



MCLEOD RUSSEL  
*Believe in tea*

30<sup>th</sup> October 2013

The Secretary  
Bombay Stock Exchange Ltd  
P.J. Towers, 25<sup>th</sup> Floor  
Dalal Street,  
MUMBAI -400 001  
Scrip Code:532654

The Secretary  
National Stock Exchange  
of India, Listing Dept.  
Exchange Plaza, 5<sup>th</sup> Fl.  
Plot No.C/1, G-Block  
Bandra-Kurla Complex  
Bandra (E)  
MUMBAI - 400 051  
Scrip Code:MCLEODRUSS

The Secretary  
The Calcutta Stock  
Exchange Association Ltd  
7, Lyons Range  
KOLKATA 700001  
Scrip Code:10023930

Dear Sir,

**Sub : McLeod Russel – Information Update**

We send herewith an Information Update on the Company for the quarter ended 30<sup>th</sup> September 2013 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results of the Company for the quarter ended 30<sup>th</sup> September 2013 have already been sent to the Stock Exchanges.

Please acknowledge receipt.

Yours faithfully,  
**MCLEOD RUSSEL INDIA LIMITED**

**(A. GUHA SARKAR)**  
**VICE PRESIDENT & COMPANY SECRETARY**

Encl : as above.

*Registered Office :*

**MCLEOD RUSSEL INDIA LIMITED**

FOUR MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001  
TELEPHONE : 033-2210-1221, 2248-9434 / 35, FAX : 91-33-2248-8114 / 6265  
Website : [www.mcleodrussel.com](http://www.mcleodrussel.com)



**A Williamson Magor Group Enterprise**

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

**Information Update**

Coverage of this update :-

- Financial results for the quarter and half year ended 30<sup>th</sup> September, 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 **half year** ended 30<sup>th</sup> September, 2013 :-

		2013-14	2012-13	
1.	Selling Price	Rs.174.24 per kg	Rs.177.51 per kg.	(-) Rs.3.27
2.	Operating Profit *	Rs.289.73 Crores	Rs.251.83 Crores	(+) 15%
3.	Net Profit (Standalone)	Rs.271.70 Crores	Rs.249.62 Crores	(+) 9%
4.	Sales Quantity	381 lakh Kg	328 lakh kg	(+)53 lakh kg
5.	Crop	632 lakh kg	548 lakh kg	(+)84 lakh kg

\*Excludes **loss** on Mark to Market on foreign Currency Rs 14.23 Crores (last year **loss** of Rs. 1.00 Crores)

Highlights for the **quarter** ended 30<sup>th</sup> September, 2013 :-

		2013-14	2012-13	
1.	Selling Price	Rs.173.65 per kg	Rs.176.44 per kg.	(-) Rs.2.79
2.	Operating Profit *	Rs.255.58 Crores	Rs.227.37 Crores	(+) 12%
3.	Net Profit (Standalone)	Rs.245.49 Crores	Rs.230.31 Crores	(+) 7%
4.	Sales Quantity	282 Lakh Kg	249 lakh kg	(+) 33 lakh kg
5.	Crop	392 lakh kg	338 lakh kg	(+) 54 lakh kg

\*Excludes **Loss** on Mark to market on foreign exchange Rs.1.6 Crores (last year **Gain** Rs.8.40 Crores).

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## **Review of Operations :-**

### **➡ Production :**

Favorable weather conditions across main tea producing countries particularly in Africa and North India as compared to dry weather last year, has improved production by record 100 million kg for the period from January to August. Indian Production is higher by 40 million kg up to August. Production by Company is higher by 3.6 million from own leaf and by another 4.7 million kg from small growers' leaf for the period April to September.

### **➡ Sales & Prices:**

Higher production in the African region on much improved weather conditions and reduced buying by Egypt, tea prices are lower by 15% at African auctions particularly for Kenyan teas. However, price for Ugandan teas are marginally lower as compared to last year. Prices in India are stable despite recovery of crop due to strong consumption growth and low inventory. Prices at North Indian auctions are lower by Rs.3 per kg. Tea price for the Company are lower by Rs.3 per kg for the period April to September as compared to same period last year. Sales quantity was higher by 53 lac kg.

Company exported 8.1 million kg at Rs.206 per kg as compared to 8.6 million kg at Rs.196 per kg last year.

### **➡ Operating Result :**

Operating Earning Before Mark to Market Loss on Foreign Exchange, Interest and Tax for the half year is higher at record level of Rs.290 crores as compared to Rs.252 during the same period last year. This is mainly attributed to higher production both from own and small growers' leaf, stable prices and marginal increase in costs. Employee expenses are higher by Rs.29 crores on account of revision of wages with effect from 1<sup>st</sup> January 2013. Cost of Materials (cost of green leaf from small growers) is higher by Rs.40 Crores on higher volume. However, cost per kg of green leaf is lower in line with lower sales prices. Cost of Power and fuel has gone up by Rs.21 crores due to higher production and increase in prices of coal and diesel.

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## **OUTLOOK :**

### **② Global Production :**

Normal weather conditions across all black tea producing countries as compared to dry weather last year has improved production during January to August. Global black tea production is higher by 100 million kg till august. We expect tea production to be similar to last year for the rest of the year.

### **② Indian Production :**

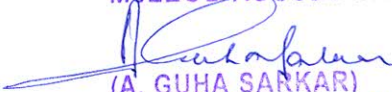
Indian Production is estimated to be at 704 million kg as compared to 663 million kg last year during the period January to August. The major increase of 25 million has come from Dooars region in West Bengal.

### **② Indian Tea Prices & Costs :**

Strong consumption growth, lower inventory but higher production on better weather conditions has stabilized the prices in India after 15% increase in prices last year. However, better quality teas and Orthodox teas are expected to improve both in domestic and export market. We expect tea prices for our own quality tea to fetch higher prices as compared to last year. However, prices for teas manufactured out of small growers' leaf is expected to reduce marginally in line with reduction in prices of leaf.

Cost per kg during the year is expected to be similar to last year despite increase in Wages and Power and Fuel cost due to increase in production.

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

During the nine months ended 30<sup>th</sup> September 2013 Phu Ben achieved a total production of 5.3 million kg of tea as against 4.3 million kg for the same period last year. The Company recorded EBDITA USD 1.3 million on a sales turnover USD 7.1 million with average of USD 1.97 per kg as against EBIDTA of USD 0.7 million on a sales turnover of USD 6.8 million with sales average of USD 1.86 per kg during the same period last year.

© **McLeod Russel Uganda Limited, Uganda :**

During the nine months ended 30<sup>th</sup> September 2013 McLeod Russel Uganda achieved a total production of 11.9 million kg of tea as against 10.8 million kg for the same period last year. The Company recorded EBIDTA USD 7.1 million on a sales turnover USD 25 million with average of USD 1.94 per kg as against EBIDTA of USD 6.9 million on a sales turnover of USD 23 million with sales average of USD 2.01 per kg during the same period last year.

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

During the nine months ended 30<sup>th</sup> September 2013 Gisovu Tea Company achieved a total production of 1.5 million kg of tea as against 1.7 million kg during the same period last year. The Company recorded EBIDTA USD 2.7 million on a sales turnover USD 6.32 million with average of USD 3.51 per kg as against EBIDTA of USD 3.1 million on a sales turnover of USD 6.35 million with sales average of USD 3.53 per kg.

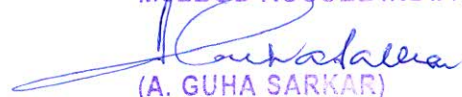
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**Notes on this updates:**

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary ([a\\_guhasarkar@wmq.co.in](mailto:a_guhasarkar@wmq.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@wmq.co.in](mailto:administrator@wmq.co.in)
3. This update being issued after the Board of the Company at its meeting held on 30<sup>th</sup> October, 2013 has taken on record the quarterly results for quarter ended 30<sup>th</sup> September, 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.

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