



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the year ended 31st March, 2012
- Company management's understanding on future outlook
- McLeod Russel Middle East DMCC

Highlights for the year ended 31st March, 2012 **(Consolidated)**:-

Sl.No.		2011-12	2010-11	
1.	Revenue	Rs.1445.32 Cr.	Rs.1269.17 Cr.	(+) 14%
2.	EBIDTA (Operating)	Rs.389.38 Cr.	Rs.360.34 Cr.	(+) 8%
3.	Net Profit	Rs.287.92 Cr.	Rs.246.47 Cr.	(+) 17%
4.	Sales Quantity	1027 Lac Kg.	947 Lac kg.	(+) 80 Lac kg.
5.	Crop	1029 Lac kg.	963 Lac kg.	(+) 66 Lac kg.

Highlights for the year ended 31st March, 2012 **(Standalone)**:-

Sl.No.		2011-12	2010-11	
1.	Revenue	Rs.1237.83 Cr.	Rs.1101.11 Cr.	(+) 12%
2.	Selling Price	Rs.149.61 per kg	Rs.144.67 per kg	(+) Rs.4.94
3.	EBIDTA (Operating)	Rs.304.42 Cr.	Rs.309.25 Cr.	(-) 2%
4.	Net Profit	Rs.220.28 Cr.	Rs.232.23 Cr.	(-) 5%
5.	Sales Quantity	804 Lac Kg.	739 Lac kg.	(+) 65 Lac kg.
6.	Crop	793 Lac kg.	749 Lac kg.	(+) 44 Lac kg.



Review of Operations :-

➡ Sales & Prices:

India

Indian Production was higher at 988 Million during 2011 as compared to 967 Million kg during 2010 due to ideal weather conditions till October. However, the Tea season closed earlier than usual due to dry and cool weather during November and December. Exports was lower by 8 Million Kg. during 2011 on lower demand of Orthodox Tea from Iran. Strong consumption growth, low inventory and normal production had helped maintaining the prices during the year. The tea prices for the Company for the year have gone up by Rs.5 per kg over last year. The total sales volume during the year is higher by 65 Lac kg. Total Exports for the Company during the year was 24 Million kg at Rs.170 per kg against 21 Million kgs at Rs.156 per kg last year. Tea Prices in the domestic market was, however, similar to last year.

Uganda

McLeod Russel Uganda Limited (MRUL) has sold and exported 16 million kg at an average price of USD 1.95 per kg (2010-USD 1.84 per kg) and achieved turnover of USD 31 millions in the second year of operation under McLeod Russel Group. Prices were higher by 6% as compared to last year.

Vietnam

Phu Ben Tea Company, Vietnam has sold and exported 4.9 million kg of Tea at an average price of USD 1.74 per kg as against 4.7 million kg at USD 1.70 per kg.



Rwanda

Borelli Tea Holdings Limited, took over management control of Gisovu Tea Company on 23rd February 2011 in terms of the decision of Government of Rwanda to sell 60% shares of Gisovu to Borelli.

Gisovu tea Company Limited, Rwanda has sold and exported 1.5 million kg of Tea at an average price of USD 3.39 per kg in the first year of operation under management of McLeod Russel Group.

➡ Production :

India

Production from own leaf was higher by 14 Lac kg. The increase in Production by 50 Lac kg up to October was offset by lower production in the months of November, December and March owing to dry weather. Production by bought leaf was higher by 30 Lac kg.

Uganda

MRUL have achieved a record production of 16.3 million kg during the year 2011 as compared to 16.8 million kg last year due to dry weather conditions up to March.

Vietnam

Tea Production at Phu Ben during 2011 was higher at 5.4 million kg as against 4.6 million kg last year. Increase is mainly out of newly acquired factory Van Linh.

Rwanda

Gisovu Tea Company Limited produced 1.9 million kg of record production since taking over control of the Company effective 23rd February 2011. Gisovu was awarded the Best Tea Estate in Africa for the year.



► Operating Result :

Operating Earnings Before Interest Depreciation and Tax (EBIDTA) is highest ever at Rs.385 Cr as against Rs.362 Cr last year on consolidated basis. The increase in EBIDTA was mainly due to improved operation in Uganda and consolidation of Gisovu tea Company, Rwanda.

India

Operating EBIDTA on standalone basis was lower at Rs.304 Cr against Rs.309 Cr even the prices were higher by Rs. 5 per kg due to substantial increase in costs. Costs per kg were higher by Rs. 8 per kg mainly on account of midterm revision of wages in Assam effective 1st January 2012 (additional impact Rs. 2 per kg) increase in fuel cost (additional impact Rs. 1 per kg), irrigation and fertilizer costs due to dry weather from November to March (additional impact Rs.2 per kg).

Uganda

Operating EBIDTA for McLeod Russel Uganda Limited was higher at Rs. 55 Cr as against Rs. 45 Cr due to higher prices and stable costs. Net Profit of MRUL also had a positive impact due to zero Taxation and refund of tax for the earlier years.

Vietnam

Operating EBIDTA for Phu Ben Tea Company was at Rs. 4 Cr similar to previous year.

Rwanda

In the first year of Operation under McLeod Russel management Gisovu Tea Company Limited had Operating EBIDTA of Rs. 13 Cr on total Sales of Rs. 26 Cr with 50% operating margin.



OUTLOOK :

● Global Production :

Dry weather conditions across all Black tea producing countries has affected the production during the first three months of the current year. Global Black Tea production is estimated to be lower by 35 million kg up to March. Kenya and India lost 12 million kg each of production up to March as compared to same period last year.

● Indian Production :

Indian Production was 988 M kg for 2011 against 967 M kg in 2010. However, production in India is expected to be lower during the current year based on current weather conditions. Indian production may range between 975 – 985 M kg. for 2012.

● Tea Prices & Costs :

Lower inventory in India, production shortfall in major tea producing countries in the first three months and strong consumption growth should have positive impact on prices during 2012. Tea prices in India are currently ruling higher by Rs. 30 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 and loss of crop during April will have its impact on costs. Costs per kg are expected to increase by Rs. 8 per kg on assumption of normal production during rest of the year.

McLeod Russel Middle East DMCC :

Borelli has set up a wholly owned subsidiary in Dubai by the name McLeod Russel Middle East DMCC which was granted the requisite license on 9th May, 2011. The Company is carrying blending operation of teas from various origins for value addition.



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).
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
3. This update being issued after the Board of the Company at its meeting held on May 28, 2012 has taken on record the financial results for year ended 31st March, 2012.
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. 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.