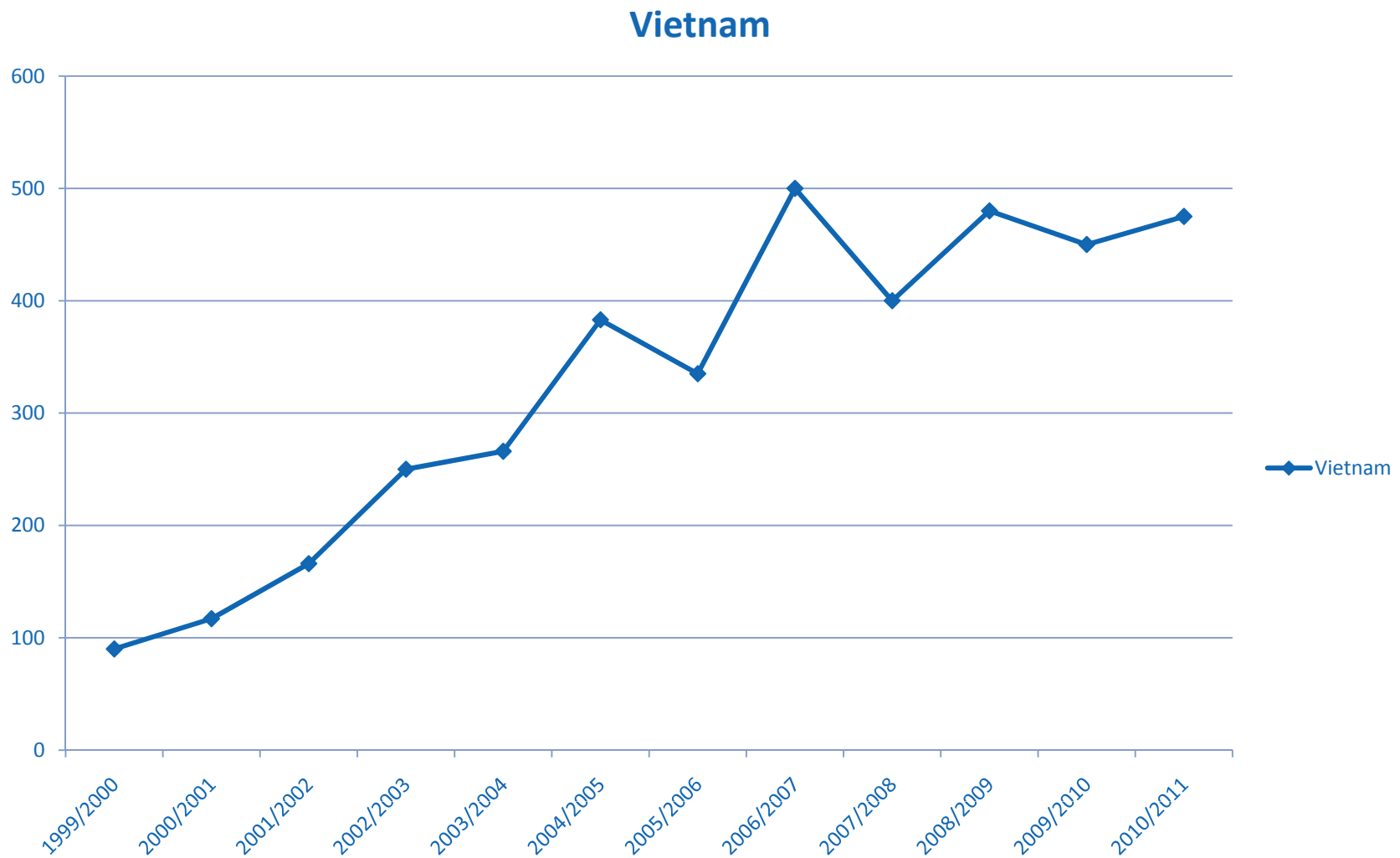


Courtesy of Newedge

# Differentials between Colombian Milds: Other Milds, Brazilian Naturals and Robustas - ICO



# Vietnam Arabica Production



# Conclusions

- Limited growth in Central America
  - Urbanization
  - Cost of production
- Blend development
  - Shift seen to naturals and Robusta's
- New origin opportunities
  - Shift seen to non-traditional washed coffees

# TATA GLOBAL BEVERAGES

