



25<sup>th</sup> January, 2018

1. The Dy. General Manager  
Corporate Relationship Dept.  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
**MUMBAI - 400 001**  
Scrip Code No: 532301
2. The Secretary  
National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C/1, G. Block  
Bandra-Kurla Complex  
Bandra (E)  
**MUMBAI – 400 051**  
Scrip symbol: TATACOFFEE

Dear Sir(s),

**Sub: Press Release – 25<sup>th</sup> January, 2018**

Please find enclosed a copy of the Press Release dated 25<sup>th</sup> January, 2018 issued by the Company in relation to the Financial Results for the quarter and nine-months ended 31<sup>st</sup> December, 2017.

Please take the same on record.

Thanking you,

For Tata Coffee Limited

**Anantha Murthy N**  
**Head – Legal & Company Secretary**

Encl: as above

**TATA COFFEE LIMITED**

57 Railway Parallel Road, Kumara Park West Bengaluru 560 020  
Tel: 91 80 23560695 -97 23561976 - 81  
Registered Office: Pollibetta 571 215 South Kodagu Karnataka India  
Corporate Identity Number (CIN) -L01131KA1943PLC000833  
Website address - [www.tatacoffee.com](http://www.tatacoffee.com)



January 25, 2018

## **Tata Coffee Limited announces results for Q3, FY 2017-18**

Tata Coffee Limited announced its results for the third quarter ended December 31, 2017, this evening.

### **Standalone Results:**

#### **Quarter ended December 2017-Stand Alone**

The Company's Total Income was at Rs. 179 Crores compared to Rs. 210 Crores of the corresponding quarter of the previous year, on lower sales volumes of Instant Coffee and lower realisation of plantation products due to soft Coffee terminals and Pepper market prices. Indian Rupee appreciation has also meant lower realization from exports.

The revenue from the Instant Coffee/Value Added business of the Company at Rs. 108 Crores is sequentially higher by 17% compared to the preceding quarter on increased sales volumes but lower to the corresponding quarter of the previous year. During the quarter the Company achieved significant sales breakthroughs in Africa region recording substantially higher volumes and healthy product mix in some new African markets. Sales to Russia were muted due to lower off takes by one of the key customers which we expect to be a timing issue. The company continued to garner new accounts in Russia which the management expects to grow. The operating profits were at Rs 14 crores compared to Rs. 13 Crores of the preceding quarter and Rs 24 Crores for the corresponding quarter of the previous year.

In the current Quarter, the Company has received dividend of Rs.8 Crores vis a vis Rs 17 Crores of the corresponding quarter of the previous year from its overseas subsidiary Consolidated Coffee Inc.

The Company's Standalone Profit before Tax for the current quarter is at Rs 16 Crores vis a vis Rs 47 Crores and Profit after tax is at Rs 10 Crores compared to Rs 35 crores for the corresponding quarter of the previous year.

#### **Nine months ended December 2017 –Standalone**

The Company reported a Total Income from for the nine months ended 31<sup>st</sup> December 2017 at Rs. 555 Crores compared to Rs. 630 Crores of the previous year, due to lower sale volume of its Instant Coffee business and lower sales volumes and realisations of its Plantation products.

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The revenues from value added business for the nine months ended 31<sup>st</sup> December 2017 is at Rs. 312 Crores compared to Rs. 355 Crores. The operating profits of Instant Coffee/Value Added business during the period registered a decrease over the previous year, primarily driven by lower sales volumes, and unfavourable exchange rate. The Plantations segment for the nine months ended 31<sup>st</sup> December 2017 reported revenue of Rs. 222 Crores compared to Rs. 242 Crores of the previous year. The operating profits were impacted due to soft terminals and lower production due to unfavourable climatic conditions and realisations of its plantation products. In the nine months period, the Company has received Dividend of Rs. 21 Crores vis a vis Rs. 34 Crores of previous nine months period from its overseas subsidiary Consolidated Coffee.

Based on the above, TCL's standalone Profit before Tax for the nine months ended 31<sup>st</sup> December 2017 is at Rs. 78 Crores vis-à-vis Rs. 126 Crores and Profit after Tax is at Rs. 59 Crores compared to Rs. 95 Crores of the previous year.

## **Consolidated Results**

### **Quarter ended December 2017-Consolidated**

The Company's Consolidated Total Income was at Rs. 381 Crores for the current quarter compared to Rs. 416 Crores for the corresponding quarter of the previous year, primarily on account of lower revenues in the Company's standalone operations.

In the Current Quarter, Eight O' Clock Coffee Company recorded a Total Income of \$ 32.55 Million compared to \$ 33.28 Million for the corresponding quarter of the previous year.

During the current quarter, there is a tax reversal of Rs. 53 Crores on account of reduction of US Federal Tax rates. Consequently, the Consolidated Group Net Profit, net of non-controlling interest, is higher at Rs. 43 Crores compared to Rs. 30 Crores in the corresponding quarter of the previous year an increase of 44%

### **Nine Months ended December 2017-Consolidated**

The Company's Consolidated Total Income stood at Rs. 1141 Crores for the nine months ended 31<sup>st</sup> December 2017 compared to Rs. 1221 Crores of the previous year. EOC has recorded a Total Income of \$ 94.16 Million for the nine months ended 31<sup>st</sup> December 2017 compared to \$ 93.28 Million of the previous year.

In the current quarter there is a tax reversal of Rs. 53 Crores in EOC on account of reduction in US Federal Tax rates.

The Consolidated Group Net Profit, post non-controlling interest, is at Rs. 100 Crores compared to Rs. 105 Crores of the previous year.

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### **Commentary**

Commenting on the Company's performance, Mr. Sanjiv Sarin, Managing Director, Tata Coffee Limited, said – "The environment faces headwinds and the results for the Quarter have been impacted due to soft commodity prices and lower sales volume of Instant Coffee in specific geographies. There is a sharp focus on cost and supply chain management. The company continues to focus on customer centricity, premiumisation and differentiation as its core themes. The Company continues its focus on growing its specialty and Monsooned coffee product offerings. While climate vagaries continue to cause concern, the company has invested substantially in improving its water harvesting capability, sound agronomy practices and creating a strong key account management team. The company has also been focusing on expanding sustainably produced Pepper crop and customer outreach.

The Vietnam Freeze dried Instant Coffee project is making satisfactory progress. We expect timely commissioning of this new 5,000 MT plant, which is being built to world-class standards.

### **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.

### **About TATA Coffee Limited**

Tata Coffee is a subsidiary of Tata Global Beverages Limited. It is Asia's largest integrated coffee company, the 2<sup>nd</sup> largest exporter of Instant Coffee and foremost producer of Specialty Coffee in India. The Company produces 8000- 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 MT. 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 SA 8000 reinforcing its commitment to the people and the environment. The Company is the largest producer of Pepper in India.



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