



**McLEOD RUSSEL INDIA LIMITED**  
**4, Mangoe Lane,**  
**Kolkata 700001**

**Information Update**

Coverage of this update :-

- Financial results for the quarter ended 30th June, 2011
- Company management's understanding on future outlook
- Phu Ben Tea Company, Vietnam
- McLeod Russel Uganda Limited, Uganda

Highlights for the Quarter ended 30 <sup>th</sup> June, 2011:-				
Sl.No.		2011-12	2010-11	
1.	Selling Price	Rs.152.56 per kg	Rs.139.97 per kg.	(+) Rs. 12.59
2.	Operating Profit	Rs. 39.60 Crores	Rs. 14.18 Crores	(+) 179 %
3.	Net Profit (Standalone)	Rs. 37.33 Crores	Rs. 18.85 Crores	(+) 98 %
4.	Sales Quantity	97 Lakh Kgs.	87 lakh kgs.	(+) 10 lakh kg
5.	Crop	222 lakh kgs.	177 lakh kgs.	(+)45 lakh kgs

**Review of Operations :-**

**➤ Sales & Prices:**

Consumption in India continue to grow at 2.5% - 3% annually. This together with production shortfall last year has created further shortfall in the pipeline stock in India and as a result prices opened higher by Rs. 10-15 per kg for the new season teas for the quality product. The prices for the first quarter remained at these elevated level as compared to same period last year. Tea prices for the Company was higher by Rs.12.59 per kg as compared to last year. Total sales volume was higher by 10 lakh kg as compared to same period last year.

Total Exports for the Company during the quarter was 1.5 million kgs against 1million kg last year.



### ➡ **Production :**

Production from own leaf was higher by 33 lakh kgs on good weather as compared to unfavorable weather last year. Production from bought leaf was higher by 12 lakh kgs.

### ➡ **Operating Result :**

Operating Earning Before Interest and Tax during the quarter is higher at 39.60 crores as against Rs.14.18 crores during the same quarter last year. This is mainly attributed to recovery of crop and higher prices. Staff cost has increased by Rs. 12 crores during the quarter on account of revision of wages in tea estates effective 1<sup>st</sup> April 2011 and revision of salaries for the executive staff. Consumption of Raw Material (cost of bought leaf) is higher by Rs.15 crores due to increase in volume and price of leaf.

## **OUTLOOK :**

### ● **Global Production :**

Dry weather conditions in Kenya and other African Countries during first four months of calendar year has affected the production. Tea production in these countries is estimated to be lower by 37 million kgs up to May.

### ● **Indian Production :**

Indian Production is estimated at 244 million kgs up to May against 235 million kgs last year. The major increase has come from North India which suffered last year due to pest attack. Indian Production for the full year may range between 980- 990 million kg.

### ● **Tea Prices & Costs :**

Lower inventory in India, production shortfall in Kenya and other African countries and strong consumption growth should have positive impact on prices during 2011. Tea prices in India are currently ruling higher by Rs. 10 to Rs.15 per kg as compared to same period last year. Increase in wages due to revision as per agreement and normal increase in other



input cost should get offset with revival of Production. Costs per kg are expected to increase marginally during the year.

● **Phu Ben Tea Company, Vietnam :**

During the six months ended 30<sup>th</sup> June 2011 Phu Ben achieved a total production of 1.44 million kgs of tea as against 1.42 million kgs for the same period last year. It is estimated to record EBDITA USD 0.3 million on a sales turnover USD 2.77 million

● **McLeod Russel Uganda Limited, Uganda :**

During the six months ended 30<sup>th</sup> June 2011 McLeod Russel Uganda has achieved a total production of 7.3 million kg as against 8.7 million kgs during same period last year. It is estimated to record EBIDTA of USD 5.4 million on a sales turnover USD 15 million with average of USD 1.96 per kg.

**Notes on this updates:**

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary ([a\\_guhasarkar@wmg.co.in](mailto:a_guhasarkar@wmg.co.in)).
2. MRIL may be contacted for any further clarification or information on telephone No. +91-33-2210-1221, 2243-5391, 2248-9434, 2248-9435; Fax No. +91-33-2248-8114, 2248-6265 and Email address: [administrator@wmg.co.in](mailto:administrator@wmg.co.in)
3. This update being issued after the Board of the Company at its meeting held on July 29, 2011 has taken on record the quarterly results for quarter ended 30<sup>th</sup> June, 2011.
4. Some forward-looking statements on projections, estimates or expectations are included in this update for better comprehension of the Company's prospects. Actual results may, however differ materially on account of several economic and market related factors not fully within the control of the Company.
5. This update is also available on the Company's website: [www.mcleodrusselindia.com](http://www.mcleodrusselindia.com). In view of this, information in this update is also available to the public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading Regulations), 1992.