



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, 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 **half year** ended 30th September, 2012 :-

		2012-13	2011-12	
1.	Selling Price	Rs.177.51 per kg	Rs.156.30 per kg.	(+) Rs.21.21
2.	Operating Profit	Rs.250.83 Crores	Rs.264.64 Crores	(-) 5%
3.	Net Profit (Standalone)	Rs.249.62 Crores	Rs.260.56 Crores	(-) 4%
4.	Sales Quantity	328 lakh Kg	358 lakh kg	(-)30 lakh kg
5.	Crop	548 lakh kg	589 lakh kg	(-)41 lakh kg

Highlights for the **quarter** ended 30th September, 2012 :-

		2012-13	2011-12	
1.	Selling Price	Rs.176.44 per kg	Rs.158.39 per kg.	(+) Rs.18.05
2.	Operating Profit	Rs.235.57 Crores	Rs.226.87 Crores	(+) 4%
3.	Net Profit (Standalone)	Rs.230.31 Crores	Rs.223.23 Crores	(+) 3%
4.	Sales Quantity	249 Lakh Kg	262 lakh kg	(-) 13 lakh kg
5.	Crop	338 lakh kg	368 lakh kg	(-) 30 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. Global shortfall during the



period is estimated to be in excess of 60 million kg as compared to same period last year. Indian production is estimated to be lower by 25-30 million kg. **Production figures have been released by Tea Board only up to July, it has been reported that Tea Board is likely to revise upward Production and export figures for last several years. However, this will not change our understanding of shortage at the inventory level.**

Production from own leaf for the Company is lower by 6.7 million kg whereas production from bought leaf is higher by 2.6 million kg during six months ending 30th September.

➡ **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 six months are higher by Rs.21 per kg as compared to last year. Sales quantity, however, is lower by 3 million kg in line with loss of crop.

➡ **Operating Result :**

Operating Earning Before Interest and Tax for the half year is lower at Rs. 251 crores as against Rs.265 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.46 crores due to increase in volume and price.

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 30 million kgs till September.



● **Indian Production :**

Indian Production is estimated to be lower by 25-30 million kg as compared to last year up to September. Weather conditions continue to be difficult during October as well which is likely to increase the shortfall further.

● **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 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.18 per kg during the year.

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

During the nine months ended 30th September 2012 Phu Ben achieved a total production of 4.3 million kg of tea as against 3.9 million kg for the same period last year. The Company recorded EBDITA USD 0.7 million on a sales turnover USD 6.8 million with average of USD 1.86 per kg.

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

During the nine months ended 30th September 2012 McLeod Russel Uganda achieved a total production of 10.8 million kg of tea as against 11.5 million kg for the same period last year. The Company recorded EBIDTA USD 7 million on a sales turnover USD 23 million with average of USD 2.01 per kg.



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

During the nine months ended 30th September 2012 Gisovu Tea Company achieved a total production of 1.7 million kg of tea. The Company recorded EBIDTA USD 3.75 million on a sales turnover USD 6.35 million with average of USD 3.53 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 30th October, 2012 has taken on record the quarterly results for quarter ended 30th September, 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.