



McLEOD RUSSEL
Believe in tea

McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the year ended 31st March, 2013
- Company management's understanding on future outlook

Highlights for the year ended 31st March, 2013 **(Consolidated)**:-

| Sl.No. | | 2012-13 | 2011-12 | |
|--------|--------------------|----------------|----------------|---------------|
| 1. | Revenue | Rs.1668.55 Cr. | Rs.1445.32 Cr. | (+) 15% |
| 2. | EBIDTA (Operating) | Rs.381.22 Cr. | Rs.389.38 Cr. | (-) 2% |
| 3. | Net Profit | Rs.273.93 Cr. | Rs.287.92Cr. | (-) 5% |
| 4. | Sales Quantity | 1020 Lac Kg. | 1027 Lac kg. | (-) 7 Lac kg. |
| 5. | Crop | 1020 Lac kg. | 1029 Lac kg. | (-) 9 Lac kg. |

Highlights for the year ended 31st March, 2013 **(Standalone)**:-

| Sl.No. | | 2012-13 | 2011-12 | |
|--------|--------------------|------------------|------------------|----------------|
| 1. | Revenue | Rs.1378.02 Cr. | Rs.1237.83 Cr. | (+) 11% |
| 2. | Selling Price | Rs.171.27 per kg | Rs.149.61 per kg | (+) Rs.21.66 |
| 3. | EBIDTA (Operating) | Rs.292.36 Cr. | Rs.304.42 Cr. | (-) 4% |
| 4. | Net Profit | Rs.225.70 Cr. | Rs.220.28 Cr. | (+) 2% |
| 5. | Sales Quantity | 781 Lac Kg. | 804 Lac kg. | (-) 23 Lac kg. |
| 6. | Crop | 782 Lac kg. | 793 Lac kg. | (-) 11 Lac kg. |

Review of Operations :-

➤ Sales & Prices:

India

Indian Production was lower at 1111 Million Kg (revised) during 2012 as compared to revised figure of 1115 Million kg during 2011 due to unfavorable weather conditions in Assam during peak production months. Exports were lower by 14 Million Kg. during 2012 on lower production and lower demand of Orthodox Tea from Iran. Strong consumption growth, low inventory and lower production had positive impact on prices during the year. The tea prices for the Company for the year have gone up by Rs.22 per kg over last year. The total sales volume during the year is lower by 23 Lac kg. Total Exports for the Company during the year was 25 Million kg at Rs.191 per kg against 24 Million kg at Rs.170 per kg last year. Tea Prices in the domestic market was also higher by Rs.21 per kg as compared to last year.

Uganda

McLeod Russel Uganda Limited (MRUL) has sold and exported 15.5 million kg at an average price of USD 2.06 per kg (2011-USD 1.95 per kg) and achieved turnover of USD 32 millions. Prices were higher by 5% as compared to last year.

Vietnam

Phu Ben Tea Company, Vietnam has sold and exported 6.2 million kg of Tea at an average price of USD 1.96 per kg as against 4.9 million kg at USD 1.74 per kg last year.

Rwanda

Gisovu Tea Company Limited, Rwanda has sold and exported 2.2 million kg of Tea at an average price of USD 3.68 per kg as against 1.5 million kg at an average price of USD 3.39per kg.

➡ **Production :**

India

Production from own leaf was lower by 6.6 million kg due to unprecedented weather conditions during major part of the year. Production by bought leaf, however, was higher by 5.5 million kg.

Uganda

MRUL have achieved a total production of 15.6 million kg during the year 2012 as compared to 16.3 million kg last year due to dry weather conditions up to March.

Vietnam

Tea Production at Phu Ben during 2012 was higher at 5.9 million kg as against 5.4 million kg last year. Increase is mainly out of newly acquired factory Van Linh.

Rwanda

Gisovu Tea Company Limited produced record 2.3 million kg as against 1.9 million kg last year.

➡ **Operating Result :**

Operating Earnings Before Interest Depreciation and Tax (EBIDTA) is lower at Rs.381 Cr as against Rs.389 Cr last year on consolidated basis. The decrease in EBIDTA was mainly due to loss of production in India and Uganda and higher costs.

India

Operating EBIDTA on standalone basis was lower at Rs.292 Cr against Rs.304 Cr even though the prices were higher by Rs. 22 per kg. The impact of price increase got negated due to substantial loss of own crop, increase in wages as per the agreement, increase in cost of Power & Fuel and revision of staff salary. Costs per kg were higher by Rs. 22 per kg.

Uganda

Operating EBIDTA for McLeod Russel Uganda Limited was similar at Rs.55 Cr. Net profit was Rs.50 Cr as against Rs.68 Cr (last year included tax credit of Rs.19 Cr).

Vietnam

Operating EBIDTA for Phu Ben Tea Company was higher at Rs.9 Cr as against Rs. 4 Cr last year. This had been possible on higher production and higher prices.

Rwanda

Gisovu Tea Company Limited had Operating EBIDTA of Rs. 20 Cr as against Rs. 13 Cr last year.

OUTLOOK :

● **Global Production :**

Normal weather condition across all black tea producing countries as compared to dry weather last year, has improved production during 1st quarter of calendar year 2013. Tea production in these countries is estimated to be higher by 45 million kg up to March. Overall, depending on the weather conditions for rest of the year, production, globally is estimated to be at normal levels of 2010.

● **Indian Production :**

Indian Production was 1111 M kg for 2012 against 1115 M kg in 2011. Production in India during the calendar year 2013 is expected to recover to 2011 normal levels.

● Tea Prices & Costs :

Significantly lower inventory in India and strong consumption growth, but recovery in production during 2013 should stabilize the prices during 2013-14. However, prices of better quality teas and Orthodox teas are expected to improve over last year both in domestic and global markets. Teas prices are currently ruling lower by Rs.5 to Rs.10 per kg as compared to same period last year. However, the trend is likely to reverse as we enter the quality period.

Increase of 6% in wage cost as per the agreement, normal increase in input costs and recovery of crop would have positive impact on the cost during current financial year. Costs per kg are expected to be lower as compared to 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 May 27, 2013 has taken on record the financial results for year ended 31st March, 2013.
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.