

October 21, 2015

Tata Coffee Limited announces results for Q2, FY 2015-16

Robust Growth in Revenues and Profits

Tata Coffee Limited announced its results for the second quarter and six months ended September 30, 2015, this evening.

The Company reported an increase of 9% in its Total Income from operations for the quarter compared to the corresponding quarter of the previous year, driven by improved performance of both its Plantations business and Value Added segments.

The Company for the current Quarter has registered an increase of 40% in its Operating Profits on higher profitability in both its Plantations business and Value Added segment. The Company has also recorded an increase of 40% in its Profit before Tax and 25% increase in its Net Profit for the Quarter compared to the corresponding quarter of the previous year.

The Company, for the half-year ended 30th September 2015, has reported an increase of 7% in its total Income from operations compared to the corresponding period of the previous year. The Company for the half-year ended has registered an increase of 22% in its Operating Profits on higher profitability across its businesses. The Company has also recorded an increase of 21% in its Profit before Tax and 15% increase in its Net Profit for the half-year ended compared to the corresponding period of the previous year.

CONSOLIDATED RESULTS

Quarter ended September 15

The Company also reported an increase of 3% in its Consolidated Total Income from operations for the quarter compared to the corresponding quarter of the previous year, driven by improved performance in both its Plantations and Value Added segment. On account of high cost raw material inventory carried and used in the current quarter, and a write back of excess provisions made in the previous year's quarter in the Company's overseas subsidiary Eight O' Clock Coffee Company Inc (EOC), the Company for the current Quarter has registered a decrease in its Consolidated Operating Profits. Consequently, the Consolidated Group Net Profit, post minority interest, for the Quarter is lower compared to the corresponding quarter of the previous year.

Half Year ended September 15

For the half-year ended, the Consolidated Total Income has increased by 4% compared to the corresponding period of the previous year. On account of factors given above, the Group Consolidated Net Profit, post minority interest, stood at Rs. 53 crores compared to Rs.63 crores for the corresponding period of the previous year.

STANDALONE RESULTS:

Quarter ended September 2015

- *Total Income for the quarter at Rs. 192 Crores Vs Rs. 176 Crores, an increase of 9%*
- *Profit from Operations for the quarter at Rs. 26 Crores Vs Rs. 19 Crores, an increase of 40%.*
- *Profit before Tax at Rs. 27 Crores Vs Rs. 20 Crores, an increase of 40%.*
- *Net Profit for the Quarter at Rs. 19 Crores Vs Rs. 16 Crores, an increase of 25%*

Half-year ended September 2015

- *Total Income for the half-year at Rs. 367 Crores Vs Rs. 344 crores, an increase of 7%*
- *Profit from Operations for the half-year at Rs. 54 Crores Vs Rs. 44 Crores, an increase of 22%.*
- *Profit before Tax at Rs. 56 Crores Vs Rs. 46 crores, an increase of 21%.*
- *Net Profit for the year at Rs. 39 Crores Vs Rs.34 Crores, an increase of 15%*

CONSOLIDATED RESULTS:

Quarter ended September 2015

- *Total Income for the quarter at Rs. 453 Crores Vs Rs.440 crores, an increase of 3%*
- *Group Consolidated Net Profit at Rs. 28 crores Vs Rs. 32 crores.*

Half-year ended September 2015

- *Total Income for the year at Rs. 849 Crores Vs Rs. 815 Crores, an increase of 4%.*
- *Group Consolidated Net Profit at Rs. 53 crores Vs Rs. 63 Crores.*

Commentary on Financial Results for Q2

Standalone Results

The primary reason for the growth in Standalone profits was superior performance in the business driven by increased sale volumes of Pepper, Robusta and Instant Coffee.

The Instant Coffee/Value Added business of the Company reported good topline sales and volume growth, with revenues standing at Rs. 111 Crores for the quarter, compared to Rs. 100 Crores for the corresponding quarter of the previous year, an increase of 11%. For the half-year ended, the Total Revenue for the Instant Coffee/Value Added segment in India was Rs. 201 Crores vis-à-vis Rs. 191 Crores for the corresponding period of the previous year. This growth in sales was driven primarily by higher sales of Instant Coffee to new geographies, and favourable sales mix.

Consolidated Results

Consolidated Income from Operations for the current quarter at Rs. 453 crores increased by 3% over the corresponding quarter of the previous year. EOC saw spike in competitor activity and

successfully launched the win-in-store program with the launch of 'Whole Lotta Beans' to stimulate and grow the whole bean business. 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.

Commenting on the Company's performance, Mr. Sanjiv Sarin, Managing Director, Tata Coffee Limited, said – "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.