

media

PRESS RELEASES

Tata Coffee Limited announces results for Q3, FY 2015-16

Robust Growth in Revenues and Profits

Audio Link- Tata Coffee Ltd 3Q Result conference call on 28-Jan-16

Tata Coffee Limited announced its results for the third quarter and nine months ended December 31, 2015, this evening.

Standalone Results

Quarter ended December 15:-

The Company's Total Income from operations for the quarter reported an increase of 10% compared to the corresponding quarter of the previous year, driven by improved performance of both its Plantations business and Value Added segments of the business.

The Company's Operating Profits at Rs 28 Crores for the current Quarter vis a vis Rs 18 Crores for the corresponding quarter of the previous year, has registered an increase of 54% on higher profitability of its businesses. The current quarter's Profit before tax stood at Rs 24 Crores vis a vis Rs 33 Crores for the corresponding quarter of the previous year which included Dividend from its overseas subsidiary Consolidated Coffee Inc of Rs 16 Crores. Excluding the inter company dividend, the profit before tax for the current quarter is higher by 37%.

Nine-months ended December 15:-

The Company, for the nine months ended 31st December 2015, has reported an increase of 8% in its total Income from operations. The operating profits at Rs 81 Crores vis a vis Rs 62 Crores for the corresponding period of the previous year, has registered an increase of 31% driven by higher profitability across its businesses. The Profit before tax for the nine months period stood at Rs 80 Crores and excluding dividend received from the Overseas subsidiary of the previous year, has recorded an increase of 26% compared to the corresponding period of the previous year.

Consolidated Results

Quarter ended December 15:-

The Company also reported an increase of 8% in its Consolidated Total Income from operations for the quarter compared to the corresponding quarter of the previous year, driven by improved performance of both standalone and its overseas subsidiary Eight O'clock Coffee Company, held through Consolidated Coffee Inc. The Consolidated Operating Profits for the quarter at Rs.76 crores is substantially higher compared to the corresponding quarter of the previous year of Rs.57 Crores due to favourable impact of higher sales volumes as well as lower input costs. Consequently, the Consolidated Group Net Profit, post minority interest, for the Quarter is significantly higher by 66% at Rs.30 Crores compared to Rs. 18 Crores in the corresponding quarter of the previous year.

Nine-months ended December 15:-

For the nine months ended, the Consolidated Total Income has increased by 5% compared to the corresponding period of the previous year. The Group Consolidated Net Profit, post minority interest, stood at Rs. 83 crores compared to Rs.81 crores for the corresponding period of the previous year, an increase of 3%.

Quarter ended December 2015-Stand Alone

- Total Income for the quarter at Rs. 170 Crores Vs Rs. 154 Crores, an increase of 10%
- Profit from Operations for the quarter at Rs. 28 Crores Vs Rs. 18 Crores, an increase of 54%.
- Dividend from subsidiary Nil Vs Rs 16 Cr in Q3 PY
- Profit before Tax at Rs. 24 Crores Vs Rs. 33 Crores.
- Net Profit for the Quarter at Rs. 17 Crores Vs Rs. 24 Crores

Nine months ended December 2015-Stand Alone

- Total Income for the nine months period at Rs. 537 Crores Vs Rs.498 crores, an increase of 8%
- Profit from Operations for the nine months period at Rs. 81 Crores Vs Rs. 62 Crores, an increase of 31%.
- Dividend from subsidiary Nil Vs Rs 16 Cr in PY
- Profit before Tax at Rs. 80 Crores Vs Rs. 79 crores, an increase of 1%.
- Net Profit for the year is flat at Rs.57 Crores Vs Rs.58 Crores.

Quarter ended December 2015-Consolidated

- Total Income for the quarter at Rs. 459 Crores Vs Rs.427 crores, an increase of 8%
- Group Consolidated Net Profit at Rs. 30 crores Vs Rs. 18 crores, in increase of 66%.

Nine months ended December 2015-Consolidated

- Total Income for the year at Rs.1308 Crores Vs Rs.1241 Crores, an increase of 5%.
- Group Consolidated Net Profit at Rs. 83 crores Vs Rs. 81 Crore, an increase of 3%.

Commentary on Financial Results for Q3

Standalone Results

The primary reason for the growth in the Company's Profits from Operation was superior performance in the business driven by

increased sales volumes and margin in both the Plantations and value added segments.

The Instant Coffee/Value Added business of the Company reported robust topline sales and volume growth, with revenues for the quarter at Rs. 98 Crores, compared to Rs.92 Crores for the corresponding quarter of the previous year, an increase of 6%. For the nine months ended, the total Revenue for the Instant Coffee/Value Added segment was Rs. 286 Crores vis-à-vis Rs. 272 Crores for the corresponding period of the previous year. This growth in sales was driven primarily by higher sales of Instant Coffee in Core Markets and to new geographies, and favourable sales mix of value added products.

Consolidated Results

Consolidated Income from Operations for the current quarter at Rs. 459 crores has increased by 8% over the corresponding quarter of the previous year. The Company's overseas subsidiary, Eight O' Clock Coffee has reported a robust profit performance in the quarter compared to corresponding quarter of the previous year due to volume growth and commodity cost reduction. EOC commenced supply of new canned and instant products in September to Wal-Mart. EOC is also focusing on number of growth initiatives and on new product developments.

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 renewable energy (Wind and Solar) at the Theni manufacturing unit. The Instant Coffee factories also received the following awards during the quarter.

1. Toopran Instant Coffee Plant won 2nd Prize in Food Processing Category at the National Energy Conservation Awards.
2. Theni Instant Coffee Plant was awarded the CII-ITC Sustainability Award for Excellence in Sustainable Business.

Commenting on the Company's performance, Mr. Sanjiv Sarin, Managing Director, Tata Coffee Limited, said – "While the environment on Coffee continues to be uncertain, the Company's focus is on premium differentiated coffees, core Geographies and key customer relationships. We continuously explore new customer acquisition and product development to enhance our portfolio. This is to ensure sustained profitable growth and insulate us from commodity price volatilities."

About TATA Coffee Limited

Tata Coffee is a subsidiary of Tata Global Beverages Limited. It is Asia's largest integrated coffee company, the 3rd largest exporter of Instant Coffee and foremost producer of Specialty Coffee in 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.