

media

PRESS RELEASES

Tata Coffee registers record profits and declares all-time high dividend as plantation and extraction record impressive performance for FY2011-12

- *Plantation and extraction register record profits for the quarter and financial year ended March 2012*
- *Board recommends all-time high dividend of 110 percent, amounting to Rs11 per share*

Tata Coffee, India's largest coffee producer and exporter, announced results for the quarter and financial year ended March 31, 2012, this afternoon.

Key highlights

Stand-alone results – FY2011-12

- Tata Coffee, as a stand-alone entity, registered record turnover and earnings during the financial year ended March 2012, aided by improved performance of its instant coffee division and continued growth logged in the plantations division.
 - The company registered record turnover, PBT and PAT for the year ended March 2012.
 - Total income y-o-y basis was up 27 percent at Rs509 crore.
 - PBT y-o-y basis was up 52 percent at Rs104 crore.
 - PAT y-o-y basis was up 43 percent at Rs79 crore.
 - The board recommended an all-time high dividend of 110 percent, amounting to Rs11 per share.
- The Instant Coffee Division has shown a dramatic turnaround as a result of the successful process-centric business transformation it undertook with a focus on consolidation and growth. Customer-focused approach, continued quality improvements, engaged workforce and the focus on a safe working environment have been propellers of the Instant Coffee Division's sustained excellence.
- The company's focus on the premium segment for speciality and certified coffees resulted in 28 percent increase in volumes sold, compared with the previous year. The company also targeted the US market for its Robusta coffee and saw a manifold increase in volumes. The triple certifications of Rainforest, UTZ and SA8000 helped the company capitalise on its focus on quality, people, environment and community by enabling its thrust into the premium market for differentiated coffees.
- Domestic coffee consumption has been growing steadily over the last several years driven by double-digit growth in the instant coffee category and out-of-home consumption. Tata Coffee is gearing up to supply coffee beans to cafes and the tie up with Starbucks will propel this growth in the coming years.
- The company has proactively put in place various climate change initiatives and green initiatives to reduce the carbon footprint. Coffee estate certification such as UTZ and Rainforest Alliance stand testimony to the company's green operational practices. Tata Coffee is a carbon sink of 1.6 lakh thousand tonnes carbon dioxide equivalent sequestered and is the largest carbon sink in the Tata group. This is primarily from the 1.1 million trees which are the shade for the coffee crops.
- As witness to its commitment of producing quality coffee, Tata Coffee won 12 awards at the Fine Cup Award cupping competition 2011 held in Maastricht, Netherlands.
- The FE-EVI Green Business Leadership Awards for 2010-11 was presented by APJ Abdul Kalam, former president of India, and Dr Farooq Abdullah, union minister, to Tata Coffee in the category of low-energy intensive sectors. Tata Coffee was recognised by the jury, which said, "As an excellent case where biodiversity conservation is done in a way that it becomes profitable for the environment, society as well as for the company. Introduction of new crops, better utilisation of waste for augmenting soil fertility, efforts to conserve fauna habitat and involvement of the local community have been the key aspects of the biodiversity conservation."

Key highlights Q4 – FY2011-12

- Increase in turnover by 33 percent over the corresponding quarter ended March 31, 2011.
- Net profit of the quarter ended March 31, 2012, increased by 110 percent over the corresponding quarter ended March 31, 2011.

Consolidated results – FY2011-12

- Eight O'Clock (EOC) coffee in the US continues to be the number one whole bean coffee brand in the grocery segment (Nielsen) and 4th in the overall branded segment. EOC has entered the fast growth single serve coffee segment in the US and this augurs well for the future.

Consolidated key highlights Q4 – FY2011-12

- Increase in turnover by 14 percent over the corresponding quarter ended March 31, 2011.
- Net profit of the quarter ended March 31, 2012, increased by 34 percent over the corresponding quarter ended March 31, 2011.

Commenting on the overall performance, Hameed Huq, managing director, Tata Coffee, said, "We are very happy with our performance for FY2011-12. Globally there has been a switch of consumers from national brands to private labels looking for high quality, tempting flavours brewed from the finest ingredients. We have been able to cater to the needs of such consumers timely with constant innovation of products and technology. We are also pleased to see a steady growth in our plantation business that has been a cornerstone of our success this year."