



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter ended 30th June, 2014
- 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, 2014:- (Standalone)				
Sl.No.		2014-15	2013-14	
1.	Selling Price	Rs.176.89 per kg	Rs.175.93 per kg.	(+) Rs.0.96
2.	Operating Profit (Loss)	Rs. (39.39) Crores	Rs. 21.72 Crores	
3.	Net Profit (Loss)	Rs. (32.00) Crores	Rs. 26.21 Crores	
4.	Sales Quantity	56 Lakh Kg.	99 lakh kg.	(-) 43 lakh kg
5.	Production	178 lakh kg.	240 lakh kg.	(-) 62 lakh kg

Review of Operations :-

➤ **Production :**

Indian Production up to May is lower by 30 million kg as compared to last year due to very dry weather conditions up to May. Tea Production in African region has been maintained at last year. Tea production for the Company is substantially lower by 6.2 million kg including lower production by 2.6 million kg out of small grower's leaf.

➤ **Sales & Prices:**

Normal production in the African region on favorable weather condition and carry forward teas from the last season had negative impact on prices in Mombasa auctions. The prices up to June for African teas are lower by 15% as compared to last year. However, prices in India currently are higher by Rs.20 per kg due to substantial loss of crop up to

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VICE PRESIDENT & COMPANY SECRETARY



May and lower inventory. Tea prices for the Company is higher by Re 1 per kg for the quarter as compared to last year. Increase in prices for the new season teas will reflect from second quarter onwards as first quarter has mainly accounted for sales of previous season teas. Sales quantity is lower by 43 lakh kg due to lower production.

➔ **Operating Result :**

The Company has posted Operating Loss of Rs.39 crores against Operating profit of 21.72 Crores last year. This is mainly attributed to substantial loss of production by 6.2 million kg during the quarter. Sales are lower by 43% on lower volume by 43 lakh kg. Staff cost has increased by Rs. 8 crores during the quarter on account of revision of wages in tea estates effective 1st January 2014. Consumption of Raw Material (cost of small growers' leaf) is lower by Rs.21 crores due to decrease in volume.

OUTLOOK :

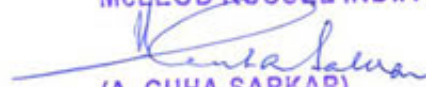
● **Global Production :**

Normal weather conditions in the African region, has maintained the production during the period January to May. Tea production in these countries is estimated to be lower by 5 million kg. We expect similar production as last year for the rest of the year.

Indian Production :

Indian Production is estimated to be lower by 30 million as compared to last year due to extreme dry conditions up to May. Indian Production for the full year may range between 1150-1160 million kg as compared to 1200 million kg last year.

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● **Tea Prices & Costs :**

Tea prices in African region have been lower by 15 % up to June due to carry forward teas from the record production last year. However, the prices are likely to improve during the second half of the year as demand grows from Middle East and Pakistan.

Tea prices in India are higher by Rs.20 per kg at Auctions due to loss of crop up to May, and strong consumption growth. Tea Prices are expected to remain firm for the rest of the season in India.

Cost during the year is expected to be higher by 5% in absolute terms due increase in wages and input costs.

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

During the six months ended 30th June 2014 Phu Ben achieved a total production of 1.7 million kg of tea as against 2.19 million kg for the same period last year. Average prices for the period was USD 1.80 per kg against USD 1.95 per kg last year. It is estimated to record EBDITA USD -0.2 million as against USD 0.4 million last year.

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

During the six months ended 30th June 2014 McLeod Russel Uganda has achieved a total production of 7.9 million kg as against 8.9 million kg during same period last year. Average prices for the period was USD 1.72 per kg against USD 2.01 per kg last year. It is estimated to record EBDITA USD 1.4 million as against USD 6.2 million last year.

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

During the six months ended 30th June 2014 Gisovu Tea Company Limited has achieved a total production of 1.10 million kg as against 1.25 million kg during same period last year. Average prices for the period was USD 2.98 per kg against USD 3.51 per kg last year. It is estimated to record EBDITA USD 0.9 million as against USD 2.0 million last year.

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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@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 23, 2014 has taken on record the quarterly results for quarter ended 30th June, 2014.
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.

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