



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter and nine months ended 31st December, 2012
- Company management's understanding on future outlook
- Phu Ben Tea Company Limited, Vietnam
- McLeod Russel Uganda Limited, Uganda
- Gisovu Tea Company Limited, Rwanda

Highlights for the **nine months** ended 31st December, 2012 :-

		2012-13	2011-12	
1.	Selling Price	Rs.175.95 per kg	Rs.155.02 per kg.	(+) Rs.20.93
2.	Operating Profit	Rs.379.17 Crores	Rs.387.29 Crores	(-) 2%
3.	Net Profit (Standalone)	Rs.372.77 Crores	Rs.377.67 Crores	(-) 1%
4.	Sales Quantity	577 lakh Kg	614 lakh kg	(-)37 lakh kg
5.	Crop	768 lakh kg	786 lakh kg	(-)18 lakh kg

Highlights for the **quarter** ended 31st December, 2012 :-

		2012-13	2011-12	
1.	Selling Price	Rs.173.90 per kg	Rs.153.31 per kg.	(+) Rs.20.59
2.	Operating Profit	Rs.128.34 Crores	Rs.122.65 Crores	(+) 5%
3.	Net Profit (Standalone)	Rs.123.15 Crores	Rs.117.11 Crores	(+) 5%
4.	Sales Quantity	249 Lakh Kg	256 lakh kg	(-) 7 lakh kg
5.	Crop	220 lakh kg	197 lakh kg	(+)23 lakh kg

Review of Operations :-

➤ **Production :**

Dry weather conditions during January to May across major black tea producing countries and excessive rains during July and September in North India had negative impact on production up to October. However,



there had been some recovery in November. Global shortfall during the period is estimated to be in excess of 40 million kg as compared to same period last year. Indian production is estimated to be lower by 5 million kg. **Production figures have been released by Tea Board up to November. The production figures have been revised upward for both the current year and the previous year. It has been reported that Tea Board is likely to revise upward export figures for previous years. However, this will not change our understanding of shortage at the inventory level.**

Production from own leaf for the Company is lower by 7.1 million kg whereas production from bought leaf is higher by 5.3 million kg during nine months ending 31st December.

➡ **Sales & Prices:**

Lower production during the period due to unfavorable weather conditions both in India and Africa had positive impact on prices. Tea prices for nine months are higher by Rs.21 per kg as compared to last year. Sales quantity, however, is lower by 3.7 million kg.

➡ **Operating Result :**

Operating Earning Before Interest and Tax for nine months is marginally lower at Rs. 379 crores as against Rs.387 crores during the same period last year. This is mainly attributed to loss of crop, increase in Wage cost on account of revision of wages effective 1st January 2012 and increase in Power and Fuel cost. Consumption of Raw Material (cost of bought leaf) is higher by Rs.81 crores due to increase in volume and price. **An additional provision of Rs. 5 crores has been made during quarter ended 31st December 2012 for Staff Salary at the Tea Estates after an agreement effective 1st April 2012 with the Union.**

OUTLOOK :

● **Global Production :**

Dry weather conditions in Kenya and other African Countries during first four months of calendar year 2012 has affected the production. Tea



production in these countries is estimated to be lower by 20 million kgs till November.

● **Indian Production :**

Indian Production is estimated to be lower by 5 million kg as compared to last year up to November after Revision by Tea Board.

● **Tea Prices & Costs :**

Lower opening inventory in India and lower production in India on unfavorable weather condition and strong consumption growth has taken the domestic prices higher by Rs.20-25 per kg. Further drop in production during October should continue to support strong prices during rest of the financial year. Export prices for CTC teas are higher by Rs. 22 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 loss of own crop will have adverse impact on costs. Costs per kg are expected to increase by Rs.19 per kg during the year.

● **Phu Ben Tea Company Limited, Vietnam :**

During the year ended 31st December, 2012 Phu Ben(Estimates) achieved a total production of 5.9 million kg of tea as against 5.4 million kg for the same period last year. The Company recorded EBIDTA USD 1.65 million on a sales turnover USD 11 million with average of USD 1.95 (USD 1.75 last year) per kg as against EBIDTA of USD 0.8 million last year.

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

During the year ended 31st December, 2012 McLeod Russel Uganda achieved (Estimates) a total production of 15.6 million kg of tea as against 16.2 million kg for the same period last year. The Company recorded EBIDTA of USD 10.3 million on a sales turnover USD 32 million



with average of USD 2.06 (USD 1.94 last year) per kg as against EBIDTA of USD 11.8 million last year.

● Gisovu Tea Company Limited, Rwanda :

During the year ended 31st December, 2012 Gisovu Tea Company (estimates) achieved a total production of 2.3 million kg of tea as against 1.9 million kg last year. The Company recorded EBIDTA USD 3.5 million on a sales turnover USD 8 million with average of USD 3.68 (USD 3.40 last year) per kg as against EBIDTA of USD 3 million last year.

Summary of Overseas Operations :

During the year ended 31st December, 2012 Overseas operations of Vietnam, Uganda and Rwanda achieved a total Production of 23.8 million kg as against 23.5 million kg last year recording a total EBIDTA of USD 15.4 million against EBIDTA of USD 15.6 million last year.



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 25th January, 2013 has taken on record the quarterly results for quarter ended 31st December, 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.