

January 24, 2015

Tata Coffee Limited announces results for Q3, FY 2014-15

Steady Growth in Revenues and Profits

Tata Coffee Limited announced its results for the third quarter ended December 31, 2014, this morning.

The Company reported an increase of 9% in its Consolidated Total Income from operations for the quarter compared to previous year, driven by improved performance in its value added Coffee business. The Company has registered an increase of 11% in its Consolidated Operating Profits for the quarter and an increase of 18% in its Consolidated Profit before Tax. The Company has also reported a substantial increase in its Group Consolidated Net Profit post minority interest for the nine months ended 31st December 2014. For the quarter, the Consolidated Operating Profits stood at Rs. 57 crores compared to Rs.52 crores for the corresponding quarter of previous year. For the nine months ended December 2014, the Group Consolidated Net Profit, post minority interest and share of profit from associates, stood at Rs. 81 Crores, compared to a profit of Rs. 65 Crores during the same period last year.

Quarter ended December 2014

CONSOLIDATED RESULTS:

- *Total Income for the quarter at Rs. 427 crores Vs 392 crores, an increase of 9%*
- *Profit from Operations for the quarter at Rs. 57 Crores Vs Rs. 52 Crores, an increase of 11%.*
- *Profit before Tax at Rs. 49 crores Vs 42 crores, an increase of 18%.*
- *Group Consolidated Net Profit at Rs. 18 crores Vs 38 crores, as the same quarter of the previous year had the favourable impact of an onetime tax reversal*

Nine Months ended December 2014

CONSOLIDATED RESULTS:

- *Group Consolidated Net Profit post Minority Interest and Share of Profit from Associates is at Rs. 81 Crores Vs Rs. 65 Crores.*

Standalone Results

Quarter ended December 2014

Net Profit for the period at Rs. 24 crores Vs 21 crores, an increase of 10%

Commentary on Financial Results

The primary reason for the above growth in profits was superior performance and results of the Company's US operating subsidiary, Eight O'Clock Coffee. The Eight O' Clock brand continues to gain momentum and the bagged coffee segment has shown improvement in its volumes during the quarter, compared to the corresponding quarter of previous year. In particular, the brand continued to strengthen its presence in the growing single serve segment. The total Income for the quarter, for Eight O' Clock Coffee, stood at USD 42 million compared to USD 37 million for the corresponding quarter of the previous year.

The sales and profit performance of the plantation business in India during the quarter and half year was impacted by lower production of coffee and pepper during the previous financial year 2013/14, which was an off-year in the biennial production cycle of both these crops. However, the standing crops of both coffee and pepper, the harvesting of which is currently in progress, appear to be encouraging.

The instant coffee/value added business of the Company reported good topline sales and volume growth, with revenues standing at Rs. 99 Crores for the quarter, compared to Rs. 83 Crores for the corresponding quarter of previous year, an increase of 18%. This growth in sales was driven primarily by higher sales of instant coffee to new geographies, including new varieties of instant coffee developed by the Company.

Sustainability

Tata Coffee is committed to the use of sustainable practices in various areas of plantations, including irrigation and water management. This focus has also now extended to the instant coffee operations, including significant use of wind power at the Theni manufacturing unit.

Commenting on the Company's performance, Mr. Hameed Huq, Managing Director, Tata Coffee Limited, said – "The Company's focus on value-addition and superior offerings continues to remain a key driver of our strategy. This, as well as the continued growth in sales of instant coffee, augurs well for the future. Our premium value propositions provide us good insulation from commodity price volatilities."

About TATA Coffee Limited

Tata Coffee is a subsidiary of Tata Global Beverages. It is Asia's largest integrated coffee company, the 3rd largest exporter of instant coffee and foremost producer of specialty coffee out of India. The Company produces more than 10,000 MT of shade grown Arabica and Robusta coffees at its 19 estates in South India and its two Instant Coffee manufacturing facilities have a combined installed capacity of 8400 Metric Tonnes. It exports green coffee to countries in Europe, Asia, Middle East and North America. Tata Coffee's farms are triple certified: Utz, Rainforest Alliance and SA8000 reinforcing its commitment to the people and the environment.

Press Contacts:

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