



**McLEOD RUSSEL INDIA LIMITED**  
**4, Mangoe Lane,**  
**Kolkata 700001**

**Information Update**

Coverage of this update :-

- Financial results for the quarter ended 30th June, 2013
- 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 <sup>th</sup> June, 2013:- (Standalone)				
Sl.No.		2013-14	2012-13	
1.	Selling Price	Rs.175.93 per kg	Rs.180.90 per kg.	(-) Rs. 4.97
2.	Operating Profit *	Rs. 35.52 Crores	Rs. 25.45 Crores	(+) 40 %
3.	Net Profit	Rs. 26.21 Crores	Rs. 19.31 Crores	(+) 36 %
4.	Sales Quantity	99 Lakh Kg.	79 lakh kg.	(+) 20 lakh kg
5.	Production	240 lakh kg.	210 lakh kg.	(+) 30 lakh kg

- Excludes Loss mark to market on Foreign Exchange Rs 13.80 Crores (Last year – Rs.10.19 Crores)

**Review of Operations :-**

**➤ Production :**

Favorable weather condition across main black tea production countries particularly in African region as compared to dry weather last year, has improved production by approx. 70 million kg for the period from January to May. Indian Production is higher by 10 million kg up to May. Production for the Company is higher by 0.7 million kg from own leaf and higher by 2.3 million kg from small growers' leaf.



### ➤ **Sales & Prices:**

Higher production in the African region on much favorable weather condition and reduced buying by Egypt had negative impact on prices in Mombasa auctions. The prices up to June for African teas are lower by 10% as compared to record prices last year. However, prices in India are stable due to strong consumption growth and lower inventory. Prices at North Indian auctions were lower by Rs.8 per kg. Tea prices for the Company was lower by Rs.5 per kg as compared to last year. Sales quantity, however, was higher by 20 lakh kg due to higher production.

### ➤ **Operating Result :**

Operating Earning Before Interest and Tax during the quarter is higher at 21.72 crores as against Rs.15.26 crores during the same quarter last year. This is mainly attributed to higher crop. Staff cost has increased by Rs. 10 crores during the quarter on account of revision of wages in tea estates effective 1<sup>st</sup> January 2013. Consumption of Raw Material (cost of small growers' leaf) is higher by Rs.24 crores due to increase in volume.

## **OUTLOOK :**

### ● **Global Production :**

Normal weather conditions across all black tea producing countries as compared to dry weather last year, has improved the production during the period January to May. Tea production in these countries is estimated to be higher by 70 million kg. We expect similar production as last year for the rest of the year. However, current weather conditions are not ideal and has turned very dry.

### ● **Indian Production :**

Indian Production is estimated at 259 million kg up to May against 249 million kg last year. Indian Production for the full year may range between 1120-1125 million kg.



#### ● **Tea Prices & Costs :**

Lower inventory and strong consumption growth but recovery in production during 2013 should stabilize the prices during 2013-14. However, tea prices for better quality teas and orthodox teas are expected to improve over last year both in domestic and global markets. Tea prices ruled lower by Rs.7 per kg in India Auctions. The trend has reversed and currently the prices are marginally higher than last year.

Cost during the year is expected to be similar to lower with normal increase in wages and input costs and recovery of crop.

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

During the six months ended 30<sup>th</sup> June 2013 Phu Ben achieved a total production of 2.19 million kg of tea as against 1.58 million kg for the same period last year. Average prices for the period was USD 1.95 per kg against USD 1.78 per kg last year. It is estimated to record EBDITA USD 0.5 million as against USD 0.2 million last year.

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

During the six months ended 30<sup>th</sup> June 2013 McLeod Russel Uganda has achieved a total production of 8.9 million kg as against 6.8 million kg during same period last year. Average prices for the period was USD 2.06 per kg against USD 1.96 per kg last year. It is estimated to record EBDITA USD 6.2 million as against USD 4 million last year.

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

During the six months ended 30<sup>th</sup> June 2013 Gisovu Tea Company Limited has achieved a total production of 1.25 million kg as against 1.22 million kg during same period last year. Average prices for the period was USD 3.68 per kg against USD 3.49 per kg last year. It is estimated to record EBDITA USD 1.9 million as against USD 2.3 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](mailto: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](mailto:administrator@wmg.co.in)
3. This update being issued after the Board of the Company at its meeting held on July 26, 2013 has taken on record the quarterly results for quarter ended 30<sup>th</sup> June, 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](http://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.