



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter ended 30th June, 2012 (Standalone)
- 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 Quarter ended 30 th June, 2012: -				
Sl.No.		2012-13	2011-12	
1.	Selling Price	Rs.180.90 per kg	Rs.150.43 per kg.	(+) Rs. 30.47
2.	Operating Profit	Rs. 15.26 Crores	Rs. 37.77 Crores	(-) 60 %
3.	Net Profit (Standalone)	Rs. 19.31 Crores	Rs. 37.33 Crores	(-) 48 %
4.	Sales Quantity	79 Lakh Kgs.	97 lakh kgs.	(-) 18 lakh kg
5.	Crop	210 lakh kgs.	222 lakh kgs.	(-)12 lakh kgs

Review of Operations :-

➤ Production :

Dry weather condition during January to April across main black tea production countries including India affected tea production till May. Global shortfall during this period is estimated to be 60 million kg as compared to last year. Indian production is estimated to be lower by 28 million kg. Production from own leaf for the Company is lower by 27 lakh kg on unfavorable weather conditions. Production from bought leaf was, however, higher by 15 lakh kg.



➡ Sales & Prices:

Lower production during the period due to unfavorable weather conditions both in India and Africa had positive impact on prices. Prices during the period are higher by Rs. 30 per kg at Rs. 181 per kg as compared to Rs. 151 per kg last year. Sales quantity, however, was lower by 18 lakh kg due to lower production.

First quarter for tea plantation Company is not significant as it sales only 10% of the annual production during the quarter. The major benefit for the price increase reflects during 2nd and 3rd quarter.

➡ Operating Result :

Operating Earning before Interest and Tax during the quarter is lower at 15.26 crores as against Rs.37.77 crores during the same quarter last year. This is mainly attributed to loss of crop, higher wages and higher power and fuel cost. Staff cost has increased by Rs. 13 crores during the quarter on account of revision of wages in tea estates effective 1st January 2012. Consumption of Raw Material (cost of bought leaf) is higher by Rs.20 crores due to increase in volume and price of leaf.

OUTLOOK :

● Global Production :

Dry weather conditions in Kenya and other African Countries during first five months of calendar year has affected the production. Tea production in these countries is estimated to be lower by 33 million kgs up to May. We expect further shortfall in production up to July as weather conditions continue to be difficult.

● Indian Production :

Indian Production is estimated at 216 million kgs up to May against 244 million kgs last year. Indian Production for the full year may range between 960- 965 million kg.



● **Tea Prices & Costs :**

Lower inventory and production in India, production shortfall in Kenya and other African countries and strong consumption growth should have positive impact on prices during 2012. Tea prices in India are currently ruling higher by Rs. 25 to Rs.30 per kg as compared to same period last year. Cost during the year is expected to increase by approx. Rs. 14 per kg due to crop loss, increase in wages as per agreement and normal increase in other input cost.

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

During the six months ended 30th June 2012 Phu Ben achieved a total production of 1.58 million kgs of tea as against 1.44 million kgs for the same period last year. It is estimated to record EBDITA USD 0.2 million on a sales turnover USD 4.49 million.

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

During the six months ended 30th June 2012 McLeod Russel Uganda has achieved a total production of 6.8 million kg as against 7.3 million kgs during same period last year. It is estimated to record EBIDTA of USD 4 million on a sales turnover USD 14 million with average of USD 1.96 per kg.

● **Gisovu Tea Company Limited, Rwanda :**

During the six months ended 30th June 2012 Gisovu Tea Company Limited has achieved a total production of 1.2 million kg as against 0.8 million kgs during same period last year. It is estimated to record EBIDTA of USD 2.9 million on a sales turnover USD 4.2 million with average of USD 3.49 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 July 27, 2012 has taken on record the quarterly results for quarter ended 30th June, 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.