



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter and half year ended 30th September, 2011
- Company management's understanding on future outlook
- Phu Ben Tea Company, Vietnam
- McLeod Russel Uganda Limited, Uganda
- Gisovu Tea Company, Rwanda

Highlights for the half year ended 30 th September, 2011 :-				
Sl.No.		2011-12	2010-11	
1.	Selling Price	Rs.156.23 per kg *	Rs.148.50 per kg.	(+) Rs. 7.73
2.	Operating Profit	Rs.268.35 Crores	Rs.217.59 Crores	(+) 23%
3.	Net Profit (Standalone)	Rs.260.56 Crores	Rs.219.86 Crores	(+) 19%
4.	Sales Quantity	358 Lakh Kgs.	326 lakh kgs.	(+)32 lakh kg.
5.	Crop	589 lakh kgs.	506 lakh kgs.	(+)83 lakh kgs

Highlights for the quarter ended 30 th September, 2011 :-				
Sl.No.		2011-12	2010-11	
1.	Selling Price	Rs.157.58 per kg *	Rs.151.60 per kg.	(+) Rs. 5.98
2.	Operating Profit	Rs.228.75 Crores	Rs.203.41 Crores	(+) 12%
3.	Net Profit (Standalone)	Rs.223.23 Crores	Rs.201.01 Crores	(+) 11%
4.	Sales Quantity	262 Lakh Kgs.	239 lakh kgs.	(+) 23 lakh kg
5.	Crop	368 lakh kgs.	329 lakh kgs.	(+) 39 lakh kg

* Without considering the Mark to Market loss of Rs. 7 crores on forward booking of foreign exchange against exports to be completed in 3rd and 4th quarter.

Review of Operations :-

➤ Sales & Prices:

Production shortfall last year in North India coupled with strong consumption growth In India created further shortfall in the pipeline stock



at the beginning of the year. This resulted in strong opening prices for the new season teas. However, Tea prices came off from its peak on the backdrop of strong production during last two months. Tea prices for the Company was higher by Rs.7.73 per kg as compared to last year. Total Sales Volume was higher by 32 lakh kgs as compared to same period last year.

Total Exports for the Company during the half year was higher by 1.1 Million kgs at 10 million kgs.

► **Production :**

Production from own leaf was higher by 50 lakh kgs on ideal weather during the peak season as compared to unfavorable weather last year. Production from bought leaf was higher by 32 lakh kgs.

► **Operating Result :**

Operating Earning Before Interest and Tax for the half year is higher at Rs. 268.35 crores as against Rs.217.59 crores during the same period last year. This is mainly attributed on higher crop and higher price realization. Staff cost has increased by Rs. 23 crores during half year on account of revision of wages in tea estates effective 1st April 2011 and revision of salaries for executive staff. Consumption of Raw Material (cost of bought leaf) is higher by Rs.27 crores due to increase in volume. A provision of Rs. 7 crores has been made under Sales for the mark to market loss on forward booking of foreign exchange against exports to be completed in 3rd and 4th quarter.

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 till September.



● **Indian Production :**

Indian Production is estimated at record 619 million kgs from January to August as compared to 585 Million Kgs last year. The increase has come from plantation in North India due to ideal weather conditions during the peak season. Indian production for the year 2011 may range between 995 – 1000 M kgs.

● **Tea Prices & Costs :**

Lower opening inventory in India and higher production in India on favorable weather condition and strong consumption growth has stabilized the domestic prices after strong price trend upto June. Export prices for CTC teas are higher by Rs. 10 per kg due to Production shortfall in Kenya and Other African Countries. We expect this trend to continue for the rest of the season.

Increase in wages due to revision as per agreement, increase in fuel cost due to increased prices and normal increase in other costs should get offset with higher production. Costs per kg are expected to increase marginally during the year.

● **Phu Ben Tea Company, Vietnam :**

During the nine months ended 30th September 2011 Phu Ben achieved a total production of 4 million kgs of tea as against 3.6 million kgs for the same period last year. The Company recorded EBDITA USD 0.9 million on a sales turnover USD 6 million with average of USD 1.80 per kg.

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

During the nine months ended 30th September 2011 McLeod Russel Uganda achieved a total production of 11.8 million kgs of tea as against 12.6 million kgs for the same period last year. The Company recorded EBIDTA USD 8 million on a sales turnover USD 21 million with average of USD 1.96 per kg.



● **Gisovu Tea Company, Rwanda :**

During the nine months ended 30th September 2011 Gisovu Tea Company achieved a total production of 1.3 million kgs of tea. The Company recorded EBIDTA USD 2.2 million on a sales turnover USD 3.5 million with average of USD 3.51 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).
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 November 01, 2011 has taken on record the quarterly results for quarter ended 30th September, 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. 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.